



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

STOCK CODE: 2211

Evergreen Steel Online Investor Conference

NOVEMBER 30, 2023

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- Investors should treat the forward-looking insights in the preceding paragraph as flexible information that may be revised in the future instead of legally-binding promises. The information in this presentation does not express, imply or guarantee its correctness, completeness or reliability. It also does not provide a complete discourse of the Company, the industry and major future developments.

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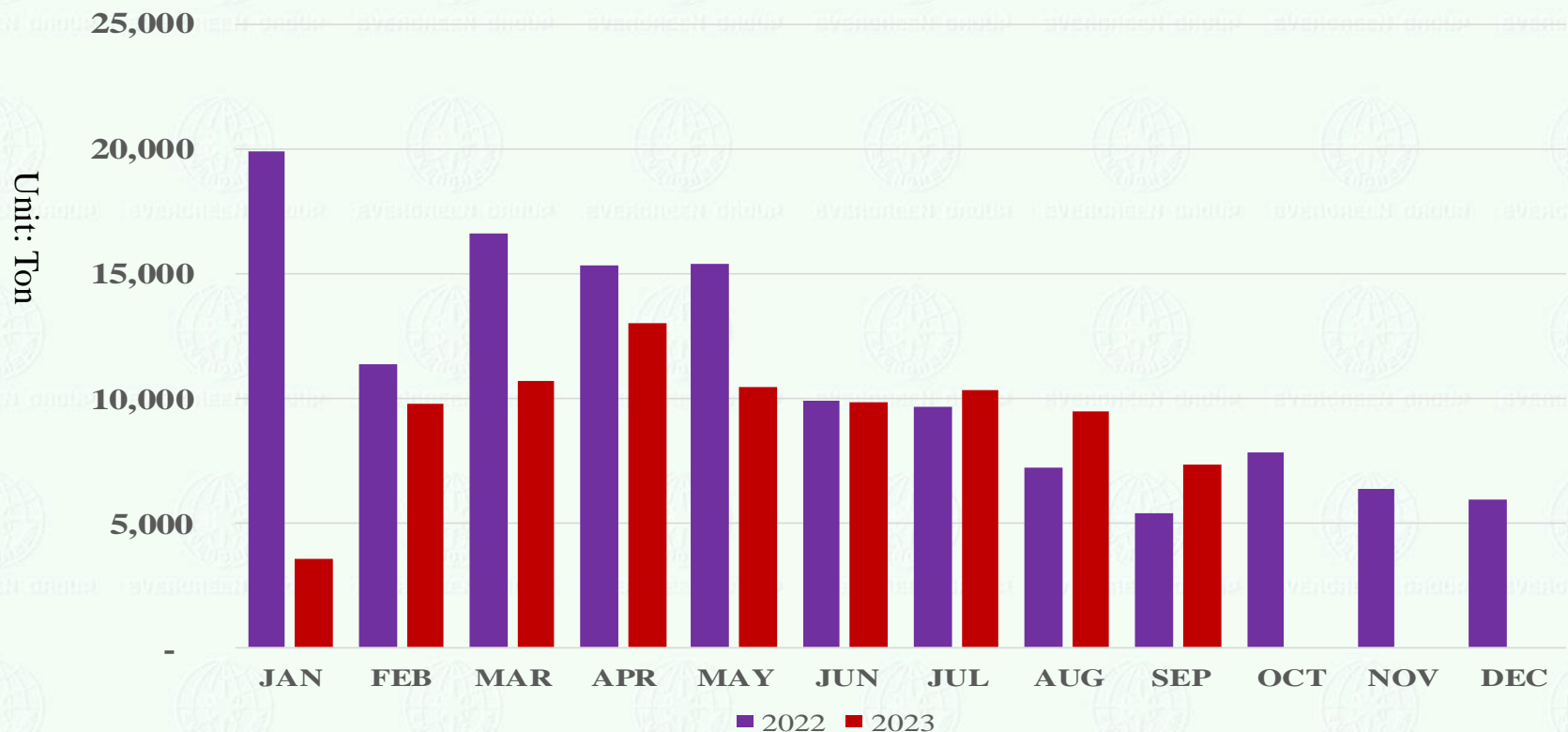
- **Q&A**



Performance and Development of the Steel Structure Business

Steel Structure Business Performance – Erection Volume Breakdown

Breakdown of Steel Structure Erection Volume in 2022 and the First Three Quarters of 2023



Steel Structure Business Performance – Order Breakdown

Current Orders (As of September, 2023)			New Orders (Between January, 2022 and September, 2023)		
Item	Tons	Ratio	Item	Tons	Ratio
Factories	70,763	28%	Factories	106,238	40%
Buildings	165,934	67%	Buildings	146,981	55%
Bridges	12,535	5%	Bridges	12,535	5%
Total	249,232	100%	Total	265,754	100%

Steel Structure Business Development

- In the short term, construction industry experienced delays of construction projects due to multiple factors, including a labor shortage. Therefore, the shipment amount will not reach the amount we predicted for this year. According to the forecast, market demand in the steel structure industry is expected to be buoyant, and the number of construction projects will grow in the short term. There's considerable uncertainty as to mid- and long-range development, though.
- Next year, demand in the steel structure market will exceed this year. New public construction projects, such as the Taichung Arena, have been put out to competitive tender. According to construction industry observations, commercial and residential building demand continues to grow, and only construction of new factories has slightly weakened. Overall, the market demand for steel structures is expected to grow in the near future.
- In response to fluctuations of raw materials prices and the impact of the labor shortage on the construction industry, the Company has optimized its supplier management and adopted a floating price mechanism for steel products sold to long-term clients.

Recently Completed Steel Structure Projects



Headquarters Building of
Hotai Insurance
(Completed in June 2023)

Recently Completed Steel Structure Projects



Splendid Garden of
Chungyuet Group
(Completed in June 2023)

Recently Completed Steel Structure Projects



Brilliant Garden of
Chungyuet Group
(Completed in June 2023)

Recently Completed Steel Structure Projects



Residential Building of Hongmao
Development and Construction
Corporation in Banqiao
(Completed in July 2023)

Recently Completed Steel Structure Projects



Residential Building of
Yong Xiong Zhuo Yue
(Completed in August 2023)

Recently Completed Steel Structure Projects



Northern Taiwan Mail Processing Center
and Training Center (Phase III)
(Completed in September 2023)

Recently Completed Steel Structure Projects



Ankeng Light Rail System Built by
Newasia Construction – Depot and
K9 Station
(Completed in September 2023)



Performance and Development of the Reinvestment Business

Reinvestment Business Details

(1) Hsin Yung Enterprise Corporation:

Mainly processes domestic waste and general industrial waste in Taoyuan City, wholesale the power generated from waste processing.

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

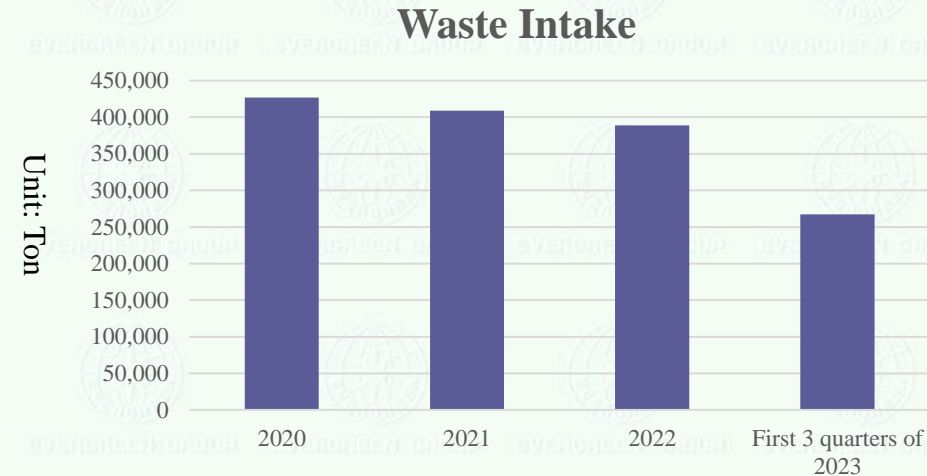
Mainly processes hazardous industrial waste and infectious medical waste.

(3) Ever Ecove Corporation:

Mainly processes domestic waste and general industrial waste in Taoyuan City, wholesale the power generated from waste processing.

Hsin Yung Business Overview

Year	Intake (ton)	Disposal (ton)
2020	426,652	427,119
2021	408,919	415,340
2022	388,781	386,562
First 3 quarters of 2023	267,433	266,955



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

Hsin Yung Business Overview

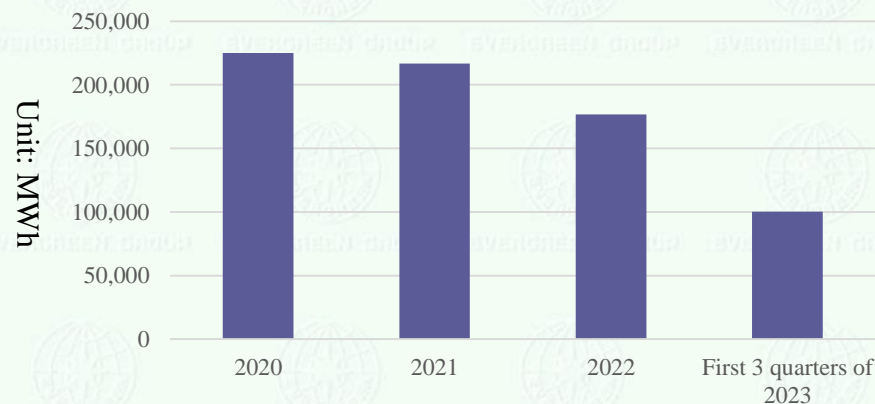
Year	Power Generated (MWh)	Power Sold (MWh)	Ratio (%)
2020	260,582	224,944	86.32
2021	252,595	216,728	85.80
2022	207,342	176,842	85.29
First 3 quarters of 2023	120,408	100,184	83.20

- ◆ The Company maintained and upgraded its turbine control system between November 2022 and January 2023 and completed testing in February 2023.

Power Generated



Power Sold



Hsin Yung Future Prospects

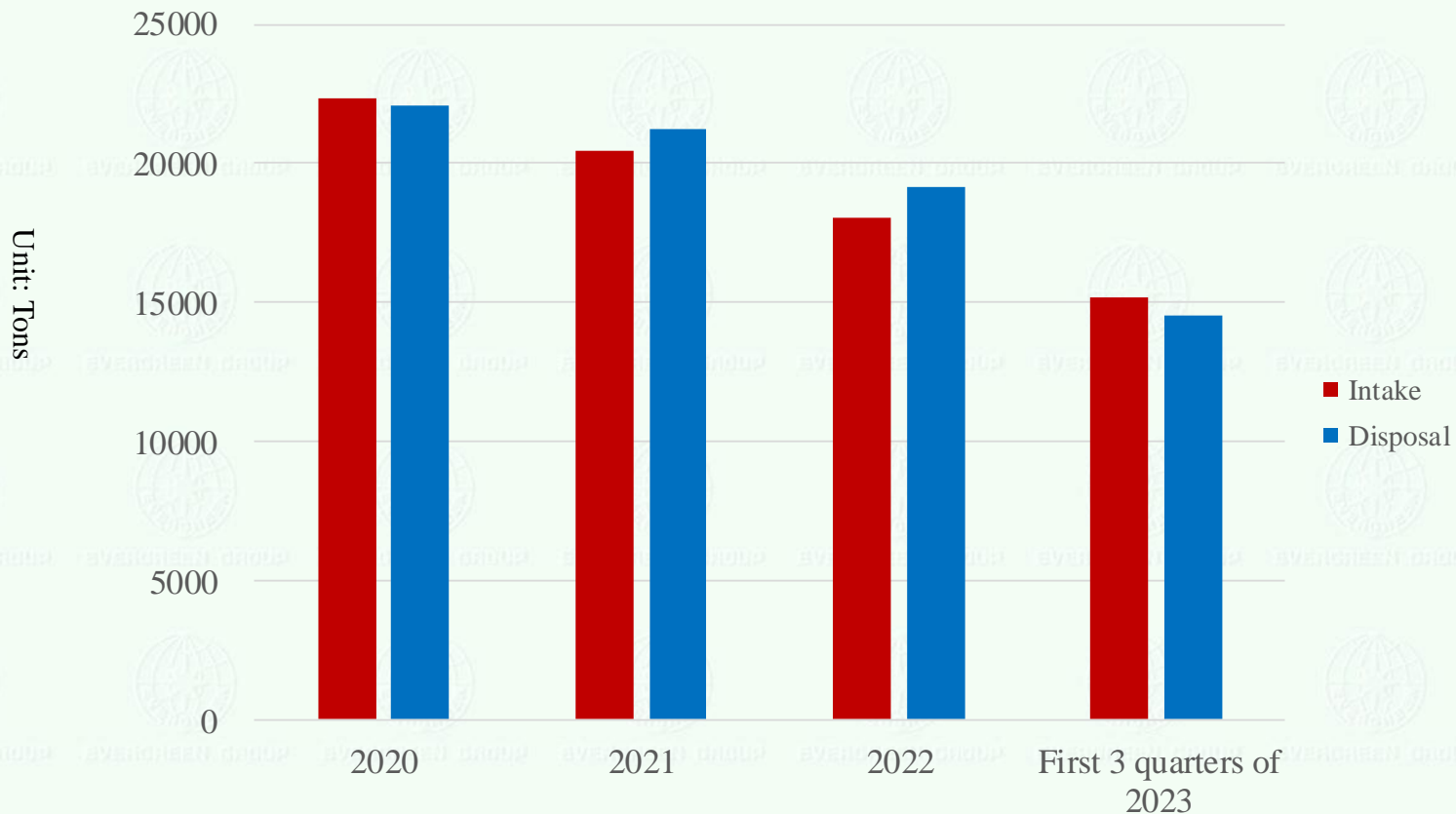
- Hsin Yung is currently fulfilling its 10+5 year contract with the Department of Environmental Protection of Taoyuan City (signed on March 1, 2023) for professional household waste processing. In the future, Hsin Yung will continue to process municipal waste delivered by Taoyuan City Government within its capacity and accept a steady number of orders for treatment of general industrial waste.
- Considering the changes in waste composition and the fact that the government is committed to reducing pollution emissions, Hsin Yung will conduct systematic upgrades of its waste treatment and pollution prevention facilities with advanced technology 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	2020		2021		2022		First 3 quarters of 2023	
Waste	Intake	Disposal	Intake	Disposal	Intake	Disposal	Intake	Disposal
Annual Statistics	22,314	22,042	20,474	21,228	18,030	19,142	15,173	14,509



Super Max Engineering Future Prospects

- Due to the easing of the COVID-19 pandemic and stalled economic recovery, the amount of medical waste and industrial waste has decreased. In this context, Super Max has mainly focused on the business of treatment of industrial waste and waste from large business clients. The amount of industrial waste processed is expected to increase after Super Max's capacity rebounds in the first quarter of 2024.
- The construction of its new incinerator is scheduled to be completed at the end of 2023. Super Max will complete trial operation in October 2024 and launch formal operations in November 2024.

Ever Ecove Future Prospects

- Ever Ecove Corp. will soon begin regular commercial operations. As construction of the heat treatment facility has been completed, Ever Ecove is now negotiating with the Taoyuan City Government for issuance of the permit that allows it to launch formal heat treatment facility operations first.
- The capacity of waste disposal for the thermal treatment unit is 219,000 tons annually, 49,275 tons kitchen waste annually for the anaerobic digestion unit, over 25,000 cubic meters for the landfill. In addition, 200 million kWh of power annually is recognized as renewable energy.



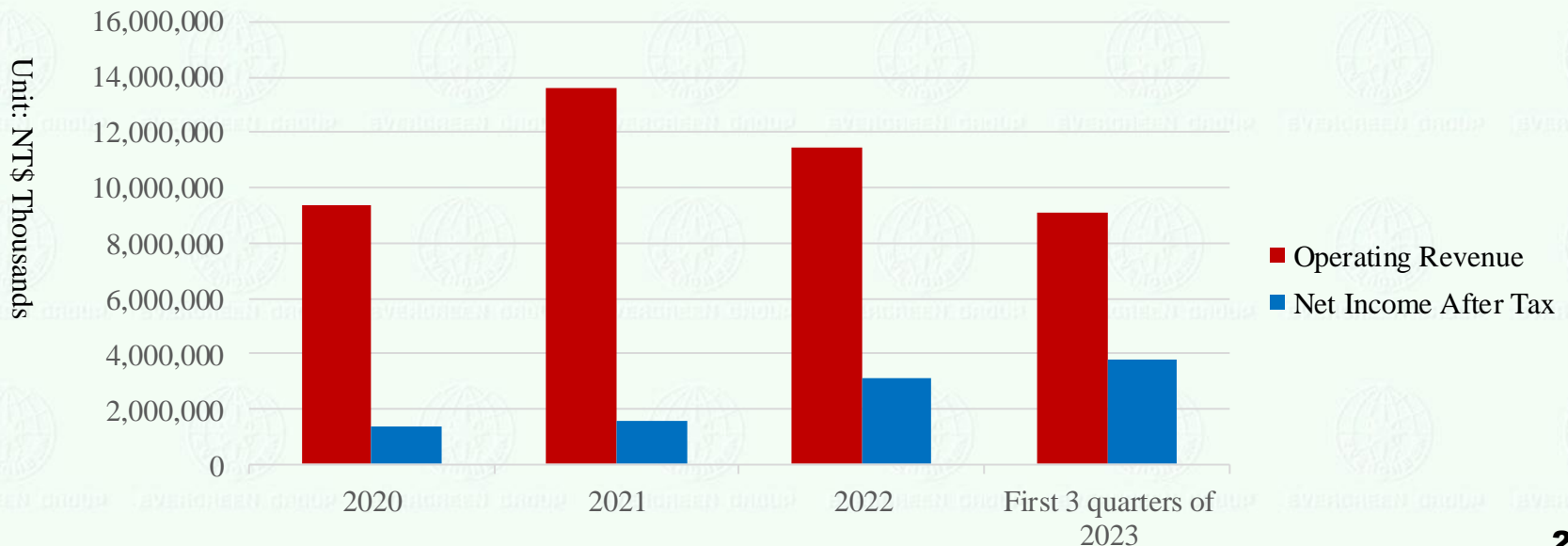
Consolidated Financial Overview

Consolidated Financial Overview

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

Unit: NT\$ Thousands

Item	2020	2021	2022	First 3 quarters of 2023
Operating Revenue	9,349,649	13,608,597	11,439,152	9,119,705
Operating Profit	1,534,312	1,753,938	2,389,880	2,729,776
Net Income After Tax	1,404,259	1,604,262	3,089,161	3,807,485
EPS (NTD)	2.65	3.11	6.22	7.83

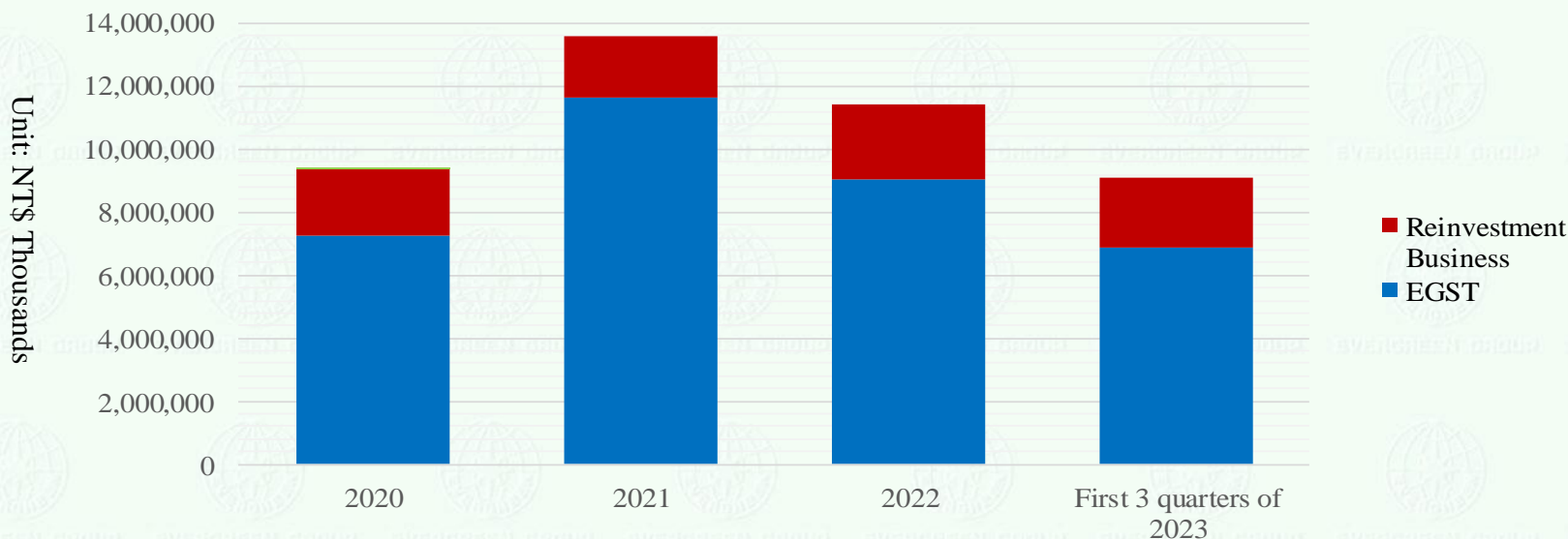


Consolidated Financial Overview

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

Unit: NT\$ Thousands

Company Name	2020	2021	2022	First 3 quarters of 2023
EGST	7,263,895	11,614,440	9,039,860	6,855,368
Reinvestment Business	2,085,754	1,994,157	2,399,292	2,264,337
Total	9,349,649	13,608,597	11,439,152	9,119,705

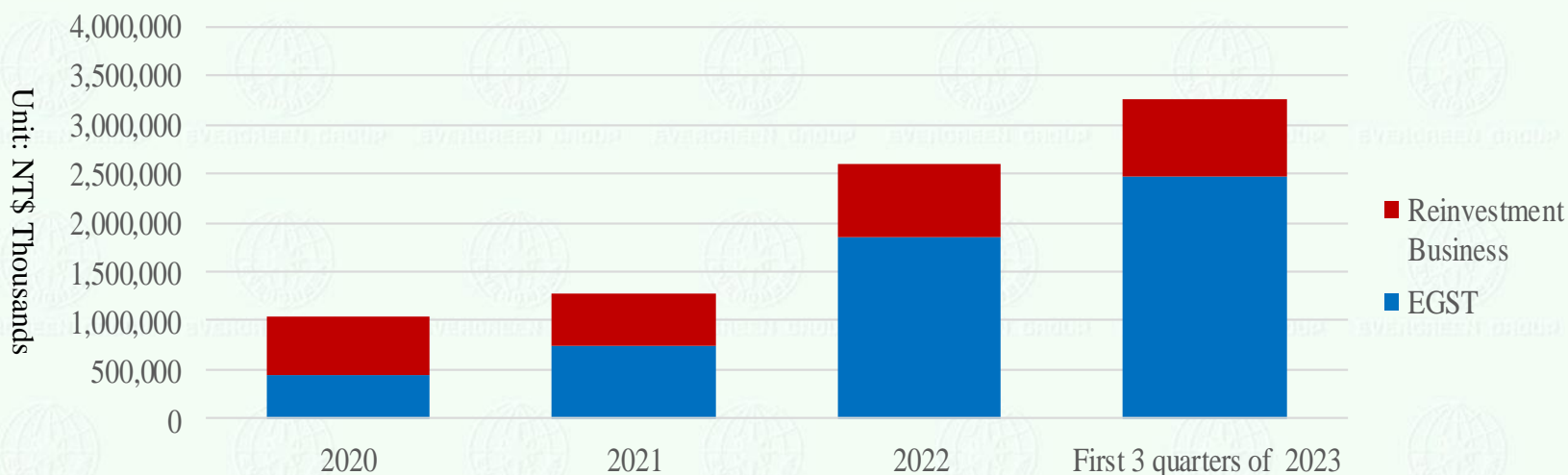


Consolidated Financial Overview

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

Unit: NT\$ Thousands

Company Name	2020	2021	2022	First 3 quarters of 2023
EGST	448,934	747,899	1,855,375	2,472,507
Reinvestment Business	594,715	530,361	739,302	795,333
Net Profit for the Parent Company	1,043,649	1,278,260	2,594,677	3,267,840



Consolidated Financial Overview

◆ Financial performance Q3, 2023 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousands

Item	Q3, 2023	Q3, 2022	Difference	Ratio
Operating Revenue	3,091,036	2,411,077	679,959	28.20%
Operating Profit	999,496	598,023	401,473	67.13%
Net Income After Tax	1,089,996	655,574	434,422	66.27%
EPS (NTD)	2.20	1.28	0.92	71.88%

◆ Financial performance first 3 quarters, 2023 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousands

Item	First 3 quarters of 2023	First 3 quarters of 2022	Difference	Ratio
Operating Revenue	9,119,705	9,127,939	(8,234)	(0.09%)
Operating Profit	2,729,776	1,735,087	994,689	57.33%
Net Income After Tax	3,807,485	2,409,313	1,398,172	58.03%
EPS (NTD)	7.83	5.01	2.82	56.29%



Sustainable Development and Green Energy Policy

Sustainable Development



財團法人
金屬工業研究發展中心
METAL INDUSTRIES RESEARCH &
DEVELOPMENT CENTRE

溫室氣體查證意見
GHG Verification Opinion

長榮鋼鐵股份有限公司
Evergreen Steel Corporation

台北市中山區長安東路二段 100 號 11 樓

11F, NO.100, sec.2, Chang an E. Rd, Zhongshan Dist, Taipei City, Taiwan
經本中心依據 ISO 14064-3:2019 完成查證並符合下列標準要求

Has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

直接溫室氣體排放量 Direct greenhouse gas emission	4,178.0093	公噸二氧化碳當量(tCO ₂ e)
間接溫室氣體排放量 Indirect greenhouse gas emission	236,091.2266	公噸二氧化碳當量(tCO ₂ e)
直接與間接溫室氣體排放總量 Direct and indirect GHG emissions	240,269.236	公噸二氧化碳當量(tCO ₂ e)

溫室氣體排放期間：2022 年 01 月 01 日至 2022 年 12 月 31 日
The GHG emissions information for the period from 2022-01-01 to 2022-12-31

意見編號：GHG-2023-04
Opinion No
簽署日期：2023.04.26
Approved Date
簽署人：林仁恭
Signatory



本查證報告係依據 ISO 14064-3:2019 標準進行查證，並符合 ISO 14064-1:2018 標準之要求。MIRDC 不保證查證報告之準確性，僅保證查證過程符合 ISO 14064-3:2019 標準之要求。查證報告僅供參考，不作為其他用途之依據。MIRDC 不保證查證報告之準確性，僅保證查證過程符合 ISO 14064-3:2019 標準之要求。查證報告僅供參考，不作為其他用途之依據。

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Environmental Protection

- Introduced the mechanism of greenhouse gas emissions quantification and obtained accreditation by a third-party verification body in 2022 in order to support the national policy of reaching net-zero emissions by 2050.
- The Company's three subsidiaries have drawn up the GHG quantification and accreditation schedule and provided related training for cultivation of GHG quantification staff. The Company will complete GHG quantification of its subsidiaries listed in the consolidated financial statements in 2025 and obtain their accreditation in 2027.
- Examined the sources of carbon emissions and set a goal for carbon emission reduction.
- Continued to replace old machinery with new equipment and installed energy-saving facilities.
- Waste resource utilization and recycling rate are targeted to exceed 90%.
- Enhanced recovery of waste resources and passed the first-stage review of CLSM by the Ministry of Economic Affairs.
- Scheduled to introduce ISO 50001 Energy Management System and ISO 14001 Environmental Management Systems and accreditation.
- Received the Outstanding Project of Net Zero Industries Award granted by the 21st Century Foundation.
- Taken environmentally-friendly actions and increased green procurement.



Sustainable Development

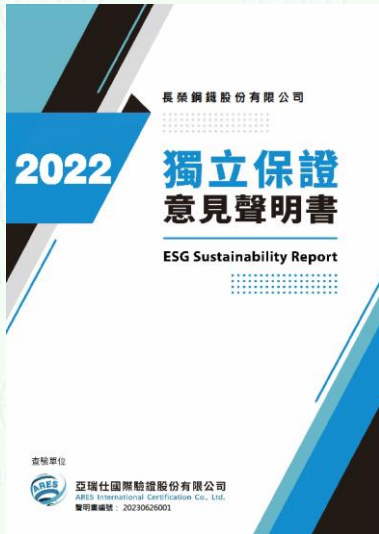


Social Inclusion

- Participated in multiple campaigns and events in the public interest, including those for educational support, environmental protection, assistance for the underprivileged and sponsorship for artistic and cultural activities.
- Endeavored to increase environment sustainability through participation in river and beach clean-up activities.
- A total of 194 suppliers/contractors signed the Corporate Sustainability Commitment.
- Implemented occupational safety and health policies that put safety first, minimize occupational hazards, provide employee training, and ensure employee health with the goal of achieving complete elimination of occupational hazards. The Company has also created a labor-friendly, safe workplace that highlights “safety first.”
- Nurtured outstanding talent through academic-industrial cooperation to reduce the impact of Taiwan’s shrinking workforce.



Sustainable Development



Corporate Governance

- The status of the Corporate Sustainability Committee is elevated to a functional committee directly reporting to the Board of Directors.
- One of the top 20% companies according to the 9th Corporate Governance Evaluation (of the TWSE) this year.
- Obtained independent assurance opinion statement of an assurance provider for its 2022 Sustainability Report.
- Reporting of progress of GHG quantification and accreditation of the Company and its subsidiaries to the Board of Directors on a quarterly basis.
- Introduced TCFD-related risk management practices and released climate-related financial disclosure report on the Company's website.
- Formulated risk management policies and procedures for implementation of risk management practices.
- Strengthened supply chain responsibility and procurement management and encouraged suppliers and contractors to strengthen their internal requirements for environment, sustainability, and governance.
- Worked with the National Center for Research on Earthquake Engineering for development of AI robotic welding technology to boost work performance.
- Strengthened Intellectual Property management and formulated "Intellectual Property Management Policy" and "Intellectual Property Management Plan".



Green Energy Policy

The Company has diversified its business activities to increase operational sustainability and is committed to achieve carbon reduction goals with the principles of energy conservation, carbon reduction, waste recycling, and renewable energy promotion.

1. Photovoltaics System

- Solar panels installed at the Hsinchu Factory (1,722 KW) and Xinying Factory (499.8KW), totaling 2,221.8KW.
- New solar panels with a capacity of 1,999.98KW are scheduled to be added to the Xinying Factory by 2024.



2. Green Energy Industry Investment

Collaborating with government agencies and the private sector for an ongoing effort to assess investment projects related to the circular economy, such as agricultural and industrial waste into energy or waste reuse.





Thank You



Q&A

