



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

Stock Code: 2211

# EVERGREEN STEEL CORPORATION

2025 Annual General Shareholders' Meeting

## Meeting Handbook

May 28, 2025

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2025 ANNUAL GENERAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF EVERGREEN STEEL CORPORATION (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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# EVERGREEN STEEL CORPORATION

## 2025 Annual General Shareholders' Meeting

**Type of Meeting:** Physical Meeting

**Meeting Time:** 9:00 AM on May 28 (Wednesday), 2025

**Meeting Location:** Meeting Room on the 10<sup>th</sup> floor, International Convention Center of Chang Yung-Fa Foundation  
No.11, Zhongshan S. Rd., Taipei City, Taiwan (R.O.C)

**Attendance:** There are \_\_\_\_\_ shares represented by attending shareholders, reaching \_\_\_\_% of entire 417,091,463 shares issued by the Company.

**Chairman:** Lin, Keng-Li

**I. Report the total number of shares represented at this AGM.**

**II. Chairman calls meeting to order and address.**

**III. Report Items:**

A. Business Report of the year 2024 (Handbook pages 4-9).

B. Audit Committee's Review Report of the year 2024 (Handbook page 31).

C. 2024 Compensation of Employees and Directors Report:

The Board of Directors appropriated NT\$15,000,000 as Employees' Compensation in cash and NT\$7,000,000 as Directors' Compensation pursuant to the Articles of Incorporation.

D. 2024 Directors' Remuneration Report (Handbook pages 32-33).

E. 2024 Related Party Transaction Report (Handbook page 34).

#### **IV. Ratification and Discussion Items**

Proposed by the Board of Directors

**Proposal 1: Ratification of the 2024 Business Report and Audited Financial Report (Handbook pages 4-29). Please ratify.**

**Description:** The 2024 Financial Report of the Company has been audited by Ms. Chang, Ching-Hsia and Mr. Chao, Yung-Hsiang, the CPA of Deloitte & Touche Taiwan.

**Resolution:**

Proposed by the Board of Directors

**Proposal 2: Ratification of 2024 earnings distribution (Handbook page 30). Please ratify.**

**Description:**

1. The Company is planning to distribute cash dividend NT\$5 per share. The total amount of cash dividends shall be NT\$2,085,457,315. The cash dividend distribution will be calculated to the nearest round NT dollar, the remainder will be recognized as “Other Non-Operating Income” of the Company.
2. Subject to the approval of the Annual General Shareholders’ Meeting, the ex-dividend date and payment date for the cash dividend would be decided by the Chairman of the Board.

**Resolution:**

Proposed by the Board of Directors

**Proposal 3: Proposal to amend the Company’s “Articles of Incorporation” (Handbook pages 35-36). Please discuss.**

**Description:**

1. On August 7, 2024, the Article 14 of the Securities and Exchange Act was amended and promulgated per Presidential Order No. Hua-Zong-I-Yi-11300069631, the paragraph 6 of

the Article 14 stipulates: “A company whose stock is listed for trading on a stock exchange or over-the-counter securities exchange shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. However, the company’s accumulated losses shall have been covered, if any”.

2. In order to comply with the above regulations, the paragraph 1 of Article 27 of the Company’s Articles of Incorporation is amended to specify that when the Company allocates employees’ compensation, at least 60% of the employees’ compensation should be allocated to the non-executive employees. In addition, Article 30 is amended to add the amendment date.

**Resolution:**

**V. Extraordinary Motion.**

**VI. Meeting Adjournment.**

# **Evergreen Steel Corporation**

## **Business Report of the year 2024**

### **I. Business Performance in 2024**

The Company's 2024 performance was impacted by the government's real estate market policy, inflation, and other factors. Conversely, thanks to urban regeneration projects, residential buildings, technology factories and reconstruction of dangerous and old buildings, the Company maintain steady production for the steel structure market. Fulfillment of some steel structure orders was delayed due to clients' design changes and delays in construction projects. However, thanks to the consistently strong performance of the steel structure industry and our various business units properly managing costs, the Company's steel structure business net profit still increased compared to 2023. Concerning the environmental protection business, Hsin Yung Enterprise Corporation completed maintenance and upgrades of its two incinerators in September 2024, and they are now operating normally; Super Max Engineering Co., Ltd. conducted a trial operation for its new incinerator in August 2024 and applied for the operational permit from the competent authority in January 2025; Ever Ecove Corporation completed tests for its anaerobic digestion system and obtained its operation permit in February 2025. Following is an overview of the Company's business areas :

#### **1. Steel Structure Business Division**

In 2024, orders received amounted to 130,000 tons, a decrease of 18% over 2023, the construction project in market launched continuously and steadily. (high-rise construction accounted for 81%, and factory construction accounted for 19%). Revenue for 2024 was affected by delays in fulfillment of steel structure orders due to clients' design changes and delays in construction projects. However, the Company still managed to achieve its profit goal by properly managing costs.

Steel structure products sold in 2024 totaled about 124,000 tons, up 27.53% from 2023, while operating revenue reached NT\$9,828.84 million, up 22.69% from 2023.

## 2. Container Department

The operating revenue for 2024 was NT\$180.68 million, similar to 2023. In July 2024, phase 2 of Terminal 7 at Kaohsiung Port was inaugurated, the container repair/washing facility originally at Terminal 4 and the Kaohsiung Factory have been relocated to Terminal 7. However, to make it convenient for some shippers to pick up containers from the intra-Asia route, the Kaohsiung Factory continues to provide container repair/washing service.

## 3. Environment Protection Business

- (1) Hsin Yung Enterprise Corporation : operating revenue for 2024 was NT\$903.84 million, a decrease of 9.22% from 2023, because incinerator 2 has been offline for maintenance from March 2024 to September 2024, leaving only incinerator 1 running. Hsin Yung Enterprise Corporation also completed maintenance and upgrade of its gas turbine engine rotors and the distributed control system (DCS) between April and June in 2024, which in turn reduced waste processing and power generation compared to 2023.
- (2) Super Max Engineering Enterprise Co., Ltd. : operating revenue for 2024 was NT\$685.5 million, an increase of 1.22% from 2023, thanks to the trial operation of the new incinerator that increased processing capacity. However, the waste unit treatment price has been affected due to the competition from other incinerator operators.
- (3) Ever Ecove Corporation : operating revenue for 2024 was NT\$1,318.48 million, a growth of 7.62% from 2023. The construction completion report was approved by the Taoyuan City Government on December 25 and the Company obtained the operation permit for its anaerobic digestion system on February 3, 2025.

## II. Budget Execution

The Group's forecasted consolidated revenue for 2024 was NT\$16,814.48 million; the actual revenue was NT\$12,917.34 million. The achievement rate was 76.82%. The forecasted EBT was NT\$3,311.67 million. Actual EBT was NT\$3,514.36 million. The

achievement rate was 106.12%.

### III. Financial Revenue and Profit Analysis

#### 1. Revenue

The Group's consolidated revenue for 2024 was NT\$12,917.34 million, a year-on-year increase of NT\$1,826.81 million, or 16.47%, mainly due to the increase in the number of tons of steel structures recognized for revenue. The operating cost was NT\$9,444.27 million, a year-on-year increase of NT\$2,249.45 million. Other net income was NT\$650.43 million, a year-on-year decrease of NT\$872.38 million over 2023, mainly due to the decrease in dividend income. EAT was NT\$2,903.6 million, a year-on-year decrease of NT\$1,410.21 million.

#### 2. Profit Analysis

The year 2024's return on assets was 7.7%; return on equity was 9.74%; net profit margin was 22.48%; and earnings per share was NT\$6.12.

### IV. Research and Development

#### 1. Steel Structure Business

- (1) The Company worked with external suppliers to explore options to reuse its waste and jointly proposed the idea to use submerged arc welding slag (industrial waste from the manufacture of steel structures) as an additive and applied for a permit for a single project for CLSM (Controlled Low Strength Materials). The test result report was submitted for viewing in December 2024, and the Company is expecting to obtain the permit for this single project in the second half of 2025.
- (2) Improved efficiency by replacing old cranes. Due to the sheer number of old cranes that need to be replaced, they will be replaced in batches over several years. In 2024, the Company replaced 7 cranes and 3 crane winches, and will continue to do so annually after 2025.
- (3) The Company's collaboration from 2022 to 2025 with the National Center for Research on Earthquake Engineering allows both parties to work together to develop AI-assisted



automated diaphragm welding. By incorporating AI, robotic arms, laser scanning/monitoring and welding machines, the two institutions are developing efficient AI-driven automated welding technology. Both parties will continue to keep track of the feasibility of this technology in real-world applications. R&D result passed review by the National Science and Technology Council in 2024. In 2025, the collaboration project was granted a subsidy from the National Science.

- (4) The Company enhanced the quality of painting, optimized the painting process, and reduced the impact of volatile organic compounds on the environment. The Company has planned improvements for the coating area environment and pollution prevention measures at the Hsinying Factory, with construction and installation set to begin in the second half of 2025.

## 2. Environmental Protection Business

- (1) Hsin Yung Enterprise Corporation : completed maintenance and upgrades of its two incinerators in September 2024, and they are now operating. The Company primarily upgraded its catalyst system, incinerator grates, slag extraction system, gas turbine engine rotors and control systems, and the waste and bottom ash hoisting system to improve power generation efficiency and equipment stability.
- (2) Super Max Engineering Enterprise Co., Ltd. : new incinerator at the company's Guanyin Factory has begun its trial operation in August 2024 and is expecting to officially begin operation in the first half of 2025, increasing the plant's capacity and revenue.

## V. Corporate Sustainability Strategies

The Company embraces the Evergreen Group's business motto of "challenge, innovation and teamwork", and is dedicated to promote corporate sustainability with concrete actions in the ESG field. The Company achieves its sustainability goals.

## 1. Achieving and promoting corporate governance

- (1) The Company's 2023 Sustainability Report was prepared in accordance with GRI Standards and disclosed relevant ESG information in compliance with SASB Standards. Following third-party verification using the AA1000 Series of Standards (V3), the report received a moderate-level independent assurance statement.
- (2) The Company continues to follow climate change and risk management issues and has completed the 2024 TCFD report in compliance with the TCFD structure and IFRS S2 climate-related-disclosures.
- (3) To enhance supply chain sustainability, the company continues to encourage partners to sign supplier/contractor corporate sustainability commitments and complete self-review questionnaires on human rights. In 2024, indigenous rights issues were added to the questionnaire. As of 2024, 274 sustainability commitments have been signed, 227 self-review questionnaires have been completed, and none of regulations related to human rights have been violated.

## 2. Environmental Sustainability Strategies

- (1) In alignment with the government's "Taiwan 2050 Net-zero" goal and sustainability roadmap, our GHG Inventory Task Force submits its progress to the Sustainability Committee, as well as the board. The Company already completed its 2023 GHG inventory and report, which was verified by a third-party verifier approved by the Ministry of Environment, and obtained the GHG verification statement.
- (2) To gradually meet its 2050 carbon neutrality goal, the Company has followed its carbon reduction plan and is implementing various carbon-reducing measures. In 2024, the Company replaced fixed frequency equipment in the manufacturing process with variable-frequency counterparts, replaced lighting equipment with LED lightbulbs, switched company cars to hybrid vehicles, and installed the phase II

solar panel of approximately 547kW at the Hsinying Factory, which began operation in November.

- (3) To effectively manage environmental risks and improve energy performance, the Company adopted the ISO 14001 environmental management system and ISO 50001 energy management system in 2024 and obtained certification from Tüv Nord Taiwan.
- (4) In alignment with the government's "Green Lifestyle" policy and to protect the environment, the Company favors procuring products with eco-marks or green marks, and obtained a Green Procurement Business Excellence Award from the Tainan City Government in 2024.
- (5) The Company won the 2024 Net Zero Industrial Competitiveness Superior Award from the 21st Century Foundation.
- (6) The Company promotes diverse waste disposal and recycling channels and transformed more than 90% of its waste into useful resources in 2024.

## VI. Charity Works and Social Care Projects

The Company actively encourages its workers to participate in a wide array of charity work. In 2024, it earmarked approximately NT\$3.71 million in the form of sponsorships for field trips by schools in remote areas, sponsorships for the tour of the environmental education theater, meal subsidies and after school education programs for children in remote areas, remote area medical care, free meals for the disadvantaged in local communities, and sponsorships for Evergreen Symphony Orchestra concerts. The Company collaborates with subsidiaries, civic groups, and partners to organize various charitable initiatives, demonstrating our love and care through concrete actions.

The Company follows its Sustainable Development Best Practice Principles and is committed to fulfilling its corporate social responsibilities. The Company is committed to enhancing the economy, environment, and society as a whole to advance its sustainability initiatives and achieve its sustainability goals.

# EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,991,237	5	\$ 3,020,667	9
Financial assets at amortized cost - current	2,918,281	7	3,291,045	9
Contract assets - current	3,327,746	8	2,729,598	8
Notes receivable, net	66,749	-	41,617	-
Trade receivables, net	1,179,273	3	823,456	2
Trade receivables from related parties, net	28,227	-	31,772	-
Other receivables	25,935	-	39,942	-
Current tax assets	1,669	-	22,830	-
Inventories	4,564,014	12	3,929,699	11
Other current assets	49,034	-	95,113	-
Total current assets	14,152,165	35	14,025,739	39
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	15,327,673	38	11,090,592	31
Financial assets at amortized cost - non-current	47,801	-	400,036	1
Investments accounted for using equity method	175,337	1	167,910	1
Property, plant and equipment	4,551,087	11	3,923,775	11
Right-of-use assets	129,047	-	30,304	-
Investment properties	96,802	-	98,804	-
Intangible assets	5,392,294	13	5,559,032	16
Deferred tax assets	83,302	-	113,666	-
Refundable deposits	13,628	-	12,313	-
Net defined benefit assets - non-current	101,908	-	66,220	-
Other non-current assets	618,372	2	453,116	1
Total non-current assets	26,537,251	65	21,915,768	61
TOTAL	\$ 40,689,416	100	\$ 35,941,507	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current	\$ 2,283,781	6	\$ 1,833,977	5
Notes payable, net	324,402	1	259,254	1
Trade payables, net	1,921,809	5	1,211,378	4
Other payables	989,732	2	1,047,803	3
Current tax liabilities	310,854	1	424,347	1
Provisions - current	106,950	-	84,396	-
Lease liabilities - current	30,942	-	16,980	-
Current portion of long-term borrowings	194,400	-	-	-
Other current liabilities	40,576	-	36,659	-
Total current liabilities	6,203,446	15	4,914,794	14
NON-CURRENT LIABILITIES				
Long-term borrowings	2,235,600	6	2,830,000	8
Provisions - non-current	115,285	1	113,685	1
Deferred tax liabilities	91,000	-	83,801	-
Lease liabilities - non-current	95,506	-	9,462	-
Net defined benefit liabilities - non-current	6,056	-	8,006	-
Guarantee deposits received	77,419	-	81,213	-
Other non-current liabilities	73,717	-	79,513	-
Total non-current liabilities	2,694,583	7	3,205,680	9
Total liabilities	8,898,029	22	8,120,474	23
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	4,170,915	10	4,170,915	11
Capital surplus	1,319,721	3	1,319,674	4
Retained earnings				
Legal reserve	3,092,621	8	2,708,324	7
Unappropriated earnings	8,976,032	22	9,597,333	27
Total retained earnings	12,068,653	30	12,305,657	34
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(160)	-	(666)	-
Unrealized gain on financial assets at fair value through other comprehensive income	10,784,979	27	6,514,461	18
Total other equity	10,784,819	27	6,513,795	18
Total equity attributable to owners of the Company	28,344,108	70	24,310,041	67
NON-CONTROLLING INTERESTS	3,447,279	8	3,510,992	10
Total equity	31,791,387	78	27,821,033	77
TOTAL	\$ 40,689,416	100	\$ 35,941,507	100

# EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 12,917,338	100	\$ 11,090,533	100
OPERATING COSTS	<u>(9,444,265)</u>	<u>(73)</u>	<u>(7,194,816)</u>	<u>(65)</u>
GROSS PROFIT	<u>3,473,073</u>	<u>27</u>	<u>3,895,717</u>	<u>35</u>
OPERATING EXPENSES				
Selling and marketing expenses	(331,652)	(3)	(298,706)	(3)
General and administrative expenses	(297,801)	(2)	(283,755)	(2)
Expected credit gain	<u>20,313</u>	<u>-</u>	<u>21,898</u>	<u>-</u>
Total operating expenses	<u>(609,140)</u>	<u>(5)</u>	<u>(560,563)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>2,863,933</u>	<u>22</u>	<u>3,335,154</u>	<u>30</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	81,155	1	74,594	1
Other income	604,466	5	1,489,453	13
Other gains (losses)	(10,530)	-	(23,190)	-
Finance costs	(60,446)	(1)	(51,000)	-
Share of profit of associates and joint ventures accounted for using equity method	<u>35,784</u>	<u>-</u>	<u>32,951</u>	<u>-</u>
Total non-operating income and expenses	<u>650,429</u>	<u>5</u>	<u>1,522,808</u>	<u>14</u>
PROFIT BEFORE INCOME TAX	3,514,362	27	4,857,962	44
INCOME TAX EXPENSE	<u>(610,764)</u>	<u>(5)</u>	<u>(544,157)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>2,903,598</u>	<u>22</u>	<u>4,313,805</u>	<u>39</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	40,172	-	(4,225)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	4,334,308	34	1,104,663	10
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(8,038)</u>	<u>-</u>	<u>832</u>	<u>-</u>
	<u>4,366,442</u>	<u>34</u>	<u>1,101,270</u>	<u>10</u>

(Continued)

# EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	\$ 1,642	-	\$ (984)	-
Income tax related to items that may be reclassified subsequently to profit or loss	(455)	-	272	-
	<u>1,187</u>	<u>-</u>	<u>(712)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>4,367,629</u>	<u>34</u>	<u>1,100,558</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,271,227</u>	<u>56</u>	<u>\$ 5,414,363</u>	<u>49</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,553,063	20	\$ 3,669,814	33
Non-controlling interests	<u>350,535</u>	<u>2</u>	<u>643,991</u>	<u>6</u>
	<u>\$ 2,903,598</u>	<u>22</u>	<u>\$ 4,313,805</u>	<u>39</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 6,844,005	53	\$ 4,789,190	43
Non-controlling interests	<u>427,222</u>	<u>3</u>	<u>625,173</u>	<u>6</u>
	<u>\$ 7,271,227</u>	<u>56</u>	<u>\$ 5,414,363</u>	<u>49</u>
EARNINGS PER SHARE				
Basic	<u>\$ 6.12</u>		<u>\$ 8.80</u>	
Diluted	<u>\$ 6.12</u>		<u>\$ 8.79</u>	

(Concluded)

# EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
						Other Equity		Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Share Capital			Retained Earning						
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	417,091	\$ 4,170,915	\$ 1,319,454	\$ 2,441,847	\$ 8,106,299	\$ (362)	\$ 5,567,935	\$ 21,606,088	\$ 3,146,836	\$ 24,752,924
Appropriation and distribution of 2022 earnings										
Legal reserve	-	-	-	266,477	(266,477)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,085,457)	-	-	(2,085,457)	-	(2,085,457)
Dividends from claims extinguished by prescription	-	-	220	-	-	-	-	220	-	220
Net profit for the year ended December 31, 2023	-	-	-	-	3,669,814	-	-	3,669,814	643,991	4,313,805
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	(2,730)	(304)	1,122,410	1,119,376	(18,818)	1,100,558
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,667,084	(304)	1,122,410	4,789,190	625,173	5,414,363
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(261,017)	(261,017)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	175,884	-	(175,884)	-	-	-
BALANCE AT DECEMBER 31, 2023	417,091	4,170,915	1,319,674	2,708,324	9,597,333	(666)	6,514,461	24,310,041	3,510,992	27,821,033
Appropriation and distribution of 2023 earnings										
Legal reserve	-	-	-	384,297	(384,297)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,711,095)	-	-	(2,711,095)	-	(2,711,095)
Dividends from claims extinguished by prescription	-	-	47	-	-	-	-	47	-	47
Net profit for the year ended December 31, 2024	-	-	-	-	2,553,063	-	-	2,553,063	350,535	2,903,598
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	29,402	506	4,261,034	4,290,942	76,687	4,367,629
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	2,582,465	506	4,261,034	6,844,005	427,222	7,271,227
Differences between consideration received or paid and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	(120,966)	-	22,076	(98,890)	(150,018)	(248,908)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(340,917)	(340,917)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	12,592	-	(12,592)	-	-	-
BALANCE AT DECEMBER 31, 2024	417,091	\$ 4,170,915	\$ 1,319,721	\$ 3,092,621	\$ 8,976,032	\$ (160)	\$ 10,784,979	\$ 28,344,108	\$ 3,447,279	\$ 31,791,387

# EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 3,514,362	\$ 4,857,962
Adjustments for:		
Depreciation expense	270,229	235,570
Amortization expense	282,950	161,827
Expected credit reversed gain recognized on trade receivables	(20,313)	(21,898)
Finance costs	60,446	51,000
Interest income	(81,155)	(74,594)
Dividend income	(585,128)	(1,469,709)
Share of profit of associates and joint ventures accounted for using equity method	(35,784)	(32,951)
Gain on disposal of property, plant and equipment	(4,339)	(1,078)
Gain on lease modification	(41)	(4)
Changes in operating assets and liabilities		
Contract assets	(577,883)	426,111
Notes receivable	(25,132)	56,507
Trade receivables	(352,224)	278,362
Other receivables	10,465	(6,014)
Inventories	(634,315)	(833,137)
Other current assets	46,079	(57,910)
Net defined benefit assets	2,521	(7,111)
Other non-current assets	(1,292)	-
Contract liabilities	449,804	783,855
Notes payable	65,148	(8,826)
Trade payables	710,431	15,843
Other payables	199,837	(21,781)
Provisions	22,554	12,659
Other current liabilities	3,917	1,957
Net defined benefit liabilities	14	(128)
Other non-current liabilities	(5,796)	53,505
Cash generated from operations	3,315,355	4,400,017
Interest received	84,697	70,286
Interest paid	(58,894)	(82,287)
Income tax paid	(674,026)	(370,418)
Net cash generated from operating activities	<u>2,667,132</u>	<u>4,017,598</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at fair value through other comprehensive income	97,226	298,343
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,165
Purchase of financial assets at amortized cost	-	(313,273)
Proceeds from sale of financial assets at amortized cost	724,999	-
Payments for property, plant and equipment	(998,152)	(915,000)

(Continued)



# EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property, plant and equipment	\$ 6,986	\$ 1,969
Increase in refundable deposits	(1,315)	-
Decrease in refundable deposits	-	2,176
Payments for intangible assets	(405,338)	(325,169)
Other Dividends received	585,128	1,469,709
Dividends received from associates	<u>30,000</u>	<u>40,000</u>
Net cash generated from investing activities	<u>39,534</u>	<u>261,920</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	100,000	2,830,000
Repayments of long-term borrowings	(500,000)	(3,330,000)
Increase in guarantee deposits	-	56,820
Decrease in guarantee deposits	(3,794)	-
Repayment of principal portion of lease liabilities	(31,389)	(25,471)
Repayment of cash dividend	(2,711,095)	(2,085,457)
Acquisition of additional interests in subsidiaries	(248,908)	-
Dividends paid to non-controlling interests	(340,957)	(260,997)
Dividends from claims extinguished by prescription	<u>47</u>	<u>220</u>
Net cash used in financing activities	<u>(3,736,096)</u>	<u>(2,814,885)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,029,430)	1,464,633
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,020,667</u>	<u>1,556,034</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,991,237</u>	<u>\$ 3,020,667</u>

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Evergreen Steel Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Evergreen Steel Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2024 are described as follows:

#### Contract Revenue Recognition

The Company's contract revenue mainly comes from providing steel structure engineering contracting business; during the contract period, the contract revenue is recognized based on the degree of completion. Contract revenue recognition from construction depends on the degree of completion of the contract which involves subjective judgment which may result in profit or loss or certain risks that are not recognized in the correct period. Therefore, we identified contract revenue recognition with risk characteristics as a key audit matter.

The main audit procedures that we performed for testing the contract revenue recognition are as follows:

1. We obtained an understanding of the design and implementation of the Company's contract revenue evaluation method and control system by performing control tests.
2. We selected samples of the contract revenue with risk characteristics in the current year which are subject to detailed tests including checking the price accepted by the customers with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying the correctness of the contract revenue recognition.
3. We performed an analytical review of contract revenue and performed a retrospective review of construction costs.

Refer to Note 4 to the financial statements for the accounting policy on the assessment of construction contracts. Refer to Notes 5 and 25 for critical accounting judgments and key sources of estimation uncertainty.

#### **Other Matter**

We have also audited the parent company only financial statements of Evergreen Steel Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

#### **Responsibilities of Management and Those Charged with Governance for 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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2025

#### 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 audit such consolidated financial statements are those generally applied in the Republic of China.*

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

# EVERGREEN STEEL CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 872,076	3	\$ 2,101,349	7
Financial assets at amortized cost - current	1,444,000	4	996,000	4
Contract assets - current	3,327,746	10	2,729,598	10
Notes receivable, net	65,349	-	40,755	-
Trade receivables, net	832,499	3	589,978	2
Trade receivables from related parties, net	28,174	-	31,716	-
Other receivables	9,746	-	27,194	-
Current tax assets	1,669	-	-	-
Inventories	4,538,250	14	3,901,326	14
Other current assets	36,481	-	78,267	-
Total current assets	11,155,990	34	10,496,183	37
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current	14,673,997	44	10,673,375	38
Financial assets at amortized cost - non-current	5,010	-	5,010	-
Investments accounted for using equity method	4,688,892	14	4,430,270	16
Property, plant and equipment	2,356,534	7	2,305,891	8
Right-of-use assets	129,047	1	30,304	-
Investment properties	7,102	-	7,102	-
Intangible assets	7,466	-	4,262	-
Deferred tax assets	29,932	-	36,248	-
Refundable deposits	10,871	-	9,673	-
Net defined benefit assets - non-current	87,588	-	58,218	-
Other non-current assets	42,447	-	64,086	1
Total non-current assets	22,038,886	66	17,624,439	63
TOTAL	\$ 33,194,876	100	\$ 28,120,622	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current	\$ 2,278,483	7	\$ 1,819,757	6
Notes payable, net	324,177	1	259,041	1
Trade payables, net	1,456,918	4	1,044,419	4
Other payables	236,525	1	217,695	1
Current tax liabilities	228,647	1	260,337	1
Provisions - current	73,300	-	66,046	-
Lease liabilities - current	30,942	-	16,980	-
Other current liabilities	37,830	-	34,411	-
Total current liabilities	4,666,822	14	3,718,686	13
NON-CURRENT LIABILITIES				
Deferred tax liabilities	88,077	-	82,201	1
Lease liabilities - non-current	95,506	1	9,462	-
Other non-current liabilities	363	-	232	-
Total non-current liabilities	183,946	1	91,895	1
Total liabilities	4,850,768	15	3,810,581	14
EQUITY				
Share capital				
Ordinary shares	4,170,915	13	4,170,915	15
Capital surplus	1,319,721	4	1,319,674	4
Retained earnings				
Legal reserve	3,092,621	9	2,708,324	10
Unappropriated earnings	8,976,032	27	9,597,333	34
Total retained earnings	12,068,653	36	12,305,657	44
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(160)	-	(666)	-
Unrealized gain on financial assets at fair value through other comprehensive income	10,784,979	32	6,514,461	23
Total other equity	10,784,819	32	6,513,795	23
Total equity	28,344,108	85	24,310,041	86
TOTAL	\$ 33,194,876	100	\$ 28,120,622	100

# EVERGREEN STEEL CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

### FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 10,009,518	100	\$ 8,192,540	100
OPERATING COSTS	<u>(7,658,311)</u>	<u>(77)</u>	<u>(5,925,787)</u>	<u>(72)</u>
GROSS PROFIT	<u>2,351,207</u>	<u>23</u>	<u>2,266,753</u>	<u>28</u>
OPERATING EXPENSES				
Selling and marketing expenses	(313,637)	(3)	(282,646)	(3)
General and administrative expenses	(182,751)	(2)	(169,816)	(2)
Expected credit gain	<u>20,313</u>	<u>-</u>	<u>21,898</u>	<u>-</u>
Total operating expenses	<u>(476,075)</u>	<u>(5)</u>	<u>(430,564)</u>	<u>(5)</u>
PROFIT FROM OPERATIONS	<u>1,875,132</u>	<u>18</u>	<u>1,836,189</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	37,191	-	26,527	-
Other income	562,536	6	1,279,683	16
Other gains (losses)	777	-	(1,398)	-
Finance costs	(2,223)	-	(4,603)	-
Share of profit of subsidiaries accounted for using equity method	<u>493,776</u>	<u>5</u>	<u>914,506</u>	<u>11</u>
Total non-operating income and expenses	<u>1,092,057</u>	<u>11</u>	<u>2,214,715</u>	<u>27</u>
PROFIT BEFORE INCOME TAX	2,967,189	29	4,050,904	50
INCOME TAX EXPENSE	<u>(414,126)</u>	<u>(4)</u>	<u>(381,090)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>2,553,063</u>	<u>25</u>	<u>3,669,814</u>	<u>45</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	32,647	-	(2,293)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	4,097,846	41	1,160,601	14
Share of the other comprehensive income (loss) of subsidiaries accounted for using equity method	166,472	2	(39,086)	(1)

(Continued)

# EVERGREEN STEEL CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (6,529)	-	\$ 458	-
	<u>4,290,436</u>	<u>43</u>	<u>1,119,680</u>	<u>13</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries accounted for using equity method	632	-	(379)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(126)	-	75	-
	<u>506</u>	<u>-</u>	<u>(304)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>4,290,942</u>	<u>43</u>	<u>1,119,376</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 6,844,005</u>	<u>68</u>	<u>\$ 4,789,190</u>	<u>58</u>
EARNINGS PER SHARE				
Basic	<u>\$ 6.12</u>		<u>\$ 8.80</u>	
Diluted	<u>\$ 6.12</u>		<u>\$ 8.79</u>	

(Concluded)



# EVERGREEN STEEL CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings		Other Equity		Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Unappropriated Earnings	Exchange Differences on 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, 2023	417,091	\$ 4,170,915	\$ 1,319,454	\$ 2,441,847	\$ 8,106,299	\$ (362)	\$ 5,567,935	\$ 21,606,088
Appropriation and distribution of 2022 earnings								
Legal reserve	-	-	-	266,477	(266,477)	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,085,457)	-	-	(2,085,457)
Dividends from claims extinguished by prescription	-	-	220	-	-	-	-	220
Net profit for the year ended December 31, 2023	-	-	-	-	3,669,814	-	-	3,669,814
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,730)</u>	<u>(304)</u>	<u>1,122,410</u>	<u>1,119,376</u>
Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,667,084</u>	<u>(304)</u>	<u>1,122,410</u>	<u>4,789,190</u>
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,884</u>	<u>-</u>	<u>(175,884)</u>	<u>-</u>
BALANCE AT DECEMBER 31, 2023	417,091	4,170,915	1,319,674	2,708,324	9,597,333	(666)	6,514,461	24,310,041
Appropriation and distribution of 2023 earnings								
Legal reserve	-	-	-	384,297	(384,297)	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,711,095)	-	-	(2,711,095)
Dividends from claims extinguished by prescription	-	-	47	-	-	-	-	47
Net profit for the year ended December 31, 2024	-	-	-	-	2,553,063	-	-	2,553,063
Other comprehensive income for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,402</u>	<u>506</u>	<u>4,261,034</u>	<u>4,290,942</u>
Total comprehensive income for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,582,465</u>	<u>506</u>	<u>4,261,034</u>	<u>6,844,005</u>
Differences between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	(120,966)	-	22,076	(98,890)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,592</u>	<u>-</u>	<u>(12,592)</u>	<u>-</u>
BALANCE AT DECEMBER 31, 2024	<u>417,091</u>	<u>\$ 4,170,915</u>	<u>\$ 1,319,721</u>	<u>\$ 3,092,621</u>	<u>\$ 8,976,032</u>	<u>\$ (160)</u>	<u>\$ 10,784,979</u>	<u>\$ 28,344,108</u>

# EVERGREEN STEEL CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,967,189	\$ 4,050,904
Adjustments for:		
Depreciation expense	173,172	151,028
Amortization expense	3,808	4,052
Expected credit reversed gain recognized on trade receivables	(20,313)	(21,898)
Finance costs	2,223	4,603
Interest income	(37,191)	(26,527)
Dividend income	(556,193)	(1,267,643)
Share of profit of subsidiaries accounted for using equity method	(493,776)	(914,506)
Gain on disposal of property, plant and equipment	(532)	(266)
Gain on lease modification	(41)	(4)
Changes in operating assets and liabilities		
Contract assets	(577,883)	286,922
Notes receivable	(24,594)	56,869
Trade receivables	(238,931)	396,876
Other receivables	16,740	1,729
Inventories	(636,924)	(825,954)
Other current assets	41,786	(46,445)
Net defined benefit assets	3,277	(6,294)
Other non-current assets	(1,292)	-
Contract liabilities	458,726	781,617
Notes payable	65,136	(8,875)
Trade payables	412,499	(1,204)
Other payables	13,818	(20,542)
Provisions	7,254	(5,691)
Other current liabilities	3,419	2,586
Other non-current liabilities	131	(98)
Cash generated from operations	1,581,508	2,591,239
Interest received	37,899	25,091
Interest paid	(2,223)	(4,883)
Income tax paid	(441,949)	(135,109)
Net cash generated from operating activities	<u>1,175,235</u>	<u>2,476,338</u>

(Continued)

# EVERGREEN STEEL CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 97,226	\$ 298,343
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,165
Purchase of financial assets at amortized cost	(448,000)	(431,410)
Payments for property, plant and equipment	(163,181)	(144,816)
Proceeds from disposal of property, plant and equipment	532	266
Increase in refundable deposits	(1,198)	(108)
Payments for intangible assets	(7,011)	(3,126)
Dividends received	556,193	1,267,643
Dividends received from subsidiaries	<u>552,276</u>	<u>471,710</u>
Net cash generated from investing activities	<u>586,837</u>	<u>1,461,667</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term borrowings	-	(500,000)
Repayment of principal portion of lease liabilities	(31,389)	(25,471)
Repayment of cash dividend	(2,711,095)	(2,085,457)
Acquisition of additional interests in subsidiaries	(248,908)	-
Dividends from claims extinguished by prescription	<u>47</u>	<u>220</u>
Net cash used in financing activities	<u>(2,991,345)</u>	<u>(2,610,708)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,229,273)</b>	<b>1,327,297</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>2,101,349</u></b>	<b><u>774,052</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 872,076</u></b>	<b><u>\$ 2,101,349</u></b>

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Evergreen Steel Corporation

### **Opinion**

We have audited the accompanying financial statements of Evergreen Steel Corporation (the “Company”), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2024 are described as follows:

#### Contract Revenue Recognition

The Company's contract revenue mainly comes from providing steel structure engineering contracting business; during the contract period, the contract revenue is recognized based on the degree of completion. Contract revenue recognition from construction depends on the degree of completion of the contract which involves subjective judgment which may result in profit or loss or certain risks that are not recognized in the correct period. Therefore, we identified contract revenue recognition with risk characteristics as a key audit matter.

The main audit procedures that we performed for testing the contract revenue recognition are as follows:

1. We obtained an understanding of the design and implementation of the Company's contract revenue evaluation method and control system by performing control tests.
2. We selected samples of the contract revenue with risk characteristics in the current year which are subject to detailed tests including checking the price accepted by the customers with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying the correctness of the contract revenue recognition.
3. We performed an analytical review of contract revenue and performed a retrospective review of construction costs.

Refer to Note 4 to the financial statements for the accounting policy on the assessment of construction contracts. Refer to Notes 5 and 22 for critical accounting judgments and key sources of estimation uncertainty.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2025

#### Notice to Readers

*The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying 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' report and financial statements shall prevail.*

EVERGREEN STEEL CORPORATION  
2024 Profit Allocation Proposal

Unit : NT\$

Item	Amount
Unappropriated Retained Earnings at the Beginning of the Year	\$6,501,942,240
Add : Remeasurement of the Defined Benefit Plan Recorded in Retained Earnings	29,401,502
Add : Disposal of Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	12,591,271
Subtract : Difference between consideration and carrying amount of subsidiaries acquired or disposed	(120,965,437)
Adjusted Undistributed Earnings	6,422,969,576
Add : Net Income of 2024	2,553,062,595
Subtract : Legal Reserve	(247,408,993)
Retained Earnings Available for Distribution as of December 31, 2024	8,728,623,178
Distribution Item :	
Cash Dividends of Ordinary Shares (NT\$5.0 per share)	2,085,457,315
Unappropriated Retained Earnings at the End of the Year	\$6,643,165,863
Note : The Company uses earnings of 2024 to distribute dividends.	



# **Audit Committee's Review Report**

TO : 2025 Annual General Shareholders' Meeting

Evergreen Steel Corporation (EGST)

The Board of Directors has prepared the Company's 2024 business report, financial report, and proposal for distribution of earnings. The CPA of Deloitte & Touche has audited the financial report and issued the audit report.

The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EGST. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Evergreen Steel Corporation

Convener of the Audit Committee: Liu, Nai-Ming

March 13, 2025

# Evergreen Steel Corporation

## Remuneration of Directors and Independent Directors in 2024

Unit: NT\$ thousands

Title	Name	Directors Remuneration								Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiaries or Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Remuneration (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employees' Compensation (G)						
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements					
																		Cash	Stock	Cash	Stock	
Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li	6,226	6,226	0	0	2,500	4,950	54	54	8,780 0.34%	11,230 0.44%	0	0	0	0	0	0	0	0	8,780 0.34%	11,230 0.44%	None
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	0	0	0	0	1,500	1,500	36	36	1,536 0.06%	1,536 0.06%	0	0	0	0	0	0	0	0	1,536 0.06%	1,536 0.06%	None
Director	Hui Corp. Representative: Tai, Jinn-Chyuan	0	0	0	0	1,500	2,950	36	36	1,536 0.06%	2,986 0.12%	0	0	0	0	0	0	0	0	1,536 0.06%	2,986 0.12%	None
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	0	0	0	0	1,500	2,500	36	36	1,536 0.06%	2,536 0.10%	0	0	0	0	0	0	0	0	1,536 0.06%	2,536 0.10%	None
Independent Director	Liu, Nai-Ming	1,440	1,440	0	0	0	0	96	96	1,536 0.06%	1,536 0.06%	0	0	0	0	0	0	0	0	1,536 0.06%	1,536 0.06%	None
Independent Director	Young, Chune-Ching	1,440	1,440	0	0	0	0	96	96	1,536 0.06%	1,536 0.06%	0	0	0	0	0	0	0	0	1,536 0.06%	1,536 0.06%	None
Independent Director	Lien, Yuan-Lung	1,440	1,440	0	0	0	0	96	96	1,536 0.06%	1,536 0.06%	0	0	0	0	0	0	0	0	1,536 0.06%	1,536 0.06%	None

Policy, standards and composition of remuneration payment, process of remuneration decision-making and relevance of operation performance and future risks to the remuneration:

According to the Company's Articles of Incorporation and "Payment Regulation of Directors", Directors payment includes compensation, remuneration, allowances and severance. A ratio of distributable profit of the current year, if any, shall be distributed as directors' remuneration and the ratio shall not be higher than 2%. With the limit for the total amount of remuneration distributed to all directors in place, the remuneration distributed to each director is based on his/her participation in the operation and the contribution to the Company. In addition, the Company can determine directors' compensation based on individual director's participation in the operation and the contribution to the Company by reference to the director compensation of peer companies in the same industry. The aforementioned "director's participation in the operation and the contribution to the Company" is determined by the performance of each director and Board performance assessment result (including their attendance of meetings and training, their participation in the Company's operations and their interaction with the management team, promotion to sustainable development, etc.).

The Directors payment shall be submitted to the Board of Directors for approval after review by the Company's Remuneration Committee.

# EVERGREEN STEEL CORPORATION

## 2024 Report of Significant Transaction with Related Party

According to the Company's "Rules Governing Financial and Business Matters Between the Company and its Related Parties", the Company shall submit a report of significant transaction with related party in the previous year to the Annual General Shareholders' Meeting.

Significant transaction with related party in 2024 is as follow:

Transaction Subject	Transaction Object	Transaction Amount	Date of approval by the Board of Directors
Lease the office and factory located at Kaohsiung Container Terminal 7.  Lease term: 3 years.	Evergreen Marine Corp. (Taiwan) Ltd.	Transaction unit price: NTD 304,299 per month (tax included); total transaction price of recognized right-of-use assets: NTD 10,139,906.	May 13 <sup>th</sup> , 2024

Note: For more information, please visit the Market Observation Post System.

# EVERGREEN STEEL CORPORATION

## Comparison Table for Articles of Incorporation Before and After Amendments

After amendment	Before amendment	Reason for amendment
<p><b><u>Article 27</u></b> If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. <u>At least 60% of the employees' compensation should be allocated to the non-executive employees.</u> However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above. The profit in preceding paragraph refers to profit before tax without deducting employees' compensation and directors' remuneration. The employees' compensation shall be</p>	<p><b><u>Article 27</u></b> If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above. The profit in preceding paragraph refers to profit before tax without deducting employees' compensation and directors' remuneration. The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.</p>	<p>1. The paragraph 6 of Article 14 of the Securities and Exchange Act stipulates that a company whose stock is listed for trading on a stock exchange or over-the-counter securities exchange shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. However, the company's accumulated losses shall have been covered.</p> <p>2. In accordance with the above regulations, paragraph 1 of this Article is amended to specify that when the Company allocates employees' compensation, at least 60% of the employees' compensation should be allocated to the non-executive employees.</p>

After amendment	Before amendment	Reason for amendment
<p>distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.</p> <p>The employees' compensation may be distributed to the employees of subsidiaries of the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation shall be determined by the Board of Directors.</p> <p>The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds (2/3) or more of the directors and be reported at a shareholders' meeting.</p>	<p>The employees' compensation may be distributed to the employees of subsidiaries of the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation shall be determined by the Board of Directors.</p> <p>The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds (2/3) or more of the directors and be reported at a shareholders' meeting.</p>	
<p><b><u>Article 30</u></b></p> <p>These Articles where originally established on January 16, 1973; .....  <u>The 57th amendment is made on May 28, 2025.</u></p>	<p><b><u>Article 30</u></b></p> <p>These Articles where originally established on January 16, 1973; .....  The 56th amendment was made on June 10, 2022.</p>	Add the amended date.

# **EVERGREEN STEEL CORPORATION**

## **ARTICLES OF INCORPORATION**

### **Chapter 1 General Provisions**

#### **Article 1**

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Act of Republic of China with the name of 長榮鋼鐵股份有限公司 in Chinese and EVERGREEN STEEL CORPORATION in English.

#### **Article 2**

The Company may engage in the following activities:

1. CA01010 Iron and Steel Smelt;
2. CA01020 Iron and Steel Rolling and Extruding;
3. CA01030 Iron and Steel Casting;
4. CA01050 Steel Secondary processing;
5. CA05010 Powder Metallurgy;
6. CB01010 Mechanical Equipment Manufacturing;
7. CD01010 Ships and Parts Manufacturing;
8. CD01020 Rail Vehicle and Parts Manufacturing;
9. CD01030 Motor Vehicles and Parts Manufacturing;
10. D101050 Combined Heat and Power;
11. F213080 Retail Sale of Machinery and Tools;
12. F214060 Retail Sale of Ship and Component Parts Thereof;
13. F214080 Retail Sale of Track Vehicle and Component Parts Thereof;
14. F401010 International Trade;
15. I301020 Data Processing Services;
16. I501010 Product Designing;
17. J101060 Wastewater (Sewage) Treatment;
18. JZ99050 Agency Services;
19. CA02010 Metal Structure and Building Component Manufacturing/  
Manufacture of Metal Structure and Architectural Components;
20. CA02990 Other Metal Products Manufacturing;
21. JA02990 Other Repair;
22. CB01990 Other Machinery Manufacturing;

23. E103011 Steel Structure Works Specialized Construction Enterprises;
24. JE01010 Rental and Leasing;
25. G801010 Warehousing;
26. F111090 Wholesale of Building Materials;
27. F211010 Retail Sale of Building Materials;
28. CB01030 Pollution Controlling Equipment Manufacturing;
29. E604010 Machinery Installation;
30. EZ02010 Crane and Hoist Services Engineering;
31. E599010 Piping Engineering;
32. CA02060 Metal Containers Manufacturing;
33. CA03010 Heat Treatment;
34. E401010 Dredging industry;
35. E402010 Sandstone, Silt Sea Throwing;
36. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

### **Article 3**

The office of the Company is located at Taipei city, Taiwan, where necessary, the Company may have branches, factories or offices established within or outside the Republic of China as decided by resolution adopted by the Board of Directors.

### **Article 4**

The total amount of investment by the Company shall not be subject to the restriction of 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Act.

The Company may render external guarantees.

## **Chapter 2 Shares**

### **Article 5**

The total authorized capital of the Company shall be NT\$4,400,000,000 divided into 440,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

When the Company transfers treasury stock to employees, issues share subscription warrants, issues restricted share for employees, or issues new shares reserved for subscription by employees, the employees of the subsidiaries of the Company may be included. Qualification requirements of the employees who are entitled to receive it shall be determined by the Board of Directors.



### **Article 6**

Shares issued by the Company may be exempted from printing of share certificates. However, it shall be registered in the Securities Central Depository Business Institution.

### **Article 7**

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

## **Chapter 3 Shareholders' Meeting**

### **Article 8**

The Shareholders' Meeting of the Company consists of two categories: the Annual General and Extraordinary Meetings;

1. The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
2. The Extraordinary Meeting of the Company may be duly held if necessary.

The Company's shareholders' meetings can be held by means of video conferencing network or other methods as promulgated by the central competent authority.

In the case where a shareholders' meeting is convened via a video conferencing network, the shareholders taking part in such a video conference meeting shall be deemed to have attended the meeting in person.

### **Article 9**

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

### **Article 10**

The shareholders of the Company shall have one voting right for each share, except the shares which set forth in Article 179 of the Company Act are no voting right.

### **Article 11**

A shareholder who is unable to attend a Shareholders' Meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

The shareholders' meeting shall adopt the electronic voting system as one of the methods for exercising the voting rights, and the relevant matters shall be conducted in accordance with the Company Act and the relevant regulations.

### **Article 12**

Unless otherwise provided under the Company Act and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

### **Article 13**

When Shareholders' Meeting is convened by the Board of Director, its Chairman shall be processed in accordance with the provision in Article 208 of the Company Act. When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two and more parties with right of summons, one party will be elected among these parties.

### **Article 14**

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Act.

## **Chapter 4 Directors and Managers**

### **Article 15**

The Company shall have seven (7) to nine (9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in Article 192-1 of the Company Act. The shareholders shall elect the Directors from the list of candidates announced by the Company. The following matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all preceding Directors shall be subject to the provision established by the Securities Management Institution.

## **Article 16**

The number of the Directors set forth in the preceding article shall include three (3) Independent Directors.

The Independent Directors and non-Independent Directors shall be elected at the same time, but the number of votes shall be calculated separately.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters for compliance with respect to Independent Directors shall be subject to the Securities and Exchange Act and other relevant regulations.

## **Article 17**

The Directors shall have a three-year term of office and are eligible for re-election. However, the Directors may, according to Article 199 of the Company Act, be discharged at any time by a resolution passed at a Shareholders' Meeting.

## **Article 18**

When the number of vacancies of Directors reaches one-third of the total number of Directors, the Board of Directors shall convene a Shareholders' Meeting for supplementary election within 60 days from the date on which the situation arose. Its term of office shall only be limited to full replenishment of the original term of office.

When the dismissal of Independent Director(s) result in the number of Independent Directors less than the number providing in the paragraph 1 of the Article 16, the Company shall hold supplementary election for Independent Director(s) at the next following Shareholders' Meeting. When all Independent Directors have been dismissed, the Board of Directors shall convene a Shareholders' Meeting for electing Independent Directors within 60 days from the date on which the situation arose.

## **Article 19**

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two-thirds (2/3) of the Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall internally preside at the Meetings of Shareholders and Board Meetings, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Act.

## **Article 20**

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

## **Article 21**

Notices of the Board Meeting shall be dispatched to each of the Directors 7 days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened anytime.

The notice set forth in the preceding paragraph may be conducted in the form of writing or by way of e-mail or fax.

Where a Director is unable to attend a Board Meeting, he may authorize another Director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted.

## **Article 22**

Unless otherwise provided under related regulations or the Articles of Incorporation, resolutions of the Board Meeting shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

## **Article 23**

The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The exercise of power and others of the Audit Committee and its members shall be in accordance with the Securities and Exchange Act and the relevant laws and regulations.

The Board of Directors may set up functional committees in accordance with the regulations or business needs. The Charters of those functional committees shall be separately stipulated by the Board of Directors.

## **Article 24**

The compensation of the Directors (the "compensation") to be resolved by the Board of the Directors authorized herein will be based on the level of individual participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' Compensation.

In order to cover the loss causing from liabilities of the Directors and to raise awareness of corporate governance, the Company may take out liability insurance for all Directors and the representatives who are designated by the Company to its investing companies to act as Director or Supervisor during their terms of offices.

### **Article 25**

The company may have managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

## **Chapter 5 Accounting**

### **Article 26**

After the end of each fiscal year of the Company, the Board of Directors shall prepare and submit the following reports to the Annual General Meeting of the Shareholders for approval according to legal procedures:

1. Business report.
2. Financial statements.
3. Proposal for allocation of surplus profit or making up loss.

### **Article 27**

If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and directors' remuneration, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The employees' compensation and directors' remuneration shall be set aside afterwards according to the principles mentioned above.

The profit in preceding paragraph refers to profit before tax without deducting employees' compensation and directors' remuneration.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.

The employees' compensation may be distributed to the employees of subsidiaries of the Company. Qualification requirements of the employees who are entitled to receive the employees' compensation shall be determined by the Board of Directors.

The amount of employees' compensation and directors' remuneration as well as the payment method of employees' compensation shall be determined by a resolution adopted by a majority vote at a board of directors' meeting attended by two-thirds (2/3) or more of the directors and be reported at a shareholders' meeting.

### **Article 27-1**

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse special surplus

reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

Where the special surplus reserve set aside in the preceding paragraph belongs to a part not fully set aside accrued from prior years, the same amount thereof shall be set aside for the special surplus reserve from the retained earnings accrued from prior years. If the special surplus reserve is still insufficient, the amount from the net income after taxes for the current period plus the items other than the net income after taxes for the current period shall be included in the amount of the retained earnings for the current period to be set aside for such a purpose.

The Company is in the steady growth period. To match up with the Company's operation plan and consider the shareholders' right and interest, the Board of Directors shall propose a surplus distribution plan according to the following principles:

1. Every year the Company shall set aside an amount of no less than 50% of the profit after tax as the shareholder dividends.
2. The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 50% of the total amount of dividends.

## **Chapter 6 Miscellaneous**

### **Article 28**

The rules and regulations of the Company and various operation procedures shall be separately stipulated by the Board of Directors.

### **Article 29**

Any matter not provided for by these Articles shall be subject to the Company Act and related regulations.

### **Article 30**

These Articles were originally established on January 16, 1973;  
The 1st amendment was made on April 25, 1974;  
The 2nd amendment was made on November 10, 1976;  
The 3rd amendment was made on March 15, 1980;  
The 4th amendment was made on October 23, 1980;  
The 5th amendment was made on December 3, 1980;  
The 6th amendment was made on January 5, 1981;

The 7th amendment was made on June 29, 1982;  
The 8th amendment was made on November 23, 1982;  
The 9th amendment was made on August 4, 1983;  
The 10th amendment was made on September 24, 1983;  
The 11th amendment was made on January 24, 1984;  
The 12th amendment was made on August 20, 1984;  
The 13th amendment was made on December 18, 1984;  
The 14th amendment was made on August 5, 1985;  
The 15th amendment was made on December 5, 1985;  
The 16th amendment was made on March 9, 1987;  
The 17th amendment was made on June 12, 1987;  
The 18th amendment was made on July 20, 1987;  
The 19th amendment was made on September 10, 1987;  
The 20th amendment was made on September 29, 1987;  
The 21st amendment was made on October 19, 1987;  
The 22nd amendment was made on December 31, 1987;  
The 23rd amendment was made on December 20, 1988;  
The 24th amendment was made on March 3, 1989;  
The 25th amendment was made on May 17, 1989;  
The 26th amendment was made on February 17, 1990;  
The 27th amendment was made on September 12, 1990;  
The 28th amendment was made on November 15, 1990;  
The 29th amendment was made on December 12, 1990;  
The 30th amendment was made on January 3, 1991;  
The 31st amendment was made on April 15, 1992;  
The 32nd amendment was made on July 20, 1992;  
The 33th amendment was made on October 15, 1992;  
The 34th amendment was made on December 7, 1992;  
The 35th amendment was made on December 31, 1992;  
The 36th amendment was made on April 1, 1993;  
The 37th amendment was made on March 30, 1998;  
The 38th amendment was made on September 25, 1998;  
The 39th amendment was made on November 21, 1998;  
The 40th amendment was made on April 17, 2000;  
The 41st amendment was made on April 27, 2001;  
The 42nd amendment was made on June 25, 2002;  
The 43th amendment was made on April 29, 2004;  
The 44th amendment was made on May 31, 2005;  
The 45th amendment was made on October 5, 2005;  
The 46th amendment was made on May 30, 2006;  
The 47th amendment was made on May 22, 2008;

The 48th amendment was made on May 22, 2009;  
The 49th amendment was made on May 21, 2010;  
The 50th amendment was made on June 30, 2011;  
The 51st amendment was made on May 22, 2012;  
The 52nd amendment was made on May 26, 2016;  
The 53th amendment was made on May 26, 2017;  
The 54th amendment was made on May 30, 2019;  
The 55th amendment was made on November 29, 2019;  
The 56th amendment was made on June 10, 2022.

EVERGREEN STEEL CORPORATION

Chairman Lin, Keng-Li



# **EVERGREEN STEEL CORPORATION**

## **RULES AND PROCEDURES OF SHAREHOLDERS' MEETING**

### **Article 1**

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and other relevant laws and regulations.

### **Article 2**

Shareholders in these Rules refer to shareholders themselves, proxy solicitors or shareholders' designated proxies attending the Meeting.

The number of representatives appointed by any juristic person shareholders attending the shareholders' meeting shall not exceed the total number of the Company's directors of the current term.

Any juristic person designated as proxy by shareholders to be present at the Meeting may appoint only one representative to attend the Meeting.

### **Article 2-1**

Shareholders' meetings with video conferencing referred to in these Rules are divided into the following two types:

1. Hybrid shareholders' meetings: means the Company convenes a physical shareholders' meeting with the assistance of video conferencing, and shareholders may choose to take part in the shareholders' meeting physically or by means of video conferencing.
2. Virtual-only shareholders' meetings: means the Company does not convene a physical shareholders' meeting, and convenes the meeting only by video, and shareholders may attend the shareholders' meeting only by means of video conferencing.

### **Article 3**

Shareholders attending the Meeting shall bring an attendance card and identification document.

The attendance of the Meeting shall be calculated based on shares. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders, and the shares checked in on the video conferencing platform, plus the number of shares whose voting rights are exercised by electronically.

If a shareholders' meeting is held with video conferencing, shareholders who intent to attend the shareholders' meeting by video conferencing shall register with the Company at least two days prior to the shareholders' meeting date; other matters to be complied with shall be handled in accordance with the law and regulations.

The Company shall announce the number of non-voting shares, the number of shares in attendance and other relevant information.

#### **Article 4**

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

When the Company convenes a virtual-only shareholders' meeting, the restrictions on meeting place in the preceding paragraph shall not apply.

#### **Article 5**

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the majority at the time scheduled for the Meeting, the chairman may postpone the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. After two postponements, if the number of shares represented by the shareholders present at the Meeting is still less than one-third of the total outstanding shares, the chairman shall declare the meeting adjourned.

In the event that the meeting has been postponed twice and the number of shares represented by the shareholders present reaches one-third of the total issued shares or more but falls short of a majority, the chairman may adjourn the meeting and then reconvene shareholders' meeting, or conduct a tentative resolution procedure in accordance with paragraph 1 of Article 175 of the Company Act. All shareholders shall be notified if such tentative resolutions were made, and another shareholders' meeting shall be convened within one month. In the event that a shareholders' meeting is held with video conferencing, shareholders intending to attend the meeting by video conferencing shall follow Article 3 to register with the Company again at least two days prior to the shareholders' meeting date.

If the chairman declares the meeting adjourned in accordance with the preceding two paragraphs and the shareholders' meeting is held with video conferencing, the Company shall declare the meeting adjourned on the shareholders' meeting video conferencing platform.

Before the end of the Meeting, if the number of shares represented by the shareholders present has constituted the majority, the chairman shall submit the

tentative resolutions to the Meeting for review and approval in accordance with Article 174 of the Company Act.

### **Article 6**

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting. If there are more than two persons convening the Meeting, they should select one person to be the chairman.

### **Article 7**

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the items (including special motions) listed in the agenda are resolved. In the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

### **Article 7-1**

In accordance with Article 172-1 of the Company Act, the shareholders who hold one percent (1%) or more of the total number of outstanding shares of the Company may submit proposal in written form for discussion at the annual general meeting of shareholders.

The proposals submitted by shareholders violating Article 172-1 of the Company Act shall not be included in the agenda of the Meeting and the minute of the Meeting, but the cause of exclusion of such proposals shall be listed in the appendix of the handbook for shareholders' meeting proceedings of the Company.

The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the

Board of Directors, and the Chairman may combine them into one proposal to deal with.

### **Article 8**

When a shareholder attending the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of the Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder presenting at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

### **Article 9**

If a juristic person shareholder designates two or more representatives to attend the Meeting, only one representative is entitled to speak for each item.

For shareholders' inquiries on reporting items listed in the agenda, the shareholders shall only speak after the chairman or his/her designated person completely reads out or reports all the reporting items. For all reporting items, each shareholder shall speak no more than twice and each speech shall not exceed 5 minutes, unless otherwise permitted by the chairman.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than two times concerning each motion and each preposition shall not exceed 5 minutes with regard to each proposal listed in ratification and discussion items listed on the agenda, proposals collected during extraordinary motion procedure.

When a shareholder speaks with regard to non-proposal matters and expresses other opinions during the extraordinary motion session, unless otherwise permitted by the chairman, each shareholder shall not speak more than two times and each preposition shall not exceed 5 minutes.

In case the speech of any shareholder violates the proceeding four provisions, exceeds the scope of the discussion item, or disturbs the order of the meeting, the chairman is entitled to stop the speech of such shareholder.

Where a shareholders meeting is convened with video conferencing, shareholders attending the meeting by video conferencing may raise questions in writing on the video conferencing platform, from when the chairman calls meeting to order until the chairman declares the meeting adjourned. No more than two questions may be

raised for all reporting items, each proposal for ratification and discussion, or extraordinary motion. Each question raised shall contain no more than 200 words; and the preceding Article and the preceding five paragraphs shall not apply.

#### **Article 10**

The Company may ask its lawyer, certified public accountant or related person to attend the Meeting.

After a shareholder speaks, chairman may answer the question personally or designate the related person to answer the question.

#### **Article 11**

Unless otherwise required by the Company Act or the Articles of Incorporation, a resolution of a shareholders' meeting shall be adopted by a majority of the votes represented by the Shareholders present at the Meeting.

#### **Article 12**

The resolution shall be voted on by casting ballots, and the chairman shall decide all voting (including the election votes) to be conducted separately or at the meantime.

The shareholders participating in a shareholders' meeting held with video conferencing shall, after the chairman calls the meeting to order, vote on all proposals and election proposals via the video conferencing platform; the voting shall be completed before the chairman announces the close of voting, and anyone exceeding the time limit shall be deemed to have abstained from voting.

If a shareholders' meeting is held with video conferencing, votes shall be counted at once after the chairman announces the close of the voting, and the results of votes and elections shall be announced accordingly.

#### **Article 13**

If there is an amendment to or a substitute for a proposal of a discussion topic, the chairman shall decide the sequence of voting for the amendment or the substitute, together with the original proposal. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

#### **Article 14**

Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion, propose that votes be made and arrange adequate voting time.

#### **Article 15**

While the Meeting is in progress, the chairman may, at his/her discretion, set times

for intermission. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

### **Article 15-1**

For a shareholders' meeting held by video conferencing, the Company shall announce the date of postponement or continuation of the shareholders' meeting, except where there is no need to postpone or resume the meeting under the laws and regulations. The date of the postponement or continuation meeting shall be within five days after the shareholders' meeting. The shareholders' meeting shall be postponed or resumed at another day under the circumstance that, before the chairman announces the adjournment of the meeting, if there are obstacles to the video conferencing platform or shareholders' video conference participation due to natural disasters, catastrophes, or other force majeure events, and such obstacles have lasted for more than 30 minutes and cannot be eliminated. The Article 182 of the Company Act shall not apply to the above situations.

If a postponement or continuation of shareholders' meeting prescribed in preceding paragraph occurs, shareholders who did not register to attend the originally scheduled shareholders' meeting by video conferencing shall not attend the postponed or resumed meeting.

For a meeting that is postponed or resumed in accordance with paragraph 1, if shareholders have registered to attend the originally scheduled shareholders' meeting by video conferencing and completed the sign-in procedure, but did not attend the postponed or resumed meeting, the number of shares represented by said shareholder in the originally scheduled shareholders' meeting and the voting rights and election rights exercised by them shall all be included in the total numbers of the shares represented by the shareholders present as well as number of votes and number of election votes accrued at the postponed or resumed meeting.

For a shareholders' meeting that is postponed or resumed in accordance with paragraph 1, the proposals for which voting and vote counting have been completed, and resolution results and lists of elected directors have been announced, need not be discussed or resolved again.

For hybrid shareholders' meetings held by the Company, if the video conferencing cannot be continued due to the circumstances stated in paragraph 1, but, after deducting the number of shares represented by the shareholders present by video conferencing, the total number of shares represented by shareholders present still constitutes a quorum as required by a resolution of the shareholders' meeting, the shareholders' meeting shall continue, whereas the postponed or resumed meeting referred to in paragraph 1 is not required.

In the event that the shareholders' meeting shall continue as stipulated in the preceding paragraph, the number of shares represented by the shareholders participating in the shareholders' meeting by video conferencing shall be included in the total number of the shares represented by the shareholders present. However, with regard to all proposals for the shareholders' meeting in question, these shareholders shall be deemed to have abstained from voting.

#### **Article 16**

The election of directors at a shareholders' meeting shall be held in accordance with "Regulations for Electing Directors" of the Company.

#### **Article 17**

The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder.

The result of the votes shall be announced on the spot and recorded.

If a shareholders' meeting is held with video conferencing, the Company shall announce the results of votes and elections after the vote counting procedure for all proposals and election proposals have been completed; and a record shall be made and uploaded to the shareholders' meeting video conferencing platform.

#### **Article 18**

The process of the meeting shall be fully recorded via audio or video recording, and retained for at least one (1) year. However, if any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the audio or video recording shall be retained until the final conclusion of the lawsuit.

If a shareholders' meeting is held with video conferencing, the Company shall record and retain data including shareholders' registrations, registration for participation in video conferencing, sign-in, inquiries, and voting, as well as the Company's vote counting results, etc. In addition, the Company shall conduct uninterrupted audio and video recording throughout the entire video conferencing.

The Company shall properly retain the aforementioned data and audio/video recordings for the duration of the Company's existence, and shall provide these audio and video recordings to the entity engaged by the Company to handle video conferencing affairs for retention.

#### **Article 19**

Logistics staff and disciplinary personnel (including security guards) assisting the Meeting shall wear badge or armband for identification purpose.

The chairman may command the disciplinary personnel (or security guards) to help

safeguard the order of the meeting site.

Shareholders who violate these Rules and Procedures and defy the chairman's correction, or obstruct the proceeding of the meeting and refuse to stop, the chairman may direct the disciplinary personnel (including security guards) to escort the shareholder off the meeting.

## **Article 20**

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

### **The History of "RULES AND PROCEDURES OF SHAREHOLDERS' MEETING"**

These Rules and Procedures were enacted on March 26, 1997.

The 1st amendment was made on March 30, 1998.

The 2nd amendment was made on June 25, 2002.

The 3rd amendment was made on May 30, 2006.

The 4th amendment was made on May 22, 2012.

The 5th amendment was made on November 29, 2019.

The 6th amendment was made on July 23, 2021.

The 7th amendment was made on May 27, 2024.



# EVERGREEN STEEL CORPORATION

## Shareholdings of Directors

Title	Name	Shares held
Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li	79,248,000
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	
Director	HUI Corp. Representative: Tai, Jiin-Chyuan	3,200,000
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	12,823,245
Independent Director	Liu, Nai-Ming	0
Independent Director	Lien, Yuan-Lung	
Independent Director	Young, Chune-Ching	
Total		95,271,245

### Notes:

1. As of March 30, 2025, the book closure date for the Company's shareholders' meeting, the total number of shares already issued is 417,091,463 shares.
2. The minimum shareholding required to be held by all directors is 16,000,000 shares.