

**Evergreen Steel Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Evergreen Steel Corporation and its subsidiaries (collectively, the "Group") as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 12 to the consolidated financial statements, the investments accounted for using the equity method were NT\$142,811 thousand and NT\$143,020 thousand as of September 30, 2021 and 2020, respectively. The equities in profit and loss of the associates were NT\$6,263 thousand and NT\$4,474 thousand of the consolidated net income for the three months ended September 30, 2021 and 2020. The equities in profit and loss of the associates were NT\$17,012 thousand and NT\$17,592 thousand of the consolidated net income for the nine months ended September 30, 2021 and 2020. These investment amounts and related disclosures are based on the investees' unreviewed financial statements for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of investees that are accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 9, 2021

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,404,769	14	\$ 4,219,283	18	\$ 4,016,635	19
Financial assets at amortized cost - current (Notes 8 and 32)	64,855	-	23,452	-	21,821	-
Contract assets - current (Notes 23, 25 and 31)	2,873,261	9	4,190,973	17	3,893,872	19
Notes receivable (Note 23)	92,264	-	126,910	-	43,044	-
Trade receivables, net (Notes 9 and 23)	1,298,078	4	745,136	3	961,452	5
Trade receivables from related parties, net (Notes 9, 23 and 31)	27,997	-	151,458	1	23,729	-
Other receivables (Note 31)	33,851	-	43,468	-	80,874	-
Inventories (Notes 10 and 23)	3,924,230	12	1,008,758	4	1,180,969	6
Other current assets (Note 17)	112,490	1	175,797	1	128,158	1
Total current assets	<u>12,831,795</u>	<u>40</u>	<u>10,685,235</u>	<u>44</u>	<u>10,350,554</u>	<u>50</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 7)	11,366,290	36	6,775,512	28	4,848,317	23
Investments accounted for using the equity method (Note 12)	142,811	1	150,799	1	143,020	1
Property, plant and equipment (Notes 13 and 32)	3,267,527	10	3,408,410	14	3,483,166	17
Right-of-use assets (Notes 14 and 31)	28,470	-	20,479	-	19,192	-
Investment properties (Notes 15 and 32)	104,028	-	105,530	1	106,030	-
Intangible assets (Note 16)	3,874,003	12	2,739,716	11	1,833,941	9
Deferred tax assets (Note 4)	57,799	-	42,114	-	47,941	-
Refundable deposits	8,951	-	8,003	-	6,937	-
Other non-current assets (Note 17)	136,230	1	117,404	1	24,811	-
Total non-current assets	<u>18,986,109</u>	<u>60</u>	<u>13,367,967</u>	<u>56</u>	<u>10,513,355</u>	<u>50</u>
TOTAL	<u>\$ 31,817,904</u>	<u>100</u>	<u>\$ 24,053,202</u>	<u>100</u>	<u>\$ 20,863,909</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 950,000	3	\$ 690,000	3	\$ 1,046,900	5
Short-term bills payable (Note 18)	699,788	2	1,799,171	7	1,499,453	7
Contract liabilities - current (Notes 23 and 25)	1,287,593	4	382,809	2	306,561	2
Notes payable, net (Note 23)	476,434	2	355,383	1	364,832	2
Trade payables, net (Notes 19 and 23)	1,585,489	5	1,172,977	5	1,249,142	6
Other payables (Notes 20 and 31)	271,585	1	406,764	2	527,508	3
Current tax liabilities (Note 4)	131,999	-	175,916	1	97,601	1
Provisions - current (Note 21)	61,236	-	60,792	-	58,353	-
Lease liabilities - current (Notes 14 and 31)	13,734	-	8,756	-	8,753	-
Current portion of long-term borrowings (Note 18)	-	-	300,000	1	300,000	1
Other current liabilities	46,718	-	56,897	-	48,608	-
Total current liabilities	<u>5,524,576</u>	<u>17</u>	<u>5,409,465</u>	<u>22</u>	<u>5,507,711</u>	<u>27</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 18)	2,914,402	9	1,693,469	7	1,163,225	6
Deferred tax liabilities (Note 4)	69,782	1	66,187	1	66,691	-
Lease liabilities - non-current (Notes 14 and 31)	12,671	-	9,738	-	8,992	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	13,777	-	36,024	-	41,821	-
Guarantee deposits received	24,696	-	25,234	-	25,399	-
Other non-current liabilities	23,971	-	15,516	-	12,336	-
Total non-current liabilities	<u>3,059,299</u>	<u>10</u>	<u>1,846,168</u>	<u>8</u>	<u>1,318,464</u>	<u>6</u>
Total liabilities	<u>8,583,875</u>	<u>27</u>	<u>7,255,633</u>	<u>30</u>	<u>6,826,175</u>	<u>33</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital						
Ordinary shares	4,199,820	13	3,994,260	16	3,994,260	19
Capital surplus	1,340,252	4	396,542	2	388,032	2
Retained earnings						
Legal reserve	2,294,939	8	2,190,673	9	2,190,673	11
Unappropriated earnings	6,420,834	20	6,347,269	26	6,105,467	29
Total retained earnings	<u>8,715,773</u>	<u>28</u>	<u>8,537,942</u>	<u>35</u>	<u>8,296,140</u>	<u>40</u>
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(648)	-	(648)	-	(783)	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6,066,977	19	1,166,832	5	(703,822)	(3)
Total other equity	<u>6,066,329</u>	<u>19</u>	<u>1,166,184</u>	<u>5</u>	<u>(704,605)</u>	<u>(3)</u>
Treasury shares	(49,938)	-	(93,113)	-	(93,113)	(1)
Total equity attributable to owners of the Company	20,272,236	64	14,001,815	58	11,880,714	57
NON-CONTROLLING INTERESTS	<u>2,961,793</u>	<u>9</u>	<u>2,795,754</u>	<u>12</u>	<u>2,157,020</u>	<u>10</u>
Total equity	<u>23,234,029</u>	<u>73</u>	<u>16,797,569</u>	<u>70</u>	<u>14,037,734</u>	<u>67</u>
TOTAL	<u>\$ 31,817,904</u>	<u>100</u>	<u>\$ 24,053,202</u>	<u>100</u>	<u>\$ 20,863,909</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 9, 2021)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 31)	\$ 3,432,910	100	\$ 2,318,881	100	\$ 9,082,592	100	\$ 6,757,823	100
OPERATING COSTS (Notes 10, 26 and 31)	<u>(2,764,427)</u>	<u>(80)</u>	<u>(1,753,897)</u>	<u>(75)</u>	<u>(7,331,741)</u>	<u>(81)</u>	<u>(5,274,092)</u>	<u>(78)</u>
GROSS PROFIT	<u>668,483</u>	<u>20</u>	<u>564,984</u>	<u>25</u>	<u>1,750,851</u>	<u>19</u>	<u>1,483,731</u>	<u>22</u>
OPERATING EXPENSES (Notes 26 and 31)								
Selling and marketing expenses	(71,522)	(2)	(53,529)	(3)	(220,135)	(3)	(156,683)	(2)
General and administrative expenses	(55,256)	(2)	(52,676)	(2)	(174,673)	(2)	(168,452)	(3)
Expected credit loss (Note 9)	<u>(6,793)</u>	<u>-</u>	<u>(2,719)</u>	<u>-</u>	<u>(22,599)</u>	<u>-</u>	<u>(355)</u>	<u>-</u>
Total operating expenses	<u>(133,571)</u>	<u>(4)</u>	<u>(108,924)</u>	<u>(5)</u>	<u>(417,407)</u>	<u>(5)</u>	<u>(325,490)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>534,912</u>	<u>16</u>	<u>456,060</u>	<u>20</u>	<u>1,333,444</u>	<u>14</u>	<u>1,158,241</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	5,692	-	5,777	-	19,238	-	19,803	1
Other income (Notes 26 and 31)	145,139	4	100,164	5	167,241	2	138,073	2
Other (losses) gains (Note 26)	(1,835)	-	1,250	-	(8,273)	-	(3,695)	-
Finance costs (Note 26)	(3,140)	-	(5,181)	-	(13,006)	-	(12,730)	-
Share of profit of associates (Note 12)	<u>6,263</u>	<u>-</u>	<u>4,474</u>	<u>-</u>	<u>17,012</u>	<u>-</u>	<u>17,592</u>	<u>-</u>
Total non-operating income and expenses	<u>152,119</u>	<u>4</u>	<u>106,484</u>	<u>5</u>	<u>182,212</u>	<u>2</u>	<u>159,043</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	687,031	20	562,544	25	1,515,656	16	1,317,284	20
INCOME TAX EXPENSE (Note 27)	<u>(110,262)</u>	<u>(3)</u>	<u>(91,039)</u>	<u>(4)</u>	<u>(270,360)</u>	<u>(3)</u>	<u>(246,599)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>576,769</u>	<u>17</u>	<u>471,505</u>	<u>21</u>	<u>1,245,296</u>	<u>13</u>	<u>1,070,685</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	<u>(3,557,101)</u>	<u>(104)</u>	<u>(15,874)</u>	<u>(1)</u>	<u>5,151,821</u>	<u>57</u>	<u>(868,314)</u>	<u>(13)</u>
	<u>(3,557,101)</u>	<u>(104)</u>	<u>(15,874)</u>	<u>(1)</u>	<u>5,151,821</u>	<u>57</u>	<u>(868,314)</u>	<u>(13)</u>

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EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ -	-	\$ -	-	\$ -	-	\$ 359	-
Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	(72)	-
	-	-	-	-	-	-	287	-
Other comprehensive income (loss) for the period, net of income tax	<u>(3,557,101)</u>	<u>(104)</u>	<u>(15,874)</u>	<u>(1)</u>	<u>5,151,821</u>	<u>57</u>	<u>(868,027)</u>	<u>(13)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (2,980,332)</u>	<u>(87)</u>	<u>\$ 455,631</u>	<u>20</u>	<u>\$ 6,397,117</u>	<u>70</u>	<u>\$ 202,658</u>	<u>3</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 484,849	14	\$ 375,673	16	\$ 992,612	11	\$ 801,391	12
Non-controlling interests	<u>91,920</u>	<u>3</u>	<u>95,832</u>	<u>5</u>	<u>252,684</u>	<u>2</u>	<u>269,294</u>	<u>4</u>
	<u>\$ 576,769</u>	<u>17</u>	<u>\$ 471,505</u>	<u>21</u>	<u>\$ 1,245,296</u>	<u>13</u>	<u>\$ 1,070,685</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (2,910,709)	(85)	\$ 348,195	15	\$ 5,950,354	65	\$ (74,634)	(1)
Non-controlling interests	<u>(69,623)</u>	<u>(2)</u>	<u>107,436</u>	<u>5</u>	<u>446,763</u>	<u>5</u>	<u>277,292</u>	<u>4</u>
	<u>\$ (2,980,332)</u>	<u>(87)</u>	<u>\$ 455,631</u>	<u>20</u>	<u>\$ 6,397,117</u>	<u>70</u>	<u>\$ 202,658</u>	<u>3</u>
EARNINGS PER SHARE (Note 28)								
Basic	<u>\$ 1.16</u>		<u>\$ 0.95</u>		<u>\$ 2.43</u>		<u>\$ 2.03</u>	
Diluted	<u>\$ 1.16</u>		<u>\$ 0.95</u>		<u>\$ 2.43</u>		<u>\$ 2.03</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 9, 2021)

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EVERGREEN STEEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company										
	Share Capital		Capital Surplus	Retained Earnings		Other Equity		Treasury Stock	Total	Non-controlling Interests	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences 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, 2020	399,426	\$ 3,994,260	\$ 356,431	\$ 2,095,929	\$ 6,192,425	\$ (921)	\$ 171,807	\$ (119,045)	\$ 12,690,886	\$ 2,154,672	\$ 14,845,558
Appropriation and distribution of 2019 retain earning											
Legal reserve	-	-	-	94,744	(94,744)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(793,071)	-	-	-	(793,071)	-	(793,071)
Subsidiary receives dividend from the parent company	-	-	4,998	-	-	-	-	-	4,998	-	4,998
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(274,940)	(274,940)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(4)	(4)
Net profit for the nine months ended September 30, 2020	-	-	-	-	801,391	-	-	-	801,391	269,294	1,070,685
Other comprehensive income (loss) for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	138	(876,163)	-	(876,025)	7,998	(868,027)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	801,391	138	(876,163)	-	(74,634)	277,292	202,658
Disposal of treasury shares	-	-	26,603	-	-	-	-	25,932	52,535	-	52,535
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(534)	-	534	-	-	-	-
BALANCE AT SEPTEMBER 30, 2020	<u>399,426</u>	<u>\$ 3,994,260</u>	<u>\$ 388,032</u>	<u>\$ 2,190,673</u>	<u>\$ 6,105,467</u>	<u>\$ (783)</u>	<u>\$ (703,822)</u>	<u>\$ (93,113)</u>	<u>\$ 11,880,714</u>	<u>\$ 2,157,020</u>	<u>\$ 14,037,734</u>
BALANCE AT JANUARY 1, 2021	399,426	\$ 3,994,260	\$ 396,542	\$ 2,190,673	\$ 6,347,269	\$ (648)	\$ 1,166,832	\$ (93,113)	\$ 14,001,815	\$ 2,795,754	\$ 16,797,569
Appropriation and distribution of 2020 retain earning											
Legal reserve	-	-	-	104,266	(104,266)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(872,378)	-	-	-	(872,378)	-	(872,378)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(280,723)	(280,723)
Issuance of ordinary shares for cash	20,556	205,560	837,090	-	-	-	-	-	1,042,650	-	1,042,650
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(1)	(1)
Net profit for the nine months ended September 30, 2021	-	-	-	-	992,612	-	-	-	992,612	252,684	1,245,296
Other comprehensive income for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	4,957,742	-	4,957,742	194,079	5,151,821
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	992,612	-	4,957,742	-	5,950,354	446,763	6,397,117
Disposal of treasury shares	-	-	106,620	-	-	-	-	43,175	149,795	-	149,795
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	57,597	-	(57,597)	-	-	-	-
BALANCE AT SEPTEMBER 30, 2021	<u>419,982</u>	<u>\$ 4,199,820</u>	<u>\$ 1,340,252</u>	<u>\$ 2,294,939</u>	<u>\$ 6,420,834</u>	<u>\$ (648)</u>	<u>\$ 6,066,977</u>	<u>\$ (49,938)</u>	<u>\$ 20,272,236</u>	<u>\$ 2,961,793</u>	<u>\$ 23,234,029</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 9, 2021)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,515,656	\$ 1,317,284
Adjustments for:		
Depreciation expense (investment properties included)	296,891	295,045
Amortization expense	3,534	5,437
Ordinary shares transferred to employees at cost	39,660	-
Expected credit loss recognized on trade receivables	22,599	355
Finance costs	13,006	12,730
Interest income	(19,238)	(19,803)
Dividend income	(139,511)	(103,458)
Share of profit of associates	(17,012)	(17,592)
Gain on disposal of property, plant and equipment	(3,879)	(484)
Gain on lease modification	(7)	-
Net loss on disposal of inventories	2,917	2,663
Impairment loss on investment properties	-	3,417
Changes in operating assets and liabilities		
Decrease (increase) in contract assets	1,297,437	(1,134,789)
Decrease in notes receivable	34,646	9,856
Increase in trade receivables	(431,805)	(431,666)
Decrease in other receivables	9,290	3,011
Increase in inventories	(2,918,389)	(526,091)
Decrease (increase) in other current assets	63,307	(95,214)
Increase (decrease) in contract liabilities	904,784	(42,228)
Increase in notes payable	121,051	137,513
Increase in trade payables	412,512	258,166
(Decrease) increase in other payables	(136,521)	173,640
Increase (decrease) in provisions	444	(20,779)
(Decrease) increase in other current liabilities	(10,179)	257
Decrease in net defined benefit liabilities	(22,247)	(20,124)
Increase in other non-current liabilities	8,455	1,084
Cash generated from (used in) operations	1,047,401	(191,770)
Interest received	19,565	19,865
Interest paid	(38,388)	(19,778)
Income tax paid	(326,367)	(284,977)
Net cash generated from (used in) operating activities	<u>702,211</u>	<u>(476,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(5,240)	(1,543)
Proceeds from sale of financial assets at fair value through other comprehensive income	566,283	1,646

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EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Purchase of financial assets at amortized cost	\$ (42,203)	\$ (7,931)
Proceeds from sale of financial assets at amortized cost	800	990
Payments for property, plant and equipment	(146,166)	(129,228)
Proceeds from disposal of property, plant and equipment	5,507	763
(Increase) decrease in refundable deposits	(948)	601
Payments for intangible assets	(1,111,097)	(927,997)
(Increase) decrease in other non-current assets	(18,826)	80,541
Dividend received	139,511	40,399
Dividend received from associates	<u>25,000</u>	<u>27,000</u>
Net cash used in investing activities	<u>(587,379)</u>	<u>(914,759)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	260,000	846,900
(Repayments of) proceeds from bills payable	(1,099,383)	1,099,584
Proceeds from long-term borrowings	1,320,933	1,260,883
Repayments of long-term borrowings	(400,000)	(150,000)
(Decrease) increase in guarantee deposits	(538)	9,074
Repayment of principal portion of lease liabilities	(10,041)	(6,957)
Repayments of cash dividend	(872,378)	(788,073)
Proceeds from issuance of ordinary shares	1,002,990	-
Proceeds from disposal of treasury shares	149,795	52,535
Decrease in non-controlling interests	(1)	(4)
Dividends paid to non-controlling interests	<u>(280,723)</u>	<u>(274,940)</u>
Net cash generated from financing activities	<u>70,654</u>	<u>2,049,002</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	185,486	657,583
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,219,283</u>	<u>3,359,052</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,404,769</u>	<u>\$ 4,016,635</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' review report dated November 9, 2021)

(Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Evergreen Steel Corporation (the “Company”) was incorporated in January 1973 as a company limited by shares under the Company Law of the Republic of China. The Company is mainly engaged in the steel structure engineering business and environmental protection business. The Company’s steel structure engineering business mainly includes engineering projects of factories, tall buildings and bridges. The Company’s reinvestment on environmental protection business includes general and business waste treatment and cogeneration. On January 13, 2020, the Company was approved by the Taipei Exchange (TPEX) for domestic initial public offering, and its ordinary shares were listed and traded on the Emerging Stock Board. Since April 12, 2021, the Company’s shares have been listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 9, 2021.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the amendments in the retained earnings at the date of the initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

- d) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or
 - e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.
- 3) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and the entities controlled by the parent company (i.e., its subsidiaries). Income and expenses of the subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent company.

See Note 11 and Table 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to significant accounting policies to the consolidated financial statements for the years ended December 31, 2020.

1) Retirement benefits

Pension costs for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgments and key sources of estimation uncertainty are the same as those in the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 3,210	\$ 3,145	\$ 3,195
Checking accounts and demand deposits	704,115	410,868	436,516
Cash equivalents			
Time deposits	3,289,356	3,512,292	2,987,606
Commercial paper	<u>408,088</u>	<u>292,978</u>	<u>589,318</u>
	<u>\$ 4,404,769</u>	<u>\$ 4,219,283</u>	<u>\$ 4,016,635</u>

7. FINANCIAL ASSETS AT FVTOCI

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 10,384,811	\$ 5,744,880	\$ 3,977,310
Unlisted shares	818,005	881,433	722,348
Foreign investments			
Unlisted shares	<u>163,474</u>	<u>149,199</u>	<u>148,659</u>
	<u>\$ 11,366,290</u>	<u>\$ 6,775,512</u>	<u>\$ 4,848,317</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes.

The Group sold its investments to diversify risks for the nine months ended September 30, 2021 and 2020, and transferred a gain (loss) of \$57,597 thousand and \$(534) thousand, respectively, from other equity to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Pledge deposits	\$ 53,893	\$ 17,091	\$ 17,401
Restricted bank deposits	<u>10,962</u>	<u>6,361</u>	<u>4,420</u>
	<u>\$ 64,855</u>	<u>\$ 23,452</u>	<u>\$ 21,821</u>

Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Trade receivables (including trade receivables from related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 1,328,576	\$ 896,771	\$ 986,623
Less: Allowance for impairment loss	<u>(2,501)</u>	<u>(177)</u>	<u>(1,442)</u>
	<u>\$ 1,326,075</u>	<u>\$ 896,594</u>	<u>\$ 985,181</u>

Trade receivable

The average credit period on sales of goods is 0 to 120 days. In determining the recoverability of a trade receivable, the Group considers the changes in the credit quality of the trade receivable since the date of credit was initially granted to the end of the reporting period. The allowance for bad debts refers to the past arrears records of the counterparty and the analysis of its current financial status to estimate the amount that cannot be recovered.

The Group applies the simplified approach for the allowance of expected credit loss prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial positions.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. The Group directly recognizes the impairment loss of related accounts receivable. The Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the Group's aging of trade receivables.

September 30, 2021

	<u>Amount Without Sign of Default</u>				<u>Amount with Sign of Default</u>	<u>Total</u>
	<u>0 to 60 Days</u>	<u>61 to 90 Days</u>	<u>91 to 120 Days</u>	<u>Over 120 Days</u>		
Expected credit loss rate	0.02%	0.53%	3.36%	100%	-	
Gross carrying amount	\$ 1,209,658	\$ 110,510	\$ 6,925	\$ 1,483	\$ -	\$ 1,328,576
Loss allowance (Lifetime ECL)	<u>(204)</u>	<u>(581)</u>	<u>(233)</u>	<u>(1,483)</u>	<u>-</u>	<u>(2,501)</u>
Amortized cost	<u>\$ 1,209,454</u>	<u>\$ 109,929</u>	<u>\$ 6,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326,075</u>

December 31, 2020

	<u>Amount Without Sign of Default</u>				<u>Amount with Sign of Default</u>	<u>Total</u>
	<u>0 to 60 Days</u>	<u>61 to 90 Days</u>	<u>91 to 120 Days</u>	<u>Over 120 Days</u>		
Expected credit loss rate	0.02%	0.49%	10%	-	-	
Gross carrying amount	\$ 890,842	\$ 5,889	\$ 40	\$ -	\$ -	\$ 896,771
Loss allowance (Lifetime ECL)	<u>(144)</u>	<u>(29)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(177)</u>
Amortized cost	<u>\$ 890,698</u>	<u>\$ 5,860</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 896,594</u>

September 30, 2020

	<u>Amount Without Sign of Default</u>				<u>Amount with Sign of Default</u>	<u>Total</u>
	<u>0 to 60 Days</u>	<u>61 to 90 Days</u>	<u>91 to 120 Days</u>	<u>Over 120 Days</u>		
Expected credit loss rate	0.06%	1.52%	-	-		
Gross carrying amount	\$ 927,740	\$ 58,764	\$ -	\$ 119	\$ -	\$ 986,623
Loss allowance (Lifetime ECLs)	<u>(546)</u>	<u>(896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,442)</u>
Amortized cost	<u>\$ 927,194</u>	<u>\$ 57,868</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 985,181</u>

The above is an aging analysis based on the account opening date.

The above aging schedule was based on the ledger date. The movements of the loss allowance of trade receivables were as follows:

	<u>For the Nine Months Ended September 30</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 177	\$ 546
Add: Allowance for impairment loss	<u>2,324</u>	<u>896</u>
Balance at September 30	<u>\$ 2,501</u>	<u>\$ 1,442</u>

10. INVENTORIES

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Raw material	\$ 3,869,711	\$ 979,728	\$ 1,056,934
Supplies	21,881	21,827	23,236
Inventory in transit	<u>32,638</u>	<u>7,203</u>	<u>100,799</u>
	<u>\$ 3,924,230</u>	<u>\$ 1,008,758</u>	<u>\$ 1,180,969</u>

The costs of inventories recognized as operating cost for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, were \$2,513,613 thousand, \$1,496,879 thousand, \$6,598,923 thousand and \$4,511,831 thousand, respectively. The costs of goods sold which included the inventory write-downs (reversals) for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, were \$113 thousand, \$(872) thousand, \$2,917 thousand and \$(701) thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The entities included in the consolidated statements are listed below.

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2021	December 31, 2020	September 30, 2020	
The parent company	Super Max Engineering Enterprise Co., Ltd.	Waste collection, treatment and disposal	48.13	48.13	48.13	1)
	Ming Yu Investment Corporation	Investment activities	100.00	100.00	100.00	-
	Hsin Yung Enterprise Corporation	Waste treatment, disposal and cogeneration	68.46	68.46	68.46	-
	Ever Ecove Corporation	Waste treatment, disposal and cogeneration	50.06	50.06	70.00	2)

Remark:

- 1) The Group holds a 48.13% interest in Super Max Engineering Enterprise Co., Ltd. The Group occupies more than half of the board's seats and has the practical ability to direct the relevant activities of Super Max Engineering Enterprise Co., Ltd. Therefore, the Group deems it a subsidiary.
- 2) Ever Ecove Corporation handled a cash capital increase at the end of November 30, 2020. The Company did not subscribe for new shares based on the shareholding ratio. After the capital increase, the shareholding ratio dropped to 50.06%.

b. Subsidiaries excluded from the consolidated financial statements: None.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2021	December 31, 2020	September 30, 2020
Associates that are not individually material			
Kun Lin Engineering Co., Ltd.	<u>\$ 142,811</u>	<u>\$ 150,799</u>	<u>\$ 143,020</u>

Name of Associate	Proportion of Ownership and Voting Rights		
	September 30, 2021	December 31, 2020	September 30, 2020
Kun Lin Engineering Co., Ltd.	50%	50%	50%

Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
The Group's share of:				
Net income for the period	<u>\$ 6,263</u>	<u>\$ 4,474</u>	<u>\$ 17,012</u>	<u>\$ 17,592</u>

The Group holds 50% of the issued share capital of Kun Lin Engineering Co., Ltd and controls 50% of the voting power in general meetings. According to the agreement made by the shareholders, the other shareholders control the composition of the board of directors of Kun Lin Engineering Co., Ltd and, therefore, the Group does not have control over them. The directors of the Company, however, consider that the Group does exercise significant influence over Kun Lin Engineering Co; therefore, the Group accounts them as associates.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2021	\$ 1,797,045	\$ 164,600	\$ 2,490,931	\$ 4,732,313	\$ 109,799	\$ 90,242	\$ -	\$ 9,384,930
Additions	-	-	1,585	40,589	10,755	16,040	1,000	69,969
Disposals	-	-	-	(15,470)	(703)	(2,302)	-	(18,475)
Reclassification	-	-	-	79,647	-	(3,450)	-	76,197
Balance at September 30, 2021	<u>\$ 1,797,045</u>	<u>\$ 164,600</u>	<u>\$ 2,492,516</u>	<u>\$ 4,837,079</u>	<u>\$ 119,851</u>	<u>\$ 100,530</u>	<u>\$ 1,000</u>	<u>\$ 9,512,621</u>
Accumulated depreciation and impairment								
Balance at January 1, 2021	\$ -	\$ 129,356	\$ 1,729,623	\$ 3,988,749	\$ 74,729	\$ 54,063	\$ -	\$ 5,976,520
Disposals	-	-	-	(13,842)	(703)	(2,302)	-	(16,847)
Depreciation expense	-	4,140	72,869	193,275	8,403	6,734	-	285,421
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 133,496</u>	<u>\$ 1,802,492</u>	<u>\$ 4,168,182</u>	<u>\$ 82,429</u>	<u>\$ 58,495</u>	<u>\$ -</u>	<u>\$ 6,245,094</u>
Carrying amount at September 30, 2021	<u>\$ 1,797,045</u>	<u>\$ 31,104</u>	<u>\$ 690,024</u>	<u>\$ 668,897</u>	<u>\$ 37,422</u>	<u>\$ 42,035</u>	<u>\$ 1,000</u>	<u>\$ 3,267,527</u>
Carrying amount at January 1, 2021	<u>\$ 1,797,045</u>	<u>\$ 35,244</u>	<u>\$ 761,308</u>	<u>\$ 743,564</u>	<u>\$ 35,070</u>	<u>\$ 36,179</u>	<u>\$ -</u>	<u>\$ 3,408,410</u>
Cost								
Balance at January 1, 2020	\$ 1,845,363	\$ 164,600	\$ 2,405,334	\$ 4,694,521	\$ 108,289	\$ 82,376	\$ -	\$ 9,300,483
Additions	-	-	3,157	9,344	1,100	5,896	-	19,497
Disposals	-	-	-	(4,260)	(3,407)	(3,635)	-	(11,302)
Reclassification	-	-	78,960	30,771	-	-	-	109,731
Transferred to investment properties	(48,318)	-	-	-	-	-	-	(48,318)
Balance at September 30, 2020	<u>\$ 1,797,045</u>	<u>\$ 164,600</u>	<u>\$ 2,487,451</u>	<u>\$ 4,730,376</u>	<u>\$ 105,982</u>	<u>\$ 84,637</u>	<u>\$ -</u>	<u>\$ 9,370,091</u>
Accumulated depreciation and impairment								
Balance at January 1, 2020	\$ -	\$ 123,743	\$ 1,634,073	\$ 3,737,062	\$ 66,575	\$ 49,754	\$ -	\$ 5,611,207
Disposals	-	-	-	(3,986)	(3,402)	(3,635)	-	(11,023)
Depreciation expense	-	4,210	71,101	196,150	8,870	6,410	-	286,741
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 127,953</u>	<u>\$ 1,705,174</u>	<u>\$ 3,929,226</u>	<u>\$ 72,043</u>	<u>\$ 52,529</u>	<u>\$ -</u>	<u>\$ 5,886,925</u>
Carrying amount at January 1, 2020	<u>\$ 1,797,045</u>	<u>\$ 36,647</u>	<u>\$ 782,277</u>	<u>\$ 801,150</u>	<u>\$ 33,939</u>	<u>\$ 32,108</u>	<u>\$ -</u>	<u>\$ 3,483,166</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	3-10 years
Buildings	2-55 years
Machinery and equipment	3-20 years
Transportation equipment	5-7 years
Other equipment	3-8 years

Due to the changes in the use of certain real estate, property, plant and equipment and investment property held by the Group, the net amount of some property, plant and equipment was \$48,318 thousand which was transferred to investment property for the nine months ended September 30, 2020.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 32.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020	
<u>Carrying amount</u>				
Land	\$ 26,394	\$ 19,476	\$ 17,937	
Other equipment	<u>2,076</u>	<u>1,003</u>	<u>1,255</u>	
	<u>\$ 28,470</u>	<u>\$ 20,479</u>	<u>\$ 19,192</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Additions to right-of-use assets	<u>\$ 6,962</u>	<u>\$ -</u>	<u>\$ 18,545</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets				
Land	\$ 3,694	\$ 1,993	\$ 9,215	\$ 6,049
Other equipment	<u>201</u>	<u>251</u>	<u>753</u>	<u>753</u>
	<u>\$ 3,895</u>	<u>\$ 2,244</u>	<u>\$ 9,968</u>	<u>\$ 6,802</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2021 and 2020.

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Carrying amount</u>			
Current	<u>\$ 13,734</u>	<u>\$ 8,756</u>	<u>\$ 8,753</u>
Non-current	<u>\$ 12,671</u>	<u>\$ 9,738</u>	<u>\$ 8,992</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
	0.878%-1.1%	1.1%	1.1%

c. Material lease-in activities and terms (the Group as lessee)

The Group leases land, buildings and other equipment for the use of plants and manufacturing with lease term of 2 to 3 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease term. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Expenses relating to short-term leases and low-value asset leases	<u>\$ 4,910</u>	<u>\$ 3,326</u>	<u>\$ 12,674</u>	<u>\$ 10,636</u>
Total cash outflow for leases	<u>\$ 7,812</u>	<u>\$ 4,821</u>	<u>\$ 22,889</u>	<u>\$ 17,771</u>

15. INVESTMENT PROPERTIES

	Amount
<u>Cost</u>	
Balance at January 1, 2021	\$ 302,004
Addition	<u>-</u>
Balance at September 30, 2021	<u>\$ 302,004</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2021	\$ (196,474)
Depreciation expense	<u>(1,502)</u>
Balance at September 30, 2021	<u>\$ (197,976)</u>
Carrying amount at September 30, 2021	<u>\$ 104,028</u>
Carrying amount at January 1, 2021	<u>\$ 105,530</u>
<u>Cost</u>	
Balance at January 1, 2020	\$ 253,686
Transfers from property, plant and equipment	<u>48,318</u>
Balance at September 30, 2020	<u>\$ 302,004</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2020	\$ (191,055)
Impairment loss	(3,417)
Depreciation expense	<u>(1,502)</u>
Balance at September 30, 2020	<u>\$ (195,974)</u>
Carrying amount at September 30, 2020	<u>\$ 106,030</u>

For the nine months ended September 30, 2021 and 2020, the reclassification of real estate, plant and equipment were set out in Note 13.

The investment properties are depreciated using the straight-line method in 50 years.

The fair value of the investment real estate was evaluated by the management of the Group with reference to prices of similar properties in the market. The fair value of the investment real estate as of December 31, 2020 and 2019, was \$200,106 thousand and \$203,658 thousand, respectively. According to management assessment, compared with December 31, 2020 and 2019, there was no significant change in the fair value of September 30, 2021 and 2020.

All of the Group's investment property were held under freehold interests. The investment properties pledged as collateral for bank borrowings were set out in Note 32.

16. INTANGIBLE ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Service concession arrangements*	\$ 3,869,719	\$ 2,734,183	\$ 1,827,408
Computer software	<u>4,284</u>	<u>5,533</u>	<u>6,533</u>
	<u>\$ 3,874,003</u>	<u>\$ 2,739,716</u>	<u>\$ 1,833,941</u>

* The subsidiary - Ever Ecove Corporation signed a construction service contract of "Building, Operation and Transfer of Taoyuan City Biomass Energy Center" with Taoyuan City Government, and the price of the right to charge public service users which was built by Ever Ecove Corporation, is classified as intangible assets - service concession arrangements. The construction period was from October 2018 to December 2021. Upon completion of construction, Ever Ecove Corporation shall provide operational services until October 2043. Upon expiration of the service concession arrangement, Ever Ecove Corporation shall return the right of management according to the contract and transfer the ownership of the built biomass energy center and related auxiliary facilities to Taoyuan City Government free of charge.

17. OTHER ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Prepayments	\$ 72,349	\$ 96,949	\$ 26,466
Prepaid expenses	29,292	28,779	25,111
Tax credit	<u>10,849</u>	<u>50,069</u>	<u>76,581</u>
	<u>\$ 112,490</u>	<u>\$ 175,797</u>	<u>\$ 128,158</u>
<u>Non-current</u>			
Prepayments for equipment	<u>\$ 136,230</u>	<u>\$ 117,404</u>	<u>\$ 24,811</u>

18. BORROWINGS

a. Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 950,000</u>	<u>\$ 690,000</u>	<u>\$ 1,046,900</u>
Interest rate range	0.77%-1.3%	0.88%-0.9%	0.88%-1.3%

b. Short-term bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper	\$ 700,000	\$ 1,800,000	\$ 1,500,000
Less: Unamortized discounts on short-term bills payable	<u>(212)</u>	<u>(829)</u>	<u>(547)</u>
	<u>\$ 699,788</u>	<u>\$ 1,799,171</u>	<u>\$ 1,499,453</u>

c. Long-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Secured borrowings</u>			
Bank loans	\$ 2,930,000	\$ 1,990,000	\$ 1,460,000
<u>Unsecured borrowings</u>			
Bank loans	<u>-</u>	<u>20,000</u>	<u>20,000</u>
	2,930,000	2,010,000	1,480,000
Less: Current portion of long-term borrowing	-	(300,000)	(300,000)
Unamortized discount	<u>(15,598)</u>	<u>(16,531)</u>	<u>(16,775)</u>
	<u>\$ 2,914,402</u>	<u>\$ 1,693,469</u>	<u>\$ 1,163,225</u>
Expiry period	2024-2034	2021-2034	2021-2034
Interest rate range	0.89%-1.7895%	0.89%-1.7895%	0.89%-1.7895%

Please refer to Note 32 for details of the collaterals pledged for the above long-term borrowings.

19. TRADE PAYABLES

The average credit period on purchases of certain goods was 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Group, usually more than twelve months after the reporting period. Refer to Note 23 for maturity analysis of retentions payable.

20. OTHER LIABILITIES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Other payables			
Payable for transportation fees	\$ 52,669	\$ 47,442	\$ 42,451
Payable for salaries or bonus	46,794	6,909	43,579
Payable for repairs and maintenance	32,929	79,162	99,883
Payable for annual leave	32,571	36,017	17,868
Payable for compensation of employees and remuneration of directors	22,052	27,545	14,043
Payable for sales tax	12,295	11,567	9,371
Payable for insurance expenses	10,521	20,107	10,733
Payables for equipment	3,966	90,524	188,853
Others	<u>57,788</u>	<u>87,491</u>	<u>100,727</u>
	<u>\$ 271,585</u>	<u>\$ 406,764</u>	<u>\$ 527,508</u>

21. PROVISIONS

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Warranties*	\$ 61,179	\$ 60,723	\$ 58,278
Onerous contract - loss on construction	<u>57</u>	<u>69</u>	<u>75</u>
	<u>\$ 61,236</u>	<u>\$ 60,792</u>	<u>\$ 58,353</u>

* The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts.

22. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans were \$5,358 thousand and \$5,396 thousand for the nine months ended September 30, 2021 and 2020, respectively, and were calculated using the respective year's actuarially determined pension cost discount rate as of December 31, 2020 and 2019.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to steel structure business was based on its operating cycle. The amount expected to be recovered or settled within one year after reporting period and more than one year after reporting period for related assets and liabilities are as follows:

	Within 1 Year	More Than 1 Year	Total
<u>September 30, 2021</u>			
Assets			
Notes receivables	\$ 92,264	\$ -	\$ 92,264
Trade receivables	1,085,845	-	1,085,845
Inventories	3,903,384	-	3,903,384
Contracts assets - current	<u>1,765,109</u>	<u>1,108,152</u>	<u>2,873,261</u>
	<u>\$ 6,846,602</u>	<u>\$ 1,108,152</u>	<u>\$ 7,954,754</u>
Liabilities			
Notes payable	\$ 11,895	\$ -	\$ 11,895
Trade payables	1,273,724	188,933	1,462,657
Contracts liabilities - current	<u>1,276,154</u>	<u>-</u>	<u>1,276,154</u>
	<u>\$ 2,561,773</u>	<u>\$ 188,933</u>	<u>\$ 2,750,706</u>
<u>December 31, 2020</u>			
Assets			
Notes receivable	\$ 126,203	\$ -	\$ 126,203
Trade receivables	635,261	-	635,261
Inventories	986,652	-	986,652
Contracts assets - current	<u>3,468,046</u>	<u>722,927</u>	<u>4,190,973</u>
	<u>\$ 5,216,162</u>	<u>\$ 722,927</u>	<u>\$ 5,939,089</u>
Liabilities			
Notes payable	\$ 931	\$ -	\$ 931
Trade payables	907,412	212,977	1,120,389
Contracts liabilities - current	<u>298,877</u>	<u>24,878</u>	<u>323,755</u>
	<u>\$ 1,207,220</u>	<u>\$ 237,855</u>	<u>\$ 1,445,075</u>
<u>September 30, 2020</u>			
Assets			
Notes receivable	\$ 42,874	\$ -	\$ 42,874
Trade receivables	670,540	-	670,540
Inventories	1,160,505	-	1,160,505
Contracts assets - current	<u>3,430,123</u>	<u>463,749</u>	<u>3,893,872</u>
	<u>\$ 5,304,042</u>	<u>\$ 463,749</u>	<u>\$ 5,767,791</u>

(Continued)

	Within 1 Year	More Than 1 Year	Total
Liabilities			
Trade payables	\$ 963,949	\$ 186,913	\$ 1,150,862
Contracts liabilities - current	<u>259,914</u>	<u>-</u>	<u>259,914</u>
	<u>\$ 1,223,863</u>	<u>\$ 186,913</u>	<u>\$ 1,410,776</u> (Concluded)

24. EQUITY

a. Share capital

Ordinary shares

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares authorized (in thousands)	<u>440,000</u>	<u>440,000</u>	<u>440,000</u>
Shares authorized	<u>\$ 4,400,000</u>	<u>\$ 4,400,000</u>	<u>\$ 4,400,000</u>
Number of shares issued and fully paid (in thousands)	<u>419,982</u>	<u>399,426</u>	<u>399,426</u>
Shares issued	<u>\$ 4,199,820</u>	<u>\$ 3,994,260</u>	<u>\$ 3,994,260</u>

On December 21, 2020, the board of directors resolved a cash capital increase by issuing 20,556 thousand new shares with a par value \$10, and the base date of capital increase was April 8, 2021. The change of registration was completed on April 28, 2021.

The above cash capital increase proposal retains 10% of the cash capital increase shares, which totaled 2,056 thousand shares, for employees' subscription. The Company recognized salary expenses and capital surplus - employee share options of \$39,660 thousand on the grant date.

b. Capital surplus

	September 30, 2021	December 31, 2020	September 30, 2020
May be used to offset a deficit, distributed as cash dividends, or <u>transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 834,988	\$ -	\$ -
Treasury share transactions	439,828	333,208	333,208
Consolidation excess	51,956	51,956	51,956
<u>Only be used to offset a deficit</u>			
Changes in ownership interests in subsidiaries (2)	8,510	8,510	-
Expired employee share options	4,877	2,775	2,775
Unclaimed dividends	<u>93</u>	<u>93</u>	<u>93</u>
	<u>\$ 1,340,252</u>	<u>\$ 396,542</u>	<u>\$ 388,032</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on distribution of compensation of employees and remuneration of directors before and after amendment, refer to f. employee benefits expense in Note 26.

The Company's dividend policy also stipulates to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the parent company shall distribute dividends at no less than 50% of the net profit. The dividends may be distributed by either cash or shares, and cash dividends shall not be less than 50% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2020 and 2019 which were approved in shareholders' meetings on July 23, 2021 and June 18, 2020, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Years Ended December 31		For the Years Ended December 31	
	2020	2019	2020	2019
Legal reserve	\$ 104,266	\$ 94,744		
Cash dividends	872,378	793,071	\$ 2.09	\$ 2.00

d. Treasury shares

	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiary - Ming Yu Investment Corporation (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	2,891	2,499	5,390
Additions	-	-	-
Less	<u>-</u>	<u>(2,499)</u>	<u>(2,499)</u>
Number of shares at September 30, 2021	<u>2,891</u>	<u>-</u>	<u>2,891</u>
Carrying amount at September 30, 2021	<u>\$ 49,938</u>	<u>\$ -</u>	<u>\$ 49,938</u>
Number of shares at January 1, 2020	2,891	4,000	6,891
Additions	-	-	-
Less	<u>-</u>	<u>(1,501)</u>	<u>(1,501)</u>
Number of shares at September 30, 2020	<u>2,891</u>	<u>2,499</u>	<u>5,390</u>
Carrying amount at September 30, 2020	<u>\$ 49,938</u>	<u>\$ 43,175</u>	<u>\$ 93,113</u>

For the nine months ended September 30, 2020 and 2021, the Company's shares were held by its subsidiary-Ming Yu Investment Corporation. Ming Yu Investment Corporation sold 2,499 and 1,501 thousand shares to unrelated parties.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

25. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Construction contract revenue	\$ 2,869,506	\$ 1,717,291	\$ 7,447,978	\$ 5,039,797
Revenue from waste treatment	410,579	440,415	1,199,239	1,275,780
Energy revenue	112,863	126,107	316,041	334,406
Revenue from containers repair	<u>39,962</u>	<u>35,068</u>	<u>119,334</u>	<u>107,840</u>
	<u>\$ 3,432,910</u>	<u>\$ 2,318,881</u>	<u>\$ 9,082,592</u>	<u>\$ 6,757,823</u>

a. Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020
Contract assets			
Properties construction	\$ 1,211,623	\$ 3,036,146	\$ 2,659,173
Retention receivable	1,719,962	1,192,876	1,259,107
Less: Allowance for impairment loss	<u>(58,324)</u>	<u>(38,049)</u>	<u>(24,408)</u>
	<u>\$ 2,873,261</u>	<u>\$ 4,190,973</u>	<u>\$ 3,893,872</u>
Contract liabilities			
Properties construction	\$ 1,276,154	\$ 323,755	\$ 259,914
Waste treatment	<u>11,439</u>	<u>59,054</u>	<u>46,647</u>
	<u>\$ 1,287,593</u>	<u>\$ 382,809</u>	<u>\$ 306,561</u>

The movements of the loss allowance of contract assets are as follows:

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 38,049	\$ 24,949
Add: Net remeasurement of loss allowance (reversed)	<u>20,275</u>	<u>(541)</u>
Balance at September 30	<u>\$ 58,324</u>	<u>\$ 24,408</u>

b. Partially completed contracts

The transaction prices, excluding any estimated amounts of variable consideration that are constrained, allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows.

	September 30, 2021
Property construction contracts	
From October 2021 to September 2022	\$ 12,448,554
From October 2022 to September 2023	2,213,821
From October 2023 to after years	<u>-</u>
	<u>\$ 14,662,375</u>
	December 31, 2020
Property construction contracts	
In 2021	\$ 13,959,269
In 2022	1,634,948
From 2023 to after years	<u>311,433</u>
	<u>\$ 15,905,650</u>

	September 30, 2020
Property construction contracts	
From October 2020 to September 2021	\$ 12,910,013
From October 2021 to September 2022	648,784
From October 2022 to after years	<u>363,979</u>
	<u>\$ 13,922,776</u>

26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Rental income	\$ 3,167	\$ 3,241	\$ 9,788	\$ 9,793
Dividend revenue	133,320	96,706	139,511	103,458
Others (Note 31)	<u>8,652</u>	<u>217</u>	<u>17,942</u>	<u>24,822</u>
	<u>\$ 145,139</u>	<u>\$ 100,164</u>	<u>\$ 167,241</u>	<u>\$ 138,073</u>

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Gain on disposal of property, plant and equipment	\$ 25	\$ 543	\$ 3,879	\$ 484
Net foreign exchange gains and (losses)	(1,401)	5,070	(8,794)	4,293
Impairment loss on investment properties	-	(3,417)	-	(3,417)
Others	<u>(459)</u>	<u>(946)</u>	<u>(3,358)</u>	<u>(5,055)</u>
	<u>\$ (1,835)</u>	<u>\$ 1,250</u>	<u>\$ (8,273)</u>	<u>\$ (3,695)</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Interest on bank loans	\$ 12,929	\$ 7,139	\$ 34,746	\$ 15,132
Interest on commercial paper	731	1,849	4,810	4,869
Interest on lease liabilities	59	50	174	178
Less: Amounts included in the cost of qualifying assets	<u>(10,579)</u>	<u>(3,857)</u>	<u>(26,724)</u>	<u>(7,449)</u>
	<u>\$ 3,140</u>	<u>\$ 5,181</u>	<u>\$ 13,006</u>	<u>\$ 12,730</u>

Information about capitalized interest is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Capitalized interest amount	<u>\$ 10,579</u>	<u>\$ 3,857</u>	<u>\$ 26,724</u>	<u>\$ 7,449</u>
Capitalization rate	1.3%-1.7895%	1.3%-1.7895%	1.3%-1.7895%	1.3%-1.7895%

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Property, plant and equipment	\$ 95,247	\$ 96,125	\$ 285,421	\$ 286,741
Investment property	501	501	1,502	1,502
Right-of-use assets	3,895	2,244	9,968	6,802
Intangible assets	<u>959</u>	<u>1,642</u>	<u>3,534</u>	<u>5,437</u>
	<u>\$ 100,602</u>	<u>\$ 100,512</u>	<u>\$ 300,425</u>	<u>\$ 300,482</u>
An analysis of deprecation by function				
Operating costs	\$ 96,400	\$ 95,688	\$ 287,176	\$ 285,440
Operating expenses	<u>3,243</u>	<u>3,182</u>	<u>9,715</u>	<u>9,605</u>
	<u>\$ 99,643</u>	<u>\$ 98,870</u>	<u>\$ 296,891</u>	<u>\$ 295,045</u>
An analysis of amortization by function				
Operating costs	\$ 166	\$ 550	\$ 711	\$ 2,297
Operating expenses	<u>793</u>	<u>1,092</u>	<u>2,823</u>	<u>3,140</u>
	<u>\$ 959</u>	<u>\$ 1,642</u>	<u>\$ 3,534</u>	<u>\$ 5,437</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Post-employment benefits				
Defined contribution plans	\$ 4,719	\$ 4,357	\$ 14,131	\$ 13,315
Defined benefit plans (Note 22)	1,629	1,802	5,358	5,396
Other employee benefits	<u>180,038</u>	<u>148,366</u>	<u>542,204</u>	<u>450,658</u>
Total employee benefits expense	<u>\$ 186,386</u>	<u>\$ 154,525</u>	<u>\$ 561,693</u>	<u>\$ 469,369</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
An analysis of employee benefits expense by function				
Operating costs	\$ 86,162	\$ 82,976	\$ 258,477	\$ 245,019
Operating expenses	<u>100,224</u>	<u>71,549</u>	<u>303,216</u>	<u>224,350</u>
	<u>\$ 186,386</u>	<u>\$ 154,525</u>	<u>\$ 561,693</u>	<u>\$ 469,369</u> (Concluded)

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the nine months ended September 30, 2021 and 2020, are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2021	2020
Compensation of employees	0.51%	0.50%
Remuneration of directors	0.34%	0.43%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
	Cash	Cash	Cash	Cash
Compensation of employees	\$ 2,783	\$ 1,352	\$ 5,592	\$ 4,056
Remuneration of directors	1,250	1,250	3,750	3,750

If there is a change in the amounts after the consolidated annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

The Company held board of directors' meetings on March 10, 2021 and March 16, 2020, and those meetings resulted in the actual amounts of the remuneration of directors paid for 2020 and 2019 to differ from the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019, respectively. The differences were adjusted to profit and loss in the following year.

	For the Years Ended December 31			
	2020		2019	
	Compensation of employees	Remuneration of Directors	Compensation of employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	<u>\$ 5,745</u>	<u>\$ 5,000</u>	<u>\$ 5,407</u>	<u>\$ 6,819</u>
Amounts recognized in the annual financial statements	<u>\$ 5,745</u>	<u>\$ 5,000</u>	<u>\$ 5,407</u>	<u>\$ 7,000</u>

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
	Cash	Cash	Cash	Cash
Current tax				
In respect of the current year	\$ 110,970	\$ 90,408	\$ 281,486	\$ 229,806
Income tax on unappropriated earning	1,654	(1,366)	3,097	8,491
Adjustment for prior year	<u>-</u>	<u>-</u>	<u>(2,133)</u>	<u>15</u>
	112,624	89,042	282,450	238,312
Deferred tax				
In respect of the current year	<u>(2,362)</u>	<u>1,997</u>	<u>(12,090)</u>	<u>8,287</u>
Income tax expense recognized in profit or loss	<u>\$ 110,262</u>	<u>\$ 91,039</u>	<u>\$ 270,360</u>	<u>\$ 246,599</u>

b. Income tax assessments

The income tax of the Group through 2018 have been assessed by the Tax Authorities.

28. EARNINGS PER SHARE

Units: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Basic earnings per share	<u>\$ 1.16</u>	<u>\$ 0.95</u>	<u>\$ 2.43</u>	<u>\$ 2.03</u>
Diluted earnings per share	<u>\$ 1.16</u>	<u>\$ 0.95</u>	<u>\$ 2.43</u>	<u>\$ 2.03</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net profit for the period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Profit for the period attributable to owners of the Company	<u>\$ 484,849</u>	<u>\$ 375,673</u>	<u>\$ 992,612</u>	<u>\$ 801,391</u>

Shares

Unit: In Thousand Shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	417,091	394,036	408,684	394,003
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>111</u>	<u>30</u>	<u>142</u>	<u>135</u>
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	<u>417,202</u>	<u>394,066</u>	<u>408,826</u>	<u>394,138</u>

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

Fair value hierarchy as of September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 10,384,811	\$ -	\$ -	\$ 10,384,811
Unlisted shares - ROC	-	-	818,005	818,005
Unlisted shares in other country	-	-	163,474	163,474
	<u>\$ 10,384,811</u>	<u>\$ -</u>	<u>\$ 981,479</u>	<u>\$ 11,366,290</u>

Fair value hierarchy as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 5,744,880	\$ -	\$ -	\$ 5,744,880
Unlisted shares - ROC	-	-	881,433	881,433
Unlisted shares in other country	-	-	149,199	149,199
	<u>\$ 5,744,880</u>	<u>\$ -</u>	<u>\$ 1,030,632</u>	<u>\$ 6,775,512</u>

Fair value hierarchy as of September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 3,977,310	\$ -	\$ -	\$ 3,977,310
Unlisted shares - ROC	-	-	722,348	722,348
Unlisted shares in other country	-	-	148,659	148,659
	<u>\$ 3,977,310</u>	<u>\$ -</u>	<u>\$ 871,007</u>	<u>\$ 4,848,317</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

- 2) Reconciliation of Level 3 fair value measurements of financial instruments: None
- 3) Valuation techniques and inputs applied for Level 2 fair value measurement: None
- 4) Valuation techniques and inputs applied for Level 3 fair value measurement: The fair values of unlisted equity securities - ROC were determined using market approach. The market approach is used to arrive at their par values for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

c. Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 5,915,625	\$ 5,287,448	\$ 5,432,108
Financial assets at FVTOCI			
Equity instruments	11,366,290	6,775,512	4,848,317
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (2)	6,794,415	6,337,336	6,044,920
Lease liabilities	26,405	18,494	17,745

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade and other receivables, financial assets at amortized cost and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise notes payable and trade payables, other payables, guarantee deposits received, short-term borrowings, short-term bills payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's Corporate Treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no changes to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the Currency USD, Currency EUR and Currency JPY.

The following table details the Group's sensitivity to an increase and a decrease in New Taiwan dollars (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. The positive numbers in the following table indicate the amount of increase in net profit before tax when the New Taiwan Dollars depreciates by 5% relative to the relevant currencies; when the New Taiwan Dollars appreciates by 5% relative to the relevant foreign currencies, its impact on the net profit before tax will be The negative number of the same amount.

	<u>USD Impact</u>		<u>EUR Impact</u>		<u>JPY Impact</u>	
	<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>		<u>September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss	\$ 824*	\$ 1,050*	\$ 787*	\$ 3,621*	\$ 2,918*	\$ 8,141*

* This was mainly attributable to the exposure on outstanding demand deposits in USD, EUR and JPY in cash flow hedges at the end of the period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	September 30, 2021	December 31, 2020	September 30, 2020
Fair value interest rate risk			
Financial assets	\$ 815,721	\$ 904,424	\$ 421,850
Financial liabilities	1,926,193	2,807,665	2,567,198
Cash flow interest rate risk			
Financial assets	3,141,382	3,242,038	3,514,994
Financial liabilities	2,664,402	1,693,469	1,460,125

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2021 and 2020 would have increased/decreased by \$1,789 thousand and \$7,706 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, and demand deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk was mainly concentrated on equity instruments operating in Taiwan industry sector quoted in the Taiwan Stock Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, pre-tax profit for nine months ended September 30, 2021 and 2020 would have increased/decreased by \$340,989 thousand and \$145,450 thousand, respectively, as a result of the changes in fair value of financial assets as FVTOCI.

The Group's sensitivity to equity prices increased due to the impact of equity price fluctuations.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk of 26% and 43% of total trade receivables as of September 30, 2021 and 2020, respectively, was related to the Group's five largest customers. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2021 and 2020, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

September 30, 2021

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 2,016,596	\$ 213,561	\$ -
Lease liabilities	13,919	12,749	-
Variable interest rate liabilities	65,227	943,933	1,993,344
Fixed interest rate liabilities	<u>1,600,581</u>	<u>306,137</u>	<u>-</u>
	<u>\$ 3,696,323</u>	<u>\$ 1,476,380</u>	<u>\$ 1,993,344</u>

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,613,362	\$ 216,101	\$ -
Lease liabilities	8,908	9,835	-
Variable interest rate liabilities	326,622	349,051	1,261,543
Fixed interest rate liabilities	<u>2,489,719</u>	<u>308,147</u>	<u>-</u>
	<u>\$ 4,438,611</u>	<u>\$ 883,134</u>	<u>\$ 1,261,543</u>

September 30, 2020

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,819,360	\$ 190,037	\$ -
Lease liabilities	8,904	9,082	-
Variable interest rate liabilities	418,761	214,518	913,671
Fixed interest rate liabilities	<u>2,351,852</u>	<u>204,091</u>	<u>-</u>
	<u>\$ 4,598,877</u>	<u>\$ 617,728</u>	<u>\$ 913,671</u>

b) Financing facilities

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured bank overdraft facility			
Amount used	\$ 1,650,000	\$ 2,510,000	\$ 2,566,900
Amount unused	<u>5,564,000</u>	<u>4,759,360</u>	<u>5,315,860</u>
	<u>\$ 7,214,000</u>	<u>\$ 7,269,360</u>	<u>\$ 7,882,760</u>
Secured bank overdraft facility			
Amount used	\$ 3,280,000	\$ 1,990,000	\$ 1,460,000
Amount unused	<u>2,518,400</u>	<u>3,450,000</u>	<u>3,888,400</u>
	<u>\$ 5,798,400</u>	<u>\$ 5,440,000</u>	<u>\$ 5,348,400</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationships

<u>Related Party</u>	<u>Relationship with the Company</u>
Evergreen International Corporation	Investor that has significant influence over the Group
EVA Airways Corporation	Related party in substance
Evergreen Security Corporation	Related party in substance
Ever Accord Construction Corporation	Related party in substance
Evergreen Marine Corporation	Related party in substance
Kun Lin Engineering Corporation	Associate

b. Sales of goods

<u>Related Party</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2021	2020	2021	2020
Investor that has significant influence over the Group	\$ 197	\$ 201	\$ 544	\$ 627
Related party in substance	<u>85,526</u>	<u>46,888</u>	<u>624,145</u>	<u>235,042</u>
	<u>\$ 85,723</u>	<u>\$ 47,089</u>	<u>\$ 624,689</u>	<u>\$ 235,669</u>

The sales conditions for related parties in substance were not significantly different from those sales made to the Group's usual price list. There was no comparable sales price between non-related parties and related parties in substance for repairing containers.

c. Other income

Related Party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Associate	\$ <u>-</u>	\$ <u>-</u>	\$ <u>180</u>	\$ <u>200</u>

d. Purchases of goods and expenses

Related Party	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Investor that has significant influence over the Group	\$ 2,300	\$ 2,873	\$ 7,493	\$ 9,030
Related party in substance	<u>5,090</u>	<u>4,343</u>	<u>15,409</u>	<u>15,089</u>
	<u>\$ 7,390</u>	<u>\$ 7,216</u>	<u>\$ 22,902</u>	<u>\$ 24,119</u>

The purchases to related parties had no significant differences with other non-related parties.

e. Contract assets

Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Related party in substance	<u>\$ 109,123</u>	<u>\$ 303,337</u>	<u>\$ 488,284</u>

For the nine months ended September 30, 2021 and 2020, impairment loss of \$3,760 thousand and \$894 thousand, respectively, was recognized for contract assets from related parties.

f. Receivables from related parties

Trade receivables

Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Investor that has significant influence over the Group	\$ 110	\$ 156	\$ 159
Related party in substance	<u>27,887</u>	<u>151,302</u>	<u>23,570</u>
	<u>\$ 27,997</u>	<u>\$ 151,458</u>	<u>\$ 23,729</u>

Other receivables

Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Related party in substance-EVA Airways Corporation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,151</u>

g. Payables to related parties

Other payables

Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Investor that has significant influence over the Group	\$ 1,322	\$ 2,074	\$ 1,233
Related party in substance	<u>2,505</u>	<u>2,398</u>	<u>2,420</u>
	<u>\$ 3,827</u>	<u>\$ 4,472</u>	<u>\$ 3,653</u>

The outstanding trade payables from related parties are unsecured.

h. Lease arrangements

Line Item	Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Right-of-use assets	Investor that has significant influence over the Group	<u>\$ -</u>	<u>\$ 1,004</u>	<u>\$ 1,255</u>
Lease liabilities	Investor that has significant influence over the Group	<u>\$ -</u>	<u>\$ 1,015</u>	<u>\$ 1,267</u>

The Company rents other equipment from Evergreen International Corporation for \$85 thousand per month, and the lease terms is from January 2019 to December 2021. However, the Company terminated the agreement in advance in May 2021, and recognized the gain on lease modification of \$7 thousand.

i. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 9,333	\$ 8,684	\$ 28,652	\$ 24,494
Post-employment benefits	<u>236</u>	<u>1,012</u>	<u>699</u>	<u>2,695</u>
	<u>\$ 9,569</u>	<u>\$ 9,696</u>	<u>\$ 29,351</u>	<u>\$ 27,189</u>

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, provisional attachment and performance guarantees, etc.:

	September 30, 2021	December 31, 2020	September 30, 2020
Property, plant, and equipment, net	\$ 2,290,517	\$ 2,335,640	\$ 2,347,912
Investment properties	96,205	97,706	98,207
Financial assets at amortized cost	<u>64,855</u>	<u>23,452</u>	<u>21,821</u>
	<u>\$ 2,451,577</u>	<u>\$ 2,456,798</u>	<u>\$ 2,467,940</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of September 30, 2021 and 2020 were as follows:

- a. As of September 30, 2021, December 31, 2020 and September 30, 2020, unused letters of credit for purchasing of materials are as follows:

Currency	September 30, 2021	December 31, 2020	September 30, 2020
USD	\$ -	\$ 984	\$ 543
NTD	458,491	472,963	419,577

- b. The Group's unrecognized contractual commitments for the construction of intangible assets service concession arrangements are as follows:

Currency	September 30, 2021	December 31, 2020	September 30, 2020
NTD	\$ 1,166,015	\$ 1,908,254	\$ 2,402,180
JPY	595,841	1,318,425	2,822,263
EUR	1,633	6,209	7,767
USD	730	2,257	3,632

- c. For acquisition of property, plant and equipment, unrecognized commitments were as follows:

Monetary Items	September 30, 2021	December 31, 2020	September 30, 2020
NTD	\$ 28,639	\$ -	\$ -
EUR	2,245	-	-

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

September 30, 2021

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 593	27.85 (USD:NTD)	\$ 16,519
EUR	487	32.32 (EUR:NTD)	15,724
JPY	234,348	0.249 (JPY:NTD)	58,353
Non-monetary items			
Investments accounted for using the equity method			
RMB	3,722	4.305 (RMB:NTD)	16,024
<u>Financial liabilities</u>			
Monetary items			
RMB	751	4.305 (RMB:NTD)	3,233

December 31, 2020

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 206	28.48 (USD:NTD)	\$ 5,859
EUR	3,063	35.02 (EUR:NTD)	107,263
JPY	186,930	0.2763 (JPY:NTD)	51,649
Non-monetary items			
Investments accounted for using the equity method			
RMB	2,939	4.377 (RMB:NTD)	12,866
<u>Financial liabilities</u>			
Monetary items			
RMB	1,094	4.377 (RMB:NTD)	4,789

September 30, 2020

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 722	29.1 (USD:NTD)	\$ 21,009
EUR	2,121	34.15 (EUR:NTD)	72,418
JPY	590,765	0.2756 (JPY:NTD)	162,815
Non-monetary items			
Investments accounted for using the equity method			
RMB	2,748	4.269 (RMB:NTD)	11,732
<u>Financial liabilities</u>			
Monetary items			
RMB	557	4.269 (RMB:NTD)	2,378

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

- 1) Financing provided: None.
- 2) Endorsements/guarantees provided: See Table 1 below.
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 2 below.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 3 below.
- 5) Acquisitions of individual real estate properties at costs of at least NT \$300 million or 20% of the paid-in capital: None.
- 6) Disposals of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 below.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- 9) Trading in derivative instruments: None.
- 10) Intercompany relationships and significant intercompany transactions: See Table 5 below.
- 11) Information on investees: See Table 6 below.

- b. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. See Table 7 below.
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- c. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 8 attached.

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

- Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Steel Structures	Super Max Engineering Enterprise Co., Ltd.	Hsin Yung Enterprise Corporation	Ever Ecove Corporation	Others	Eliminations	Total
For the nine months ended September 30, 2021							
Revenue from external customers	\$ 7,447,978	\$ 574,460	\$ 940,820	\$ -	\$ 119,334	\$ -	\$ 9,082,592
Inter-segment revenue	-	-	-	-	-	-	-
Segment revenue	<u>\$ 7,447,978</u>	<u>\$ 574,460</u>	<u>\$ 940,820</u>	<u>\$ -</u>	<u>\$ 119,334</u>	<u>\$ -</u>	<u>9,082,592</u>
Segment income	<u>\$ 562,701</u>	<u>\$ 251,495</u>	<u>\$ 553,305</u>	<u>\$ (19,194)</u>	<u>\$ 19,020</u>	<u>\$ 2,690</u>	1,370,017
Administration cost							(36,573)
Interest income							19,238
Other income							167,241
Other gains and losses							(8,273)
Finance costs							(13,006)
Share of profit of associates and joint ventures accounted for using the equity method							17,012
Profit before tax							<u>\$ 1,515,656</u>
For the nine months ended September 30, 2020							
Revenue from external customers	\$ 5,039,797	\$ 578,972	\$ 1,031,214	\$ -	\$ 107,840	\$ -	\$ 6,757,823
Inter-segment revenue	-	-	-	-	-	-	-
Segment revenue	<u>\$ 5,039,797</u>	<u>\$ 578,972</u>	<u>\$ 1,031,214</u>	<u>\$ -</u>	<u>\$ 107,840</u>	<u>\$ -</u>	<u>6,757,823</u>
Segment income	<u>\$ 338,320</u>	<u>\$ 262,127</u>	<u>\$ 588,900</u>	<u>\$ (17,425)</u>	<u>\$ 17,723</u>	<u>\$ 2,694</u>	1,192,339
Administration cost							(34,098)
Interest income							19,803
Other income							138,073
Other gains and losses							(3,695)
Finance costs							(12,730)
Share of profit of associates and joint ventures accounted for using the equity method							17,592
Profit before tax							<u>\$ 1,317,284</u>

Sales between departments are priced at cost.

Segment profit represented the profit before tax earned by each segment without headquarters' administrative cost, the share of profit of associates, finance costs, other income or other gains and losses. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

37. OTHERS

The Group's assessment of COVID-19 has little impact on the overall operations; however, the international epidemic is still uncertain. The Group will continue to pay attention to the development of the epidemic and take relevant counter measurements to alleviate the impact on the Group's operations.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Amount Provided To Each Guarantee Party	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Evergreen Steel Corporation	Ever Ecove Corporation	Subsidiary	\$ 10,136,118	\$ 3,087,000	\$ 3,087,000	\$ 3,087,000	\$ -	15.23	\$ 10,136,118	Y	-	-	Note 3
1	Ming Yu Investment Corporation	Evergreen Steel Corporation	Parent Company	8,082,160	1,201,220	1,201,220	1,201,220	-	297.25	8,082,160	-	Y	-	Note 2

Note 1: The Company and its subsidiaries are numbered as follows:

- a. "0" for the Company.
- b. Subsidiaries are numbered from "1".

Note 2: According to endorsement or guarantee provided regulation formulated by subsidiaries, the total amount of endorsement or guarantee that the Company is allowed to provide is up to 2,000% of the net worth value of the latest financial statements of the Company.

Note 3: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of the Company's endorsements or guarantees for subsidiaries holding more than 50% of the shares is not limited by the above ratio, but the maximum shall not exceed 50% of the net value of the most recent financial statements of the Company.

Note 4: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of endorsements or guarantees for subsidiaries is not limited by the above ratio, but the maximum shall not exceed 200% of the net value of the most recent financial statements of the Company.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Evergreen Steel Corporation	<u>Ordinary shares</u>							
	EVA Airways Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	217,326	\$ 4,107,457	4.23	\$ 4,107,457	
	Shin Kong Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	7,931	73,841	0.06	73,841	
	Evergreen Marine Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	38,262	4,820,974	0.72	4,820,974	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTOCI - non-current	16,000	473,600	0.28	473,600	
	Taiwan Terminal Services Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	100	1,101	1.00	1,101	
	Taiwan Aerospace Corporation	-	Financial assets at FVTOCI - non-current	5,503	62,825	4.06	62,825	
	Pacific Resources Corporation	-	Financial assets at FVTOCI - non-current	2,625	-	2.56	-	
	Taiwan Incubator SME Development Corporation	-	Financial assets at FVTOCI - non-current	7,689	64,546	10.90	64,546	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	-	Financial assets at FVTOCI - non-current	6,679	163,474	13.39	163,474	
	Dongwei Transportation Co., Ltd.	-	Financial assets at FVTOCI - non-current	660	7,289	18.86	7,289	
	Ever Accord Construction Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	7,500	66,903	12.50	66,903	
	UNI Airways Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	56,475	615,199	14.99	615,199	
	Evergreen Security Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	10	142	0.05	142	
Hsin Yung Enterprise Corporation	Evergreen Marine Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	7,214	908,939	0.14	908,939	
Super Max Engineering Enterprise Co., Ltd.	P.T. Super Max Indonesia	-	Financial assets at FVTOCI - non-current	-	-	11.00	-	

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares (In Thousands)	Amount
Evergreen Steel Corporation	Ordinary shares - EVA Airways Corporation	Financial assets at FVTOCI - non-current	-	Related party in substance	240,604	\$ 3,478,403	100	\$ 1,576	23,378	\$ 371,700	\$ 337,980	\$ 33,720	217,326	\$ 3,141,999

Note: Valuation adjustments at year-end are not included.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Purchaser/seller	Related Party	Relationship	Transaction Details				Differences in Transaction Terms Compared to Third Party Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Evergreen Steel Corporation	Ever Accord Construction Corporation	Related party in substance	Sale	\$ 512,311	6.77	30-60 days	No significant difference	No significant difference	\$ -	-	Note 1
	Evergreen Marine Corporation	Related party in substance	Sale	110,881	1.47	15-45 days	Note 2	No significant difference	27,655	2.29	

Note 1: The amount of contract assets of \$107,172 thousand was generated by the transaction between the Group and its related party in substance.

Note 2: No similar prices on revenue from containers repair to compare with related party in substance.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	a	Miscellaneous income	\$ 1,380	According to mutual agreements	0.02
		Hsin Yung Enterprise Corporation	a	Gain on disposal of property, plant and equipment	588	According to mutual agreements	0.01
		Ever Ecove Corporation	a	Miscellaneous income	425	According to mutual agreements	-

Note 1: The parent company and its subsidiaries are coded as follows:

- a. The parent company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of relationships are coded as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item's end-of-period balance is shown as a percentage to the consolidated total assets as of September 30, 2021. For profit or loss items, cumulative amounts are shown as percentages to the consolidated total operating revenue for the nine months ended September 30, 2021.

Note 4: The table above only discloses related-party transactions which are material.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES ACCOUNTED FOR
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2021			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				September 30, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Evergreen Steel Corporation	Super Max Engineering Enterprise Co., Ltd.	Taiwan	Waste collection, treatment and disposal	\$ 594,441	\$ 594,440	24,147	48.13	\$ 885,009	\$ 223,292	\$ 107,461	Subsidiary (Note 1)
	Ming Yu Investment Corporation	Taiwan	Investment activities	239,487	239,487	10,350	100.00	248,497	(7,780)	(7,780)	Subsidiary (Note 1)
	Hsin Yung Enterprise Corporation	Taiwan	Waste treatment, disposal and cogeneration	992,666	992,666	99,267	68.46	2,001,437	470,171	321,877	Subsidiary (Note 1)
	Ever Ecove Corporation	Taiwan	Waste treatment, disposal and cogeneration	801,000	801,000	80,100	50.06	769,297	(22,909)	(11,468)	Subsidiary (Note 1)
Super Max Engineering Enterprise Co., Ltd.	Kun Lin Engineering Co., Ltd.	Taiwan	Planning of wastewater, air and noise prevention; design, construction, sale, operation and maintenance of related equipment	18,000	18,000	5,000	50.00	142,811	34,023	17,012	Accounted for using the equity method

Note 1: All amounts have been eliminated upon consolidation.

Note 2: Refer to Table 7 for information on investments in mainland China.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2021	Net Income (Losses) of the Investee Company	Percentage of Ownership (%)	Share of Profit (Loss) (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Inward Remittance of Earnings as of September 30, 2021	Note
					Outflow	Inflow							
Kun Shan	Design, manufacture and installation of waste water, waste gas equipment and various piping	\$ 11,140 (US\$ 400)	Note 1	\$ 11,140 (US\$ 400)	\$ -	\$ -	\$ 11,140 (US\$ 400)	\$ 20,904 (RMB 4,820)	24.07	\$ 5,030	\$ 16,024	\$ 42,555 (US\$ 1,528)	

Accumulated Investments in Mainland China as of September 30, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
\$ 11,140 (US\$ 400)	\$ 11,140 (US\$ 400) (Note 3)	\$ 13,940,417 (Note 4)

Note 1: Indirect investment in mainland China through holding companies.

Note 2: The amount was recognized based on the investee's unreviewed financial statements.

Note 3: Investments approved by the Ministry of Economic Affairs, ROC are as follows:

Name of Investee	Date	Order No.	Approved Amount
Kun Shan	2007.6.15	09600201610	US\$ 200
Kun Shan	2008.1.25	09700027430	US\$ 100
Kun Shan	2008.7.22	09700252240	US\$ 100
			<u>US\$ 400</u>

Note 4: The Company's upper limit on investments to China: \$23,234,029 (net worth) × 60% = \$13,940,417.

TABLE 8**EVERGREEN STEEL CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS
SEPTEMBER 30, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Evergreen International Corporation	91,101,257	21.69
EVA Airways Corporation	38,201,625	9.09
Continental Engineering Corporation	25,645,907	6.10
Chang, Kuo-Hua	25,008,820	5.95
Chang, Kuo-Ming	25,008,820	5.95
Chang, Kuo-Cheng	25,008,820	5.95
Chang Yung-Fa Foundation	25,008,820	5.95

Note: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's consolidated financial statements may be different due to differences in the basis of preparation and calculation.