



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

**STOCK CODE: 2211**

# Evergreen Steel Online Investor Conference

**MAY 15, 2024**

# Disclaimer

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- EGST (the “Company”) is not responsible for updating or revising any information in this presentation, including all forward-looking insights, when new events or situations occur.
- 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.

# Agenda

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- **Performance and Development of the Reinvestment Business**

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- **Consolidated Financial Overview**

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- **Sustainable Development and Green Energy Policy**

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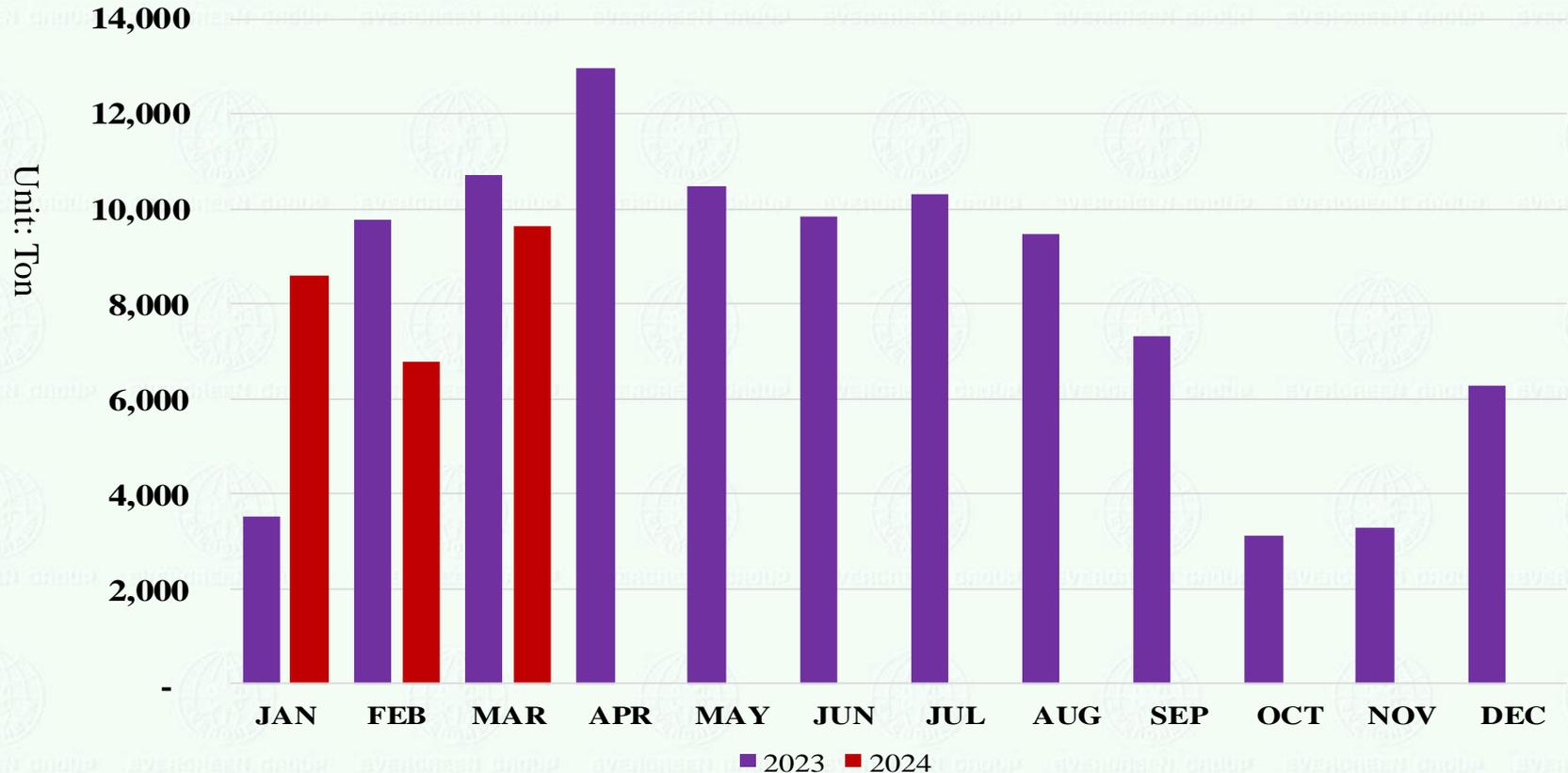
- **Q&A**



# Performance and Development of the Steel Structure Business

# Steel Structure Business Performance – Erection Volume Breakdown

Breakdown of Steel Structure Erection Volume in 2023 and the First Quarter of 2024



# Steel Structure Business Performance – Order Breakdown

Current Orders (As of March, 2024)			New Orders (Between January, 2023 and March, 2024)		
Item	Tons	Ratio	Item	Tons	Ratio
Factories	84,392	33%	Factories	75,488	39%
Buildings	162,147	63%	Buildings	105,298	55%
Bridges	10,807	4%	Bridges	12,535	6%
Total	257,346	100%	Total	193,321	100%

# Steel Structure Business Development

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- Demand for steel structures over the next two years is expected to remain optimistic due to increased requirements for technological factories and logistic warehouse construction projects, as well as the promotion of urban redevelopment initiatives and commercial and residential building projects. Barring any major economic incidents, this demand is anticipated to remain positive.
- Last year, the Company experienced delays in fulfilling certain steel structure orders, primarily due to labor shortages in the construction industry. Consequently, some orders scheduled for completion last year are now anticipated to be fulfilled this year. It's expected that steel structure order fulfillment will surpass last year's performance; however, adjustments may be necessary to accommodate changes in construction progress.
- With more projects in the market this year, we should keep a close eye on the rising cost of both materials and contracting.
- Due to the strong earthquake in Hualien on April 3, urban redevelopment projects involving old and unsafe buildings are expected to be accelerated. We will keep a close eye on whether or not this will affect mid- and long-term demands for steel structures.

# Recently Completed Steel Structure Projects

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Hong Shi construction's residential building on Zhongsan North Road  
(Completed in November 2023)

# Recently Completed Steel Structure Projects

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Bao Hong Construction's commercial building on Dunhua South Road (Completed in November 2023)

# Recently Completed Steel Structure Projects

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Chung Yuet Group's Commercial building on 1st minor section across  
2 land parcel Numbers (47 & 48) in Xinzhuang Fuduxin area  
(Completed in November 2023)

# Recently Completed Steel Structure Projects

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Central Motor's facilities in Longjing  
(Completed in November 2023)

# Recently Completed Steel Structure Projects

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Mall and hotel at Kaohsiung Train Station  
(tender NO. ACL212)  
(Completed in February 2024)



# Performance and Development of the Reinvestment Business

# Reinvestment Business Details

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(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.

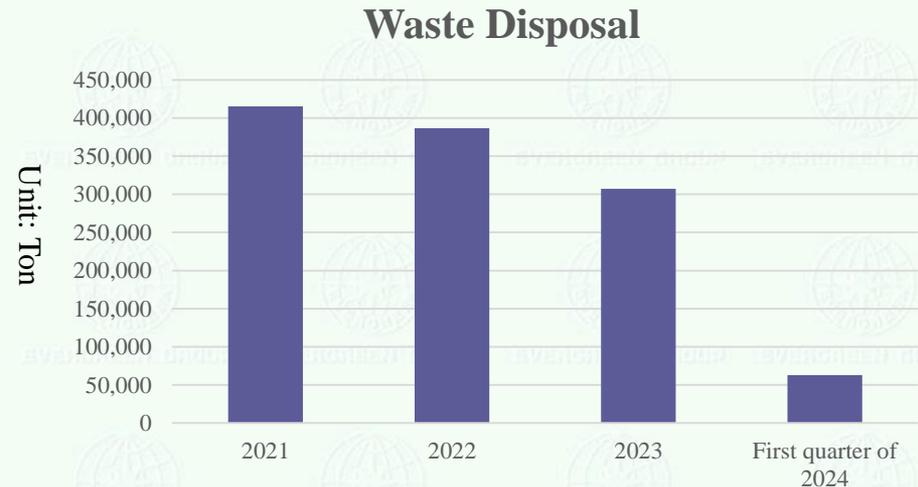
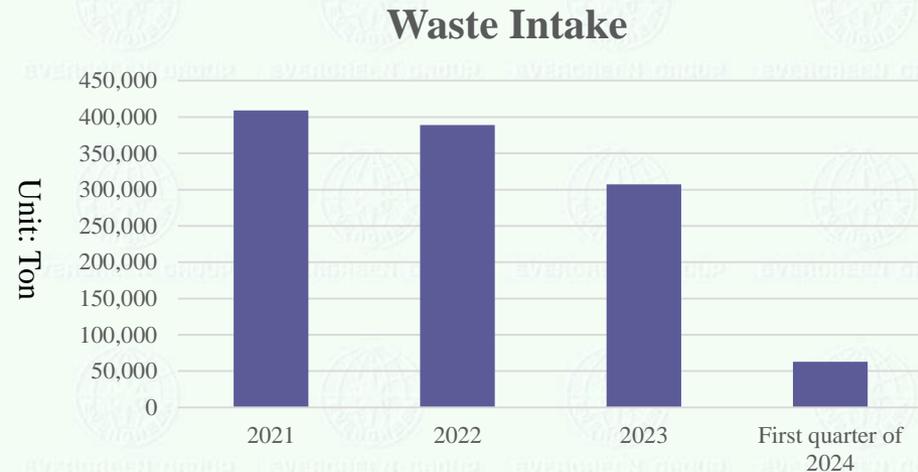
(3) Ever Ecove Corporation:

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

# Hsin Yung Business Overview

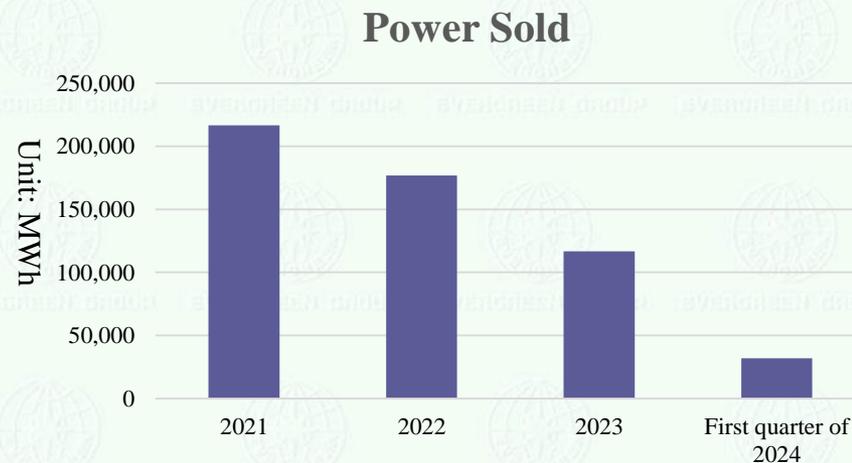
Year	Intake (ton)	Disposal (ton)
2021	408,919	415,340
2022	388,781	386,562
2023	306,182	307,135
First quarter of 2024	63,194	62,679

- ◆ Steady business performance with consistent waste intake and disposal over the past 3 years.
- ◆ The incinerator upgrade began in October 2023, resulting in a lower amount of waste collected and processed than in 2021 and 2022.



# Hsin Yung Business Overview

Year	Power Generated (MWh)	Power Sold (MWh)	Ratio (%)
2021	252,595	216,728	85.80
2022	207,342	176,842	85.29
2023	141,196	116,659	82.62
First quarter of 2024	37,852	31,847	84.14



- ◆ The Company maintained and upgraded its turbine control system between November 2022 and January 2023 and completed testing in February 2023.
- ◆ The incinerator upgrade began in October 2023, resulting in a lower amount of electricity generated and sold and a lower percentage of electricity sold than in 2021 and 2022.

# Hsin Yung Future Prospects

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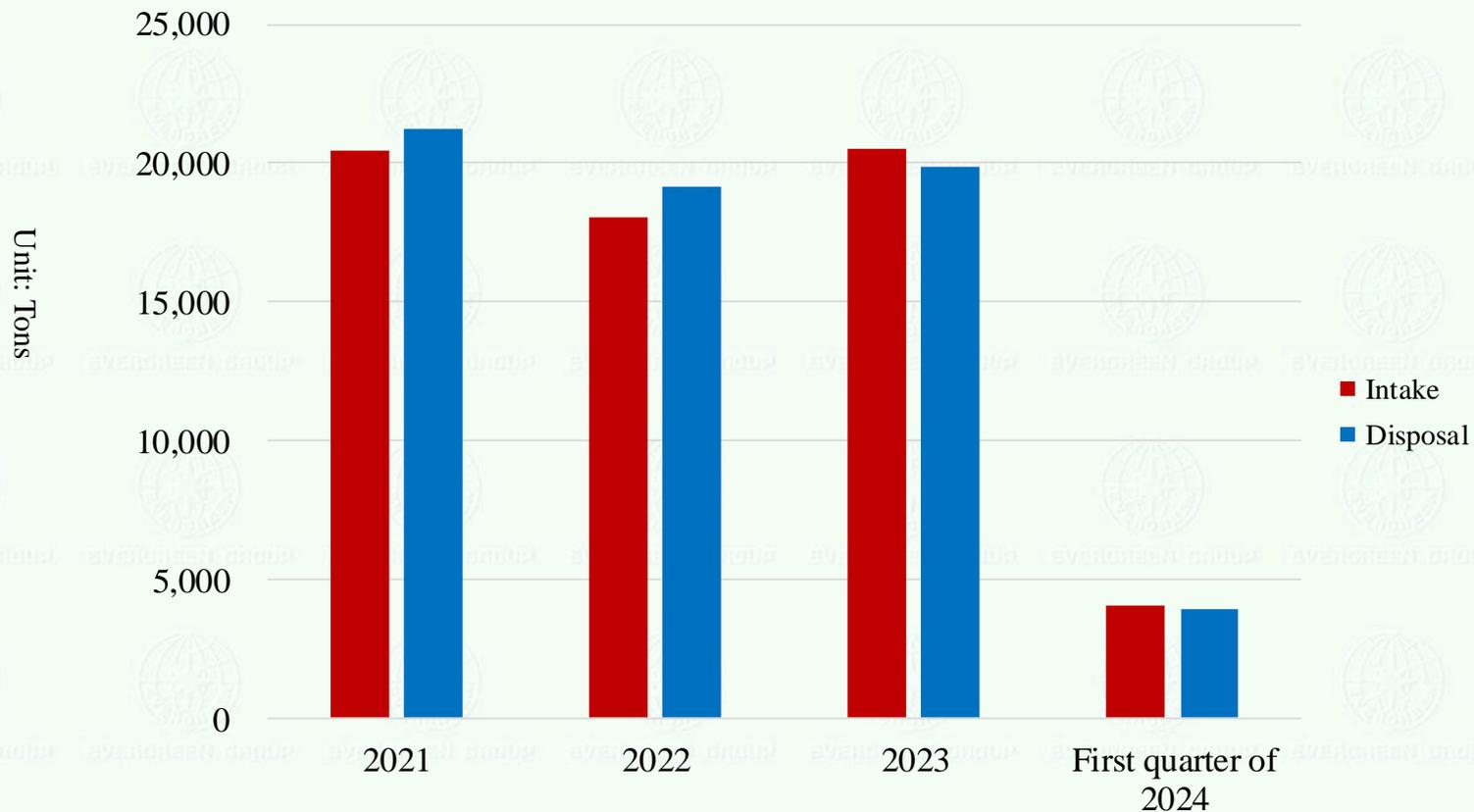
- Hsin Yung Enterprise Corp. conducted two rounds of maintenance and upgrades for its two incinerators between October 2023 and June 2024. Following the completion of these maintenance activities, the functionality of the two incinerators was tested. This enhancement is expected to increase the company's incinerator operation rate, allowing it to efficiently process waste from the Taoyuan City Government as per the contract terms, along with handling general industrial waste permitted by the Taoyuan City Government.
- 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, with the first incinerator maintenance and upgrade completed, processing capacity has exceeded that of the last five years.

# Super Max Engineering Business Overview

## Waste intake and disposal for the past 3 years

Unit: Ton

Year	2021		2022		2023		First quarter of 2024	
Waste	Intake	Disposal	Intake	Disposal	Intake	Disposal	Intake	Disposal
Annual Statistics	20,474	21,228	18,030	19,142	20,528	19,831	4,068	3,936



# Super Max Engineering Future Prospects

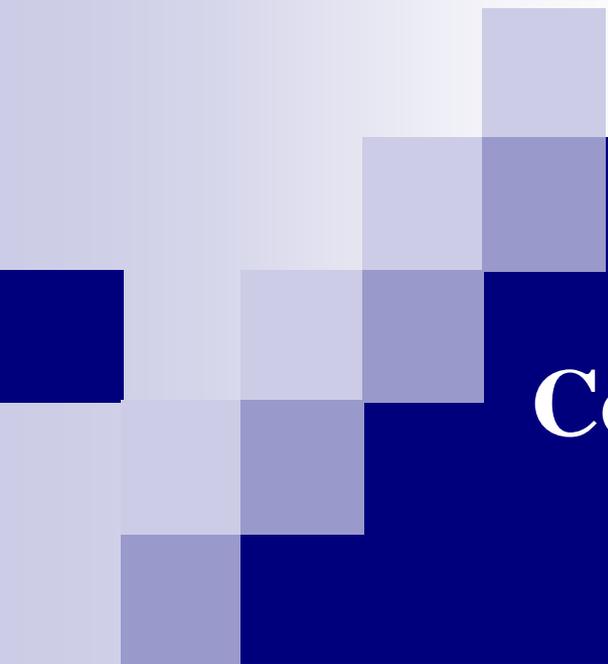
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- Due to factors such as competition from newly built processing plants and the government's promotion of circular economy policies, Super Max, as a processing plant for hazardous waste, mainly deals with waste that requires complicated treatment. With its advantage in processing capabilities, Super Max will endeavor to increase profit by continuously soliciting business of complicated treatment of high-priced waste in order to create a market niche.
- Super Max's new incinerator will, based on the minutes from the review meeting by the Industrial Development Bureau of the MOEA, amend its trial operation plan and is expected to obtain an operational permit by the end of 2024.

# Ever Ecove Future Prospects

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- During the period of Hsin Yung plant revamping, it will have the first priority to the treatment of waste delivered from the Taoyuan City Government in compliance with its BOT contract, using its heat treatment unit. Due to a limited total processing capacity, the waste will be delivered in batches dynamically to meet the plant's daily processing quota and maintain steady operation of both incinerators.
- The company is expecting to obtain an operational permit for the anaerobic digestion unit, which will maintain the company's load capacity.



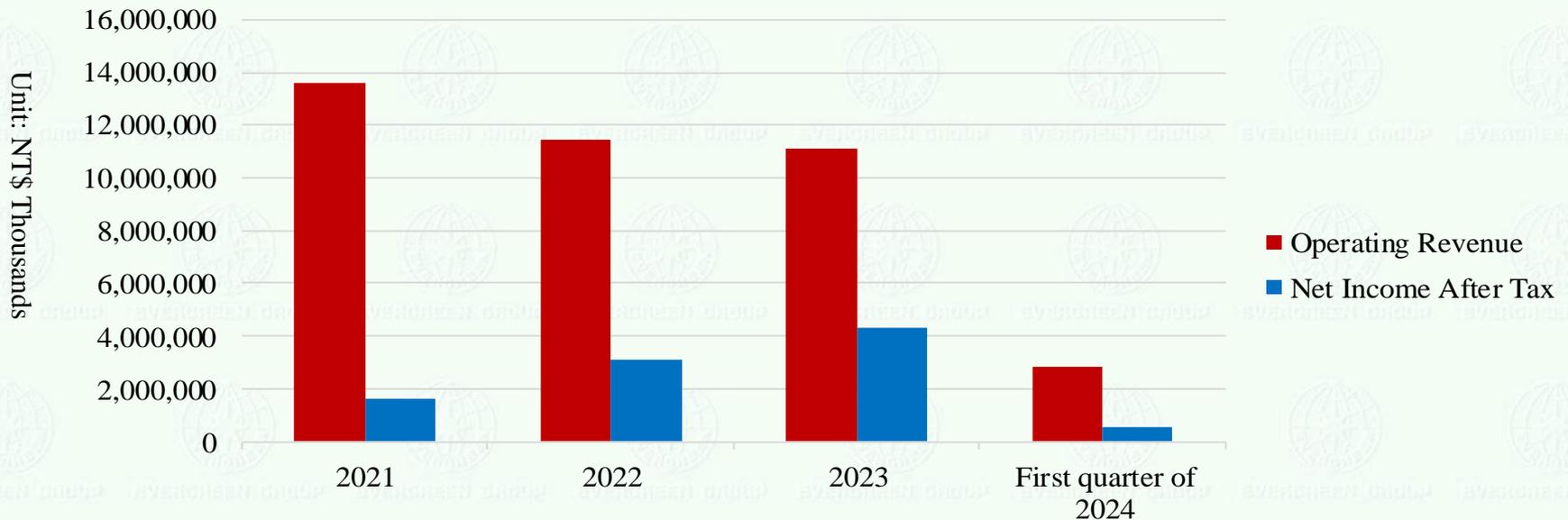
# Consolidated Financial Overview

# Consolidated Financial Overview

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

Unit: NT\$ Thousands

Item	2021	2022	2023	First quarter of 2024
Operating Revenue	13,608,597	11,439,152	11,090,533	2,849,572
Operating Profit	1,753,938	2,389,880	3,335,154	685,388
Net Income After Tax	1,604,262	3,089,161	4,313,805	566,612
EPS (NTD)	3.11	6.22	8.80	1.16

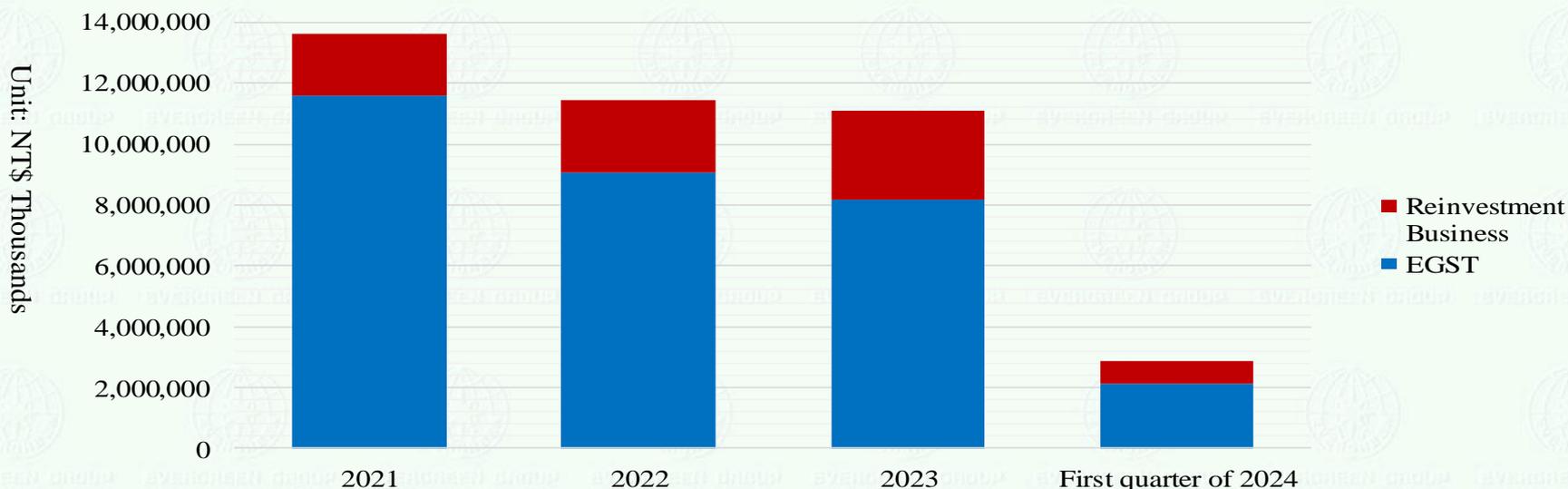


# Consolidated Financial Overview

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

Unit: NT\$ Thousands

Company Name	2021	2022	2023	First quarter of 2024
EGST	11,614,440	9,039,860	8,192,540	2,119,928
Reinvestment Business	1,994,157	2,399,292	2,897,993	729,644
Total	13,608,597	11,439,152	11,090,533	2,849,572

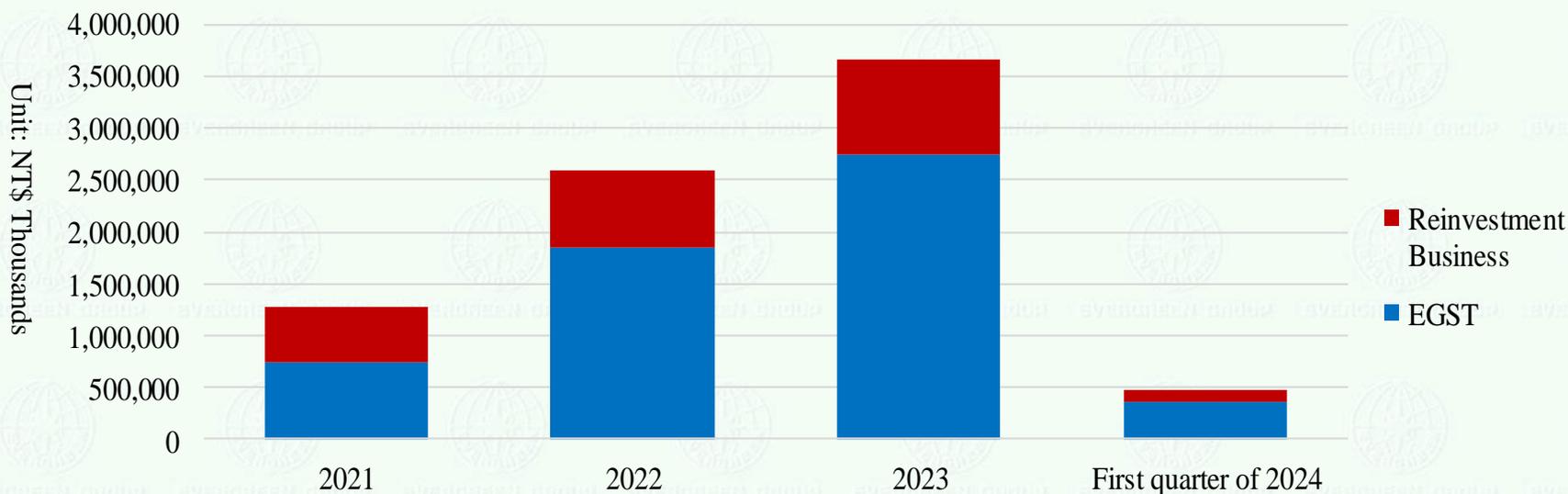


# Consolidated Financial Overview

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

Unit: NT\$ Thousands

Company Name	2021	2022	2023	First quarter of 2024
EGST	747,899	1,855,375	2,755,308	362,879
Reinvestment Business	530,361	739,302	914,506	119,995
Net Profit for the Parent Company	1,278,260	2,594,677	3,669,814	482,874

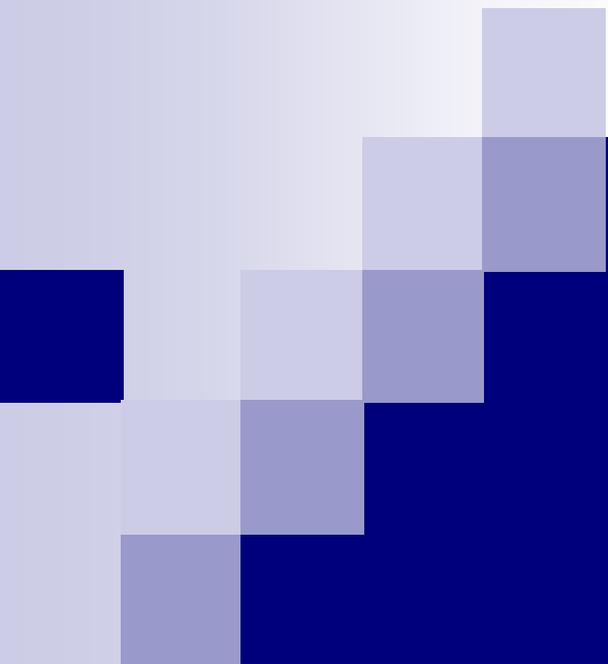


# Consolidated Financial Overview

## ◆ Financial performance Q1, 2024 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousands

Item	Q1, 2024	Q1, 2023	Difference	Ratio
Operating Revenue	2,849,572	2,591,703	257,869	9.95%
Operating Profit	685,388	759,530	(74,142)	(9.76%)
Net Income After Tax	566,612	619,000	(52,388)	(8.46%)
EPS (NTD)	1.16	1.17	(0.01)	(0.85%)



# Sustainable Development and Green Energy Policy

# Sustainable Development

## Environmental Protection

- In accordance with the policy aiming to achieve net-zero emissions by 2050, we have completed the 2023 greenhouse gas (GHG) inventory with third-party verification.
- Inventory was taken of all of the emission sources and formulated a decarbonization pathway: 4% and 32% of accumulated decarbonization by 2025 and 2030 respectively and 100% carbon neutrality by 2050.
- All 3 subsidiaries – Hsin Yung, Super Max, and Ever Ecove have conducted employee training based on the GHG inventory and verification timeline plan. The Company will complete GHG inventory (including the 3 subsidiaries) by 2025 and verification by 2027.
- Spent NT\$8.52 million replacing old machinery and conserved approximately 264,000 kWh of electricity.
- Achieved above 90% waste recycling rate.
- Promoted waste recycling and used submerged arc welding slag to produce low-strength materials, which passed the Ministry of Economic Affairs' stage 1 CLSM review.
- Through a professional consultant's guidance, introduced ISO 50001 energy management system and ISO 14001 environmental management system and other staff training and data processes.
- Promoted circular economy and established multiple channels for waste recycling and disposal.
- Enhanced green procurement and received Green Procurement Business Excellence Award from Tainan City.



# Sustainable Development

## Social Inclusion



- Cultivated workplace safety culture with all employees onboard and a goal of zero occupational incidents.
- Implemented human rights policies to achieve zero violations of labor regulations.
- Encouraged employee participation in various philanthropic events and allocated a budget to continuously support education, environmental protection, assistance to those in need, and sponsorship of art, cultural, and sports competitions.
- To protect all employees from any physical/psychological violence during performance of company duty, leading to any physical/mental illness, the Company will reinforce its potential danger identification and risk evaluation.
- Implemented gender equality measures in the workplace, continued to review and revise guidelines on workplace sexual harassment prevention, enhanced and promoted employees' awareness of related regulations, and actively built a friendly working environment free from sexual harassment.
- Actively promoted industry-academia collaboration and provided diverse job opportunities and training to reduce the impact of a low birth rate and cultivate talents.



# Sustainable Development

## Corporate Governance



- Regularly compiled and submitted the Company's sustainability implementation to the Sustainability Committee and the Board of Directors.
- Published the Sustainability Report (in Chinese and English), TCFD Report, and obtained third-party verification of the Sustainability Report.
- Reinforced supply chain's responsible procurement management, continued to evaluate suppliers/contractors; to effectively manage suppliers/contractors' compliance with sustainability-related guidelines, the Company continues to require all partners to sign Supplier/Contractor Corporate Sustainability Commitments and follow up their sustainability measures implementation with questionnaires.
- Established a Cybersecurity Committee to ensure cybersecurity and information protection.
- Continued to collaborate with the National Center for Research on Earthquake Engineering to develop AI-assisted automated diaphragm welding. By incorporating AI, robotic arms and laser scanning/monitoring, the two institutions are developing efficient AI-driven automated welding technology.
- Promoted operational integrity and reinforced employees' understanding of and the promotion of intellectual property right knowledge; in order to enhance employees' intellectual property rights awareness, the Company organized intellectual property rights management training.

# 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

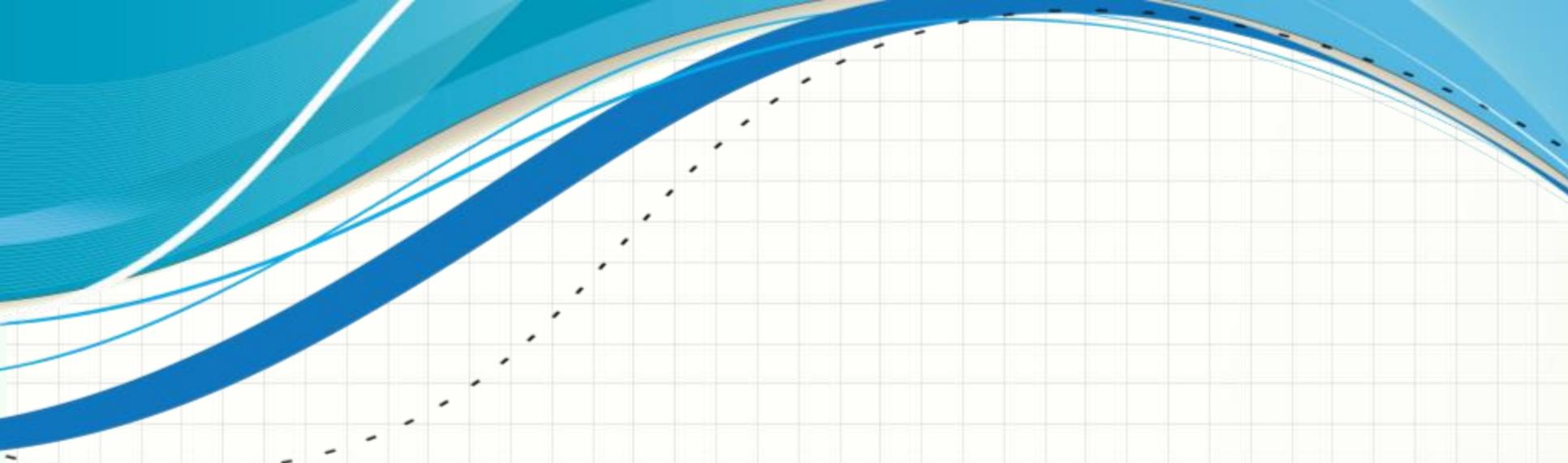
Factory	Current capacity	To be completed in 2024	To install in 2024
Hsinchu	1,722kW	-	-
Xinying	499.8kW	1,999.56kW	547kW

- The installation of a solar PV system of 1999.56 kW is expected to be completed in February, 2024, with an estimated generation capacity of 2.42 million kWh annually.
- Installation of a solar PV system of 547 kW is planned at the Xinying Factory in the second half of 2024.

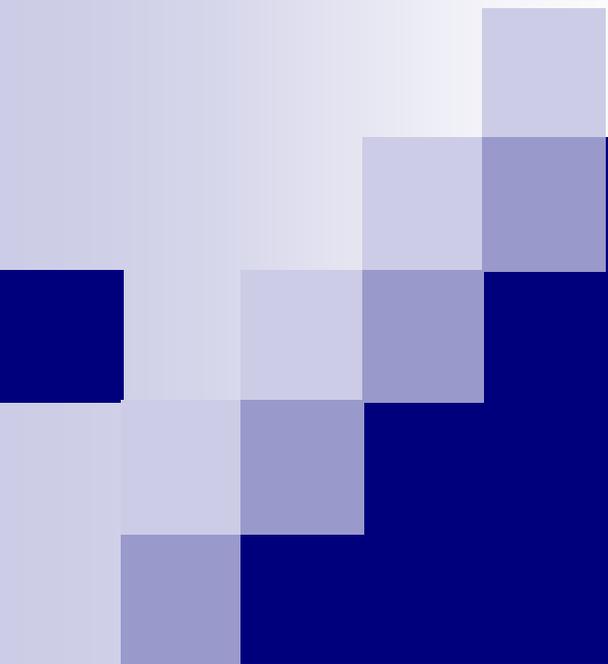
## 2. Green Energy Industry Investment

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

