



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

STOCK CODE: 2211

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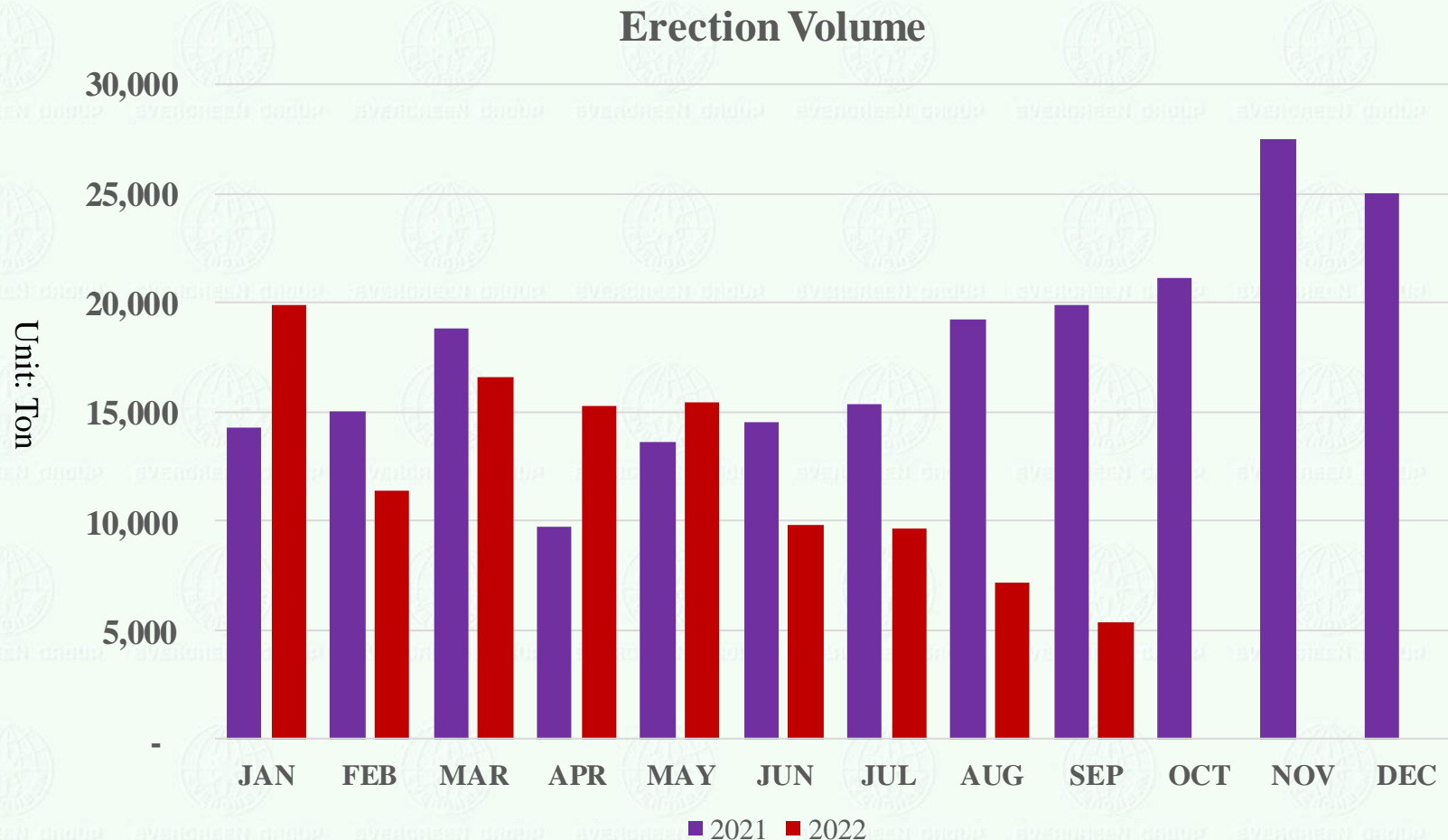
- **Q&A**



Performance and Development of the Steel Structure Business

Steel Structure Business Performance – Erection Volume Breakdown

Breakdown of the Steel Structure Erection Volume in the Past Year




Steel Structure Business Performance – Order Breakdown

Current Orders (As of September, 2022)			New Orders (Between January, 2021 and September, 2022)		
Item	Tons	Ratio	Item	Tons	Ratio
Factories	58,766	33%	Factories	89,942	38%
Buildings	121,433	67%	Buildings	143,782	62%
Total	180,199	100%	Total	233,724	100%

Steel Structure Business Development

- In the short term, the deteriorating economy, high inflation, and high prices have caused companies planning to build new facilities to postpone these projects until costs drop. Therefore the demand for steel structures has reduced.
- In regard to public construction projects, open bidding for Taichung Arena, Hsinchu Baoshan steel bridge, Chiayi City Elevated Railway Project, and National Highway No. 1 Linkou Interchange Improvement Project will take place successively. Commercial buildings and urban renewal projects will make up for part of the production capacity unutilized due to the current economic climate. Therefore, the steel structure market will maintain a certain level of demand and production.
- In the short term, demand for steel structures for new construction projects will be low. We will continue to seek opportunities to provide steel structures to public construction projects, urban renewal projects, and commercial building development projects.



Performance and Development of the Reinvestment Business

Reinvestment Business Details

(1) Hsin Yung Enterprise Corporation:

Mainly disposes of domestic garbage in Taoyuan City, collects general and industrial wastes, and sells the power generated from waste processing.

(2) Super Max Engineering Enterprise Co., Ltd.:

Mainly processes hazardous industrial waste and infectious medical waste.

(3) Ever Ecove Corporation:

① Approved and established in August, 2018; commercial operations are expected to commence in Q1 of 2023.

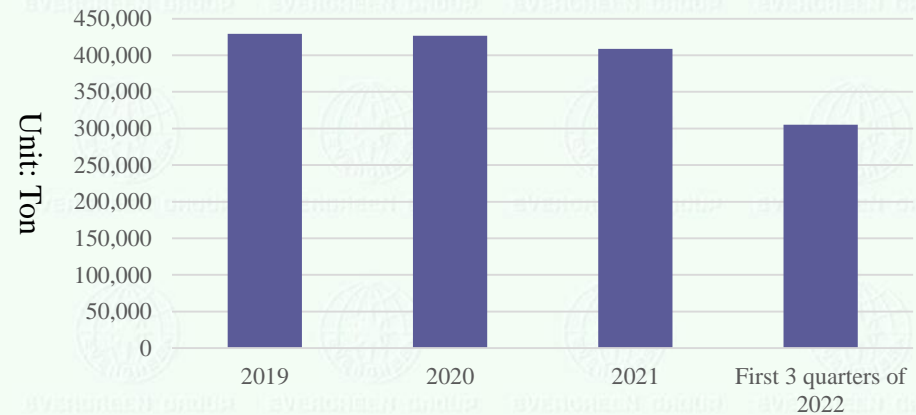
② Mainly processes domestic garbage in Taoyuan City, collects general and industrial wastes, and sells the power generated from waste processing.

Hsin Yung Business Overview

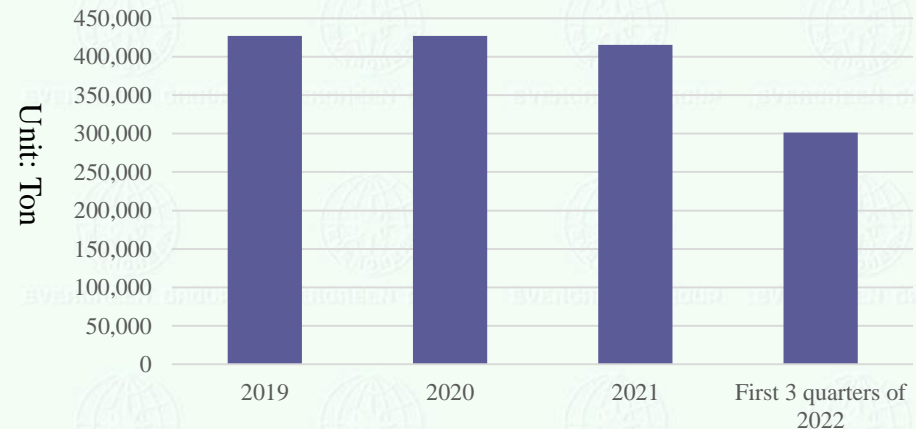
Year	Intake (ton)	Disposal (ton)
2019	429,329	427,231
2020	426,652	427,119
2021	408,919	415,340
First 3 quarters of 2022	305,107	301,343

- ◆ Steady business performance with consistent waste intake and disposal over the past 3 years.

Waste Intake



Waste Disposal

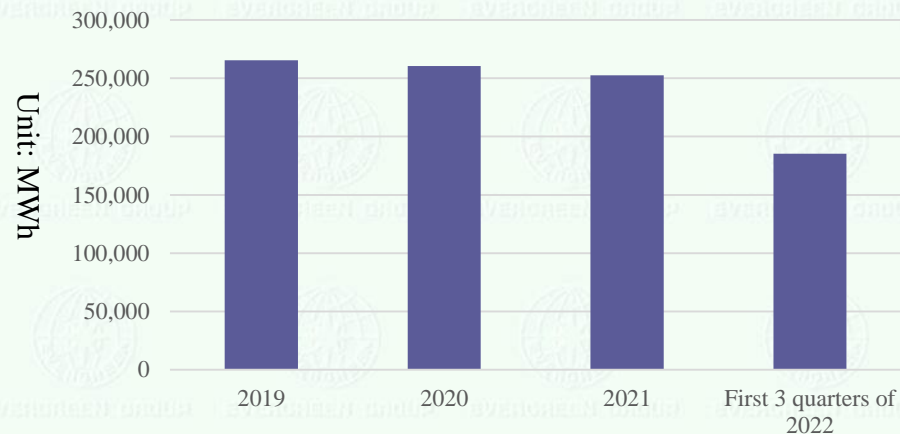


Hsin Yung Business Overview

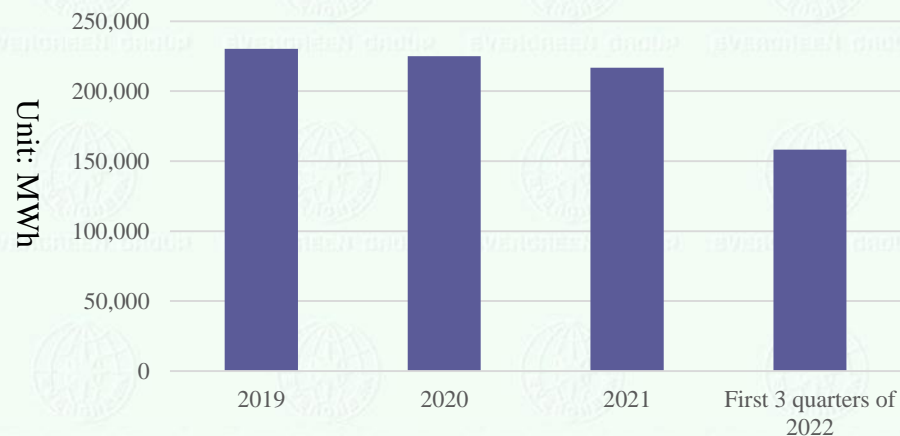
Year	Power Generated (MWh)	Power Sold (MWh)	Ratio (%)
2019	265,395	230,269	86.76
2020	260,582	224,944	86.32
2021	252,595	216,728	85.80
First 3 quarters of 2022	185,302	158,306	85.43

- ◆ Steadily generating power at full load for the past 3 years.

Power Generated



Power Sold



Hsin Yung Future Prospects

- Hsin Yung is currently executing the temporary waste processing contract signed with the Department of Environmental Protection of Taoyuan City on October 9, 2021. Hsin Yung has completed the price negotiation for the follow-up 10+5 year contract, which also already been awarded to the company.
- Considering the changes in waste composition and the fact that the government is committed to reducing pollution emissions, Hsin Yung will maintain and upgrade its incinerators incorporating advanced waste disposal and pollution prevention technologies from abroad for steady and consistent operational capacity in the future.

Super Max Engineering Business Overview

Waste intake and disposal for the past 3 years

Unit: Ton

Year	2019		2020		2021		First 3 quarters of 2022	
Waste	Intake	Disposal	Intake	Disposal	Intake	Disposal	Intake	Disposal
Annual Statistics	21,760	21,594	22,314	22,042	20,474	21,228	13,634	14,678



Super Max Engineering Future Prospects

- In response to the government's emissions reduction policy, Super Max continues to improve its air pollution prevention and promote capabilities and increase its waste disposal capacity.
- Super Max's new incinerator is expected to complete testing and gain construction approval by the end of 2023, with a trial run to be completed before June 2024. The new incinerator is expected to boost the company's processing capacity and overall competitiveness.

Ever Ecove Future Prospects

- Ever Ecove's trial run is approaching its end and is expecting to commence commercial operation in Q1 of 2023.
- Ever Ecove is expected to provide a capacity of 219,000 tons of thermal waste treatment and 49,275 tons of anaerobic digestion per year. It will also accommodate over 25,000 cubic meters of solidified landfill waste. In addition, the waste will be used to generate renewable energy and it is expected to generate 200 million kWh of power.



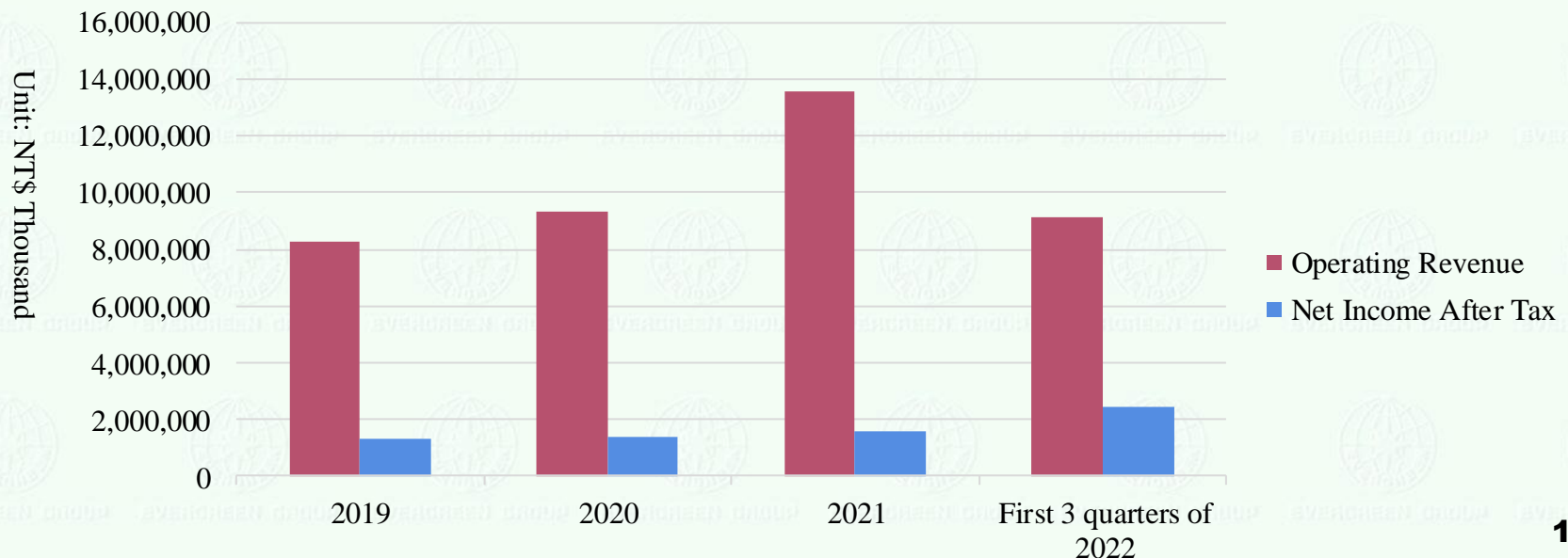
Consolidated Financial Overview

Consolidated Financial Overview

◆ Evergreen Steel's Financial Overview for the Past 3 Years

Unit: NT\$ Thousand

Item	2019	2020	2021	First 3 quarters of 2022
Operating Revenue	8,268,207	9,349,649	13,608,597	9,127,939
Operating Profit	1,336,124	1,534,312	1,753,938	1,735,087
Net Income After Tax	1,325,958	1,404,259	1,604,262	2,409,313
EPS (NTD)	2.44	2.65	3.11	5.01

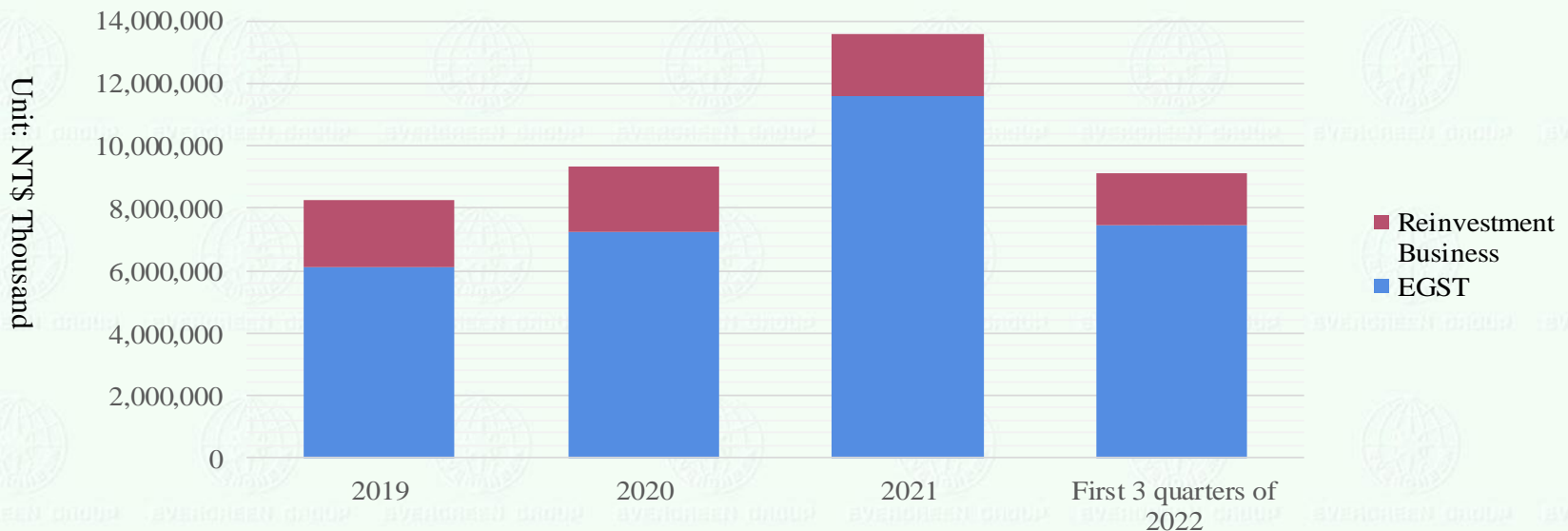


Consolidated Financial Overview

◆ Evergreen Steel's Sources of Operating Revenue for the Past 3 Years

Unit: NT\$ Thousand

Company Name	2019	2020	2021	First 3 quarters of 2022
EGST	6,109,403	7,263,895	11,614,440	7,434,931
Reinvestment Business	2,158,804	2,085,754	1,994,157	1,693,008
Total	8,268,207	9,349,649	13,608,597	9,127,939

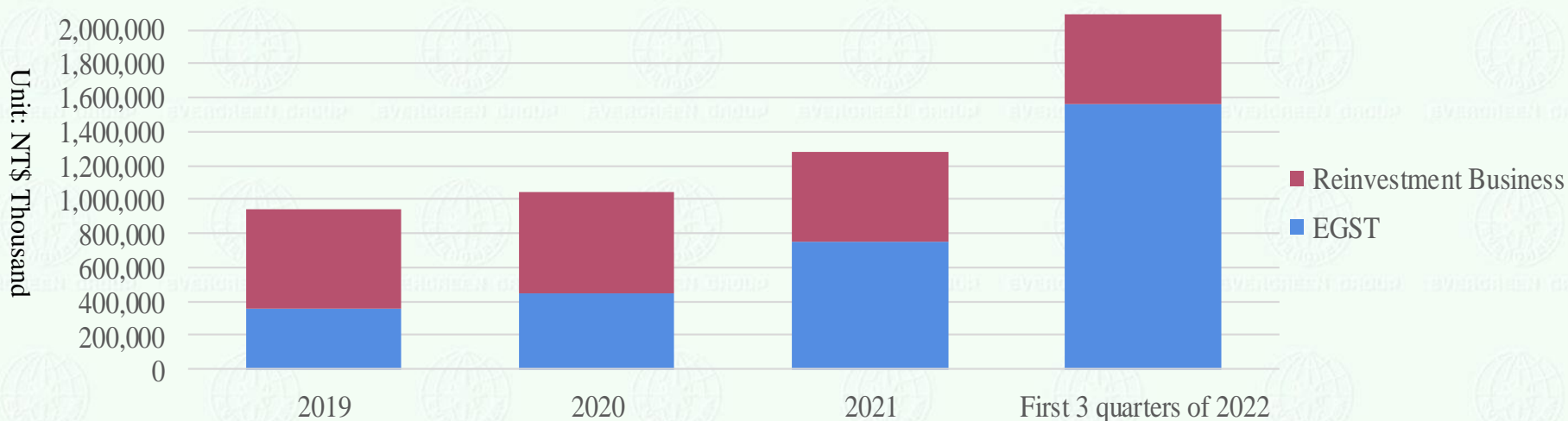


Consolidated Financial Overview

◆ Evergreen Steel's Sources of Net Profit for the Past 3 Years

Unit: NT\$ Thousand

Company Name	2019	2020	2021	First 3 quarters of 2022
EGST	356,517	448,934	747,899	1,566,730
Reinvestment Business	590,920	594,715	530,361	523,034
Net Profit for the Parent Company	947,437	1,043,649	1,278,260	2,089,764



Consolidated Financial Overview

◆ Financial performance Q3, 2022 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousand

Item	Q3, 2022	Q3, 2021	Difference	Ratio
Operating Revenue	2,411,077	3,432,910	(1,021,833)	(29.77%)
Operating Profit	598,023	534,912	63,111	11.80%
Net Income After Tax	655,574	576,769	78,805	13.66%
EPS (NTD)	1.28	1.16	0.12	10.34%

◆ Financial performance first 3 quarters, 2022 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousand

Item	First 3 quarters of 2022	First 3 quarters of 2021	Difference	Ratio
Operating Revenue	9,127,939	9,082,592	45,347	0.50%
Operating Profit	1,735,087	1,333,444	401,643	30.12%
Net Income After Tax	2,409,313	1,245,296	1,164,017	93.47%
EPS (NTD)	5.01	2.43	2.58	106.17%



Thank You



Q&A

