

Stock Code: 2211



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

Evergreen Steel Investor Conference

November 28, 2024





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Agenda

- Performance and Development of the Steel Structure Business
- Performance and Development of the Reinvestment Business
- Consolidated Financial Overview
- Sustainable Development and Green Energy Policy
- Q&A



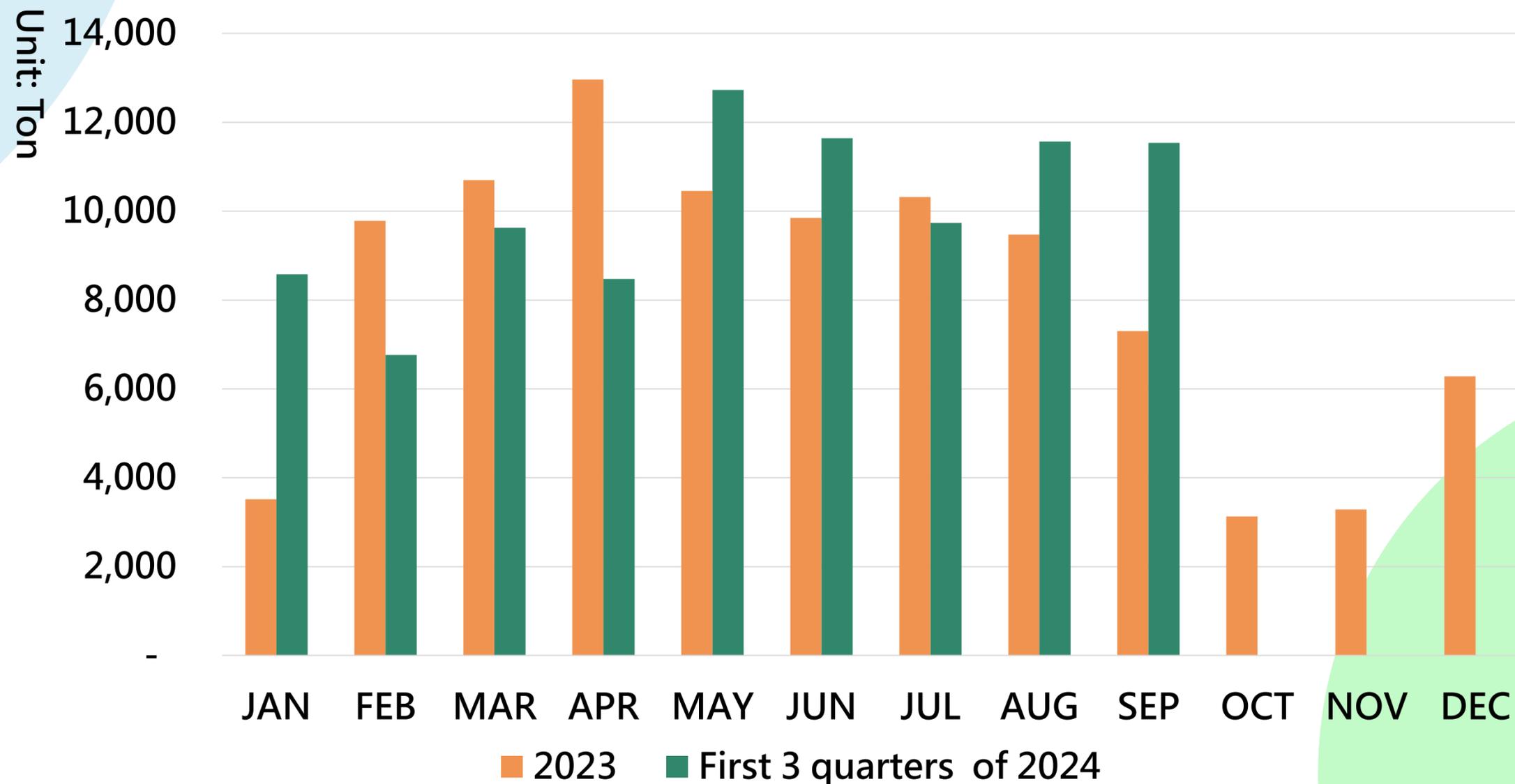
Performance and Development of the Steel Structure Business





Steel Structure Business Performance – Erection Volume Breakdown

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





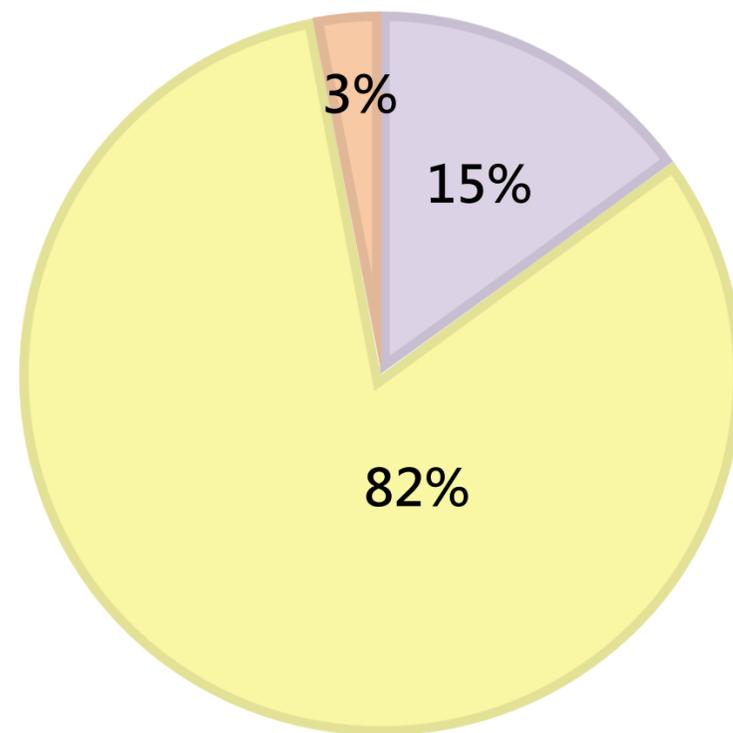
Steel Structure Business Performance – Order Breakdown

Current Orders (As of September, 2024)			Orders within the past year (Between September, 2023 and September, 2024)		
Item	Tons	Ratio	Item	Tons	Ratio
Factories	35,443	15%	Factories	18,973	15%
Buildings	193,610	82%	Buildings	109,130	85%
Bridges	7,306	3%	Bridges	-	-
Total	236,359	100%	Total	128,103	100%



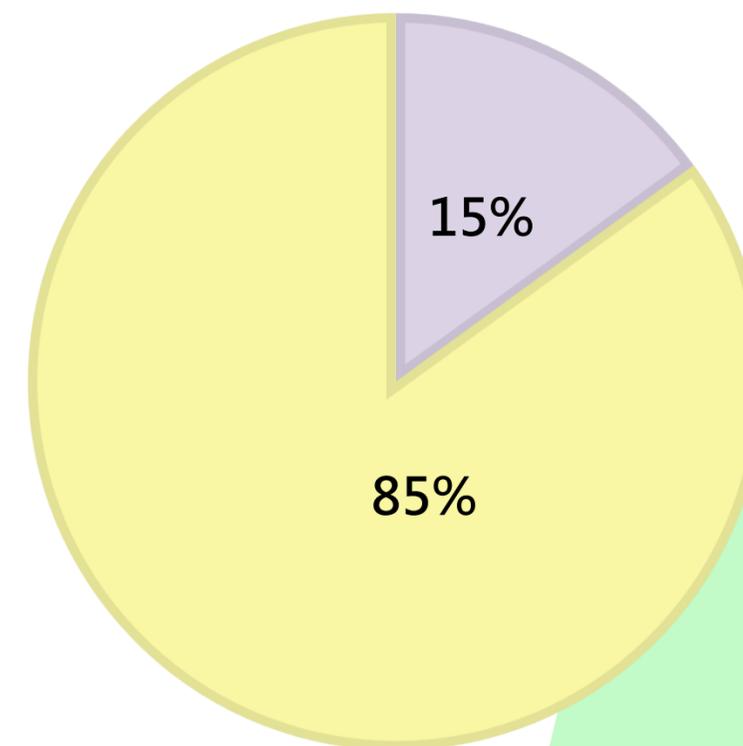
Steel Structure Business Performance – Order Breakdown

Current Orders
(As of September, 2024)



■ Factories ■ Buildings ■ Bridges

Orders
within the past year
(Between September, 2023
and September, 2024)



■ Factories ■ Buildings



Steel Structure Business Development

- As AI continues to gain popularity, the demand for factories in the technology sector, along with a steady increase in urban regeneration projects, office buildings, and residential developments, is driving consistent growth in the short and medium term in the steel structure industry.
- Although high-rise construction and large-scale urban regeneration projects are ongoing, the potential impact of the government's housing policies and economic cycle changes on steel structure demand in the coming year and over the long term remains a matter of concern and requires a proper response.
- With more ongoing construction projects this year, the Company needs to keep a close eye on the rise in both material and outsourcing costs. In addition to supplier management, the Company will continue to adopt a floating steel price mechanism for clients.





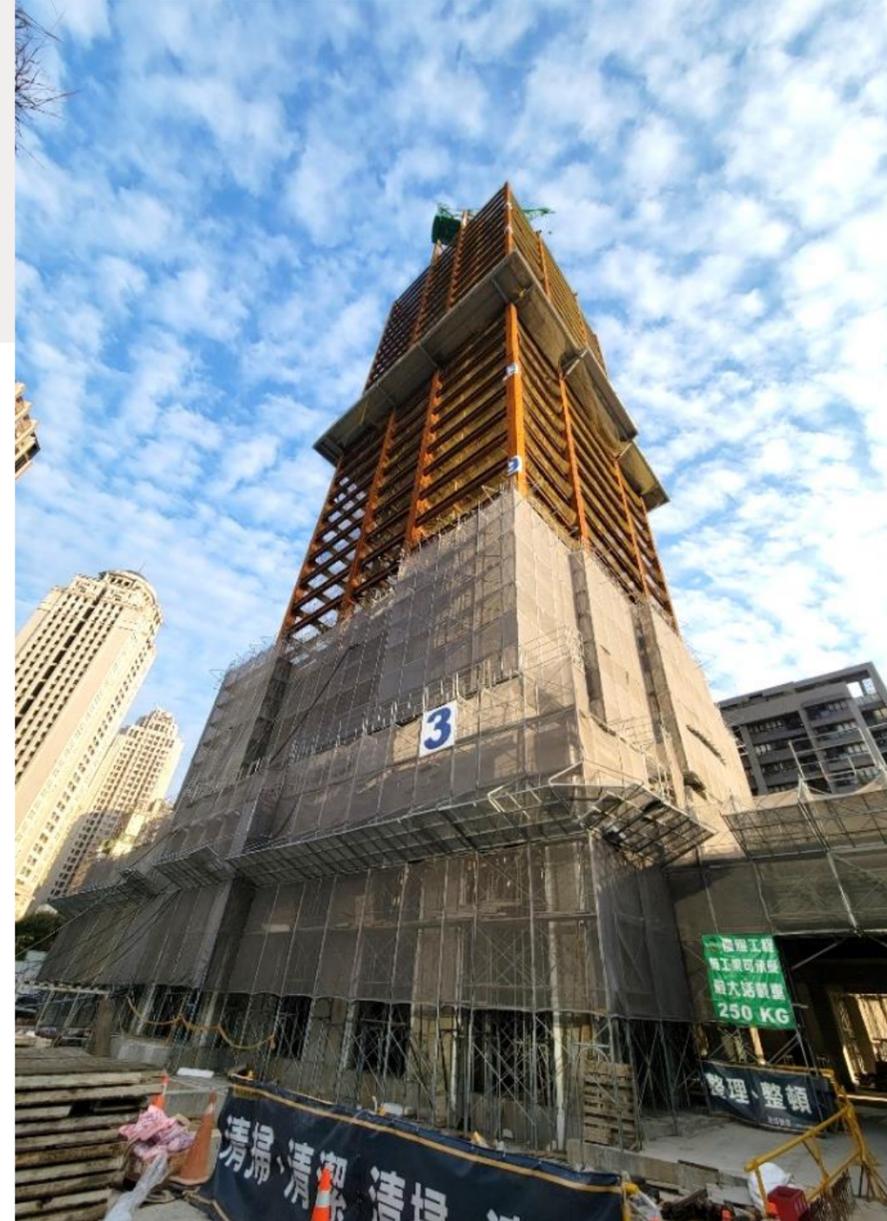
Recently Completed Steel Structure Projects



King Boat Museum, Pingtung
(Completed in August 2024)



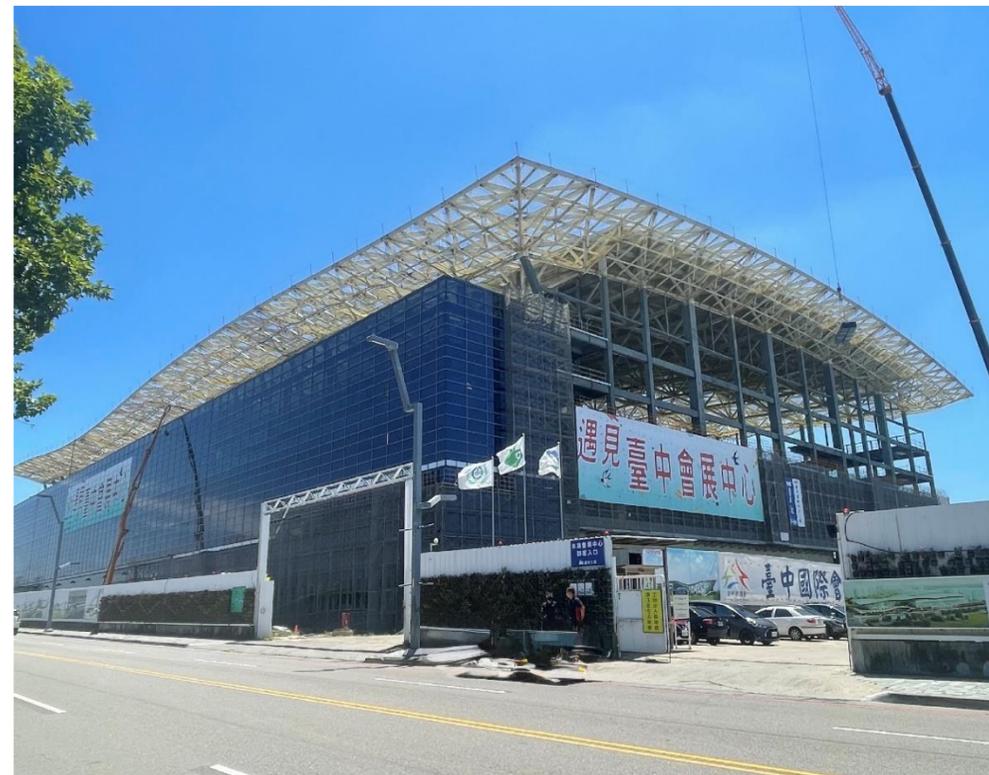
Recently Completed Steel Structure Projects



Twin Oaks Residential Building on Long-fu section in Xitun District (Completed in September 2024)



Recently Completed Steel Structure Projects



Taichung International
Convention and Exhibition Center
(Completed in September 2024)



Recently Completed Steel Structure Projects



Chungyuet Group residential buildings on two land numbers, starting with 568 in Qinxi section in Taoyuan (Completed in September 2024)



Performance and Development of the Reinvestment Business





Reinvestment Business Details

Hsin Yung Enterprise Corporation

Mainly processes domestic waste and general industrial waste in Taoyuan City. Electricity generated from waste treatment will be sold in bulk to Taipower.

Super Max Engineering Enterprise Co., Ltd.

Mainly processes hazardous industrial waste and infectious medical waste.

Ever Ecove Corporation

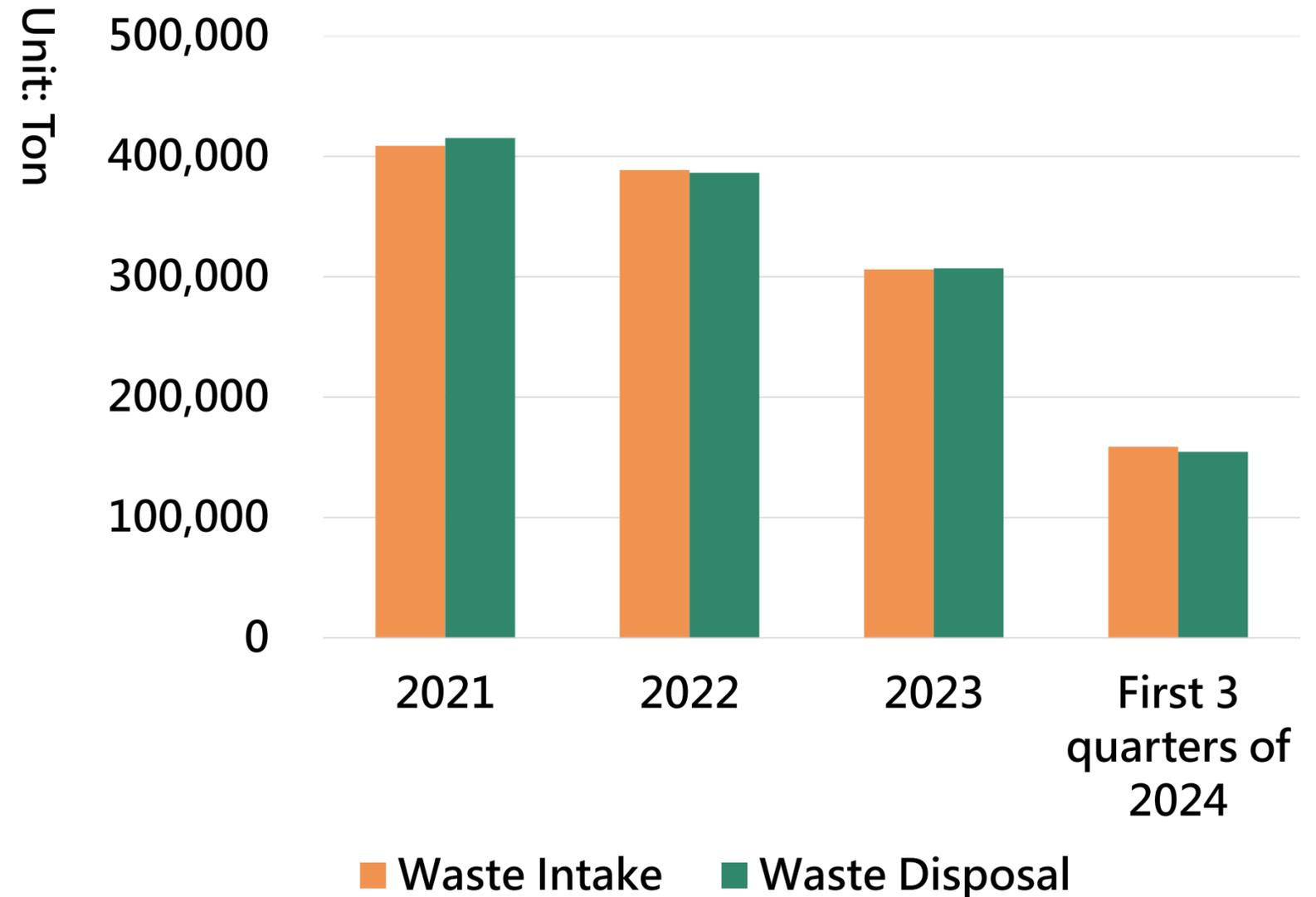
Mainly processes domestic waste, food waste, and general industrial waste in Taoyuan City. Electricity generated from waste treatment and anaerobic digestion of food waste will be sold in bulk to Taipower.



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 3 quarters of 2024	158,792	154,664

In the past 3 years, with the exception of two projects to upgrade systems, conduct maintenance and replace steam turbine components from October 2023 to September 2024, Hsin Yung Enterprise Corp. has maintained steady operating levels of waste intake and processing.

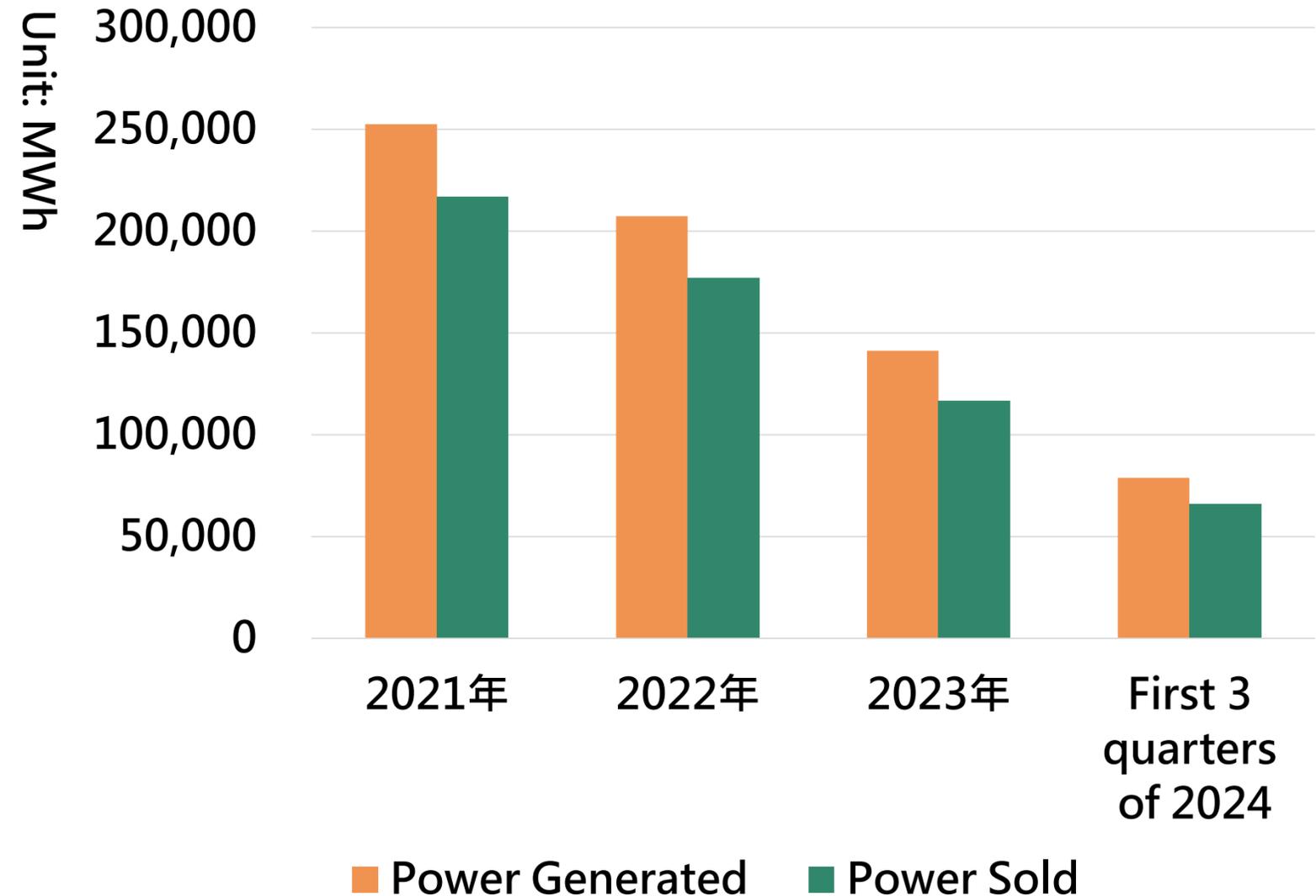


Hsin Yung Business Overview



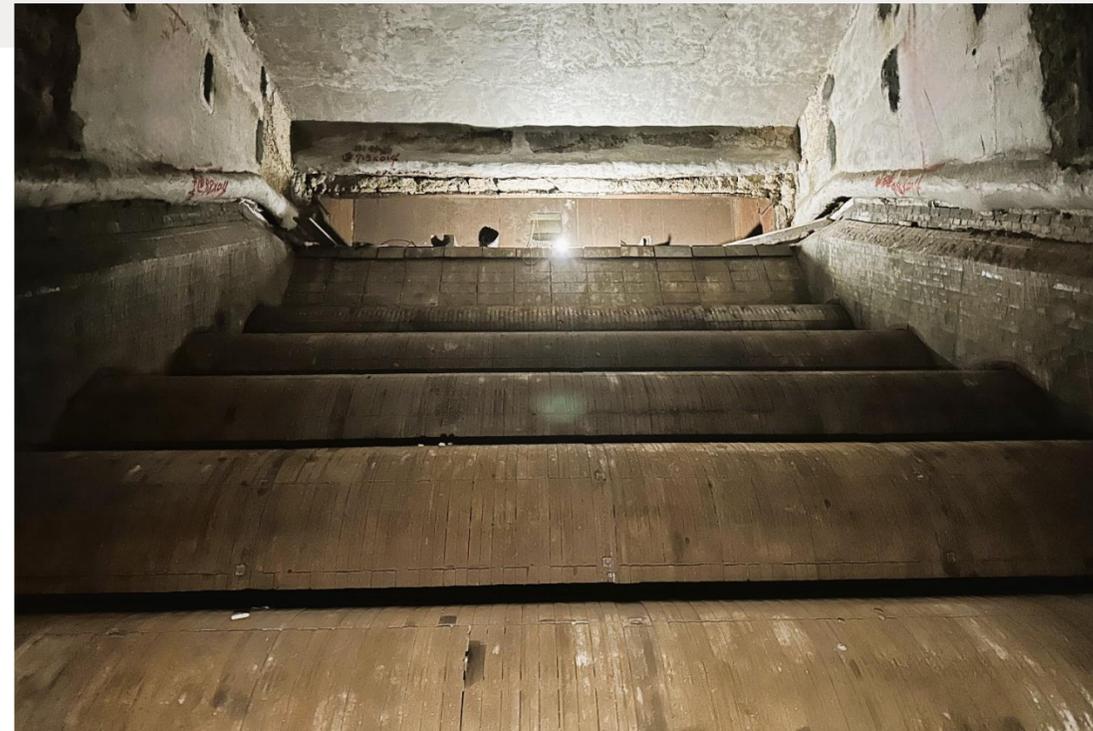
Year	Power Generated (MWh)	Power Sold (MWh)	Ratio (%)
2021	252,595	216,728	85.80
2022	207,342	176,842	85.29
2023	141,196	116,659	82.62
First 3 quarters of 2024	78,773	65,974	83.75

- Conducted maintenance and upgrades for the steam turbine control unit system from November 2022 to January 2023, which was completed in February 2023.
- System upgrade and integration for one incinerator from October 2023 to February 2024, and another incinerator from March 2024 to September 2024.
- Updated the steam turbine rotors and the plant-wide DCS system from April 2024 to June 2024, decreasing power generated and reducing electricity sales and unit rates compared to 2021 and 2022.

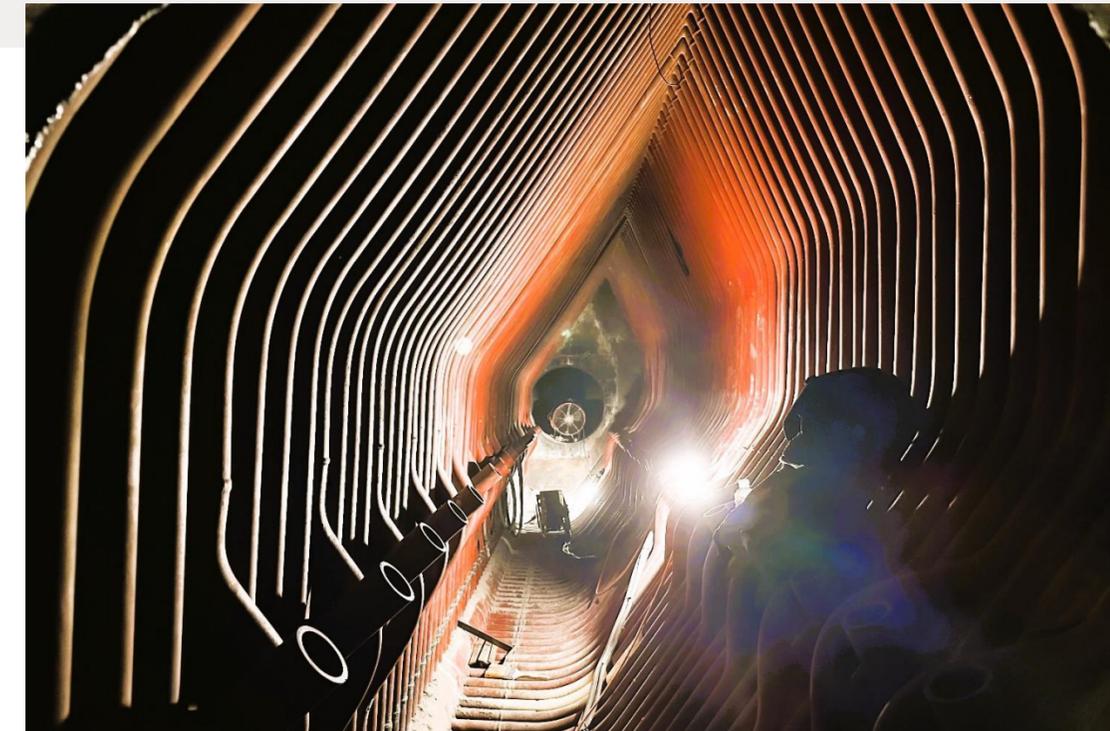




Hsin Yung Enterprise Corp. System Upgrade and Integration



Boiler Roller-Grate
RE-Buide



Boiler Secondary air fan
RE-Buide



Hsin Yung Enterprise Corp. System Upgrade and Integration



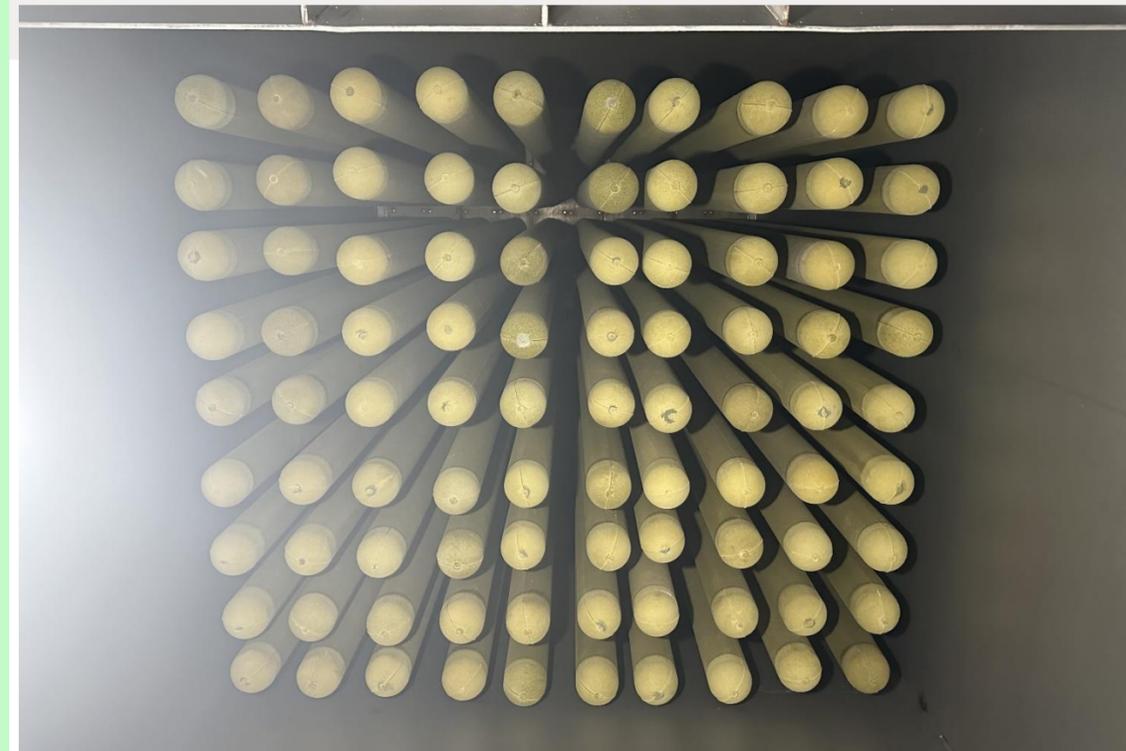
Flue Gas Cleaning System
Bag Filter Upgrade



Flue Gas Cleaning System
Sodium bicarbonate 、AIG Upgrade



Hsin Yung Enterprise Corp. System Upgrade and Integration



Catalyst coated ceramic
filter tube Upgrade



Steam Turbine rotor Upgrade



Hsin Yung Future Prospects

- Hsin Yung Enterprise Corp. completed the upgrade for the two incinerators (for incineration) in mid-September 2024. Both incinerators are running smoothly, and the company has made adjustments to optimize their efficiency, boosting their operation rate with the intent to steadily process waste from the Taoyuan City Government as per the contract, as well as general industrial waste collected by the company itself.
- Considering the changes in waste composition and increasingly strict environmental regulations from the government, Hsin Yung Enterprise Corp., during its upgrade project, has upgraded its waste processing and pollution prevention systems. Following the completion of maintenance and upgrades in mid-September 2024, the plant's overall processing capacity and turbine efficiency have improved compared to before the upgrade project.

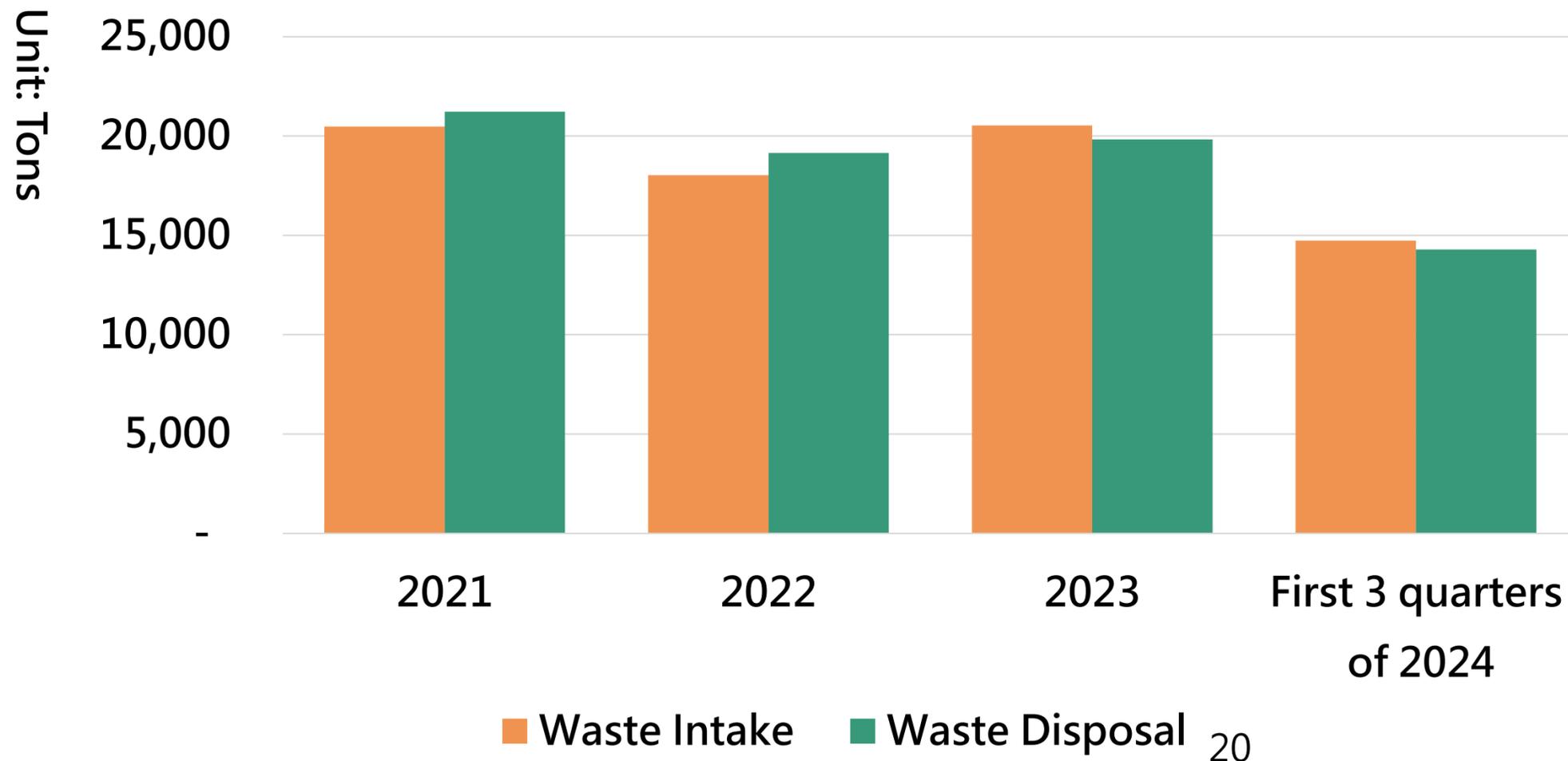




Super Max Engineering Business Overview

Unit: Ton

Year	2021		2022		2023		First 3 quarters 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	14,730	14,286





Super Max Engineering Future Prospects

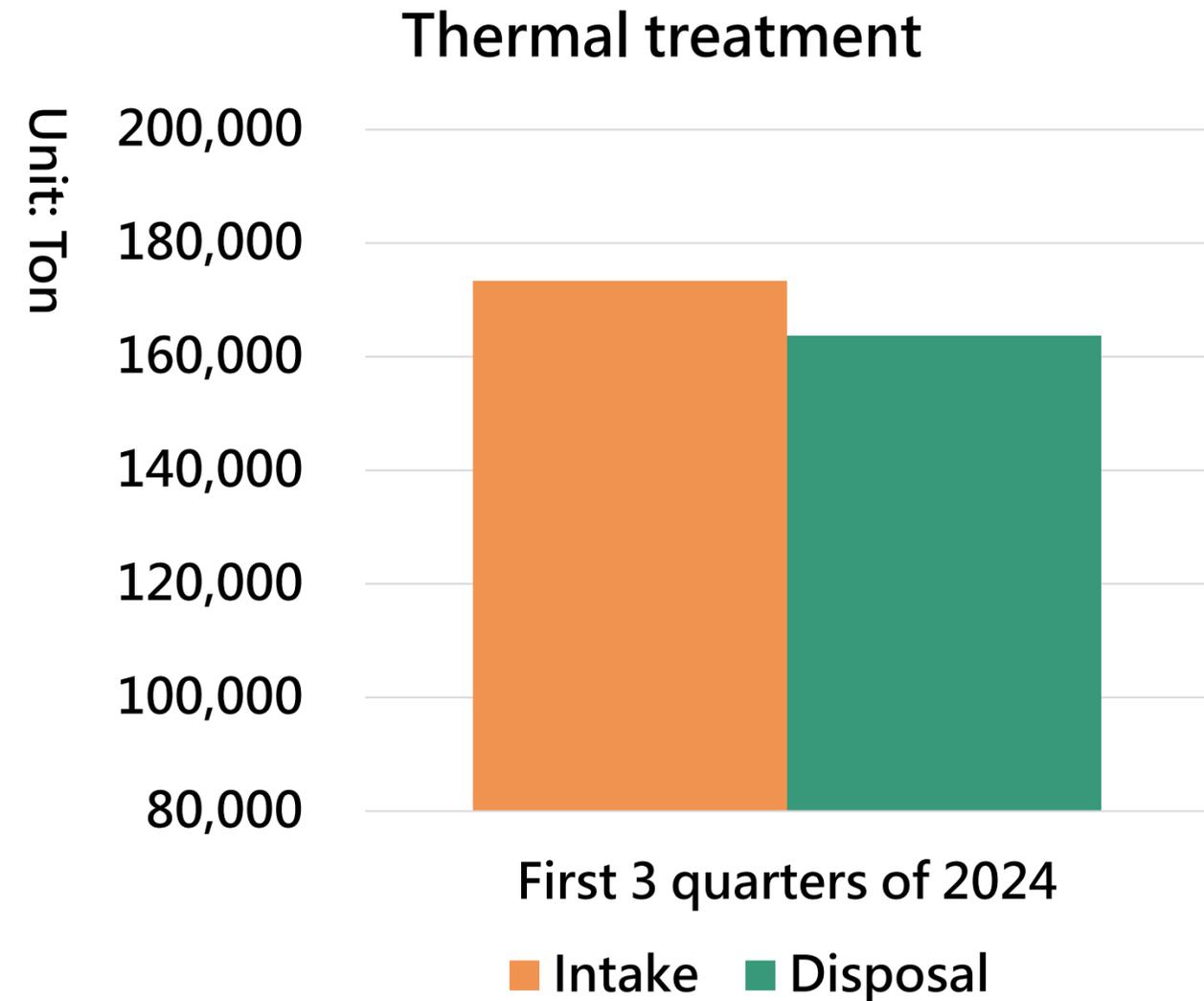
- Due to the government's promotion of the circular economy, general waste available has decreased. Additionally, competition from newly established processing plants has caused a drop in market prices for waste. Supermax established a new incinerator with a 43-ton daily capacity to boost its overall processing capability. The Company will continue to seek out more difficult-to-process waste in the market and leverage processing capabilities to differentiate ourselves in the market, in order to maintain profitability.
- New incinerator at Super Max Engineering Enterprise Co., Ltd.:
 - (1) Trial operation plan: Approved by the Industrial Development Administration, MOEA.
 - (2) Trial run plan: Approved by the Department of Environmental Protection, Taoyuan City Government.
 - (3) Trial run schedule: Until February 6, 2025.





Ever Ecove Business Overview

Year	Thermal treatment Intake (ton)	Thermal treatment Disposal (ton)
First 3 quarters of 2024	173,317	163,648



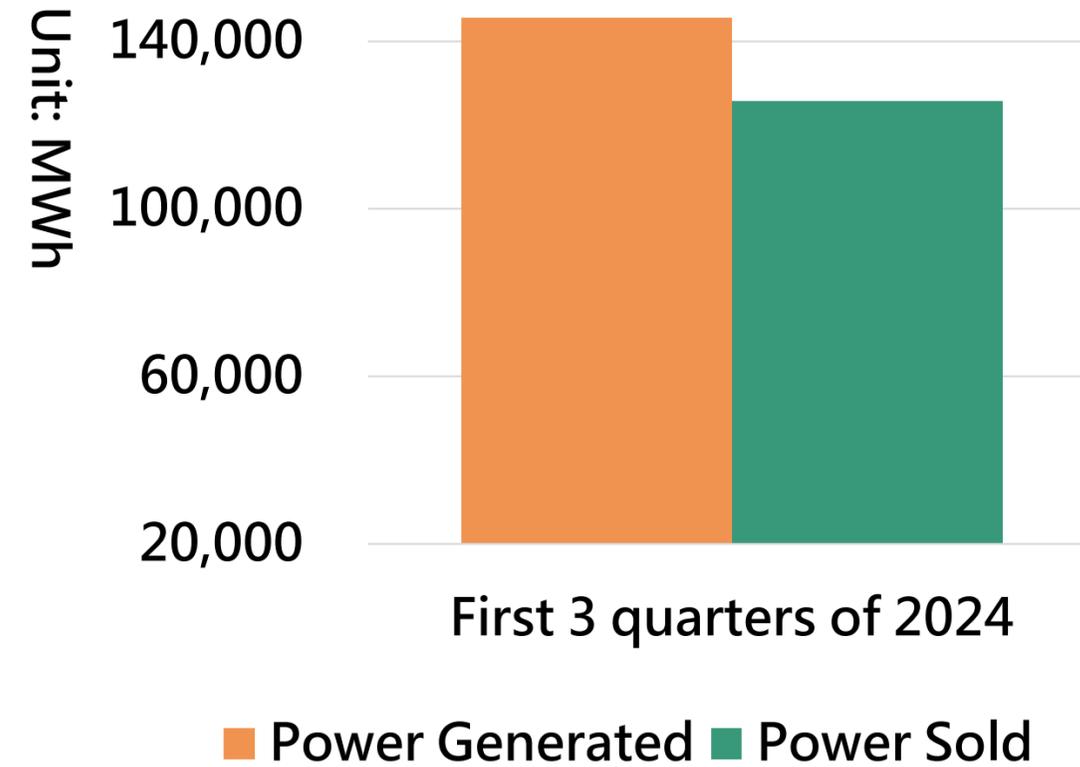


Ever Ecove Business Overview

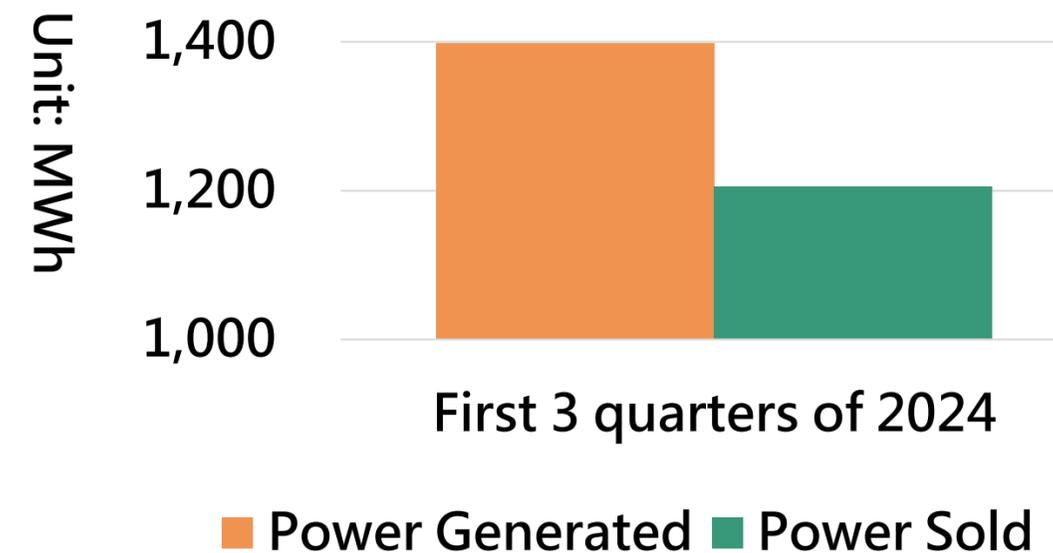
Year	Thermal treatment Power Generated (MWh)	Thermal treatment Power Sold (MWh)	Ratio (%)
First 3 quarters of 2024	145,521	125,578	86.30

Year	Anaerobic digestio Power Generated (MWh)	Anaerobic digestion Power Sold (MWh)	Ratio (%)
First 3 quarters of 2024	1,398	1,206	86.27

Thermal treatment



Anaerobic digestion





Ever Ecove Future Prospects

- Based on the BOT contract, Ever Ecove must cooperate as Hsin Yung upgrades its facilities, prioritizing the processing of domestic waste delivered by the Taoyuan City Government in 2024 and 2025. 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.





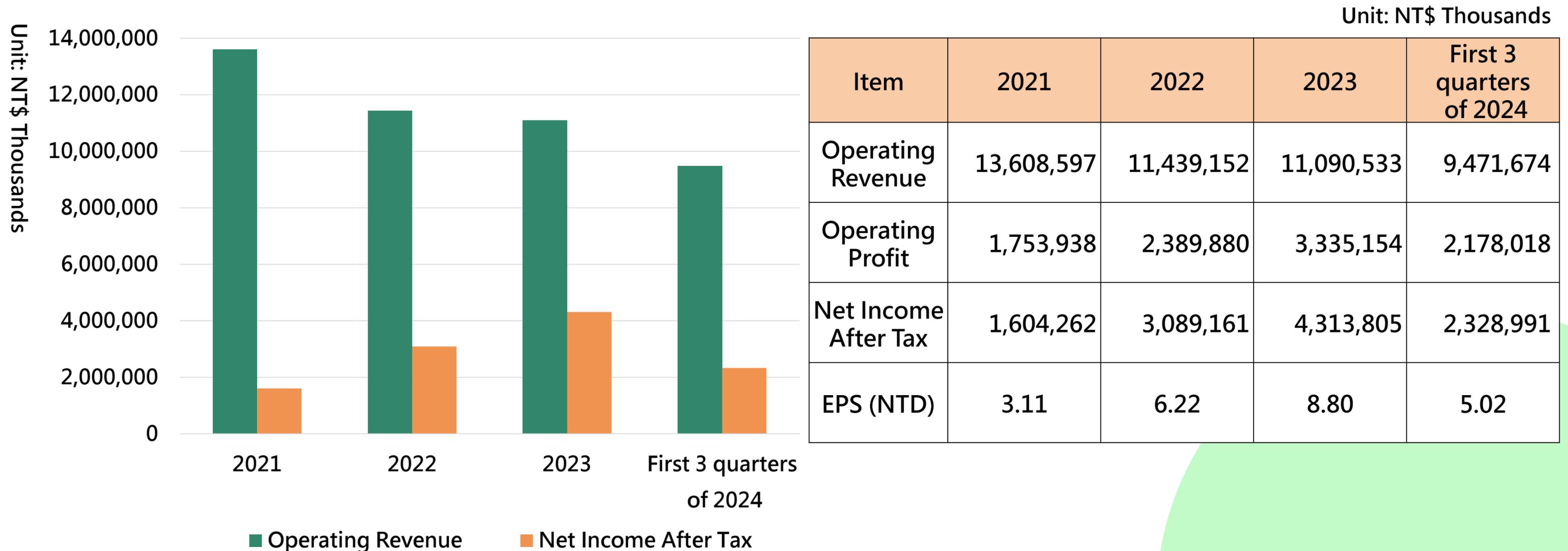
Consolidated Financial Overview





Consolidated Financial Overview

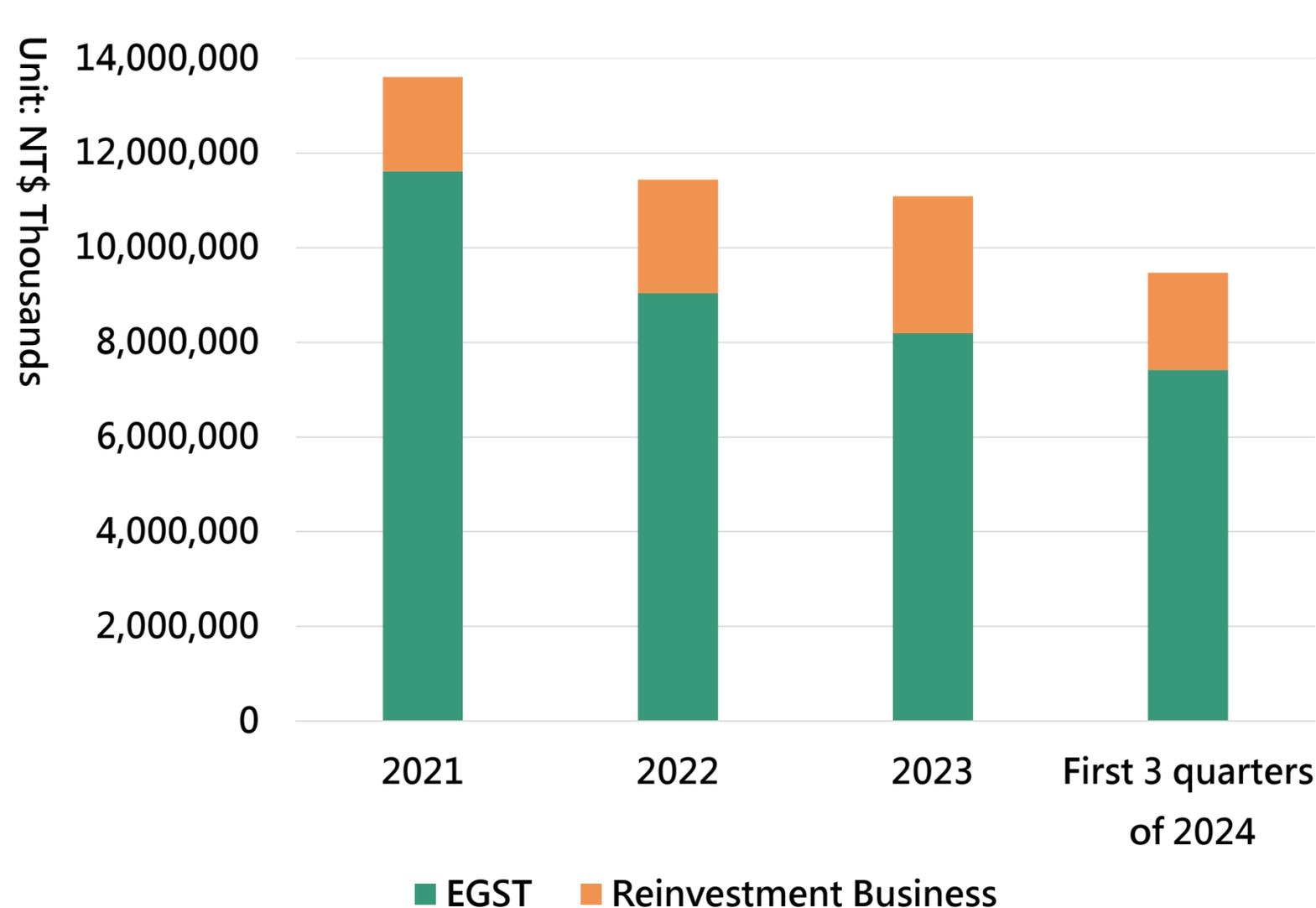
Evergreen Steel's Financial Overview for the Past 3 Years





Consolidated Financial Overview

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



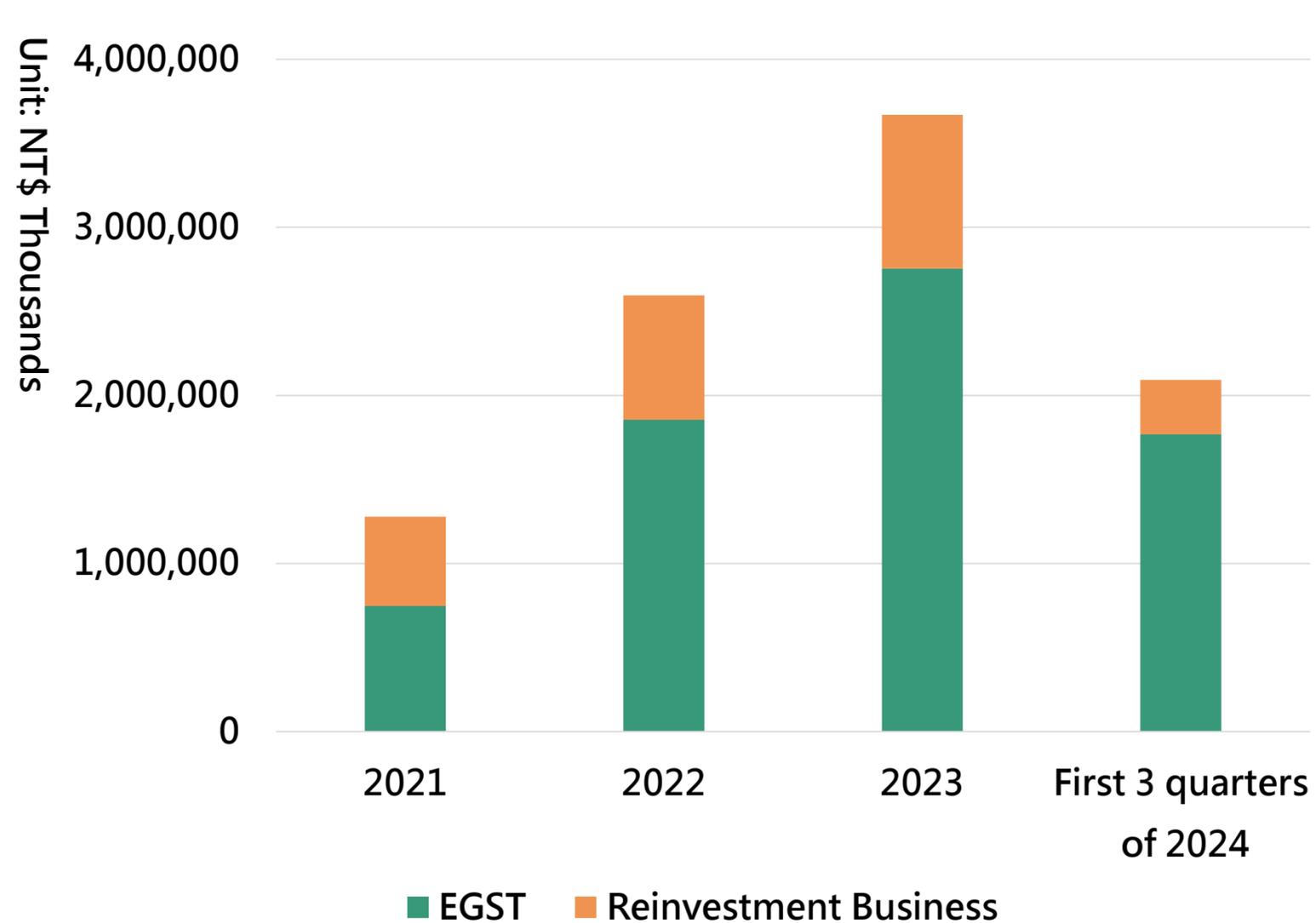
Unit: NT\$ Thousands

Company Name	2021	2022	2023	First 3 quarters of 2024
EGST	11,614,440	9,039,860	8,192,540	7,418,086
Reinvestment Business	1,994,157	2,399,292	2,897,993	2,053,588
Total	13,608,597	11,439,152	11,090,533	9,471,674



Consolidated Financial Overview

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



Unit: NT\$ Thousands

Company Name	2021	2022	2023	First 3 quarters of 2024
EGST	747,899	1,855,375	2,755,308	1,769,204
Reinvestment Business	530,361	739,302	914,506	322,539
Net Profit for the Parent Company	1,278,260	2,594,677	3,669,814	2,091,743



Consolidated Financial Overview

Financial performance Q3, 2024 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousands

Item	Q3, 2024	Q3, 2023	Difference	Ratio
Operating Revenue	3,278,484	3,091,036	187,448	6.06%
Operating Profit	611,110	999,496	(388,386)	(38.86%)
Net Income After Tax	905,195	1,089,996	(184,801)	(16.95%)
EPS (NTD)	1.95	2.20	(0.25)	(11.36%)

Financial performance first 3 quarters, 2024 and YoY comparison of Evergreen Steel

Unit: NT\$ Thousands

Item	First 3 quarters of 2024	First 3 quarters of 2023	Difference	Ratio
Operating Revenue	9,471,674	9,119,705	351,969	3.86%
Operating Profit	2,178,018	2,729,776	(551,758)	(20.21%)
Net Income After Tax	2,328,991	3,807,485	(1,478,494)	(38.83%)
EPS (NTD)	5.02	7.83	(2.81)	(35.89%)



Sustainable Development and Green Energy Policy





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.
- Replaced old equipment in 2024 for NT\$11.35 million, resulting in an annual carbon emissions saving of 64.76 tons.
- Achieved above 90% waste recycling rate.
- Turning waste into resources. Our partners have turned submerged arc-welding slag into CLSM, which has passed the stage 1 review by the MOEA and obtained pollution control permits from local environment protection departments. They are currently waiting for a trial permit from the MOEA.
- With help from professional consultants, Evergreen Steel passed the external audit for both ISO50001 energy management systems and ISO14001 environmental management systems.
- Continued to promote the circular economy, exploring ways to turn waste into resources, diversifying waste disposal methods.
- Received the Net Zero Industry Competitiveness Superior Award from the 21st Century Foundation.

MIRDC
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 emissions	3,874,384.4	公噸二氧化碳當量(tCO ₂ e)
間接溫室氣體排放量 Indirect greenhouse gas emission	253,201,101.5	公噸二氧化碳當量(tCO ₂ e)
直接與間接溫室氣體排放量 Direct and indirect GHG emissions	257,075,486	公噸二氧化碳當量(tCO ₂ e)

溫室氣體排放量期間：2023年01月01日至2023年12月31日
The GHG emissions information for the period from 2022-01-01 to 2022-12-31

意見編號 : CHC-2024-01
簽署日期 : 2024.04.26
簽署人 : 林仁登
Signatory :

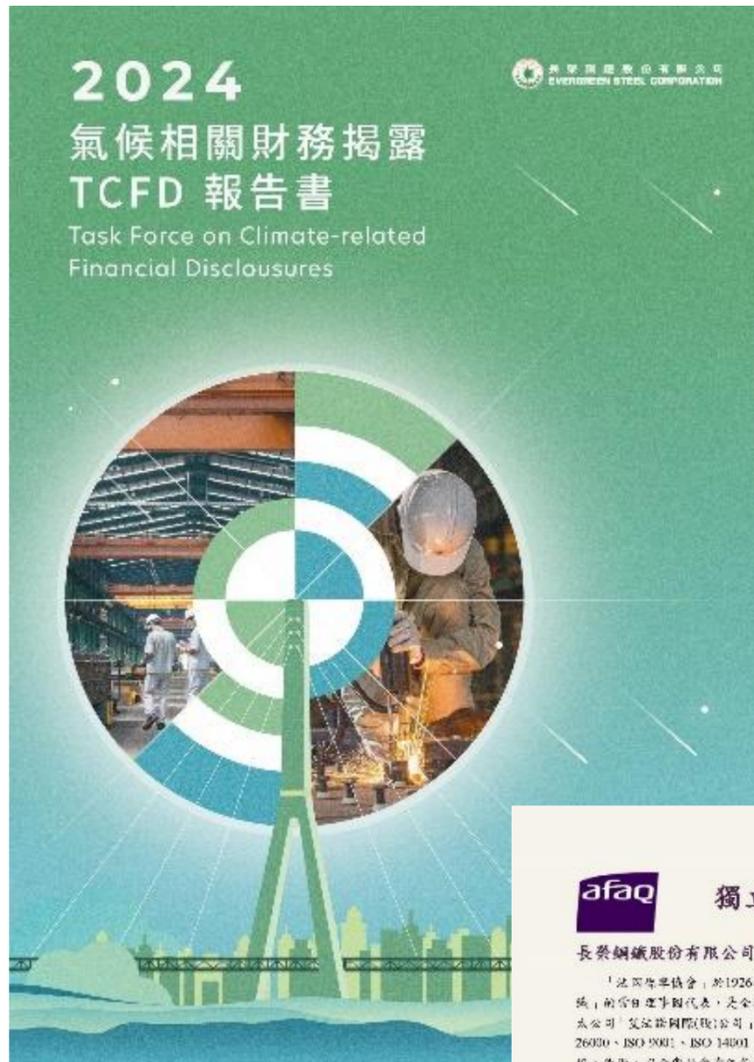
TAF
MIRDC
ISO 14064-1

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Social Inclusion

- Implemented human rights policies to achieve zero violations of labor regulations.
- Implement occupational safety and health policy with the goal of zero occupational hazards/incidents.
- Provide employees with career planning advice and diverse employee training to develop professional talents.
- Actively participating in a wide array of charitable causes, including educational assistance, support for local arts and cultural development, care for local communities and residents in remote areas, as well as initiatives for disadvantaged groups and environmental protection and educational activities.



Corporate Governance

- The Company was ranked a top 20% listed company in this year' s (the 10th) corporate governance evaluation.
- Regularly compiled and submitted the Company' s sustainability implementation to the Sustainability Committee and the Board of Directors.
- Completed the 2023 sustainability report and obtained an independent assurance opinion statement from a third-party certification body. The report and statement, after being approved via a board resolution, were uploaded to the Taiwan Stock Exchange' s MOPS and are available on the Company' s official website.
- The Company pays close attention to climate change and risk management issues and completed its 2024 TCFD report following the TCFD framework, which is available on the Company' s official website.
- Enhancing supply chain responsible procurement by ongoing evaluation of suppliers/contractors and asking them to sign Supplier/Contractor Corporate Sustainability Commitments. The Company uses questionnaire surveys to keep track of suppliers/contractors' efforts to fulfill their corporate social responsibilities.
- Promoting business integrity and enhancing employees' intellectual property rights knowledge. The Company has organized Business Integrity Governance and Trade Secret Protection training to enhance awareness.





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

- Meters were installed for the 1999.56kW and 547kW solar PV systems in February and November of 2024, respectively, with an estimated power generation of 3.26 million kWh annually.
- The Company is planning to install a 160kW solar PV system at the Hsinying Factory in the first half of 2025.

2. Evaluation of Investment in the Green Energy Industry

- Through industry-academia collaboration, the company continues to evaluate circular economy investments, including renewable energy and reutilization/recycling of unused agricultural waste.

Factory	Current capacity	To be completed in 2024 Self-installed	To install in 2025 Self-installed
Hsinchu	1722kW	-	-
Xinying	499.8kW	2546.56kW	160kW

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EVERGREEN STEEL CORPORATION

Thank You

November 28, 2024





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

Q&A

