



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

Stock Code: 2211

EVERGREEN STEEL CORPORATION

2024 Annual General Shareholders' Meeting

Meeting Handbook

May 27, 2024

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2024 ANNUAL GENERAL 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

2024 Annual General Shareholders' Meeting

Type of Meeting: Physical Meeting

Meeting Time: 9:00 AM on May 27 (Monday), 2024

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 2023 (Handbook pages 5-10).

B. Audit Committee's Review Report of the year 2023 (Handbook page 32).

C. 2023 Compensation of Employees and Directors Report:

The Board of Directors appropriated NT\$20,450,000 as Employees' Compensation in cash and NT\$6,494,521 as Directors' Compensation pursuant to the Articles of Incorporation.

D. 2023 Directors' Remuneration Report (Handbook page 33-34).

IV. Ratification and Discussion Items

Proposed by the Board of Directors

Proposal 1: Ratification of the 2023 Business Report and Audited Financial Report (Handbook pages 5-30). Please ratify.

Description: The 2023 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 2023 earnings distribution (Handbook page 31). Please ratify.

Description:

1. The Company is planning to distribute cash dividend NT\$6.5 per share. The total amount of cash dividends shall be NT\$2,711,094,510. 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. 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:

Proposed by the Board of Directors

Proposal 3: Proposal to amend the “Rules and Procedures of Shareholders’ Meeting” (Handbook pages 35-48). Please discuss.

Description: Highlights of amendments are as follows:

1. As the Company may convene shareholders’ meetings via video conferencing in accordance with the Articles of

Incorporation, it is proposed to add Articles 2-1 and 15-1, and amend Articles 3, 4, 9, 12, 17, and 18 to stipulate the procedures and relevant regulations for convening shareholders' meeting via video conferencing.

2. Articles 2, 5, and 15 are proposed to amend to align with the practical operations of shareholders' meeting.

Resolution:

Proposed by the Board of Directors

Proposal 4: Proposal to amend the “Regulations for Electing Directors” (Handbook pages 49-54). Please discuss.

Description: Highlights of amendments are as follows:

1. It is proposed to add Paragraph 1 of Article 4 to stipulate that the number of directors required to be elected at a shareholders' meeting shall be determined by the Board of Directors or the person legally having the right to convene the shareholders' meeting in accordance with the Articles of Incorporation.
2. It is proposed to add Paragraph 2 of Article 5 to stipulate that if a Shareholders' Meeting is convened by the person legally having the right to convene the shareholders' meeting, other than the Board of Directors, the vote may be prepared by such person.
3. To comply with the Company adopting the candidate nomination system for the election of directors, it is proposed to amend Paragraph 1 of Article 6 regarding the way to fill in the vote and Article 7 regarding situations of the vote being ineffective.
4. As the Company's shareholders' meetings may be held with video conferencing in accordance with the Articles of Incorporation, it is proposed to add the relevant Articles for video conferencing, such as Paragraph 3 of Article 4, Paragraph 2 of Article 6 and Paragraph 2 of Article 8 among

others.

5. Text Revisions of Article 3, Paragraph 1 of Article 5, and Article 9.

Resolution:

V. Extraordinary Motion.

VI. Meeting Adjournment.

Evergreen Steel Corporation

Business Report of the year 2023

I. Business Performance in 2023

The Company's 2023 performance was impacted by inflation, the government's real estate market policy, a declining economy, and other factors. Conversely, thanks to development projects for large office buildings and logistics facilities, orders for steel structures grew compared to 2022. Fulfillment of some steel structure orders was delayed due to a labor shortage in the construction industry. However, net profit still increased compared to 2022, thanks to the continuous delivery of steel structures with higher profit margins and the recognition of additional orders from construction projects. Concerning the environmental protection business, Ever Ecove Corporation has completed testing of its heat-treatment facilities and obtained a commercial operation license. Following is an overview of the Company's business areas:

1. Steel Structure Business Division

In 2023, orders received amounted to 160,000 tons, an increase of 37% over 2022 (public construction accounted for 12%, high-rise construction accounted for 54%, and factory construction accounted for 34%). Revenue for 2023 declined due to a poor economy and deliveries affected by delays in construction projects. However, the Company did exceed its profit goal by fulfilling orders with high margins, recognizing additional orders from construction projects, and cost controls by various departments.

Steel structure products sold in 2023 totaled about 97,000 tons, down 25.68% from 2022, while operating revenue reached NT\$8,011.4 million, down 9.55% from 2022.

2. Container Department

The operating revenue for 2023 was NT\$181.14 million, down 0.78% from 2022. In May 2023, phase 1 of Terminal 7 at Kaohsiung Port was inaugurated and the container repair/washing facility originally at Terminal 5 has been relocated to Terminal 7.

3. Environment Protection Business

- (1) Hsin Yung Enterprise Corporation: operating revenue for 2023 was NT\$995.67 million, a decrease of 16.35% from 2022, because incinerator 1 has been offline for maintenance since October 2023, leaving only incinerator 2 running. On top of this, electrical failures due to 20-year-old equipment resulted in more hours of unscheduled inspection/repairs. Power generation from the gas turbines was affected, which in turn reduced waste processing and power generation compared to 2022.
- (2) Super Max Engineering Enterprise Co., Ltd.: operating revenue for 2023 was NT\$677.55 million, a decrease of 4.01% from 2022, due to easing of the pandemic, which led to a reduced volume of medical waste, meanwhile new treatment facilities continue to be built by competitors, resulting in market pressures and lower waste unit treatment price.
- (3) Ever Ecove Corporation: operating revenue for 2023 was NT\$1,225.11 million, a growth of 143.23% from 2022. The company already received commercial operation permit from the Taoyuan City Government on December 29, 2023 except the anaerobic digestion system. It completed the performance test of its anaerobic digestion system in Q1 of 2024.

II. Budget Execution

The Group's forecasted consolidated revenue for 2023 was NT\$15,845.77 million; the actual revenue was NT\$11,090.53 million. The achievement rate was 69.99%. The forecasted EBT was NT\$3,663.43 million. Actual EBT was NT\$4,857.96 million. The achievement rate was 132.61%.

III. Financial Revenue and Profit Analysis

1. Revenue

The Group's consolidated revenue for 2023 was NT\$11,090.53 million, a year-on-year decrease of NT\$348.62 million, or 3.05%, mainly due to the decrease in the number of tons of steel structures recognized for revenue. The operating cost was NT\$7,194.82 million, a year-on-year decrease of NT\$1,291.58 million. Other net income was NT\$1,522.81

million, a year-on-year increase of NT\$463.89 million over 2022, mainly due to the increase in dividend income. EAT was NT\$4,313.81 million, a year-on-year increase of NT\$1,224.64 million.

2. Profit Analysis

The year 2023's return on assets was 12.86%; return on equity was 16.41%; net profit margin was 38.90%; and earnings per share was NT\$8.80.

IV. Research and Development

1. Steel Structure Business

- (1) The Company worked with external suppliers to explore options to reuse its waste and jointly proposed the idea to use submerged arc welding slag (industrial waste from the manufacture of steel structures) as an additive and applied for a permit for a single project for CLSM (Controlled Low Strength Materials). The trial plan passed its review in August 2023 and the Company is expecting to obtain the permit for this single project in the second half of 2024.
- (2) Improved efficiency by replacing old cranes. Due to the sheer number of old cranes that need to be replaced, they will be replaced in batches over several years. In 2023, the Company replaced 16 cranes and will continue to do so annually after 2024.
- (3) 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. R&D result passed review by the National Science and Technology Council in 2022. In 2023, the collaboration project was granted a subsidy from the National Science and Technology Council and completed the establishment of a welding parameter database.
- (4) To better manage the component manufacturing process, the Company is actively promoting the scanning of stamped

component numbers to keep track of inventory items (through the Company's manufacturing management system) and improve efficiency.

- (5) The box line at the Hsinying Factory has been improved with new cover plate assembly machines to improve efficiency and reduce labor costs.
- (6) The BH line at the Hsinying Factory has been improved. In 2024, the Company will replace the old horizontal BH section steel erection machines, and add S/P groove cutters and NC drillers to improve manufacturing quality and efficiency and reduce labor costs.
- (7) The Company improved the environment for the coating area and coating pollution prevention measures at the Hsinying Factory, which has enhanced the quality of painting, optimized the painting process, and reduced the impact of volatile organic compounds on the environment. The Company already completed a review of this improvement project and is expecting to outsource the design of a building in the coating area in 2024.

2. Environmental Protection Business

Super Max Engineering Enterprise Co., Ltd.:

- (1) Fly ash water-washing facility began operation in 2023. 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.
- (2) The new incinerator at the company's Guanyin Factory is expecting to conduct trial burns in June 2024 and officially begin operation in the second half of the year, increasing the plant's capacity and revenue.

V. Corporate Sustainability Strategies

The Company promotes sustainability, fulfills its corporate social responsibilities and enhances corporate governance. The Company embraces the Evergreen Group's business motto of "challenge, innovation and teamwork" in the ESG field, and is dedicated to achieving its sustainability goals.

1. Achieving and promoting corporate governance

- (1) To deepen the Company's sustainability governance, a Sustainability Committee was established under the board's supervision. The committee is responsible for the formulation, review and oversight of the Company's sustainability-related policies, strategies and management system and keeps the board updated.
- (2) The Company's 2022 Sustainability Report was compiled with an independent assurance statement from a third-party verification institute and uploaded to the Market Observation Post System and the Company's official website.
- (3) The Company continues to follow climate change and risk management issues and has completed the 2023 TCFD report in compliance with the TCFD structure. The report has been uploaded to the Company's official website.
- (4) To further our sustainability efforts, 51 of the Company's main suppliers/contractors signed supplier/contractor corporate sustainability commitments in 2023, totaling 194 in 3 years.
- (5) To effectively manage and protect the Company's intellectual properties, Intellectual Property Management Policy and an Intellectual Property Management Plan have been formulated, with their implementation reported to the board annually.

2. Environmental Sustainability Strategies

- (1) In response to greenhouse gas emission concerns, the Company established its GHG Inventory Task Force and submits its progress to the Sustainability Committee, as well as the board. The Company already completed its 2022 GHG inventory and report, which was verified by a third-party verifier approved by the Ministry of Environment.
- (2) To gradually meet its 2050 carbon neutrality goal and formulate carbon reduction pathways, the Company installed solar PV facilities (1999.56 kW) on buildings A, B and C at the Hsinying Factory in 2023. There are also plans to add solar PV facilities (547 kW) on buildings D and E. Energy-inefficient equipment will gradually be replaced and LED lighting will be installed in offices.

- (3) The Company has promoted green procurement for environmental protection and obtained a Green Procurement Business Excellence Award from the Tainan City Government in 2023.
- (4) To ensure proper waste treatment and management, the Company established a dedicated EHS task force, which will, along with EHS staff, convene an environmental protection meeting monthly and conduct irregular patrols. The Company has also hired professional environmental protection consultants whose responsibility includes improving the operational environment at various plants and promoting environmental awareness.
- (5) Goals include improving waste separation and recycling, transforming more industrial waste into resources, boosting the effectiveness of environmental facilities, and enhancing waste disposal efficiency to meet legal requirements.
- (6) Company cars have been replaced with hybrid counterparts to decrease emissions associated with employee movements.

VI. Charity Works and Social Care Projects

The Company actively encourages its workers to participate in a wide array of charity work. In 2023, it earmarked approximately NT\$3.36 million in the form of scholarships and meal subsidies for students with outstanding skills from low-income households, sponsorships for field trips by schools in remote areas, sponsorships for the tour of the environmental education theater, meals for disadvantaged groups, and sponsorships for Evergreen Symphony Orchestra concerts. The Company also worked with civic groups to organize environmental protection activities for our employees, such as riverbank and beach cleanups.

The Company has fulfilled its social responsibility through ongoing social care, aiming to contribute to a peaceful society. It has effectively managed its efforts in environmental, social, and governance domains to enhance its corporate sustainability.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,020,667	9	\$ 1,556,034	5
Financial assets at amortized cost - current	3,291,045	9	3,329,082	11
Contract assets - current	2,729,598	8	3,134,531	10
Notes receivable, net	41,617	-	98,124	-
Trade receivables, net	823,456	2	1,101,350	3
Trade receivables from related parties, net	31,772	-	31,520	-
Other receivables	39,942	-	29,621	-
Current tax assets	22,830	-	-	-
Inventories	3,929,699	11	3,096,562	10
Other current assets	95,113	-	37,720	-
Total current assets	<u>14,025,739</u>	<u>39</u>	<u>12,414,544</u>	<u>39</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	11,090,592	31	10,287,438	32
Financial assets at amortized cost - non-current	400,036	1	48,726	-
Investments accounted for using equity method	167,910	1	175,944	1
Property, plant and equipment	3,923,775	11	3,389,378	11
Right-of-use assets	30,304	-	48,983	-
Investment properties	98,804	-	100,805	-
Intangible assets	5,559,032	16	4,959,787	16
Deferred tax assets	113,666	-	68,397	-
Refundable deposits	12,313	-	14,489	-
Net defined benefit assets - non-current	66,220	-	62,444	-
Other non-current assets	453,116	1	219,610	1
Total non-current assets	<u>21,915,768</u>	<u>61</u>	<u>19,376,001</u>	<u>61</u>
TOTAL	<u>\$ 35,941,507</u>	<u>100</u>	<u>\$ 31,790,545</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current	\$ 1,833,977	5	\$ 1,050,122	3
Notes payable, net	259,254	1	268,080	1
Trade payables, net	1,211,378	4	1,195,535	4
Other payables	1,047,803	3	730,860	2
Current tax liabilities	424,347	1	184,369	1
Provisions - current	84,396	-	71,737	-
Lease liabilities - current	16,980	-	24,903	-
Current portion of long-term borrowings	-	-	150,000	1
Other current liabilities	36,659	-	34,702	-
Total current liabilities	<u>4,914,794</u>	<u>14</u>	<u>3,710,308</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	2,830,000	8	3,165,824	10
Provisions - non-current	113,685	1	-	-
Deferred tax liabilities	83,801	-	83,046	-
Lease liabilities - non-current	9,462	-	20,798	-
Net defined benefit liabilities - non-current	8,006	-	7,244	-
Guarantee deposits received	81,213	-	24,393	-
Other non-current liabilities	79,513	-	26,008	-
Total non-current liabilities	<u>3,205,680</u>	<u>9</u>	<u>3,327,313</u>	<u>10</u>
Total liabilities	<u>8,120,474</u>	<u>23</u>	<u>7,037,621</u>	<u>22</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	4,170,915	11	4,170,915	13
Capital surplus	1,319,674	4	1,319,454	4
Retained earnings				
Legal reserve	2,708,324	7	2,441,847	8
Unappropriated earnings	9,597,333	27	8,106,299	25
Total retained earnings	12,305,657	34	10,548,146	33
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(666)	-	(362)	-
Unrealized gain on financial assets at fair value through other comprehensive income	6,514,461	18	5,567,935	18
Total other equity	6,513,795	18	5,567,573	18
Total equity attributable to owners of the Company	24,310,041	67	21,606,088	68
NON-CONTROLLING INTERESTS	<u>3,510,992</u>	<u>10</u>	<u>3,146,836</u>	<u>10</u>
Total equity	<u>27,821,033</u>	<u>77</u>	<u>24,752,924</u>	<u>78</u>
TOTAL	<u>\$ 35,941,507</u>	<u>100</u>	<u>\$ 31,790,545</u>	<u>100</u>

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 11,090,533	100	\$ 11,439,152	100
OPERATING COSTS	<u>(7,194,816)</u>	<u>(65)</u>	<u>(8,486,393)</u>	<u>(74)</u>
GROSS PROFIT	<u>3,895,717</u>	<u>35</u>	<u>2,952,759</u>	<u>26</u>
OPERATING EXPENSES				
Selling and marketing expenses	(298,706)	(3)	(297,682)	(3)
General and administrative expenses	(283,755)	(2)	(277,050)	(2)
Expected credit gain	<u>21,898</u>	<u>-</u>	<u>11,853</u>	<u>-</u>
Total operating expenses	<u>(560,563)</u>	<u>(5)</u>	<u>(562,879)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>3,335,154</u>	<u>30</u>	<u>2,389,880</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	74,594	1	40,825	-
Other income	1,489,453	13	974,799	9
Other (losses) gains	(23,190)	-	5,487	-
Finance costs	(51,000)	-	(8,275)	-
Share of profit of associates and joint ventures accounted for using equity method	<u>32,951</u>	<u>-</u>	<u>46,084</u>	<u>-</u>
Total non-operating income and expenses	<u>1,522,808</u>	<u>14</u>	<u>1,058,920</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	4,857,962	44	3,448,800	30
INCOME TAX EXPENSE	<u>(544,157)</u>	<u>(5)</u>	<u>(359,639)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>4,313,805</u>	<u>39</u>	<u>3,089,161</u>	<u>27</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(4,225)	-	30,184	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,104,663	10	(3,131,008)	(27)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>832</u>	<u>-</u>	<u>(6,037)</u>	<u>-</u>
	<u>1,101,270</u>	<u>10</u>	<u>(3,106,861)</u>	<u>(27)</u>

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (984)	-	\$ 351	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>272</u>	<u>-</u>	<u>(97)</u>	<u>-</u>
	<u>(712)</u>	<u>-</u>	<u>254</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,100,558</u>	<u>10</u>	<u>(3,106,607)</u>	<u>(27)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 5,414,363</u>	<u>49</u>	<u>\$ (17,446)</u>	<u>-</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,669,814	33	\$ 2,594,677	23
Non-controlling interests	<u>643,991</u>	<u>6</u>	<u>494,484</u>	<u>4</u>
	<u>\$ 4,313,805</u>	<u>39</u>	<u>\$ 3,089,161</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,789,190	43	\$ (351,727)	(3)
Non-controlling interests	<u>625,173</u>	<u>6</u>	<u>334,281</u>	<u>3</u>
	<u>\$ 5,414,363</u>	<u>49</u>	<u>\$ (17,446)</u>	<u>-</u>
EARNINGS PER SHARE				
Basic	<u>\$ 8.80</u>		<u>\$ 6.22</u>	
Diluted	<u>\$ 8.79</u>		<u>\$ 6.22</u>	

(Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company										
	Share Capital		Capital Surplus	Retained Earnings		Other Equity		Treasury Shares	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, 2022	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
Appropriation and distribution of 2022 retain earnings											
Legal reserve	-	-	-	266,477	(266,477)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(2,085,457)	-	-	-	(2,085,457)	-	(2,085,457)
Dividends from claims extinguished by prescription	-	-	220	-	-	-	-	-	220	-	220
Net profit for the year ended December 31, 2023	-	-	-	-	3,669,814	-	-	-	3,669,814	643,991	4,313,805
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(2,730)	(304)	1,122,410	-	1,119,376	(18,818)	1,100,558
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,667,084	(304)	1,122,410	-	4,789,190	625,173	5,414,363
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(261,017)	(261,017)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	175,884	-	(175,884)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	417,091	\$ 4,170,915	\$ 1,319,674	\$ 2,708,324	\$ 9,597,333	\$ (666)	\$ 6,514,461	\$ -	\$ 24,310,041	\$ 3,510,992	\$ 27,821,033

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,857,962	\$ 3,448,800
Adjustments for:		
Depreciation expense	235,570	372,480
Amortization expense	161,827	4,246
Expected credit reversed gain recognized on trade receivables	(21,898)	(11,853)
Finance costs	51,000	8,275
Interest income	(74,594)	(40,825)
Dividend income	(1,469,709)	(960,613)
Share of profit of associates and joint ventures accounted for using equity method	(32,951)	(46,084)
Gain on disposal of property, plant and equipment	(1,078)	(910)
Gain on disposal of investment properties	-	(6,517)
Net loss on disposal of inventories	-	10,491
Gain on lease modification	(4)	(14)
Other income	-	(679)
Changes in operating assets and liabilities		
Decrease in contract assets	426,111	150,482
Decrease (increase) in notes receivable	56,507	(59,965)
Decrease in trade receivables	278,362	646,626
(Increase) decrease in other receivables	(6,014)	758
(Increase) decrease in inventories	(833,137)	54,556
(Increase) decrease in other current assets	(57,910)	25,800
Increase in net defined benefit assets	(7,111)	(29,879)
Increase (decrease) in contract liabilities	783,855	(338,794)
Decrease in notes payable	(8,826)	(125,923)
Increase (decrease) in trade payables	15,843	(545,444)
Decrease in other payables	(21,781)	(23,460)
Increase in provisions	12,659	10,329
Increase (decrease) in other current liabilities	1,957	(26,188)
Decrease in net defined benefit liabilities	(128)	(194)
Increase in other non-current liabilities	53,505	2,217
Cash generated from operations	4,400,017	2,517,718
Interest received	70,286	38,889
Interest paid	(82,287)	(60,504)
Income tax paid	(370,418)	(390,742)
Net cash generated from operating activities	4,017,598	2,105,361

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (2,732)
Proceeds from sale of financial assets at fair value through other comprehensive income	298,343	81,082
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,165	274,921
Purchase of financial assets at amortized cost	(313,273)	(3,307,312)
Payments for property, plant and equipment	(915,000)	(545,443)
Proceeds from disposal of property, plant and equipment	1,969	910
Increase in refundable deposits	-	(4,705)
Decrease in refundable deposits	2,176	-
Payments for intangible assets	(325,169)	(388,981)
Proceeds from disposal of investment properties	-	7,238
Other dividends received	1,469,709	960,613
Dividends received from associates	<u>40,000</u>	<u>28,000</u>
Net cash generated from (used in) investing activities	<u>261,920</u>	<u>(2,896,409)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(100,000)
Repayments of bills payable	-	(449,937)
Proceeds from long-term borrowings	2,830,000	121,178
Repayments of long-term borrowings	(3,330,000)	-
Increase in guarantee deposits	56,820	-
Decrease in guarantee deposits	-	(1,006)
Repayment of principal portion of lease liabilities	(25,471)	(24,665)
Repayments of cash dividend	(2,085,457)	(1,251,274)
Dividends paid to non-controlling interests	(260,997)	(261,017)
Dividends from claims extinguished by prescription	<u>220</u>	<u>135</u>
Net cash used in financing activities	<u>(2,814,885)</u>	<u>(1,966,586)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,464,633	(2,757,634)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,556,034</u>	<u>4,313,668</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,020,667</u>	<u>\$ 1,556,034</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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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, 2023 and 2022 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, 2023 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 13, 2024

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,101,349	7	\$ 774,052	3
Financial assets at amortized cost - current	996,000	4	566,000	2
Contract assets - current	2,729,598	10	2,995,342	12
Notes receivable, net	40,755	-	97,624	1
Trade receivables, net	589,978	2	986,739	4
Trade receivables from related parties, net	31,716	-	31,111	-
Other receivables	27,194	-	27,487	-
Inventories	3,901,326	14	3,075,372	12
Other current assets	78,267	-	32,339	-
Total current assets	<u>10,496,183</u>	<u>37</u>	<u>8,586,066</u>	<u>34</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	10,673,375	38	9,814,285	40
Financial assets at amortized cost - non-current	5,010	-	3,600	-
Investments accounted for using equity method	4,430,270	16	4,026,939	16
Property, plant and equipment	2,305,891	8	2,317,450	10
Right-of-use assets	30,304	-	48,983	-
Investment properties	7,102	-	7,102	-
Intangible assets	4,262	-	4,670	-
Deferred tax assets	36,248	-	63,479	-
Refundable deposits	9,673	-	9,565	-
Net defined benefit assets - non-current	58,218	-	54,217	-
Other non-current assets	64,086	1	10,261	-
Total non-current assets	<u>17,624,439</u>	<u>63</u>	<u>16,360,551</u>	<u>66</u>
TOTAL	<u>\$ 28,120,622</u>	<u>100</u>	<u>\$ 24,946,617</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current	\$ 1,819,757	6	\$ 1,038,140	4
Notes payable, net	259,041	1	267,916	1
Trade payables, net	1,044,419	4	1,045,623	4
Other payables	217,695	1	214,936	1
Current tax liabilities	260,337	1	42,921	-
Provisions - current	66,046	-	71,737	-
Lease liabilities - current	16,980	-	24,903	-
Current portion of long-term borrowings	-	-	150,000	1
Other current liabilities	34,411	-	31,825	-
Total current liabilities	<u>3,718,686</u>	<u>13</u>	<u>2,888,001</u>	<u>11</u>
NON-CURRENT LIABILITIES				
Long-term borrowings	-	-	350,000	2
Deferred tax liabilities	82,201	1	81,400	-
Lease liabilities - non-current	9,462	-	20,798	-
Other non-current liabilities	232	-	330	-
Total non-current liabilities	<u>91,895</u>	<u>1</u>	<u>452,528</u>	<u>2</u>
Total liabilities	<u>3,810,581</u>	<u>14</u>	<u>3,340,529</u>	<u>13</u>
EQUITY				
Share capital				
Ordinary shares	4,170,915	15	4,170,915	17
Capital surplus	1,319,674	4	1,319,454	5
Retained earnings				
Legal reserve	2,708,324	10	2,441,847	10
Unappropriated earnings	9,597,333	34	8,106,299	32
Total retained earnings	<u>12,305,657</u>	<u>44</u>	<u>10,548,146</u>	<u>42</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(666)	-	(362)	-
Unrealized gain on financial assets at fair value through other comprehensive income	6,514,461	23	5,567,935	23
Total other equity	<u>6,513,795</u>	<u>23</u>	<u>5,567,573</u>	<u>23</u>
Total equity	<u>24,310,041</u>	<u>86</u>	<u>21,606,088</u>	<u>87</u>
TOTAL	<u>\$ 28,120,622</u>	<u>100</u>	<u>\$ 24,946,617</u>	<u>100</u>

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 8,192,540	100	\$ 9,039,860	100
OPERATING COSTS	<u>(5,925,787)</u>	<u>(72)</u>	<u>(7,515,827)</u>	<u>(83)</u>
GROSS PROFIT	<u>2,266,753</u>	<u>28</u>	<u>1,524,033</u>	<u>17</u>
OPERATING EXPENSES				
Selling and marketing expenses	(282,646)	(3)	(280,987)	(3)
General and administrative expenses	(169,816)	(2)	(156,642)	(2)
Expected credit gain	<u>21,898</u>	<u>-</u>	<u>11,853</u>	<u>-</u>
Total operating expenses	<u>(430,564)</u>	<u>(5)</u>	<u>(425,776)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>1,836,189</u>	<u>23</u>	<u>1,098,257</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	26,527	-	10,321	-
Other income	1,279,683	16	838,635	10
Other (losses) gains	(1,398)	-	5,843	-
Finance costs	(4,603)	-	(8,210)	-
Share of profit of subsidiaries accounted for using equity method	<u>914,506</u>	<u>11</u>	<u>739,302</u>	<u>8</u>
Total non-operating income and expenses	<u>2,214,715</u>	<u>27</u>	<u>1,585,891</u>	<u>18</u>
PROFIT BEFORE INCOME TAX	4,050,904	50	2,684,148	30
INCOME TAX EXPENSE	<u>(381,090)</u>	<u>(5)</u>	<u>(89,471)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>3,669,814</u>	<u>45</u>	<u>2,594,677</u>	<u>29</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(2,293)	-	25,207	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	1,122,410	13	(2,968,782)	(33)
Share of the other comprehensive income of subsidiaries accounted for using equity method	(895)	-	2,104	-

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ 458	-	\$ (5,041)	-
	<u>1,119,680</u>	<u>13</u>	<u>(2,946,512)</u>	<u>(33)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(379)	-	135	-
Income tax relating to items that may be reclassified subsequently to profit or loss	75	-	(27)	-
	<u>(304)</u>	<u>-</u>	<u>108</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,119,376</u>	<u>13</u>	<u>(2,946,404)</u>	<u>(33)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 4,789,190</u>	<u>58</u>	<u>\$ (351,727)</u>	<u>(4)</u>
EARNINGS PER SHARE				
Basic	<u>\$ 8.80</u>		<u>\$ 6.22</u>	
Diluted	<u>\$ 8.79</u>		<u>\$ 6.22</u>	

(Concluded)

EVERGREEN STEEL CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022	419,982	\$ 4,199,820	\$ 1,340,352	\$ 2,294,939	\$ 6,839,705	\$ (470)	\$ 8,584,546	\$ (49,938)	\$ 23,208,954
Appropriation and distribution of 2021 retain 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)
Cancelation 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
Appropriation and distribution of 2022 retain earnings									
Legal reserve	-	-	-	266,477	(266,477)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,085,457)	-	-	-	(2,085,457)
Dividends from claims extinguished by prescription	-	-	220	-	-	-	-	-	220
Net profit for the year ended December 31, 2023	-	-	-	-	3,669,814	-	-	-	3,669,814
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(2,730)	(304)	1,122,410	-	1,119,376
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,667,084	(304)	1,122,410	-	4,789,190
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	175,884	-	(175,884)	-	-
BALANCE AT DECEMBER 31, 2023	<u>417,091</u>	<u>\$ 4,170,915</u>	<u>\$ 1,319,674</u>	<u>\$ 2,708,324</u>	<u>\$ 9,597,333</u>	<u>\$ (666)</u>	<u>\$ 6,514,461</u>	<u>\$ -</u>	<u>\$ 24,310,041</u>

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,050,904	\$ 2,684,148
Adjustments for:		
Depreciation expense	151,028	154,170
Amortization expense	4,052	3,207
Expected credit reversed gain recognized on trade receivables	(21,898)	(11,853)
Finance costs	4,603	8,210
Interest income	(26,527)	(10,321)
Dividend income	(1,267,643)	(830,706)
Share of profit of subsidiaries accounted for using equity method	(914,506)	(739,302)
Gain on disposal of property, plant and equipment	(266)	(178)
Gain on disposal of investment properties	-	(6,517)
Net loss on disposal of inventories	-	10,491
Gain on lease modification	(4)	(14)
Other income	-	(679)
Changes in operating assets and liabilities		
Decrease in contract assets	286,922	289,671
Decrease (increase) in notes receivable	56,869	(59,465)
Decrease in trade receivables	396,876	554,405
Decrease (increase) in other receivables	1,729	(5,053)
(Increase) decrease in inventories	(825,954)	57,303
(Increase) decrease in other current assets	(46,445)	24,490
Increase in net defined benefit assets	(6,294)	(28,462)
Increase (decrease) in contract liabilities	781,617	(342,577)
Decrease in notes payable	(8,875)	(122,586)
Decrease in trade payables	(1,204)	(592,759)
Decrease in other payables	(20,542)	(8,949)
(Decrease) increase in provisions	(5,691)	10,329
Increase (decrease) in other current liabilities	2,586	(1,067)
Decrease in other non-current liabilities	(98)	(61)
Cash generated from operations	2,591,239	1,035,875
Interest received	25,091	9,683
Interest paid	(4,883)	(8,136)
Income tax paid	(135,109)	(177,932)
Net cash generated from operating activities	<u>2,476,338</u>	<u>859,490</u>

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 298,343	\$ 81,082
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	3,165	231,637
Purchase of financial assets at amortized cost	(431,410)	(566,000)
Payments for property, plant and equipment	(144,816)	(49,071)
Proceeds from disposal of property, plant and equipment	266	178
Increase in refundable deposits	(108)	(2,494)
Payments for intangible assets	(3,126)	(2,189)
Proceeds from disposal of investment properties	-	7,238
Dividends received	1,267,643	830,706
Dividends received from subsidiaries	<u>471,710</u>	<u>469,509</u>
Net cash generated from investing activities	<u>1,461,667</u>	<u>1,000,596</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(100,000)
Repayments of bills payable	-	(449,937)
Repayments of long-term borrowings	(500,000)	-
Decrease in guarantee deposits	-	(45)
Repayment of principal portion of lease liabilities	(25,471)	(24,665)
Repayments of cash dividend	(2,085,457)	(1,251,274)
Dividends from claims extinguished by prescription	<u>220</u>	<u>135</u>
Net cash used in financing activities	<u>(2,610,708)</u>	<u>(1,825,786)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,327,297	34,300
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>774,052</u>	<u>739,752</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,101,349</u>	<u>\$ 774,052</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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 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, 2023 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 13, 2024

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
2023 Profit Allocation Proposal

Unit: NT\$

Item	Amount
Unappropriated Retained Earnings at the Beginning of the Year	\$5,754,364,434
Subtract : Remeasurement of the Defined Benefit Plan Recorded in Retained Earnings	(2,729,975)
Add : Disposal of Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	175,884,993
Adjusted Undistributed Earnings	5,927,519,452
Add : Net Income of 2023	3,669,814,222
Subtract : Legal Reserve	(384,296,924)
Retained Earnings Available for Distribution as of December 31, 2023	9,213,036,750
Distribution Item :	
Cash Dividends of Ordinary Shares (NT\$6.5 per share)	2,711,094,510
Unappropriated Retained Earnings at the End of the Year	\$6,501,942,240
Note : The Company uses earnings of 2023 to distribute dividends.	

Audit Committee's Review Report

TO : 2024 Annual General Shareholders' Meeting
Evergreen Steel Corporation (EGST)

The Board of Directors has prepared the Company's 2023 business report, financial report, and proposal for distribution of earnings. The CPA firm of Deloitte & Touche 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 Audit Committee members of EGST. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Evergreen Steel Corporation

Convener of the Audit Committee: Liu, Nai-Ming

March 13, 2024

Evergreen Steel Corporation Remuneration of Directors and Independent Directors in 2023

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	Cash	Stock	Cash	Stock		The Company
Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li	6,240	6,240	0	0	2,500	5,220	48	48	8,788 0.25%	11,508 0.31%	0	0	0	0	0	0	0	0	8,788 0.25%	11,508 0.31%	None
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	0	0	0	0	1,500	1,500	42	42	1,542 0.04%	1,542 0.04%	0	0	0	0	0	0	0	0	1,542 0.04%	1,542 0.04%	None
Director	Hui Corp. Representative: Tai, Jiin-Chyuan	0	0	0	0	801	2,521	24	24	825 0.02%	2,545 0.07%	0	0	0	0	0	0	0	0	825 0.02%	2,545 0.07%	None
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	0	0	0	0	1,500	2,500	42	42	1,542 0.04%	2,542 0.07%	0	0	0	0	0	0	0	0	1,542 0.04%	2,542 0.07%	None
Independent Director	Liu, Nai-Ming	840	840	0	0	0	0	60	60	900 0.02%	900 0.02%	0	0	0	0	0	0	0	0	900 0.02%	900 0.02%	None
Independent Director	Young, Chune-Ching	840	840	0	0	0	0	60	60	900 0.02%	900 0.02%	0	0	0	0	0	0	0	0	900 0.02%	900 0.02%	None
Independent Director	Lien, Yuan-Lung	1,440	1,440	0	0	0	0	96	96	1,536 0.04%	1,536 0.04%	0	0	0	0	0	0	0	0	1,536 0.04%	1,536 0.04%	None

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							
														Cash	Stock	Cash	Stock							
Director	Designated representative performing duties on behalf of Kaiming Investment Ltd. Lee, Kuan-Liang	0	0	0	0	193	193	0	0	193	193	0	0	0	0	0	0	0	0	193	193	0.01%	0.01%	None
Independent Director	Lin, Shu-Ling	240	240	0	0	0	0	6	6	246	246	0	0	0	0	0	0	0	0	246	246	0.01%	0.01%	None
Independent Director	Lin, Tian-Sung	240	240	0	0	0	0	6	6	246	246	0	0	0	0	0	0	0	0	246	246	0.01%	0.01%	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 Company's Articles of Incorporation and "Payment Regulation of Directors", Directors payment includes compensation, remuneration, allowances and severance. 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 participation in the operation and the contribution to the Company. In addition, the Company can determine directors' compensation based on individual director's participation in the operation and the contribution to the Company by reference to the director compensation 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, promotion to sustainable development, etc.). The Directors payment shall be submitted to the Board of Directors for approval after review by the Company's Remuneration Committee.

EVERGREEN STEEL CORPORATION

Comparison Table for Rules and Procedures of Shareholders' Meeting Before and After Amendments

After amendment	Before amendment	Reason for amendment
<p><u>Article 2</u> Shareholders in these Rules refer to shareholders themselves, <u>proxy solicitors</u> or <u>shareholders'</u> 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.</p>	<p><u>Article 2</u> Shareholders in these Rules refer to shareholders themselves or <u>their</u> 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.</p>	<p>With reference to paragraph 1 of Article 6 in the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" released by Taiwan Stock Exchange Corporation (hereinafter referred to as the TWSE Template), this Article's paragraph 1 is amended to specify that <u>proxy solicitors</u> also constitute the shareholders referred to in these Rules and Procedures.</p>
<p><u>Article 2-1</u> Shareholders' meetings with video conferencing referred to in these Rules are divided into the following two types: 1. Hybrid shareholders' meetings: means the Company convenes a physical shareholders' meeting with the assistance of video conferencing, and shareholders may choose</p>		<p>1. <u>Newly added Article.</u> 2. In accordance with Article 44-9 of the "Regulations Governing the Administration of Shareholder Services of Public Companies" (hereinafter referred to as "Regulations Governing Shareholder Service"), the definition of shareholders' meetings with video conferencing, hybrid</p>

After amendment	Before amendment	Reason for amendment
<p>to take part in the shareholders' meeting physically or by means of video conferencing.</p> <p>2. Virtual-only shareholders' meetings: means the Company does not convene a physical shareholders' meeting, and convenes the meeting only by video, and shareholders may attend the shareholders' meeting only by means of video conferencing.</p>		<p>shareholders' meetings and virtual-only shareholders' meetings are stipulated.</p>
<p><u>Article 3</u> Shareholders attending the Meeting shall bring an attendance card and identification document. The attendance of the Meeting shall be calculated based on shares. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders, <u>and the shares checked in on the video conferencing platform, plus the number of shares whose voting rights are exercised by electronically.</u> <u>If a shareholders' meeting is held with video conferencing, shareholders who intent to attend the</u></p>	<p><u>Article 3</u> 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.</p>	<p>1. With reference to the article sequence in the TWSE Template, Article 9, paragraph 1, the second half of this Article's paragraph 1 is moved to the second half of paragraph 2. In addition, when the Company holds its shareholders' meetings virtually and adopts electronic voting, the number of shares belonging to shareholders who have completed check-in procedures virtually and those using e-voting shall be added to the total. Thus, the text in the second half of paragraph 2 is amended accordingly.</p> <p>2. The paragraph 1 of</p>

After amendment	Before amendment	Reason for amendment
<p><u>shareholders' meeting by video conferencing shall register with the Company at least two days prior to the shareholders' meeting date; other matters to be complied with shall be handled in accordance with the law and regulations.</u></p> <p>The Company shall announce the number of non-voting shares, the number of shares in attendance and other relevant information.</p>		<p>Article 44-13 in the Regulations Governing Shareholder Service states: "when a company will convene a shareholders' meeting with video conferencing, if a shareholder, proxy solicitor, or proxy agent intends to take part in the meeting by video conferencing, they shall register with the company by 2 days prior to the scheduled meeting date of the shareholders' meeting". Thus, in accordance with said requirement, this Article's paragraph 3 is added.</p> <p>3. Paragraph 3 of this Article is moved to paragraph 4.</p>
<p><u>Article 4</u></p> <p>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.</p> <p><u>When the Company convenes a virtual-only shareholders' meeting, the restrictions on meeting place in the preceding paragraph shall not apply.</u></p>	<p><u>Article 4</u></p> <p>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.</p>	<p>With reference to paragraph 2 of Article 5 in the TWSE Template, this Article's paragraph 2 is added to specify that when the Company convenes a virtual-only shareholders' meeting, the meeting place restrictions do not apply.</p>

After amendment	Before amendment	Reason for amendment
<p><u>Article 5</u> 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. After two postponements, <u>if the number of shares represented by the shareholders present at the Meeting is still less than one-third of the total outstanding shares, the chairman shall declare the meeting adjourned.</u> <u>In the event that the meeting has been postponed twice and the number of shares represented by the shareholders present reaches one-third of the total issued shares or more but falls short of a majority, the chairman may adjourn the meeting and then reconvene shareholders' meeting, or conduct a tentative</u></p>	<p><u>Article 5</u> 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. <u>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.</u> <u>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.</u></p>	<p>1. This Article is amended with reference to paragraphs 3 and 4 of Article 9 in the TWSE Template: (1) The second half of this Article's paragraph 1 is amended, to specify that the chairman shall declare a meeting adjourned when two postponements have been made and the number of shares represented by the shareholders present still fails to reach one-third of the total issued shares. (2) The second half of this Article's paragraph 1 regarding requirements for tentative resolutions made in shareholders' meetings is moved to this Article's paragraph 2. It is also specified that the chairman may declare a meeting adjourned or come up with a tentative resolution if the number of shares represented by shareholders present falls short of majority, but reaches one-third of the total issued shares; also, shareholders attending</p>

After amendment	Before amendment	Reason for amendment
<p>resolution <u>procedure</u> in accordance with paragraph 1 of Article 175 of the Company Act. <u>All shareholders shall be notified if such tentative resolutions were made, and another shareholders' meeting shall be convened within one month. In the event that a shareholders' meeting is held with video conferencing, shareholders intending to attend the meeting by video conferencing shall follow Article 3 to register with the Company again at least two days prior to the shareholders' meeting date.</u></p> <p><u>If the chairman declares the meeting adjourned in accordance with the preceding two paragraphs and the shareholders' meeting is held with video conferencing, the Company shall declare the meeting adjourned on the shareholders' meeting video conferencing platform.</u></p> <p>Before the end of the Meeting, <u>if</u> the number of shares represented by the shareholders present <u>has constituted</u> the <u>majority</u>, the chairman shall submit the tentative resolutions to the Meeting for <u>review and</u></p>		<p>a re-convened shareholders' meeting virtually shall register again.</p> <p>(3) Paragraph 3 is added, to specify that in the event that a shareholders' meeting is held virtually and an adjournment occurs, the Company shall declare the meeting adjourned on the virtual conferencing platform, and notify shareholders in real time.</p> <p>2. Adjustment of paragraph sequence and text revisions.</p>

After amendment	Before amendment	Reason for amendment
approval in accordance with Article 174 of the Company Act.		
<p><u>Article 9</u> If a juristic person shareholder designates two or more representatives to attend the Meeting, only one representative is entitled to speak for each item. <u>For shareholders' inquiries on reporting items listed in the agenda, the shareholders shall only speak after the chairman or his/her designated person completely reads out or reports all the reporting items. For all reporting items, each shareholder shall speak no more than twice and each speech shall not exceed 5 minutes, unless otherwise permitted by the chairman.</u> 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 <u>extraordinary</u> motion procedure.</p>	<p><u>Article 9</u> If a juristic person shareholder designates two or more representatives to attend the Meeting, only one representative is entitled to speak for each item. <u>When reporting the topic, speech for each shareholder is limited to once, and the speech shall not exceed five minutes for all reporting items.</u> 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 <u>special</u> motion procedure. When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the <u>special</u> motion session, unless otherwise permitted by the chairman, each shareholder shall not speak more than two times</p>	<p>1. In compliance with the actual operation of shareholders' meetings and to improve the procedure of shareholders' meetings, this Article's paragraph 2 is amended to specify that shareholders can only speak after all items to be reported are completely read out or reported. The number of shareholders' speeches is increased from one time to two times.</p> <p>2. With reference to paragraph 7 of Article 11 in the TWSE Template, this Article's paragraph 6 is added to specify the form, procedures, and restrictions for shareholders to make inquiries when participating in a shareholders' meeting virtually.</p>

After amendment	Before amendment	Reason for amendment
<p>When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the <u>extraordinary</u> 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.</p> <p>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.</p> <p><u>Where a shareholders meeting is convened with video conferencing, shareholders attending the meeting by video conferencing may raise questions in writing on the video conferencing platform, from when the chairman calls meeting to order until the chairman declares the meeting adjourned. No more than two questions may be raised for all reporting items, each proposal for ratification and discussion, or extraordinary motion. Each question raised shall</u></p>	<p>and each preposition shall not exceed 5 minutes.</p> <p>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.</p>	

After amendment	Before amendment	Reason for amendment
<p><u>contain no more than 200 words; and the preceding Article and the preceding five paragraphs shall not apply.</u></p>		
<p><u>Article 12</u> 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. <u>The shareholders participating in a shareholders’ meeting held with video conferencing shall, after the chairman calls the meeting to order, vote on all proposals and election proposals via the video conferencing platform; the voting shall be completed before the chairman announces the close of voting, and anyone exceeding the time limit shall be deemed to have abstained from voting.</u> <u>If a shareholders’ meeting is held with video conferencing, votes shall be counted at once after the chairman announces the close of the voting, and the results of votes and elections shall be announced accordingly.</u></p>	<p><u>Article 12</u> 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.</p>	<ol style="list-style-type: none"> 1. The Chinese text of this Article’s paragraph 1 is amended. (The English text remains unchanged.) 2. In accordance with paragraph 2 of Article 44-17 in the Regulations Governing Shareholder Service, and to provide shareholders participating in a virtual shareholders’ meeting with sufficient time to vote, participating shareholders may therefore vote on all proposals virtually from the time that the chairman calls the meeting to order, until the chairman announces the close of voting; vote counting operations shall be conducted in a one-time manner, so as to comply with virtually-participating shareholders’ voting times. Thus, paragraphs 2 and 3 are added to this Article as per the preceding requirements.

After amendment	Before amendment	Reason for amendment
<p><u>Article 15</u> <u>While the Meeting is in progress</u>, the chairman may, at his/her discretion, set times for intermission. <u>If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</u></p>	<p><u>Article 15</u> <u>During the Meeting</u>, the chairman may, at his/her discretion, set time for intermission.</p>	<p>With reference to paragraph 1 of Article 18 in the TWSE Template, this Article is amended to specify that, in the event of force majeure, the chairman may decide to suspend the meeting, and set a time to continue the meeting as appropriate.</p>
<p><u>Article 15-1</u> For a shareholders' meeting held by video conferencing, the Company shall announce the date of postponement or continuation of the shareholders' meeting, except where there is no need to postpone or resume the meeting under the laws and regulations. The date of the postponement or continuation meeting shall be within five days after the shareholders' meeting. The shareholders' meeting shall be postponed or resumed at another day under the circumstance that, before the chairman announces the adjournment of the meeting, if there are obstacles to the video conferencing platform or shareholders' video</p>		<ol style="list-style-type: none"> 1. <u>Newly added Article.</u> 2. In accordance with Articles 44-20 and 44-21 of the Regulations Governing Shareholder Service, and with reference to Article 21 of the TWSE Template, this Article specifies how to handle circumstances when the Company holds a shareholders' meeting virtually and when, as a result of natural disasters, catastrophes, or other force majeure circumstances, obstacles occur to the virtual conferencing platform or virtual participation.

After amendment	Before amendment	Reason for amendment
<p>conference participation due to natural disasters, catastrophes, or other force majeure events, and such obstacles have lasted for more than 30 minutes and cannot be eliminated. The Article 182 of the Company Act shall not apply to the above situations.</p> <p>If a postponement or continuation of shareholders' meeting prescribed in preceding paragraph occurs, shareholders who did not register to attend the originally scheduled shareholders' meeting by video conferencing shall not attend the postponed or resumed meeting.</p> <p>For a meeting that is postponed or resumed in accordance with paragraph 1, if shareholders have registered to attend the originally scheduled shareholders' meeting by video conferencing and completed the sign-in procedure, but did not attend the postponed or resumed meeting, the number of shares represented by said shareholder in the originally scheduled shareholders' meeting and the voting rights and</p>		

After amendment	Before amendment	Reason for amendment
<p>election rights exercised by them shall all be included in the total numbers of the shares represented by the shareholders present as well as number of votes and number of election votes accrued at the postponed or resumed meeting.</p> <p>For a shareholders' meeting that is postponed or resumed in accordance with paragraph 1, the proposals for which voting and vote counting have been completed, and resolution results and lists of elected directors have been announced, need not be discussed or resolved again.</p> <p>For hybrid shareholders' meetings held by the Company, if the video conferencing cannot be continued due to the circumstances stated in paragraph 1, but, after deducting the number of shares represented by the shareholders present by video conferencing, the total number of shares represented by shareholders present still constitutes a quorum as required by a resolution of the shareholders' meeting, the shareholders' meeting shall continue, whereas the postponed or resumed</p>		

After amendment	Before amendment	Reason for amendment
<p>meeting referred to in paragraph 1 is not required. In the event that the shareholders' meeting shall continue as stipulated in the preceding paragraph, the number of shares represented by the shareholders participating in the shareholders' meeting by video conferencing shall be included in the total number of the shares represented by the shareholders present. However, with regard to all proposals for the shareholders' meeting in question, these shareholders shall be deemed to have abstained from voting.</p>		
<p><u>Article 17</u> 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. <u>If a shareholders' meeting is held with video conferencing, the Company shall announce the results of votes and elections after the vote</u></p>	<p><u>Article 17</u> 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.</p>	<p>For shareholders participating in a shareholders' meeting virtually be informed of the resolution status of all proposals and election results, and with reference to Article 44-19 of the Regulations Governing Shareholder Service, this Article's paragraph 3 is added.</p>

After amendment	Before amendment	Reason for amendment
<p><u>counting procedure for all proposals and election proposals have been completed; and a record shall be made and uploaded to the shareholders' meeting video conferencing platform.</u></p>		
<p><u>Article 18</u> 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. <u>If a shareholders' meeting is held with video conferencing, the Company shall record and retain data including shareholders' registrations, registration for participation in video conferencing, sign-in, inquiries, and voting, as well as the Company's vote counting results, etc. In addition, the Company shall conduct uninterrupted audio and video recording throughout the entire video conferencing.</u></p>	<p><u>Article 18</u> 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.</p>	<p>The following provisions are added in accordance with paragraphs 1 & 2 of Article 44-23 of the Regulations Governing Shareholders Services: 1. Paragraph 2 is added to this Article to specify that the Company shall record and retain shareholders' registrations, registration for participation in video conferencing, sign-in, inquiries, and voting, as well as the Company's vote counting results. In addition, the Company is required to conduct uninterrupted audio and video recording throughout the video conferencing. 2. Paragraph 3 is added to this Article to specify that data for video conferencing and audio/video recordings shall be properly retained for the duration of the Company's existence,</p>

After amendment	Before amendment	Reason for amendment
<p><u>The Company shall properly retain the aforementioned data and audio/video recordings for the duration of the Company's existence, and shall provide these audio and video recordings to the entity engaged by the Company to handle video conferencing affairs for retention.</u></p>		<p>and that the entity engaged by the Company to handle video conferencing shall be provided with audio/video recordings for retention.</p>

EVERGREEN STEEL CORPORATION

Comparison Table for the Regulations for Electing Directors Before and After Amendments

After amendment	Before amendment	Reason for amendment
<p><u>Article 3</u> Before the votes are opened, the Chairman of the Shareholders' Meeting shall designate appropriate number of vote examiner who should be the <u>Shareholder</u> of the Company, vote counting personnel and related personnel for performing the relevant duty assigned to them.</p>	<p><u>Article 3</u> Before the votes are opened, the Chairman of the Shareholders' Meeting shall designate appropriate number of vote examiner who should be the <u>Shareholder</u> of the Company, vote counting personnel and related personnel for performing the relevant duty assigned to them.</p>	<p>The Chinese text of this Article is revised. (The English text remains unchanged.)</p>
<p><u>Article 4</u> <u>The number of Directors required to be elected shall be determined in accordance with the Articles of Incorporation and a resolution of the Board of Directors. In the event that the Shareholders' Meeting is convened by the person legally having the right to convene the meeting, other than the Board of Directors, the number of Directors required to be elected shall be determined in accordance with the Article of Incorporation by such person.</u> <u>When counting election</u></p>	<p><u>Article 4</u> The <u>required</u> number of Independent Directors and non-Independent Directors shall be <u>elected in accordance with the Articles of Incorporation</u>, and <u>the</u> candidates who obtain more <u>votes</u> than others from the election <u>will</u> be deemed elected in turn. When the number of <u>votes</u> obtained by two or more <u>than two</u> candidates is <u>the same</u> but that exceed the <u>required</u> 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</p>	<p>1. Paragraph 1 of Article 15 of the Articles of Incorporation states, "the Company shall have seven (7) to nine (9) Directors". Thus, when electing directors in a Shareholders' Meeting, the number of directors required to be elected shall be determined by the Board of Directors or the person legally having the right to convene the Shareholders' Meeting. For the sake of specificity, the paragraph 1 of this</p>

After amendment	Before amendment	Reason for amendment
<p><u>votes, the number of voting rights obtained by</u> Independent Directors and Non-Independent Directors shall be <u>separately calculated,</u> and candidates who obtain more <u>voting rights</u> than others from the election <u>shall</u> be deemed elected in turn. When the number of <u>voting rights</u> obtained by two or more candidates is <u>equal</u> but that exceed the number of Directors <u>required</u> 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 <u>Shareholders' Meeting.</u> <u>The number of voting rights in the preceding paragraph shall be the sum of the number of votes cast on site at the Shareholders' Meeting, the number of votes cast by electronic voting and through the Video Conferencing Platform.</u></p>	<p>candidate who is involved in the case but fails to attend the <u>meeting.</u></p>	<p>Article is added.</p> <p>2. The original paragraph 1 of this Article is moved to paragraph 2, and text is revised as a result.</p> <p>3. Given that the Company has adopted electronic voting and in consideration that shareholders virtually participating in the Shareholders' Meeting may take vote via the Video Conferencing Platform, paragraph 3 of this Article is added to specify that the number of voting rights obtained by each candidate through the Video Conferencing Platform and from electronic vote shall be added to the calculation of the candidates' obtained voting rights.</p>
<p><u>Article 5</u> The vote shall be prepared by the Board of</p>	<p><u>Article 5</u> The vote shall be prepared by the Board of Directors,</p>	<p>1. The texts in paragraph 1 of this Article are revised.</p>

After amendment	Before amendment	Reason for amendment
<p>Directors, and shall note shareholder account number or Attendance Certificate number, and number of voting rights on the vote.</p> <p><u>If the Shareholders' Meeting is convened by the person legally having the right to convene the meeting, other than the Board of Directors, the vote may also be prepared by such person.</u></p>	<p>and shall note shareholder account number, Attendance Certificate number and number of voting right on the vote.</p>	<p>2. Paragraph 2 of this Article is added to specify that if a Shareholders' Meeting is convened by the person legally having the right to convene the shareholders' meeting, other than the Board of Directors, the vote may be prepared by such person.</p>
<p><u>Article 6</u> <u>Shareholders in person, proxy solicitors, and proxies appointed by shareholders to attend the Meeting shall use the vote prepared by the convener of the Shareholders' Meeting in accordance with Article 5. In addition, shareholders shall fill in the names of the Director Candidates listed in the Shareholders' Meeting announcements or Shareholders' Meeting handbook on their vote.</u> <u>If the Shareholders' Meeting is held by video conferencing, shareholders taking part by video conferencing shall cast votes through the Video Conferencing Platform after the</u></p>	<p><u>Article 6</u> <u>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.</u></p>	<p>1. The Company adopts the candidate nomination system for election of the directors; shareholders shall elect directors from the List of Director Candidates. Thus, paragraph 1 of this Article is revised.</p> <p>2. In reference to paragraph 2 of Article 44-17 of "Regulations Governing the Administration of Shareholder Services of Public Companies" (hereinafter referred to as the "Regulations Governing Shareholder</p>

After amendment	Before amendment	Reason for amendment
<p><u>chairman calls meeting to order and shall complete the casting of their votes before the chairman announces the close of voting, or will be deemed to have abstained from voting.</u></p>		<p>Services”), when a Shareholders’ Meeting is held with video conferencing, shareholders taking part by video conferencing shall cast votes on meeting proposals from when the chairman calls meeting to order until the close of voting is announced. To comply with the preceding regulations, paragraph 2 of this Article is added.</p>
<p><u>Article 7</u> Any vote that is in any of the following conditions shall be deemed ineffective:</p> <ol style="list-style-type: none"> (1) Vote not specified in Article 5 of this regulation. (2) Blank vote. (3) Writing is blurred and cannot be identified, <u>or has been altered.</u> (4) <u>The filled-in election candidate is verified to be inconsistent with the list of director candidates.</u> (5) <u>Write other word or symbols</u> apart from the name of the election candidate. (6) Two or more elected 	<p><u>Article 7</u> Any vote that is in any of the following conditions shall be deemed ineffective:</p> <ol style="list-style-type: none"> (1) Vote not specified in Article 5 of this regulation. (2) Blank vote. (3) Writing is blurred and cannot be identified. (4) <u>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,</u> 	<p>To comply with the Company’s operating status, the subparagraphs 3 to 5 of this Article are amended.</p>

After amendment	Before amendment	Reason for amendment
<p>candidates are filled in the same vote.</p>	<p><u>his/her name and identity card number does not match.</u></p> <p>(5) Write other word apart from the name of the election candidate, <u>shareholder account number, identity card number or the number of voting rights.</u></p> <p>(6) Two or more elected candidates are filled in the same vote.</p>	
<p><u>Article 8</u> 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. <u>If the Shareholders' Meeting is held with video conferencing, the Company shall immediately disclose the election results on the video conferencing platform after the procedures for counting the election votes has been completed.</u> 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</p>	<p><u>Article 8</u> 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. <u>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.</u></p>	<ol style="list-style-type: none"> 1. To make shareholders who taking part in a Shareholders' Meeting by video conferencing can stay informed of election results, and based on the Article 44-19 of "Regulations Governing Shareholder Service", the paragraph 2 of this Article is added, specifying that after the procedures for the counting of the votes is completed, the Company shall immediately disclose the election results on the Shareholder Video Conferencing Platform. 2. The original paragraph 2 of this Article is moved to paragraph 3; the texts are revised as a result.

After amendment	Before amendment	Reason for amendment
kept until the end of the litigation.		
<p><u>Article 9</u> The Regulations shall <u>come into force</u> after the approval of the shareholders' meeting, and the same shall apply after amendment.</p>	<p><u>Article 9</u> The Regulations shall <u>come into force</u> after the approval of the shareholders' meeting, and the same shall apply after amendment.</p>	The Chinese text of this Article is revised. (The English text remains unchanged.)

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 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	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li	79,248,000
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	
Director	HUI Corp. Representative: Tai, Jiin-Chyuan	3,200,000
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	12,823,245
Independent Director	Liu, Nai-Ming	0
Independent Director	Lien, Yuan-Lung	
Independent Director	Young, Chune-Ching	
Total		95,271,245

Notes:

1. As of March 29, 2024, 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 16,000,000 shares.