

EVERGREEN STEEL CORP.

**EGST**

T S E:  
2211

2024

# ANNUAL REPORT



**Evergreen Steel Corp.'s  
annual report is available  
on the following websites:**

Taiwan Stock Exchange  
Market Observation Post System:  
<https://mops.twse.com.tw>

**Evergreen Steel Corp.'s  
official website:**  
<https://www.evergreenet.com>

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## **NAME OF ANY EXCHANGES WHERE THE COMPANY'S SECURITIES ARE TRADED OFFSHORE, AND THE METHOD BY WHICH TO ACCESS INFORMATION ON SAID OFFSHORE SECURITIES**

The Company doesn't issue offshore securities.

## **CORPORATE WEBSITE**

<https://www.evergreennet.com>

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# **I. Letter to Shareholders**

## **1.1 Business Performance in 2024**

### **1.1.1 Business Fulfilment 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. Environmental 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.

### 1.1.2 Business Targets and Performance Overview

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%.

### 1.1.3 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.

### 1.1.4 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.

### 1.1.5 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.

### 1.1.6 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.

## 1.2 Operation Strategy for 2025

### 1.2.1 Operation Direction

#### 1. Steel Structure Business

Despite softening demand for steel structures from general facilities due to the economy, the steel structure market still maintains a certain level of momentum, thanks to a steady flow of construction projects including urban regeneration projects, residential buildings, technology plants, and logistics facilities. In regard to business development, while the Company will strengthen relations with its existing clients, it will also continue to keep a close eye on market developments, monitor construction project progress, and adjust its strategy in response. As inflation rises and the prices of various raw materials fluctuate, the Company will not only promptly reflect such changes in its quotations, but also constantly pay attention to the fluctuation of raw materials prices in the international steel market in order to control its costs. It will focus on managing procurement and contracting schedules and budgets after receiving orders. In response to consistent deliveries for technology plant expansion projects, the Company will coordinate with external manufacturers in advance and sign pre-bid agreements to minimize the impact of the labor shortage and achieve expected operational performance.

#### 2. Environmental Protection Business

(1) Hsin Yung Enterprise Corporation : As a resource recycling business that provides environmental protection services and produces green energy, the company's main business activity is disposal of household garbage and general business waste and

selling the electricity generated by the heat produced in this process to Taipower. The Company's priority is to meet the requirements for annual disposal capacity under the Taoyuan City Government's contract, and if its capacity allows it to do so, treat general business waste, while reducing electricity use of its plant to maximize revenue from electricity sales.

- (2) Super Max Engineering Enterprise Co., Ltd. : The company will maintain stable business relationships with its core clients to maintain a steady base load processing capacity while soliciting business of complicated treatment of high-priced waste to increase profit. The company's Guanyin Factory's newly-built incinerator with a waste processing capacity of 43 tons per day is expected to officially commence operation in the first half of 2025, increasing the factory's processing capacity and profit.
- (3) Ever Ecove Corporation : With ongoing upgrades and maintenance of this BOT project in 2025, the company will, in compliance with the contract, give priority to treating waste delivered by the Taoyuan City Government and adjust its self-clearance operation based on the quantity of waste delivered by the city government. The company will continue to establish a stable collaborative relationship with waste clearance and disposal organizations and compete for waste business with higher unit processing price to meet the minimal processing quantity requirement and achieve its business goals.

## 1.2.2 Forecast of Business Performance

### 1. Steel Structure Business

Despite a slowdown of residential building projects due to government policies affecting the housing market, the Company's steel structure business is expected to reach its order-taking goals and fully utilize the factories' capacity with construction projects from 2024 falling behind schedule and the continuous growth of technology plants. Subsequently, we will closely monitor market dynamics, track changes in the progress of orders received, and adjust order strategies in a timely manner to fill any potential capacity gaps caused by delayed construction progress. The Company will continue to complete delivery and hoisting of steel structures for existing clients' public construction projects as well as residential and commercial buildings, including the Boshan Steel Bridge, upper section of Taipei Twin Towers, Fubon's commercial building in northern Kaohsiung, Nangang Marshalling Yard urban regeneration project and Taiwan Fertilizer Corporation's C4 office building in Nangang. The Company will make timely adjustments to meet construction schedules of the clients and with demand for processed steel structures exceeding our factories' capacity, we will work with quality external manufacturers to increase our output and help clients meet their construction timelines.

## 2. Environmental Protection Business

- (1) Hsin Yung Enterprise Corporation : The incineration plant has operated for nearly 23 years since formal commercial operation began on October 9, 2001. With maintenance and upgrades completed for both incinerators in September 2024, the company expects to have the capacity to process waste delivered from the Taoyuan City Government in compliance with the contract. The Company also expects to resume its normal processing capacity for self-clearance waste, provide steady incineration service and generate electricity to sell to Taipower at a wholesale price.
- (2) Super Max Engineering Enterprise Co., Ltd. : Despite competition from other processing plants, the company has years of experience in this industry and a wide area of collection. The company will endeavor to increase its profit by continuously soliciting business of complicated treatment of high-priced waste. When the new incinerator with a waste processing capacity of 43 tons per day officially commences operation, it will benefit business development to boost the Company's competitiveness.
- (3) Ever Ecove Corporation : The heat-treatment facilities are estimated to treat 219,000 tons of waste annually, which is expected to generate 175.78 million kWh of electricity for sale. The company obtained its permit for commercial operation for its anaerobic digestion system on February 3, 2025. Once operational, it is expected to process 22,000 tons of waste and generate approximately 2.09 million kWh of electricity for sale annually.

### 1.2.3 Key Business Strategies

#### 1. Steel Structure Business

Steel prices remain unchanged in the first quarter of 2025. However, the Company will keep a close eye on whether raw materials prices, the economy, global politics, and tariffs will impact material costs for the Company. As manpower costs are not expected to decrease due to the labor shortage, reflecting reasonable prices in our quotes, continuously negotiating with clients to use sliding-scale pricing, and once orders have been received, enhancement of cost controls are key strategies to improving operational performance.

#### 2. Environmental Protection Business

- (1) Hsin Yung Enterprise Corporation : The company remains the only large incineration plant for municipal garbage and has signed a long-term contract with the Taoyuan City Government, giving priority to treatment of general household garbage in the city. Due to the continued increase of the Taoyuan City population and prosperity of local industries and businesses, the supply of raw materials for operation (garbage and waste) still exceeds incineration capacity. With maintenance and upgrades completed for both incinerators in September 2024, the

company expects to have the capacity to process the waste delivered by the Taoyuan City Government in compliance with the contract. The company also expects to resume its normal processing capacity for self-clearance waste to increase the revenue from selling electricity.

- (2) Super Max Engineering Enterprise Co., Ltd. : The company will solicit business of complicated treatment of hazardous waste and strive to stabilize its relationships with existing clientele (large enterprises) while actively cultivating new clients. Once the new incinerator at the Guanyin Plant officially commences operation, the company will actively seek waste processing business opportunities to increase revenue.
- (3) Ever Ecove Corporation : In addition to processing the city government's general waste (including food waste) and taking orders from private businesses for incineration and treatment of industrial waste, the Company's incineration and anaerobic digestion facilities have been approved and registered by the competent authority as renewable energy and biomass energy generation facilities, which will generate electricity to sell to Taipower at a wholesale price.

## 1.3 Future Development Strategies

### 1.3.1 Business Strategies

#### 1. Steel Structure Business Division

- (1) In addition to maintaining existing customer relationships, the Company will continue to solicit new business and cultivate prestigious clients (such as construction companies) to build steady and long-term collaborative relationships.
- (2) In regard to special construction projects, the Company has completed construction projects including Kaohsiung Exhibition Center, the Southern Branch of the National Palace Museum, and Tau Zhu Yin Yuan, plus the installation of steel structures for a large cable-stayed bridge for the Ankeng Light Rail Transit System. Currently, the Company is providing products for several ongoing projects, including Kaohsiung Train Station and Core Pacific Plaza, and will continue to seek business opportunities presented by other special construction projects, such as bridge and truss, in order to develop and enhance the company's capacity in special construction projects.
- (3) In the long term, we will continue to invest in public construction and development in collaboration with government policies, improve the quality of public works, and fulfill corporate social responsibilities.

#### 2. Environmental Protection Business

- (1) Hsin Yung Enterprise Corporation: The company will cultivate technical know-how of its staff and arrange visits to domestic and foreign companies in the

environmental protection industry for research on upgrading treatment facilities and improvement of its treatment methodology in order to maximize its performance and lower operational costs, ensure exploitation of the latest technology, and maintain its competitive edge.

- (2) Super Max Engineering Enterprise Co., Ltd. : As a waste treatment center for northern Taiwan established under the guidance of the Ministry of Economic Affairs, the Company has an edge over the majority of its competitors in processing capacity, experience, and range of waste, including general, medical, and hazardous industrial types. It has a higher brand effect at various industrial organizations and will continue to enhance its processing capacity for complicated and unique waste, boost competitiveness, and create more value. Once the new incinerator with a waste processing capacity of 43 tons per day officially commences operation, it will increase the factory's processing capacity and profitability.
- (3) Ever Ecove Corporation : As a landmark BOT biomass energy center in Taiwan, unlike traditional waste incineration plants, it not only properly handles waste, but also meets official renewable energy standards by recovering heat energy for power generation. It is taking the lead to create an advanced, eco-friendly technology park characterized by low pollution, multiple treatment methods, and sustainable operations, setting an example for promotion and development of the circular economy by the Taoyuan City Government.

### 1.3.2 Cost Strategies

- 1. Enhance professional capabilities of its employees and the Company's management performance and improve work efficiency to lower HR costs.
- 2. Strengthen internal process management and enhance computerized operations to reduce errors and decrease costs incurred from additional modification.
- 3. Remain price-sensitive and contact multiple domestic and foreign suppliers for quotes of steel materials and spare parts in order to lower procurement costs.
- 4. Establish a healthy relationship with waste clearance companies that are reliable and have a steady supply of waste, thereby reducing clearance costs.

### 1.3.3 Corporate Sustainability Strategies

In order to achieve effective corporate governance and sustainable environmental management and safeguard the public interest, the Company will strive for sustainable operations in 2025 in the following ways:

- 1. Based on the results of the greenhouse gas inventory, the Company has formulated its

short-term, medium-term, and long-term carbon reduction goals with each department, gradually replacing highly energy-consuming equipment and improving processes, aiming to achieve carbon neutrality by the year 2050.

2. Following the sustainable development roadmap, the Company has completed the greenhouse gas inventory using the consolidated statement which includes the subsidiaries in 2025. The subsidiaries have followed the plan and submitted their quarterly progress.
3. Continues to implement the ISO 50001 energy management system, ISO 14001 environmental management system, and obtain external certification.
4. The Company commissioned an external consultant to assist with the implementation of ISO 14067:2018 starting in 2024 and is expecting to obtain external certification by a third-party verification organization in 2025.
5. Continue to promote waste, air pollution and wastewater discharge management and improve facilities to protect the environment.
6. Actively work with colleges and universities for industrial/academic cooperation and provide employment/internship opportunities to recruit talent from campuses.
7. Continuously implement the occupational safety and health policy of “safety first, eliminate hazards, education and training, health and safety.
8. Implement human right policies and gender equality measures to build a friendly workplace free from any form of sexual harassment with the goal of zero violations of any laws and regulations related to labor rights.
9. Continuously promote and encourage our employees to engage in a wide array of charity works (including educational programs, environment protection, social charities, sponsorships for arts/cultural events, and community care) to give back to society and fulfill our social responsibilities.
10. Diversify our investments, actively cultivate the green energy industry and evaluate investments for renewable energy, recycling, waste disposal, and other new business ventures.
11. Strengthen employees’ awareness of cybersecurity, intellectual property rights, integrity, and morals by organizing related training sessions and promotion campaigns.
12. To effectively ensure supply chain sustainability, the Company will continue to ask partners to sign supplier/contractor corporate sustainability commitments and supplier/contractor self-evaluation questionnaires for human rights issues and evaluate their performance to achieve win-win outcomes based on our concept of sustainable partners.

## 1.4 Effects of External Competitive Environment, Laws and Macroenvironment

### 1.4.1 External Competitive Environment

Even though the steel structure market is expected to remain stable, steel materials prices and labor costs are still at risk of increasing due to inflation and a labor shortage. Against this backdrop, the Company will negotiate with clients to use sliding-scale pricing, and give priority to realizing expected gross profit with cost controls through early agreements with contractors after receipt of orders.

The Company's environmental protection business includes general business waste and household garbage treatment services. The Company has maintained good business relationships with a variety of parties in need of waste disposal services in order to ensure stability of the source of waste. The Company has also forged business partnerships with peer companies in order to establish a backup mechanism. However, as the government's environmental policy continues to promote waste recycling, there may be changes in supply and demand for processing of industrial and private business waste. The Company must keep a close watch and adjust its strategy accordingly.

### 1.4.2 Regulatory Requirements

1. The Company is required to comply with Basic Environment Act, the Air Pollution Control Act and Water Pollution Control Act, in its processing of steel structures in its factories. The Company formed a full-time team specifically dedicated to promotion of environmental safety and health management in its Hsinying Factory, and continue to enhance the aforementioned operations in its equipment and waste storage facilities. The company has also hired professional environmental protection consultants whose responsibility includes improving the operational environment at various plants and promoting environmental awareness.
2. The Company will make timely adjustments to its operations strategies and operational protocols as amendments of environment regulations are introduced in order to comply with the latest regulatory requirements.
3. The Company complies with the Occupational Safety and Health Act in its operations at its factories and construction sites and has set up an Occupational Safety & Health Department. Its safety and health auditors are in charge of occupational safety & health audits at its factories and construction sites and they continue to improve workplace safety and facilities.
4. The Company will carry out estimation of greenhouse gases emissions and designate specific personnel to undergo related training in order to develop a greenhouse gases reduction plan based on the estimated data according to government policy.

### 1.4.3 Macroevironment

Thanks to the characteristics of rapid deployment, good seismic resistance, and recyclability as well as incentive measures for the use of steel structures in urban renewal projects due to environmental protection awareness, steel structures are now widely used in construction projects. On top of this, as the Company's steel structure production process has matured, it has managed to effectively lower its production costs and is expected to maintain a stable profit in the face of economic downturns and market competition.

Our environmental protection business is operated in a situation where incinerators operating in the nation still give priority to treating the waste produced within the county/city where they are located. While the population keeps growing and business continues to thrive in Taoyuan City, the amount of general industrial waste to be disposed of has continuously risen. In addition to prioritizing processing the waste from the Taoyuan City Government in compliance with the contract, we will continue to monitor market trends closely and strive to respond appropriately.

In 2025, the Company will adhere to its quality management policy, put safety and quality first, satisfy our customers, and promote sustainability to achieve our annual goals. It will safeguard shareholders' interests and maintain stable profit, embrace Evergreen's business motto of "Challenge, innovation and teamwork," and continue to improve in order to achieve steady business operations and uphold the company's philosophy of premium services and sustainable operations.

Chairman Lin, Keng-Li

President Liu, Pang-En

March 30, 2025



## II. Corporate Governance Report

### 2.1 Directors, Supervisors and Management Team

#### 2.1.1 Directors

##### Director Information (1)

March 30, 2025

Title (Note 1)	Nationality	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Tenure	Date of Initial Election, Appointment (Note 3)	Shareholding When Elected		Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Education & Experience (Note 4)	Concurrent Positions in the Company and any Other Companies	Other Managers, Directors or Supervisors Related by Marriage or Within Second-degree Kinship of Each Other		
							Number	(%)	Number	(%)	Number	(%)	Number	(%)			Title	Name	Relation
Chairman	R.O.C.	Evergreen Marine Corp. (Taiwan) Ltd.	Not applicable	2023.06.20	3 years	1984.12.18 (Note 6)	79,248,000	19.00	79,248,000	19.00	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Lin, Keng-Li	Male 71~80 years old	2023.06.20	3 years	2016.03.18	Not applicable		139,000	0.03	62,943	0.02	0	0.00	Please refer to P.17 for details.	Director: ▪ Hsin Yung Enterprise Corp. ▪ Ever Ecove Corp. ▪ Super Max Engineering Enterprise Co., Ltd.,	None	None	None
Director	R.O.C.	Evergreen Marine Corp. (Taiwan) Ltd.	Not applicable	2023.06.20	3 years	1984.12.18 (Note 6)	79,248,000	19.00	79,248,000	19.00	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Ko, Lee-Ching	Female 71~80 years old	2023.06.20	3 years	2007.05.22 (Note 7)	Not applicable		0	0.00	0	0.00	0	0.00	Please refer to P.17 for details.	Director: ▪ Evergreen Marine Corp. (Taiwan) Ltd. ▪ Evergreen International Storage & Transport Corp. Supervisor: ▪ Evergreen Sky Catering Corp. ▪ Hsin Yung Enterprise Corp. ▪ Ever Ecove Corp.	None	None	None
Director	R.O.C.	HUI Corp.	Not applicable	2023.06.20	3 years	2022.06.10	3,200,000	0.77	3,200,000	0.77	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Tai, Jiin-Chyuan	Male 61~70 years old	2023.06.20	3 years	2023.06.20	Not applicable		0	0.00	0	0.00	0	0.00	Please refer to P.17 for details.	Chairman, Central Reinsurance Corp. Director: ▪ Evergreen Marine Corp. (Taiwan) Ltd. ▪ EVA Airways Corp. ▪ Evergreen International Storage & Transport Corp. ▪ Evergreen Sky Catering Corp. ▪ Ever Ecove Corp. ▪ Super Max Engineering Enterprise Co., Ltd.,	None	None	None
Director	R.O.C.	Wei-Dar Development Co., Ltd.	Not applicable	2023.06.20	3 years	2001.04.27	12,823,245	3.07	12,823,245	3.07	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Lee, Mon-Ling	Female 51~60 years old	2023.06.20	3 years	2014.02.27	Not applicable		0	0.00	0	0.00	0	0.00	Please refer to P.18 for details.	Director: ▪ TSRC Corp. ▪ Hsin Yung Enterprise Corp. ▪ Metropolis Property Management Corp. ▪ La Mer Corp.	None	None	None

Title (Note 1)	Nationality	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Tenure	Date of Initial Election, Appointment (Note 3)	Shareholding When Elected		Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Education & Experience (Note 4)	Concurrent Positions in the Company and any Other Companies	Other Managers, Directors or Supervisors Related by Marriage or Within Second-degree Kinship of Each Other		
							Number	(%)	Number	(%)	Number	(%)	Number	(%)			Title	Name	Relation
Independent Director	R.O.C.	Lui, Nai-Ming	Male 61~70 years old	2023.06.20	3 years	2023.06.20	0	0.00	0	0.00	0	0.00	0	0.00	Please refer to P.18 for details.	CPA, Cheng Yuan Certified Public Accountants  Independent Director: ▪ Eclat Textile Co., Ltd. ▪ Bioptik Technology, Inc.	None	None	None
Independent Director	R.O.C.	Lien, Yuan-Lung	Male 61~70 years old	2023.06.20	3 years	2019.11.29	0	0.00	0	0.00	0	0.00	0	0.00	Please refer to P.19 for details.	Attorney in Charge, Lien & Partners Law Offices Independent Director, Taiwan Pelican Express Co., Ltd. Director, TWT Net Corp.	None	None	None
Independent Director	R.O.C.	Young, Chune-Ching	Male 71~80 years old	2023.06.20	3 years	2023.06.20	0	0.00	0	0.00	2,000	0.00	0	0.00	Please refer to P.19 for details.	Director and President of Taiwan Hodaka Technology Co., Ltd	None	None	None

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship: None.

Note 6: Evergreen Marine Corp. (Taiwan) Ltd. has served as a director of the Company from 1984.12.18 to 1990.02.17, 1990.09.12 to 1998.10.20 and 2023.06.20 till present.

Note 7: Ms. Ko, Lee-Ching has served as a director of the Company from 2007.05.22 to 2022.04.11 and 2022.06.10 till present.

Note 8: The total number of issued shares of the Company is 417,091,463 shares as of 2024.05.27 and 2025.03.30.

## Form 1: Major Shareholders of Corporate Shareholders

March 30, 2025

Name of Corporate Shareholder (Note 1)	Major Shareholders of the Corporate Shareholder (Note 2)
Evergreen Marine Corp. (Taiwan) Ltd.	Cathay United Bank Trust Account - Chang, Kuo-Hua (7.71%) Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund (7.15%) Chang, Sheng-En (4.12%) Yuanta/P-shares Taiwan Dividend Plus ETF (3.48%) Chang, Yung-Fa (3.2%) (deceased) Cathay United Bank Trust Account - Yang, Mei-Chen (2.11%) Hua Nan Commercial Bank, Ltd. in custody for Yuanta Taiwan Value High Dividend ETF (1.79%) Chang, Kuo-Hua (1.5%) New Labor Pension Fund (1.4%) Taiwan Business Bank, Ltd. in custody for United Taiwan High Dividend Recovery 30 ETF (1.24%)
HUI Corp.	Yang, Mei-Chen (86.36%) Chang, Chien-Hui (13.64%)
Wei-Dar Development Co., Ltd.	Maoshi Corp. (99.59%) Han-De Construction Co., Ltd. (0.21%)

Note 1: If a director is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

Note 4: The data is provided by corporate shareholders, and from public information on website of Department of Commerce of Ministry of Economic Affairs or MOPS.

Form 2: Major Shareholders of the Company's Major Corporate Shareholders in Form 1

March 30, 2025

Corporate Shareholder (Note 1)	Name of Corporate/ Juristic Person (Note 2)	Major Shareholders of Corporate/ Juristic Person (Note 3)
Evergreen Marine Corp. (Taiwan) Ltd.	Cathay United Bank Trust Account - Chang, Kuo-Hua	Not applicable
	Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund	Not applicable
	Yuanta/P-shares Taiwan Dividend Plus ETF	Not applicable
	Cathay United Bank Trust Account - Yang, Mei-Chen	Not applicable
	Hua Nan Commercial Bank, Ltd. in custody for Yuanta Taiwan Value High Dividend ETF	Not applicable
	New Labor Pension Fund	Not applicable
Wei-Dar Development Co., Ltd.	Taiwan Business Bank, Ltd. in custody for United Taiwan High Dividend Recovery 30 ETF	Not applicable
	Maoshi Corp.	Jade Fortune Enterprises Inc. (99.99%) La Mer Corp. (0.01%)
	Han-De Construction Co., Ltd.	Maoshi Corp. (99.37%) Wei-Dar Development Co., Ltd. (0.43%)

Note 1: Name of Corporate Shareholders in Form 1.

Note 2: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 3: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Note 4: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

Note 5: The data is provided by corporate shareholders, and from public information on website of Department of Commerce of Ministry of Economic Affairs or MOPS.

## Information on Directors (2)

### 1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Name & Title	Professional Qualifications and Experience & Independence analysis (Note 3 & 4)
<p>Chairman: Lin, Keng-Li</p> <p>(Convener of Sustainability Committee)</p>	<p>1. Education: MBA, Shipping and Transportation Management, National Taiwan Ocean University</p> <p>2. Professional Qualification and Experiences: Mr. Lin, Keng-Li is the Chairman of the Company. Prior to this, he was the President of the Company.</p> <p>3. Independence analysis: Not applicable.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 0</p>
<p>Director: Ko, Lee-Ching</p>	<p>1. Education: National Keelung Girls' Senior High School</p> <p>2. Professional Qualification and Experiences: Ms. Ko, Lee-Ching serves as the director in many companies listed on TWSE such as Evergreen Marine Corp. (Taiwan) Ltd.. And she was the Vice Group Chairman of Evergreen Group and Chairman of Evergreen International Corporation.</p> <p>3. Independence analysis: Not applicable.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 0</p>
<p>Director: Tai, Jiin-Chyuan</p>	<p>1. Education: Master of Maritime Law, National Taiwan Ocean University</p> <p>2. Professional Qualification and Experiences: Mr. Tai, Jiin-Chyuan is the Chairman of Central Reinsurance Corporation and also serves as the director in many companies listed on TWSE such as Evergreen Marine Corp. (Taiwan) Ltd.. And he was the President of Evergreen International Corporation and Executive Vice President of Legal Department, Evergreen International Corp.</p> <p>3. Independence analysis: Not applicable.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 0</p>

Name & Title	Professional Qualifications and Experience & Independence analysis (Note 3 & 4)
<p>Director: Lee, Mon-Ling</p>	<p>1. Education: MBA, Rensselaer Polytechnic Institute, Troy, New York, USA</p> <p>2. Professional Qualification and Experiences: Ms. Lee, Mon-Ling is the Director of the companies listed below: TSRC Corporation Hsin Yung Enterprise Corp.; Metropolis Property Management Corp.; and La Mer Corp.</p> <p>3. Independence analysis: Not applicable.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 0</p>
<p>Independent Director: Lui, Nai-Ming</p> <p>(Convener of Audit Committee, member of Remuneration Committee and Sustainability Committee)</p>	<p>1. Education: Master of Accounting, National Chengchi University</p> <p>2. Professional Qualifications and Experiences: Mr. Lui, Nai-Ming is the CPA of Cheng Yuan Certified Public Accountants. He is Currently the Independent Director of Eclat Textile Co., Ltd and Bioptik Technology, Inc. He served as the Adjunct Assistant Professor of Department of Accounting Information at Hsing Wu University, Independent Director in Inpaq Technology Co., Ltd. and Apa Technology Co., Ltd.</p> <p>3. Independence analysis: Mr. Lui meets the independence criteria stipulated in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. (Note 2)</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 2</p> <p>Mr. Lui is the Independent Director in Eclat Textile Co., Ltd. and Bioptik Technology, Inc. and the Remuneration Committee member in Eclat Textile Co., Ltd.</p>

Name & Title	Professional Qualifications and Experience & Independence analysis (Note 3 & 4)
<p>Independent Director: Lien, Yuan-Lung</p> <p>(Convener of Remuneration Committee, member of Audit Committee and Sustainability Committee)</p>	<ol style="list-style-type: none"> <li>1. Education: EMBA, National Taiwan University; Bachelor of Department of Law, National Taiwan University</li> <li>2. Professional Qualifications and Experiences: Mr. Lien, Yuan-Lung is the attorney in Charge of Lien &amp; Partners Law Offices. He is Currently the Independent Director of Taiwan Pelican Express Co., Ltd., and the Director of TWT Net Corp.. Earlier, Mr. Lien served as the Independent Director of MSIG Mingtai Insurance Co., Ltd., Director and Managing Director of the Taiwan Bar Association, Commissioner of the Judicial Selection Committee for Selecting Judges of Specialized Courts, Judicial Yuan, Commissioner of the Taiwan Attorney Disciplinary Committee, Commissioner of the Reviewing Team for the Cases with Questions of Compulsory Retirement for Public Matters and Bereavement Compensation for Public Matters, Ministry of Civil Services.</li> <li>3. Independence analysis: Mr. Lien meets the independence criteria stipulated in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. (Note 2)</li> <li>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 1 Mr. Lien is the Independent Director and Remuneration Committee member in Taiwan Pelican Express Co., Ltd..</li> </ol>
<p>Independent Director: Young, Chune-Ching</p> <p>(Member of Audit Committee, Remuneration Committee and Sustainability Committee)</p>	<ol style="list-style-type: none"> <li>1. Education: Doctor of Philosophy, Materials Science and Engineering, Massachusetts Institute of Technology (MIT); Master of Mechanical Engineering, National Taiwan University</li> <li>2. Professional Qualifications and Experiences: Mr. Young, Chune-Ching is the Director and General Manager of Taiwan Hodaka Technology Co., Ltd. He served as the Team Leader of Materials Examination and Evaluation Team and Superintendent in Materials Development Center of National Chung-Shan Institute of Science &amp; Technology.</li> <li>3. Independence analysis:</li> </ol>

Name & Title	Professional Qualifications and Experience & Independence analysis (Note 3 & 4)
	<p>Mr. Young meets the independence criteria stipulated in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. (Note 2)</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or Remuneration Committee member: 0</p>

Note 1: None of the Company’s Directors has any situations defined in Article 30 of the Company Act.

Note 2: The Company reviews qualifications of its independent directors periodically (once a year). None of the Company’s three independent directors and their spouses, relatives within the second degree of kinship, or lineal relative within the third degree of kinship holds an aggregate of 1% or more of the total number of issued shares of the Company or ranks in the top 10 in holdings and none of them is a director, supervisor or employee of the Company or its affiliate. None of the independent directors is a director, supervisor or employee defined in subparagraph 5, 6, 7, 8 of the first paragraph of article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. In addition to being independent directors of the Company and members of its functional committees, none of them provides auditing or other professional services to the Company. According to the aforementioned information, all of the independent directors comply with regulatory requirements for their independence.

Note 3: Professional qualifications and experience: Specify the professional qualifications and experience of each director. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 4: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates?; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.



## 2. Diversity, Independence and Professionalism of the Board of Directors:

### (1) Diversity of the Board of Directors

- A. According to the Paragraph 3 of Article 20 in the Company's "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall be determined by taking diversity into consideration. According to the Paragraph 4 of Article 20, all members of the board should focus on gender equality and shall have professional knowledge, skills, and ability needed for fulfillment of their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
- a. Ability to make operational judgments.
  - b. Ability to perform accounting and financial analysis.
  - c. Ability to conduct management administration.
  - d. Ability to conduct crisis management.
  - e. Knowledge of the industry.
  - f. An international market perspective.
  - g. Ability to lead.
  - h. Ability to make policy decisions.
- B. The Company's directors have expertise in different areas, including operations management, law and risk management, finance accounting, environmental protection, materials research and development, etc., which can make the Board's decision making more professional and contribute to operations and long-term development of the Company.
- C. The 24th Board of Directors consists of 7 directors (including 3 independent directors) elected at Annual General Shareholders' Meeting on June 20, 2023, all directors are R.O.C nationals and three independent directors accounted for 42.86% of the total number of directors.
- D. The Company values gender equality in the composition of the Board of Directors. Currently, the target ratio for female directors is set more than over 20%. In the current term, the Board of Directors consists of 5 male directors and 2 female directors, with female directors accounting for 28.57% of the total seats. To align with international trends and further enhance and implement gender diversity in the composition of the Board of Directors, the Company will evaluate the possibility of increasing board seats for different genders to meet the Company's operational needs and sustainable development goals, and achieve the target of having at least one-third of the board seats held by directors of either gender.
- E. The Company will modify its board diversity policy in a timely manner according to actual needs and operation situation of the Board to improve corporate governance. Diversity of the Board's composition according to the Company's policy is shown in the table below:

Diversification Name		Basic Component			Professional Ability					
Title	Name	Nationality	Gender	Age	Business Management	Steel Structure Engineering	Law & Risk Management	Finance Accounting	Environmental Protection & Green Energy	Material Research and Development
Chairman	Lin, Keng-Li	R.O.C.	Male	71-80	✓	✓			✓	
Director	Ko, Lee-Ching	R.O.C.	Female	71-80	✓			✓		
Director	Tai, Jiin-Chyuan	R.O.C.	Male	61-70	✓		✓		✓	
Director	Lee, Mon-Ling	R.O.C.	Female	51-60	✓			✓	✓	
Independent Director	Liu, Nai-Ming	R.O.C.	Male	61-70	✓			✓		
Independent Director	Lien, Yuan-Lung	R.O.C.	Male	61-70	✓		✓			
Independent Director	Young, Chune-Ching	R.O.C.	Male	71-80	✓				✓	✓

## (2) Independence of the Board of Directors

A. The Company's Board now has 7 directors and 3 of them are independent director accounted for 42.86% of the board of directors. All the independent directors have not served more than three Session.

In order to enhance the Board's independence and its performance, the Company has established "Rules Governing the Scope of Powers of Independent Directors" and the independent directors have fulfilled their duties accordingly. In addition, they have not established improper relationship with the Company's management or interested parties that could jeopardize the Company's interest or hinder them from well judgment in performing their duties. Independent directors can supervise operations of the board independently and effectively.

B. None of the directors of the Company concurrently served as employees of the Company, and there is no spousal relationship or the second-degree relationship among all directors of the Company. If the proposal of the board meeting involves the interests of the directors and may damage the interests of the Company, the directors shall not participate discussion and vote on the proposal so as to ensure that the board of directors can make a resolution independently and objectively.

## 2.1.2 Management Team

Mar. 30, 2025

Title(Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Position Concurrently Held in Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Note (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C	Liu, Pang-En	Male	2019.11.29	63,058	0.02	0	0.00	0	0.00	Experience: Executive Vice President of the Company Education: Mechanical Engineering Department of Chung Yuan Christian University	Chairman ▪ Ming Yu Investment Corp.	None	None	None	None
Executive Vice President of Steel Structure Business Division	R.O.C	Chien, Chih-Lung	Male	2019.11.29	20,000	0.00	0	0.00	0	0.00	Experience: Senior Vice President of the Company Education: Masters' degree, Department of Civil Engineering, National Central University	None	None	None	None	None
Vice President and Chief Corporate Governance Officer	R.O.C	Lee, Jen-Yi	Female	2025.01.01	1,000	0.00	0	0.00	0	0.00	Experience: Vice President of Evergreen International Corp. Education: Law School, Soochow University	None	None	None	None	None
Vice President of Steel Structure Business Division	R.O.C	Chang, Hsing-Kung	Male	2016.06.01	0	0.00	0	0.00	0	0.00	Experience: Junior Vice President of the Company Education: Civil Engineering Department, Chung Yuan Christian University	None	None	None	None	None
Vice President of Steel Structure Business Division	R.O.C	Ou, Nan-Hsin	Male	2016.06.01	110,467	0.03	0	0.00	0	0.00	Experience: Junior Vice President of the Company Education: Civil and Hydraulic Engineering Department, Chung Yuan Christian University	None	None	None	None	None
Vice President of Finance Department and Principal Financial Officer / Principal Accounting Officer	R.O.C	Chuang, Ting-Ting	Female	2021.08.09	0	0.00	0	0.00	0	0.00	Experience: Deputy Senior Vice President of Evergreen International Storage and Transport Corporation Education: Accounting Department of National Taipei College of Business	Supervisor ▪ Super Max Engineering Enterprise Co., Ltd. ▪ Taiwan Incubator SME Development Corporation	None	None	None	None
Vice President of Occupational Safety & Health Department	R.O.C	Chen, Meng-Ling	Male	2018.01.01	0	0.00	0	0.00	0	0.00	Experience: Junior Vice President of the Company Education: Department of Business, National Open University	None	None	None	None	None
Vice President of Steel Structure Business Division	R.O.C	Chou, Chih-Chieh	Male	2019.01.01	53,100	0.01	0	0.00	0	0.00	Experience: Junior Vice President of the Company Education: Mechanical Engineering Department, Oriental Institute of Technology	None	None	None	None	None
Vice President of Supervisory Department	R.O.C	Tsai, Su-Yun	Female	2023.01.01	1,935	0.00	0	0.00	0	0.00	Experience: Junior Vice President of the Company Education: International Trade Department, Shih Chien University	None	None	None	None	None
Vice President of Human Resources Department	R.O.C	Tsai, Ya-Li	Female	2023.01.01	0	0.00	0	0.00	0	0.00	Experience: Junior Vice President of the Company Education: International Trade Department, National Taipei College of Business	None	None	None	None	None

Note 1: It should include the information disclosure of the president, executive vice presidents, vice president, department heads, and branch officers as well as the positions equivalent to president, executive vice president, or vice president.

Note 2: Experience relevant to the current position. In the case of employment by an independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 3: If the president or person of an equivalent position (the highest-level managerial officer) and the chairman of the Company are the same person, spouses, or relatives within the first degree of kinship, the reason, rationale, necessity and related arrangement shall be disclosed (such as increase the number of independent directors and over half of the directors do not currently work for the Company as employees or managerial officers): None.

Note 4: The Chief Corporate Governance Officer has been changed from Lee, Kang-Hsuan to Lee, Jen-Yi since Jan. 1, 2025.

## 2.1.3 Remuneration of Directors, President, and Vice Presidents in 2024

### 1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Directors Remuneration								Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income (%) (Note 8)		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 (%) (Note 8)		Compensation from an Invested Company and the Other than Company's Subsidiaries (Note 9)
		Base Compensation (A) (Note 2)		Severance Pay (B)		Directors Remuneration (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Employees' Compensation (G) (Note 6)						
		The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company		Companies in the Consolidated Financial Statements (Note 7)		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

1. Describe policy, scheme, standards and composition of remuneration payment for independent directors and the relevance of their duties, risks and time spent on fulfilling their duties to the amounts of their remunerations:

(1) According to "Payment Regulation of Directors Compensation", the independent directors receive not only monthly remuneration but attendance fee each time they attend the Board meetings and functional committee meetings.

(2) The Company periodically reviews the remuneration standard and structure for independent directors based on the Company's operational performance, future operational risks and the degree of independent directors' participation and the value of individuals' contribution to the Company's operation. However, if any revisions are necessary, adjustments may be made as needed.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): None.

- Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately), and directors and independent directors are separately disclosed. The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Executive Vice President, this table and this table and table 2 must be filled out.
- Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).
- Note 3: It refers to the remuneration of directors distributed with the approval of the board of directors.
- Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances and the provision of dormitory and vehicle, etc.). When a car, house and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.
- Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Executive Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.
- Note 6: It refers to the employees' compensation (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Executive Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employees' compensation to be distributed with the approval of the board of directors. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. The table 3 below shall be filled out as well.
- Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).
- Note 8: It refers to the net income in the individual or independent financial statements of the recent year.
- Note 9: a. It is required to specify in this column the relevant remuneration amount the directors of the Company received from the reinvested companies other than the subsidiaries or parent company (if none, please fill in "none").
- b. If the Company's director has received the relevant remuneration from the reinvested companies other than the subsidiaries or parent company, the received amount should be included in Column I. In addition, the column title shall be revised as "Parent Company and All Reinvested Companies."

c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to the Company's director(s) by the reinvested companies other than the subsidiaries or parent company and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

\* The concept of remuneration disclosed in the above table is different from that of the Income Tax Act. All information disclosed is informative and does not serve as evidence for taxation.

## 2. Remuneration of the President and Executive Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employees' Compensation(D) (Note 4)				Total Compensation (A+B+C+D) and Ratio of Total Compensation to Net Income (%) (Note 8)		Compensation from an Invested Company and the Other than Company's Subsidiaries (Note 9)
		The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company		Companies in the Consolidated Financial Statements (Note 5)		The Company	Companies in the Consolidated Financial Statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	Liu, Pang-En	5,619	5,619	255	255	3,023	3,023	223	0	223	0	9,120 0.36%	9,120 0.36%	None
Executive Vice President	Chien, Chih-Lung													

\* The information about the any position equivalent to president and executive vice president (such as general manager, CEO and director-general), whatever it is, shall be disclosed.

### Remuneration Bracket

The Remuneration Bracket for President and Executive Vice President of the Company	Name of President and Executive Vice Presidents	
	The Company (Note 6)	Parent Company and All Reinvested Companies (Note 7) (E)
Below NT\$1,000,000	-	-
NT\$1,000,000 (included)~NT\$2,000,000 (excluded)	-	-
NT\$ 2,000,000 (included)~NT\$ 3,500,000 (excluded)	-	-
NT\$ 3,500,000 (included)~NT\$ 5,000,000 (excluded)	Chien, Chih-Lung	Chien, Chih-Lung
NT\$ 5,000,000 (included)~NT\$ 10,000,000 (excluded)	Liu, Pang-En	Liu, Pang-En
NT\$ 10,000,000 (included)~NT\$ 15,000,000 (excluded)	-	-
NT\$ 15,000,000 (included)~NT\$ 30,000,000 (excluded)	-	-

The Remuneration Bracket for President and Executive Vice President of the Company	Name of President and Executive Vice Presidents	
	The Company (Note 6)	Parent Company and All Reinvested Companies (Note 7) (E)
NT\$ 30,000,000 (included)~NT\$ 50,000,000 (excluded)	-	-
NT\$ 50,000,000 (included)~NT\$ 100,000,000 (excluded)	-	-
Above NT\$ 100,000,000	-	-
Total	2	2

Note 1: Names of President and Executive Vice Presidents should be separately disclosed. The amount of remuneration should be disclosed in aggregate amount. If a director concurrently serves as the President or Executive Vice President, this table and the table 1 above must be filled out.

Note 2: It refers to salaries, special responsibility allowance, severance pays of the president and executive vice presidents received for the recent year.

Note 3: It refers to bonus, incentives, transportation allowance, special allowance, various allowances and the provision of house and car to president and Executive Vice Presidents for the recent year. When a house, car and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 “Share-based payment” includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 4: It refers to the remuneration of the president and executive vice presidents distributed with the approval of the board of directors (including stock and cash). If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. The table 3 below shall be filled out as well.

Note 5: The total amounts of various payments made to President and Executive Vice Presidents by all companies in the consolidated financial statements (including the Company) shall be disclosed.

Note 6: The names of the President and Executive Vice Presidents shall be disclosed in the brackets where the total amounts of various payments made to them by the Company fall in.

Note 7: The names of the President and Executive Vice Presidents shall be disclosed in the bracket where the total amounts of various payments made by all companies in the consolidated financial statements to them fall in. The Company shall disclose the total amount of remuneration paid to the president and executive vice presidents by all the companies included in the consolidated financial statements (including the Company).

Note 8: It refers to the net income in the individual or independent financial statements of the recent year.

Note 9: a. It is required to specify in this column the relevant remuneration amount the President and Executive Vice Presidents of the Company received from the reinvested companies other than the subsidiaries or parent company (If none, please fill in “none”).

b. If the Company’s the President and Executive Vice Presidents have received the relevant remuneration from the reinvested companies other than the subsidiaries or parent company, the received amount should be included in Column E. In addition, the column title shall be revised as “Parent Company and All Reinvested Companies.”

c. Remuneration shall mean the compensation, financial reward (including financial reward for employees, directors and supervisors), expense for business operation paid to the Company’s President and Executive Vice Presidents by the reinvested companies other than the subsidiaries or parent company for concurrently their serving as director(s), supervisor(s), or managerial officer(s).

\* The concept of remuneration disclosed in the above table is different from that of the Income Tax Act. All information disclosed is informative and does not serve as evidence for taxation.

### 3. Compensation of the Management Team

Unit: NT\$ thousands

	Title (Note 1)	Name (Note 1)	Employees' Compensation in Stock	Employees' Compensation in Cash	Total	Ratio of Total Amount to Net Income ( % )
Managerial officer	President	Liu, Pang-En	0	816	816	0.032
	Executive Vice President	Chien, Chih-Lung				
	Vice President	Chang, Hsing-Kung				
	Vice President	Ou, Nan-Hsin				
	Vice President (Financial Officer / Accounting Officer)	Chuang, Ting-Ting				
	Vice President	Chen, Meng-Ling				
	Vice President	Chou, Chih-Chieh				
	Vice President	Tsai, Su-Yun				
	Vice President	Tsai, Ya-Li				
	Junior Vice President (Chief Corporate Governance Officer)	Lee, Kang-Hsuan				

Note1: Names and job title of each individual should be separately disclosed. The amount of remunerations can be disclosed in aggregate amount.

Note2: It refers to the employees' compensation (including stock and cash) received by the managerial officers in recent year with the approval of board of directors. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Net income refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the parent company only financial statements or individual financial statements of the recent year.

Note 3: The scope of application for managers is defined in accordance with the Tai.Chai. Chen (III) No. 0920001301 Letter dated Mar. 27, 2003 by the SEC as follows:

- (1) President and the equals
- (2) Executive Vice President and the equals
- (3) Vice President and the equals
- (4) Head of Finance
- (5) Head of Accounting
- (6) Managerial officers and the individuals authorized to sign off

Note 4: If Directors, President, and Executive Vice President have collected employees' compensation (including stock and cash), in addition to filling out the table 1 and 2, please filling out this table too.

2.1.4 Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial statements, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, presidents and executive vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure



1. The percentages of total remuneration paid to the Company's Directors and President and Executive Vice Presidents in operating income after tax of the parent company only financial statements or individual financial statements

Title	The Company		Companies in the Consolidated Financial Statements	
	2023	2024	2023	2024
Directors	0.46%	0.70%	0.60%	0.90%
President and Executive Vice Presidents	0.25%	0.36%	0.25%	0.36%

2. 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.

Compensation to the managerial officers is determined according to the Company's guidelines on payment for remuneration of managerial officers. Remuneration of managerial officers includes fixed remuneration and variable remuneration. Fixed remuneration includes salaries and allowances, which are calculated according to the Company's salaries and allowances structure for all positions levels. The structure is created based on the Company's organizational structure, categories of business activities, nature of duties, scope of work/ responsibilities and by reference to the remuneration of peer companies in the same industry. Variable remuneration includes year-end bonuses and employees' compensation. Adjustment of annual salaries and allowances and year-end bonuses are determined by overall operation performance of the Company and assessment of individual performance. Individual performance is carried out on regular basis (twice a year) based on several criteria, including work performance, leadership, adaptability to challenges, creativity, education and work experience, decision-making capability, cost control and ESG development. The managerial officers are given different ratings for their performance based on result of the assessment, which is a reference for their remuneration. The amount of their raises and bonuses shall be reported to Remuneration Committee for its review before the proposal is presented to the board of directors for its approval.

## 2.2 Implementation of Corporate Governance

### 2.2.1 Board of Directors

A total 6 meetings of the Board of Directors were held in 2024. The attendance of directors was as follows:

Title	Name (Note1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A] (Note2)	Remarks
Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Lin, Keng-Li	6	0	100%	None
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	6	0	100%	None
Director	Hui Corp. Representative: Tai, Jiin-Chyuan	6	0	100%	None
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	6	0	100%	None
Independent Director	Liu, Nai-Ming	6	0	100%	None
Independent Director	Lien, Yuan-Lung	6	0	100%	None
Independent Director	Young, Chune-Ching	6	0	100%	None

Other mentionable items:

- Please illustrate the date of the Board of Directors meeting, the period, agenda and all independent directors' opinions and the Company's responses if one of following situations occurred during operation of the Board of Directors:
  - (1) The items listed in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established the audit committee. As for the information regarding the matters specified in article 14-5 of the Securities and Exchange Act that the Company is required to provide, please refer to page 101 to 107 for details (Important Resolutions of the Board of Directors and Functional Committees).
  - (2) Except for the proposal mentioned above, other literally recorded resolutions which are opposed or have qualified opinions by independent directors: None.
- If the directors have personal interest conflicts to the proposal and are required for recusal, please specify the names of the directors, proposal, reason and the resolution: Please refer to page 101 to 107 for details.
- TWSE Listed companies and TPEx companies shall disclose the information regarding the frequency, period, scope, methods and indexes of self-assessment (or peer assessment) of the Board members. Please refer to Table 1 below for Evaluation of the Board of Directors.
- The goals of enhancing functionality of the Board of Directors and the evaluation to strengthen its functionality in the current year and recent years (e.g. establishment of Audit Committee or enhancement of information transparency) and assessment of its performance in this regard:
  - (1) The Company has purchased directors' and officers' liability insurance in order to disperse the

risk of legal responsibility of directors and officers and improve the ability of corporate governance.

- (2) To enhance the professional knowledge and ability of directors as well as implement corporate governance, the Company has arranged courses on corporate governance and operations for the directors periodically (twice a year).
- (3) The Company shall have 3 independent directors according to the Articles of Incorporation. It has stipulated the “Rules Governing the Duties of Independent Directors” for them to exercise their powers accordingly.
- (4) For strengthening the function of the Board of Directors, the Company has established the Audit Committee and Remuneration Committee. To deepen the sustainable governance and risk management, the Company has established the Sustainability Committee on Aug. 7, 2023
- (5) To enhance information transparency, the Company has voluntarily announced important resolutions of Board Meetings and established a corporate governance page, corporate sustainability page and investor’s page on the Company’s website.

Note1: For directors who are legal entities, both the name of the legal entity and the representative should be disclosed.

Note2: (1) If any of the directors resigns before the end of the year, the Company is required to specify the date of his/her resignation in the “remarks” column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term with the Board of the Directors.

- (2) If there is any re-election of the Board before the end of the year, both the information of new and former directors should be entered in the table, and their status of being newly-elected or re-elected and the re-election date should also be specified in the “remarks” column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term with the Board of the Directors.

Table 1: Evaluation of the Board of Directors

Evaluation Frequency (Note 1)	The Company carries out a Board performance evaluation once a year.
Evaluation Period (Note 2)	The period for evaluation of 2024 performance was from January 1 to December 31, 2024 and the evaluation results were reported to the Board of Directors on March 13, 2025.
Evaluation Scope (Note 3)	The evaluation scope includes performance assessment of the Board, the individual Board members and functional committees.
Evaluation Method (Note 4)	Internal self-evaluation of the Board, self-evaluation of board members, and self-evaluation of functional committees were conducted by filling out questionnaires for members of the Board and the functional committees.
Evaluation Indexes (Note 5)	<ol style="list-style-type: none"> <li>1. Assessment of the overall performance of the Board is based on the scoring of six indexes, including participation in the operation of the Company, enhancement of the quality of decisions made by the Board, makeup and structure of the Board, election of Board members and courses they take, implementation of ESG, and internal controls.</li> <li>2. Self-evaluation of performance of each Board member is based on the scoring of these six indexes, including their grasp of the Company’s goals and their missions, awareness of their duties, participation in the operations of the Company, internal relation management and communication, expertise and professional courses they take, and internal controls.</li> <li>3. Evaluation of performance of the Functional Committee (Audit Committee,</li> </ol>

	Remuneration Committee and Sustainability Committee) is the assessment of the committee's overall performance conducted by each committee member based on the scoring of 5 indexes, including the members' participation in the Company's operations, awareness of the duties of the committee, enhancement of the quality of decisions made by the committee, makeup of the committee and election of its members, and internal controls.
Evaluation Result (Full score: 5)	<p>1. Evaluation of performance of the Board: Excellent, the average score is 4.97 points.</p> <p>2. Self-evaluation of performance of the Board members: Excellent, the average score is 4.97 points.</p> <p>3. Evaluation of performance of the Audit Committee: Excellent, the average score is 4.95 points.</p> <p>4. Evaluation of performance of the Remuneration Committee: Excellent, the average score is 4.96 points.</p> <p>5. Evaluation of performance of the Sustainability Committee: Excellent, the average score is 4.97 points.</p>

Note 1: The frequency of board assessment. For example, once a year.

Note 2: It refers to the period of time for Board performance assessment. For example, this evaluation was carried out to assess the board performance from January 1 to December 31, 2024.

Note 3: The evaluation scope includes evaluation of the Board, the board members, and functional committees regarding their performance.

Note 4: Evaluation methods include internal assessment of the Board, self-assessment by Board member, peer evaluation of Board members, engagement of external professional institution for the evaluation or other appropriate methods.

Note 5: The evaluation indexes shall include at least the following items:

- (1) Board performance assessment: it shall at least include Board members' participation in the operations of the Company, the quality of decisions made by the Board, makeup and structure of the Board, election for Board members and courses they take, and internal controls.
- (2) Performance evaluation of individual Board members: it shall at least include their grasp of the Company's goals and their missions, awareness of their duties, their participation in the operations of the Company, internal relation management and communication, their expertise and professional courses they take, and internal controls.
- (3) Performance evaluation of functional committees: it shall at least include the members' participation in the operations of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal controls.

## 2.2.2 Annual Tasks and Implementation Status the Audit Committee

1. The Audit Committee is composed of three independent directors. The main duties of the Audit Committee are to supervise following matters: fair presentation of the financial reports, evaluating independence & qualifications of the Company's Certified Public Accountants ( "CPAs" ) and hiring or dismissal CPAs based on AQIs, the effective implementation of the internal control system, material asset transaction, fund lending, endorsement and guarantee, and offering or issuance of securities.

### 2. Annual Tasks of the Audit Committee in 2024:

#### (1) Review financial reports

The Company's annual business report, financial reports, and earnings distribution proposal of the year 2023 were all reviewed by the Audit Committee. After being approved by the Board, the proposals were presented to the Annual General Meeting of shareholders for acknowledgement.

The financial report of the first, second and the third quarter of the year 2024 were reviewed and approved by the Audit Committee and approved by the board of directors.

In order to conduct in-depth communication on matters related to financial reports, the CPAs and Independent Directors hold closed-door communication meetings at least four times a year.

#### (2) Assess the effectiveness of the internal control system

The self-assessment of the internal control system and the implementation of the Company are completed by the internal units every year. The audit unit reports the audit results to the Audit Committee on a regular basis and submits the proposal for amendment of the internal control system to the Audit Committee for review. The independent directors and the audit unit have at least four closed-door communication meetings every year to help Audit Committee understand the Company's financial status, operational performance, risk management, information security, and the regulatory compliance, and to evaluate the effectiveness of the Company's internal control system.

#### (3) Appoint the Company's Certified Public Accountants

The Company's Audit Committee evaluates CPAs' expertise, independence, qualifications, and reasonableness of the remuneration for their engagement based on AQIs. The proposal to appoint Ms. Chang, Ching-Hsia and Mr. Chao, Yung-Hsiang, the CPAs of Deloitte & Touche, Taiwan, as the Company's CPAs and their remuneration of the years 2024, together with the Audit Quality Indicators (AQIs) and independence assessment, were reviewed and approved by the Audit Committee and approved by all directors of the board of directors.

3. The 3<sup>rd</sup> Audit Committee has hold 5 (A) meetings in 2024. The attendance of the members is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 1 and Note 2)	Remarks
Convener	Lui, Nai-Ming	5	0	100%	None.
Committee Member	Lien, Yuan-Lung	5	0	100%	None.
Committee Member	Young, Chune-Ching	5	0	100%	None.

Other mentionable items:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
  - (1) The matters listed in Article 14-5 of Securities and Exchange Act: Please refer to page 101 to 107 for details (Major Resolutions of Board of Directors and Functional Committee).
  - (2) Except for the matters above, any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee: None.
2. If an independent director avoids discussion and meeting for any proposals due to conflict of interest, the director's name, content of the proposal and the reason for recusal should be specified: Please refer to page 101 to 107 for details.
3. Communications between the independent directors and the Company's chief internal auditor and the CPAs (should include communication over important matters regarding the Company's financial and business status and the communication method and result).
  - (1) Communications with the Company's chief internal auditor:
    - ① Communication method  
The independent directors and the chief internal auditor have at least four closed-door communication meetings every year. In 2024, the independent directors and the chief internal auditor had five closed-door communication meetings and the chief internal auditor reported the results of internal audit and operation of internal control at these meetings.

② The summaries of communication in 2024

No.	Date and Meeting Type	Important Communication Content	The Company's response
1	March 11, 2024 Audit Committee	1. The internal audit report from December, 2023 to January, 2024. 2. 2023 Internal Control System Statement.	1. The report was submitted to the Board Meeting. 2. The statement was submitted to the Board Meeting for discussion and approval after review.
2	May 13, 2024 Audit Committee	The internal audit report from February to March, 2024.	The report was submitted to the Board Meeting.
3	August 09, 2024 Audit Committee	The internal audit report from April to June, 2024.	The report was submitted to the Board Meeting.
4	November 12, 2024 Audit Committee	1. The internal audit report from July to September, 2024. 2. Revisions of the internal control systems and internal audit implementation rules.	1. The report was submitted to the Board Meeting. 2. The revisions were presented to the Board Meeting for discussion and approval after review.
5	December 26, 2024 Audit Committee	The internal audit report from October to November, 2024.	The report was submitted to the Board Meeting.

(2) The Communications between the independent directors and CPAs

① Communication method

The independent directors and CPAs have at least four closed-door communication meetings every year. In case of emergency, the meeting may be convened at any time. In 2024, the independent directors and CPAs had four closed-door communication meetings for the CPAs' report on the financial situation and the audit results to the independent directors and for adequate communication over important adjustment of journal entries (if any) and the impact of amendments to regulations.

② The summaries of communication in 2024

No.	Date and Meeting Type	Important Communication Content	The Company's response
1	March 11, 2024 Meeting for communication between Independent Directors and the CPAs	<ol style="list-style-type: none"> <li>1. Audit scope and the conclusion of the CPAs' audit of 2023 Financial Report.</li> <li>2. Financial status and performance after audit of 2023 Financial Report.</li> <li>3. Description of Key Audit Matters of 2023.</li> <li>4. Introduction of the Transparency Report of the CPA firm.</li> <li>5. Sustainable Development Roadmap.</li> <li>6. Description of Audit Quality Indicators (AQIs).</li> <li>7. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.</li> </ol>	None
2	May 13, 2024 Meeting for communication between Independent Directors and the CPAs	<ol style="list-style-type: none"> <li>1. Review type and scope of Q1 Financial Report of 2024.</li> <li>2. Financial status and performance after review of 2024 Q1 Financial Report.</li> <li>3. Regulations updates.</li> <li>4. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.</li> </ol>	None
3	August 9, 2024 Meeting for communication between Independent Directors and the CPAs	<ol style="list-style-type: none"> <li>1. Review type and scope of Q2 Financial Report of 2024.</li> <li>2. Financial status and performance after review of 2024 Q2 Financial Report.</li> <li>3. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.</li> </ol>	None
4	November 12, 2024 Meeting for communication between Independent Directors and the CPAs	<ol style="list-style-type: none"> <li>1. Review type and scope of Q3 Financial Report of 2024.</li> <li>2. Financial status and performance after review of 2024 Q3 Financial Report.</li> <li>3. Annual audit plan.</li> <li>4. Risk assessment.</li> <li>5. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.</li> </ol>	None

Note 1: If any of the independent directors resigns before the end of the year, the Company is required to specify the date of his/her resignation in the “remarks” column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term at the Board of the Directors.



Note 2: If there is any re-election of the independent directors before the end of the year, both the information of new and former directors should be filled in the table, and the status of being former, newly elected and re-elected and the re-election date should also be specified in the “remarks” column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term at the Board of the Directors.

### 2.2.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has laid down its Corporate Governance Best-Practice Principles after the approval of Board of Directors, which can be found on the Company’s official website ( <a href="https://www.evergreennet.com/">https://www.evergreennet.com/</a> ), (Path: Company website/Corporate Governance/ Major Internal Regulations ) and Market Observation Post System (MOPS).	None
2. Shareholding Structure & Shareholders’ Rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and follow the procedure?	✓		The Finance Department of the Company is in charge of handling these issues about suggestions, doubts and disputes of shareholders by internal control operation procedures.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		Responsibility assigned to relevant department.	None
(3) Does the Company establish and implement risk management and firewall system within its affiliates?	✓		The Company has established risk control measures within internal control operation procedure.	None
(4) Does the Company establish internal rules against insiders trading with undisclosed	✓		1. According to the Corporate Governance Best-Practice Principles of the Company, it shall lay down internal rules to prohibit insiders of the Company from trading securities with information	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
information?			<p>that has not been publicly disclosed. The aforementioned rule shall include prohibition on trading of equity-type securities of the Company by directors within closed periods, which are 30 days before public announcement of annual financial reports and within 15 days before public announcement of quarterly financial reports.</p> <p>2.The Company has established “Procedures for Handling Material Inside Information” and “Insider Trading Prevention Management” (guideline) within internal control operation procedures with the approval of the Board of Directors to rule the trading of equity-type securities by insiders. According to Insider Trading Prevention Management (guidelines), directors are prohibited from trading equity-type securities of the Company within closed periods, which are 30 days before public announcement of annual financial reports and within 15 days before public announcement of quarterly financial reports.</p> <p>3.Before the closed periods begin, The Company reminded directors about related regulations and closed periods with email separately on Feb.7, Apr. 25, Jul. 19, and Oct. 24, 2024.</p> <p>4.In addition to reminding insiders about important related regulations governing insiders’ transfer of equity-type securities, the Company also provides the directors and managerial officers a Q&amp;A on insider trading prohibition, and forwards the information about the orders of competent authorities for prevention of insiders’ trading from time to time, so that the directors and managers of the Company can fully understand the relevant rules. Please visit the MOPS website for courses on prevention of insider trading taken by the Company’s directors in 2024.</p> <p>5.The Company also incorporates Codes of Operation Integrity and Ethical Conduct into its orientation training for its new hires and announces related</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
			<p>rules on the section specifically for “Operation Integrity” on its website.</p> <p>Meanwhile, the Company has advocated integrity and ethics in internal meetings of all departments and incorporated Codes of Operation Integrity and Ethical Conduct into annual training for all its staff. In 2024, the Company held the training on preventing insider trading, with a total of 483 people attended the training for a total of 483 hours.</p>	
<p>3. Composition and Responsibilities of the Board of Directors:</p> <p>(1) Does the Board develop and implement a diversification policy for the composition of its members?</p>	✓		Please refer to Page 21 to 22 for the Company’s policy of Board composition diversification, the specific management goals and the implementation status.	None
<p>(2) Does the Company voluntarily establish other functional committees in addition to establishment of the Remuneration Committee and the Audit Committee according to the law?</p>	✓		<p>To deepen the sustainable governance and risk management, achieve the goal of sustainable management, the Company has established the Sustainability Committee on August 7, 2023. The Sustainability Committee consists of three to five members appointed by the Board of Directors and more than half of the members shall be independent directors. The main responsibilities of the committee are to review the sustainability (including risk management) policies, strategies, goals or management guidelines, approve the annual sustainability work plan, supervise and track the implementation progress, results and related matters of the sustainability work plan.</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
(3) Does the Company establish a standard to measure the performance of the Board annually, report the results of the performance evaluation to the Board, and use it as a reference for individual directors' remuneration and nomination for the re-election?	✓		<p>1. The Company has established the Guidelines for Board Performance Evaluation, and announced it on the Company’s official website and the Market Observation Post System (MOPS).</p> <p>2. According to the Guidelines for Board Performance Evaluation, the Company shall conduct an internal evaluation of board performance at least once a year. In addition, the Company’s board performance evaluation may be conducted by an external independent professional institution at least once every three years.</p> <p>3. The annual evaluation results of the performance of the Board of Directors are also the basis for individual director’s remuneration and nomination of directors.</p> <p>4. The 2024 evaluation results of the performance of the Board of Directors (please refer to note 2 for details) were reported to the Board of Directors on March 13, 2025.</p>	None
(4) Does the Company regularly evaluate the independence of CPA?	✓		<p>1. The assigned accountants are not directors, supervisors, managerial officers, employees or shareholders of the Company or its affiliated companies and have been confirmed as non-stakeholders, which complies with the regulation of independent judgment of the regulatory authority (please refer to note 3 for details about the CPA independence evaluation).</p> <p>2. The Audit Committee of the Company annually evaluates the qualifications and independence of the CPAs. The CPAs are required to present the statement on independence and AQIs-related information for their engagement. Evaluation of their qualifications and independence is based on the standards specified in Note 3 and 13 indicators of AQIs. It was confirmed that the CPAs had no other financial or business relationships with the Company other than attesting financial statements and providing non-audit services. The CPAs, their spouses, and dependents also must not hold</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
			positions that will have direct and significant impact on the attestations. AQI indicators also confirmed that the CPAs (and their firm) have adequate audit experience. The accounting firm, during the most recent 3 years, has been introducing a cloud audit platform, tools, and digital technologies to improve the audit quality. The Audit Committee approved the engagement and remuneration for CPAs for the 2024 financial and tax audit on March 10, 2025. This decision was then approved by the Board of Directors through a resolution on March 13, 2025.	
4. Has the TWSE/TPEX Listed Company hired adequate, competent corporate governance staff and appointed a Corporate Governance officer to take charge of corporate governance matters (including but not limited to providing directors and supervisors necessary information for operation, assisting directors and supervisors with their legal compliance, arranging the board of directors and shareholders’ meetings according to the law, and preparing minutes of Board of Directors meetings and shareholders’ meetings)?	✓		<p>1. The Board of Directors appointed the most senior officer of Corporate Governance Department as the chief corporate governance officer of the Company by the Board of Directors, and the Company is staffed with sufficient professional corporate governance personnel to protect shareholders’ rights and strengthen the board functions. The chief corporate governance officer of the Company, who has experience as a manager of legal in publicly listed companies for at least 3 years, is eligible for corporate governance affairs.</p> <p>2. Main duties of the chief corporate governance officer of the Company are as follow:</p> <p>(1) Handling of matters relating to Board meetings and shareholders’ meeting in compliance with law.</p> <p>(2) Preparation of minutes of the Board meetings and shareholders’ meetings.</p> <p>(3) Assistance in onboarding and continuing education of the Directors.</p> <p>(4) Provision of information required for performance of duties by the Directors.</p> <p>(5) Assistance in the Directors’ compliance of law.</p> <p>(6) Report to the Board of directors the review result of whether independent directors’ qualifications meet regulatory requirement during their nomination, election and term of</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
			<p>office.</p> <p>(7) Handling of matters relating to change of Directors.</p> <p>3.The business execution in 2024 are as follows:</p> <p>(1) To provide Directors information and regulations required for performance of their duties and arrange the Directors’ training courses:</p> <p>A. To provide Directors with the latest regulations relating to corporate governance from time to time.</p> <p>B. To provide Directors with the Company’s information required for performance of their duties and maintain smooth communication between Directors and managerial officers.</p> <p>C. To arrange more than 4 closed-door meetings, the independent directors have face to face talk with the chief internal auditor and CPAs to gain an in-depth understanding of the Company’s internal control and financial status.</p> <p>D. To hold two training courses (three hours for each) for Directors.</p> <p>(2) To arrange functional committee meetings, board meetings and shareholders’ meetings according to related regulations:</p> <p>A. To compile and notify the Board of Directors and functional committee’s meeting agendas and related materials to each director and committee member at least seven days in advance, remind the directors or committee members not to participate in discussion and voting on the agenda item which they shall recuse themselves, and distribute the minutes within 20 days of the meeting.</p> <p>B. To assist with the announcement of the material information relating to important resolutions of the board meetings and shareholders’ meeting, ensure the legality</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
			<p>and correctness of the material information and symmetry for investor trading information.</p> <p>C. To register the date of the shareholders’ meeting in accordance with regulations, and prepare meeting notices, handbooks and minutes within the regulatory period.</p> <p>(3) Handling of matters relating to change of directors:</p> <p>A. Report to the Board of Directors the results of their review of whether the qualifications of the independent directors comply with relevant laws, regulations, rules, and bylaws at the time of their nomination, election, and during their term of office.</p> <p>B. Provide information needed for change of a director and make related public announcements and filing for change of directors according to the law.</p> <p>4. Please refer to Note 4 for training records of the chief corporate governance officer in 2024.</p>	
5. Does the Company establish a communication channel with its stakeholders, create a designated section on its website for them (including but not limited to shareholders, employees, customers and suppliers), and properly handle all the issues they care about in terms of corporate social responsibilities?	✓		<p>The Company has set up a Stakeholders and Issues Management Section (<a href="https://www.evergreennet.com">https://www.evergreennet.com</a>), including Contact Us Section, Environment Social Governance Section, Investor Services, Customer Services, Supplier Services Section and Employees Services Section on its website to provide relevant business and contact information and to facilitate prompt response of related departments to requests addressing issues that stakeholders care about; The situation of communication with all stakeholders is reported to the Board of Directors on regular basis (once a year).</p>	None
6. Does the Company appoint a professional shareholder service agency to deal with shareholder meeting affairs?	✓		<p>The Company has engaged Stock Service Department of KGI Securities Corporation to deal with shareholders’ meeting affairs.</p>	None



Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
7. Information Disclosure:				
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		<p>1. Disclosure of financial and business information: The Company’s website (<a href="https://www.evergreennet.com">https://www.evergreennet.com</a>) is maintained by related staff and discloses detailed, accurate information of the Company regarding its operation, financials, and business.</p> <p>2. Disclosure of corporate governance information: The Company has disclosed “Articles of Incorporation”, important operating procedures, and the information related to the Board and the functional committees (including their composition and duties, selection of their members and their important resolutions) as well as the operations of its corporate governance on the section of Corporate Governance of its website: <a href="https://www.evergreennet.com">https://www.evergreennet.com</a>.</p>	None
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		<p>The Company has set up an English website and spokesperson system for gathering and disclosing information and appointed designated people to handle information collection and disclosure.</p> <p>Information about the investor conferences that the Company held or was invited to attend over the years is disclosed on the Company’s website.</p>	None
(3) Does the Company announce and report annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating		✓	Currently, the Company has not announced and reported the annual financial statements within two months after the end of the fiscal year. But it has announced and reported the first, second, and third quarter financial statements as well as the operating status of each month before the proscribed deadline.	Although the Company has not announced and reported the first, second, and third quarter financial statements as well as the operating status of

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
status of each month before the proscribed deadline?				each month in an early manner, it has made the aforementioned announcements and reporting by the deadlines set by article 36 of Securities and Exchange Act.
8. Is there any other important information that can facilitate a better understanding of the Company’s corporate governance practices?				
(1)Employee rights and employee wellness	✓		Please refer to Chapter IV Operational Highlights “Labor Relations” for more information.	None
(2) Investor relations	✓		The Company has set up “Investor Relations” section on its website, which provides investors information about its operations and financial status.	None
(3) Supplier relations and rights of stakeholders	✓		Please refer to Chapter II Corporate Governance Report “Promotion of Sustainable Development” for more information.	None
(4) Directors training records	✓		The number of hours of training course take by all of the Company’s directors meet the regulatory requirement of the“ Direction for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies” and the information about the training courses of directors has been disclosed on the MOPS.	None
(5) The implementation of risk management policies	✓		Please refer to Chapter V “Analysis of Risk Management” for more information.	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
and risk evaluation measurement  (6) Insurance purchased by the Company for directors	✓		The Company has purchased liability insurance for its directors since 2020.	None

9. Please specify the Company’s improvements according to the evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation in recent years and the priorities and measures for matters to be improved:

(1) In 2024, the company introduced the ISO 14001 Environmental Management System and ISO 15001 Energy Management System and obtained the certification after passing the verification.

(2) In 2024, the Company invested approximately NTD 3.04 million to support domestic cultural development, and disclosed the results on the Company’s website.

Note 1: Provide description in the summary and description column regardless of “yes” or “no” for the operations.

Note 2: Board Performance Assessment Results of 2024

	Self-evaluation of performance of the Board	Self-evaluation of performance of Board members (for themselves)	Self-evaluation of performance of the Audit Committee	Self-evaluation of performance of the Remuneration Committee	Self-evaluation of performance of the Sustainability Committee
Average score (Full score: 5)	4.97	4.97	4.95	4.96	4.97
Evaluation Results	Excellent	Excellent	Excellent	Excellent	Excellent

Note 3: 2025 CPA Independence Evaluation

Item	Assessment of the Company	Do the CPAs meet regulatory requirement for their independence?
1. Do the CPA and the spouse and dependent relatives hold a direct financial interest or a material indirect financial interest of the Company?	No	Yes
2. Do the CPA and the spouse and dependent relatives have business relations with any directors, supervisors or managerial officers that affect his/her independence?	No	Yes
3. Has the CPA served as a director, supervisor or managerial officer in the Company that has material influence to it currently or in the last two years?	No	Yes
4. Do the CPA's spouse and dependent relatives serve as a director, supervisor or managerial officer of the Company or assume any position that has direct, material influence to the audit work during the audit period?	No	Yes
5. Is the CPA a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of a director, supervisor or managerial officer of the Company during the audit period (does a close relative of the CPA serve as a director, supervisor or managerial officer of the Company or assume any position that has direct, material influence to the audit work during the audit period? If so, is the effect on the CPA's independence reduced to an acceptable level ) ?	No	Yes
6. Has the CPA accepted any gifts or endowments of material value from the Company or a director, supervisor or managerial officer of the Company (the value of the gift or endowment is of disproportionate value in terms of social protocol)?	No	Yes

Note 4: Chief Corporate Governance Officer Training Records In 2024

Date	Professional Organization	Courses	Hours
2024.03.20	Taiwan Corporate Governance Association	Seminar on Strengthening Resilience and Sustainability Governance	2
2024.07.19	Taiwan Corporate Governance Association	The Trend in Labor-Capital Relations from an ESG Perspective - The Approach for Taiwanese Enterprises	3
2024.07.30	Taiwan Corporate Governance Association	The Vision and Megatrend of ESG Evaluation	1
2024.09.06	Securities & Futures Institute	2024 Course for Promotion of Insider Trading Prevention	3
2024.10.15	Taiwan Corporate Governance Association	Global Risks in Future & Opportunities of Sustainability Transitions	1.5
2024.10.15	Taiwan Corporate Governance Association	Global Economic Trends and Industry Outlook	1.5
Total hours on 2024 courses			12

## 2.2.4 Composition, Responsibilities, and Operations of the Remuneration Committee

### 1. Remuneration Committee Members' Information

- (1) According to the Remuneration Committee Charter of the Company, the Committee members cannot be fewer than 3 persons in number. The Committee members are appointed by resolution of the board of directors. A majority of the members shall serve as independent directors, and one of the Independent directors shall be elected as the Convener and the Chairman by all Committee members.
- (2) The Board of Directors of the Company has appointed Mr. Lien, Yuan-Lung, Mr. Lui, Nai-Ming and Mr. Young, Chune-Ching as the member of the 3<sup>rd</sup> Remuneration Committee, and all committee members recommended Mr. Lien, Yuan-Lung as the convener on June 20, 2023. All committee members are Independent Directors. The Professional Qualifications, Experience, Independence, and number of other public companies where the members concurrently serve as remuneration committee members, please refer to page 17 to page 20 for details.

### 2. Duties of the Remuneration Committee are making suggestions about the following matters and presenting related proposals to the Board of Directors for approval

- (1) Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors and managers.
- (2) Periodically evaluate and determine the remuneration of directors and managers.

### 3. Annual Tasks of the Remuneration Committee in 2024

- (1) The Remuneration Committee reviewed the Company's employees' compensation and directors' remuneration and submitted to the Board of Directors for discussion. After being approved by the Board of Directors, the resolutions were reported to the annual general shareholders' meeting.
- (2) The year-end bonuses and the compensation adjustments for the Chairman and managerial officers, attendance fees for board meetings and functional committee meetings, amendments to the "Payment Regulation of Directors" and the attachment "Salary and Compensation Structure for Managers' Ranks" of the "Payment Regulation of Managers Compensation" were reviewed by the Remuneration Committee and submitted to the board meeting for resolution.  
(Please refer to page 101 to page 107 for the decisions of the Remuneration Committee and the Company's handling of the Remuneration Committee's opinions.)

### 4. Operation of Remuneration Committee

- (1) The term of office of the 3<sup>rd</sup> Remuneration Committee members is from June 20, 2023 to June 19, 2026.
- (2) A total of 2 Committee meetings were held in 2024. The attendance of Committee members is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Note)	Remarks
Convener	Lien, Yuan-Lung	2	0	100%	None
Member	Lui, Nai-Ming	2	0	100%	
Member	Young, Chune-Ching	2	0	100%	
Other mentionable items:					
1. If the Board of Directors declines to adopt or modify a suggestion of the Remuneration Committee, it should specify the date and session of the meeting, content of the proposal, resolution by the Board of Directors, and the Company’s response to the Remuneration Committee’s opinion (e.g., if the remuneration decided by the Board of Directors exceeds the suggested amount of the Remuneration Committee, the difference and cause for the difference shall be specified): None.					
2. If any member express dissenting or qualified opinion to the resolution of Remuneration Committee and such opinion is recorded or is made with a written declaration, the date and session of the meeting, content of the proposal, all members’ opinions and the response to member’s opinions should be specified: None.					

Notes:

- (1) If any of the Remuneration Committee members has resigned before the end of the year, the date of his/her resignation should be stated in the remarks column. The actual attendance rate (%) should be based on the number of Committee meetings held during his/her tenure and the actual number of his/her attendance.
- (2) If any of the Remuneration Committee members has been re-elected before the end of the year, both the information of current and former members should be filled in the table, and the status of former, newly-elected and re-elected committee members and the re-election date should also be specified in the remarks column. The actual attendance rate (%) should be based on the number of Committee meetings held during his/her tenure and the actual number of his/her attendance.
5. Nomination Committee members' information and its operation: the Company does not have a nomination committee.

## 2.2.5 Composition, Responsibilities, and Operations of the Sustainability Committee

### 1. Sustainability Committee Members' Information

- (1) According to the Sustainability Committee Charter of the Company, the Sustainability Committee consists of 3 to 5 members appointed by the Board of Directors and more than half of the members shall be independent directors. The Sustainability Committee members shall elect the Convener as well as the meeting chairman and Vice Convener from among the members of the Sustainability Committee.
- (2) The Chairman Lin, Keng-Li, Independent Director Lien, Yuan-Lung, Independent Director Lui, Nai-Ming, Independent Director Young, Chune-Ching and President Lui, Pang-En were appointed as the first Sustainability Committee members by the Board of Directors on August 7, 2023. Then, all members of the first Sustainability Committee elected Mr. Lin, Keng-Li as the Convener and Mr. Lui, Pang-En as the Vice Convener.

### 2. The Main Responsibilities of the Sustainability Committee are as follows :

- (1) Review the sustainability (including risk management) policies, strategies, goals or management guidelines.
- (2) Approve the annual sustainability work plan.
- (3) Supervise and track the implementation progress, results and related matters of the sustainability work plan.
- (4) Review Sustainability Report.

### 3. Operations of the Sustainability Committee

- (1) The term of office of the 1st Sustainability Committee members is from August 7, 2023 to June 19, 2026.
- (2) A total of 3 (A) meeting of the Sustainability Committee was held in 2024. The attendance of the members was as follows:

Title	Name	Professional Qualifications and Experience	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】
Convener	Lin, Keng-Li	Please refer page 17 to 22 for details “Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors” and “Diversity and Independence of the Board of Directors”.	3	0	100%
Committee Member	Lien, Yuan-Lung		3	0	100%
Committee Member	Lui, Nai-Ming		3	0	100%
Committee Member	Young, Chune-Ching		3	0	100%



Title	Name	Professional Qualifications and Experience	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】
Vice Convener	Lui, Pang-En	1. Professional Ability: Business Management, Steel Structure, Environmental Protection & Green Energy, Sustainability Management. 2. Main Experience and Education: please refer to page 23.	3	0	100%

(3) The major topics of Sustainability Committee in 2024 are as follows:

Meeting Date	Report Item	Discussion Item
May 13, 2024	1. 2024 Q1 Greenhouse gas inventory report. 2. 2024 Q1 Implementation status of sustainable development.	None
Aug.12, 2024	1. 2024 Q2 Greenhouse gas inventory report. 2. 2024 Q2 Implementation status of sustainable development.	1. To amend the “Sustainability Committee Charter” 2. To approved the “2023 Sustainability Report”
Dec. 26, 2024	1. 2024 Q3 Greenhouse gas inventory report. 2. Implementation status of sustainable development. 3. Implementation status of stakeholder communication. 4. Operation status of risk management.	1. To formulate 2025 sustainability work plan. (The 2024 sustainability work plan was reported to the Board of Directors after being approved by Sustainability Committee.) 2. To revise the short, medium and long-term sustainable development goals.

1. All report items listed above are reported to the Board of Directors.
2. All discussion items, except for the items being reported to the Board of Directors, are submitted to the Board of Directors for discussion after being approved by all sustainability committee members. Please refer to page 101 to 107 for Important Resolutions of the Board of Directors and Functional Committee.

## 2.2.6 Promotion of Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
<p>1. Does the Company establish a governance framework for its promotion of sustainable development and set up a unit that is specifically or partially dedicated to promotion of sustainable development?</p> <p>Does the Board of Directors authorize a senior executive to handle such affairs under its supervision?</p>	✓		<p>1. To deepen sustainable governance and risk management, the Board, with a resolution in 2023, established a Sustainability Committee that reports to the Board directly. The Sustainability Committee has five members, including 3 independent directors, the Chairman (convener) and the President (vice convener). The committee’s main responsibilities include formulating sustainability-related policies, strategies, objectives, and management guidelines that also cover risk management, auditing the annual sustainability work plan, overseeing and keeping track of the task force’s work plan progress, results, and other matters, and reviewing the sustainability report. The committee should convene at least 2 meetings annually to report current sustainability operations to the Board of Directors.</p> <p>The Company has established a task force under the Sustainability Committee, with the head of the Supervisory Department as the director general, in charge of organizing the meetings for the task force and assisting with the promotion of all operations. The task force has 7 teams, including corporate governance, employee care, customer care, supplier management, environmental sustainability, social welfare, and risk management, in charge of the planning and execution of each team’s scope of work. For the organizational chart of the Sustainability Committee, please refer to Note 3.</p> <p>2. In 2024, the Sustainability Committee convened a total of 3 meetings to report current sustainability operations to the Board of Directors. These meetings covered:</p> <p>(1) Approval of the 2023 Sustainability Report.</p> <p>(2) Amendment of the Sustainability Committee</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			<p>Charter and Sustainability Objectives.</p> <p>(3) Greenhouse gas inventories and verification progress report.</p> <p>(4) Reported 2024 sustainability operations to the Board of Directors on November 12 and December 26, 2024, including the execution of the Intellectual Property Management Plan, implementation of corporate sustainability projects, communication with stakeholders, risk management operations, and the 2025 Sustainability Work Plan. For details of the operations above, please visit the “Corporate Sustainability” section (<a href="http://www.evergreenet.com">http://www.evergreenet.com</a>) or the Sustainability Reports (<a href="https://www.evergreenet.com/fileList">https://www.evergreenet.com/fileList</a>) on the Company’s official website.</p>	
2. Does the Company assess risks of environment, society and corporate governance related to the Company’s operation based on materiality principles and establish related risk assessment policies or strategies? (Note 2)	✓		<p>The Company follows international guidelines and standards, including Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD) as well as the Company’s Risk Management Policies and Procedures. It assesses potential risks related to environmental, social, and corporate governance issues relevant to our operations based on their significance. With the assessment boundaries set at the Company’s business premises, the Company has identified operation risks, financial risks, inflation risks, sales and purchase concentration risks, occupational safety and health risks, information risks, and environment and climate change risks. Each department, in response to its risks, has implemented corresponding plans and measures to effectively manage these risks. The task force under the Sustainability Committee reports its risk management results to the Sustainability Committee and the Board of Directors annually. The</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			task force already reported the 2024 risk management results to the Sustainability Committee and the Board of Directors on December 26, 2024. All related information has been published on the Company website and in the Sustainability Report.	
3. Environmental issues				
(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	✓		<p>1. To effectively manage the environment, the Company has put in place a dedicated unit and dedicated staff for sewage treatment, renewal and maintenance of air pollution prevention equipment, applications for permits for approval for operations, payment of air and soil pollution fees, waste removal and reuse, and evaluation of diverse waste disposal methods. In 2024, the Company introduced the ISO 14001 Environmental Management Systems, ISO 50001 Energy Management Systems and became certified (ISO 14001:2015 certificate expires on December 8, 2027 and ISO 50001:2018 certificate expires on November 20, 2027). These systems will help the Company effectively manage environmental risks, improve energy efficiency, reduce environmental impact, and thus achieve sustainability.</p> <p>2. The Company has carried out all the inspections in its factories and buildings needed for compliance with regulatory requirements on fire protection and occupational safety and health and completed such a declaration. It has also set up an Occupational Safety and Health Department to undertake occupational safety and health tasks and establish related systems.</p>	None
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low	✓		1. The Company has endeavored to increase energy utilization efficiency in order to reduce the impact to the environment. It produces energy consumption statistics regularly, assesses its energy management performance annually and often collects the	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
impact on the environment?			<p>information about its electricity use for statistical analysis. The related measures are explained as follows:</p> <p>(1) Increase recyclability of a variety of resources and place industrial waste (such as scrap iron and waste oil) or scraps produced by the Company’s plant separately according to their classification. After the Company accumulates specific amounts of the recyclable waste/scraps, they are sold to the environmental service company making the best offer after comparing the prices of multiple environmental service companies.</p> <p>(2) The Company replaces old air compressors with new ones of high efficiency, variable frequency and energy saving features in order to increase energy efficiency.</p> <p>(3) Continue to promote the digitalization of the Company’s official documents to reduce unnecessary paper consumption and use environmentally-friendly products with green labels for environmental protection.</p> <p>(4) The Company has installed polluted and waste water treatment facilities to meet the regulatory requirements with regard to the polluted and waste water it discharges.</p> <p>(5) The Company has sorted its trash and promoted trash reduction to decrease the impact of its operations on the environment.</p> <p>(6) The Company recycles the toner cartridges of all its printers for environmental protection.</p> <p>2. The steel structure products from the Company’s Hsinchu and Hsinying factories still follow the ISO9001 quality management system and provide standardized documented information to ensure that the product quality meets the customers’ needs and</p>	

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
(3) Does the Company evaluate the risks of climate change to its current and future operations and adopt measures to address climate-related issues?	✓		<p>continue to improve customer satisfaction.</p> <p>3. The Company obtained certification by an external certification body for the ISO 50001 energy management systems and ISO 14001 environmental management systems in Q4 of 2024. The Company will continue to introduce the ISO14067 product carbon footprint and is expecting to obtain certification from an external certification body in 2025.</p> <p>1. The Company has devised a variety of contingency plans for fire, earthquake, pandemic protection and emergencies according to its occupational safety and health management system and the assessment of various risks, and is fully prepared in terms of prevention of these risks.</p> <p>2. The Company also set up an environmental sustainability division and TCFD risk/opportunity subgroup under the task force of the Sustainability Committee. This subgroup adopts the climate risk and opportunity framework provided by TCFD to identify and assess the potential impacts of climate change on the Company’s operations. In 2024, the Company identified 5 major risks among 16 risks: carbon fee for businesses collected by government, change of customer behaviors, regulatory requirements for renewable energy , extreme rainfall that leads to floods and tropical cyclones. The Company signed on to become one of the TCFD Supporters in April, 2022, and published its first TCFD report in June, 2023. The Company published its second TCFD report in June, 2024.</p> <p>3. The Board of Directors, on December 20, 2023, approved the Company’s periodic goal of carbon reduction in 2025 to be 4% lower than 2022,</p>	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																															
	Yes	No	Explanation																																
(4) Does the Company produce statistics of greenhouse gas emissions, volume of water consumption and total weight of waste over the last two years and establish policies for carbon reduction, energy saving, decrease of greenhouse gases and water consumption and management of other waste?	✓		<p>medium-term goal of a total of 32% in carbon reduction by 2030, and the long-term goal of carbon neutrality by 2050.</p> <p>1.The Company has installed solar panels on the roofs of its plants for energy saving. Please refer to the table below for the amounts of carbon emissions reduced (as of Dec. 31, 2024)</p> <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Electricity Generated (kWh)</td><td>2,683,292</td><td>4,896,622</td></tr><tr><td>Carbon Emission Reduced (tons)</td><td>1,328.230</td><td>2,418.931</td></tr></table> <p>2. The Company’s affiliate Hsin Yung Enterprise Corporation generated 11,040,000 kWh of electricity per month with its incinerators while Ever Ecove Corporation generated 15,480,000 kWh per month. They generated approximately 318,240,000 kWh of electricity annually, reducing approximately 157,211 tons of CO<sub>2</sub>e for the country in the year.</p> <p>3. Greenhouse gas emissions, water consumption, and waste generation in the most recent two years:</p> <p>(1)Greenhouse gas emissions:</p> <table><tr><th>Year</th><th colspan="2">2023</th><th colspan="2">2024</th></tr><tr><th>Item (Unit)</th><th>CO<sub>2</sub> emission (tons)</th><th>Intensity (unit: CO<sub>2</sub>e (ton)/million NT\$)</th><th>CO<sub>2</sub> emission (tons)</th><th>Intensity (unit: CO<sub>2</sub>e (ton)/million NT\$)</th></tr><tr><td>Category I</td><td>3,874.38</td><td rowspan="3"></td><td colspan="2" rowspan="4">More information will be enclosed in chapter 4 of the 2024 Sustainability Report.</td></tr><tr><td>Category II</td><td>7,726.14</td></tr><tr><td>Category III</td><td>245,474.97</td></tr><tr><td>Total</td><td>257,075.49</td><td>31.3792</td></tr></table> <p>Note 1: Category I &amp; II cover all the Company’s offices and factories.</p> <p>Note 2: Only part of Category III GHG emissions has been compiled, mainly the indirect GHG emission for purchasing products and services and the transportation between upper and lower streams.</p> <p>Note 3: The greenhouse gas emission numbers in the table above have been verified by a third-party certification body approved by the Ministry of Environment with verification statements.</p> <p>Note 4: The Company compiles its “Green House Gas</p>	Year	2023	2024	Electricity Generated (kWh)	2,683,292	4,896,622	Carbon Emission Reduced (tons)	1,328.230	2,418.931	Year	2023		2024		Item (Unit)	CO <sub>2</sub> emission (tons)	Intensity (unit: CO <sub>2</sub> e (ton)/million NT\$)	CO <sub>2</sub> emission (tons)	Intensity (unit: CO <sub>2</sub> e (ton)/million NT\$)	Category I	3,874.38		More information will be enclosed in chapter 4 of the 2024 Sustainability Report.		Category II	7,726.14	Category III	245,474.97	Total	257,075.49	31.3792	None
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Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																								
	Yes	No	Explanation																									
			<p>Inventory Report” annually, which is available for download on the Company website (<a href="https://www.evergreennet.com/fileList">https://www.evergreennet.com/fileList</a>).</p> <p>(2) Water Consumption: (all of the Company’s offices and factories)</p> <table><tr><th>Year</th><th>Water Consumption (ton)</th><th>Water consumption intensity (ton / million NT\$)</th></tr><tr><td>2023</td><td>50,474</td><td>6.1610</td></tr><tr><td>2024</td><td>62,202</td><td>6.2143</td></tr></table> <p>Note: Numbers cover all of the Company’s offices and factories.</p> <p>(3) The amount of waste produced:</p> <table><tr><th>Year</th><th>General waste (ton)</th><th>Recycled waste (ton)</th><th>Total weight (ton)</th><th>Waste intensity (ton/million NT\$)</th></tr><tr><td>2023</td><td>558.75</td><td>7,483.58</td><td>8,042.33</td><td>0.9817</td></tr><tr><td>2024</td><td>736.11</td><td>6,908.63</td><td>7,644.74</td><td>0.7637</td></tr></table> <p>Note 1: All statistics cover the Company’s offices and factories, with the exception of the headquarters in Taipei, as it is an administrative unit.</p> <p>Note 2: All waste generated by this Company is not hazardous.</p> <p>4. Following its belief in energy conservation and sustainability, the Company has been paying close attention to waste and carbon reduction issues. More information will be enclosed in chapter 4 and appendix 4 of the 2024 Sustainability Report. To achieve our carbon reduction goals, the Company spent NT\$15.63 million replacing fixed-frequency equipment in the manufacturing process with variable-frequency counterparts. The Company has also been replacing lighting equipment and switching company cars to EVs to improve energy efficiency. The Company has also been actively planning the installation of renewable energy equipment. In 2023, the Company installed solar panels (phase I) of 1,999.56 kW on the roofs of the Hsinying Factory. The Company installed phase II solar panels of 547.65 kW in 2024 and is planning to install phase III solar panels of 160kW in 2025. Regarding waste</p>	Year	Water Consumption (ton)	Water consumption intensity (ton / million NT\$)	2023	50,474	6.1610	2024	62,202	6.2143	Year	General waste (ton)	Recycled waste (ton)	Total weight (ton)	Waste intensity (ton/million NT\$)	2023	558.75	7,483.58	8,042.33	0.9817	2024	736.11	6,908.63	7,644.74	0.7637	
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Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			management, the Company complies with the government’s regulations in its waste disposal and continues to improve waste management. In addition to enhancing the recycling of general waste, the Company also enhances its industrial waste management. In 2024, the Company worked with waste disposal facilities to dispose of and turned 78.73 tons of D-1099 (nonhazardous waste dust or mixture) into pellets for construction. The Company will continue to keep track of 100% of its waste disposal, recycling and reporting. The Company maintains a 90% recycling rate of its metal and non-metal waste. We also promote waste recycling to enhance resource utilization for business waste.	
4. Society issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		1. The Company has formulated its management policies and procedures according to related regulations and complied with labor-related laws to protect legal rights of its employees and respect fundamental human rights of laborers recognized by international society. It has never used child labor and has laid down related requirement for its recruitment practices. 2. In response to law amendments and to maintain a friendly workplace free from sexual harassment, the Company has laid down guidelines for prevention, correction, complaints and punishment of sexual harassment in the workplace, which went into effect on March 8, 2024. The guidelines are published on the employees’ electronic information platform and the “Workplace Sexual Harassment Grievance Committee” has been formed to handle related complaints. In addition, to strengthen employees’ sexual harassment prevention awareness, the	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			<p>Company organized “Sexual Harassment Prevention Training” in 2024, with a total of 467 employees attended the training for a total of 1,401 hours.</p> <p>3. The Company fully complies with the People with Disabilities Rights Protection Act and recruits capable employees with disabilities. Meanwhile, the Company has hired aboriginal people and protected their rights related to employment without any discrimination. It honors the International Bill of Human Rights with respect for human rights and nondiscrimination.</p> <p>4. To protect all employees during their performance of Company duties from physical or psychological harm, which can lead to physical/psychological illnesses, and showcase our no-tolerance policy to workplace violence, the heads of all locations/factories have signed a statement announcing such a policy. The Company has also been identifying hazards and evaluating risks.</p> <p>5. To enhance corporate integrity and sustainability, the Company mandates all suppliers and contractors to sign our Corporate Sustainability Commitment. This commitment binds signatories to uphold corporate integrity, protect basic human rights and promote environmental sustainability) and to complete a Supplier/Contractor Self-Evaluation on Human Rights. “Indigenous rights” were included in the self-evaluation questionnaire on human rights in 2024. As of the end of 2024, 274 of our major suppliers and contractors signed the commitment and completed 227 of self-evaluations, and no supplier has been disqualified due to human rights violations or dishonest business activities.</p> <p>6. To ensure our employees uphold corporate integrity and enhance their intellectual property rights</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
<p>(2) Does the Company establish and implement reasonable employee benefit measures (including remuneration, holidays, leave, and other benefits)? Does the employee compensation scheme appropriately reflect management performance or achievements?</p>	✓		<p>awareness, the Company organized “Corporate Integrity and Trade Secrets” training in 2024, with a total of 475 people attended the training for a total of 712.5 hours.</p> <p>The Company has devised and implemented reasonable, sound employee benefit policies, including a minimum wage that is higher than the regulatory requirement and salary/remuneration scheme based on their living conditions and compensation of peer companies (according to education, experience, professional skills, nature of work and duties without considering their gender, origin, race, and political stance). The Company has set up a work hours, holiday and leave system, and calculates overtime work pay and compensation for unused annual leave according to the Labor Standards Act. Its Employees’ Welfare Committee provides multiple employee benefits, including allowances for weddings and funerals, consolation money for injury and illness, gift money for birthdays, festival gifts, travel allowances, and allowances for foreign language learning. Other perks include free lunches, group insurance, medical insurance, and free annual health examinations. When the Company makes a profit, it allocates at least 0.5% of the annual profit to employee remuneration for rewarding its employees for their contribution. The Company has also rewarded employees with year-end bonuses and field work bonuses based on its operational performance and employees’ work performance.</p>	None
<p>(3) Does the Company provide a healthy and safe working environment and organize training on health and</p>	✓		<p>1. The Company’s occupational safety and health management has acquired international certification of ISO45001, complies with occupational safety and health regulations, and fulfills related responsibilities</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
safety for its employees on a regular basis?			<p>and obligations. In addition to continued improvement of its work environment and ongoing checks of the operational environment and autonomous inspection of dangerous machinery and equipment, the Company also provides its employees occupational safety and health training and helps them acquire related certificates and training in order to eliminate dangers in the workplace, reduce near-miss events, and prevent occupational hazards. The Company actively arranges activities for health enhancement of its employees and their well-being in the workplace.</p> <p>2. Occupational Safety and Health Management System: it applies to all the operations of the Company’s Hsinying Factory and Hsinchu Factory and their project sites.</p> <p>3. In 2024, 4 occupational accidents occurred and 4 people were injured(minor injuries), accounting about 0.7% of all of the Company’s personnel. The reports on the accidents were prepared for description of what happened and for correction and improvement measures according to related requirements.</p> <p>4. To enhance employees' awareness of disaster prevention, strengthen personnel organization, familiarize them with equipment operation, and plan for disaster prevention and emergency response, the Company has formulated disaster prevention and emergency response plans for fire, earthquake, and emergency incidents and conducts emergency response drill every 6 months. In 2024, there were no fire incidents at the Company.</p> <p>5. Conducts quarterly training for the migrant workers to enhance their awareness of workplace safety and health.</p>	
(4) Does the company provide	✓		1. The Company provides a variety of training,	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
its employees effective training plans for career development?			<p>including orientation training, general training, professional training (training arranged to meet business needs and specific activities) and training for supervisors.</p> <p>2. The Company arranges annual training for its employees, who are required to receive internal or external professional job-related training to enhance their professional capabilities and help the Company secure business deals, meet contractor requirements, and receive certification. The Company helps its employees improve their professional capabilities, develop their potential, continuously meet job requirements, and formulate life-long learning plans with diverse learning resources.</p> <p>3. To cultivate talents and establish a system for education/training management, the HR Department, starting in March 2024, has been sending employees to attend the “TTQS Talent Quality Management System” training and applied to the Workforce Development Agency of Ministry of Labor for guidance and assessment in April. The Ministry of Labor sent consultants to the Company to provide guidance and reviewers to an conduct assessment at the Company in person (oral presentations, process reviews and random document reviews). The Company passed the assessment in July.</p> <p>4. To help the Company achieve sustainability and cultivate professional talent, the Company continues to recruit new talent while working with colleges and universities to develop steel structure talent by allowing students to apply their vocational education to real work scenarios in the industry. In 2024, the Company collaborated with schools including China University of Science and Technology, Ming Chi University of Technology and Taipei City University of Science and</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
(5) Does the Company’s products/services comply with regulations and international standards related to customers’ health, safety and privacy, marketing and labeling? Does the Company establish related consumer interest protection policies and complaint procedures according to domestic regulations and international standards?	✓		<p>Technology, and provided internship opportunities to 5 students.</p> <p>The Company’s products and services shall comply with regulations and international standards related to customer health and safety, customer privacy, marketing and labeling without any cheating, misleading information, fraud and any other actions that betray customer trust or damage customer interests. The Company has introduced the customer satisfaction management mechanism, which carries out a customer satisfaction survey every 6 months (June and December) to protect customer interests and provide a complaint channel.</p>	None
(6) Does the Company establish a supplier management policy that asks its suppliers to comply with requirements related to environmental protection, occupational safety and health or labor rights? What’s the implementation status of the policies?	✓		<p>1. All the materials suppliers of the Companies are required to sign contracts with an anti-corruption clause and a clause that allows the Company to terminate or cancel the agreement and seek compensation at any time when the supplier breaches its ethical corporate management obligation (such as making or accepting bribes, making illegal political donations or inappropriate charity donation or sponsorship, etc), or fails to assume its corporate social responsibilities in terms of upholding social justice (such as discrimination, gender inequality, and infringement of right to work, etc) or supporting sustainable development without making significant (negative) impact to the environment.</p> <p>2. The Company’s major materials suppliers are China Steel Corporation and Dragon Steel Co., Ltd, which are part of China Steel Corporation Group. The total</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
			amount of raw materials purchased by the Company from them in 2024 accounted for 79.44% of total net amount of all costs of raw materials purchased by the Company for steel structure production. China Steel Corporation has signed the new version of Sustainability Charter and shall therefore make substantial sustainability achievements according to the principles and standards of the Charter.	
5. Does the Company prepare its reports for disclosure of non-financial information, including its corporate sustainability report, by reference to international standards or guidelines for report preparation? Does the company obtain opinions of a third-party accreditation body for its assurance or guarantee for aforementioned reports?	✓		<p>1. The Company prepared its “2023 Sustainability Report” according to the Global Reporting Initiative (GRI) Standards and the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange. The Company also disclosed its strategies, objectives and concrete measures on material topics that the Company has identified following the Sustainability Accounting Standards Board (SASB) Standards and Task Force on Climate-related Financial Disclosures (TCFD) framework, including the economy, environment and people (and their human rights). For details on GRI Standards Index, please refer to the appendix of this report.</p> <p>2. The Company’s 2023 Sustainability Report included an index in compliance with GRI Standards. The report also stated that it has passed Afnor International’s AA1000 AS v3 for moderate assurance and obtained the independent assurance statement letter. The Sustainability Report is available on the Company’s official website (<a href="https://www.evergreenet.com/fileList">https://www.evergreenet.com/fileList</a>).</p>	None
6. If the Company has established Sustainable Development Best Practice Principles based on the “Sustainable				

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the Principles and their implementation:  In March, 2010, the Board of Directors of the Company approved the “Corporate Social Responsibilities Principles”. In January 2022, the Company, following the latest amendment to the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE, changed the title “Corporate Social Responsibilities Principles” to “Sustainability Guidelines”. The Company has followed these guidelines and managed its operations’ impact on the economy and environment as well as their social risks and made improvements accordingly. After the formulation of the Sustainability Committee, the Board of Directors passed a resolution to revise the guidelines in August, 2023. There has not been any discrepancy between the guidelines and their implementation.				
7. Other important information to facilitate better understanding of the company’s corporate sustainability practices				
(1) The Company was awarded a certificate of appreciation by the Tainan City Government for its green procurement of over NT\$ 5 million.				
(2) In 2024, the Company won the Net Zero Industrial Competitiveness Superior Award for the steel industry from the 21 <sup>st</sup> Century Foundation.				
(3) The Company continues to participate in a wide array of charitable work, including promoting the art and cultural industry, providing assistance to local communities, sponsoring educational programs, devoting resources to education and medicine in remote areas, and participating in environmental protection activities. The Company has devoted approximately NT\$4.43 million to these causes with 100% of charitable cause execution rate.				
① The Company earmarked more than NT\$3 million in the form of promotion for the art and cultural industry in Taiwan, sponsorships for the Evergreen Symphony Orchestra’s classical concerts, sponsorships for elementary schools in remote areas to attend marine education events at the Evergreen Maritime Museum, sponsorships for the tour of the environmental education theater, sponsorship for the music education fund for the choir at Jia-Xin Elementary School in Hsinchu County, publishing of the 2024 Economic Yearbook by United Daily News, and the “Hometown Revisited” series by China Times.				
② To give back to the local community and promote social prosperity, the Company continues to sponsor the Hsinying Factory’s free meal program for the disadvantaged in the community adjacent to the factory, organizes community events and celebrations, and provided a post-disaster relief fund after Typhoon Gaemi. The Company, through these charity efforts, strengthens and maintains its relationship with the neighborhood.				
③ The Company is committed to caring for those in rural areas and the disadvantaged by providing scholarships and meal subsidies to students in remote areas, providing free clinic and health education service for remote areas, and sponsoring orphanages’ Chinese New Year dishes and extra meal subsidies. The Company hopes to, with these efforts, bridge the inequality gap within society and between urban and suburban areas.				
④ The Company organized two environmental protection activities and cleaned up the riverbank at the Laojie River in Zhongli, Taoyuan City, and the beach south of Yong’an Fishing Harbor. A total of 126 people cleared out 338 kilograms of waste from these two activities through hands-on environmental activism.				

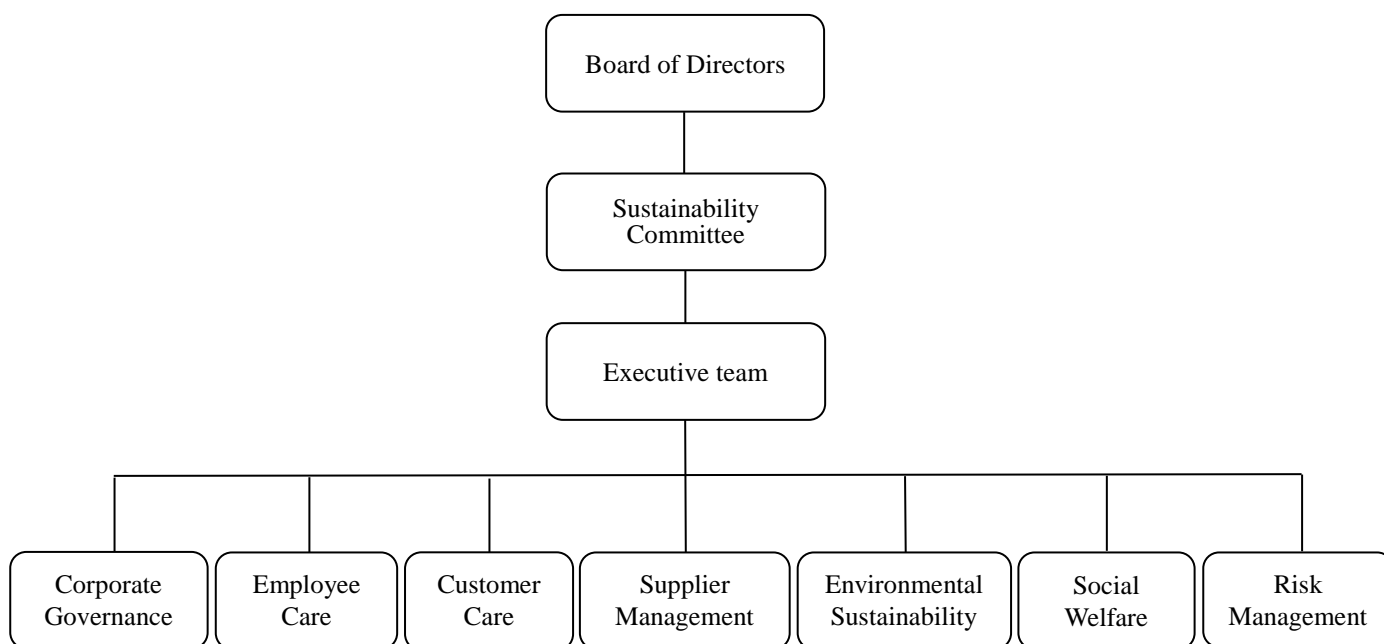


Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
(4) Other Matters:				
The Company participated in the bidding created by the Taoyuan City Government for the BOT project of a biomass energy center and won the bid as the best applicant. Ever Ecove Corp, a private company, has been in charge of the construction work and operation. The 4.38 hectare center is located at an area specifically for environmental protection facilities inside a local technology industrial park. It has three types of environment-friendly facilities, including heat treatment facility, anaerobic fermentation facility and a landfill of solidified waste and produces renewable energy with the heat generated by incineration of waste and the marsh gas generated by anaerobic fermentation of kitchen waste. It has obtained the operational permit for its heat treatment facilities and anaerobic fermentation facilities in December 2023 and February 2025, respectively. Through waste reduction, reuse and recycle, the Company endeavors to make contribution to vision of the “green, low-carbon, sustainable, “smart”, eco-friendly” future with this new-generation.				

Note 1: If the Company ticks “Yes” for Implementation Status, it shall explain important policies, strategies, measures and actions it has adopted. If the Company ticks “No” for Implementation Status, it shall explain the reason of the difference(s) in the column of “Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons” and its plan for related policies, strategies, measures and actions it will adopt in the future.

Note 2: Materiality principles refer to principles that are related to environment, society and corporate governance issues and make significant impact to investors and other stakeholders of the Company.

Note 3: Sustainability Committee Organization:



## 2.2.7 Execution of Climate-Related Information by Listed Companies

Item	Execution
<p>1. Description of the oversight and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>1. The Board of Directors, as the highest risk management body of the Company, develops the risk management policy and procedures based on the Company's operational strategy and business environment. They oversee the effective functioning of the Company's risk management mechanism to ensure efficient risk management. The Board also holds ultimate responsibility for the Company's overall risk management. The Sustainability Committee, a functional committee that reports directly to the Board, organizes and oversees the risk management measures implemented by each department of the Company. The Sustainability Committee task force is responsible for promoting risk management operations, with the head of the Supervisory Department serving as the director general, in charge of organizing task force meetings and assisting with the promotion of all operations. To ensure the effective implementation of risk management policies and procedures, as well as to monitor and share risk management information, the task force reports the Company's risk management results to the Sustainability Committee and the Board regularly each year. The Company's 2024 risk management results (including climate risks) were reported to the Sustainability Committee and the Board on December 26, 2024.</p> <p>2. Reporting to the Sustainability Committee is the TCFD Risk/Opportunity Group within the Environmental Sustainability Department. This group is tasked with overseeing climate-related risks and promoting effective management strategies, and incorporating them into our risk evaluation system.</p> <p>3. Climate-Related Agenda for 2023 to 2024</p> <p>(1) October 15, 2024 - Evergreen Steel Chairman participated in the TCFD project kickoff meeting</p> <p>(2) October 15, 2024 - Evergreen Steel President audited the climate-related risks and opportunities' identification and evaluation</p> <p>(3) November 19, 2024 - Evergreen Steel's TCFD Risk/Opportunity subgroup conducted a financial evaluation of climate-related risks and opportunities</p> <p>(4) December 20, 2024 - Evergreen Steel's TCFD Risk/Opportunity subgroup conducted a 2nd financial evaluation of climate-related risks and opportunities</p> <p>(5) January 6, 2025 - Evergreen Steel's TCFD Risk/Opportunity subgroup convened a meeting to discuss climate-related indicators and objectives</p> <p>(6) February 26, 2025 - Evergreen Steel's TCFD Risk/Opportunity subgroup convened a meeting to finalize the Company's TCFD report</p>

Item	Execution																																																														
2. Description of how the identified climate risks and opportunities impact the business, strategies, and finance of the company (in short-, mid-, and long-term).	<div>1. To minimize climate change’s impact on the business and finances, the TCFD Risk/Opportunity subgroup convened climate-related risks and opportunities identification meetings, during which 5 major climate-related risks and 2 major opportunities were identified based on the TCFD-suggested structure. The subgroup also defined “current” (2024), “short-term” (2025~2026), “medium-term” (2027~2030) and “long-term” (2031~2040), based on which the subgroup formulated measures to respond to climate-related risks and opportunities.</div> <table><tr><th colspan="8">Identified Major Climate-Related Risks</th></tr><tr><th rowspan="2">Sequence</th><th rowspan="2">Climate-related risk</th><th colspan="3">Boundary of the risk’s impact on the business model and value chain</th><th colspan="3">Time Period</th></tr><tr><th>Upper stream</th><th>Parent Company and Its Subsidiaries</th><th>Lower stream</th><th>Short-term</th><th>Mid-term</th><th>Long-term</th></tr><tr><td>Risk 1</td><td>(Transition Risk) - the government collects carbon fees from businesses</td><td>⊙</td><td>Hsinying Factory</td><td>-</td><td>-</td><td>-</td><td>⊙</td></tr><tr><td>Risk 2</td><td>(Transition Risk) - Renewable energy regulations</td><td>-</td><td>Hsinying Factory</td><td>-</td><td>⊙</td><td>⊙</td><td>⊙</td></tr><tr><td>Risk 3</td><td>(Transition Risk) - Customer behavioral changes</td><td>-</td><td>Hsinying Factory Hsinchu Factory Kaohsiung Factory</td><td>⊙</td><td>⊙</td><td>⊙</td><td>⊙</td></tr><tr><td>Risk 4</td><td>(Physical Risk) - Extreme rainfall leading to floods</td><td>-</td><td>Hsinying Factory Hsinchu Factory Kaohsiung Factory Hsin Yung Enterprise Super Max Engineering Ever Ecove Corporation</td><td>-</td><td>⊙</td><td>⊙</td><td>⊙</td></tr><tr><td>Risk 5</td><td>(Physical Risk) - Tropical cyclones</td><td>-</td><td>Hsinying Factory Hsinchu Factory Kaohsiung Factory Hsin Yung Enterprise Super Max Engineering Ever Ecove Corporation</td><td>-</td><td>⊙</td><td>⊙</td><td>⊙</td></tr></table>	Identified Major Climate-Related Risks								Sequence	Climate-related risk	Boundary of the risk’s impact on the business model and value chain			Time Period			Upper stream	Parent Company and Its Subsidiaries	Lower stream	Short-term	Mid-term	Long-term	Risk 1	(Transition Risk) - the government collects carbon fees from businesses	⊙	Hsinying Factory	-	-	-	⊙	Risk 2	(Transition Risk) - Renewable energy regulations	-	Hsinying Factory	-	⊙	⊙	⊙	Risk 3	(Transition Risk) - Customer behavioral changes	-	Hsinying Factory Hsinchu Factory Kaohsiung Factory	⊙	⊙	⊙	⊙	Risk 4	(Physical Risk) - Extreme rainfall leading to floods	-	Hsinying Factory Hsinchu Factory Kaohsiung Factory Hsin Yung Enterprise Super Max Engineering Ever Ecove Corporation	-	⊙	⊙	⊙	Risk 5	(Physical Risk) - Tropical cyclones	-	Hsinying Factory Hsinchu Factory Kaohsiung Factory Hsin Yung Enterprise Super Max Engineering Ever Ecove Corporation	-	⊙	⊙	⊙
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3.Description of the financial impacts of extreme weather events and transition actions.	<p>1. In response to extreme weather events and transition actions, 5 major risks and 2 major climate-related opportunities and their impacts on the Company's finances have been identified</p> <table><tr><td colspan="2">Risk 1: (Transition Risk) - the government collects carbon fees from businesses Risk 2: (Transition Risk) - Renewable energy regulations Opp 1: (Climate Opportunity) - Enter a new market</td></tr><tr><td>Risk Scenario and Strategy Details</td><td><p>In March 2022, Taiwan's National Development Council officially announced the "Taiwan 2050 Net-Zero Emissions Roadmap and Strategy Overview." In 2023, the "Climate Change Response Act" was enacted after its third reading, explicitly incorporating the goal of achieving net-zero greenhouse gas emissions by 2050 into Article 4 of the law. This made net-zero emissions no longer just a policy declaration but legally binding, demonstrating a commitment to its implementation. In August 2024, three carbon fee rules were announced, officially marking the beginning of the carbon pricing era. Starting from 2026, a carbon fee will be imposed on enterprises whose annual greenhouse gas emissions at a single site reach or exceed 25,000 metric tons of carbon dioxide equivalent. In 2024, it was also declared that enterprises whose annual greenhouse gas emissions at a single site reach or exceed 10,000 metric tons of carbon dioxide equivalent must start conducting inventories and reporting their emissions from 2026, with plans to begin collecting carbon fees from these enterprises starting in 2031. In October 2024, the "Carbon Fee Collection Rate" was announced, setting a general rate of NT\$300 per metric ton of carbon dioxide equivalent. The emissions subject to the fee are calculated as the annual emissions minus 25,000 metric tons of carbon dioxide equivalent. In the future, the rate will gradually increase, projected to reach NT\$1,800 per metric ton of carbon dioxide equivalent after 2031. Additionally, under the Renewable Energy Development Act, the threshold for major electricity consumers is set at a contracted capacity of 5,000 kW from 2024 to 2030,</p></td></tr></table>	Risk 1: (Transition Risk) - the government collects carbon fees from businesses Risk 2: (Transition Risk) - Renewable energy regulations Opp 1: (Climate Opportunity) - Enter a new market		Risk Scenario and Strategy Details	<p>In March 2022, Taiwan's National Development Council officially announced the "Taiwan 2050 Net-Zero Emissions Roadmap and Strategy Overview." In 2023, the "Climate Change Response Act" was enacted after its third reading, explicitly incorporating the goal of achieving net-zero greenhouse gas emissions by 2050 into Article 4 of the law. This made net-zero emissions no longer just a policy declaration but legally binding, demonstrating a commitment to its implementation. In August 2024, three carbon fee rules were announced, officially marking the beginning of the carbon pricing era. Starting from 2026, a carbon fee will be imposed on enterprises whose annual greenhouse gas emissions at a single site reach or exceed 25,000 metric tons of carbon dioxide equivalent. In 2024, it was also declared that enterprises whose annual greenhouse gas emissions at a single site reach or exceed 10,000 metric tons of carbon dioxide equivalent must start conducting inventories and reporting their emissions from 2026, with plans to begin collecting carbon fees from these enterprises starting in 2031. In October 2024, the "Carbon Fee Collection Rate" was announced, setting a general rate of NT\$300 per metric ton of carbon dioxide equivalent. The emissions subject to the fee are calculated as the annual emissions minus 25,000 metric tons of carbon dioxide equivalent. In the future, the rate will gradually increase, projected to reach NT\$1,800 per metric ton of carbon dioxide equivalent after 2031. Additionally, under the Renewable Energy Development Act, the threshold for major electricity consumers is set at a contracted capacity of 5,000 kW from 2024 to 2030,</p>																																		
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Item	Execution		
		<p>and is expected to decrease to 800 kW from 2031 to 2040. Beginning in 2031, the Hsinying Factory, Hsinchu Factory and Super Max Engineering Enterprise Co., Ltd will be exposed to renewable energy credit obligations.</p> <p>Details regarding the Company's greenhouse gas emissions will be enclosed in chapter four of the 2024 Sustainability Report. As an enterprise included in the third batch required to report greenhouse gas emissions, and in response to increasingly stringent government-imposed corporate carbon fees and the trend concerning the regulations on major electricity users under the Climate Change Response Act, our company's Hsinying Factory has adopted the strategy of utilizing low-carbon energy and improving energy efficiency. This involves progressively implementing measures such as upgrading to high-efficiency welding equipment and installing solar power panels to mitigate financial risks arising from carbon fees and renewable energy credit obligations. Furthermore, aligning with the global trend towards net-zero emissions by 2050, it is anticipated that more companies will need to purchase renewable energy certificates. Our company plans to enter the renewable energy market in 2030, which will benefit sales and increase gross profit.</p>	
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
	Financial Impact of Risk Exposures	Current (2024)	In accordance with the Carbon Fee Collection Regulations and the Major Electricity Consumer Clause in the Renewable Energy Development Act, the Company does not have any single site with an accumulated greenhouse gas emission reaching or exceeding 25,000 metric tons of CO <sub>2</sub> equivalent per year, nor does it have any contracted electricity capacity of 5,000 kW or above. Therefore, in 2024, the Company's increased operating cash outflows due to carbon fees and renewable energy credit obligations amounted to NT\$0.
		Short-term (2025~2026)	In accordance with the Carbon Fee Collection Regulations and the Major Electricity Consumer Clause in the Renewable Energy Development Act, the Company does not have any single site with an accumulated greenhouse gas emission reaching or exceeding 25,000 metric tons of CO <sub>2</sub> equivalent per year, nor does it have any contracted electricity capacity of 5,000 kW or above. Therefore, in 2025~2026, the Company's increased operating cash outflows due to carbon fees and renewable energy credit obligations amounted to NT\$0.
		Medium-term (2027~2030)	In accordance with the Carbon Fee Collection Regulations and the Major Electricity Consumer Clause in the Renewable Energy Development Act, the Company does not have any single site with an accumulated greenhouse gas emission reaching or exceeding 25,000

Item	Execution		
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
			metric tons of CO <sub>2</sub> equivalent per year, nor does it have any contracted electricity capacity of 5,000 kW or above. Therefore, in 2027~2030, the Company's increased operating cash outflows due to carbon fees and renewable energy credit obligations amounted to NT\$0.
		Long-term (2031~2040)	With the carbon fee rate projected to rise to NT\$1,800 per ton of CO <sub>2</sub> equivalent, the Company's operating cash outflows will increase due to carbon fee costs from 2031 to 2040. Starting from 2031, the contracted capacity at the Hsinying Factory, Hsinchu Factory, and Super Max Engineering Enterprise Co., Ltd. will exceed 800 kW. Thus, operating cash outflows due to additional renewable energy credit obligations will also occur during the period from 2031 to 2040. Each year, these additional operating cash outflows will amount to approximately 0.22% of the Company's 2024 revenue. These expenses will be covered using the Company's own funds, without affecting operations or causing cash flow risks. It is expected that these costs will not significantly impact financing availability or capital costs.
	Financial Impact of the Strategic Response	Current (2024)	To manage future financial risks associated with carbon fees and renewable energy credit obligations, in 2024 the Company's Hsinying Factory installed solar panels and upgraded to high-efficiency welding equipment. Capital expenditures for these investments represented approximately 0.17% of the Company's 2024 revenue, financed entirely with internal funds, without affecting operations or creating cash flow risks. In 2024, the Hsinying Factory incurred the depreciation expenses, maintenance costs for solar panels, disposal costs for discarded solar panels, and insurance costs associated with the solar panels, as well as electricity sales income from solar power generation to Taiwan Power Company and electricity cost savings from upgraded welding equipment, resulting in an overall net cost reduction equivalent to approximately 0.04% of the company's 2024 revenue. It is expected that these initiatives will not significantly impact financing availability or capital costs.
		Short-term (2025~2026)	In response to future financial cost risks associated with carbon fees and renewable energy credits, from 2025 to 2026, the company's Hsinying Factory will continue to upgrade to high-efficiency welding equipment. The capital expenditures resulting in investment cash outflows will be approximately 0.01% of the Company's 2024 revenue.

Item	Execution		
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
			<p>These costs will be covered using the Company's own funds, without affecting operations or causing cash flow risks. The depreciation costs of solar power generation facilities and upgraded high-efficiency welding equipment, maintenance costs for solar panels, disposal fees for discarded solar panels, and insurance expenses for solar panels at the Hsinying Factory from 2025 to 2026 will be offset by income from solar panel electricity sales to Taiwan Power Company and electricity cost savings from upgraded welding equipment. Overall, in 2026, these measures will result in a net cost reduction amounting to approximately 0.06% of the Company's 2024 revenue. It is expected that these initiatives will not significantly impact financing availability or capital costs.</p>
		Medium-term (2027~2030)	<p>Between 2027 and 2030, the Company's Hsinying Factory will have no capital expenditures or investment cash outflows related to solar power facilities or high-efficiency welding equipment. However, the Hsinyin Factory will incur the depreciation costs for previously installed solar facilities and welding equipment, maintenance costs for solar panels, disposal fees for discarded solar panels, and solar panel insurance costs from 2027 to 2030. On the other hand, there will be income from electricity sold to Taiwan Power Company and electricity savings from the upgraded welding equipment. In 2030, solar power generation will shift from electricity sales to Taiwan Power Company to self-consumption, with the application for renewable energy certificates. This will result in reduced electricity expenses and increased income from selling renewable energy certificates. Overall, in 2030, these installations will lead to net cost reductions equal to approximately 0.08% of the Company's 2024 revenue. It is expected that these measures will not significantly impact financing availability or capital costs.</p>
		Long-term (2031~2040)	<p>In the long term, the Company anticipates no capital expenditures or investment cash outflows. Operating cash outflows from increased carbon fees and renewable energy credit obligations are expected to account for approximately 0.22% of the Company's 2024 revenue. From 2031 to 2040, the Hsinying Factory will continue incurring the depreciation costs for previously installed solar facilities and welding equipment, maintenance costs for solar panels, disposal fees for</p>

Item	Execution		
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
			discarded solar panels, and solar panel insurance costs. Conversely, electricity cost savings from upgraded welding equipment, reductions in electricity expenses due to solar power generation, partial offsets of carbon fees and renewable energy credits, and increased income from selling renewable energy certificates will also be realized. Overall, by 2040, through strategic implementation of solar power facilities and welding equipment upgrades, the Company's additional costs associated with carbon fees and renewable energy credit obligations will decrease from approximately 0.22% to 0.04% of the Company's 2024 revenue. It is anticipated that these initiatives will not significantly impact financing availability or capital costs.
	Risk 3: (Transition Risk) - Customer behavioral changes		
	Risk Scenario and Strategy Details	Taiwan's National Development Council officially announced the "Taiwan 2050 Net-Zero Emissions Roadmap and Strategy Overview" in March 2022. Based on the government's goal of net zero emissions by 2050, both public and private construction projects will require the Company to provide carbon management capabilities and licensed personnel in the future. Failure of compliance will lead to a loss of revenue for the Company. The Company is actively applying for carbon footprint certifications to minimize such financial risks.	
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
	Financial Impact of Risk Exposures	Current (2024)	In 2024, no customer has required the Company's steel structure projects to include carbon management capabilities or licensed personnel. Therefore, the loss in revenue and gross profit due to changing customer behavior is NT\$0.
		Short-term (2025~2026)	It is estimated that by 2026, 8% of customers will require the Company's steel structure projects to include carbon management capabilities or licensed personnel. If the Company does not respond to this shift in customer behavior, it will result in decreased revenue.
		Medium-term (2027~2030)	It is estimated that by 2030, 20% of customers will require the Company's steel structure projects to include carbon management capabilities or licensed personnel. If the company does not respond to this shift in customer behavior, it will result in decreased revenue.



Item	Execution		
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
		Long-term (2031~2040)	It is estimated that by 2040, 64% of customers will require the Company's steel structure projects to include carbon management capabilities or licensed personnel. If the company does not respond to this shift in customer behavior, it will result in decreased revenue.
	Financial Impact of the Strategic Response	Current (2024)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, in 2024, these initiatives resulted in a profit increase equivalent to approximately 0.01% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.
		Short-term (2025~2026)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, by 2026, these initiatives are expected to increase the Company's profit by approximately 0.10% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.
		Medium-term (2027~2030)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, by 2030, these initiatives are expected to increase the Company's profit by approximately 0.34% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.

Item	Execution		
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
		Long-term (2031~2040)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, by 2040, these initiatives are expected to impact the Company’s finances by approximately 0.004% of the Company’s 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.
	Risk 4: (Physical Risk) - Extreme rainfall leading to floods Risk 5: (Physical Risk) - Tropical cyclones		
	Risk Scenario and Strategy Details	According to the presentation (p.48) of the National Science and Technology Council and Ministry of Environment's “National Climate Change Science Report 2024: Phenomena, Impacts, and Adaptation – Key Scientific Points from Chapters 1 to 3”, the number of typhoons affecting Taiwan annually is expected to decrease in the future. Currently, the most common annual frequency is 4 to 5 typhoons, decreasing to 3 to 4 by mid-21st century and further declining to 1 to 2 by the end of the 21st century. Based on this projection, the annual probability of typhoons occurring is estimated to be greater than 60%, with 2 typhoons expected annually in the short and medium terms (2027~2030) and 3 typhoons annually in the long term (2031~2040). According to the IPCC AR6 (Sixth Assessment Report by the Intergovernmental Panel on Climate Change), under the worst-case scenario for Taiwan’s climate by the mid-21st century, the number of typhoons affecting Taiwan is expected to decrease by approximately 15%, while the proportion of severe typhoons will increase by approximately 100% and the rainfall intensity associated with typhoons will increase by about 20%. Based on the predicted proportion of severe typhoons, the estimated disaster loss severity for the short and medium terms (2027~2030) remains at 100% (same as current conditions), while the long term (2031~2040) increases to 150%. Taiwan's maximum single-day rainfall intensity shows an increasing trend. Under the worst-case scenario (SSP5-8.5), by the mid and end of the 21st century, the average maximum single-day rainfall intensity is expected to increase by approximately 20% and 41.3%, respectively.	

Item	Execution		
		The Company expects to experience 1 typhoon and flood-related disaster event annually in the short term, 2 annually in the medium term, and 3 annually in the long term. To mitigate the risk of increased disaster-related costs due to extreme weather events such as typhoons and floods, the Company strategically plans to transfer risks through the purchase of typhoon and flood insurance.	
	Type of Financial Impact	Period	Financial Impact Details (current finances, financial performances and cash flow)
	Financial Impact of Risk Exposures	Current (2024)	In 2024, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters accounted for approximately 0.01% of its 2024 revenue. This cost was covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
		Short-term (2025~2026)	In 2026, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters will account for approximately 0.01% of its 2024 revenue. This cost will be covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
		Medium-term (2027~2030)	In 2030, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters will account for approximately 0.03% of its 2024 revenue. This cost will be covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
		Long-term (2031~2040)	In 2040, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters will account for approximately 0.039% of its 2024 revenue. This cost will be covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
	Financial Impact of the Strategic Response	Current (2024)	In 2024, the Company adopted a risk transfer strategy by purchasing typhoon and flood insurance. There were no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums were approximately 0.01% of the Company's 2024 revenue, with no insurance claim income received. Overall, in 2024, the Company's profit reduction due to extreme

Item	Execution		
	Type of Financial Impact	Period	Financial Impact Details (current finances, financial performances and cash flow)
			weather events such as typhoons and heavy rainfall was approximately 0.03% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.
		Short-term (2025~2026)	In 2026, the Company will adopt a risk transfer strategy by purchasing typhoon and flood insurance. There will be no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums will be approximately 0.01% of the Company's 2024 revenue, with no insurance claim income received. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.03% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.
		Medium-term (2027~2030)	In 2030, the Company will adopt a risk transfer strategy by purchasing typhoon and flood insurance. There will be no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums will be approximately 0.01% of the Company's 2024 revenue, with insurance claim income received at 0.003% of its annual revenue. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.04% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.
		Long-term (2031~2040)	In 2040, the Company will adopt a risk transfer strategy by purchasing typhoon and flood insurance. There will be no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums will be approximately 0.01% of the Company's 2024 revenue, with insurance claim income received at 0.016% of annual revenue. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.036% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.

Item	Execution		
	Opp 2: (Climate Opportunity) - More efficient transportation modes		
	Opportunity Scenario and Strategy Details	In response to the national goal of achieving net-zero emissions by 2050, the Company optimizes shipping arrangements to reduce transportation trips to reduce carbon fees and transportation costs. On the other hand, the Company has begun evaluating the carbon reduction potential and financial benefits of using electric trucks to transport products. However, due to uncertainty in the electric truck market, this initiative has not yet been included as part of the strategic response.	
	Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
	Financial Impact of the Strategic Response	Current (2024)	In 2024, the Company strategically optimized shipping arrangements to reduce transportation trips. This strategy involved no capital expenditures or cash outflows from investment and operating activities and reduced shipping costs. Overall, the strategy reduced costs equivalent to approximately 0.01% of the Company's 2024 revenue. This is not expected to significantly impact financing availability or capital costs.
		Short-term (2025~2026)	In 2026, the Company will strategically optimize shipping arrangements to reduce transportation trips. This strategy will involve no capital expenditures or cash outflows from investment and operating activities and reduces shipping costs. Overall, the strategy will reduce costs equivalent to approximately 0.02% of the Company's annual revenue. This is not expected to significantly impact financing availability or capital costs.
		Medium-term (2027~2030)	In 2030, the Company will strategically optimize shipping arrangements to reduce transportation trips. This strategy will involve no capital expenditures or cash outflows from investment and operating activities and reduces shipping costs. Overall, the strategy will reduce costs equivalent to approximately 0.04% of the Company's annual revenue. This is not expected to significantly impact financing availability or capital costs.
		Long-term (2031~2040)	In 2040, the Company will strategically optimize shipping arrangements to reduce transportation trips. This strategy will involve no capital expenditures or cash outflows from investment and operating activities and will reduce shipping costs. Overall, the strategy will reduce costs equivalent to approximately 0.06% of the Company's annual revenue. This is not expected to significantly impact financing availability or capital costs.

Item	Execution					
4. Description of how the identification, assessment and management of climate risks are integrated into the overall risk management system.	<p>1. The Board of Directors, serving as the Company’s primary risk management authority, develops the risk management policy and procedures in alignment with the Company’s operational strategy and business environment. They oversee the Company’s risk management mechanism to ensure its effectiveness, bearing ultimate responsibility for overall risk management. To promote our risk management policy, establish a crisis management mechanism, and enhance employee awareness of risk and crisis management for corporate sustainability, the Company has formulated its "Risk Management Policies and Procedures." These comprehensive measures include operational procedures for the entire Company, covering the identification, evaluation, and management of climate-related risks within our risk management system.</p> <p>2. The Company’s risk management process: Identify risk issues → analyze the potential damage from such risks → evaluate the Company’s capability to assume such risks → formulate a countermeasure for such risks → improve risk control operations. The Company has also incorporated the TCFD framework into its climate-related risk management and formulates its responses to climate risks in 4 areas: governance, strategy, risk management and metrics and targets.</p> <p>3. The TCFD Risk/Opportunity subgroup under the Environmental Sustainability Department of the Sustainability Committee’s Executive Team convenes meetings to identify and evaluate climate-related risks and opportunities. In these meetings, they identify and evaluate a risk/opportunity matrix based on the pre-defined risk levels and produce a list of identifiable high-level risks and opportunities.</p> <table><tr><td>Climate-related Risk and Opportunity Identification and Evaluation Process</td></tr><tr><td>1. Define the risk categories: The TCFD Risk/Opportunity subgroup produces reports on the emerging risks and opportunities worldwide and in the industry, based on which the unit responsible for risk management defines the risk categories. When defining the categories of climate-related risks and opportunities, TCFD’s examples of the impacts from climate-related risks and opportunities provide great information, including transition risks, physical risks and opportunities.</td></tr><tr><td>2. Identify the risk categories: The unit responsible for risk management identifies the potential risks the Company faces in each risk category as well as the key risk items.</td></tr><tr><td>3. Analyze the risks: After identifying the risk factors that it may face, the unit responsible for risk management evaluates the risks’ impact on the Company using the risk management measuring scale. The evaluation result will serve as reference as the Company determines the risk control priorities and formulates the response measures in the future.</td></tr><tr><td>4. Risk matrix: The TCFD Risk/Opportunity subgroup draws the risk map based on the likelihood (L) and impact (I) of the risk items.</td></tr></table>	Climate-related Risk and Opportunity Identification and Evaluation Process	1. Define the risk categories: The TCFD Risk/Opportunity subgroup produces reports on the emerging risks and opportunities worldwide and in the industry, based on which the unit responsible for risk management defines the risk categories. When defining the categories of climate-related risks and opportunities, TCFD’s examples of the impacts from climate-related risks and opportunities provide great information, including transition risks, physical risks and opportunities.	2. Identify the risk categories: The unit responsible for risk management identifies the potential risks the Company faces in each risk category as well as the key risk items.	3. Analyze the risks: After identifying the risk factors that it may face, the unit responsible for risk management evaluates the risks’ impact on the Company using the risk management measuring scale. The evaluation result will serve as reference as the Company determines the risk control priorities and formulates the response measures in the future.	4. Risk matrix: The TCFD Risk/Opportunity subgroup draws the risk map based on the likelihood (L) and impact (I) of the risk items.
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Item	Execution				
	<div><div><div><div>Time period</div><div>● Current: 2024</div><div>● Short term: 2025~2026</div><div>● Medium-term: 2027~2030</div><div>● Long-term: 2031~2040</div></div><div><div>Risk/Opportunity measuring scale</div><div>●Likelihood(L)</div><div>●Impact (I)</div></div><div><div>Operational Risk Map:</div><div>●High-level risks and opportunities</div><div>●moderate risks and opportunities</div><div>● low-level risks and opportunities</div></div></div><div><div>Evergreen Steel's Identification and Evaluation of Climate -Related Risks and Opportunities</div><div><div>Climate scenarios:</div><div>● 1 .5°C scenario</div><div>● NDC scenario</div><div>● The SSP5-8.5 scenarios from IPCC's 6th global climate report</div><div>● Climate Change Response Act</div></div><div><div>Risk and Opportunity Categories:</div><div>● Transition risks: Policy and regulations, technologies, market and reputation</div><div>● Physical risk: Acute and chronic risks</div><div>● Opportunities: Resource efficiency, energy sources, products and services, market and resilience</div></div></div></div> <div>4. The Company’s TCFD Risk/Opportunity subgroup conducts the following management processes for the identified high-level climate-related risks and opportunities.</div> <div><table><tr><th>Management Process for the Climate-related Risks &amp; Opportunities</th></tr><tr><td>1.Select and execute risk management measure: Each unit evaluates the likelihood and impact of each identified risk that may lead to financial losses and, based on cost effectiveness analysis and priorities, plans and executes various countermeasures against such risks, including risk aversion, risk reduction, risk retention and risk transfer.</td></tr><tr><td>2.Regularly review and correct risk management: In addition to conducting risk evaluation based on this paragraph, the head of each unit should conduct regular or irregular simulations or testing as needed to ensure effective control measures will be in place when a risk occurs. They should also keep a close eye on how a risk evolves and evaluate and manage such risk as needed.</td></tr><tr><td>3.Oversight, audit and tracking of risk management: The head of each business department should, based on the needs of their business operation, regularly or irregularly audit each department’s risk management. A list of areas for improvement will be compiled and the department heads should help their departments follow such lists and keep track of the progress; they will also conduct risk management and crisis management training and organize the study session or even on-site drills as needed to help employees build their capabilities in risk and crisis management and crisis prevention and response.</td></tr></table></div> <div>5. The Company has identified 5 major risks and 2 major opportunities related to climate change. For their impact on the Company’s finances, please refer to Item 3.</div>	Management Process for the Climate-related Risks & Opportunities	1.Select and execute risk management measure: Each unit evaluates the likelihood and impact of each identified risk that may lead to financial losses and, based on cost effectiveness analysis and priorities, plans and executes various countermeasures against such risks, including risk aversion, risk reduction, risk retention and risk transfer.	2.Regularly review and correct risk management: In addition to conducting risk evaluation based on this paragraph, the head of each unit should conduct regular or irregular simulations or testing as needed to ensure effective control measures will be in place when a risk occurs. They should also keep a close eye on how a risk evolves and evaluate and manage such risk as needed.	3.Oversight, audit and tracking of risk management: The head of each business department should, based on the needs of their business operation, regularly or irregularly audit each department’s risk management. A list of areas for improvement will be compiled and the department heads should help their departments follow such lists and keep track of the progress; they will also conduct risk management and crisis management training and organize the study session or even on-site drills as needed to help employees build their capabilities in risk and crisis management and crisis prevention and response.
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Item	Execution						
5. Description of the scenarios, parameters, assumptions, analysis factors and major financial impacts used if scenario analysis is employed to assess the resilience against climate change risks.	1. The Company, based on the transition and physical risks recommended by TCFD, plans the scenarios. Since climate-related risks and opportunities can affect the Company’s future strategy and financial planning, the Company utilizes the worst-case scenario when analyzing our climate strategy’s resilience.						
	<table><tr><th>Climate-Related Risk &amp; Opportunity Types</th><th>The risk &amp; opportunity scenario evaluated</th><th>Scenario</th></tr><tr><td><ul style="list-style-type: none"><li>• Transition risk</li><li>• Opportunities</li></ul></td><td><ul style="list-style-type: none"><li>• 1.5°C scenario</li><li>• Taiwan’s 2050 net zero pathway and strategy</li><li>• Taiwan’s NDC for 2030</li><li>• Taiwan’s Climate Change Response Act</li></ul></td><td>In alignment with the 2050 net-zero target worldwide, Taiwan published its “Taiwan’s Pathway to Net-Zero Emissions in 2050” in March, 2022. The pathway is based on 4 transition strategies of Energy Transition, Industrial Transition, Lifestyle Transition, and Social Transition, as well as the 2 governance foundations of Technology R&amp;D and Climate Legislation. The pathway aims to highly control the country’s GHG emissions. The National Development Council published the targets of different stages and the key strategies towards the net-zero transition by 2050 in December 2022. The Ministry of Environment, at the end of 2024, announced that the total GHG emissions in 2030 should be within 28±2% of the emission from the base year of 2005, 5% higher than the Nation Determined Contribution (NDC) of “24%±1%” objective announced by the National Development Council in 2022, which may impact the operation of this Company and its value chain.</td></tr></table>	Climate-Related Risk & Opportunity Types	The risk & opportunity scenario evaluated	Scenario	<ul style="list-style-type: none"><li>• Transition risk</li><li>• Opportunities</li></ul>	<ul style="list-style-type: none"><li>• 1.5°C scenario</li><li>• Taiwan’s 2050 net zero pathway and strategy</li><li>• Taiwan’s NDC for 2030</li><li>• Taiwan’s Climate Change Response Act</li></ul>	In alignment with the 2050 net-zero target worldwide, Taiwan published its “Taiwan’s Pathway to Net-Zero Emissions in 2050” in March, 2022. The pathway is based on 4 transition strategies of Energy Transition, Industrial Transition, Lifestyle Transition, and Social Transition, as well as the 2 governance foundations of Technology R&D and Climate Legislation. The pathway aims to highly control the country’s GHG emissions. The National Development Council published the targets of different stages and the key strategies towards the net-zero transition by 2050 in December 2022. The Ministry of Environment, at the end of 2024, announced that the total GHG emissions in 2030 should be within 28±2% of the emission from the base year of 2005, 5% higher than the Nation Determined Contribution (NDC) of “24%±1%” objective announced by the National Development Council in 2022, which may impact the operation of this Company and its value chain.
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<ul style="list-style-type: none"><li>• Physical risk</li></ul>	<ul style="list-style-type: none"><li>• The SSP5-8.5 scenarios (worst global warming) from IPCC’s 6<sup>th</sup> global climate report</li></ul> <p>Under the scenario of extremely-high GHG emissions (SSP5-8.5), climate change will worsen future’s average temperature, maximum temperatures, annual rainfall, maximum 1-day rainfall intensity of the year, maximum consecutive numbers of days without rain and the percentage of severe typhoons, which may impact the operation of the Company and its value chain.</p>						



Item	Execution														
	<table border="1"> <tr> <th colspan="2">Details of the worst-case scenario (SSP5-8.5) in IPCC's 6<sup>th</sup> Assessment Report</th></tr> <tr> <td>Temperature</td><td>Temperatures across Taiwan are expected to continue to rise. With the worst-case scenario of global warming (SSP5-8.5), annual average temperature may rise by 1.8 °C and 3.4 °C by the middle and the end of the 21<sup>st</sup> century respectively.</td></tr> <tr> <td>Extremely - high temperature</td><td>During the events of extremely-high temperatures in the future, the number of days hotter than 36°C increases across the globe. Under the worst-case scenario (SSP5-8.5), the number of days hotter than 36°C will increase by 8.5 days and 48.1 days by the middle and the end of the 21<sup>st</sup> century respectively.</td></tr> <tr> <td>Total annual rainfall</td><td>Taiwan's total annual rainfall is expected to increase in the future. Under the worst-case scenario (SSP5-8.5), Taiwan's total annual rainfall will increase by approximately 15% and 31% by the middle and the end of the 21<sup>st</sup> century respectively.</td></tr> <tr> <td>Rainstorm intensity</td><td>Taiwan's maximum 1-day rainstorm intensity is on the rise. Under the worst-case scenario (SSP5-8.5), the average maximum 1-day rainstorm intensity will go up by approximately 20% and 41.3% by the middle and the end of the 21<sup>st</sup> century respectively.</td></tr> <tr> <td>Number of consecutive days without rainfall</td><td>Number of consecutive days without rainfall in a year is on the rise. Under the worst-case scenario (SSP5-8.5), it will increase by approximately 5.5% and 12.4% by the middle and the end of the 21<sup>st</sup> century respectively.</td></tr> <tr> <td>Typhoons</td><td>Under the worst-case scenario (RCP8.5), the number of typhoons impacting Taiwan will drop by approximately 15% and 55%, percentage of severe typhoons will increase by 100% and 50% and typhoon rainfall variability will increase by approximately 20% and 35% by the middle and the end of the 21<sup>st</sup> century respectively.</td></tr> </table> <p>2. The Company has identified 5 major risks and 2 major opportunities related to climate change. For their impact on the Company's finances, please refer to Item 3</p>	Details of the worst-case scenario (SSP5-8.5) in IPCC's 6 <sup>th</sup> Assessment Report		Temperature	Temperatures across Taiwan are expected to continue to rise. With the worst-case scenario of global warming (SSP5-8.5), annual average temperature may rise by 1.8 °C and 3.4 °C by the middle and the end of the 21 <sup>st</sup> century respectively.	Extremely - high temperature	During the events of extremely-high temperatures in the future, the number of days hotter than 36°C increases across the globe. Under the worst-case scenario (SSP5-8.5), the number of days hotter than 36°C will increase by 8.5 days and 48.1 days by the middle and the end of the 21 <sup>st</sup> century respectively.	Total annual rainfall	Taiwan's total annual rainfall is expected to increase in the future. Under the worst-case scenario (SSP5-8.5), Taiwan's total annual rainfall will increase by approximately 15% and 31% by the middle and the end of the 21 <sup>st</sup> century respectively.	Rainstorm intensity	Taiwan's maximum 1-day rainstorm intensity is on the rise. Under the worst-case scenario (SSP5-8.5), the average maximum 1-day rainstorm intensity will go up by approximately 20% and 41.3% by the middle and the end of the 21 <sup>st</sup> century respectively.	Number of consecutive days without rainfall	Number of consecutive days without rainfall in a year is on the rise. Under the worst-case scenario (SSP5-8.5), it will increase by approximately 5.5% and 12.4% by the middle and the end of the 21 <sup>st</sup> century respectively.	Typhoons	Under the worst-case scenario (RCP8.5), the number of typhoons impacting Taiwan will drop by approximately 15% and 55%, percentage of severe typhoons will increase by 100% and 50% and typhoon rainfall variability will increase by approximately 20% and 35% by the middle and the end of the 21 <sup>st</sup> century respectively.
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6. Description of the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks if there is any transition plan to respond or manage climate-related risks.	<p>1. In response to the government's net-zero emissions goal by 2025, Evergreen Steel has installed renewable energy equipment and made follow-up plans as described below:</p> <ul style="list-style-type: none"> <li>• Installed a total of 2,221.8 kW of solar panels on the rooftops of the Hsinchu Factory (1,722kW) and Hsinying Factory (499.8kW) in 2022.</li> <li>• The Company installed solar PV facilities (1999.56 kW) on buildings A, B and C at the Hsinying Factory in 2023, The meter was installed and power generation began in Feb 2024.</li> <li>• The Company installed solar PV facilities (547.65kW) on buildings D and E at the Hsinying Factory in 2024. The meter was installed and power generation began in November 2024.</li> </ul>														

Item	Execution
	<ul style="list-style-type: none"> <li>• The Company is planning to install more solar PV facilities (160kW) on building F at the Hsinying Factory in 2025.</li> <li>• The Company's reinvested business – Ever Ecove Corporation, is a biomass energy center in Taiwan. It uses the biogas generated from the fermentation of kitchen waste to produce renewable energy. Ever Ecove registered its renewable energy generation facilities (29,780KW from waste) on June 2, 2023 and biomass (800kW from anaerobic digestion) on March 30, 2023. It also installed a solar PV system (200kW) that generates energy for its own consumption on June 24, 2024.</li> </ul> <p>2. Greenhouse Gas Reduction Goals</p> <p>More information will be enclosed in Appendix 4 of the 2024 Sustainability Report.</p> <p>3. Evergreen Steel is expecting to begin the ISO 14067 (carbon footprint) certification for its steel structures for buildings and bridge in 2025.</p>
7. Description of the basis for price setting if internal carbon pricing is employed as a tool for planning.	Currently the Company does not use the internal carbon pricing as a tool for planning.
8. Description of the activities covered, scope of greenhouse gas emissions, planning time horizons, annual progress, and other information if climate-related goals are set; description of the sources and quantity of carbon credits offset or the number of renewable energy certificates (RECs) if carbon offsets or RECs are used to achieve relevant targets.	More information will be enclosed in chapter 4 of the 2024 Sustainability Report.
9. GHG inventory and assurance, reduction goals, strategies and concrete actions (also in section 1-1 and 1-2).	For more information, please refer to page 87 to 89.

## 1-1 The Company's GHG Inventory and Assurance in the Last Two Years

<p>The Company's Basic Information</p> <ul style="list-style-type: none"> <li>■ Companies, steel-producing companies, and cement companies with capital of NT\$10 billion or above</li> <li>□ Companies with capital of more than NT\$5 billion and less than NT\$10 billion</li> <li>□ Companies with capital of less than NT\$5 billion</li> </ul>	<p>As required by the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies, the following shall be provided:</p> <ul style="list-style-type: none"> <li>■ Parent company individual inventory</li> <li>■ Consolidated financial statement subsidiary inventory</li> <li>■ Parent company individual assurance</li> <li>□ Consolidated financial statement subsidiary assurance</li> </ul>
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### 1-1-1 Greenhouse Gas Inventory Information

Scope 1	Total GHG Emission (CO <sub>2</sub> e (ton))	GHG Emission Intensity (CO <sub>2</sub> e (ton)/ million)	Assurer	Assurance Details
Evergreen Steel	More information will be enclosed in chapter 4 of the 2024 Sustainability Report.			
Hsin Yung Enterprise Corporation				
Super Max Engineering Enterprise				
Ever Ecove Corporation				
Scope 2	Total GHG Emission (CO <sub>2</sub> e (ton))	GHG Emission Intensity (CO <sub>2</sub> e (ton)/ million)	Assurer	Assurance Details
Evergreen Steel	More information will be enclosed in chapter 4 of the 2024 Sustainability Report.			
Hsin Yung Enterprise Corporation				
Super Max Engineering Enterprise				
Ever Ecove Corporation				

List the Company's GHG emissions (unit: CO <sub>2</sub> e (ton)), intensity (unit: CO <sub>2</sub> e (ton)/million NT\$) and the data's scope of coverage.						
Item	2023			2024		
	Parent company	Subsidiary	Total	Parent company	Subsidiary	Total
Scope 1: Total GHG Emission (CO <sub>2</sub> e (ton))	3,874.3844	52,549.1751	56,423.5595	More information will be enclosed in chapter 4 of the 2024 Sustainability Report.		
Scope1: GHG Emission Intensity (CO <sub>2</sub> e (ton)/ million)	0.47292	77.55708	6.3611			
Scope 2: Total GHG Emission (CO <sub>2</sub> e (ton))	7,726.1365	3,574.7322	11,300.8687			
Scope 2: GHG Emission Intensity (CO <sub>2</sub> e (ton)/ million)	0.94307	5.27593	1.2740			
Scope 3: Total GHG Emission (CO <sub>2</sub> e (ton))	245,474.9649	7,765.3429	253,240.3078			
Scope 3: GHG Emission Intensity (CO <sub>2</sub> e (ton)/ million)	29.9632	11.46083	28.5499			

Note 1: Direct emissions (Scope 1, emissions from sources directly/indirectly owned by the organization), indirect energy emissions (Scope 2 - indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) and other indirect emissions (Scope 3 – emissions as the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain. emissions from the organization’s activities.)

Note 2: The scope of coverage of the direct emissions and indirect energy emission must comply with the timeline specified in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies. (Hereinafter referred to as this Code.) Information of other indirect emissions may be disclosed on a voluntary basis.

Note 3: GHG Inventory Standard: ISO 14064-1 published by International Organization for Standardization (ISO).

Note 4: All GHG emission intensity is calculated based on each product/service unit or total revenue, with the calculation detailed when using the revenue (unit: million NTD).

Note 5: Super Max Engineering Enterprise Co., Ltd. is the only subsidiary that has completed the GHG inventory for 2023 in advance.

## 1-1-2 Greenhouse Gas Assurance Information

List the assurance information, including the scope, assurer, assurance standards and assurance opinions for the last two years up to the printing date of this annual report.				
Item \ Year	2023		2024	
	Parent company	Subsidiary	Parent company	Subsidiary
Assurance Scope	Scope 1+2+3	-	More information will be enclosed in chapter 4 of the 2024 Sustainability Report.	
Assurer	Metal Industries Research & Development Centre (MIRDC)	-		
Assurance Standard	ISO 14064-3 : 2019	-		
Assurance Opinion	The aforementioned assurance opinions are proposed by MIRDC on the 2022 GHG assertion of Evergreen Steel Corp. following a fair and just verification process. MIRDC adheres to verification standards for the implementation of the verification procedure, and evidence shows that the GHG assertion declared by Evergreen Steel Corp. does not violate the materiality required. The GHG	-		

Item \ Year	2023		2024	
	Parent company	Subsidiary	Parent company	Subsidiary
	assertion for categories 1 and 2 is materially correct; other categories achieved the level of limited assurance.			

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurer must comply with the sustainability report assurer guidelines set by Taiwan Stock Exchange Corporation and Taipei Exchange.

## 1-2 Greenhouse Gas Reduction Goals, Strategies and Concrete Action Plans

<p>The Company's Basic Information</p> <ul style="list-style-type: none"> <li>■ Companies, steel-producing companies, and cement companies with capital of NT\$10 billion or above</li> <li>□ Companies with capital of more than NT\$5 billion and less than NT\$10 billion</li> <li>□ Companies with capital of less than NT\$5 billion</li> </ul>	<p>As required by the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies, the following shall be provided:</p> <ul style="list-style-type: none"> <li>■ Disclosed the reduction goal, strategy and concrete action from the year prior in 2025</li> <li>□ Disclosed the reduction goal, strategy and concrete action from the year prior in 2026</li> <li>□ Disclosed the reduction goal, strategy and concrete action from the year prior in 2027</li> </ul>
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Greenhouse Gas Reduction Goal
More information will be enclosed in Appendix 4 of the 2024 Sustainability Report.
Greenhouse Gas Reduction Strategy
More information will be enclosed in Appendix 4 of the 2024 Sustainability Report.
GHG Reduction Results
More information will be enclosed in Appendix 4 of the 2024 Sustainability Report.

Note 1: Should be conducted in the timeline specified in Article 10, Paragraph 2 of these Rules

Note 2: The base year should be the year when the verification was completed based on the boundaries in the consolidated financial statement. For example, according to Article 10, Paragraph 2 of these Rules, companies with capital of more than NT\$10 billion should complete the verification of the 2024 consolidated financial statement in 2025, which makes 2024 as the base year. If a company has completed the verification of the consolidated financial statement early, it can use the earlier year as the base year. The date for a base year can be from that particular year or the average of multiple years.

## 2.2.8 Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
1. Establishment of ethical corporate management policies and guidelines				
(1) Does the Company establish its ethical corporate management policies approved by its Board of Directors and disclose its ethical corporate management policies and practices in its guidelines and external documents? Do its Board of Directors and senior management actively fulfil their commitment to implementation of the policies?	✓		The Company has laid down its “Ethical Corporate Management Principles” after the approval of its Board of Directors. The requirements for Ethical Corporate Management are disclosed on the Company’s website and the MOPS. All units of the Company are required to adhere to ethical and reciprocity principles when they engage in business activities and actively fulfill commitments on related rights and obligations.	None
(2) Does the Company create a risk assessment mechanism for unethical conduct and regularly analyze and assess business activities that incur higher risks within its business scope and introduce guidelines for prevention of unethical conduct that at least complies with the measures to prevent listed activities stated in Article	✓		According to Ethical Corporate Management Principles of the Company, its staff are prohibited from entering into improper transactions, including taking and accepting bribery, providing illegal political donations, and receiving improper charity donations or sponsorships, unreasonable gifts, treatment, and other illegitimate gains. Heads of all departments are required to introduce measures to prevent higher risks incurred by unethical conduct and incorporate these measures into a variety of internal	None

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
<p>2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company introduce procedures, a code of conduct, and punishment for violations, rules of appeal in the guidelines for prevention of unethical conduct, implement them, and review and modify the guidelines on a regular basis?</p>	✓		<p>control systems in order to effectively enhance autonomous management and facilitate supervision and management of in-charge units.</p> <p>The Company has introduced the “Procedures for Procedures for Ethical Management and Guidelines for Conduct” after the approval of its Board of Directors to actively prevent unethical conduct. The Company has also introduced management guidelines and supervisors of all levels have promoted an ethical, transparent and responsible business philosophy in meetings from time to time to foster corporate culture of ethical corporate management. Any discipline and punishment decisions for noncompliance of ethical corporate management requirements are made according to the management guidelines and a related complaints system is operated according to the complaint handling procedures.</p>	None
<p>2. Implementation of operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p>	✓		<p>The Company has laid down the “Supplier Management Guideline” for selection of qualified, high-quality suppliers. In-charge units shall carefully assess their suppliers’ internal requirements for quality, services,</p>	None

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
			<p>delivery deadlines, corporate social responsibility and ethical corporate management and place those meeting specific criteria on “the list of qualified suppliers,” which is the basis of their procurement and outsourcing decisions. The Company requires in-charge units to include a new clause in the agreements with their suppliers to allow the Company to terminate or cancel the agreement unconditionally if the supplier takes any illegal action that impairs its ethics, including the provision, offering and payment of any commission, kickback, or other inappropriate gain, in its business practices.</p> <p>To promote corporate sustainability and ensure that suppliers/contractors comply with this Company’s sustainability guidelines and business integrity, we require all suppliers/contractors to sign the “Corporate Sustainability Commitment”, which requires signatories to uphold corporate integrity, basic human rights and environmental sustainability.</p> <p>As of the end of 2024, a total of 274 of our major suppliers and contractors have signed the aforementioned commitment and no supplier has been disqualified due to human rights violations or dishonest business activities.</p>	



Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
(2) Does the Company establish a dedicated unit supervised by the Board of Directors to be in charge of corporate integrity? Does the unit report its ethical corporate management policies, the guidelines for prevention of unethical conduct and its supervision of the guidelines implementation to the Board of Directors on regular basis (at least once a year)?	✓		The Company’s human resource unit is in charge of supervising the activities related to maintenance of ethical corporate management and assisting the Board of Directors and the management with the examination and assessment of effectiveness of prevention measures adopted by the Company. The human resource unit prepares a report on the assessment of related business procedures’ compliance status and presents the annual report to the Board of Directors.	None
(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement it?	✓		In order to prevent conflicts of interest and provide appropriate communication channels, the Company has established “Ethical Corporate Management Principles” and “Procedures for Ethical Management and Guidelines for Conduct” and implemented related policies through the Company’s auditing system and a variety of internal management practices.	None
(4) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management? Has the internal audit unit drawn up an auditing plan	✓		The Company has established an effective accounting system and internal control system to ensure our ethical corporate management. Internal auditors have reviewed the compliance status of the two systems on a regular basis and prepared the audit report and presented it to the Board of Directors. The internal	None

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
<p>for unethical conduct based on the results of its assessment of the risks incurred by unethical conduct? Has the Company conducted an audit on compliance with the guidelines for prevention of unethical conduct according to the plan or engaged CPAs for such auditing?</p>			<p>auditors may engage CPAs for auditing activities and hire related professionals for assistance when necessary.</p>	
<p>(5) Does the Company regularly hold internal and external educational training on ethical corporate management?</p>	✓		<p>The Company has maintained its ethical corporate management through promotion of ethical corporate management concepts in supervisors’ meetings and department meetings. The Company’s staff have also taken external courses on an irregular basis to learn about core ideas of corporate governance and ethical corporate management. Meanwhile, the Company has also provided orientation training on the requirements for “Ethical Corporate Management and Codes of Ethical Conduct” to new recruits.</p> <p>In 2024, the Company’s Human Resources Department organized an “Insider Trading Prevention” training session, totaling at 483 participants and 483 hours, and “Ethical Corporate Management and Trade Secret Protection” training session, totaling 475 participants and 712.5 hours. 152 new employees received 152 hours of</p>	None

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
			orientation training in Codes of Operation Integrity and Ethical Conduct. After the training, all 152 new employees signed the Code of Operational Integrity Compliance Agreement.	
3. Operation of the integrity channel				
(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company has introduced the “Codes of Ethical Conduct” to provide guidance on moral standards for the Company’s staff after approval of the Board of Directors to allow them to report any conduct of the Company’s employees that impairs ethical corporate management in oral or written form. The Company also provides an email address specifically for such reporting on the Company’s website for its staff and external parties. “The Complaint Handling Guidelines” and “Procedures for Ethical Management and Guidelines for Conduct” of the Company require the human resources unit and related units to handle the reporting and ascertain facts.	None
(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusations and introduce post-investigation follow-up practices and related	✓		The Company has set up a report handling system and keeps the informer and reported information confidential according to its “Complaint Handling Guidelines” and “Procedures for Ethical Management and Guidelines for Conduct.” The Company is also committed to the protection of the	None

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Further Explanation	
<p>confidentiality mechanism?</p> <p>(3) Does the Company provide proper whistle-blower? protection?</p>	✓		informer from improper treatment due to his/her reporting and has introduced related measures.	None
<p>4. Strengthening information disclosure</p> <p>Does the Company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	✓		The Company has introduced “Ethical Corporate Management Principles” after the approval of Board of Directors. The information about the principles are disclosed on both the Company’s website and MOPS.	None
<p>5. If the Company has established ethical corporate management principles based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the policies and their implementation: None.</p>				
<p>6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies (e.g., review and amendment of its policies): None.</p>				

Note: Provide description in the summary and description column regardless of “yes” or “no” for the operations.

## 2.2.9 Other Important Information to Facilitate a Better Understanding of the Company's Corporate Governance Practices

1. Courses and training taken by managerial officers of the Company are listed in the table below:

Name	Training Date	Professional Training Institution	Training Course and Hours
Liu, Pang-En	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit (6 hours)

2. Professional institutional training courses taken by/certification received by the Company's internal auditors and Head of Accounting Department:

(1) Internal Auditors:

Name	Training Date	Professional Training Institution	Training Course and Hours
Lin, Mei-Li	2024.05.31	The Institute of Internal Auditors-Chinese Taiwan	Production Cycle Practices and Key Audit Focus Areas (6 hours)
	2024.11.07	Accounting Research and Development Foundation	Analysis of the latest "Annual Report/Sustainability Information/Financial Statement Compilation" Regulations and Internal Control Practices (6 hours)
Huang, Shiau-Jen	2024.03.16	The Institute of Internal Auditors-Chinese Taiwan	Internal Audit Personnel Core Know-how Series: Essentials of Internal Auditing (CIA Review Part 1) (18 hours)
	2024.03.23		
	2024.03.30		
	2024.05.04	The Institute of Internal Auditors-Chinese Taiwan	Internal Audit Personnel Core Know-how Series: Practice of Internal Auditing (CIA Review Part 2) (18 hours)
	2024.05.11		
	2024.05.18		
Wang, Wan-Hsuan	2024.03.16	The Institute of Internal Auditors-Chinese Taiwan	Internal Audit Personnel Core Know-how Series: Essentials of Internal Auditing (CIA Review Part 1) (18 hours)
	2024.03.23		
	2024.03.30		

(2) Accounting Officer:

Name	Training Date	Professional Training Institution	Training Course and Hours
Chuang, Ting-Ting	2024.09.19 ~ 2024.09.20	Accounting Research and Development Foundation	Courses for Heads of Accounting Departments of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges for Their Continuing Education (12 hours)

## 2.2.10 Internal Control System Execution Status

### 1. Internal Control Statement

Evergreen Steel Corporation  
Internal Control Statement

Date: March 13, 2025

The Company states the following with regard to its internal control system during the period from January 1, 2024 to December 31, 2024, based on the findings of a self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and the management. The Company has established such a system, which aims to provide reasonable assurance of achieving the objectives in terms of the effectiveness and efficiency of operations (including profits, performance, and safeguarding of asset security), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies. The internal control system assessment criteria specified by the Regulations evaluate five elements of internal control based on the process of management and control: (1) control environment (2) risk assessment (3) control activities (4) information and communications (5) monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforementioned criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision and management of subsidiaries) was effectively designed and operated and the Company reasonably assured the achievement of the above-stated objectives in terms of operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the Board of Directors in a meeting on Mar. 13, 2025, and none of the 7 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Evergreen Steel Corporation

Chairman: Lin, Keng-Li

President: Liu, Pang-En

2. If a CPA was engaged to conduct a special audit of the internal control system, its audit report shall be disclosed: None.



## 2.2.11 Major Resolutions of Shareholders' and Board of Directors Meetings during the Latest Year and Up to the Printing Date of this Annual Report

### 1. Major Resolutions of 2024 Annual General Shareholders' Meeting

#### (1) To approve 2023 earnings distribution.

Implementation: The cash dividend to shareholders was NT\$6.5 per share with a total amount of NT\$2,711,094,510. The cash dividend was distributed on Aug. 8, 2024.

#### (2) Amend the "Rules and Procedures of Shareholders' Meeting"

Implementation: The related business has been conducted in accordance with the amended "Rules and Procedures of Shareholders' Meeting".

#### (3) Amend the "Regulations for Electing Directors"

Implementation: The related business has been conducted in accordance with the amended "Regulations for Electing Directors".

### 2. Major Resolutions of the Board of Directors and Functional Committee (Audit Committee, Remuneration Committee, Sustainability Committee)

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
Jan. 17, 2024 The 5 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	To approve holding 2024 Annual General Shareholders' Meeting.	—
Mar. 13, 2024 The 6 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	<ol style="list-style-type: none"> <li>To approve 2024 salary for managerial officers.</li> <li>To approve 2024 salary for the Chairman. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>Mr. Lin, Keng-Li, the Chairman, has direct personal interest conflicts to the proposal.</li> <li>Except for the Chairman who recused himself from the discussion and resolution, all 6 attendance directors agreed and approved the proposal.</li> </ul> </li> <li>To approve 2023 Employees' Compensation.</li> <li>To approve 2023 Directors' Compensation.</li> <li>To approve amendments of "Remuneration Committee Charter".</li> </ol>	<p>Mar. 11, 2024 The 3<sup>rd</sup> Meeting of the 3<sup>rd</sup> Remuneration Committee</p> <ol style="list-style-type: none"> <li>All proposals were approved unanimously by Remuneration Committee members.</li> <li>Objection, reservation or important opinion expressed by an independent director: None.</li> </ol>

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
	6. To approve 2023 Business Report. 7. To approve 2023 Parent-Company-Only Financial Report and Consolidated Financial Report. 8. To approve 2023 earnings distribution. 9. To approve 2023 Internal Control System Statement. 10. To approve the appointment of the Company's Certified Public Accountants and their remuneration of the year 2024. 11. To approve amendments of "Audit Committee Charter".	Mar. 11, 2024 The 4 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by an independent director: None.
	12. To approve amendments of "Rules for Procedure of the Meeting of the Board of Directors". 13. To approve amendments of "Rules and Procedures of Shareholders' Meeting". 14. To approve amendments of "Regulations for Electing Directors". 15. To approve revising the agenda of 2024 Annual General Shareholders' Meeting.	—
May 13, 2024 The 7 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	1. To approve the Consolidated Financial Report for the first quarter of the year 2024. 2. To approve the lease of office and factory located at Kaohsiung Container Terminal 7 from the related party "Evergreen Marine Corp. (Taiwan) Ltd.". <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>The Directors, Ms. Ko, Lee-Ching and Mr. Tai, Jiin-Chyuan, are also Directors of Evergreen Marine Corp. (Taiwan) Ltd..</li> <li>Except for the directors who recused themselves from the discussion and resolution, all 5 attendance directors agreed</li> </ul>	May 13, 2024 The 5 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by an independent director: None.

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
	and approved the proposal.	
	3. To approve amendments of “Corporate Governance Best Practice Principles”.	—
Aug. 12, 2024 The 8 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	1. To approve disposing of the securities issued by Shin Kong Financial Holding Co., Ltd on the centralized securities exchange market. 2. To approve the Consolidated Financial Report for the second quarter of the year 2024.	Aug. 9, 2024 The 6 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by an independent director: None.
	3. To approve amendments of “Sustainability Committee Charter”. 4. To approve the Sustainability Report for the year 2023.	Aug. 12, 2024 The 3 <sup>rd</sup> Meeting of the 1 <sup>st</sup> Sustainability Committee 1. All proposals were approved unanimously by Sustainability Committee members. 2. Objection, reservation or important opinion expressed by an independent director: None.

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
Nov. 12, 2024 The 9 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	<ol style="list-style-type: none"> <li>To approve the Consolidated Financial Report for the third quarter of the year 2024.</li> <li>To approve amendments of “Internal Control System” and “Internal Audit Implementation Rules”.</li> </ol>	<p>Nov. 12, 2024 The 7<sup>th</sup> Meeting of the 3<sup>rd</sup> Audit Committee</p> <ol style="list-style-type: none"> <li>All proposals were approved unanimously by Audit Committee members.</li> <li>Objection, reservation or important opinion expressed by an independent director: None.</li> </ol>
Dec. 26, 2024 The 10 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	<ol style="list-style-type: none"> <li>To approve amendments of the attachment “the Salary and Compensation Structure for Management Level” of the “Payment Regulation of Management Compensation”.</li> <li>To approve 2024 bonus for managerial officers.</li> <li>To approve 2025 salary for managerial officers.</li> <li>To approve 2024 bonus for the Chairman. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>Mr. Lin, Keng-Li, the Chairman, has direct personal interest conflicts to the proposal.</li> <li>Except for the Chairman who recused himself from the discussion and resolution, all 6 attendance directors agreed and approved the proposal.</li> </ul> </li> <li>To approve Chairman's salary in 2025. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>Mr. Lin, Keng-Li, the Chairman, has direct personal interest conflicts to the proposal.</li> <li>Except for the Chairman who recused</li> </ul> </li> </ol>	<p>Dec. 26, 2024 The 4<sup>th</sup> Meeting of the 3<sup>rd</sup> Remuneration Committee</p> <ol style="list-style-type: none"> <li>All proposals were approved unanimously by Remuneration Committee members.</li> <li>Objection, reservation or important opinion expressed by an independent director: None.</li> </ol>

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
	<p>himself from the discussion and resolution, all 6 attendance directors agreed and approved the proposal.</p>	
	<p>6. To ratify the purchase of shares of “Hsin Yung Enterprise Corporation” from “TSRC Corporation”.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> <li>• Director, Ms. Lee, Mon-Ling is also Director of TSRC Corporation.</li> <li>• Except for the director who recused herself from the discussion and resolution, all 6 attendance directors agreed and approved the proposal.</li> </ul> <p>7. To approve the “Pre-approval Policy for Non-Assurance Services provided by Certified Public Accountants”.</p> <p>8. To approve 2025 Business Plan and Budget.</p>	<p>Dec. 26, 2024</p> <p>The 8<sup>th</sup> Meeting of the 3<sup>rd</sup> Audit Committee</p> <ol style="list-style-type: none"> <li>1. All proposals were approved unanimously by Audit Committee members.</li> <li>2. Objection, reservation or important opinion expressed by an independent director: None.</li> </ol>
	<p>9. To approve the “Sustainable Development Goals”.</p>	<p>Dec. 26, 2024</p> <p>The 4<sup>th</sup> Meeting of the 1<sup>st</sup> Sustainability Committee</p> <ol style="list-style-type: none"> <li>1. All proposals were approved unanimously by Sustainability Committee members.</li> <li>✳️The 2025 sustainable work plan were approved by Sustainability Committee at this meeting and reported to the Board of Directors.</li> <li>2. Objection, reservation or important opinion expressed by an</li> </ol>

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
		independent director: None.
	10. To approve appointment of the new Chief Corporate Governance Officer. 11. To approve 2025 Internal Audit Plan.	—
Feb. 13, 2025 The 11 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	To approve holding 2025 Annual General Shareholders' Meeting.	—
Mar. 13, 2025 The 12 <sup>th</sup> Meeting of the 24 <sup>th</sup> Board of Directors	1. To approve 2024 Employees' Compensation. 2. To approve 2024 Directors' Compensation.	Mar. 10, 2025 The 5 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Remuneration Committee  1. All proposals were approved unanimously by Remuneration Committee members. 2. Objection, reservation or important opinion expressed by an independent director: None.
	3. To approve 2024 Business Report. 4. To approve 2024 Parent-Company-Only Financial Report and Consolidated Financial Report. 5. To approve 2024 earnings distribution. 6. To approve 2024 Internal Control System Statement. 7. To approve the appointment of the Company's Certified Public Accountants and their remuneration of the year 2025.	Mar. 10, 2025 The 9 <sup>th</sup> Meeting of the 3 <sup>rd</sup> Audit Committee  1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by an independent director: None.

The Meeting Date & Session of the Board of Directors	Major Resolutions	The Meeting Date & Session, Independent Directors' opinion, and Resolutions of Functional Committee
	8. To approve amendments of“Articles of Incorporation”. 9. To approve the range of the Company’s non-executive employees.	—
The Company’s Response to the Opinions of Independent Directors and Functional Committee: None.		

2.2.12 Major Issues of Record or Written Statements Made by any Director or Dissenting to Important Resolutions Passed by Board of Directors during the Latest Year and up to the Printing Date of this Annual Report: None.

## 2.3 Information Regarding the Company's Audit Fees

### 2.3.1 CPA's Audit Fees:

Unit: NT\$ thousands

Name of the Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte & Touche Taiwan	Chang, Ching-Hsia and Chao, Yung-Hsiang	2024.01.01~2024.12.31	4,150	740	4,890	Non-audit fees cover the service fees of tax compliance audit, certification of direct deduction method and preparation of transfer pricing report.

Note: If the Company has changed CPA or the accounting firm during the current fiscal year, the Company shall report the information regarding the audit period covered by each CPA and explain the reason for replacement in the remark column. The Company shall disclose the information about the audit fees and non-audit fees it pays and list the service(s) covered by non-audit fees in the remark column.

2.3.2 The Company changed its accounting firm and the audit fees it paid for the financial year in which the change took place were lower than those paid for the financial year immediately preceding the change: None.

2.3.3 The audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more: None.

2.4 Replacement of CPA: None.

2.5 If any of the Company's Chairman, President, Chief Executive Officers, and the Managerial Officer in Charge of its Finance and Accounting Operations Has Assumed any Positions in the Company's Auditing Firm or its Affiliates During the last year: None.



## 2.6 Stock Transfer or Changes to Stock Pledge of Directors, Managerial Officers, or Shareholders Holding More Than 10% of Company Shares during the Latest Year and up to the Printing Date of this Annual Report.

### 2.6.1 Changes in Shareholding of Directors, Managerial Officers and Major Shareholders

Unit: Shares

Title (Note 1)	Name	2024		As of March 30, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Evergreen Marine Corp. (Taiwan) Ltd.	0	0	0	0
	Representative: Lin, Keng-Li	0	0	0	0
Director	Evergreen Marine Corp. (Taiwan) Ltd.	0	0	0	0
	Representative: Ko, Lee-Ching	0	0	0	0
Director	HUI Corp.	0	0	0	0
	Representative: Tai, Jinn-Chyuan	0	0	0	0
Director	Wei-Dar Development Co., Ltd.	0	0	0	0
	Representative: Lee, Mon-Ling	0	0	0	0
Independent Director	Liu, Nai-Ming	0	0	0	0
Independent Director	Lien, Yuan-Lung	0	0	0	0
Independent Director	Young, Chune-Ching	0	0	0	0
President	Liu, Pang-En	0	0	0	0
Executive Vice President	Chien, Chih-Lung	0	0	0	0
Vice President (Corporate Governance officer)	Lee, Jen-Yi (Date of appointment : 2025.01.01)	0	0	0	0

Title (Note 1)	Name	2024		As of March 30, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Vice President	Chang, Hsing-Kung	(4,000)	0	0	0
Vice President	Ou, Nan-Hsin	0	0	0	0
Vice President (Principal Financial Officer and Principal Accounting Officer)	Chuang, Ting-Ting	0	0	0	0
Vice President	Cheng, Meng-Ling	0	0	0	0
Vice President	Chou, Chih-Chieh	(6,000)	0	0	0
Vice President	Tsai, Su-Yun	0	0	0	0
Vice President	Tsai, Ya-Li	0	0	0	0
Junior Vice President (Corporate Governance officer)	Lee, Kang-Hsuan (Date of dismissal : 2025.01.01)	0	0	0	0
Major Shareholder	Evergreen Marine Corp. (Taiwan) Ltd.	0	0	0	0
Major Shareholder	Chang, Kuo-Hua	0	0	0	0

Note 1: Shareholders holding over 10% of the outstanding shares shall be remarked as major shareholders and listed individually.

Note 2: Fill in the following table when the counter-party of transfers or pledges of shares is a related party.

2.6.2 Information of Stock Transfer: Not applicable.

2.6.3 Information of Stock Pledged: Not applicable.

## 2.7 Relationship among the Top Ten Shareholders:

March 30, 2025

Unit: Share

Name	Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		The entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks	
	Shares	%	Shares	%	Shares	%	Name	Relationship		
Evergreen Marine Corp. (Taiwan) Ltd.	79,248,000	19.00	Not Applicable		0	0.00	Chang, Kuo-Hua	Director of Evergreen Marine Corp. (Taiwan) Ltd.	None	
Representative: Chang, Yen-I							0	0.00		0
Chang, Kuo-Hua	25,756,820	6.18	20,330,000	4.87	0	0.00	Evergreen Marine Corp. (Taiwan) Ltd.	Director		None
							Chang Yung-Fa Foundation	Director		
							Yang, Mei-Chen	Spouse		
							Chang, Sheng-En	Within two degrees kinship		
							Tseng, Chiung-Hui			
Continental Engineering Corp.	25,645,907	6.15	Not Applicable		0	0.00	Wei-Dar Development Co., Ltd.	Other related parties	None	
							Maoshi Corp.			
							TSRC Corp.			
	Representative: Continental Holdings Corp.	0	0.00	Not Applicable		0	0.00	Wei-Dar Development Co., Ltd.		Wei-Dar Development Co., Ltd. is a director of Continental Holdings Corp.
								Maoshi Corp.		Other related parties
								TSRC Corp.		Chairman is the same person.
								Ing, Chi		Chairman of Continental Holdings Corp.

Name	Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		The entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Chang Yung-Fa Foundation	25,008,820	6.00	Not Applicable		0	0.00	Evergreen Marine Corp. (Taiwan) Ltd.	Other related parties	None
							Chang, Kuo-Hua	Director of Chang Yung-Fa Foundation	
							Chang, Sheng-En		
Representative: Chung, De-Mie	10,000	0.00	0	0.00	0	0.00	None	None	
Shine Glow Investments Ltd.	25,008,820	6.00	Not Applicable		0	0.00	None	None	None
Representative: Tseng, Chiung-Hui	10,000	0.00	0	0.00	0	0.00	Chang, Kuo-Hua	Within two degrees kinship	
							Yang, Mei-Chen		
Yang, Mei-Chen	20,330,000	4.87	25,756,820	6.18	0	0.00	Chang, Kuo-Hua	Spouse	None
							Tseng, Chiung-Hui	Within two degrees kinship	
							Chang, Sheng-En		
Chang, Sheng-En	19,930,000	4.78	0	0.00	0	0.00	Chang, Kuo-Hua	Within two degrees kinship	None
							Yang, Mei-Chen		
							Chang Yung-Fa Foundation	Director	
Taiwan Business Bank, Ltd. in custody for Yuanta Taiwan High Dividend Low Volatility ETF	13,343,000	3.20	Not Applicable		0	0.00	None	None	None
Wei-Dar Development Co., Ltd.	12,823,245	3.07	Not Applicable		0	0.00	Continental Engineering Corp.	Other related parties	None
							Continental Holdings Corp.	Wei-Dar Development Co., Ltd. is a director of Continental Holdings Corp.	
							TSRC Corp.	Wei-Dar Development Co., Ltd. is a director of TSRC Corp.	

Name	Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		The entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Representative: Maoshi Corp.	0	0.00	Not Applicable		0	0.00	Continental Engineering Corp.	Other related parties	None
							Continental Holdings Corp.		
							TSRC Corp.		
TSRC Corp.	12,148,000	2.91	Not Applicable		0	0.00	Continental Engineering Corp.	Other related parties	None
							Maoshi Corp.		
							Continental Holdings Corp.	Chairman is the same person.	
							Wei-Dar Development Co., Ltd.	Wei-Dar Development Co., Ltd. is a director of TSRC Corp.	
Representative: Ing, Chi	0	0.00	0	0.00	0	0.00	Continental Holdings Corp.	Chairman	

Note 1: All of the top ten shareholders shall be listed in the table. For directors who are legal entities, the names of the legal entities and their representatives shall be listed separately.

Note 2: The shareholding percentage refers to the percentage of shares held by oneself, his/her spouse/minor or by nominee arrangement.

Note 3: The relations among the shareholders listed in this table, including natural persons and legal entities, shall be disclosed according to Regulations Governing the Preparation of Financial Reports by Issuers.

## 2.8 Ownership of Shares in Affiliated Enterprises

As of December 31, 2024  
Unit: shares / %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Managerial Officers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Hsin Yung Enterprise Corp.	104,923,577	72.36	1,256,652	0.87	106,180,229	73.23
Super Max Engineering Enterprise Corp.	24,147,144	48.13	0	0.00	24,147,144	48.13
Ever Ecove Corp.	80,100,000	50.06	30,500,000	19.06	110,600,000	69.12
Mingyu Investment Corp.	10,350,000	100.00	0	0.00	10,350,000	100.00

Note: Investment of the Company accounted for using equity method.

## III. Capital Overview

### 3.1 Capital and Shares

#### 3.1.1 Source of Capital

##### 1. Issued Shares

Unit: NT\$/shares

Month / Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increases by Assets Other than Cash	Others
August 2019	10	440,000,000	4,400,000,000	399,425,963	3,994,259,630	Capital reduction by NT\$ 60,000,000 due to cancellation of treasury stock	None	Note 1
April 2021	10	440,000,000	4,400,000,000	419,981,963	4,199,819,630	Capital increase by NT\$205,560,000 by cash with the IPO	None	Note 2
August 2022	10	440,000,000	4,400,000,000	417,091,463	4,170,914,630	Capital reduction by NT\$ 28,905,000 due to cancellation of treasury stock	None	Note 3

Note 1: Approved by the Ministry of Economic Affairs on Sep. 2, 2019 with the letter No. 10801120740.

Note 2: Approved by the Ministry of Economic Affairs on Apr. 28, 2021 with the letter No. 11001067730.

Note 3: Approved by the Ministry of Economic Affairs on Sep. 27, 2022 with the letter No. 11101168850.

Note 4: Information for the current fiscal year as of the publication date of this annual report shall be provided.

Note 5: For any capital increase, the effective (approval) date and the document number shall be provided.

Note 6: Shares traded below par value shall be shown in a clear manner.

Note 7: Contribution to equity capital in the forms of monetary credit or technology shall have explanatory information and the type and amount of such contribution in such capital increase shall be shown.

Note 8: Private placement shall be indicated in a clear manner and related information shall be provided in the table below.

Unit: shares

Shares Type	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered Common Shares	417,091,463	22,908,537	440,000,000	Shares of TWSE listed company

Note: Please indicate whether the shares are issued by a Company listed on the TWSE or the TPEX (Shares of which trading is restricted on the TWSE or those which are traded on the TPEX shall be shown in a note).

##### 2. Information for Shelf Registration : Not applicable.

### 3.1.2 List of Major Shareholders

March 30, 2025

Entity \ Shareholding	Number of Shares	Percentage (%)
Evergreen Marine Corp. (Taiwan) Ltd.	79,248,000	19.00
Chang, Kuo-Hua	25,756,820	6.18
Continental Engineering Corporation	25,645,907	6.15
Chang Yung-Fa Foundation	25,008,820	6.00
Shine Glow Investments Ltd.	25,008,820	6.00
Yang, Mei-Chen	20,330,000	4.87
Chang, Sheng-En	19,930,000	4.78
Taiwan Business Bank, Ltd. in custody for Yuanta Taiwan High Dividend Low Volatility ETF	13,343,000	3.20
Wei-Dar Development Co., Ltd.	12,823,245	3.07
TSRC Corporation	12,148,000	2.91

### 3.1.3 Dividend Policy and Implementation Status

#### 1. Dividend Policy Specified in the Article of Incorporation of the Company:

Any profit made by the Company for each fiscal year shall, after deduction of tax, be applied first towards making up any losses incurred by the Company in previous years; secondly 10% of the balance thereof shall be retained as the legal reserve, and the special reserve shall be set aside in compliance with regulations; the remaining amount, together with the accumulated unallocated profit of the previous period, shall be allocated pursuant to the proposal of earnings distribution made by Board of Directors after it is accepted in a shareholders' meeting.

As the Company is experiencing steady growth, the Board of Directors shall propose earnings distribution according the following principles for implementation of operation plan and protection of shareholders' interests:

- (1) Stockholders' dividends allocated by the Company shall not be lower than 50% of the after-tax profit of the current year.
- (2) Stockholders' dividends shall be distributed in cash dividends and stock dividends, with the cash dividend at least 50% of the total amount of distribution.

#### 2. Dividend Distribution in Current Year to be Discussed in a Shareholders Meeting (was approved by the Board of Directors but had not been accepted in a shareholders meeting):

The board approved a proposal for 2024 dividend distribution at its meeting on March 13, 2025 that cash dividends will be distributed to shareholders for NT\$5/per share, total amount of distribution is about NT\$2,085.46 million.



3. Expected Significant Change of the Dividend Policy: None.

3.1.4 Impact of the stock dividends issuance proposal for this shareholders' meeting to the Company's Business Performance and Earnings per Share: No stock dividends issuance proposal was presented for this shareholders' meeting.

### 3.1.5 Compensation of Employees and remuneration of Directors

1. Range or Percentage of Employees' Compensation and Directors' Remuneration specified in the Company's articles of incorporation:

According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 0.5% for employees' compensation and the ratio for directors' remuneration shall not be higher than 2%. The aforementioned profit refers to the profit before tax of current year before the deduction of its 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 aforementioned employee remuneration may be distributed to eligible employees of the Company's affiliates and the eligibility criteria shall be established by the Board of Directors. The amounts and methods of profit distribution for employees' compensation and directors' remuneration shall be approved by at least half of attending directors in a board meeting attended by over 2/3 directors and reported to the shareholders' meeting.

2. The Basis for Estimating the Amount of Employees' Compensation and Directors' Remuneration, for Calculating the Number of Shares to be Distributed as Employee Compensation, and the Accounting Treatment of the Discrepancy, if any, between the Actual Distributed Amount and the Estimated Figure, for the Current Period:

The employees' compensation and directors' remuneration were estimated on the basis of the Company's Articles of Incorporation and consideration of legal reserve with distributable profit of current year for the year ended December 31, 2024. There is no difference from the amount as resolved by the meeting of Board of Directors.

3. Distribution of Employees' Compensation and Directors' Remuneration approved in the Board of Directors Meeting:

- (1) Amount of employees' compensation (including stock and cash) and directors' remuneration distributed: if the actual amount distributed differs from the original estimated amount, the difference, reason, and how the difference was treated shall be disclosed:

The employees' compensation and directors' remuneration of 2024 as resolved by the

Board of Directors were NT\$15 million and NT\$7 million, and the employees' compensation will be distributed in the form of cash. The amount is no difference from the recognized expense amount in 2024.

- (2) The amount of any employees' compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or the Company's financial reports for the current period and total amount of such employees' compensation: the Company does not plan to compensate its employees with stock distribution.

4. Information of 2023 Distribution of Employee's Compensation and Directors' Remuneration (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employees' compensation and directors' remuneration, the discrepancy, reason, and how it is treated:

The actual distribution of employees' compensation and directors' remuneration of 2023 :

Unit: NT\$ thousands

Item	The amount of actual distribution	The amount of recognition	Difference	Reason for the Difference and the Treatment
Employee Compensation (Cash)	20,450	20,450	-	None
Remuneration of The Directors	6,495	6,495	-	None

3.1.6 Buyback of Treasury Stock: None

3.2 Corporate Bonds: None

3.3 Preferred Stock: None

3.4 Global Depository Receipts: None

3.5 Employee Stock Options: None

3.6 Employee Restricted Stock: None

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

3.8 Financing Plans and Implementation: None

## IV. Business Overview

### 4.1 Business Activities

#### 4.1.1 Business Scope

1. The Group is engaged in the following activities

The main business scope includes steel structure construction and reinvestment in environmental protection. The steel structure construction business includes steel structures for factories, high-rise buildings, bridges, and railways, etc. The environmental protection business includes general/industrial waste treatment and clearance as well as power cogeneration.

2. Consolidated Revenue Breakdown

Unit: NT\$ thousands

Main product \ Year	2023		2024	
	Revenue	Ratio (%)	Revenue	Ratio (%)
Steel Structures	8,011,402	72.24	9,818,936	76.01
General / industrial Waste Treatment	1,958,481	17.66	1,975,354	15.29
Sales of Electricity	939,512	8.47	942,370	7.30
Others	181,138	1.63	180,678	1.40
Total	11,090,533	100.00	12,917,338	100.00

3. Main products and services

- (1) Steel structures for industry: Power plants, electronics plants, incinerators, airplane maintenance hangars, etc.
- (2) Steel structures for high-rise buildings: Skyscrapers, office buildings, residential buildings, etc.
- (3) Steel structures for bridges: Large-span bridges, arched bridges, cable-stayed bridges, etc.
- (4) General/industrial waste clearance and treatment.
- (5) Cogeneration business.

4. New products/services planned: None.

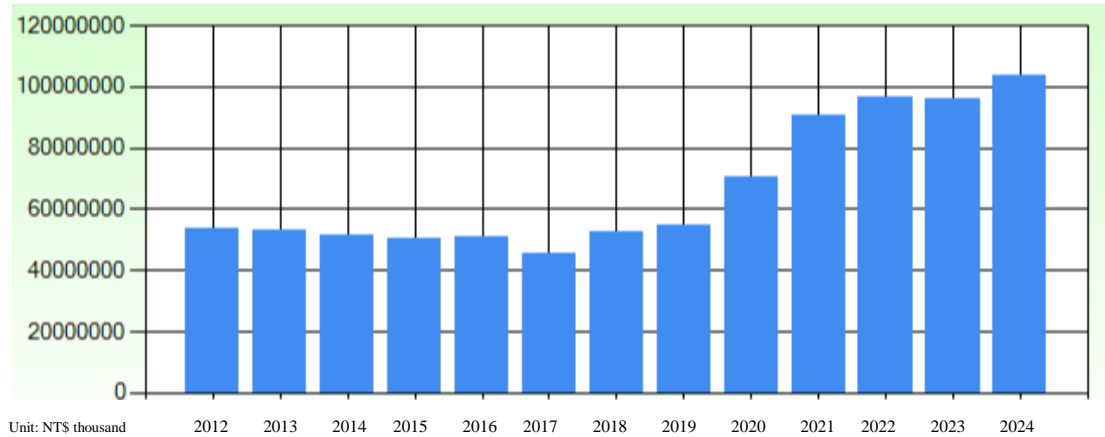
#### 4.1.2 Industry Overview

1. Current Development

- (1) Steel structure industry

The steel structure industry is a lower stream industry as well as the most important related industry of the steel industry. It also plays a crucial role in the construction industry as it helps other related industries develop. As a labor, technology and capital-intensive industry, the steel structure industry is evidently important for both the steel industry and construction industry in Taiwan. It also heavily relies on domestic demand with a domestic self-sufficiency rate consistently above 90% and under 6% of exports. The MOEA's statistics show that the production value of the metal structure manufacturing industry in 2024 was NT\$103.62 billion, 8.2% more than the NT\$95.8 billion in 2023.

The Production Value of the Metal Structure Manufacturing Industry in Taiwan (2012~2024)



Source: Department of Statistics, MOEA

Steel structures are applied in a wide array of fields (factories, large stadiums, airplane maintenance hangars, skyscrapers and railways). Compared to traditional concrete structures, they have several advantages including strong seismic capabilities, high strength, and high density, can be mostly manufactured in factories, barely creates any pollution in the environment, and can be recycled, making them an all-time favorite structure in the business. Even though some factories are still built as concrete structures, as manufacturing technology continues to innovate, factories are getting larger with ever-increasing column spacing, span, height and lifting capacity and they are expected to start production even sooner after being built. All these factors have helped steel structures to truly utilize their features and continue to expand their applications in this industry.

Based on the Statistical Yearbook of Construction and Planning by the Construction and Planning Agency, Ministry of the Interior, steel structures and steel reinforced structures have accounted for 24.28% to 31.15% of total floor space among the buildings that began construction within the last 3 years. Steel structures have been enjoying consistent market share in recent years.

Construction of Buildings – By Materials, 2014~2023

Year	Total	Steel Structure		Steel Reinforced Concrete		Subtotal		Others (note)	
	Total Floor Area	Total Floor Area	%	Total Floor Area	%	Total Floor Area	%	Total Floor Area	%
2014	31,344,905	5,042,623	16.09	1,656,074	5.28	6,698,697	21.37	24,646,208	78.63
2015	25,354,769	3,555,345	14.02	2,338,209	9.22	5,893,554	23.24	19,461,215	76.76
2016	20,816,441	3,677,692	17.67	1,387,936	6.67	5,065,628	24.33	15,750,813	75.67
2017	23,223,703	5,102,790	21.97	1,455,147	6.27	6,557,937	28.24	16,665,766	71.76
2018	26,262,066	5,029,793	19.15	2,138,165	8.14	7,167,958	27.29	19,094,108	72.71
2019	27,843,010	4,949,202	17.78	1,726,516	6.20	6,675,718	23.98	21,167,292	76.02
2020	32,403,233	5,615,047	17.33	2,801,936	8.65	8,416,983	25.98	23,986,250	74.02
2021	30,499,556	5,223,188	17.13	2,181,629	7.15	7,404,817	24.28	23,094,739	75.72
2022	35,441,234	7,748,616	21.86	2,839,985	8.01	10,588,601	29.88	24,852,633	70.12
2023	32,568,032	8,203,264	25.19	1,940,468	5.96	10,143,732	31.15	22,424,300	68.85

Source: 2023 Statistical Yearbook of Construction and Planning by the Construction and Planning Agency, Ministry of the Interior

Note: Others include brick structures, wooden structures, concrete (including reinforced concrete) structures, cold-formed steel structures and others.

In recent years, many multifamily residential buildings have been built across the island that are both tall and high-density. Since the 921 earthquake, low-rise buildings in the suburbs are using light gauge steel frame structures while most buildings downtown with high land prices are steel structure high-rise buildings to fully take advantage of the tenacity of steel to handle any kind of action force. In addition, CO<sub>2</sub> emissions will be capped in the future, meaning that we will need to face the environmental issues from manufacturing and using concrete in construction as well as the challenges in recycling materials from demolished RC buildings. Therefore, steel structures have been more and more popular in green buildings and one after another, countries worldwide are developing steel as the basic construction material. In the past 20 years, steel structures have become the mainstay in green buildings and bridges across the world. The Construction and Planning Agency of Taiwan added a new chapter on green buildings in January, 2005, in the Building Technical Regulations, which cites the building code and requires buildings with more than 11 floors to meet green structure standards to obtain a construction license. The government has introduced clear construction regulations to promote lightweight private buildings, and steel structures are one of the structures that can most easily meet the requirements in such regulations. With such a policy, more buildings are using steel structures and reinforced concrete structures, which has promoted the steady development of the steel structure industry.

## (2) Environmental protection industry

### ① General waste

In the early days, most of the waste went to landfills. However, disputes and controversies over waste occurred in Taoyuan, Miaoli, Chiayi, Kaohsiung and Pingdong in June, 1997. The waste problem in Zhongli could even be traced back to 1981. In 1997, as the disputes over waste became more intense, piles of waste filled up the streets in Zhongli and the local residents even attempted to recall the mayor. Neighboring towns refused to take in excess waste from Zhongli. In fact, many counties and cities faced similar problems at the time – existing landfills were overflowing and no other town was willing to provide land to build new landfills. Even the new landfills already built could not be used until an agreement was reached with the local residents. Each town generated a massive amount of waste every day, yet most towns refused to build landfills locally. Therefore, the Taoyuan County Government opened a bid for incinerators to solve the waste problem. Hsin Yung Enterprise Corporation signed a contract with the Taoyuan County Government in January, 1999. The company obtained the installation permit in April and began construction in August in the same year. The incinerator was completed and began operation in October, 2001 as the first and largest BOO (build-operate-own) incinerator in Taiwan.

Since its upgrade to a special municipality, Taoyuan City's population has continued to grow, with both business and industry thriving, which has resulted in an increase of general and industrial waste. To enhance the city's efficiency

in its own waste disposal, the Taoyuan City Government opened a bid for a biomass energy center (instead of an incinerator) in 2018. Ever Ecove Corporation had awarded the bid and signed a BOT (build-operate-transfer) contract with the Taoyuan City Government in October of the same year with a concession period of 25 years. The Company obtained commercial operation licenses for the heat-treatment facilities and anaerobic digestion system in December 2023 and February 2025 respectively.

#### General Waste Breakdown in Taoyuan City

Unit: Tons

Year	Total	General Waste	Resource Waste	Food Waste
2019	1,205,645	459,132	712,205	34,308
2020	1,258,474	490,405	734,366	33,703
2021	1,277,926	522,055	723,821	32,050
2022	1,336,424	519,228	771,527	45,669
2023	1,288,007	513,457	732,760	41,790

Source: Environmental Statistics Data Website of EPA, Executive Yuan

As shown in the table above, despite a small decrease in general waste in 2023 compared to the year prior, the population continues to grow in Taoyuan City, where business is booming. Currently, Hsin Yung Enterprise Corporation (incinerator) and Ever Ecove Corporation (biomass energy center) have signed long-term contracts with the Taoyuan City Government to provide waste disposal services for household waste from Taoyuan City. General waste volume is expected to continue to grow, meaning that both companies will have a steady supply of waste to process.

#### ② Industrial waste

#### National Industrial Waste Breakdown

Unit: Tons

Year	Total	General Industrial Waste	Hazardous Industrial Waste	Recycled Resources
2019	19,840,512	15,061,322	1,390,642	3,388,547
2020	20,030,415	15,491,916	1,523,475	3,015,024
2021	21,950,312	16,590,691	1,715,315	3,644,305
2022	21,178,033	15,927,779	1,665,248	3,585,006
2023	20,038,745	15,420,071	1,479,613	3,139,062

Source: Environmental Statistics Data Website of EPA, Executive Yuan

According to the amount of industrial waste nationwide reported to the Industrial Waste Report and Management System under the Resource Circulation Administration, Ministry of Environment. According to Permit Management for Public or Private Waste Clearance and Disposal Organizations, industrial waste organizations can be divided into clearance, disposal and clearance/disposal organizations. A waste clearance organization is one that

clears waste under commission for disposal overseas or at disposal sites and plants designated by the said commissioning party. A waste disposal organization is one that disposes of waste under commission. A waste clearance/disposal organization can clear and dispose of waste under commission. Clearance organizations have 3 classifications. Grade A organizations can engage in the clearance of both general and hazardous industrial waste. Grade B organizations can only clear general industrial waste. Finally, Grade C organizations can only engage in the clearance of less than 900 metric tons of general industrial waste per month. Disposal organizations have 2 classifications. Grade A organizations can engage in the disposal of both general and hazardous industrial waste while Grade B organizations can only engage in the disposal of general industrial waste.

Number of Public and Private Waste Clearance and Disposal  
Organizations in 2023

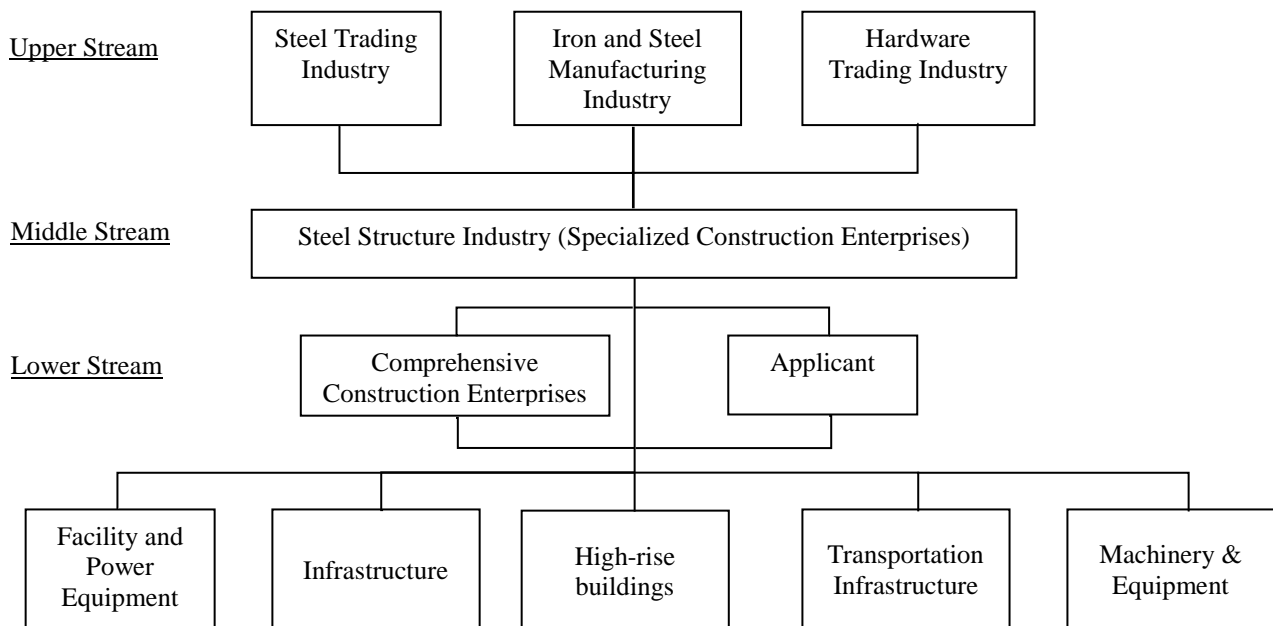
Region	Clearance Organizations				Disposal Organizations		
	Grade A	Grade B	Grade C	Total	Grade A	Grade B	Total
Northern Taiwan	276	1,556	498	2,330	92	49	141
Central Taiwan	127	793	263	1,183	18	33	51
Southern Taiwan	130	1,115	286	1,531	83	61	144
Eastern Taiwan	3	82	21	106	0	4	4
Offshore islands	1	18	6	25	0	1	1
Total	537	3,564	1,074	5,175	193	148	341

Source: Environmental Statistics Data Website of EPA, Executive Yuan

According to the 2023 clearance and disposal organizations statistics, currently there are totally 5,516 clearance and disposal organizations. Among them, 5,175 are clearance organizations and 341 are disposal organizations. There are 341 public and private organizations that can dispose of both general and hazardous industrial waste (193 are Grade A and 148 are Grade B). These numbers show a huge discrepancy between the numbers of clearance organizations and disposal organizations, further highlighting the importance of these disposal organizations in the process of waste clearance and disposal.

## 2. Interrelationships among the upper, middle and lower stream of the industry

### (1) Steel structure industry



Source: ITIS Project by Metal Industries Research & Development Center

### (2) Environmental protection industry

Upper stream	Middle stream (clearance)	Lower stream (processing)
Citizens' living space, organizations	Office of Environmental Management, Taoyuan City Government	Large urban waste recycling (incinerating) facility, waste treatment/disposal organizations, waste recycling organizations, and overseas waste treatment/disposal organizations
Factories, department stores, malls, businesses, office buildings, restaurants and eateries	Department of Environmental Protection, Taoyuan City Waste clearance organizations	

## 3. Industrial development trend

### (1) Steel structure industry

- ① Generally, structural steel is 10 times stronger than concrete with significantly higher deformation capacity. Therefore, steel structures are generally considered stronger and tougher, suitable for use in construction in Taiwan, an island on a great seismic belt where land is scarce and expensive.
- ② Reinforced concrete remains the main construction material in Taiwan. However, the high CO<sub>2</sub> emissions from the manufacturing of cement has prompted advanced countries to switch to mainly steel structures, which have lower CO<sub>2</sub> emissions. Generally speaking, steel structures have significantly



lower CO2 emissions than reinforced concrete. Production also consumes less energy. Therefore, steel structures are considered the structural materials with the least impact on the environment. In addition, steel can be recycled using a furnace and that is why it is referred to as a green building material or green steel in other countries. This is why advanced countries with developed industries rely mainly on steel structures for construction.

- ③ With the advancement in steel manufacturing technology, China Steel Corporation (CSC) has been manufacturing the SN490 series of earthquake-resistant steel, SM570 high-strength steel (for buildings) and SBHS500 high-strength steel (for bridges) to meet construction needs in Taiwan, as the island sits along a seismic belt. The use of earthquake-resistant and high-strength steel in steel-structure buildings has become a trend and with bucking restrained braces developed by the National Center for Research on Earthquake Engineering, which reduces the steel consumption in steel structure buildings while making them more earthquake resistant, steel-structure buildings will become the mainstay in the future. As the economy develops rapidly, the demands of high-rise buildings and large-span buildings (such as stadiums and exhibition halls) will gradually increase.

## (2) Environmental protection industry

- ① The government has been promoting recycling and implementing the “per-bag-trash-collection-fee” policy for many years and as a result, general waste generation has remained consistent. However, it remains difficult to build new large waste incinerators as they are still considered NIMBY (not-in-my-back-yard) facilities. Therefore, when an incinerator’s capacity is reduced temporarily (due to annual maintenance, natural disasters or national annual thorough-cleaning week), it will rely on assistance from other counties/cities or coordination from the central government.
- ② As the government prohibited combustible waste from going to public landfills starting on January 1, 2007, the combustible waste has been going to incinerators instead. On the other hand, as the government has improved regulations regarding bulk waste removal (such as landfill restoration) and waste in general and started cracking down on illegal disposal of waste, the demand for waste disposal continues to grow as both the sources of waste and waste clearance organizations are working through proper channels.

## 4. Product competition

### (1) Steel structure industry

In the recent year, the demand for factories, high-rises, high-tech factories and logistics warehouses has been growing steadily. However, with rising raw materials costs and a shortage of construction workers, cost controls, utilizing suppliers’ resources efficiently and increasing factory operational capacity are the keys to improving factories’ production capacity and enhancing overall competitiveness.

Evergreen Steel Corporation, one of the main steel structure companies in Taiwan, is a supplier for construction projects for factories, high-rise buildings, bridges and infrastructure and competes with companies such as China Steel Structure, Chun Yuan Steel, Tung Kang Steel Structure.

(2) Environmental protection industry

- ① Hsin Yung Enterprise Corporation is a large urban waste incineration plant working as a waste clearance and disposal organization in compliance with Permit Management Regulations for Public or Private Waste Clearance and Disposal Organizations. Contract signing and price negotiation were completed for the “Taoyuan City Household Waste Commissioned Processing Service” contract on November 11, 2022. This contract (10+5 years) has been signed and entered into effect upon notification by the Taoyuan City Government on March 1, 2023, with a steady supply of waste to process. The Company completed the maintenance and upgrade of the majority of its equipment between October 2023 and September 2024 and obtained a permit for air-pollution operations in January 2025. The Company is expecting steady revenue growth in the future.
- ② Super Max Engineering Enterprise Co., Ltd. is facing ever more competition from newly built processing and recycling plants. However, Super Max has the edge on most of its competitors with superior processing capabilities and larger coverage for waste collection. Business-wise, the Company, in addition to regular clients, will continue to compete for hazardous waste that is more difficult to process and has a higher per-unit price.
- ③ Ever Ecove Corporation is an iconic BOT bioenergy center in Taiwan. What sets it apart from traditional waste incineration plants is that it is both capable of properly treating waste and generating energy using recycled resources, but it is a low-pollution and sustainable new-generation circular environmental protection and science park that can handle multiple types of waste. It has also become the best example of the circular economy that Taoyuan City Government has been promoting and developing.

#### 4.1.3 Technology and R&D Overview

1. As a manufacturer of steel structures, the Company manufactures products following the building structure designs provided by our clients (proprietors) and does not have a dedicated R&D department. For products with higher technological requirement or are innovative, the Company will develop and innovate manufacturing methods to overcome hurdles in manufacturing. The Company has brought BIM (Building Information Modeling), and combined TEKLA and AutoCAD software to create and integrate the construction drawings to reduce construction cost, ensure construction quality, and keep the construction projects on schedule. To increase production efficiency and safety, the Company has already invested NT\$ 36.58 million during the latest year and up to the printing date of this annual report for research and development for the following items:

- (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 trial result report was submitted for review 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, it 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 to enhance work efficiency. R&D result passed review by the National Science and Technology Council in 2024. Starting in 2025, National Taiwan University took charge of the collaboration project and is expecting to complete the industrial/academic cooperation of the entire project in Q4 of 2025.
- (4) The Company improved the environment for the coating area and coating pollution prevention measures at the Hsinying Factory, which has enhanced the quality of painting, optimized the painting process, and reduced the impact of volatile organic compounds on the environment. Currently, the building's design has been completed and the Company is outsourcing the construction of the plant and pollution prevention equipment. The construction of the plant and pollution prevention equipment contracted. The construction of the plant and installation of pollution prevention equipment are scheduled to begin by the end of Q2, 2025.

2. Hsin Yung Enterprise Corporation, Super Max Engineering Enterprise Co., Ltd. and Ever Ecove Corporation are all in the environmental protection service industry. Even though both companies do not have a dedicated R&D department, they assign full-time employees to acquire new knowledge, visit other companies in the same industry both domestic and overseas, and explore ways to update/add treatment facilities or improve treatment processes to enhance performance, reduce operational costs and maintain a competitive edge as the companies evolve with this industry.

- (1) Hsin Yung Enterprise Corporation spent NT\$128.49 million to add fly ash washing equipment between 2021 and 2024, effectively decreasing the outsourcing cost for fly ash processing. It has invested a total of NT\$1,175.30 million updating its main washer starting in 2023 for operational efficiency and system stability. The update to the main equipment was completed at the end of September 2024 and the trial run generated promising results. The updates include:

- ① Upgrade the pollution prevention equipment with a catalyst system with better pollution prevention efficiency to lower the company's air pollutants in compliance with related regulations.
- ② Replace incinerator grates, ash handling system and certain boiler pipes to

improve incineration efficiency.

③ Upgrade gas turbine engine rotors and control systems to improve power generation efficiency and equipment stability.

④ Update the waste and bottom ash hoisting system to maintain equipment stability.

(2) Since 2021, Super Max Engineering Enterprise Co., Ltd. has invested a total of NT\$871.53 million building a new incinerator with a daily capacity of 43 tons. The new incinerator conducted trial operations in August, 2024. This new incinerator is expected to become officially operational in the first half of 2025 and will increase waste processing capacity as well as the Company's revenue.

#### 4.1.4 Long and short-term Business Development Plan

##### 1. Long-term business development

###### (1) Steel structure industry

① Evergreen Steel Corporation has experience of exporting steel structures and is recognized by Mitsubishi Hitachi Power Systems for its quality. With a limited steel structure market in Taiwan, the Company will continue to expand its oversea business to boost both business volume and profit.

② As the Hsinchu Factory for steel structures completed its transformation, it has been producing steel structures steadily. Together with the Hsinying Factory, the two factories can better serve clients in both northern and southern Taiwan respectively. It can also adjust its capacity according to market supply and demand and clients' changing construction schedules. As wages are higher in northern Taiwan, the Hsinchu Plant will continue to develop its special structure processing business to boost its competitiveness.

###### (2) Environmental protection industry

For this business, the objective is to maintain consistent quality and quantity of waste coming into the plant as well as reliable equipment operation to ensure highly efficient power generation and improve waste processing capacity. As the Company builds the employees' technological capabilities it hopes to provide incinerator construction services as well as operations management and technical services.

##### 2. Short-term business development

###### (1) Steel structure industry

###### ① Business development strategy

A. Enhance business development skills, continue to cultivate well-known companies (such as insurance companies and construction companies) to establish long-term partnerships.

B. Continue to evaluate and pursue suitable and special construction projects to boost competitiveness. Currently, the Company has participated in the now-completed Kaohsiung Exhibition Center, Southern Branch of the National Palace Museum, Taichung International Convention and Exhibition Center, Agora Garden and Kaohsiung Train Station. The Company will continue to

pursue special construction projects on site to improve technological capabilities.

C. In line with the government's promotion of public construction projects, the Company has actively pursued projects such as steel structure bridges and improved its market share to maintain a steady stream of revenue.

## ② Manufacturing strategy

A. As materials prices account for a high percentage of the costs in the steel structure business, the Company has signed fixed-price contracts with steel providers to avoid the risk that comes with fluctuations in steel prices.

B. Reinforce the designers' professional skills and review manufacturing drawings to improve production efficiency and reduce mistakes.

C. Continue to follow and maintain the already-obtained ISO 9001 quality management system and test products in laboratories accredited by the Taiwan Accreditation Foundation (TAF) to ensure that the products are satisfactory to clients.

D. Review construction methods on site to improve construction efficiency, reduce costs, shorten the construction period on site and boost competitiveness.

E. Regarding the promotion of labor safety, continue to promote and maintain the already-obtained CNS 45001 and ISO 45001 occupational safety management system as well as improve the labor environment continuously to effectively reduce occupational hazards and achieve business sustainability.

## (2) Environmental protection industry

### ① Hsin Yung Enterprise Corporation

Treat Taoyuan City government's 372,300 tons of waste per year and 40,000 tons of industrial waste a year while maximizing profit from the sales of electricity.

### ② Super Max Engineering Enterprise Co., Ltd.

Maintain the current clients; proactively help clients dispose of their industrial waste, continue to improve processing capabilities while cultivating new clients; earn their trust to build long-lasting relationships to maximize profits.

### ③ Ever Ecove Corporation

To ensure the heat treatment unit can reach an annual capacity of 219,000 tons and 25% in power generation efficiency, the anaerobic digestion units obtained a commercial operation permit in February 2025 and will continue to maintain its operational load.

## 4.2 Market & Production/Sales Overview

### 4.2.1 Market Analysis

#### 1. Main areas offering the products and services

The Group is engaged in the following activities: (1) Steel structure manufacturing –

across Taiwan and certain areas overseas; (2) Environmental protection business – mainly northern Taiwan and Taoyuan City.

## 2. Future supply and demand in the market

### (1) Steel structure industry

The steel structure market is heavily influenced by the real estate market and public infrastructure projects. As the domestic market requires high seismic capability of buildings, it will boost the demand of steel structures. Statistics from the Construction and Planning Agency of the Ministry of the Interior show that among the buildings that began construction in the last 3 years, steel structures and steel reinforced concrete account for 24.28%~31.15% of the total floor area, showing that the steel structure business has been enjoying a high market share in recent years.

Steel structures can be constructed quickly with great seismic capability and green building materials, making them a mainstay of industry. In the past 10 years, steel structures and steel reinforced concrete have been taking up more and more total floor space in licensed construction projects. With Taiwan ranked 8th on IMD's 2024 World Competitiveness Ranking. Thanks to the rapid development of AI, technology companies continue to build factories, while development projects for urban regeneration, commercial, and residential buildings abound. The steel structure market therefore maintains steady development.

### (2) Environmental protection industry

Hsin Yung Enterprise Corp. mainly processes general waste from Taoyuan City; Ever Ecove Corp. mainly processes industrial waste from Taoyuan City; and Super Max Engineering Enterprise Co., Ltd. is a waste treatment center for northern Taiwan established under the guidance of the Industrial Development Administration of the Ministry of Economic Affairs. The chronic imbalance between waste generation and waste disposal demand indicates that there will be steady supply of both general and industrial waste.

## 3. Niche competitive advantage

### (1) Steel structure industry

① As one of the main steel structure companies in the nation, Evergreen Steel Corporation has established a good reputation among business partners and clients.

Evergreen Steel Corporation works with its client on a long-term basis to pursue both business growth and improvements in product quality. Since the Company has the largest production area across Taiwan, it can provide a more stable steel structure quality for clients.

② Rich Construction Experience in Steel Structure Facilities, Buildings and Bridges

Evergreen Steel Corporation has rich experience in steel structures and has provided structural steel for special construction projects including Agora Garden, the steel structure bridge from Taishan to Linkou on the Wugu-

Yangmei Elevated Freeway, the Wugu Section and the interchange of the Bali-Wugu Section of the Bali-Xindian Line on the East-West Expressway, the Southern Branch of the National Palace Museum, and Anxin Bridge on the Ankeng LRT.

③Introduction of Building information Modeling (BIM)

Building Information Modeling utilizes various details of a construction project to build a model that simulates all details of an analogue building with digital information. It is visual, coordinated, representative, optimized and can be used to generate an actual drawing. In addition to customization service, the Company brings in BIM, and combines TEKLA and AutoCAD to generate and integrate construction drawings to ensure construction quality and keep the construction project on schedule.

④A Professional Management Team with Strong Technological Capabilities

The Company's professional management team has an average of more than 20 years of experience in the steel structure construction field. Despite not having a dedicated technology department, the Company, when accepting a special steel structure construction project, assigns experienced employees from various departments to form a task force to complete the project successfully.

⑤Excellent Construction Quality

Recognized by our clients for our steel structure construction quality, the Company always communicates with the client in advance during the construction period, calls for weekly meetings to discuss the construction progress and coordinates with various departments to complete the project on the client's schedule.

(2) Environmental protection industry

①Hsin Yung Enterprise Corporation is a large urban waste incineration plant that was invested, built and operated as a BOO (build-own-operate) project. The company's contract with the Department of Environmental Protection Taoyuan City Government (Taoyuan City Commissioning the BOO Incinerator for General Waste Disposal) was completed on December 31, 2022 and is now working as a waste clearance and disposal organization in compliance with Permit Management Regulations for Public or Private Waste Clearance and Disposal Organizations. The price negotiation and tendering have been completed for the "Taoyuan City Household Waste Commissioned Processing Service" contract on November 11, 2022. This contract (10+5 years) has been signed and entered into effect on March 1, 2023. As the population and business both continue to grow in Taoyuan City, the pressure to process general and industrial waste of the city will only increase. Therefore, the city produces a plentiful supply of waste.

②Super Max Engineering Enterprise Co., Ltd. is an industrial waste treatment center established under the guidance of the Industrial Development Administration, MOEA. It is capable of transiting unprocessed waste and has

years of experience in incinerating hazardous industrial waste. It is licensed to treat up to 376 kinds of hazardous industrial waste and therefore can provide a comprehensive and professional service to clients. A new incinerator with 43 tons daily capacity, which, once officially operational, will help the Company obtain more business and enhance its overall competitiveness.

- ③Ever Ecove Corporation is an iconic BOT bioenergy center in Taiwan. What sets it apart from traditional waste incineration plants is that not only does it have thermal treatment capacity (incinerator), it also has anaerobic digestion facilities for food waste and landfill for solidified waste. Its thermal treatment facility can dispose of approximately 219,000 metric tons of waste with over 25% energy generation efficiency, higher than the other 24 running incinerators. In other words, the company meets the standard for waste processing equipment for renewable energy generation.

#### 4. Advantages and Disadvantage Factors in Fulfilling the Vision and Countermeasures

##### (1) Steel Structure Industry

##### ①Advantage Factors

- A. In recent years, the government has been accelerating public infrastructure construction projects to boost the domestic economy with large infrastructure projects such as “Forward-Looking Infrastructure Project” and “Taipei Main Station District Parcel C1/D1 Land Development Project”, which will benefit the overall steel structure market to an extent.
- B. Climate change and global warming caused by the greenhouse effect are becoming a bigger threat to our daily lives. Therefore, energy conservation, carbon emission reduction and sustainable development have become top priorities. In recent years, the government continues to promote green building policies to boost buildings’ energy efficiency, indoor environmental quality and reduce environmental impact. From 2000 to the end of October 2024, Taiwan awarded a total of 13,421 green building labels and green building candidate certificates.
- C. The global supply chain was heavily influenced by the US-Mainland China trade war, forcing Taiwanese businesses to diversify their manufacturing bases and consider returning to Taiwan as a viable option. To seize this opportunity, the government implemented “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” on January 1, 2019. The action plan was extended by the Executive Yuan to 2024. As a result, these Taiwanese businesses have invested a total of approximately NT\$ 1.3076 trillion as of December 6, 2024, which will further boost demand for steel structure facilities.
- D. The rebuilding of dangerous and old buildings has benefited from the convenient application process and bulk reward incentives in the regulations. As of December 31, 2024, a total of 4,359 applications were submitted and 4,069 were approved, with a total of 80 urban renewal applications approved



in the 2024 fiscal year. Both rebuilding of dangerous and old buildings and urban renewal can generate new momentum for the overall residential and office building market.

②Disadvantage Factors

- A. Currently, steel structure businesses do not have a classification system similar to the construction businesses. Under the restrictions of construction laws, steel structure businesses are not qualified to take on an entire construction project alone and can only be a party in a construction company's contract, which means that the construction company can easily influence the steel structure business' acceptance of payments and profit.

Countermeasures

Enhance business development capability and continue to cultivate construction group clients to build long-term collaborations.

- B. Taiwan is facing an aging population and labor shortages and with the construction and steel structure being “3K” (dangerous, hard and dirty) industries, they face even direr labor shortage problems.

Countermeasures

- a. Go public to build up the reputation, which can help recruit and retain talent.
- b. Increase employee benefits and improve employee incentives to reduce employee turnover.
- c. Develop professional talent via internal on-the-job training and external professional training institutions.

(2) Environmental Protection Business

①Advantage factors

- A. With the population growing in Taoyuan City, Taiwanese businesses returning to Taiwan and the expansion of electronic factories, general and industrial waste will continue to grow, providing a steady source of waste for the incinerator.
- B. Environmental protection is a global trend and thanks to the strong promotion by our government and the Taiwanese people becoming more educated, many are also aware of environmental protection. Therefore, the environmental protection industry has built a positive reputation and the industrial waste treatment market will only continue to grow as the government enhances the flow control of industrial waste.
- C. Despite the government's heavy promotion of building urban incinerators (which has yielded great results), the current capacity still is insufficient to handle all the waste treatment and still requires private investment and building of incinerators. Meanwhile, the treatment facilities for special waste are even more lacking, which creates more business opportunities for the environmental protection industry.

②Disadvantage Factors

- A. Incinerators have been the main method for waste treatment since early on in Taiwan. However, with the rising environmental protection awareness, incinerators have become NIMBY (not in my back yard) facilities. On top of this, people have an impression that incinerators are either poorly built or run and therefore protests by people living around the incinerators are not unheard of.

Countermeasures

- a. The Company has reinvested in the treatment of general and industrial waste and the treatment facility the Company operates always runs and conducts maintenance in accordance with the law to prevent secondary contamination to the environment. On the other hand, the Company has maintained open communications with the residents living around the facility and is actively involved in the local affairs. The Company also maintains and cleans the roads surrounding the plant and grows plants along them. The Company spares no effort in becoming a good neighbor, minimizing local residents' misconceptions towards incinerators to avoid unnecessary conflicts.
  - b. Ever Ecove Corporation is expecting to obtain the certification for environmental education venues. The company is planning its environmental education facilities and a tour that incorporates the local culture, to develop their environmental protection awareness, promote the local culture and enhance the locals' identification with the biomass energy park.
- B. Despite a higher entry barrier in the environmental protection industry with difficult site selection and cumbersome license requirements, newcomers are still entering the waste treatment market, which may directly or indirectly affect supply and demand, which results in price fluctuations.

Countermeasures

- a. Earn clients' trust and encourage them to stay with us for a long time by keeping up the good relationships and interactions with them actively helping them deal with their problems. On top of this, Super Max Engineering Enterprise Co., Ltd. is licensed to treat up to 376 kinds of hazardous industrial waste and therefore can provide comprehensive services to clients.
- b. Introduction of information management: With information management, information including clearance, incineration, accounting management, material management and analysis of financial statements can be available to decision-makers to help them make prompt and effective decisions.

## 4.2.2 Applications of Main Products & Manufacturing

### 1. Applications of main products

#### (1) Steel structures industry

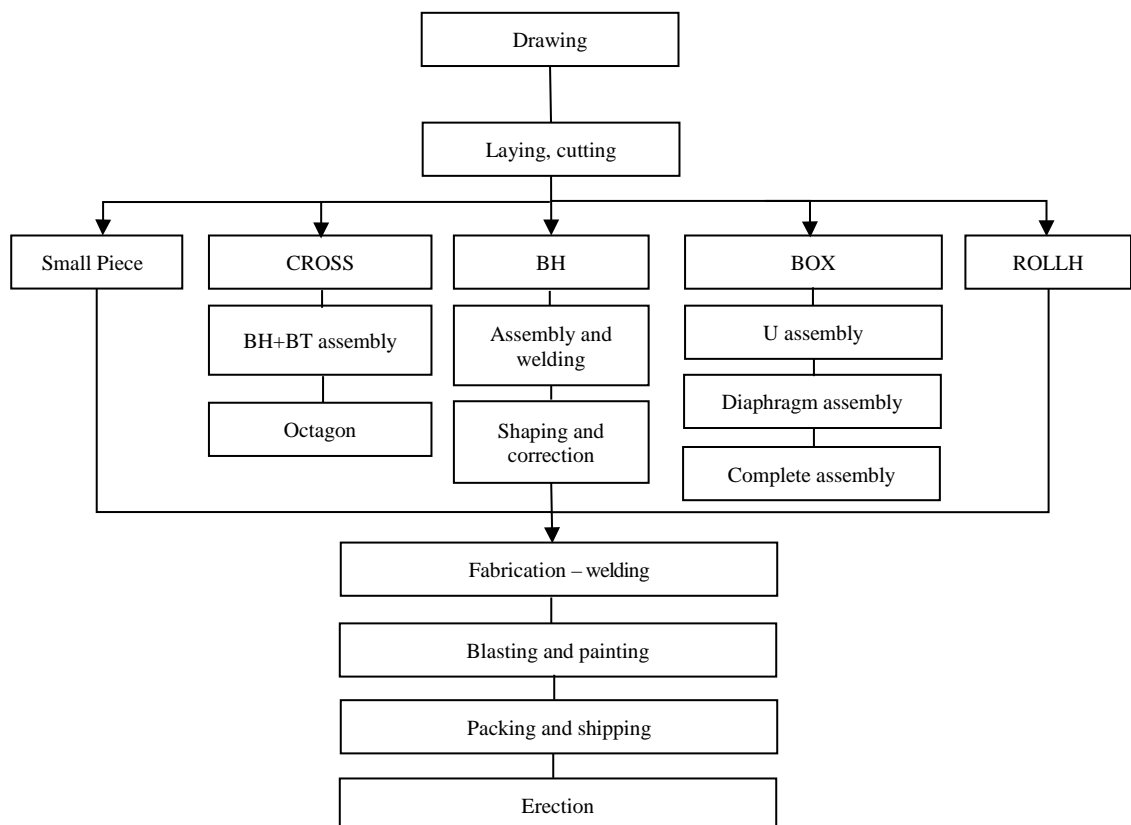
Product	Applications
Steel structures for construction	Power plants, electronics plants, incinerators, airplane maintenance hangars, skyscrapers, office buildings, residential buildings, long-span bridges, arched bridges, cable-stayed bridges, and other construction projects.

#### (2) Environmental protection industry

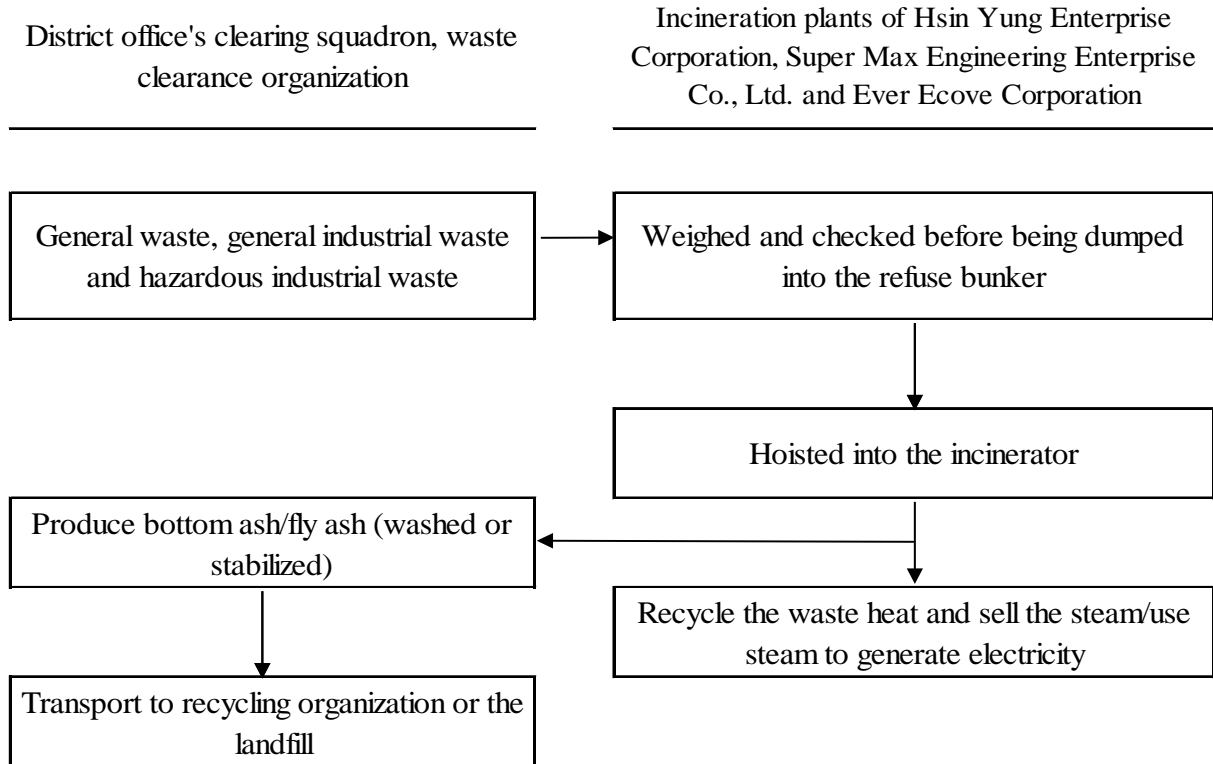
Hsin Yung Enterprise Corporation, Super Max Engineering Enterprise Co., Ltd. and Ever Ecove Corporation mainly deal with general and industrial waste and fall under the environmental protection service industry, which is less affected by the business cycle and has more consistent business.

### 2. Manufacturing process of main products

#### (1) Steel structures industry



## (2) Environmental protection industry



### 4.2.3 Supply of Main Materials

#### 1. Steel structures industry

The Company provides the designs and specs of a project to our partners to procure materials from them. The Company has been working with these suppliers for a long time and therefore can guarantee a steady supply of equipment and materials without interruptions. The Company monitors relevant market trends and keeps a close eye on the quality as well as delivery dates of supplies to make sure that all necessary supplies are delivered in time.

Main materials	Main suppliers	Supply
Steel sheet	China Steel Corporation and Dragon Steel Corporation	Excellent
Beam	Dragon Steel Corporation and Tung Ho Steel Enterprise Corp.	Excellent

#### 2. Environmental protection industry

The environmental protection business mainly procures materials required for hazardous industrial waste treatment, such as sodium bicarbonate, as well as incinerator maintenance, such as diesel, fire bricks, waste heat boiler tubes, boiler water-wall tubes, etc. The Company has been enjoying long-lasting and steady relationships with our suppliers.

## 4.2.4 Main Suppliers and Clients in the Past Two Years

### 1. Suppliers accounting for more than 10 percent of net purchases

Unit: NT\$ thousands

Year	2023				2024			
Item	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer
1	Dragon Steel	1,536,424	42.13	None	China Steel	1,902,408	44.54	None
2	China Steel	1,362,094	37.35	None	Dragon Steel	1,490,391	34.90	None
3	Others	748,587	20.52	None	Others	878,164	20.56	None
	Net purchase	3,647,105	100.00		Net purchase	4,270,963	100.00	

Note: Hsin Yung Enterprise Corporation, Super Max Engineering Enterprise Co., Ltd. and Ever Ecove Corporation are in the environmental protection service industry and do not engage in any production. Therefore, they do not apply to this chart.

### 2. Clients accounting for more than 10% of total sales: None.

## 4.3 Number of Persons

Year		2023	2024	2025 (as of March 30, 2025) (note)
Number of persons	Employees	464	497	490
	Production line staff	250	287	282
	Total	714	784	772
Average age		40.63	39.45	40.16
Average years of service		12.35	11.36	11.45
Education level breakdown (%)	Doctoral degree	0	0	0
	Master's degree	8.40	8.42	7.90
	Bachelor's degree	61.20	59.69	59.59
	High school diploma	8.54	7.53	8.16
	Less than a high school diploma	21.86	24.36	24.35

Note: All data is current as of the publication date of this annual report.

## 4.4 Environmental Expenditure Information

As of the date of publication of this annual report in the most recent year, all the losses due to environmental pollution and countermeasures are listed below, including violations of Air Pollution Control Act and Waste Disposal Act:

1. January 4, 2024 (official letter code: 台南市環空固裁字第 113010006 號): The Company's Hsinying Factory violated Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act for (1) dispersing particulate pollutants resulting from welding on unsealed (front and back) metal sheets; (2) airborne particulate pollutants resulting from use of in-factory transportation machinery. The factory was notified to make improvements before February 1, 2024 and fined NT\$225,000 as a result.

As the factory needed time for planning for procuring related preventative equipment and materials, the deadline for making improvement was extended to April 30, 2024 with approval of the Environmental Protection Bureau of Tainan City Government. On April 22, 2024, the Company sent an official letter to notify the Environmental Protection Department that the Company has completed the improvement to its air pollution prevention measures.

- Response: (1) A water mist system was installed on the fence between Bade Road and Xinhong Road to prevent particulate pollutants from dispersing.
- (2) Arranged for sprinkler trucks to moisten the ground regularly to prevent particulate pollutants on the ground from becoming airborne.
2. January 7, 2025 (official letter code: 台南市環事廢裁字第 114010068 號): The Company was fined NT\$720,000 for failing to truthfully declare and unlawfully discarding R-1104 submerged arc welding slag at its Hsinying Factory from February to March of 2021, a violation of Article 31.1.2 of the Waste Disposal Act, which was discovered during the Environmental Protection Department of Tainan City Government's inspection on December 22, 2021.
- Response: A newly-established EHS department has been tasked solely with monitoring generation, storage, disposal, and declaration of waste. A waste disposal company was engaged to clear out all the discarded waste and the Company received an official letter from the Environmental Protection Department, acknowledging the fact that the Company has properly discarded the slag on February 20, 2024.

## 4.5 Labor Relations

### 4.5.1 Employee Benefits

1. Rest days: Saturdays and Sundays off (those required to work shifts on the weekend have rest days on other days of the week).
2. Annual leave: In accordance with the Labor Standards Act.
3. Retirement: In accordance with Labor Pension Act.
4. Labor insurance: Includes labor insurance and health insurance; employees going on business trips overseas will get medical insurance that covers accidents and hospitalization; all employees will get group discounts on term life insurance.
5. Meals: Employees get free lunch daily while those working extra hours are provided with a meal or meal expense.
6. Healthcare: The medical office provides medical consultations, workplace health promotion and management, and conducts free health checks regularly.
7. Leisure activities: Employees get hotel discounts in Taiwan and abroad.
8. Employee training: The Company periodically and irregularly holds employee training sessions, professional lectures and seminars as well as provides foreign language lesson subsidies.
9. Compensation: Performance bonus, year-end bonus and employee compensation.
10. Laundry: Discounted laundry service.
11. Benefits by Employees' Welfare Committee: Wedding gifts, funeral/burial subsidies, injury/sickness consolation money, holiday gifts, birthday gifts, group travel subsidies, language lesson subsidies and retirement gift, etc.

### 4.5.2 Employees' Further Study, Training, Retirement and Their Implementations

1. Employee's further study, training and their implementations
  - (1) New employee orientation  
New employees are required to receive orientation organized by the Human Resources Department, which includes an introduction to the structures of all departments, the working environment, business culture, business philosophy, professional ethics, business honesty, code of ethics, major personnel regulations, management system, human rights/sexual harassment prevention policy, benefits, information system, occupational safety and health, and other basic information to help these employees get familiar with and adapt to the working environment.
  - (2) On-the-job training for employees in various departments  
To facilitate the Company's long-term development, fulfill the business needs of all departments and comply with the legal requirements for all types of professional

personnel, every department should, at the end of the year, formulate an employee training plan and budget for the coming year, which will be executed after being approved. The training should cover general education, professional education and management training. The progress will be reviewed quarterly and countermeasures will be introduced accordingly (if needed) to maximize the results and effectiveness of the training plan.

(3) Risk management, occupational safety and health lectures

The Occupational Safety & Health Management Department, General Affairs Department, Medical Affairs Department and other relevant management units will, from time to time, organize lectures and training exercises on traffic safety, CPR, fire, earthquakes as well as lectures on health issues, such as medical care, food safety and pressure relief.

(4) Language further education subsidy

The Company offers subsidies to encourage the employees to continue to enhance their language skills. The internal promotion paths also offer TOEIC test subsidy (1 time per employee).

(5) Training record of 2024

Course Category	Number of Trained Employees	Total Number of Trained Employees	Total Training Man Hours	Total Training Cost
Professional Competency	490	3,998	10,743.5 hours	NT\$1,062,798
Management Competency	105			
Health & Safety	1,294			
Corporate Governance	1,948			
Language Training	9			
Orientation for New Employees	152			

## 2. Retirement and its implementation

(1) The Company founded its supervisory committee of labor retirement reserve on January 23, 1987 under the approval of the Taoyuan County Government (official letter code: (76)府社勞字第10389號函). The Company has put in place “Employee Retirement Guidelines”, which follow Article 2 of Regulations for the Allocation and Management of the Workers’ Retirement Reserve Funds and appropriates 6% of the employees’ total wage to the Company’s dedicated retirement reserve fund account in Bank of Taiwan.

The guidelines apply to all employees on the Company’s permanent payroll. Within 15 years of service rendered, an employee gets two base units for each full year. But for the rest of the years over 15 years, one base unit is given for each full year of service rendered. The total number of base units shall be no more than 45. A pension base unit shall be an employee’s average salary for 6 months before his/her retirement is approved.

In May 2023 and March 2024, the Company, after obtaining approval from the Department of Labor, Taipei City Government, stopped crediting retirement funds to the dedicated account in the Bank of Taiwan between April 2023 to March 2025.

(2) Beginning on July 1, 2005, the Company has been following the Labor Pension Act

and appropriates 6% of the monthly salary for employees opting for the retirement system in that act and contributes it to their individual pension fund accounts. Employees may also voluntarily deposit pension funds within six percent of their monthly salary.

#### 4.5.3 Labor-Management Agreement: None.

#### 4.5.4 Employee Code of Ethics and Other Rights

##### 1. Employee code of ethics

The Company has formulated the following management rules as the code of conducts for employees

- (1) Comply with all regulations and work procedures in the Company as well as supervisors' orders, directions and supervisions.
- (2) Clock in/out at the time specified by the Company.
- (3) Put away all documents before getting off work.
- (4) Separate personal life and business, be cautious in both words and actions, have integrity, protect the Company's reputation, discard all bad habits and be respectful to other colleagues.
- (5) Be responsible for his/her position/unit responsibilities and stay in touch with other related departments to jointly complete their responsible tasks to further the Company's business development.
- (6) Complete the tasks assigned by the supervisor(s) without any excuses.
- (7) Pay attention to the cleanness and safety of the working environment.
- (8) Be courteous to clients and visitors and not be arrogant, prideful or indifferent to them.
- (9) Do not use the company phone for personal use and keep all phone calls short and concise.
- (10) When taking company possessions outside the company, the employee should first obtain the supervisor's permission and go through the security guard's inspection.

##### 2. Working environment and employee protection measures

- (1) The Company, based on each business' scale and nature, has put in place an occupational safety & health management office, personnel, supervisors and managers at its Taipei headquarters and each plant. The Company has also, in compliance with the regulations published by the competent authority, established an occupational safety & health management system, which plans, executes, reviews and improves related management functions to achieve the company's occupational safety & health goals as well as boost the occupational safety & health level to ensure safety and prevent occupational hazards at the Company. In 2015, the Company obtained the accreditation from Taiwan Occupational Safety and Health Management System (TOSHMS) and Occupational Health and Safety Assessment Series (OHSAS18001) and the latest ISO-45001 accreditation in 2019.
- (2) The Occupational Safety & Health Management Office formulates the annual occupational safety & health management plan and requires each department to follow the plan and conduct self-inspection. The office has also compiled safety and health guidelines for all employees to follow.
- (3) The Company has an Occupational Safety & Health Management Committee, which holds a meeting every 3 months with employee representatives to:
  - A. Provide suggestions regarding the employer's proposed occupational safety & health policy.
  - B. Coordinate and make suggestions to the occupational safety & health



- management plan.
  - C. Discuss the implementation plan for safety & health education and training.
  - D. Discuss the working environment monitoring plan, monitoring results and measures taken.
  - E. Discuss health management, occupational illness prevention and health promotion.
  - F. Discuss various safety and health proposals.
  - G. Discuss business units' self-inspections and safety & health inspections.
  - H. Discuss the preventive measures for hazards from the machinery, equipment, raw materials or materials.
  - I. Discuss the occupational hazard investigation report(s).
  - J. Inspect the safety and health management results on site.
  - K. Discuss undertaking of occupational safety and health management items.
  - L. Other occupational safety & health matters.
- (4) When the Company, contractors and subcontractors individually hire laborers to work together, the Company complies with the law and establishes a consultative organization, appoints a person responsible for supervision and coordination of the workplace and to direct and assist in safety and health education related to the contracted work as well as communicate over necessary measures to prevent occupational accidents. Additionally, the Company takes proactive control and preventive measures for hazards such as confined space operations, hazardous machinery, elevated work, electric shock incidents, hot work operations control, and monitoring of the working environment to prevent harm to workers.
  - (5) Formulate annual self-inspection plan to inspect each safety & health facility and document the results. Any facility that fails the inspection will be suspended and the corrective measure will be tracked. The Company conducts quarterly loss prevention inspection and reviews and biannual fire training exercises to raise awareness among the employees, protect the safety of employees, inventory, machine operations and prevent occupational accidents and hazards.
  - (6) Investigate the harmfulness of the hazard factors and manage/prevent them at job sites. Formulate a hazard communication plan, conduct regular working environment monitoring, conduct hazardous working environment management, implement the regulations governing facility safety and health in the Regulations Governing Occupational Safety and Health to prevent occupational hazards of illnesses on the employees.
  - (7) Investigate and analyze the statistics from occupational hazards, false alarms and incidents that affect the employees' physical/mental health.
  - (8) Our medical office has a licensed physician and full-time registered nurse(s) on site to provide health consultation to our employees and plan and execute occupational illness prevention, health promotion and health guidance to safeguard employees' safety and health.
  - (9) The Company, in compliance with the Regulations of the Labor Health Protection, conducts employee health checkups annually to help employees manage their health. The Company also regularly organizes occupational safety lectures and training to provide our employees a safe and healthy working environment.
  - (10) Dangerous machinery such as cranes and forklifts, in compliance with the Regulations for Occupational Safety and Health Equipment and Measures, have alarms, flashing lights and cameras installed to ensure operational safety and prevent hazards.
  - (11) Continue to promote the "6S (Seiri 、Seiton 、Seiso 、Seiketsu 、Shitsuke and Safety)" and keep track of the faults and improvement measures to improve the

safety and health management level.

4.5.5 As of the Publication Date of This Annual Report in the Most Recent Year, the Current and Future Estimated Amount of Loss Due to Labor Disputes: None.

4.5.6 Current Labor-Management Relations and Countermeasures for Potential Disputes in the Future

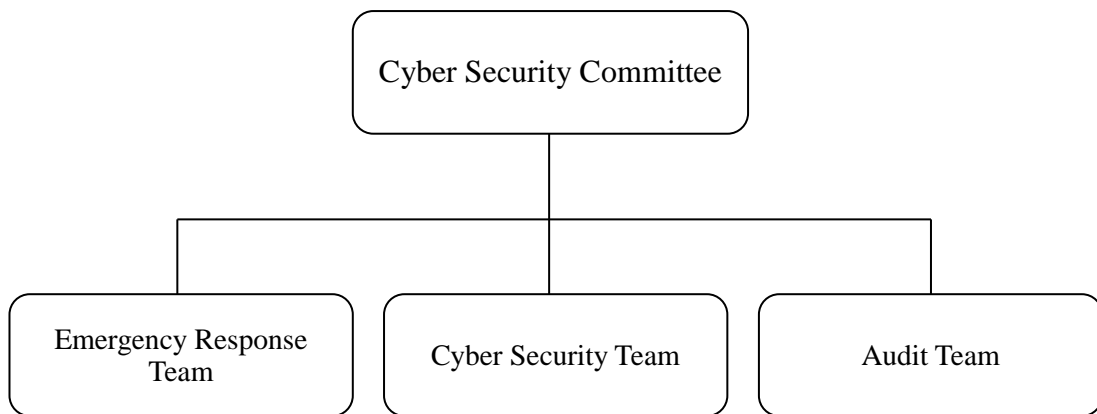
1. In 2024, no employees of the Company initiated the formation of a labor union, nor was any collective agreement signed.
2. In line with our commitment to sustainable operations, the Company continues to enhance its compensation structure, workplace environment, and employee welfare systems. We maintain open and effective communication channels between labor and management to foster employee stability and a strong sense of identification with the Company. By promoting our business culture, cultivating a team spirit and sense of responsibility among employees, The Company is capable of developing disciplined, responsible and loyal employees.
3. The Company has, in compliance with the law, established a labor-management committee and organizes labor-management meetings regularly every quarter (or when needed) to improve labor relations and promote labor-management collaboration and communication.
4. All units organize departmental meetings to discuss business progress, provide work guidance, promote company rules, provide assistance to employees, exchange opinions and engage in discussions.
5. The Company has regulations governing employees' complaints and provides employees a way to file complaint to the Company's management as well as labor competent authorities.
6. Reward employees with excellent performance or special achievements to boost employee morale.
7. Organize teambuilding activities and provide travel subsidies to encourage employees to engage in outdoor leisure activities and travel. They are encouraged to invite family members to participate certain events to bring employees closer.
8. The Company has added a "Labor-Management Column" on the Company's electronic bulletin board, which publishes regulations and the latest information related to retirement, insurances and taxation to help employees learn more about their rights.

## 4.6 Cyber Security Management

### 4.6.1 Cyber Security Risk Management Structure

The Company has established a Cyber Security Committee with 13 members that convenes a management review meeting twice a year, responsible for planning and implementing cyber security policies, promoting cyber security information, enhancing employees' cyber security awareness, collecting and improving the organization's cyber security management system performance and effective technologies, products or procedures, etc. The Auditing Department conducts an annual cyber security audit on electronic computer cycles (one of the internal control systems) to evaluate the effectiveness of the internal controls within the Company's information operations. The committee reports its cyber security management results and cyber security strategy direction to the Board of Directors annually.

## Cyber Security Committee Organizational Structure



### 4.6.2 Cyber Security Policy

To enhance information security and management, ensure the safety of the Company's data, systems, equipment and network as well as the accuracy and availability of information processing, reliability of the computer software, hardware and Internet system used by the employees and protect the resources above from any disruptions, damage and attacks, which will damage the Company's information assets.

### 4.6.3 Concrete Management Policy and the Resources Committed to Cyber Security Management

The concrete management policy and the resources committed to cyber security management can be divided into 4 items:

Internet Information Security Management	Data Access Control	Contingency and Recovery Mechanism	Promotion and Audits
<ul style="list-style-type: none"><li>• Firewall</li><li>• Scan the computer systems and data storage systems for viruses regularly</li><li>• Proxy server to filter websites</li><li>• Control employees' time using the Internet at the Company</li><li>• Introduced MDR (managed detection and response) to monitor important servers 24/7.</li><li>• Multifactor</li></ul>	<ul style="list-style-type: none"><li>• Assign different access rights based on employees' functions</li><li>• Revoke the access rights of re-assigned employees</li><li>• In addition to the original access right, employees must obtain approvals to log in the information management system remotely</li></ul>	<ul style="list-style-type: none"><li>• Regularly review the contingency plan</li><li>• Conduct data recovery drills annually for important systems</li><li>• Establish a system recovery mechanism for remote backup</li><li>• Regularly review the computer network safety control measures</li></ul>	<ul style="list-style-type: none"><li>• Promote information security information and provide cyber security training to enhance employees' cyber security awareness</li><li>• Regularly scan for vulnerabilities and follow up with vulnerability management</li><li>• Conduct regular cyber security checkups</li><li>• Annual social engineering drills.</li></ul>

authentication login for privileged accounts on important servers.			
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4.6.4 Losses Incurred, Potential Influences and Counter-Measures due to Major Cyber Security Incident(s) During the Latest Year and Up to the Printing date of This Annual Report: None.

## 4.7 Important Contracts

### 4.7.1 Construction and Procurement Contracts

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Procurement	China Steel Corporation	Renewed every quarter	Steel plate procurement	None
Procurement	Dragon Steel Corporation	Newly signed for each project	Steel plate and beam steel procurement	None
Construction	Continental Engineering Corporation	August, 2021 ~ as the project requires	Continental Engineering's Huiguo 101 residential project in Taichung	None
Construction	BES Engineering Corporation	October, 2021 ~ as the project requires	Construction project for the new AI industrial park in Tucheng (section A)	None
Construction	Kedge Construction Co., Ltd.	May, 2022~as the project requires	Public urban renewal on Minquan East Road for Kindom Construction Corp.	None
Construction	Leader Construction Co., Ltd.	May, 2022~as the project requires	New construction project for Rich Development's headquarters building on Songjiang Road	None
Construction	Cheng-Chun-Hun Construction	July, 2022~as the project requires	Yu-man Asset Management office building in Taichung	None
Construction	Hong Li Construction Co., Ltd.	August, 2022~as the project requires	New construction project for Chonghong's technological office building project on the Ruanqiao section in Beitou	None
Construction	Formosa Builders, Inc.	August, 2022~as the project requires	Southern Branch of the National Central Library & National Repository Library	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Construction	Wu Yi Construction Co., Ltd.	November, 2022~as the project requires	New construction project for Yuanlih's hotel in Xinyi D3	None
Construction	Te Chang Construction Co., Ltd.	November, 2022~as the project requires	New construction project at the Shuinan Transit Center	None
Construction	Chung-Lin General Contractors, Ltd.	November, 2022~as the project requires	Advantech Linkou AIoT Co-Creation Campus Phase I Project	None
Construction	Chuan Lian Enterprise Co., Ltd.	December, 2022~as the project requires	Construction for the new low-temp facilities at Gangshan	None
Construction	Trust.Creating Construction Co., Ltd.	December, 2022~as the project requires	New residential construction project for Grandaman Properties Group	None
Construction	JUT Land Development	January, 2023~as the project requires	Steel column with the top-down method at Jut Land Development's office building at the Jin-Tai Section lot	None
Construction	Chung-Cheng Construction Co., Ltd.	January, 2023~as the project requires	New construction at lot Section 428 at Xinzhuang Sub-city Center for Harvest Construction Co., Ltd.	None
Construction	Lil Hwa Construction	January, 2023~as the project requires	New construction project for Taiwan Linkigi Metal	None
Construction	Formosa Builders, Inc.	March, 2023~as the project requires	Multi-function offices at T3 of Taoyuan International Airport	None
Construction	True-Dreams Construction Co., Ltd.	March, 2023~as the project requires	PharmaEssentia's facilities at Hsinchu Biomedical Science Park	None
Construction	Core Pacific Development Corporation	March, 2023~as the project requires	Steel columns for top-down method construction at Core Pacific Plaza	None
Construction	BES Engineering Corporation	April, 2023~as the project requires	Baoshan steel bridge construction at Hsinchu Science Park	None
Construction	Chroma ATE Inc.	April, 2023~as the project requires	Chrome ATE Inc.'s Phase II commercial building	None
Construction	Chung Lu Construction Corp./JUT Land Development	May, 2023~as the project requires	Upper steel structures at jut land development's office building at the Jin-Tai Section Lot	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Construction	Engtown Construction Corp.	August, 2023~as the project requires	Locus Cell Co., Ltd facilities at Hsinchu Biomedical Science Park	None
Construction	Continental Engineering Corporation	August, 2023~as the project requires	New residential construction projects in the Master Landmark project in Beitou (steel column with top-down method)	None
Construction	TSMC	August, 2023~as the project requires	TSMC F22P1-SUP plant construction in Southern Taiwan Science Park	None
Construction	Tonglit Logistics Co., Ltd.	September, 2023~as the project requires	Tonglit Logistics' PD1 building and logistic warehouse in Taipei Port's South Wharf (phase 2)	None
Construction	Cheng-Yi Real Estate	October, 2023~as the project requires	Yun Jiang's "NO.78" project (new construction at lot 94 in the Huikuo section) (upper steel structure)	None
Construction	Continental Engineering Corporation	October, 2023~as the project requires	New building construction in the Master Landmark project	None
Construction	Taiwan Kumagai/BES Engineering Corporation/Joyear Group	December, 2023~as the project requires	New construction project at D1 building of the Taipei Twin Towers (half)	None
Construction	Kedge Construction Co., Ltd.	December, 2023~as the project requires	Steel structures at the Dachan Group headquarters	None
Construction	Core Pacific Development Corporation	January, 2024~as the project requires	Upper steel structures at Core Pacific Plaza	None
Construction	Kedge Construction Co., Ltd.	January, 2024~as the project requires	Steel structures at the Zhixing Section in Wanhua District	None
Construction	Chungyuet Group/Hsin-Shi-Mao Develment Co., Ltd./Huanmao Construction Co., Ltd.	February, 2024~as the project requires	Land parcel No.50 and No.51 in Xinzhuang (Steel column with the top-down method)	None
Construction	Kingdom Development Co., Ltd.	March, 2024~as the project requires	Steel construction at the Kingdom Landmark project	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Construction	Hou-Hin Engineering Corp.	April, 2024~as the project requires	New construction project for the Union Building	None
Construction	Stability Construction Co., Ltd.	May, 2024~as the project requires	4117 steel structures for the Twin Oaks project	None
Construction	Chung Lu Construction corp./ Continental Engineering corp.	August, 2024~as the project requires	New construction project to replace dangerous and old Ambassador Hotel building in Taipei(Steel column with the top-down method)	None
Construction	Far Eastern General Contractor Inc.	August, 2024~as the project requires	New C4 office building construction project for Taiwan Fertilizer in Nangang – Steel structures	None

#### 4.7.2 Environmental business operation, clearance and treatment contracts

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Commissioning for operation	Ecove Environment Services Corp.	Started on January 1, 2024 till the fulfillment date of the contract for disposal of household waste in Taoyuan City	Operation of the incineration plant	None
Taoyuan City Household Waste Commissioned Processing Service	Office of Coast and Resource Circulation Construction, Taoyuan City Government	10 years starting from March 1, 2023 or when the budget runs out	Taoyuan City Household Waste Commissioned Processing Service	None
Sales of electricity from qualified cogeneration system	Taipower	Started on October 9, 2001 as an annual contract that renews automatically as long as no party objects to it	Sales of electricity from qualified cogeneration system	None
Industrial waste clearance and disposal	TSMC	January, 2021~ May, 2026	Industrial waste clearance and disposal	None
Industrial waste disposal	Formosa Plastics Group – Jenwu complex	November, 2023~ October, 2025	Industrial waste disposal	None
Industrial waste disposal	Nan Ya PCB Co., Ltd.– Jinxing plant	December, 2023~ December, 2025	Industrial waste disposal	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Biomedical waste clearance and disposal request at their hospitals	Chang Gung Medical Foundation	January, 2024~ December, 2026	Biomedical waste clearance and disposal request at their hospitals	None
Construction and operation	Taoyuan City Government	October, 2018~ October, 2043	Taoyuan Biomass Energy Plant BOT (build-operate-transfer) project	None
Design, construction and property procurement	CTCI Development	November, 2018~as the project requires	Design, construction and property procurement contract for Taoyuan Biomass Energy Plant BOT (build-operate-transfer) project	None
Joint venture agreement (Evergreen Steel)	Company A & B	August 2, 2018 ~ until all contracting parties terminate this agreement in writing or when Ever Ecove Corp. is dissolved and liquidated according to the law.	Ever Ecove Corp. joint venture agreement	None
Commission of operation and maintenance services	Ecove Environment Services Corp.	October, 2021~ October, 2043	Operation of the incineration plant	None
Power purchase agreement (from waste power generation system)	Taipower	Contract signed on December 29, 2020 and will expire 20 years from the day the electricity meter is installed	This plant installed renewable energy electricity generation systems to generate electricity for self-use and to sell electricity at wholesale to Taipower	None

#### 4.7.3 Loan Contracts

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Medium and long-term loan	Bank of Taiwan Taoyuan Branch	January 31, 2024~ January 31, 2029	Loan against collateral	None
Medium and long-term loan	Cathay United Bank	June 28, 2024~ June 28, 2027	Loan against collateral	None
Medium and long-term loan	Taiwan Cooperative Bank Chengdong Branch	August 29, 2024~ August 19, 2026	Loan against collateral	None
Medium and long-term loan	Sunny Bank Zhongxing Branch	May 10, 2022~ May 10, 2025	Loan against collateral	None



Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Long-term loan	Hua Nan Bank Business Office	November 2, 2023~ October 2, 2034	Loan against collateral	None

## V. Review of Financial Conditions, Financial Performance, and Risk Management

### 5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	14,152,165	14,025,739	126,426	0.90
Property, Plant and Equipment	4,551,087	3,923,775	627,312	15.99
Intangible Assets	5,392,294	5,559,032	(166,738)	(3.00)
Other Assets	16,593,870	12,432,961	4,160,909	33.47
Total Assets	40,689,416	35,941,507	4,747,909	13.21
Current Liabilities	6,203,446	4,914,794	1,288,652	26.22
Non-current Liabilities	2,694,583	3,205,680	(511,097)	(15.94)
Total Liabilities	8,898,029	8,120,474	777,555	9.58
Capital Stock	4,170,915	4,170,915	0	0.00
Capital Surplus	1,319,721	1,319,674	47	0.00
Retained Earnings	12,068,653	12,305,657	(237,004)	(1.93)
Other Equity Interest	10,784,819	6,513,795	4,271,024	65.57
Non-controlling Interest	3,447,279	3,510,992	(63,713)	(1.81)
Total Equity	31,791,387	27,821,033	3,970,354	14.27

Analysis of changes in financial ratios:

1. Increase in other assets: Mainly due to an increase in the fair value of publicly-traded stocks the Group owns.
2. Increase in current liabilities: Mainly due to an increase in contract liabilities and trade payables.
3. Increase in other equity interest: Mainly due to an increase in the fair value of publicly-traded stocks the Group owns.

## 5.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Operating Revenue	12,917,338	11,090,533	1,826,805	16.47
Operating Cost	9,444,265	7,194,816	2,249,449	31.26
Gross Profit	3,473,073	3,895,717	(422,644)	(10.85)
Operating Expenses	609,140	560,563	48,577	8.67
Operating Profit	2,863,933	3,335,154	(471,221)	(14.13)
Non-operating Income and Expenses	650,429	1,522,808	(872,379)	(57.29)
Profit before Income Tax	3,514,362	4,857,962	(1,343,600)	(27.66)
Income Tax Expense	610,764	544,157	66,607	12.24
Profit for the Year	2,903,598	4,313,805	(1,410,207)	(32.69)
Other Comprehensive Income	4,367,629	1,100,558	3,267,071	296.86
Total Comprehensive Income for the Year	7,271,227	5,414,363	1,856,864	34.30

Analysis of changes in financial ratios:

1. Decrease in gross profit: Mainly due to decrease in waste processed and electricity sales with maintenance and upgrades at Hsin Yung Enterprise Corporation and the increase in Ever Ecove Corporation's amortized service concession rights and other contractual payments.
2. Decrease in non-operating income and expenses: Mainly due to a decrease in dividend income.
3. Increase in other comprehensive income (net value after tax): Mainly due to an increase in unrealized gains from investments in equity instruments measured at fair value through other comprehensive income.

## 5.3 Analysis of Cash Flow

### 5.3.1 Cash Flow Analysis of the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Annual Net Cash Flow from Operating Activities (2)	Annual Net Cash Flow from Investment and Financing Activities (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
3,020,667	2,667,132	(3,696,562)	1,991,237	None	None

1. Analysis of cash flow deviation:

- (1) Operating Activities: Net cash inflow mainly due to cash inflow from operations.
- (2) Investment Activities: Net cash inflow mainly due to obtaining cash dividends.
- (3) Financing Activities: Net cash outflow mainly due to issuance of cash dividends.

2. Leverage of cash deficit: None.

### 5.3.2 Cash Flow Analysis of the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Annual Net Cash Flow from Operating Activities (2)	Estimated Annual Net Cash Flow from Investment and Financing Activities (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
1,991,237	1,442,145	(1,393,763)	2,039,619	None	None
1. Analysis of cash flow deviation: (1) Operating activities: Mainly due to estimated cash inflow from operations. (2) Investing activities: Mainly due to estimated cash inflow from obtaining cash dividends. (3) Financing activities: Mainly due to estimated cash outflow from issuance of cash dividends. 2. Leverage of cash deficit: None.					

### 5.4 Impact of Major Capital Expenditure Items in the Most Recent Year to the Financial Status

Hsin Yung began maintenance and upgrade of its incinerators in October, 2023, which was paid for with its own capital and therefore did not affect its lending quota. Equipment installation, updates and coordination/integration adjustment and testing for the two incinerators were completed and the entire plant conducted trial operation in September 2024. The newly upgraded incinerators are expected to increase the company's waste processing capacity and reduce energy consumption in the first half of 2025 while simultaneously maintaining the optimal amount of electricity generated and sold. This will enable the Company to continue moving towards the goal of stable growth in operations.

The capital in the "Taoyuan Biomass Energy Plant BOT (build-operate-transfer) project" Ever Ecove Corporation participated in came from equity funds and bank loans. Ever Ecove Corporation has signed a syndicated loan contract with the group of lending banks (led by Hua Nan Bank) in April, 2019 and has replaced the original syndicated loan with another new loan in November, 2023. The Company also obtained the formal operational permit for its heat treatment facilities in December of the same year and for the anaerobic digestion system in February 2025, which can effectively handle the waste processing issue in Taoyuan City.

The new incinerator at the Super Max Engineering Enterprise Co., Ltd.'s Guanyin Factory, which was paid for with its own capital and therefore did not affect its lending quota, is expecting to commence operation in the first half of 2025, it will increase the Company's processing capacity and boost the overall competitiveness.

### 5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

The Group reinvestments in the last year were mainly investments in related enterprises and investments for operational diversification purposes. The 2024 share of profit of associates and

joint ventures accounted for using equity method is NT\$35.784 million. The Group will continue to develop the environmental and green energy industry and evaluate investments in new businesses, including renewable energy, recycling, and waste disposal.

## 5.6 Analysis of Risk Management during the Latest Year and up to the Printing Date of this Annual Report

### 5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

The major interest rate risk this Group faces comes from floating rate loans with some of the risk offset by cash and cash equivalent at floating interest rate this Group owns. On the other hand, this Group is in the industry that relies on domestic demands and therefore is more conservative when it comes to the management and hedging of foreign currency funds. Our financial staff stays in close contact with the banks and keeps track of the trends of foreign exchange rates to avoid any adverse effect from the changes in foreign exchange rates. The Russia-Ukraine war, spiking interest rates, US-China trade war and other factors have severely disrupted the global supply chain, resulting in rising inflation and fluctuating prices of raw materials. The Group adopts measures such as floating steel prices and advanced procurement to reduce the risk of inflation and therefore the fluctuations in interest rates, foreign exchange rates and inflation do not have a significant impact on this Group's profit.

### 5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

This Group always focuses on its core business development and is pragmatic in running the business. It also follows a conservative fiscal policy and does not engage in high-risk or highly-leveraged investment. When loaning money to others, making endorsements or trading derivatives, this Group also follows the law as well as its own protocols.

### 5.6.3 Future Research & Development Projects and Corresponding Budget

#### 1. Steel structure industry:

The products in our steel structure business are manufactured based on the building structural designs provided by clients (proprietors). When clients are requesting products with high technological requirements or are innovative, the Company will discuss and conduct research on the manufacturing technologies and overcome any challenges in manufacturing by developing or innovating manufacturing technologies to reduce cost, ensure construction quality and complete the project on schedule. The Company is expecting to engage in R&D to update the equipment listed below to boost production efficiency and safety and has invested NT\$36.58 million during the latest year and up to the printing date of this annual report. The Company is expecting to invest approximately NT\$222.20 million in the following:

- (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 trial result report was submitted for review 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. The Company replaced 7 cranes and 3 crane winches in 2024 and will continue to update equipment 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 to enhance work efficiency. R&D results passed review by the National Science and Technology Council in 2024. Starting in 2025, National Taiwan University took charge of the collaboration project, which completed the industrial/academic cooperation of the project in Q4 2025.
- (4) To effectively improve painting quality, optimize the painting process, and reduce the impact of volatile organic compounds on the environment, the Company started the design process for the environment of the coating area and coating pollution prevention measures at the Hsinying Factory. The Company already completed the design of a building in the coating area and is working on outsourcing for the plant and pollution prevention equipment. The Company is expecting to begin the construction of the plant and install the pollution prevention equipment in Q2 2025.
- (5) To manage the factories' power consumption, the Company is planning to install a 10MWh energy storage system to reduce the contract capacity. During peak hours, operations will utilize electricity in the energy storage system and recharge the energy storage system during off-peak hours at a lower rate to reduce the energy bill. The energy storage system can also serve as backup power supply for emergencies. The energy storage system is expected to be installed in Q4 2025 and a trial run will be conducted in Q1 2026.

## 2. Environmental protection industry:

By visiting other companies in the environmental protection field and environmental protection equipment suppliers both domestic and abroad, the environmental protection business is able to obtain the latest industrial trends and upgrade its equipment or improve its processing technologies accordingly to boost its efficiency and maintain its competitiveness in the industry.

Hsin Yung Enterprise Corporation invested a budget of NT\$1,266 million updating its main waste processing facility and pollution prevention equipment starting in October 2023. Equipment installation, updates and coordination/integration adjustment and testing for the two incinerators were completed and the entire plant conducted trial operations in September 2024:

- (1) Upgrade the pollution prevention equipment with a catalytic system with better pollution prevention efficiency to lower the company's air pollutants in compliance with the latest regulation.
- (2) Replace incinerator grates and certain boiler tubes to improve incineration efficiency.
- (3) Upgrade steam turbine generator rotors and control systems to boost power generation efficiency and equipment stability.
- (4) Update the hoisting system for waste and bottom ash to maintain equipment stability.

Super Max Engineering Enterprise Co., Ltd. is currently building its new incinerator with a daily capacity of 43 tons with an estimated budget of NT\$918.1 million. The new incinerator has begun its trial operation in August 2024 and is expecting to officially begin operation in the first half of 2025, increasing the company's capacity and revenue.

#### 5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

This Group follows both domestic and international laws in its daily operations and keeps a close eye on the policy trends and regulation amendments to be prepared for any changes in the market. As Taiwan and countries worldwide are tightening their environmental regulations and policies, it will only boost the demand in the environmental protection industry. As of the date of publication of this annual report in the most recent year, this Group's finance has not suffered any adverse effects resulting from changes in policies and regulations both domestic and abroad.

#### 5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

This Group keeps a close eye on the development of technologies and its industry and collects information on such development and changes, which will serve as reference as the management makes business decisions, adjusts strategies and formulates countermeasures. As of the date of publication of this annual report in the most recent year, this Group's finance has not suffered any adverse effects resulting from changes in technologies.

#### 5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since its inception, the Group has consistently maintained a professional ethical business philosophy, valued its corporate image and emphasized risk control. Currently, there is no significant foreseeable crisis.

#### 5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

Currently, the Group has no merger and acquisition plan.

#### 5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

- (1) In response to new environmental regulations and contract requirements set by the Taoyuan City Government, Hsin Yung Enterprise Corporation completed the maintenance, updates and upgrades to its entire factory between October 2023 and September 2024. The company obtained the operational permit for different air pollution sources in January 2025, which will boost the company's pollution prevention efficiency to comply with contract requirements and maintain the company's operational capacity and steady revenue.
- (2) Super Max Engineering Enterprise Co., Ltd., to increase its production capacity, newly build a rotary kiln incinerator that can process 43 tons of waste daily, which is expecting to officially begin operation in the first half of 2025, will increase the Company's revenue and profit.
- (3) Ever Ecove Corporation was incorporated in August, 2018. The company signed an investment agreement with the Taoyuan City Government on the triple-function (anaerobic digestion, incinerator and solidification landfill) biomass energy plant BOT project on a 4.38- hectare lot reserved for environmental protection facility inside the Taoyuan Science Industrial Park. After the project completion, Taoyuan City will be able to dispose of its waste independently and solve the city's waste disposal problem. The plant is expected to have the capacity to use thermal treatment

on 219,000 metric tons of waste per year, anaerobic digestion on 49,275 metric tons of kitchen waste and 40,000 cubic meters capacity of landfill. In addition, the waste will be used to generate renewable energy and the plant is estimated to generate 200 million kWh (sufficient for around 60,000 households). The company will generate profit steadily for the Group's business.

#### 5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

##### 1. Risks relating to excessive concentration of purchasing sources:

A steel structure business requires materials such as steel plates (strips), beams, welding consumables, shear studs, bolts and pain. The Company purchases steel plates (strips) mainly from China Steel Corp. and Dragon Steel Corp. With these two companies as the main steel plate/strip manufacturers in Taiwan, the Company enjoys a bulk discount from them. The main manufacturers for beams in Taiwan are Tung Ho Steel Enterprise Corp. and Dragon Steel Corp, which have been long-time suppliers for the Company with consistent supplies. The Company has the following countermeasures for the risk relating to excessive concentration of purchasing sources:

##### (1) Risk of materials being out of stock:

Countermeasure: Has more than 2 suppliers for the same materials

China Steel Corporation provides quality steel plates with consistent pricing and steady supplies. Therefore, it is on the top of the supplier list when it comes to steel plates. This Company will only seek alternative suppliers if China Steel Corporation does not have enough stock. That is why this Company appears to have excessive concentration of purchasing sources. In addition, when purchasing from China Steel Corporation and Dragon Steel Corporation, this Company also purchases from other distributors and suppliers to decrease such concentration. This Company regularly conducts business with our suppliers and therefore when the demand is higher during construction projects, it will be easier for this company to purchase the materials and more likely to get a discount. This helps reduce purchase costs and ensure the supply of materials.

##### (2) Risk of price monopoly

Countermeasure: Keep track of the steel price fluctuations

This Company has full-time employees dedicated to collecting quotes on steel from companies both domestic and abroad to keep track of the fluctuations in steel prices. This Company can adjust its procurement strategy dynamically and adjust the monthly/quarterly purchase volume to get the best prices from suppliers as early as possible and maximize the profit from the construction projects.

Based on the above, our countermeasure against excessive concentration of purchasing sources can not only enhance our relationship with suppliers, it can also ensure the supply of materials. This countermeasure also allows this company to purchase steel at the best price to reduce operation costs and minimize the risk of excessive concentration of purchasing sources.

The environmental protection business mainly engages in the disposal of medical, industrial and municipal waste. It has a steady supply of main raw materials and maintains good working relationships with all suppliers to ensure uninterrupted



supply of materials. It also works with other suppliers to an extent to diversify purchasing sources. Overall, the environmental protection business has been working with these suppliers with excellent quality and punctual delivery for years. With multiple suppliers for all raw materials, this business does not have the risk of excessive concentration of purchasing sources for raw materials.

## 2. Risk of excessive customer concentration:

Our steel structure business manufactures products based on each order. It requires a high amount of capital and longer lead time with revenue being recognized over time. Excessive customer concentration is a feature of this business. However, the main clients come and go as construction projects begin and end. For the environmental protection business, in addition to collecting, incinerating and disposing of waste for our clients, has also signed the contract with Taoyuan City Government and power sales agreement with Taipower. With the main customers being government institutions, the contract having protective clause and power sales conducted in accordance with regulations, this Group does not have the problem of excessive customer concentration.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with Shareholdings of over 10%: None.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

5.6.12 In regard to litigations or non-litigations, the Company shall disclose major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by the Company's directors, president, de facto responsible person, shareholders with over 10% shareholding and the subsidiaries that have either reached final verdict or are still pending. If the litigation result may have a significant impact to shareholders' equity or securities prices, the Company shall disclose the facts in contention, claim amount, starting date of litigation, litigants and the case status up to the printing date of this annual report: None.

5.6.13 Other Major Risks and Countermeasures: None.

5.7 Other Important Matters: None.

## **VI. Special Disclosure**

### **6.1 Summary of Affiliated Companies**

Please visit Market Observation Post System > Single Company > Electronic Document Download > Affiliated Enterprises Disclosure Reports Section ([https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)) for further details.

**6.2 The Company Has Carried Out a Private Placement of Securities during the Latest Year and up to the Printing Date of this Annual Report: None.**

**6.3 Other Matters That Require Additional Description: None.**

**6.4 Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred during the Latest Year and up to the Printing Date of this Annual Report : None.**



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