EVERGREEN STEEL CORP.

EGST

Annual Report 2021

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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.evergreennet.com/

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SPOKESPERSON

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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 2021

1.1.1 Business Fulfilment in 2021

In 2021, the COVID-19 pandemic in Taiwan was kept under control by widespread vaccinations and efforts of all related government agencies. The Company's sales and profit hit historical new highs as the steel structure market continued to rally due to strong demand for steel structures by domestic construction projects and technology company factories. As its waste treatment has gradually pushed up the heat value in recent years and performance of the Company's electromechanical equipment has decreased after over 20 years of operation, the volume of waste processed by the Company's environmental protection business units slightly decreased. An overview of the Company's business areas is as follows：

1. Steel Structure Business Division

In 2021, the orders received by the Company amounted to 170,000 tons (public construction accounted for 1%, high-rise construction accounted for 67%, and factory construction accounted for 32%). In particular, the orders placed for high-rise construction accounted for a big proportion, mainly due to demand driven by the homecoming of Mainland China-based Taiwanese businesses due to the COVID-19 pandemic and implementation of urban renewal projects, which resulted in significant demand for commercial and residential buildings. Although the Company's operations in 2021 were affected by the rise of raw materials prices and a serious domestic labor shortage, the Company nevertheless managed to deliver impressive sales and profit performance thanks to the efforts of all business departments to control costs, maintain manufacturing capacity, and achieve on-time delivery of steel structures to help our clients keep to their construction schedules.

Steel structure products sold by the Company in 2021 reached about 210,000 tons, up 50.42% from 2020, while operating revenue reached NT$ 11,449.74 million, up 60.86% from 2020.

2. Container Department

The operating revenue for 2021 was NT$ 164.7 million, up 12.82% from 2020.

3. Environmental Protection Business

(1) Hsin Yung Enterprise Corporation (HYEC)：The company's 2021 operating revenue was NT$ 1,238.46 million, a decrease of 6.19% from 2020, due to reduced volume of the waste it processed because of inevitable decrease of waste treatment capacity and efficiency after nearly 20 years' operation and gradual rise of heat

value.

(2) Super Max Engineering Enterprise Co., Ltd. (SMEEC)：The company's 2021 operating revenue was NT$ 755.7 million, a decrease of 1.29% from 2020, as the company actively solicited more business of complicated treatment of high-priced waste, which resulted in reduction of the volume of waste it disposed of, and therefore a slight decrease of its revenue.

(3) Ever Ecove Corporation：The construction of the company's facilities was slightly delayed due to the COVID-19 pandemic and its commercial operation is expected to begin in the second half of 2022.

The impact of the COVID-19 pandemic on the environmental protection business of the Company is explained as follows：

(1) HYEC mainly processes municipal waste of Taoyuan City. Taoyuan City has seen the largest inflow of new population among all cities in Taiwan and many people living in Taoyuan City commute from the city to Taipei City and New Taipei City for work. The city has to dispose of up to over 450,000 tons of garbage annually and the volume of garbage generated will continue to increase due to the ongoing impact of COVID-19 pandemic.

(2) SMEEC mainly engages in the treatment of hazardous and medical waste. Thanks to effective control of the COVID-19 pandemic in Taiwan and capacity expansion of domestic high-tech companies, which received new orders placed by foreign countries due to increasingly strict overseas pandemic-control measures, the volume of waste processed by SMEEC in 2021 was similar to 2020 and the COVID-19 pandemic has not made an impact on its business.

1.1.2 Business Targets and Performance Overview

The Company's forecasted consolidated revenue for 2021 was NT$ 10,890.25 million; the actual revenue was NT$ 13,608.6 million. The achievement rate was 124.96%. The forecasted EBT was NT$ 1,627.84 million. Actual EBT was NT$ 1,954.63 million. The achievement rate was 120.08%.

1.1.3 Financial Revenue and Profit Analysis

1. Revenue

The Company's consolidated revenue for 2021 was NT$ 13,608.6 million, a year on year increase of NT$ 4,258.95 million, or 45.55%, mainly due to the increase in the number of tons of steel structures recognized for revenue. The operating cost was NT$ 11,252.69 million, a year on year increase of NT$ 3,929.34 million. Other net income was NT$ 200.69 million, a year on year increase of NT$ 190,000 from 2020. EAT was NT$ 1,604.26 million, a year on year increase of NT$ 200 million.

2. Profit Analysis

The year 2021's return on assets was 5.53%; return on equity was 7.45 %; net profit margin was 11.79%; and earnings per share was NT$ 3.11.

1.1.4 Research and Development

1. Steel Structure Business

(1) The Company purchased four new 40T rotators for Xinying Factory in April 2021 to increase the efficiency of production for super-heavy structures and reduce abrasion of overhead travelling cranes and other equipment.

(2) The Company worked with a robotic arm vendor to test serviceability of the U Welding of diaphragm assembly and various welded joints of BOX workstation and will make long-term efforts in research and development in order to improve work performance.

(3) To better manage steel members in the storage area, workers in the Hsinchu Plant continue to test an electronic tag management system. The Company has further explored its serviceability in the steel structure sector and continues to improve the management performance of steel structure storage areas.

2. Environmental Protection Business

HYEC introduced a fly ash water-washing facility in 2021. As of Feb, 2022, the company continued to make adjustments to it during a trial run. It will continue to improve the water-washing process and wastewater management and improve its energy saving and carbon emission performance.

1.1.5 Corporate Sustainability

The Company has established a Corporate Sustainability Committee according to Evergreen's business philosophy of "challenge, innovation and teamwork" to strengthen its corporate governance and attaches importance to corporate sustainability. The Committee focuses on solutions for economic, environmental and social issues related to its operation and achieves sound management needed for corporate sustainability through staff education and training as well as its internal control system.

1.1.6 Charity works and social care projects

1. The Company has organized multiple charity events with the Chang Yung-Fa Foundation in order to give back to society.
2. The Company sponsored five classical music concerts by the Evergreen Symphony Orchestra, inviting staff of social welfare and charity organizations to attend for free. It also sponsored free meals prepared by Taizi community development association (Taizi Community is adjacent to the Company's Xinying plant) and delivered them to underprivileged people in need of help in the community.
3. The Company received an award from Tainan City Government in 2021 for the

promotion of environmentally friendly procurement.

The Company has actively participated in charity activities and fulfilled its social responsibility through continued social care. It has also effectively managed its endeavors for corporate governance, environmental protection, and charity work in order to enhance its corporate sustainability.

1.2 Operation Strategy for 2022

1.2.1 Operation Direction

1. Steel Structure Business

In 2021, the construction industry suffered a serious labor shortage, which resulted in the delay of some construction projects and postponement of order placement. Consequently, workloads of the Company's plants fluctuated considerably. In addition to seeking assistance from its business partners for manufacturing and processing work and increasing its capacity to help its clients meet their construction schedules, the Company also made timely adjustments to the capacity of its plants depending on the orders it received.

The demand for steel structures is expected to grow steadily this year. While the Company will give priority to serving its existing clients, it will continue to develop new clients, endeavor to build long-term, stable business relations, and constantly pay attention to the fluctuation of raw materials prices in the international steel market. As inflation continues to push up prices of various raw materials and the cost of manpower, the Company will give priority to not only promptly reflecting changes in its quotations, but also placing early orders with its suppliers in order to reduce costs and maximize expected gross profit.

2. Environmental Protection Business

(1) Hsin Yung Enterprise Corporation：The company's priorities are maintenance of equipment and systems in its plants and treatment of waste under Taoyuan City Government contract. The company will treat other general business waste if its capacity allows it to do so with the aim of maximizing the revenue from electricity sale.

(2) Super Max Engineering Enterprise Co., Ltd.：Due to establishment of new factories by our competitors, the Company will endeavor to increase profit by soliciting the business of complicated treatment of high-priced waste.

(3) Ever Ecove Corporation：The company will endeavor to complete trial runs and trial operation, source information in the waste treatment market, and formulate a waste acceptance plan in order to meet the requirements of testing and commercial operation.

1.2.2 Forecast of Business Performance

1. Steel Structure Business

Implementation of public construction projects, factory expansion of semi-conductor companies, and steady increase of demand for housing this year will drive demand for steel structures. In response to the rise of raw materials prices, the company will actively negotiate with its suppliers for reasonable prices and solicit high-margin business of construction projects, while it tries to convince clients to accept floating steel prices, in order to further enhance its operational performance.

Demand by construction companies has increased recently and time of delivery for orders previously placed for construction projects has changed considerably due to the labor shortage of domestic construction companies. As a result, the Company needs to make timely adjustments to its operations whenever needed in order to meet construction schedules of its clients. When the Company’s capacity can’t satisfy the needs of multiple clients in the construction industry, it will seek assistance from other companies in this industry in order to meet the clients’ construction schedules and maintain normal operations.

In 2022, the Company will continue to complete delivery and hosting of steel structures for existing clients’ construction projects, including Greater Taichung International Expo Center, commercial buildings of Fubon Bank in northern Kaohsiung, and factory expansion projects of big semiconductor companies. As demand in the construction market rises, prices of iron ore and coal, which are raw materials of steel, rise, and prices of a variety of steels in Japan, Mainland China and Asia will also increase. The steel structure market is therefore expected to see steady growth in 2022, and the Company will take orders according to needs of clients and within its business plan.

2. Environmental Protection Business

(1) Hsin Yung Enterprise Corporation：The incineration plant can dispose of 1,350 tons of waste per day and the source of waste it processes is stable, as most is domestic waste delivered by Taoyuan City Government.

(2) Super Max Engineering Enterprise Co., Ltd.：As new competitors enter this market, the unit prices of some wastes the Company has disposed have gone down slightly. The Company will endeavor to increase its profit by continuously soliciting the business of complicated treatment of high-priced waste in order to create a market niche and soliciting more business of treating waste generated by other industrial processes.

(3) Ever Ecove Corporation：The company is expected to begin formal commercial operations in the second half of 2022. During the trial run period, it has increased the number of tons of waste processed by its anaerobic and heat treatment

equipment in order to gradually enhance its power generation capacity and efficiency, so as to maximize operational effectiveness before the company launches formal commercial operations.

1.2.3 Key Business Strategies

1. Steel Structure Business

Although steel prices slightly decreased in the first quarter of 2022, foreign steel materials prices went up afterward. On top of this, construction projects launched by domestic construction companies and new factory construction projects of domestic companies will continue to drive up domestic steel prices in the short term. As HR costs are expected to increase in 2022 due to the labor shortage, reflecting reasonable prices in our quotes and enhancement of cost controls are still our key strategies to improve operational performance.

2. Environmental Protection Business

Thanks to the continued increase of the Taoyuan City population and prosperity of local industries and businesses, the amount of municipal waste and industrial waste the City Government has to dispose of will be stable and continue to grow. Given the stability of the source of waste, the Company will give priority to treatment of waste delivered by the Taoyuan City Government and sell all the electricity generated from the incineration process to Taipower at a wholesale price in order to meet the regulatory requirement for maximized disposal capacity in the contract.

1.3 Future Development Strategies

1.3.1 Business Strategies

1. Steel Structure Business Division

(1) As demand will continue to exceed supply in the steel structure market in 2022, the Company will not only continue to maintain business relationships with existing clients to keep its plants running, but also endeavor to solicit famous clients in order to increase its publicity in the market and actively work with its business partners for creation of a premium supply chain to increase competitiveness.

(2) In regard to special construction projects, the Company completed the installation of steel structures for a large cable-stayed bridge for the Ankeng Light Rail Transit System, which is the first project of this kind for the Company, in 2021. Currently, the Company is providing its products to Kaohsiung Train Station and Greater Taichung International Expo Center, and will continue to seek business opportunities created by other special construction projects.

(3) The Company will support government efforts in public construction projects and solicits clients of government agencies carrying out public construction projects

for the joint efforts in enhancement of public construction quality and fulfillment of its social responsibility.

2. Environmental Protection Business

(1) Hsin Yung Enterprise Corporation：It will maintain stable quality and volume of waste to be disposed of and good equipment operational efficiency to achieve highly-effective power generation and increase waste treatment capacity. The Company will cultivate technical know-how of its staff and set up a team for exploitation of proprietary technology with the aim of providing technology and services needed for new construction projects and operational management of the incinerator in the future.

(2) Super Max Engineering Enterprise Co., Ltd.：As new competitors, including establishment of new and renovated treatment plants, enter the market, the Company has set the following goals for its operation this year:

① Maintain its capacity for waste treatment of existing key clients and stability of waste sourcing and treatment.

② Actively solicit the business of complicated treatment of high-priced waste to create a market niche.

③ Solicit more business of treatment of waste generated by other industrial processes.

④ Will build one rotary kiln incinerator with a capacity to dispose of 43 tons of waste per day in order to increase the Company's revenue and profit.

(3) Ever Ecove Corporation：The company is a pioneering BOT project biomass energy center in Taiwan and its incinerator is not just a conventional waste incinerator; it will not only properly dispose of waste and generate power with thermal energy recovery efficiency that meets official renewable energy standards, but also take the lead to create an advanced, eco-friendly technology park characterized by low pollution, multiple treatment methods, and sustainable operations and set 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 reduce errors to decrease costs incurred from additional modification.
3. Contact multiple domestic and foreign suppliers for their quotes of steel materials in order to lower procurement.

1.3.3 Corporate Sustainability Strategies

In order to achieve effective corporate governance and sustainable environmental management and safeguard the public interest, the Company has formulated sustainable development policies. It has also established a corporate sustainability committee to take charge of formulation and execution of the aforementioned policies and report to the Company’s board of directors on a regular basis. The Company will strive for sustainable operations in 2022 in the following ways：

1. Provide diverse education and training, cultivate professional talent, and increase competitiveness for sustainable operations.
2. Continue to carry out machinery rejuvenation to improve performance, carry out occupational safety management, and provide a healthy work environment for a safe, employee-friendly workplace.
3. Take concrete action to help the underprivileged with love and care and actively participate in a variety of charity works.
4. Continue to inspect and improve all equipment in order to protect the environment and promote energy-saving and reduction of carbon emissions for the prevention of pollution and fulfillment of its social responsibility.
5. Continue to implement computerized operations to reduce unnecessary paper consumption and use environmentally-friendly products with green labels for environmental protection.
6. Effectively protect fundamental human rights of all employees and stakeholders, endorse and comply with the Universal Declaration of Human Rights of the United Nations, and introduce human rights guidelines based on the aforementioned standards. This includes effective protection of information security.

1.4 Effects of External Competitive Environment, Laws and Macroenvironment

1.4.1 External Competitive Environment

In 2021, domestic demand for steel structures increased significantly, thanks to domestic public construction, and construction of buildings and factories, which gave rise to establishment of mid-sized and small-sized steel plants. On top of this, demand for raw materials remained strong and the labor shortage was still serious in Taiwan as all companies in this industry tried to forge business partnerships with subcontractors. Therefore, market competition remained fierce. Against this backdrop, the Company will give priority to realizing expected gross profit with cost controls through early agreements with the contractors after receipt of the orders.

The Company’s environmental protection business includes general business waste and municipal waste treatment services. The source of waste it treats is stable and 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 back-up mechanism.

1.4.2 Regulatory Requirements

1. The Company is required to comply with regulations governing environmental protection, the Air Pollution Control Act and Water Pollution Control Act, in its processing of steel structures in the factories. Production equipment and waste storage facilities in some of the factories need continued adjustments and improvements in 2022. However, the impact of these adjustments and improvements needed for overall operations is controllable.

2. 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.

3. 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.

1.4.3 Macroenvironment

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, 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 maintain a stable profit.

In 2022, the Company will continue to implement existing quality management policies and endeavor to achieve its annual goals. It will safeguard shareholders' interests and maintain stable profit, while embracing Evergreen Group's business motto of "challenge, innovation and teamwork" with the goal of achieving operational stability and following the business philosophy of premium services and sustainable operations.

Chairman Lin, Keng-Li

President Liu, Pang-En

April 12, 2022

II. Company Profile

2.1 Date of Incorporation

The Company was established on January 29, 1973.

2.2 Company History

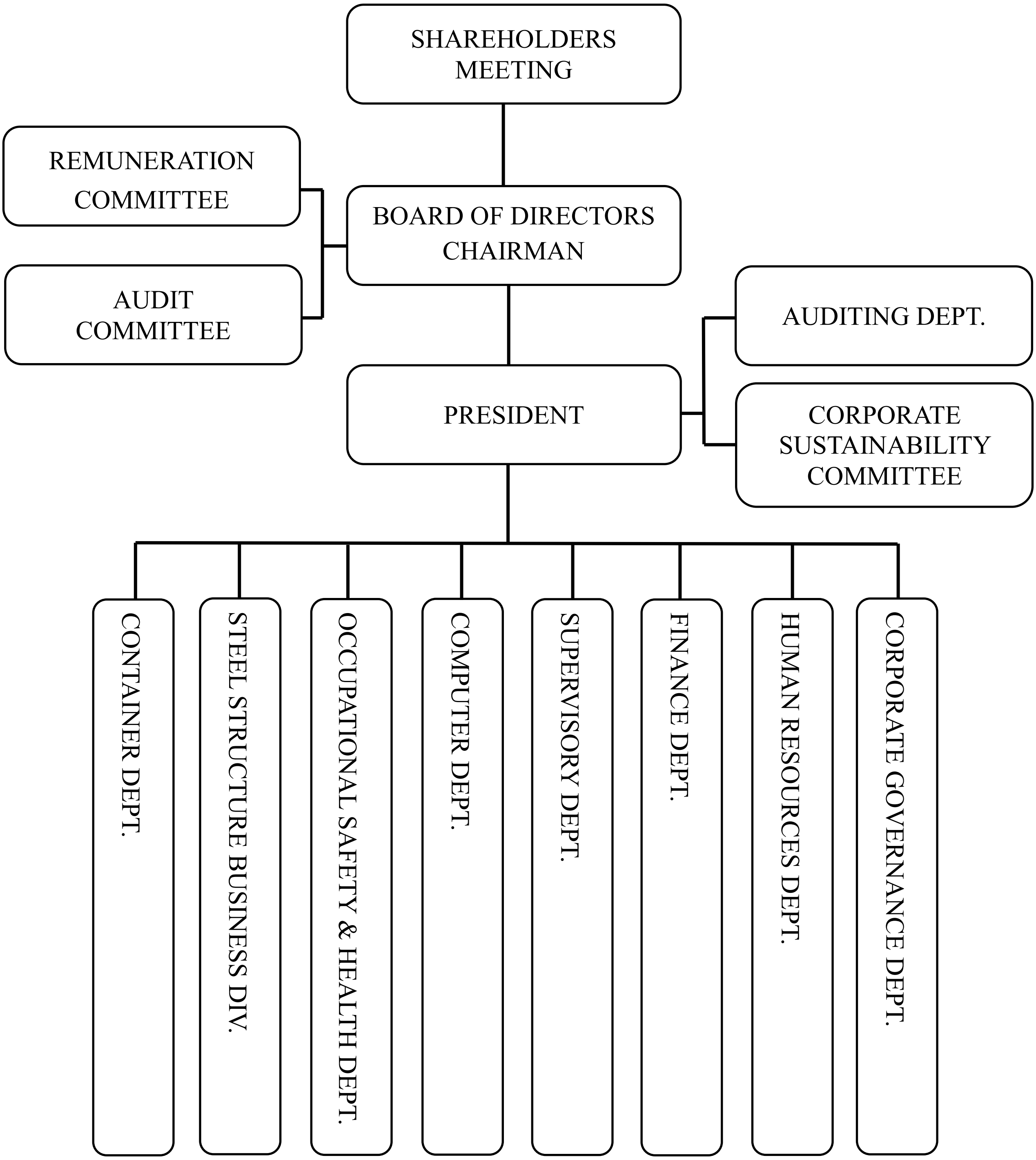
Year	Milestones
January, 1973	The predecessor of EGST was Kaolun Industrial Corp. which was established on January 29, 1973 with investment capital of NT$3.6 million.
June, 1982	Kaolun Industrial Corp. increased capital by NT$21.4 million, reaching NT$25 million in paid-in capital, and was renamed Ever Master Industrial Corp. after approval.
November, 1982	Ever Master Industrial Corp. increased capital by NT$25 million, reaching a total of NT$50 million paid-in capital.
September, 1983	Ever Master Industrial Corp. increased capital by NT$50 million, reaching a total of NT$100 million paid-in capital.
February, 1984	Ever Master Industrial Corp. increased capital by NT$50 million, reaching a total of NT$150 million paid-in capital.
September, 1984	Ever Master Industrial Corp. increased capital by NT$30 million, reaching a total of NT$180 million paid-in capital.
September, 1985	Ever Master Industrial Corp. merged with Ever Valor Industrial Corp. (NT$180 million capital). Ever Master Industrial Corp. was the surviving company and its capital amounted to NT$360 million.
August, 1987	Ever Master Industrial Corp. was renamed Evergreen Heavy Industrial Corp. after approval.
December, 1987	Evergreen Heavy Industrial Corp. increased capital by NT$440 million, reaching a total of NT$800 million paid-in capital.
May, 1989	Evergreen Heavy Industrial Corp. increased capital by NT$350 million, reaching a total of NT$1,150 million paid-in capital.
August, 1990	Evergreen Heavy Industrial Corp. merged with Evergreen Superalloy Corp. (NT$1,500 million capital). Evergreen Heavy Industrial Corp. was the surviving company and its capital amounted to NT$2,650 million after the merger.
May, 1997	Evergreen Heavy Industrial Corp. acquired 34.70% equity of Super Max Engineering Corp. with an investment of NT$389,030,286.
October, 1998	Evergreen Heavy Industrial Corp. merged with Ever Pioneer Steel Corp (capital NT$1,400 million). Evergreen Heavy Industrial Corp. was the surviving company and its capital amounted to NT$3,168 million.
December, 1998	Evergreen Heavy Industrial Corp. acquired 64.76% equity of Hsin Yung Enterprise Corp., with an investment of NT$323.8 million.
January, 2000	Evergreen Heavy Industrial Corp. acquired 99% equity of its subsidiary Mingyu Investment Corp., with an investment of NT$49.94 million.
April, 2000	Evergreen Heavy Industrial Corp. changed its name to Evergreen Development & Network Technology Corp.
May, 2000	Evergreen Development & Network Technology Corp. acquired 74% equity of Green Steel Structure Corp. with an investment of NT$99.94 million.

Year	Milestones
May, 2001	Evergreen Development & Network Technology Corp. changed its name to Evergreen Development Corp. after the approval.
June, 2002	Evergreen Development Corp. Increased capital by NT$316.8 million from earnings according to a resolution of the shareholders' meeting, making a total of NT$3,484.8 million paid-in capital.
May, 2003	Evergreen Development Corp. abandoned a plan for an IPO following a decision by its board of directors.
June, 2003	Evergreen Development Corp. increased capital by NT$174.24 million from earnings, making a total of NT$3,659.04 million paid-in capital.
April, 2004	Evergreen Development Corp. increased capital by NT$182,952,000 from earnings, making a total of NT$3,841,992,000 paid-in capital.
May, 2005	Evergreen Development Corp. increased capital by NT$192,099,600 from earnings, making a total of NT$4,034,091,600 paid-in capital.
September, 2009	Evergreen Development Corp. merged with Green Steel Structure Corp. according to a resolution of the board of directors. Evergreen Development Corp. was the surviving company and carried out capital increase of NT$49,927,940 after the merger, making a total of NT$4,084,019,540 paid-in capital.
July, 2011	Evergreen Development Corp. was renamed Evergreen Steel Corp.
August, 2012	The board of directors approved retirement of treasury stock for a capital reduction of NT$29,759,910. The paid-in capital amounted to NT$4,054,259,630 after the capital reduction.
August, 2018	Evergreen Steel Corp. acquired 70% equity of Ever Ecove Corp. with an investment of NT$700 million.
August, 2019	The board of directors approved retirement of treasury stock for a capital reduction of NT$60 million. The paid-in capital amounted to NT$3,994,259,630 after the capital reduction.
October, 2019	Public offering of company stock after approval.
January, 2020	Listed on Emerging Stock Board of Taipei Exchange after approval.
April, 2021	Listed on Taiwan Stock Exchange Corporation after approval.
April, 2021	Evergreen Steel Corp. increased capital by NT$205.56 million before the listing, making a total of NT$4,199,819,630 paid-in capital.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

1. According to the Articles of Incorporation, the Company, shall have seven(7) directors, three of which shall be independent directors, and the directors shall constitute the Board. The Company's material business operations shall be resolved by the Board of Directors. The Chairman of the Board shall be elected at a meeting attended by at least two-thirds (2/3) or more of the entire Board and by a simple majority vote of the Directors present at the meeting, and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall externally represent the Company and oversee corporate operations. For establishing sound corporate governance and enhancing the functions of the Board of Directors, the Audit Committee is subordinate to the Board of Directors and is composed entirely of independent directors; the number of the committee members shall not be fewer than three(3), one of them shall be convener, and at least one of them shall have accounting or financial expertise. The main function of the committee is to supervise fair presentation of the financial reports, the appointment, independence and performance of CPAs, the effective implementation of the internal control system, and the risk management of the Company. According to the Remuneration Committee Charter, the Remuneration Committee is subordinate to the Board of Directors. The members of the committee shall be appointed by resolution of the Board of Directors. The committee shall not be fewer than three(3) members, one of whom shall be the convener. Its main function is to formulate and periodically review the remuneration policy and remuneration for Directors and managers.
2. The Company has one president, who manages overall business as per the instructions of the Board. Appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.
3. The Auditing Department is responsible for the implementation of the internal control system and audit activities.
4. The Corporate Sustainability Committee is chaired by the President, and is responsible for formulating corporate sustainability policies and executing various corporate sustainability plans.
5. The Corporate Governance Department is responsible for board meeting and shareholders' meeting affairs, and corporate governance related matters.
6. The Human Resources Department is responsible for staffing activities, formulation of remuneration and benefits policy, hiring, and staff education and training.

7. The Finance Department is responsible for the account auditing, tax treatment, cash and capital management, preparation, and announcement and filing of financial statements.
8. The Supervisory Department is responsible for coordination of general affairs and corporate sustainability related matters for the headquarters and different departments.
9. The Computer Department is responsible for computer systems maintenance, new systems design/planning/development, and management of hardware assets and networks.
10. The Occupational Safety & Health Department is in charge of a variety of matters related to occupational safety and health in accordance with the Occupational Safety and Health Act.
11. The Steel Structure Business Division is responsible for undertaking and outsourcing of steel structure and special construction projects, as well as design, production, installation and lifting of steel structure member.
12. The Container Department is in charge of repair, renovation and storage of containers.

3.2 Directors and Management Team

3.2.1 Directors

Director Information (1)

April 12, 2022

Title (Note 1)	Nationality	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Tenure	Date of Initial Election, Appointment (Note 3)	Shareholding When Elected (Note 7)		Present Shareholdings (Note 7)		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Education & Experience (Note 4)	Concurrent Positions in 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 Logistics Corp.	Not applicable	2019.11.29	3 years	2019.11.29	100,000	0.03	1,035,000	0.25	Not applicable		0	0	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Lin, Keng-Li	Male 61~70 years old	2019.11.29	3 years	2016.03.18	Not applicable		139,000	0.03	62,943	0.01	0	0	Please refer to P20 for details.	Director: Hsin Yung Enterprise Corporation, Ever Ecove Corp., Super Max Engineering Enterprise Co., Ltd., Mingyu Investment Corp, and Taiwan Aerospace Corp.	None	None	None
Director	R.O.C.	Evergreen International Corp.	Not applicable	2019.11.29	3 years	1992.12.31	122,601,257	30.69	91,101,257	21.69	Not applicable		0	0	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Cheng, Shen-Chih	Male 71~80 years old	2022.4.12	0.63 years	1982.02.22 (Note 6)	Not applicable		0	0	0	0	0	0	Please refer to P20 for details.	Chairman, Evergreen International Corp., Director, UNI Airway Corp.	None	None	None
	R.O.C.	Representative: Chen, Chao-Lung	Male 41~50 years old	2022.4.12	0.63 years	2022.04.12	Not applicable		0	0	0	0	0	0	Please refer to P21 for details.	Attorney-at-Law, Discernment Law Firm	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 (Note 7)		Present Shareholdings (Note 7)		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Education & Experience (Note 4)	Concurrent Positions in 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
Director	R.O.C.	Wei-Dar Development Co., Ltd.	Not applicable	2019.11.29	3 years	2001.04.27	12,823,245	3.21	12,823,245	3.05	Not applicable		0	0	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Lee, Mon-Ling	Female 51~60 years old	2019.11.29	3 years	2014.02.27	Not applicable		0	0	0		0	0	Please refer to P21 for details.	Director: Hsin Yung Enterprise Corporation, Metropolis Property Management Corporation, and La Mer Corporation	None	None	None
Independent Director	R.O.C.	Lee, Kuan-Hsien	Male 41~50 years old	2019.11.29	3 years	2019.11.29	0	0	0	0	0		0	0	Please refer to P22 for details.	CPA, Hwa-Terng & Co., CPAs	None	None	None
Independent Director	R.O.C.	Lien, Yuan-Lung	Male 61~70 years old	2019.11.29	3 years	2019.11.29	0	0	0	0	0		0	0	Please refer to P23 for details.	Independent Director, MSIG Mingtai Insurance Co., Ltd. Director, TWT Net Corporation Attorney in Charge, Lien & Partners Law Offices	None	None	None
Independent Director	R.O.C.	Chiang, Jui-Chin	Female 51~60 years old	2019.11.29	3 years	2019.11.29	0	0	0	0	0		0	0	Please refer to P24 for details.	Supervisor, DIYI Social Enterprise Attorney at Law, Dentons Taiwan	None	None	None

Note 1: For statutory director, both the names of the legal entity and its representative are required to be disclosed (for representative of statutory director, the name of the legal entity should also be disclosed) and the aforementioned information should be noted and filled in Table 1 below.

Note 2: Please list the actual age in a range of numbers, such as 41-50 years old or 51-60 years old.

Note 3: To fill in “the Date of Initial Election, Appointment” of the directors and supervisors, the discontinuation of tenure should be footnoted.

Note 4: To fill in the “Experience” of director and supervisor, detailed job titles and work responsibilities should also be described if he/she previously worked for the auditing accounting firm or the Company’s affiliates.

Note 5: The chairman of the board of directors and the president of an equivalent post (the highest-level managerial officer) of the Company are the same person, spouses, or relatives within the first degree of kinship: None.

Note 6: Mr. Cheng, Shen-Chih has served as a supervisor and a director of the Company from Feb. 22, 1982 to Mar. 10, 2000, and Apr. 12, 2022, till present.

Note 7: The Company issued 399,425,963 shares and 419,981,963 shares on Nov. 29, 2019, when the directors of this tenure were elected, and as of Apr. 12, 2022, respectively.

Table 1: Major Shareholders of the Institutional Shareholders

April 12, 2022

Name of Institutional Shareholder (Note 1)	Major Shareholders of Institutional Shareholder (Note 2)
Evergreen Logistics Corp.	Evergreen International Storage & Transport Corp. (91.21%) Chiu, Hsien-Yu (0.1%) Li, Ming-Che (0.1%) Yeh, Jui-Ching (0.09%) Hung, Chi-Chou (0.09%) Lin, Chih-Ming (0.09%) Wang, Yao-Tsung (0.09%) Su, Ling-Yu (0.09%) Chu, Shu-Hsiang (0.09%) Hsiao, Sheng-Liang (0.09%) Lin, Chien-Hsiang (0.09%) Chen, Chung-Kuang (0.09%) Niu, Chun-Shan (0.09%) Chung, Shih-Chieh (0.09%)
Evergreen International Corp.	Chang Yung-Fa Foundation (28.86%) Sheng Shi Corporation (18.00%) Chang, Kuo-Ming (17.99%) Lee, Yu-Mei (7.14%) Chang, Kuo-Hua (6.46%) Cathay United Bank Trust Account of Chang, Kuo-Hua (6.44%) Chang Yung-Fa Charity Foundation (5.00%) Chang, Yung-Fa (5.00%) (deceased) Yang, Mei-Chen (2.55%) Cathay United Bank Trust Account of Yang, Mei-Chen (2.05%)
Wei-Dar Development Co., Ltd.	Maoshi Corporation (99.59%)

Note 1: If the director is the representative of an institutional shareholder, the name of the institutional shareholder should be indicated.

Note 2: Fill in the names and shareholding ratios of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are institutional shareholders, please fill out Table 2 below.

Note 3: When an institutional shareholder is not a company, the mentioned name of institution and its shareholding ratio, which shall be disclosed, are defined as name of donor and its donation ratio.

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

Table 2: Major Shareholders of the Company's Major Institutional Shareholders

April 12, 2022

Legal Entity (Note 1)	Name of Institutional Shareholder (Note 2)	Major Shareholders of Institutional Shareholder (Note 3)
Evergreen Logistics Corp.	Evergreen International Storage & Transport Corp.	Evergreen Marine Corp. (Taiwan) Ltd. (40.36%) Evergreen International Corp. (8.45%) Chang, Kuo-Cheng (2.80%) Chang, Kuo-Hua (1.82%) Chang, Kuo-Ming (1.76%) Yang, Mei-Chen (1.03%) Chang, Yung-Fa (0.95%) (deceased) Chen, Hui-Chu (0.74%) Bank SinoPac as Custodian Ally Holding Ltd. Investment Account (0.72%) Wang, Chuang-Yan (0.65%)
Evergreen International Corp.	Chang Yung-Fa Foundation (Note 6)	Chang, Yung-Fa (deceased) Chang, Shu-Hua (deceased) Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng Evergreen International Corp. Evergreen Marine Corp. (Taiwan) Ltd. Everglory Transport Corp. Evergreen Investment Corp. Eversafety Container Terminal Corp. Ever master Industrial Corp. Evergenius Computer Information Corp. Everlaural Trading Corp. Ltd. Uniglory Marine Corp.
	Sheng Shi Corporation	Chang, Kuo-Cheng (92.44%) Tseng, Chiung-Hui (7.56%)
	Cathay United Bank Trust Account of Chang, Kuo-Hua	Not applicable
	Chang Yung-Fa Charity Foundation (Note 7)	Chang, Yung-Fa (33.33%) (deceased) Chang, Kuo-Hua (33.33%) Cheng, Shen-Chih (33.33%)
	Cathay United Bank Trust Account of Yang, Mei-Chen	Not applicable
Wei-Dar Development Co., Ltd.	Maoshi Corporation	Jade Fortune Enterprises Inc. (99.999%) La Mer Corporation (0.001%)

Note 1: Name of Institutional Shareholders of Table 1.

Note 2: Name of Major Shareholders of Institutional Shareholders of Table 1.

Note 3: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.

Note 4: When the institutional shareholder is not a company, the mentioned name of institution and its shareholding ratio, which shall be disclosed, are defined as name of donor and its donation ratio.

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

Note 6: Donors listed in the bylaws of Chang Yung-Fa Foundation.

Note 7: Donors listed in the bylaws of Chang Yung-Fa Charity Foundation and the percentages of their donations in the total assets (or the total assets donated by the donors to the foundation when it was established) to the foundation.

Director Information (2)

1. Disclosure of Information about Professional Qualifications of the Directors and Independence of Independent Directors

Item / Name	Professional Qualification and Experiences	Independence Information	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director or a Member of the Remuneration Committee
Chairman: Lin, Keng-Li	1. Education: MBA Shipping and Transportation Management, National Taiwan Ocean University 2. Professional Qualification and Experiences: Current Chairman and former President of the Company.	Other than the fact that Chairman Lin serves as a director of the Company's affiliates and an elected director of the Company as a representative of Evergreen Logistics Corp., he meets the regulatory requirements set in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Director: Cheng, Shen-Chih	1. Education: Department of Shipping and Transportation Management, Provincial Taiwan Maritime Technology College (Now called National Taiwan Ocean University) 2. Professional Qualification and Experiences: Former Vice Group Chairman of Evergreen Group, Chairman of Mega Financial Holding Co., Ltd. and Chairman of EVA Airways Corp. He has extensive experience in business operation and administration.	Other than the fact that Director Cheng serves as a director of the Company as a representative of Evergreen International Corp., he meets the regulatory requirements set in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0

Item / Name	Professional Qualification and Experiences	Independence Information	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director or a Member of the Remuneration Committee
Director: Chen, Chao-Lung	1. Education: Department of Law, National Chengchi University 2. Professional Qualification and Experiences: Attorney-at-Law of Discernment Law Firm	Other than the fact that Director Chen serves as a director of the Company as a representative of Evergreen International Corp., he meets the regulatory requirements set in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Director: Lee, Mon-Ling	1. Education: MBA, Rensselaer Polytechnic Institute, Troy, New York, USA 2. Professional Qualifications and Experiences: Current Director of Hsin Yung Enterprise Corporation, Metropolis Property Management Corporation, and La Mer Corporation	Other than the fact that Director Lee serves as a director of the Company's affiliates and an elected director of the Company as a representative of Wei-Dar Development Co., Ltd., she meets the regulatory requirements set in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0

Item / Name	Professional Qualification and Experiences	Independence Information	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director or a Member of the Remuneration Committee
Independent Director: Lee, Kuan-Hsien (Convener of the Audit Committee, Member of the Remuneration Committee)	1. Education: Department of Accounting of Tunghai University 2. Professional Qualifications and Experiences: CPA of Hwa-Terng & Co., CPAs Former Assistant Manager of Horwath Chien Hsing CPAs and Senior Manager of Deloitte & Touche	Independent Director Lee meets the regulatory requirements set in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2).	0

Item / Name	Professional Qualification and Experiences	Independence Information	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director or a Member of the Remuneration Committee
Independent Director Lien, Yuan-Lung (Convener of the Remuneration Committee, Member of the Audit Committee)	1. Education: National Taiwan University (EMBA); Department of Law, National Taiwan University 2. Professional Qualifications and Experiences: Current Independent Director of Taiwan Pelican Express and MSIG Mingtai Insurance Co., Ltd., Director of TWT Net Corporation, and Attorney in Charge of Lien & Partners Law Offices). Former Supervisor 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	Independent Director Lien meets the regulatory requirements set in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (Note 2).	1

Item / Name	Professional Qualification and Experiences	Independence Information	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director or a Member of the Remuneration Committee
Independent Director: Chiang, Jui-Chin (Member of the Remuneration Committee and the Audit Committee)	1. Education: Master of Laws of Science and Technology Law, National Chiao Tung University (Now called National Yang Ming Chiao Tung University) and Bachelor of Laws, Soochow University 2. Professional Qualifications and Experiences: Current Supervisor of DIYI Social Enterprise and Attorney-at-law of Dentons Taiwan Former Attorney-at-law of KO LIN & WEI Law Office	Independent Director Chiang meets the regulatory requirements set in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2).	0
Note 1: None of the Company's Directors has any situations defined in Article 30 of the Company Act for discharge of managerial personnel. 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 three 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 three independent directors comply with regulatory requirements for their independence.			

2. Diversification and Independence of the Board

(1) Diversification of the Board's Composition:

A. According to the third paragraph of Article 20 in the Company's "Corporate Governance Best-Practice Principles," the composition of the Board of Directors shall take diversification of its composition into consideration. According to the fourth paragraph of Article 20, the Directors shall have professional knowledge, skills and ability needed for fulfillment of their duties. The Company's directors have expertise in different areas, including operations management, enterprise management, law, finance, accounting, environmental protection, etc., which can make the Board's decision making more professional and contribute to operations and long-term development of the Company.

B. The Company's Board has seven(7) directors and three(3) of them are independent directors (42.86%). All of them are R.O.C nationals.

C. The Company attaches importance to gender equality of the composition of its Board of Directors. According to its policy, female directors shall account for over 20% of the board members. Currently, there are two(2) female directors, or 28.57% of the board members.

D. The Company will modify its board composition diversification policy when needed, depending on its operations, in order to achieve its corporate governance goals.

E. Diversification of the Board's composition according to the Company's policy is shown in the table below:

Title	Name	Gender	Operations Management	Enterprise Management	Law	Finance Accounting	Environmental Protection
Chairman	Lin, Keng-Li	Male	✓	✓			✓
Director	Cheng, Shen-Chih	Male	✓	✓			
Director	Chen, Chao-Lung	Male	✓	✓	✓		
Director	Lee, Mon-Ling	Female	✓	✓		✓	✓
Independent Director	Lee, Kuan-Hsien	Male	✓	✓		✓	
Independent Director	Lien, Yuan-Lung	Male	✓	✓	✓		
Independent Director	Chiang, Jui-Chin	Female	✓	✓	✓		

(2) Independence of Board of Directors:

A. The Company's Board has seven(7) directors and three(3) of them are independent directors (which accounts for 42.86% of the composition). In order to enhance the Board's independence and its performance, the Company has established the "Rules Governing Duties of Independent Directors" and the independent directors have fulfilled their duties accordingly. In addition, they have not developed the relation with the Company's management or interested parties that would jeopardize the Company's interest or that would prevent them from exercising discretion in a fair manner. All of the three independent directors can monitor operations of the board independently and effectively.

B. None of the directors of the Company are a spouse, or relative within the second degree of kinship of one another. When any director is involved in regard to any proposal for Board's meeting, the director shall not participate the in the discussion and vote for the resolution in order to ensure independence and objectivity of the Board's voting for the resolution.

Note 1: Professional qualifications and experiences: describe professional qualifications and experiences of individual directors and supervisors. In the case of a director that is an Audit Committee member and has financial or financial expertise, the information about his/her accounting or financial background and work experience shall be provided. In addition, the information about whether a director has any situations defined in Article 30 of the Company Act for discharge of managerial personnel shall also be provided.

Note 2: Information about compliance of independent directors with the regulatory requirements for their independence shall be provided, including but not limited to whether the independent directors, their spouses and relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliate(s), how many shares of the Company the independent directors, their spouses and relatives within the second degree of kinship hold (or in the name of a third party) and the shareholding percentages, whether they are directors, supervisors or employees of the companies with specific relation with the Company 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, the information about the amount of remuneration the independent directors have received from the Company or its affiliate(s) for commercial, legal, financial or accounting service in the last two years, if any, shall be provided.

3.2.2 Management Team

April 12, 2022

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 orWithin 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	0	0	Experience: Executive Vice President of the Company Education: Mechanical Engineering Department of Chung Yuan Christian University	Chairman of Mingyu Investment Corp.	None	None	None	None
Vice President and Head of Steel Structure Business Division	R.O.C	Chien, Chih-Lung	Male	2019.11.29	20,000	0	0	0	0	0	Experience: Senior Vice President of the Company Education: Masters' degree, Department of Civil Engineering, National Central University	None	None	None	None	None
Senior Vice President of Steel Structure Business Division	R.O.C	Ou, Nan-Hsin	Male	2016.06.01	110,467	0.03	0	0	0	0	Experience: Junior Vice President of the Company Education: Civil and Hydraulic Engineering Department, Chung Yuan Christian University	None	None	None	None	None
Senior Vice President of Steel Structure Business Division	R.O.C	Chang, Hsing-Kung	Male	2016.06.01	20,000	0	0	0	0	0	Experience: Junior Vice President of the Company Education: Civil Engineering Department, Chung Yuan Christian University	None	None	None	None	None
Senior Vice President of Steel Structure Business Division	R.O.C	Chou, Chih-Chien	Male	2019.01.01	59,100	0.01	0	0	0	0	Experience: Junior Vice President of the Company Education: Mechanical Engineering Department, Oriental Institute of Technology	None	None	None	None	None
Senior Vice President and Head of Container Department	R.O.C	Lee, Ding-Ming	Male	2022.03.11	10,000	0	0	0	0	0	Experience: Executive Vice President of Evergreen Heavy Industrial Corp. (Malaysia) Education: Industrial Management Department of National Cheng Kung University	None	None	None	None	None
Senior Vice President of Finance Department and Financial Officer / Accounting Officer	R.O.C	Chuang, Ting-Ting	Female	2021.08.09	0	0	0	0	0	0	Experience: Deputy Senior Vice President of Evergreen International Storage and Transport Corporation Education: Accounting Department of National Taipei College of Business	Supervisor of Mingyu Investment Corp. Supervisor of Taiwan Incubator SME Development Corporation	None	None	None	None
Senior Vice President and Head of Occupational Safety & Health Department	R.O.C	Chen, Meng-Ling	Male	2015.03.13	0	0	0	0	0	0	Experience: Junior Vice President of the Company Education: Department of Business, National Open University	None	None	None	None	None
Head of Auditing Department	R.O.C	Lin, Mei-Li	Female	2005.11.01	0	0	0	0	0	0	Experience: Manager of the Company Education: Masters' degree, Department of Business Administration, Ming Chuan University	None	None	None	None	None
Head of Corporate Governance Department	R.O.C	Yang, Hsiu-Hui	Female	2021.04.01	0	0	0	0	0	0	Experience: Junior Vice President of Stock Department of Evergreen International Corporation Education: Department of Economics, National Taiwan University	None	None	None	None	None

Note 1: It should include the information disclosure of the president, vice president, senior vice presidents, department heads, and branch officers as well as the positions equivalent to president, vice president, or senior 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 and the chairman of the board of directors or person of an equivalent position (the highest-level managerial officer) 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 Financial Officer and Accounting Officer has been changed from Hsu, Chin-Kuan to Chuang, Ting-Ting since Aug. 11, 2021.

3.2.3 Remuneration of Directors, President, and Vice Presidents in 2021

1. Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Directors Remuneration: Base Compensation (A) (Note 2)		Directors Remuneration: Severance Pay (B)		Directors Remuneration: Directors Remuneration (C) (Note 3)		Directors Remuneration: Allowances (D) (Note 4)		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: Salary, Bonuses, and Allowances (E) (Note 5)		Relevant Remuneration Received by Directors Who are Also Employees: Severance Pay (F)		Relevant Remuneration Received by Directors Who are Also Employees: Employees' Compensation (G) (Note 6)				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)
		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: Cash	The Company: Stock	Companies in the Consolidated Financial Statements (Note 7): Cash	Companies in the Consolidated Financial Statements (Note 7): Stock	The Company	Companies in the Consolidated Financial Statements (Note 7)	
Chairman	Evergreen Logistics Corp. Representative: Lin, Keng-Li	4,352	4,352	0	0	2,000	4,000	36	36	6,388 0.50%	8,388 0.65%	0	0	0	0	0	0	0	0	6,388 0.50%	8,388 0.65%	None
Director	Evergreen International Corp. Representative: Chang, Kuo-Hua	0	0	0	0	1,000	1,000	36	36	1,036 0.08%	1,036 0.08%	0	0	0	0	0	0	0	0	1,036 0.08%	1,036 0.08%	None
Director	Evergreen International Corp. Representative: Ko, Lee-Ching	0	0	0	0	1,000	1,000	36	36	1,036 0.08%	1,036 0.08%	0	0	0	0	0	0	0	0	1,036 0.08%	1,036 0.08%	None
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	0	0	0	0	1,000	2,000	36	36	1,036 0.08%	2,036 0.16%	0	0	0	0	0	0	0	0	1,036 0.08%	2,036 0.16%	None
Independent Director	Lee, Kuan-Hsien	960	960	0	0	0	0	48	48	1,008 0.08%	1,008 0.08%	0	0	0	0	0	0	0	0	1,008 0.08%	1,008 0.08%	None
Independent Director	Lien, Yuan-Lung	960	960	0	0	0	0	48	48	1,008 0.08%	1,008 0.08%	0	0	0	0	0	0	0	0	1,008 0.08%	1,008 0.08%	None
Independent Director	Chiang, Jui-Chin	960	960	0	0	0	0	48	48	1,008 0.08%	1,008 0.08%	0	0	0	0	0	0	0	0	1,008 0.08%	1,008 0.08%	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) Independent directors concurrently serve as members of Audit Committee and Remuneration Committee. According to "Payment Regulation of Directors Compensation", the independent directors receive not only monthly remuneration but travel allowance each time they attend 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.
2. The remuneration received by the Company's director for his/her service (such as working as an advisor that is not an employee) provided to any companies not disclosed in the Consolidated Financial Statements of the table above for recent year: 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	8,210	8,210	933	933	2,678	4,173	162	0	162	0	11,983 0.94%	13,478 1.05%	None
Executive Vice President	Yeh, Jia-Chyuan													
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$ 3,5000,000 (excluded)	-	-
NT$ 3,500,000 (included)～NT$ 5,000,000 (excluded)	Liu, Pang-En Yeh, Jia-Chyuan Chien, Chih-Lung	Yeh, Jia-Chyuan Chien, Chih-Lung
NT$ 5,000,000 (included)～NT$ 10,000,000 (excluded)	-	Liu, Pang-en
NT$ 10,000,000 (included)～NT$ 15,000,000 (excluded)	-	-
NT$ 15,000,000 (included)～NT$ 30,000,000 (excluded)	-	-
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	3	3

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	415	415	0.0325
	Executive Vice President and Department Head	Yeh, Jia-Chyuan (Note 5)				
	Executive Vice President and Department Head	Chien, Chih-Lung				
	Vice President	Ou, Nan-Hsin				
	Vice President	Chang, Hsing-Kung				
	Vice President	Lu, Shim-Min (Note 6)				
	Vice President	Chou, Chih-Chien				
	Vice President (Financial Officer / Accounting Officer)	Chuang, Ting-Ting				
	Deputy Vice President and Department Head	Chen, Meng-Ling				
	Department Head (Auditing Officer)	Lin, Mei-Li				

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.

Note 5:Yeh, Jia-Chyuan, Executive Vice President of the Company retired on Mar. 31, 2022.

Note 6: Lu, Shim-Min, Vice President of the Company resigned on Feb. 18, 2022.

3.2.4 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	
	2021	2020	2021	2020
Directors	0.98%	1.29%	1.21%	1.58%
President and Executive Vice Presidents	0.94%	1.68%	1.05%	1.82%

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 Articles of Incorporation of the Company and its guidelines on payment for director remuneration, 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 director's participation in the operation and the contribution to the Company.

In addition, the Company can determine directors' remuneration based on individual director's participation in the operation and the contribution to the Company by reference to the director remuneration 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, etc). The compensation to the managerial officers is determined according to the Company's guidelines on payment for remuneration, and remuneration of managerial officers has to be approved by the Board of directors after the Company's Remuneration Committee presents the proposal. The bonus shall be based on overall operation performance of the Company and work performance of the individuals.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total 6(A) meetings of the Board of Directors were held in 2021. The attendance of directors was as follows:

Title	Name (Note1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A] (Note2)	Remarks
Chairman	Evergreen Logistics Corp. Representative: Lin, Keng-Li	6	0	100%	None
Director	Evergreen International Corp. Representative: Chang, Kuo-Hua	6	0	100%	None
Director	Evergreen International Corp. Representative: Ko, Lee-Ching	6	0	100%	None
Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	6	0	100%	None
Independent Director	Lee, Kuan-Hsien	6	0	100%	None
Independent Director	Lien, Yuan-Lung	6	0	100%	None
Independent Director	Chiang, Jui-Chin	6	0	100%	None

Other mentionable items:

1. 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 situation is occurred during operation of the Board of Directors:
   (1) The items listed in Article 14-3 of 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 Act that the Company is required to provide, please refer to page 80 to 87 for details (Resolutions of the Board of Directors, Audit Committee and Remuneration Committee).
   (2) Except for the proposal mentioned above, other literally recorded resolutions which are opposed or have qualified opinion by independent directors: None.
2. 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 80 to 87 for details.
3. TWSE Listed companies and TPEx companies shall disclose the information regarding the frequency, scope, methods and indexes of self -assessment (or peer assessment) of the Board members. Please refer to the Table 1 below for Evaluation of the Board of Directors.
4. The goals of enhancing functionality of the Board of Directors and the evaluation to strengthen its

functionality in 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 liability insurance for directors in order to disperse the risk of legal responsibility and improve the ability of corporate governance. (2) To enhance the professional ability of directors as well as implement corporate governance, the Company has arranged courses on corporate governance and operation they need for the directors periodically (twice a year). (3) The Company has 3 independent directors and has stipulated the "Rules Governing the Duties of Independent Directors" for them to exercise their powers accordingly and established the Audit Committee to enhance the functionality of the Board of Directors. (4) To enhance information transparency, the Company voluntarily publishes 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 names 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 at 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 filled in the table, and the status 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.

Table 1: Evaluation of the board of directors

Evaluation Frequency and Scope (Note 1 and Note 3)	The Company carries out Board performance evaluation once a year, and the evaluation scope includes performance assessment of the Board, the individual Board members and functional committees.
Evaluation Period (Note 2)	The period for evaluation of 2021 performance was from Jan. 1 to Dec. 31, 2021 and the evaluation results was reported to the Board Meeting on Mar. 21, 2022.
Evaluation Method (Note 4)	Internal self-evaluation of the Board, self-evaluation of board members, and self-evaluation of functional committees.
Evaluation Indexes(Note 5)	1. Self-evaluation of performance of each Board member, which includes attendance of Board meetings for proposal discussions in person, understanding of the Company, the industry and the Company's management team, and continued improvement of corporate governance and internal controls, etc. and the scoring of these items. 2. Peer evaluation is the assessment of the overall performance of the Board by each director, including the assessment of the performance of other directors by each director in terms of their attendance of Board meetings and proposal discussions in person, their understanding of the Company, the industry and the Company's management team, and their continued improvement of corporate governance and internal controls, and scoring of these items.

	3. Self-evaluation of performance of functional committees is the assessment and scoring of the committee's performance by each committee member, which includes the members' participation in the operation 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.
Evaluation Result (Full score: 5)	1. Self-evaluation of performance of the Board: Good, the average score is 4.89. 2. Self-evaluation of performance of the Board members: Good, the average score is 4.86. 3. Self-evaluation of performance of the functional committees: Good, the average score is 4.75.

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 Jan. 1 to Dec. 31, 2021.

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

Note 4: Evaluation Indexes include 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 operation 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 operation 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 operation 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.

3.3.2 Operation of the Audit Committee

1. Annual Tasks and Implementation Status of the Audit Committee:

(1) The Audit Committee is composed of three independent directors, whose major duties are to supervise and review the financial reports, accounting and internal control system, the major asset transactions, endorsements and guarantees, and the offering or issuance of securities.

(2) Annual Tasks of the Audit Committee in 2021:

①Review financial reports

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

②Assess 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 and internal control system statement to the Audit Committee for its review. The Audit Committee and the audit unit have several closed-door communication meetings every year to help the Committee understand the financial status, operational performance, risk management, information security, and the regulatory compliance, and to evaluate the effectiveness of the Company's internal control system.

③Appoint the Company's Certified Public Accountants

The proposal to appoint Chang, Ching-Hsia and Chao, Yung-Hsiang, the CPAs of Deloitte & Touche, Taiwan, as the Company's CPAs for 2021 was reviewed by the Audit Committee on the first meeting of 2021 and approved by the Board meeting. The CPAs have several closed-door communication meetings with the Independent Directors every year to communicate matters related to financial reports.

(3) A total of 5(A) meetings of the Audit Committee were held in 2021. The attendance of the members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】 (Note)	Remarks
Independent Director (Convener)	Lee, Kuan-Hsien	5	0	100%	None
Independent Director	Lien, Yuan-Lung	5	0	100%	None
Independent Director	Chiang, Jui-Chin	5	0	100%	None

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, content of proposal, objection reservation or important suggestion(s) of independent director(s), resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
   (1) The matters listed in Article 14-5 of Securities and Exchange Act: Please refer to page 80 to 87 for details (Resolutions of the Board of Directors, the Audit Committee and Remuneration Committee).
   (2) Except for the aforementioned 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 80 to 87 for details (Resolutions of the Board of Directors, the Audit Committee and the Remuneration Committee).

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 2021, 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 during these meetings.

② The summaries of communication in 2021:

No	Date	Important Communication Content	The Company's response
1	2021.3.10	1. The internal audit report from Dec. 2020 to Jan. 2021. 2. 2020 Internal Control System Statement. 3. Revisions of the internal control systems and the implementation rules.	1.The report was submitted to the Board Meeting. 2. The statement was submitted to the Board Meeting for discussion and approval. 3. The revisions were submitted to the Board Meeting for discussion and approval.
2	2021.5.13	The internal audit report from Feb. 2021 to Mar. 2021.	The report was submitted to the Board Meeting.
3	2021.8.5	The internal audit report from Apr. 2021 to Jun. 2021.	The report was submitted to the Board Meeting.
4	2021.11.9	1. The internal audit report from Jul. 2021 to Sep. 2021. 2. Revisions of the internal control systems and the implementation rules.	1.The report was submitted to the Board Meeting. 2. The revisions were presented to the Board Meeting for discussion and approval.
5	2021.12.21	The internal audit report from Oct. 2021 to Nov. 2021.	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 2021, 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 2021:

No	Date	Communication Content	The Company's response
1	2021.3.10	1. Audit scope and the conclusion of the CPAs' audit of 2020 Financial Report.	None

		2. Audit results of major accounts. 3. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.	None
2	2021.5.13	1. Review type and scope of Q1 financial report of 2021. 2. Financial status and performance after review of 2021 Q1 financial report. 3. Recent regulatory amendments. 4. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.	None
3	2021.8.5	1. Review type and scope of Q2 financial report of 2021. 2. Financial status and performance after review of 2021 Q2 financial report. 3. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.	None
4	2021.11.9	1. Review type and scope of Q3 financial report of 2021. 2. Financial status and performance after review of 2021 Q3 financial report. 3. Annual audit plan. 4. Risk assessment. 5. Discussion and communication between the CPAs and Independent Directors over the questions brought up by the Independent Directors.	None

Note 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 at the Board of the Directors.

Note 2 : If there is any re-election of the Board resigns before the end of the year, both the information of new and former directors should be filled in the table, and the status 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.

3.3.3 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"?	V		The Company has laid down its Corporate Governance Best-Practice Principles after the approval of Board of Directors approved the principles, which can be found on the Company's official website (https://www.evergreennet.com/), (Path: Company website/Corporate Governance/ "important rules of corporate governance") 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?	V		The Finance Department of the Company is in charge of handling these issues about suggestions, doubts and disputes of shareholders by following 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?	V		Responsibility assigned to relevant department.	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 and implement risk management and firewall system within its conglomerate structure?	V		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 information?	V		1. The Company has established "Procedures for Handling Material Inside Information" and "Insider Trading Prevention Management" within internal control operation procedure with the approval of the Board of Directors to prevent the trading of stock by insiders. 2. To enable the directors and managers of the Company to fully understand the relevant rules and penalties of "insider trading" in time, the Company provides the directors and managerial officers a Q&A on insider trading prohibition, and forwards the information about insider trading prevention from time to time. Please visit the MOPS website for courses on prevention of insider trading taken by the Company's directors in 2021. Moreover, the Company also incorporates Codes of Operation Integrity and Ethical Conduct into its orientation training for its new hires and announces related rules on the section specifically for "Operation Integrity" on its website. 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.	None
3. Composition and Responsibilities of the Board of Directors: (1) Does the Board develop and implement a diversification policy for the	V		Please refer to Page 24 to 25 for the Company's policy of Board composition diversification, the specific management goals and the implementation status.	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	
composition of its members?				
(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?		V	Currently, the Company has not voluntarily established other functional committees.	Although the Company has only established the Remuneration Committee and the Audit Committee, the board of directors has exercised its powers according to the law and the Company's Articles of Incorporation, the decisions of the shareholders' meeting and corporate governance principles.
(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?	V		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). 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. 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. 4. The 2021 evaluation results of the performance of the Board of Directors (please refer to note 2 for details) were reported to the Board meeting on Mar. 21, 2022.	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	
(4) Does the Company regularly evaluate the independence of CPA?	V		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). 2. The Company annually evaluates the specialization and independence of the CPAs. The CPAs have presented the statement on independence for their engagement. The board of directors approved the engagement and remuneration for the CPAs for the 2022 financial and tax audit on Mar. 21, 2022.	None
4. Has the TWSE/TPEx Listed Company hired adequate, competent corporate governance staff and appointed a Corporate Governance Department Head 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	V		1. The Board of Directors has appointed the Company's Corporate Governance Department Head Yang, Hsiu-Hui, as the chief corporate governance officer and hired adequate professional corporate governance personnel to protect shareholders' rights and strengthen the Board functions. Yang was the Head of Finance Department of a public company for at least three years and her qualification meets regulatory requirements. 2. Main duties of the chief corporate governance officer of the Company are as follows: (1)To arrange Board meetings and shareholders meetings according to laws. (2)To prepare minutes of Board meetings and shareholders' meetings. (3)To assist directors with their onboarding and courses arrangement. (4)To provide information needed for operational management by directors. (5)To assist Directors with legal compliance. 3. The operation management in 2021 are as follows: (1)To provide Directors information and regulations related to their duties and arrange the Directors' training courses: A. To provide Directors with the latest regulations concerning corporate governance from time to time.	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	
of directors and shareholders' meetings according to the law, and preparing minutes of Board of Directors meetings and shareholders' meetings)?			B. To provide Directors company information related to their duties and maintain smooth communication between Directors and managerial officers. C. To arrange more than 4 closed-door meetings between independent directors and the chief internal auditor and CPAs for their face-to-face communication and in-depth understanding of the independent directors about the Company's audit and financial status. D. To arrange two training courses (three hours for each) for Directors. (2) To arrange meetings of functional committees, the board and shareholders according to the law: A. To provide the meeting agendas and related materials to each director at least seven days in advance, remind the director not to participate in discussion or voting on the agenda item if he/she is an interested party, and send the minutes to each director within 20 days of the meeting. B. To assist with the announcement of the material information about an important resolution of a board meeting after it ends, ensure the legal compliance and accuracy of the material information to ensure information symmetry for transactions of investors. C. To register the date of the shareholders' meeting in accordance with law, produce meeting notices, handbooks and prepare minutes by the regulatory deadlines. 4. Please refer to Note 4 for training records of the chief corporate governance officer in 2021.	
5. Does the Company establish a communication channel with its stakeholders, create a designated section on its website for them (including but	V		The Company has set up a Stakeholders and Issues Management Section (https://www.evergreennet.com), including Contact Us Section, Corporate Social Responsibility 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	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	
not limited to shareholders, employees, customers and suppliers), and properly handle all the issues they care about in terms of corporate social responsibilities?			stakeholders care about.	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has engaged Stock Service Department of KGI Securities Corporation for shareholders' service.	None
7. Information Disclosure: (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	V		1. Disclosure of financial and business information: The Company's website (https://www.evergreennet.com) is maintained by related staff and discloses detailed, accurate information of the Company regarding its operation, financials, and business. 2. Disclosure of corporate governance information: The Company has disclosed "Articles of Incorporation", important operating procedures and the resolutions adopted by the Board on the website (https://www.evergreennet.com).	None
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle	V		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. Information about the investor conferences that the Company held or was invited to attend over the years is disclosed on the Company's website.	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 collection and disclosure, creating a spokesman system, and webcasting investor conferences)?				
(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 status of each month before the proscribed deadline?		V	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 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	V		Please refer to Chapter V Operational Highlights “Labor Relations” 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	
(2) Investor relations	V		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	V		Please refer to Chapter III Corporate Governance Report "Corporate Sustainability" for more information.	None
(4) Directors training records	V		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 and Supervisors 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 and risk evaluation measurement	V		Please refer to Chapter VII "Analysis of Risk Management" for more information.	None
(6) Insurance purchased by the Company for directors	V		The Company has purchased liability insurance for 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: Not Applicable.				

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 2021

	Self-evaluation of performance of the Board	Self-evaluation of performance of Board members (for themselves)	Self-evaluation of performance of the functional committees
Average score (Full score: 5)	4.89	4.86	4.75
Evaluation Results	Good	Good	Good

Note 3: 2022 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 2021

Date	Professional Organization	Courses	Hours
2021/08/31	Taiwan Corporate Governance Association	Avoiding Climate Disaster: opportunities and challenges to businesses	1
2021/09/01	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum (morning and afternoon sessions)	6
2021/09/08	Taiwan Corporate Governance Association	Avoiding Climate Disaster: opportunities and challenges to businesses	3
2021/09/15	Digital Governance Association	Directors and Supervisors Liabilities and Risk Management Seminar	3
2021/10/08	Taiwan Corporate Governance Association	Employment of Employee Remuneration Strategies and Tools	3
2021/11/12	Securities and Futures Institute	Promotion of Preventing Insiders' Trading (2022)	3
Total hours on 2021 courses			19

3.3.4 Composition, Responsibilities, and Operations of the Remuneration Committee

1. Remuneration Committee Members' Information
   All of the Company's Remuneration Committee members are independent directors. Please refer to page 20 to 24 for their professional qualifications, experiences and independence status and the number of other public companies for which they concurrently serve as their remuneration committee members.
2. Duties of the Remuneration Committee (scope of duties) are making suggestions about the following matters and presenting related proposals to the Board of Directors for its 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. Operation of Remuneration Committee:
   (1) The Remuneration Committee is composed of three members.
   (2) The term of office of current Remuneration Committee is from November 29, 2019 to November 28, 2022. The Committee held a total of 3 (A) meetings in 2021; please refer to page 80 to 87 for its decisions and the responses of the Company to the Committee's opinions and refer to the table below for the attendance of Committee members of its meetings.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Convener	Lien, Yuan-Lung	3	0	100%	None
Member	Lee, Kuan-Hsien	3	0	100%	None
Member	Chiang, Jui-Chin	3	0	100%	None

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 of the meeting, session, 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 a decision of the Remuneration Committee is opposed by its members and such opposition is recorded or is made with a written declaration, the date of the meeting, session, content of the proposal, all members' opinions and the response to members' opinion 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 theactual 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 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 duringhis/her tenure and the actual number of his/her attendance.

4. Nomination Committee members' information and its operation: the Company does not have a nomination committee.

3.3.5 Promotion of Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>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? Does the Board of Directors authorize a senior executive to handle such affairs under its supervision?</td><td>V</td><td></td><td>1. The Company set up a committee for fulfillment and sound management of CSR (the “CSR Committee”) in November, 2020. It was renamed to “Corporate Sustainability Committee” in October, 2021.
2. The committee has six teams in charge of different affairs related to corporate sustainability, including corporate governance, employee care, customer care, supplier management, environment sustainability and social welfare. Chaired by the Company’s president, it is made up of heads of all departments, who implement related projects and plans according to their duties and roles. The Supervisory Department is in charge of promotion of corporate sustainability, and conveys related information to the stakeholders through multiple channels, (including the Company’s website, the annual report and MOPS) and presents the results of communication, negotiation and achievements to the chair of the Commission for review and approval before it reports its operation status to the Board of Directors on an annual basis.</td><td>None</td></tr>
<tr><td>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</td><td>V</td><td></td><td>1. The timeframe for the assessment of the Company’s corporate sustainability performance disclosed in this section spans from January 2021 to December 2021 and the risk assessment is limited to the Company.
2. The Committee conveys its information to the stakeholders through multiple channels based</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status (Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
strategies? (Note 2)			on materiality principles. It identifies important issues that stakeholders are concerned about based on its analysis of important issues, adopts related solutions and discloses related information. As the Company pursues sustainable operations and profit, it also attaches importance to environmental, social and corporate governance issues and incorporates related considerations into its management guidelines and operational activities. 3. The Company conducts its risk assessment of environmental, social and corporate governance issues related to the Company's operation and introduces the following risk management strategies to address these issues: Environmental Strategies: (1) In order to cope with the potential risks and impact of climate change, the Company has convened cross-department meetings to identify 3 risks and 2 opportunities based on TCFD framework. (2) The Company has set up mobile facilities, installed solar power generation equipment on the roofs of its factories, replaced lighting equipment with LED products, and used dust collectors for compliance with environment regulations. (3) The Company procures products with green labels and promotes energy saving and carbon reduction. Social strategies: (1) The Company has developed and introduced guidelines on safety and health	

Evaluation Item	Implementation Status (Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			risk assessment according to ISO45001 Occupational Health and Safety Management Systems and obtained the certification. (2) The Company has laid down the management plans or measures for pandemic control, access management, emergency response, major disaster reporting and preventive maintenance of various equipment for loss control management in order to effectively control and manage risks. (3) The Company provides its staff fire safety and industrial safety courses and training on a regular basis to cultivate their emergency response and self-management abilities. (4) The Company provides courses and training to its employees and optimizes employee welfare and incentives in order to attract and retain outstanding talent as it endeavors to achieve corporate sustainability. (5) All of the Company's products comply with regulatory requirements set by the government and do not contain hazardous materials. The Company has actively set up a channel of communication with its clients to promptly address their needs and maintain good interaction and relations with them. (6) All departments of the Company follow its quality policies for quality assurance according to their duties and roles in order	

Evaluation Item	Implementation Status (Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			to achieve the Company's goals. Governance strategies： (1) The Company has established corporate governance unit and implemented internal control system to ensure compliance of all employees and its operational activities with regulatory requirements. (2) The Company arranges courses for its directors and keeps them updated with the latest regulations, system developments and policies. (3) The Company observes and collects market data about exchange rates and interest rates and fully grasps their fluctuations to avoid risks. (4) The Company convenes management meetings on a regular basis to review its operational performance and revenue/profit performance in order to facilitate risk management. (5) The Company has introduced information safety management policies to ensure its information safety management performance. The Company has established different safety control and appropriate access control for all of its systems according to their importance levels for strict information safety management and control. (6) The Company has provided a variety of channels, including a hotline and email address, to expedite communication over corporate sustainability issues.	

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. Environmental issues (1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		1. In regard to environmental management systems, the Company has continued to fulfill its sustainable development and environmental protection responsibilities in terms of sewage treatment, renewal and maintenance of air pollution prevention equipment, application for permit for approval for operations, payment of air pollution fees, waste removal and reuse, and employment of environmental protection staff. The Company has properly performed the aforementioned operations over the years. 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.	None
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		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 information about its electricity use for statistical analysis. The related measures are explained as follows: 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	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	
			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. 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. 3. The Company continues to push for computerization of its operations in order to reduce use of paper and use environment-friendly products with green labels for environmental protection. 4. The Company has installed good polluted and waste water treatment facilities to meet the regulatory requirements on polluted and waste water it discharges. 5. The Company has sorted its trash and promoted trash reduction to decrease the impact of its operations on the environment. 6. The Company recycles the toner cartridges of all its printers for environmental protection.	
(3) Does the Company evaluate the risks of climate change to its current and future operations and adopt measures to address climate-related issues?	V		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. 2.The Company is concerned about the impact of climate change to its operations. In 2021, it held cross-department meeting to discuss	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	
			climate risks and opportunities and identified three types of risk after the discussion, which are regulatory risk (compulsory declaration), tropical cyclones and carbon fee. In order to mitigate these risks, the Company has introduced the follow solutions: (1) The Company has used mobile shielding equipment for its factories in order to prevent reduction of the Company's capacity caused by heavy rainfall. (2) The Company has purchased property insurance for all its offices, factories, machines, equipment and fixtures in order to reduce loss caused by natural disasters. (3) The Company has gradually replaced lighting devices with LED products and turned off the light during the time when the offices are closed and the factories are not operating to save energy. (4) The Company has installed time switches for the lighting devices in its factories to reduce electricity consumption. (5) The Company has installed polluted and waste water treatment facilities to meet the regulatory requirements on polluted and waste water it discharges. (6) The Company has actively implemented water saving measures, created water reserves, installed water tanks, used automatic water faucets for water saving and water shortage contingency planning. (7) The Company purchases energy-saving production equipment to improve performance.	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>(8) The Company has signed a contract with Taipower on contract capacity for the power consumption of its factories for energy saving and carbon reduction.</td><td></td></tr>
<tr><td>(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?</td><td>V</td><td></td><td>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, 2021)
<table>
<tr><th>Year</th><th>2020</th><th>2021</th></tr>
<tr><td>Electricity Generated (kWh)</td><td>2,902,396</td><td>2,838,280</td></tr>
<tr><td>Carbon Emission Reduced (tons)</td><td>1,456.57</td><td>1,424.87</td></tr>
</table>
The Company’s affiliate Hsin Yung Enterprise Corporation has generated over 21,000,000 kWh electricity per month with its incinerators, making a significant contribution with its operation.
1. Greenhouse gases: the figures of scope 1 and scope 2 cover all of the Company’s offices and factories)
<table>
<tr><th colspan="2">Year</th><th>2020</th><th>2021</th></tr>
<tr><td rowspan="2">CO^2 emission (tons)</td><td>Scope 1 (gasoline, diesel + LNG +LPG + fuel oil)</td><td>4,383.16</td><td>4,291.15</td></tr>
<tr><td>Scope 2 (Purchased Electricity)</td><td>9,142.65</td><td>9,646.83</td></tr>
</table>
2. Water Consumption: (all of the Company’s offices and factories)
<table>
<tr><th>Year</th><th>2020</th><th>2021</th></tr>
<tr><td>Unit: Millions of Liters</td><td>56.23</td><td>57.28</td></tr>
</table>
The Company attaches importance to water resource and energy management, endeavors to save energy, promotes water saving and take concrete action to save water in daily life in order to optimize its water resources management performance.</td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>3. The amounts of waste produced and recycled: (All of the waste produced by all of the Company’s offices and factories are not hazardous waste)
<table><tr><th>Year</th><th>2020</th><th>2021</th></tr><tr><td>General Waste (tons)</td><td>333.98</td><td>325.05</td></tr><tr><td>Scrap Iron (tons)</td><td>6,483.67</td><td>8,222.0</td></tr></table>In order to achieve effective reuse of waste, the Company decreases its waste through waste management at source and effective sorting and reuse for waste reduction.</td><td></td></tr>
<tr><td>4. Society issues
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</td><td>V</td><td></td><td>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 order to prevent sexual harassment in the workplace, ensure gender equality in employment, and safeguard personal dignity, the Company has laid down guidelines for prevention, correction, complaints and punishment of sexual harassment in the workplace according to the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment in the Workplace. The guidelines are published on the employees’ electronic information platform and a task</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status (Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Explanation	
			force on sexual harassment investigations has been formed to handle related complaints. 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.	
(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?	V		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 wages 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	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	
			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.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		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 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. 2. Occupational Safety and Health Management System: it applies to all the operations of the Company's Xinying Factory and Hsinchu Factory and their project sites. 3. In 2021, 4 occupational accidents occurred and 4 people were injured, accounting about 1.3% 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.	None
(4) Does the company provide	V		1. The Company provides a variety of training,	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	
its employees effective training plans for career development?			including orientation training, general training, professional training (training arranged to meet business needs and specific activities) and training for supervisors. 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.	
(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?	V		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.	None
(6) Does the Company establish a supplier management policy that asks its suppliers to comply with requirements	V		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	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	
related to environmental protection, occupational safety and health or labor rights? What’s the implementation status of the policies?			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. 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 amount of raw materials purchased by the Company from them in 2021 accounted for 82.59% 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		V	1. The Company publishes its sustainability report for the previous year by June 30 of each year and prepares and presents its Corporate Sustainability Report according to GRI Standards: the Core Option and G4 Sector Disclosures-Mining and Metals based on the report framework specified by the Rules Governing the Preparation and Filing of	Although the Company's Corporate Sustainability Report has not been accredited by a third-party institution, it was edited according to GRI Standards.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>company obtain opinions of a third-party accreditation body for its assurance or guarantee for aforementioned reports?</td><td></td><td></td><td>Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange. The Company also discloses its sustainability strategies, goals and concrete actions regarding related major aspects of corporate sustainability based on SDGs of the UN.
2. The report has not been accredited by a third-party institution.</td><td></td></tr>
<tr><td colspan="5">6. If the Company has established Sustainable Development Best Practice Principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please describe any discrepancy between the Principles and their implementation:
The Company has established its Sustainable Development Best Practice Principles according to “Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies.” The Company will apply these principles in its corporate governance and corporate sustainability operations.</td></tr>
<tr><td colspan="5">7. Other important information to facilitate better understanding of the company’s corporate sustainability practices
(1) The Company made the following contributions for charity purpose in 2021:
①In 2021, the Company donated NT$ 0.6 million to the Chang Yung-Fa Foundation to support multiple social services, including a free winter camp or one-day excursion held by Evergreen Maritime Museum for school kids in rural areas. The Company also sponsored the “environment-themed mobile theater in campus” campaign to champion the cause of environmental protection and help students explore the issues of energy saving, carbon emissions, recycling, plastics reduction and sustainable development in an entertaining way.
②In 2021, the Company sponsored of NT$ 1.5 million to Evergreen Symphony Orchestra for 5 classical music charity concerts, inviting its employees, their family members and personnel of social welfare and charity organizations to attend them for free, to help them relax and ease their stress with the power of music during the COVID-19 pandemic.
③On May 12 and Dec. 15, 2021, the Company arranged two blood donation events with the Tainan Blood Donation Center. A total of 50 staff participated in them and donated a total of 16,250cc of blood. This was one of the Company’s concrete actions to give back to society with love and care.
④In 2021, the Company sponsored free meals prepared by Taizi Community Development Association in Taizi Community, which is adjacent to the Company’s Xinying Factory, from Monday to Saturday, with a donation of NT$50,000 every six months. The Association prepared and delivered free meals to local families of low-income families and underprivileged people who lived alone, had disabilities, or were sick or unable to move freely and were in need of food. The Company hoped to help underprivileged groups by this action of financial</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td colspan="5">support.
(2) Other Matters:
①Investment in Green Energy Industry:
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. 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, environmentally-friendly biomass energy center characterized by low-pollution, multiple waste treatment techniques and sustainable operation.
②The Company received the award for outstanding corporations of green procurement given by Tainan City Government in 2021 for its environmentally-friendly, green procurement of over NT$ 5 million.
③The Company donated NT$150,000 to Chinese Taipei Skating Union to sponsor the National Figure Skating Championships from April 19 to April 20 in 2021 in order to discover and cultivate talented figure skaters. This competition offered domestic figure skaters a stage for their performance and an opportunity of fair competition and help people interested in this sport enhance their health and develop healthy interest.</td></tr>
</table>

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: Please refer to the examples of best practices on the website of Corporate of Governance Center of the Taiwan Stock Exchange for disclosure requirements.

3.3.6 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?	V		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 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	V		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 control systems in order to effectively enhance autonomous management and facilitate supervision and management of in-charge units.	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	
(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?	V		The Company has introduced the “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.	None
2. Implementation of operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		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, 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,	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	
			including the provision, offering and payment of any commission, kickback, or other inappropriate gain, in its business practices.	
(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)?	V		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?	V		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

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	
(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 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?	V		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 auditors may engage CPAs for auditing activities and hire related professionals for assistance when necessary.	None
(5) Does the Company regularly hold internal and external educational training on ethical corporate management?	V		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.	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	
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?	V		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 confidentiality mechanism? (3) Does the Company provide proper whistle-blower? protection?	V V		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 informer from improper treatment due to his/her reporting and has introduced related measures.	None None
4. Strengthening information disclosure: Does the Company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		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

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	
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.				
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.				

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

3.3.7 Information Disclosure for the Corporate Governance Principles and Related Guidelines Established by the Company:

Please visit https://mops.twse.com.tw, https://www.evergreennet.com or https://stock.evergreen.com.tw for more information.

3.3.8 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	2021.09.08	Taiwan Corporate Governance Association	Avoiding Climate Disaster: Opportunities and Challenges to Businesses (3 hours)
	2021.10.08		Employment of Employee Remuneration Strategies and Tools (3 hours)
Yeh, Jia-Chyuan	2021.09.08	Taiwan Corporate Governance Association	Avoiding Climate Disaster: opportunities and challenges to businesses (3 hours)
	2021.10.08		Employment of Employee Remuneration Strategies and Tools (3 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	2021.05.04	Internal Audit Association of the Republic of China	Analysis of Policy Regarding Self-Prepared Financial Statements by Businesses and Discussion over Importance Internal Audit and Internal Control Practices (6 hours)
	2021.11.24		How Do Internal Auditors Business "Read" Busines Performance and Risks with IFRS Financial Reports (6 hours)

Name	Training Date	Professional Training Institution	Training Course and Hours
Huang, Shiau-Jen	2021.03.16	Internal Audit Association of the Republic of China	Audit Practices for Productive Cycle in Manufacturing Industry (6 hours)
	2021.11.10		Analysis of Policy Regarding Self-Prepared Financial Statements by Businesses and Discussion over Importance Internal Audit and Internal Control Practices (6 hours)
Wang, Wan-Hsuan	2021.03.16	Internal Audit Association of the Republic of China	Audit Practices for Productive Cycle in Manufacturing Industry (6 hours)
	2021.11.10		Analysis of Policy Regarding Self-Prepared Financial Statements by Businesses and Discussion over Importance Internal Audit and Internal Control Practices (6 hours)

(2) Accounting Officer:

Name	Training Date	Professional Training Institution	Training Course and Hours
Chuang, Ting-Ting	2021.09.27 ~ 2021.09.28	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 Eduction (12 hours)
	2021.09.08	Taiwan Corporate Governance Association	Avoiding Climate Disaster: opportunities and challenges to businesses (3 hours)
	2021.10.08		Employment of Employee Remuneration Strategies and Tools (3 hours)

3.3.9 Internal Control System Execution Status

1. Internal Control Statement

Evergreen Steel Corporation
Internal Control Statement

Date: March 21, 2022

The Company states the following with regard to its internal control system during the period from January 1, 2021 to December 31, 2021, 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. 21, 2022, 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.

3.3.10 Has the Company or any employees been punished according to the law or has the Company punished any employees for violating the internal control system during the latest year and up to the printing date of this annual report? If so, what is the major negligence and improvement measure? None.

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

1. Important Resolutions of the regular meeting of shareholders on July 23, 2021 and their implementation:
   (1) The Company's 2020 earnings distribution.
   Implementation: The cash dividends to shareholders was NT$2.2 per share with a total amount of NT$872,378,019. After the Company carried out capital increase by cash before its listing on Taiwan Stock Exchange by issuing new shares, which resulted in change of the total amount of its outstanding shares, the chairman was authorized by a resolution of a regular shareholders' meeting to adjust the payout ratio and adjust change the cash dividend per share to NT$ 2.09157486. A total of NT$872,378,019 cash dividend was completely distributed on Sept. 17, 2021.
   (2) Amendment of Rules of procedure for shareholders' meetings.
   Implementation: the related actions have been taken in accordance with the revised Rules.
2. Important Resolutions of the Meetings of the Board of Directors, Audit Committee and Remuneration Committee:

The Board of Directors Meeting Date & Session	Major Proposals	Session, Date & Resolution of Audit Committee or Remuneration Committee	The Company's Response to the Opinions of Audit Committee or Remuneration Committee
2021.3.10 (1st Meeting of 2021)	1. Resolution of 2020 employees remuneration. 2. Resolution of 2020 directors remuneration.	1. Approved unanimously by Remuneration Committee members at the 1st meeting of 2021 dated Mar. 10, 2021. 2. Objection, reservation or important opinion expressed by an independent director: None	None
	3. Approval of 2020 business report. 4. Approval of 2020 parent company	1. Approved unanimously by	None

The Board of Directors Meeting Date & Session	Major Proposals	Session, Date & Resolution of Audit Committee or Remuneration Committee	The Company's Response to the Opinions of Audit Committee or Remuneration Committee
	only financial reports and consolidated financial reports. 5. Approval of 2020 earnings distribution. 6. Approval of 2020 "Internal Control System Statement". 7. Amendments of "Internal ControlSystem" and "Internal Audit Implementation Rules". 8. CPA engagement and resolution of their remuneration.	Audit Committee members at the 1st meeting of 2021 dated Mar. 10, 2021. 2. Objection, reservation or important opinion expressed by an independent director: None	
	9. Credit application to financial institution. 10. Amendment of Rules of procedure for shareholders' meetings. 11. Resolution of holding regular shareholders' meeting in 2021.	—	—
2021.5.13 (2nd Meeting of 2021)	1. Retroactive recognition of the sale of EVA Airways Corp's common stock by the Company on the TWSE. 2. Resolution of selling of common stock of EVA Airways Corporation, Evergreen Marine Corporation or Taiwan High Speed Rail Corporation on the TWSE on the TWSE. 3. Change of Finance Department Head and acting spokesperson. 4. Amendment of "Audit Committee Charter".	1. Approved unanimously by Audit Committee members at the 2nd meeting of 2021 dated May 13, 2021. 2. Objection, reservation or important opinion expressed by an independent director: None	None
	5. Amendment of "The Guidelines for Board Performance Evaluation".	1. Approved unanimously by	None

The Board of Directors Meeting Date & Session	Major Proposals	Session, Date & Resolution of Audit Committee or Remuneration Committee	The Company's Response to the Opinions of Audit Committee or Remuneration Committee
		Remuneration Committee members at the 2nd meeting of 2021 dated May. 13, 2021. 2. Objection, reservation or important opinion expressed by an independent director: None	
	6. Credit application to financial institution. 7. Change of the head of Corporate Governance Department. 8. Amendment of "Corporate Governance Principles" and "rules of procedure for board meetings." 9. Introduction of Standard Operating Procedure for Handling Demands by Directors. 10. Introduction of "Procedure for suspending or resuming transactions (of stock) and abolishment of the "Procedure for suspending or resuming OTC transactions of emerging stock".	—	—

<table>
<tr><th>The Board of Directors Meeting Date & Session</th><th>Major Proposals</th><th>Session, Date & Resolution of Audit Committee or Remuneration Committee</th><th>The Company’s Response to the Opinions of Audit Committee or Remuneration Committee</th></tr>
<tr><td>2021.7.6
(3rd Meeting of 2021)</td><td>Resolution of the time and location of the postponed regular shareholders’ meeting in 2021.</td><td>—</td><td>—</td></tr>
<tr><td rowspan="2">2021.8.10
(4th Meeting of 2021)</td><td>1. Retroactive recognition of the Company’s subscription of fractional shares of its subsidiary Super Max Engineering Enterprise Co., Ltd resulting from capital increase through capitalization of earnings.
<u>Recusal of Directors and voting situation of Board of Directors</u>
• As the Chairman Lin, Keng-Li was an interested party, he had to recuse himself during discussion and voting.
• Except for the director who recused himself from the discussion and resolution according to the law, all 6 directors attending the meeting agreed and approved the proposal.
2. Change of the head of Finance Department and Accounting Department and the acting spokesperson.</td><td>1. Approved unanimously by Audit Committee members at the 3rd meeting of 2021 dated Aug. 5, 2021.
2. Objection, reservation or important opinion expressed by an independent director: None</td><td>None</td></tr>
<tr><td>3. Credit application to financial institution.</td><td>—</td><td>—</td></tr>
</table>

<table>
<tr><th>The Board of Directors Meeting Date & Session</th><th>Major Proposals</th><th>Session, Date & Resolution of Audit Committee or Remuneration Committee</th><th>The Company’s Response to the Opinions of Audit Committee or Remuneration Committee</th></tr>
<tr><td rowspan="2">2021.11.9
(5th Meeting of 2021)</td><td>1. Retroactive recognition of the sale of Shin Kong Financial Holding’s stock and subscription of its shares issued for capital increase by cash.
2. Amendments of “Internal Control System” and “Internal Audit Implementation Rules”.</td><td>1. Approved unanimously by Audit Committee members at the 4th meeting of 2021 dated Nov. 9, 2021.
2. Objection, reservation or important opinion expressed by an independent director: None</td><td>None</td></tr>
<tr><td>3. Credit application to financial institution.</td><td>–</td><td>–</td></tr>
<tr><td>2021.12.21
(6th Meeting of 2021)</td><td>1. Resolution of 2021 year-end bonus for managerial officers.
2. Resolution of 2021 year-end bonus for the Chairman.
<u>Recusal of Directors and voting situation of Board of Directors</u>
• As the Chairman Lin, Keng-Li was an interested party, he had to recuse himself during discussion of and voting.
• Except for the director who recused himself from the discussion and resolution according to the law, all 6 directors attending the meeting agreed and approved the proposal.
3. Amendment of “The Guidelines for Board Performance</td><td>1. Approved unanimously by Remuneration Committee members at the 3rd meeting of 2021 dated Dec. 21, 2021.
2. Objection, reservation or important opinion expressed by an independent director: None</td><td>None</td></tr>
</table>

The Board of Directors Meeting Date & Session	Major Proposals	Session, Date & Resolution of Audit Committee or Remuneration Committee	The Company's Response to the Opinions of Audit Committee or Remuneration Committee
	Evaluation".		
	4. Change of chief accounting officer. 5. Introduction of 2022 Internal Audit Plan. 6. Approval of 2022 Business Plan and Budget.	—	—
2022.1.24 (1st Meeting of 2022)	1. Amendment of the table of managerial officers' salary structure and standards, an attachment to the guideline on payment of managerial officers' remuneration. 2. Resolution of 2022 salaries of managerial officers. 3. Resolution of Chairman's salary and expense for business operation in 2022. Recusal of Directors and voting situation of Board of Directors • As the Chairman Lin, Keng-Li was an interested party, he had to recuse himself during discussion of and voting. • Except for the director who recused himself from the discussion and resolution according to the law, all 6 directors attending the meeting agreed and approved the proposal.	1. Approved unanimously by Remuneration Committee members at the 1st meeting of 2022 dated Jan. 24, 2022. 2. Objection, reservation or important opinion expressed by an independent director: None	None
	4. Amendment of Corporate Social Responsibility Best Practices and CSR Policy.	—	—

The Board of Directors Meeting Date & Session	Major Proposals	Session, Date & Resolution of Audit Committee or Remuneration Committee	The Company's Response to the Opinions of Audit Committee or Remuneration Committee
2022.3.21 (2nd Meeting of 2022)	1. Resolution of 2021 employees remuneration. 2. Resolution of 2021 directors remuneration.	1. Approved unanimously by Remuneration Committee members at the 2nd meeting of 2022 dated Mar. 16, 2022. 2. Objection, reservation or important opinion expressed by an independent director: None	None
	3. Approval of 2021 business report. 4. Approval of 2021 parent company only financial reports and consolidated financial reports. 5. Approval of 2021 earnings distribution. 6. Approval of 2021 "Internal Control System Statement". 7. CPA engagement and resolution of their remuneration. 8. Amendment of "Procedures for Acquiring and Disposing of Assets". 9. Amendment of "Table of Authorized Powers of Acquiring and Disposing of Assets & Other Financial Matters".	1. Approved unanimously by Audit Committee members at the 1st meeting of 2022 dated Mar. 16, 2022. 2. Objection, reservation or important opinion expressed by an independent director: None	None
	10. Credit application to financial institution. 11. Designation of an employee	—	—

The Board of Directors Meeting Date & Session	Major Proposals	Session, Date & Resolution of Audit Committee or Remuneration Committee	The Company's Response to the Opinions of Audit Committee or Remuneration Committee
	specifically in charge of safekeeping the seals for making endorsements/guarantees. 12. Amendment of the Company's Articles of incorporation. 13. Resolution of presenting the proposal of directors' election to regular shareholders' meeting. 14. Resolution of nominating 7 director candidates (including independent directors). 15. Resolution of presenting the proposal of lifting the restriction for elected directors not to compete to regular shareholders' meeting. 16. Resolution of holding regular shareholders' meeting in 2022.		

3.3.12 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.

3.3.13 Resignation or Dismissal of the Chairman, President, and Heads of Accounting, Finance, Internal Audit, and R&D Departments during the Latest Year and up to the Printing Date of this Annual Report:

Title	Name	Date of Assumption of Office	Date of Discharge	Reason for resignation or discharge
Head of Corporate Governance Department	Yeh, Jia-Chyuan	2020.03.16	2021.07.01	Adjustment of position
Head of Finance Department		2011.04.21	2021.07.01	

Title	Name	Date of Assumption of Office	Date of Discharge	Reason for resignation or discharge
Head of Accounting Department	Hsu, Chin-Kuan	2020.11.16	2021.08.11	Retirement
Head of Finance Department		2021.07.01	2021.08.11	

3.4 Information Regarding the Company's Audit Fees

3.4.1 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	Chang, Ching-Hsia and Chao, Yung-Hsiang	2021.01.01~ 2021.12.31	4,450	989	5,439	Non-audit fees cover the service fees of tax compliance audit, review of the prospectus of cash capital increase before listing on TWSE 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.

3.4.2 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.

3.4.3 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.

3.5 Replacement of CPA

3.5.1 About the former CPA(s)

<table>
<tr><td>Replacement Date</td><td colspan="5">The replacement was approved by the Board of Directors with a resolution on March 10, 2021.</td></tr>
<tr><td>Reason for Replacement and the Explanation</td><td colspan="5">Change of the CPA's Position in the accounting Firm</td></tr>
<tr><td rowspan="3">Explain whether the engagement is terminated by the engaging party or the CPA or refusal of the CPA to accept the engagement</td><td colspan="3">Contracted Parties
Situation</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="3">Voluntary Termination of the Engagement</td><td colspan="2" rowspan="2">Not Applicable</td></tr>
<tr><td colspan="3">Stop Accepting the Engagement</td></tr>
<tr><td>Opinion and Reason for Any Audit Report Other than Unqualified Opinion in the Last Two Years</td><td colspan="5">None</td></tr>
<tr><td rowspan="4">Any Disagreement with the Issuer</td><td rowspan="4">Yes</td><td></td><td colspan="3">Accounting Principles or Practices</td></tr>
<tr><td></td><td colspan="3">Disclosure of Financial Report</td></tr>
<tr><td></td><td colspan="3">Audit Scope or Steps</td></tr>
<tr><td></td><td colspan="3">Others</td></tr>
</table>

	None	✓
	Description	
Other Disclosure Information (Information that shall be disclosed according to the subparagraph 1.4 – 1.7 of paragraph 6 of article 10 of the Regulations)	None	

3.5.2 About Successor CPA

Name of the Accounting Firm	Deloitte & Touche
Name of CPA	Chang, Ching-Hsia Chao, Yung-Hsiang
Date of appointment	Approved by the Board of Directors with the resolution on March 10, 2021
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA’s written opinion of disagreement toward the former CPA	None

3.5.3 Reply of the former CPAs about the matters regarding the subparagraph 1 and 2.3 of paragraph 6 of article 10 of the Regulations: None.

3.6 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.

3.7 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.

3.7.1 Changes in Shareholding of Directors, Managerial Officers and Major Shareholders

Unit: Shares

Title (Note 1)	Name	2021		As of April 12, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Evergreen Logistics Corp.	0	0	200,000	0
	Representative: Lin Keng-Li	0	0	0	0
Director	Evergreen International Corp.	0	0	0	0
	Representative: Cheng, Shen-Chih	0	0	0	0
Director	Evergreen International Corp.	0	0	0	0
	Representative: Chen, Zhao-Long	0	0	0	0
Director	Wei-Dar Development Co., Ltd.	0	0	0	0
	Representative: Lee, Mon-Ling	0	0	0	0
Independent Director	Lee, Kuan-Hsien	0	0	0	0
Independent Director	Lien, Yuan-Lung	0	0	0	0
Independent Director	Chiang, Jui-Chin	0	0	0	0
President	Liu, Pang-En	16,000	0	0	0
Executive Vice President	Chien, Chih-Lung	10,000	0	0	0
Vice President	Ou, Nan-Hsin	0	0	0	0

Title (Note 1)	Name	2021		As of April 12, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
VicePresident	Chang, Hsing-Kung	10,000 (20,000)	0	0	0
Vice President	Chou, Chih-Chieh	10,000	0	0	0
Vice President	Lee, Ding-Ming	0	0	0	0
VicePresident (Head of Finance Department and Accounting Department)	Chuang, Ting-Ting	0	0	0	0
Vice President	Chen, Meng-Lin	10,000 (10,000)	0	0	0
Junior Vice President (Head of Auditing Department)	Lin, Mei-Li	0	0	0	0
Junior Vice President (Head of Corporate Governance Department)	Yang, Hsiu-Hui	0	0	0	0
Major Shareholder	Evergreen International Corp.	0	0	0	0

Note 1: Ms. Chuang, Ting-Ting has been the head of Finance Department and Accounting Department since Aug. 11, 2021, when she replaced Mr. Hsu, Chin-Kuan.

Note 2: Shareholders holding over 10% of the outstanding shares shall be remarked as major shareholders and listed individually.

Note 3: Fill in the following table when the counter-party of transfers or pledges of shares is a related party.

3.7.2 Information of Stock Transfer: Not applicable.

3.7.3 Information of Stock Pledged: Not applicable.

3.8 Relationship among the Top Ten Shareholders:

April 12, 2022

Unit: Shares

NAME	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Evergreen International Corp.	91,101,257	21.69	Not Applicable		0	0	EVA Airways Corp.	Evergreen International Corp. is a director of EVA Airways Corp.	None
							Chang, Kuo-Hua	Director and major shareholder of Evergreen International Corp.	
							Chang, Kuo-Ming	Major shareholder of Evergreen International Corp.	
							Chang, Kuo-Cheng	Major shareholder of Evergreen International Corp.	
							Chang Yung-Fa Foundation	Major shareholder of Evergreen International Corp.	
Representative: Kaiming Investment Ltd.	0	0	Not Applicable		0	0	None	None	
EVA Airways Corp.	38,201,625	9.10	Not Applicable		0	0	Evergreen International Corp.	Director of EVA Airways Corp.	None
Representative: Lin, Bo-Shuei	0	0	0	0	0	0	None	None	
Chang, Kuo-Ming	27,756,000	6.61	0	0	0	0	Evergreen International Corp.	Major shareholder of Evergreen International Corp.	None
							Kaiming Investment Ltd.	Director	
							Chang, Kuo-Hua Chang, Kuo-Cheng	Within two degrees kinship	

NAME	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Continental Engineering Corp.	25,645,907	6.11	Not Applicable		0	0	None	None	None
Representative: Continental Holdings Corp.	0	0	Not Applicable		0	0	Ing, Chi	Chairman	
							Wei-Dar Development Co., Ltd.	Director of Continental Holdings Corp.	
Chang, Kuo-Hua	25,008,820	5.95	0	0	0	0	Evergreen International Corp.	Director and major shareholder of Evergreen International Corp.	None
							Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship	
							Chang Yung-Fa Foundation	Director	
Chang, Kuo-Cheng	25,008,820	5.95	0	0	0	0	Evergreen International Corp.	Major shareholder	None
							Chang, Kuo-Hua Chang, Kuo-Ming	Within two degrees kinship	
Chang Yung-Fa Foundation	25,008,820	5.95	Not Applicable		0	0	Evergreen International Corp.	Major shareholder	None
							Chang, Kuo-Hua	Director of Chang Yung-Fa Foundation	
Representative: Chung, De-mie	0	0	0	0	0	0	None	None	
Wei-Dar Development Co., Ltd.	12,823,245	3.05	Not Applicable		0	0	TSRC Corp.	Wei-Dar Development Co., Ltd. is a director of TSRC Corp.	None
							Continental Holdings Corp.	Wei-Dar Development Co., Ltd. is a director of Continental Holdings. Corp.	
Representative: Maoshi Corp.	0	0	Not Applicable		0	0	None	None	

<table>
<tr><th rowspan="2">NAME</th><th colspan="2">Current Shareholding</th><th colspan="2">Spouse's/minor's Shareholding</th><th colspan="2">Shareholding by Nominee Arrangement</th><th colspan="2">Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)</th><th rowspan="2">Remarks</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Shares</th><th>%</th><th>Name</th><th>Relationship</th></tr>
<tr><td>TSRC Corp.</td><td>12,148,000</td><td>2.89</td><td colspan="2">Not Applicable</td><td>0</td><td>0</td><td>Wei-Dar Development Co., Ltd.</td><td>Director of TSRC Corp.</td><td rowspan="2">None</td></tr>
<tr><td>Representative: Ing, Chi</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>Continental Holdings Corp.</td><td>Chairman</td></tr>
<tr><td>ChangYing Development Co., Ltd.</td><td>8,928,375</td><td>2.13</td><td colspan="2">Not Applicable</td><td>0</td><td>0</td><td>None</td><td>None</td><td rowspan="2">None</td></tr>
<tr><td>Representative: Lin, Ye-Huang</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>None</td><td>None</td></tr>
</table>

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.

3.9 Ownership of Shares in Affiliated Enterprises

As of December 31, 2021
Unit: shares / %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Managerial Officers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Mingyu Investment Corp.	10,350,000	100.00	0	0.00	10,350,000	100.00
Hsin Yung Enterprise Corp.	99,266,577	68.46	1,256,652	0.87	100,523,229	69.33
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	0	0.00	80,100,000	50.06

Note: Long-term investment of the Company accounted for using equity method.

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

1. Issued Shares

Unit: NT$ dollar/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

Note 1: Approved by the Ministry of Economic Affairs on Sept. 2, 2019 with the letter No. 10801120740.
Note 2: Approved by the Ministry of Economic Affairs on April 28, 2021 with the letter No. 11001067730.
Note 3: Information for the current fiscal year as of the publication date of this annual report shall be provided.
Note 4: For any capital increase, the effective (approval) date and the document number shall be provided.
Note 5: Shares traded below par value shall be shown in a clear manner.
Note 6: 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 7: 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	419,981,963	20,018,037	440,000,000	Shares of a listed company

Note 1: It includes treasury stock. Please refer to page 102 for information about stock buyback of the Company.
Note 2: 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.

4.1.2 Status of Shareholders

April 12, 2022；Unit: shares

Item / Stock	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	2	116	16,637	43	16,798
Number of Shares	0	4,453,000	250,210,251	155,688,308	9,630,404	419,981,963
Shareholding Percentage (%)	0.00	1.06	59.58	37.07	2.29	100.00

4.1.3 Shareholding Distribution Status

1. Common Stock:

April 12, 2022

Class of Shareholding (Unit: Shares)	Number of Shareholders	Shareholding (Shares)	Shareholding Percentage (%)
1 to 999	2,839	340,799	0.08
1,000 to 5,000	11,665	21,339,867	5.08
5,001 to 10,000	1,135	9,072,295	2.16
10,001 to 15,000	362	4,689,835	1.12
15,001 to 20,000	200	3,753,803	0.89
20,001 to 30,000	189	4,897,464	1.17
30,001 to 40,000	101	3,728,056	0.89
40,001 to 50,000	63	2,885,951	0.69
50,001 to 100,000	117	8,317,693	1.98
100,001 to 200,000	48	6,606,295	1.57
200,001 to 400,000	31	9,151,051	2.18
400,001 to 600,000	9	4,307,482	1.03
600,001 to 800,000	8	5,474,077	1.30
800,001 to 1,000,000	3	2,740,000	0.65
Over 1,000,001	28	332,677,295	79.21
Total	16,798	419,981,963	100.00

2. Preferred Stock: The Company does not issue preferred stock.

4.1.4 List of Major Shareholders

April 12, 2022

Entity \ Shareholding	Number of Shares	Percentage (%)
Evergreen International Corporation	91,101,257	21.69
EVA Airways Corporation	38,201,625	9.10
Chang, Kuo-Ming	27,756,000	6.61
Continental Engineering Corporation	25,645,907	6.11
Chang, Kuo-Hua	25,008,820	5.95
Chang, Kuo-Cheng	25,008,820	5.95
Chang Yung-Fa Foundation	25,008,820	5.95
Wei-Dar Development Co., Ltd.	12,823,245	3.05
TSRC Corporation	12,148,000	2.89
ChangYing Development Co., Ltd.	8,928,375	2.13

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share and Related Information

Unit: Dollars; thousand shares

<table>
<tr><th colspan="3">Item / Year</th><th>2020</th><th>2021</th><th>As of April 12, 2022 (Note 8, 9)</th></tr>
<tr><td rowspan="3">Market Price per Share (Note 1)</td><td colspan="2">Highest</td><td>Not a TWSE/TPEx listed company</td><td>75.50</td><td>65.00</td></tr>
<tr><td colspan="2">Lowest</td><td>Not a TWSE/TPEx listed company</td><td>45.75</td><td>50.90</td></tr>
<tr><td colspan="2">Average</td><td>Not a TWSE/TPEx listed company</td><td>54.78</td><td>59.66</td></tr>
<tr><td rowspan="2">Net Worth per Share (Note 2)</td><td colspan="2">Before Distribution</td><td>35.05</td><td>55.26</td><td>-</td></tr>
<tr><td colspan="2">After Distribution</td><td>32.87</td><td>-</td><td>-</td></tr>
<tr><td rowspan="2">Earnings per Share</td><td colspan="2">Weighted Average Shares</td><td>394,011</td><td>410,803</td><td>417,091</td></tr>
<tr><td colspan="2">Earnings per Share (Note 3)</td><td>2.65</td><td>3.11</td><td>-</td></tr>
<tr><td rowspan="4">Dividends per Share</td><td colspan="2">Cash Dividends (Note 2)</td><td>2.09</td><td>3</td><td>-</td></tr>
<tr><td rowspan="2">Stock Dividends</td><td>Dividends from Retained Earnings</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Dividends from Capital Surplus</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Accumulated Undistributed Dividends (Note 4)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Return on Investment</td><td colspan="2">Price/Earnings Ratio (Note 5)</td><td>Not a TWSE/TPEx listed company</td><td>17.61</td><td>-</td></tr>
<tr><td colspan="2">Price/Dividend Ratio (Note 6)</td><td>Not a TWSE/TPEx listed company</td><td>18.26</td><td>-</td></tr>
<tr><td colspan="2">Cash Dividend Yield Rate (Note 7)</td><td>Not a TWSE/TPEx listed company</td><td>5.48%</td><td>-</td></tr>
</table>

* In case of surplus or capital reserve reinvested to allotment of shares, the number of shares to be distrusted should be disclosed with traced adjustment of market value and cash dividend information.

Note 1: List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2: The company's distribution of earnings in 2021 has been approved by the board of directors, but has not been passed in a shareholders' meeting.

Note 3: If there was any retroactive adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note 4: If there was any condition regarding the issuance of equity securities stating that undistributed dividends for the current fiscal year has to be accumulated till the year when a profit is recorded, the Company shall separately disclose cumulative undistributed dividends as of the current fiscal year.

Note 5: Price/Earnings Ratio = Average Market Price/Earnings per Share

Note 6: Price/Dividend Ratio = Average Market Price /Cash Dividend per Share

Note 7: Cash Dividend Yield Rate = Cash Dividend per Share/ Average Market Price of current year

Note 8: For net asset value per share and earnings per share, data from the most recent quarter that has been verified (reviewed) by CPAs as of the publication date of this annual report should be provided. For other fields in this column, data from the current fiscal year as of the publication date of this annual report should be provided.

Note 9: Up to the printing date of this annual report, the Company's Q1 consolidated financial reports haven't been reviewed by independent auditors.

4.1.6 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 2021 dividend distribution at its meeting on March 21, 2022 that cash dividends will be distributed to shareholders for NT$3/per share, total amount of distribution is about NT$1,251.27million.

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

4.1.7 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.

4.1.8 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 after tax of current year after 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 of 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, 2021. 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 2021 as resolved by the meeting of Board of Directors were NT$7.14 million and NT$5 million, and the employees' compensation will be distributed in the form of cash. The amount is no difference from the recognized expense amount in 2021.

   (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 2020 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 2020：

Unit: NT$ thousands

Item	The amount of actual distribution	The amount of recognition	Difference	Reason for the Difference and the Treatment
Employee Compensation (Cash)	5,745	5,745	-	None
Remuneration of The Directors	5,000	5,000	-	None

4.1.9 Buyback of Treasury Stock:

Sequence number of buyback	First time in 2019
Buyback purpose	Stock transfer to employees
Buyback period	2019.08.13
Buyback price	NT$31 per share
Type and amount of shares purchased	5,658,064 shares of common stock
The monetary amount of shares purchased	NT$175,399,984
The ratio of the number of shares purchased to intended number of shares for buyback (%)	100%
The number of shares canceled and transferred	2,767,564 shares transferred
The accumulated numbers of shares held	2,890,500 shares of common stock
The ratio of the accumulated number of shares held by the Company to the total number of shares issued（%）	0.72%

4.2 Corporate Bonds: None

4.3 Preferred Stock: None

4.4 Global Depository Receipts: None

4.5 Employee Stock Options: None

4.6 Employee Restricted Stock: None

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

4.8 Financing Plans and Implementation:

As of the quarter prior to the printing date of this annual report, the Company does not have any published funding utilization plan that has yet to be completed or a completed funding utilization plan with no significant effect in the past 3 years.

V. Business Overview

5.1 Business Activities

5.1.1 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

Year / Main product	2020		2021	
	Revenue	Ratio (%)	Revenue	Ratio (%)
Steel Structures	7,117,905	76.13	11,449,741	84.14
Municipal/Industrial Waste Treatment (including income from sales of electricity)	2,085,754	22.31	1,994,157	14.65
Others	145,990	1.56	164,699	1.21
Total	9,349,649	100.00	13,608,597	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 Municipal and industrial waste clearance and treatment

⑤ Cogeneration business

4. New products/services planned: None

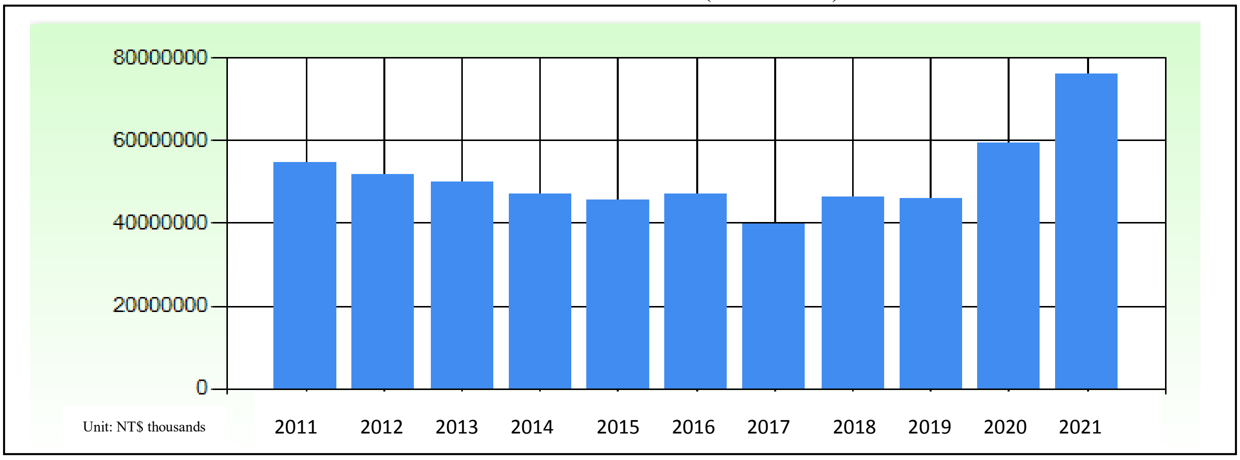
5.1.2 Industry Overview

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 2021was NT$76.07 billion, 28% higher than the NT$59.44 billion in 2020.

The Production Value of the Metal Structure Manufacturing Industry in Taiwan (2011~2021)



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 23.98% to 27.29% 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, 2014~2020

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

Source: 2020 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_2 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.

Unit: NT$ 100 million

	Original Budget 2017	Forward-Looking Infrastructure Plan Special Budget								
		Added in 2017	2018	2019	2020	2021	2022	2023	2024	Total
Railways	61	2	168	318	503	593	845	1,094	720	4,241
Water Environment	4	108	149	205	334	420	423	439	430	2,508
Green Energy	13	7	63	81	42	14	10	9	17	243
Digital	-	44	144	136	122	16				461
Urban and Rural	29	69	372	470	460					1,372
Total	107	229	896	1,210	1,461	1,043	1,277	1,542	1,167	8,825

Source: Forward-Looking Infrastructure Plan (approved version), Executive Yuan/ compiled by the MII-IT IS research team

In addition to private investment, public investment is also a major source of business for the steel structure industry. In light of insufficient investment momentum within the nation, the Executive Yuan announced the “Forward-Looking Infrastructure Plan” in March, 2017, with the goal of building the infrastructure that will serve as the backbone of this nation’s development in the next 30 years. The Forward-Looking Infrastructure Plan contains 5 major plans: 1. Build safe and convenient railways; 2. Water environment construction in response to climate change; 3. Green energy that promotes environmental sustainability; 4. Digital construction for a smart homeland and 5. Enhanced urban-rural development for regional balance. The plan has a total of NT$882.5 billion (about US$29.4 billion). Combined with the NT$138.5 billion in budget for the years following 2024, the total budget reaches NT$1.02 trillion (about US$34 billion) with the entire plan estimated to complete in 2033.

Looking at Taiwan’s major infrastructure plan’s annual budget, the Executive Yuan introduced the special budget of 4 years/NT$500 billion for the “Expansion of Investment in Infrastructure Construction” plan in 2008 in response to the global financial crisis, hence there was a significant increase in the infrastructure budget between 2008 and 2011. As that special budget was totally executed in 2012, overall investment dropped once again. In light of the limited effect of the easing monetary policies from countries worldwide on their economic growth since the 2008 financial crisis, countries have turned to expansionary fiscal policy in recent years to boost infrastructure investment and stimulate economic growth. In light of insufficient investment and poor real estate market performance, the Executive Yuan introduced the “Forward-Looking Infrastructure Plan” in 2017.

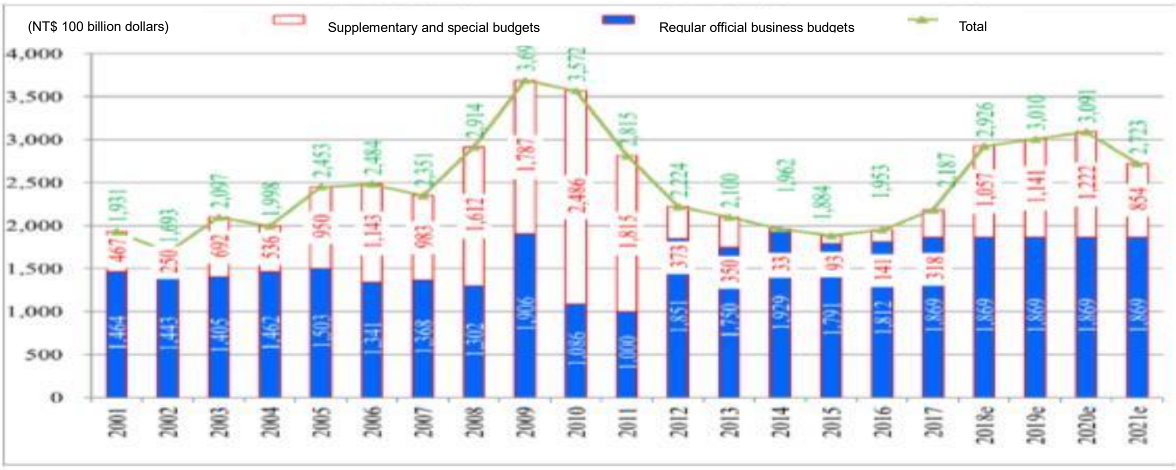


Image 1-3-2: Annual major infrastructure project budget trend

Source: Executive Yuan's general budget and other documents/compiled by the MII-ITIS research team

As shown in the illustration above, the infrastructure budget will once again climb between 2018 and 2021, boosting Taiwan's major infrastructure plan budget (excluding the infrastructure budgets allocated by other units for particular projects) from the average of NT$202.5 billion between 2012 and 2016 to the average of NT$293.7 billion between 2018 and 2021, an average of NT$91.2 billion increase every year, which will greatly benefit Taiwan's economic growth and boost demands for steel.

(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 Chungli could even be traced back to 1981. In 1997, as the disputes over waste became more and more intense, piles of waste filled up the streets in Chungli and the local residents even attempted to recall the mayor. Neighboring towns refused to take in excess waste from Chungli. 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.

General Waste Breakdown in Taoyuan City

Unit: Tons

Year	Total	General Waste	Resource Waste	Food Waste
2016	792,116	387,906	987	25,915
2017	890,147	379,199	1,187	22,460
2018	1,049,837	449,491	1,917	31,977
2019	1,205,645	459,132	1,581	34,308
2020	1,258,474	490,405	1,667	33,703

Source: Environmental Protection Administration, Executive Yuan

As shown in the table above, Taoyuan City has been generating more general waste year after year as its population continues to grow to nearly 2.27 million in 2021 with business booming. However, Hsin Yung is the only incinerator in the city. The city is expected to generate more waste in the future.

② Industrial waste

National Industrial Waste Breakdown

Unit: Tons

Year	Total	General Industrial Waste	Hazardous Industrial Waste	Recycled Resources
2016	18,973,038	14,195,849	1,357,365	3,419,823
2017	19,367,127	14,849,343	1,444,014	3,073,771
2018	22,178,067	17,588,797	1,461,746	3,127,524
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

Source: Environmental Protection Administration, Executive Yuan

According to the amount of industrial waste nationwide reported to the Industrial Waste Report and Management System of the EPA, the total amount of industrial waste has been on a rise in recent years. The same goes for hazardous industrial waste. 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 2020

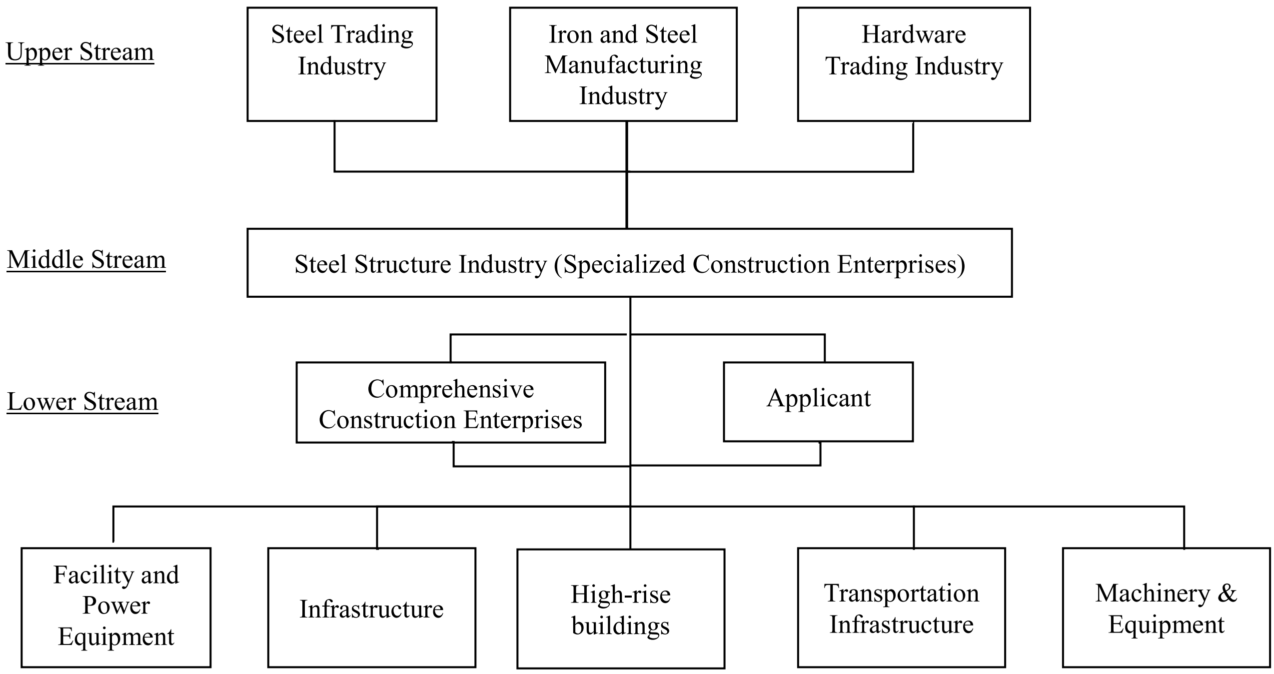
Region	Clearance Organizations				Disposal Organizations		
	Grade A	Grade B	Grade C	Total	Grade A	Grade B	Total
Northern Taiwan	255	1,441	325	2,021	49	25	74
Central Taiwan	98	744	141	983	15	21	36
Southern Taiwan	113	1,010	215	1,338	53	27	80
Eastern Taiwan	3	65	7	75	0	3	3
Offshore islands	0	25	3	28	0	0	0
Total	469	3,285	691	4,445	117	76	193

Source: Industrial Waste Report and Management System website

According to the 2020 clearance and disposal organizations statistics, currently there are totally 4,638 clearance and disposal organizations. Among them, 4,445 are clearance organizations and 193 are disposal organizations. There are 193 public and private organizations that can dispose of hazardous industrial waste (117 are Grade A and 76 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: IT IS Project by Metal Industries Research & Development Center

(2) Environmental protection industry:

Upper stream	Middle stream (clearance)	Lower stream (Facility)
Citizens' living space, organizations	Environmental Maintenance and Inspection Division, Taoyuan, Department of Environmental Protection, Taoyuan and waste clearance organizations	Large urban waste recycling (incinerating) facility, waste treatment/disposal organization, waste recycling organizations and oversea waste treatment/disposal organizations
Factories, department stores, malls, businesses, office buildings, restaurants and eateries		

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_2 emissions from the manufacturing of cement has prompted advanced countries to switch to mainly steel structures, which have lower CO_2 emissions. Generally speaking, steel structures have significantly lower CO_2 emissions than reinforced concrete. It 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 are using mainly steel structures in their constructions.

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 recent years, with Taiwanese businesses returning to Taiwan and urban renewals and other factors, the demand remains high for residential buildings and technology facilities. However, with rising raw materials cost and shortage in construction workers, cost control and utilizing suppliers’ resources efficiently are the key to improving factories’ production capacity and enhancing the overall competitiveness.

Evergreen Steel Corporation, one of the main steel structure companies in Taiwan, is a supplier for construction projects of 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 that was invested, built and operated as a BOO (build-own-operate) project. The company’s contract (Taoyuan City Commissioning the BOO Incinerator for General Waste Disposal) with the Department of Environmental Protection of Taoyuan City expires on December 31, 2023. During its operation, there will be a steady supply of waste for the incinerator. If the Department of Environmental Protection of Taoyuan City decides to sign another contract to commission Hsin Yung for waste disposal, it may notify Hsin Yung in writing 1 month prior to terminating the current contract.

② Super Max Engineering Enterprise Co., Ltd. is an industrial waste treatment center established under guidance of the Industrial Development Bureau. It is capable of treating unprocessed waste and with its years of experience in disposing of and incinerating hazardous industrial waste, the company has added pre-processing feed systems and an SNCR system to reduce NOx emissions. The company will increase manpower in the laboratory, increase the percentage of waste sampled and analyzed, establish a database that includes clear information about the sources, nature and compatibility of waste to assist waste feed and brine sludge operation in order to maintain the incinerator’s operating capacity.

③ Ever Ecove Corporation is an iconic BOT bioenergy center in Taiwan. What sets it apart from traditional waste incineration plants is that not only is it 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.

5.1.3 Technology and R&D Overview

1. As a manufacturer of steel structures, Evergreen Steel Corporation 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 the hurdle 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.

   In the future, it is expected to invest in R&D and update equipment to increase production efficiency and safety. The overall estimated investment is about NT$ 15 million.

   (1)The robotic arm equipment is applied to the BOX workstation.

(2)Application of electronic label system to finished product management.

(3)Replaced and added cranes with better performance, BOX steel plate parallel cutting machine, BOX station one-time processing crane with attached magnetic chuck system.

(4) Update the dust collection equipment of Plasma ion cutting machine to reduce environmental pollution and protect of on-site personnel.

2. Hsin Yung Enterprise Corp. and Super Max Engineering Enterprise Co., Ltd. are both 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 improve the performance, reduce operational costs and maintain a competitive edge as the companies evolve with this industry. Hsin Yung Enterprise added flying ash washing equipment in 2021 and has been conducting test runs to adjust the equipment since. Hsin Yung will continue to improve the washing process and waste disposal with an estimated budget of NT$ 23.7 million.

5.1.4 Long and short-term Business Development Plan

1. Long-term business development

(1) Steel structure industry:

① Evergreen Steel Corporation has the 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 Xinying Factory, the two factories can better serve clients in both northern and southern Taiwan respectively. It can also adjust its capacity according to the market's supply and demand and the client's adjusted construction schedule. 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 equipment operation rate 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 pursue special construction projects to boost competitiveness. Currently, the company has participated in the now-completed Kaohsiung Exhibition Center, Southern Branch of National Palace Museum, and Agora Garden. The Company is now participating in the on-going projects of the Kaohsiung Train Station and Taichung International Convention and Exhibition Center. The company will continue to pursue special construction projects on site to improve technological capabilities.

C. In line with the government's promotion for public construction projects, the Company has actively pursued public construction 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 the products in the laboratories accredited by the Taiwan Accreditation Foundation (TAF) to ensure that the products are satisfactory to the clients.

D. Review the 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 Corp.:

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

② Super Max Engineering Enterprise Co., Ltd.:

Maintain the current clients while cultivating new ones; proactively help clients dispose of their industrial waste and earn their trust to build a long-lasting relationship to maximize profits.

③ Ever Ecove Corporation:

Committed to achieving the goal of starting production; understand the flow direction of the market waste and formulate a waste acceptance plan accordingly to complete trial runs and commercial operation before achieving the company's business goal.

5.2 Market & Production/Sales Overview

5.2.1 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 23.98%~27.29% 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 the mainstay in the 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 12th on World Economic Forum's 2019 Global Competitiveness Index 4.0, the government, to enhance and upgrade the infrastructure, implemented the "Forward-Looking Infrastructure Development Program" in 2017. In 2019, the government implemented the Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan in light of the US-China trade war. These programs by the government will boost the steel structure construction demand.

   (2) Environmental protection industry

   Hsin Yung Enterprise Corporation mainly processes the general waste from Taoyuan City while Super Max Engineering Enterprise Co., Ltd. is a waste treatment center for northern Taiwan established under the guidance of Ministry of Economic Affairs. Statistics from the Environmental Protection Administration show that Taoyuan City's general waste generation increased from 387,906 tons in 2016 to 490,405 tons in 2020 while the industrial waste in the whole nation increased from 18,973,038 tons in 2016 to 20,030,415 tons in 2020, indicating that both general and industrial waste generation was increasing year by year.

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 improvement in product quality. Since the company has the largest production area across Taiwan, it can provide a more stable steel structure quality for the 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 and Southern Branch of National Palace Museum.

③ Introduction of Building information Modeling (BIM)

Building Information Modeling utilizes various information 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, this 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.

④ A 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, this 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.

⑤ Excellent Construction Quality

Recognized by our clients for our steel structure construction quality, this 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

① Hsin 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 (Taoyuan City Commissioning the BOO Incinerator for General Waste Disposal) with Department of Environmental Protection of Taoyuan City expires on December 31, 2023. During its operation, there will be a steady supply of waste for the incinerator. If the Department of Environmental Protection of Taoyuan City decides to sign another contract to commission Hsin Yung for waste disposal, it may notify Hsin Yung in writing 1 month prior to terminating the current contract. With the population growing and business booming in Taoyuan City, as the result, general and industrial waste also continue to grow, providing a steady source of waste for the incinerator.

② Super Max Engineering Enterprise Co., Ltd. is an industrial waste treatment center established under the guidance of the Industrial Development Bureau. It is capable of treating 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 the clients.

③ Ever 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% in energy generation efficiency, higher than the other 24 running incinerators and the standard for waste processing equipment for renewable energy generation.

4. Advantage and Disadvantage Factors in Fulfilling the Vision and Countermeasures

(1) Steel Structure Industry

① Advantage 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 the 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. By the end of 2021, Taiwan has awarded a total of 10,413 green building labels and green building candidate certificates. Among them, 1,158 were awarded in 2021, 306 (35.92%) more than 2020.

C. The global supply chain was heavily influenced by the US-China trade war, forcing Taiwanese businesses to diversify their manufacturing bases and considering 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. As a result, these Taiwanese businesses have invested a total of approximately NT$ 1,038.4 billion as of the end of December, 2021. The Executive Yuan has extended the action plan to 2024, which will further boost the demand for steel structure facilities.

D. The rebuilding of dangerous and old buildings has benefited from the convenient application process and bulk reward in the regulations. As of February 28, 2022, a total of 2,550 applications were submitted and 2,056 were approved with a total of 67 urban renewal applications approved, making the total approved applications to 2,123 in the year. Both rebuilding of dangerous and old buildings and urban renewal can generate new momentum for the overall residential and office building market.

② Disadvantage 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.

<u>Countermeasures:</u>

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

① Advantage 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.

② Disadvantage 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 this 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 around them. This Company spares no effort in becoming a good neighbor and minimizing local residents' misconceptions towards incinerators to avoid any 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. Ever Ecove will invite people in the neighborhood as well as students 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, new comers 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.

5.2.2 Applications of Main Products & Manufacturing

1. Applications of main products

(1) Steel structures industry:

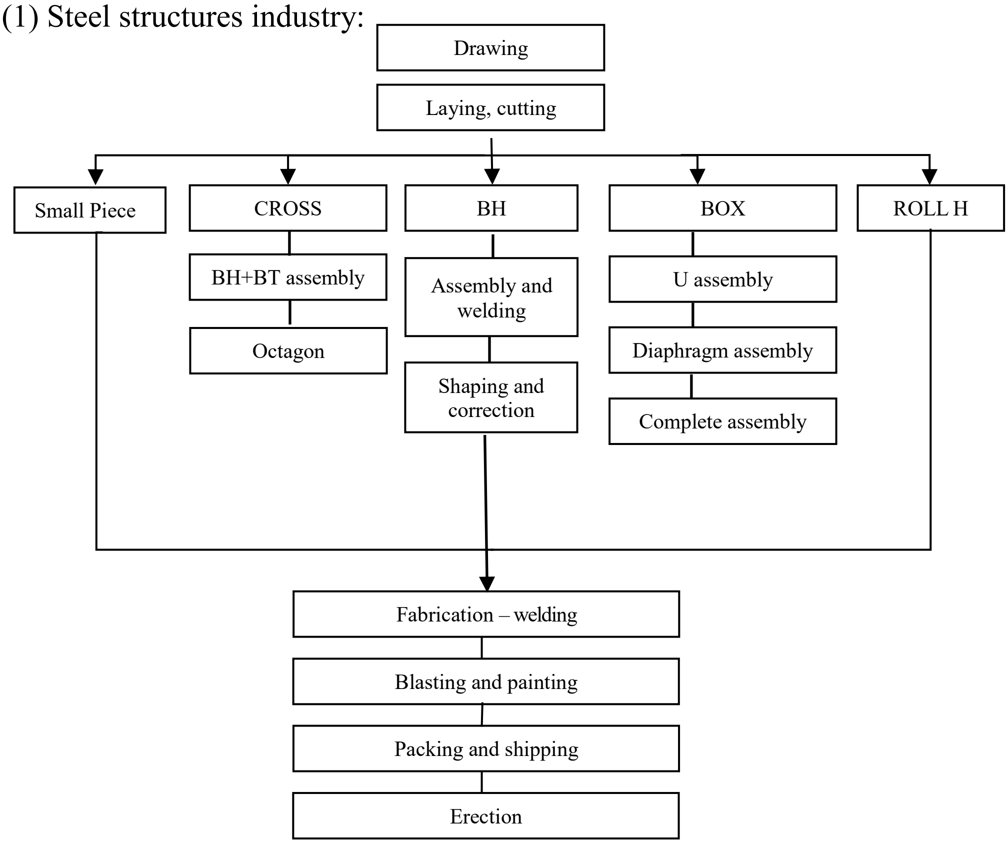
Product	Applications
Steel structures for construction	Power plants, electronics plants, incinerators, airplane maintenance hangars, skyscrapers, office buildings, residential buildings, long-span bridges, arched bridges, cable-stayed bridges, and other construction projects.

(2) Environmental protection industry:

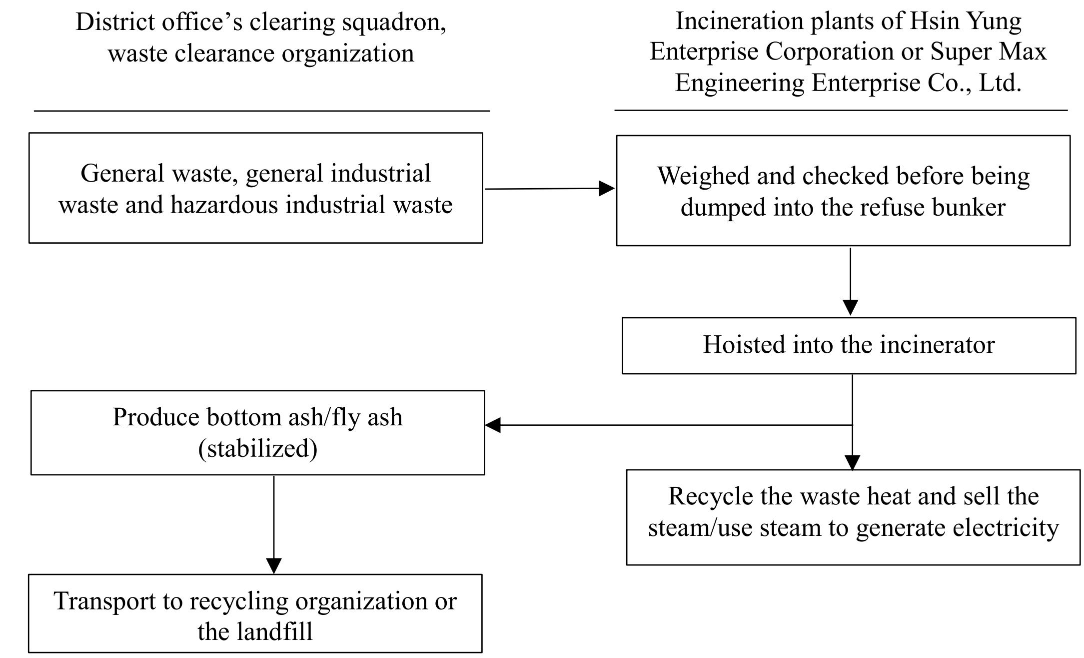
Hsin Yung Enterprise Corporation and Super Max Engineering Enterprise Co., Ltd. mainly deal with general and industrial waste and fall under the environmental protection service industry, which is less affected by the business cycle and has more consistent business.

2. Manufacturing process of main products:

(1) Steel structures industry:



(2) Environmental protection industry:



5.2.3 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 in the hazardous industrial waste treatment, such as sodium bicarbonate, as well as incinerator maintenance, such as diesel, fire bricks, waste heat boiler tubes, boiler waterwall tubes, etc. The Company has been enjoying long-lasting and steady relationships with our suppliers to ensure a steady supply of raw materials without any interruptions.

5.2.4 Main Suppliers and Clients in the Past Two Years

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

Unit: NT$ thousands

Year	2020				2021			
Item	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer
1	Dragon Steel	1,874,496	47.77	None	China Steel	2,274,876	46.48	None
2	China Steel	1,358,073	34.61	None	Dragon Steel	1,767,434	36.11	None
3	Others	691,647	17.62	None	Others	852,418	17.41	None
Net purchase		3,924,216	100.00		Net purchase	4,894,728	100.00	

Note: Hsin Yung Enterprise Corporation and Super Max Engineering Enterprise Co., Ltd. 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 the total sales

Unit: NT$ thousands

Year	2020				2021			
Item	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer
1	Client B	1,411,577	15.10	None	Client A	2,108,545	15.49	None
2	Client C	1,029,610	11.01	None	Others	11,500,052	84.51	None
3	Others	6,908,462	73.89	None				
Net sales		9,349,649	100.00		Net sales	13,608,597	100.00	

5.2.5 Production Volume/Value in the Past 2 Years

Unit: Ton; NT$ thousands

Year / Production volume/ value / Main product (or department)	2020			2021		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Steel structures	156,000	135,076	6,634,190	156,000	143,518	7,457,339

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

5.2.6 Sales Volume/Value in the Past 2 Years

Unit: Ton; NT$ thousands

Year / Sales volume/value / Main products	2020				2021			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Steel structures	142,425	7,117,905	0	0	214,233	11,449,741	0	0
General/industrial waste treatment and others	0	2,231,744	0	0	0	2,158,856	0	0
Total	142,425	9,349,649	0	0	214,233	13,608,597	0	0

5.3 Number of Persons

Year		2020	2021	2022 (as of April 12, 2022) (note)
Number of persons	Managers	14	14	17
	Regular employees	388	393	437
	Production line staff	236	234	220
	Total	638	641	674
Average age		41.47	42.01	41.8
Average years of service		13.41	13.28	12.89
Education level breakdown (%)	Doctoral degree	0	0	0
	Master's degree	8.78	8.42	9.94
	Bachelor's degree	58.31	58.97	62.02
	High school diploma	9.87	9.36	8.9
	Less than a high school diploma	23.04	23.25	19.14

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

5.4 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. March 9 , 2021 (official letter code: 環稽字第 1100022545 號): The Company's Hsinying Factory did not properly seal the bulk bag connected to the pulse jet bag filter, which violated Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act. The factory was fined NT$150,000 as the result.
   Response: The factory has corrected the violation right after the inspection and will conduct air pollution control training for its employees regularly.

2. February 9, 2022 (official letter code: 環事廢裁字第 111020341 號): The Company's Hsinying Factory violated Subparagraph 1, Paragraph 1, Article 31 of Waste Disposal Act for its failure to register the scraped paint residues (waste from the factory) in its industrial waste disposal plan and was therefore fined NT$6,000.
   Response: The factory has registered the scraped paint residues (waste from the factory) in its industrial waste disposal plan and the updated disposal plan has been approved by the Environmental Protection Bureau of Tainan City Government.

3. February 9, 2022 (official letter code: 環事廢裁字第 111020342 號): The Company's Hsinying Factory violated Subparagraph 2, Paragraph 1, Article 31 of Waste Disposal Act for not accurately filing its industrial waste production and was therefore fined NT$6,000.
   Response: The factory has filed its industrial waste production accurately, which was reinspected and confirmed by the Environmental Protection Bureau of Tainan City Government.

4. February 9, 2022 (official letter code: 環事廢裁字第 111020343 號): The Company's Hsinying Factory violated Paragraph 1, Article 36 of Waste Disposal Act for failure to store its industrial waste in compliance with the regulations and was therefore fined NT$18,000.
   Response: The factory has made improvements in compliance with Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste, which was reinspected and confirmed by the Environmental Protection Bureau of Tainan City Government.

5.5 Labor Relations

5.5.1 Employee Benefits

1. Rest days: Saturdays and Sundays off (those required to work shifts on the weekend will 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 insurances.
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 medial consultations and conducts free health checks regularly.
7. Leisure activities: Employees get discounts on domestic flight tickets from UNI Air as well as 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, etc.

5.5.2 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, 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. These 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 2021:

Number of Trained Employees	Total Training Man Hours	Total Training Cost
1,262	2,539.5	NT$803,224

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 follows 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 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 bases for each full year. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. A pension base shall be an employee’s average salary for 6 months before his/her retirement is approved.

(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.

5.5.3 Labor-Management Agreement: None.

5.5.4 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 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 each plant and branch. 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 (OHSAS28001) 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 compiles 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. The Company also, to prevent labor accidents, takes advanced control and preventive measures in operations in confined space, hazardous machines and equipment, high-altitude operation, electrocution accidents, hot work control and working environment monitoring.

(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 kept tracked of. 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, cargos, machine operations and prevent occupational accidents and hazards.

(6) Investigate the harmfulness of the hazard factors and manage/prevent them at the 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 our 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 (sort, organize, clean, maintain, discipline and safety)" and keep track of the faults and improvement measures to improve the safety and health management level.

5.5.5 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.

5.5.6 Current Labor-Management Relation and Countermeasures for Potential Disputes in the Future

1. Even though the Company does not have a union, it still seeks to provide the best

compensation, working environment and benefits to the employees to achieve sustainable development. The Company also keeps open communications with the employees to make them feel secure and identify themselves 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.

2. The Company has, in compliance with the law, established a labor-management committee and organizes labor-management meeting regularly every quarter (or when needed) to improve the labor relation, promote labor-management collaboration and communication.
3. 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.
4. 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.
5. Reward employees with excellent performance or special achievements to boost employee morale.
6. Organize team building activities and provide travel subsidy 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.
7. The Company has added a "Labor-Management Column" on the company's electronic bulletin board, which publishes regulations and latest information related to retirement, insurances and taxation to help employees learn more about their rights.

5.6 Cyber Security Management

5.6.1 Cyber Security Risk Management Structure

The Computer Department is an independent and non-user department, 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.

5.6.2 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, damages and attacks, which will damage the Company's information assets.

5.6.3 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
• Firewall • Scan the computer systems and data storage systems for viruses regularly • Proxy server to filter websites • Control employees' time using the Internet at the Company	• Assign different access rights based on employees' functions • Revoke the access rights of re-assigned employees • In addition to the original access right, employees must obtain approvals to log in the information management system remotely	• Regularly review the contingency plan • Conduct data recovery drills annually for important systems • Establish a system recovery mechanism for remote backup • Regularly review the computer network safety control measures	• Promote information security information and provide cyber security training to enhance employees' cyber security awareness • Regularly scan for vulnerabilities and follow up with vulnerability management • Conduct regular cyber security checkups

5.6.4 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.

5.7 Important Contracts:

5.7.1 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	Hwang Chang Construction	August, 2016～as the project requires	Huan Nan Market redevelopment	None
Construction	RESA Engineering	April, 2017～as the project requires	Kaohsiung Train Station canopy (dome trusses, tender NO. ACL212-1)	None
Construction	Dacin Construction	December, 2018～as the project requires	Taichung International Convention and Exhibition Center	None
Construction	Lee Ming Construction	March, 2019～as the project requires	TLDC hotel project near Hualien	None
Construction	Yung-Yu-Tai Construction/ Chung-Lu Construction	April, 2019～as the project requires	Y.S. Development Group’s project on Shijian Rd, Banqiao	None
Construction	CTCI Construction	August, 2019 ~ as the project requires	Biomass Energy Plant BOT	None
Construction	Lee Ming Construction	September, 2019 ~ as the project requires	AOET’s facility in Central Taiwan Science Park	None
Construction	Yidong Construction	October, 2019～as the project requires	Hon-Mao’s Banqiao project	None
Construction	Jut Land Development	October, 2019 ~ as the project requires	Jut Land Development’s “Only One Only You” project	None
Construction	Ever Accord Construction	December, 2019 ~ as the project requires	Evergreen International Storage & Transport Corp’s storage and logistics park	None
Construction	Far Eastern General Contractor	December, 2019 ~ as the project requires	Nangang biotech project	None
Construction	New Asia Construction	January, 2020 ~ as the project requires	Ankeng light rail turnkey project -airport and K9 station	None
Construction	Tong Yuan Construction	January, 2020 ~ as the project requires	Taoyuan Aerotropolis free trade zone facility (F1O) project	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Construction	TSMC	March, 2020 ~ as the project requires	TSMC F18P5 CUP plant construction in Southern Taiwan Science Park	None
Construction	RSEA Engineering	May, 2020 ~ as the project requires	Kaohsiung Train Station underground project (tender ACL212)	None
Construction	Chung-Lu Construction/Taiwan Kumagai	June, 2020 ~ as the project requires	Building D, E and H in the Global One project	None
Construction	TSMC	June, 2020 ~ as the project requires	Construction of the RD office of TSMC in Area A of Hsinchu Science Park	None
Construction	TSMC	June, 2020 ~ as the project requires	Construction of the RD-CUP of TSMC in Hsinchu Science Park	None
Construction	TSMC	June, 2020 ~ as the project requires	Construction of the RD-FAB of TSMC in Area A of Hsinchu Science Park	None
Construction	Dacin Construction	July, 2020 ~ as the project requires	Gemfont's new Chungli plant	None
Construction	Xu Yuan Construction	August, 2020 ~ as the project requires	Hotai Insurance headquarters	None
Construction	Sansin Builders Construction	October, 2020 ~ as the project requires	Northern Taiwan mail processing center and training center (Phase III)	None
Construction	Dacin Construction	October, 2020 ~ as the project requires	Bao Hong Construction's commercial building on Dunhua South Road.	None
Construction	Hung Sheng Construction	November, 2020 ~ as the project requires	Upper steel structures at Taimin Construction's Shipai project	None
Construction	Yuanlih Construction	November, 2020 ~ as the project requires	Congregate housing project on the 1st minor section of Huashin Section	None
Construction	Li Jin Engineering	December, 2020 ~ as the project requires	MOMO's logistic center in southern Taiwan	None
Construction	Continental Engineering	January, 2021 ~ as the project requires	Upper section of the Hehuan Landmark building project	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Construction	TSMC	February, 2021 ~ as the project requires	TSMC CUP construction in Southern Taiwan Science Park	None
Construction	Twin Oaks Construction	March, 2021 ~ as the project requires	Twin Oak's new construction on Longfu Road in Xitun District, Taichung	None
Construction	Chungyuet Group	May, 2021 ~ as the project requires	Residential buildings on 1st minor section across 4 land parcel numbers, starting with 258 in Xinzhuang Fuduxin area	None
Construction	Chungyuet Group	May, 2021 ~ as the project requires	Residential buildings on 2 parcel numbers, starting with 568 in Qinxi section in Taoyuan	None
Construction	Fengyu Group	June, 2021 ~ as the project requires	Fubon's development project next to the Aozihdi station of Kaohsiung Metro	None
Construction	Lee Ming Construction	July, 2021 ~ as the project requires	Siliconware Precision Industries Co., Ltd's facility in Erhlin (P1 factory)	None
Construction	Chuan Lian Enterprise Co., Ltd.	July, 2021 ~ as the project requires	Expansion project of Chuan Lian's Wuqi facilities in Taichung	None
Construction	Continental Engineering	August, 2021 ~ as the project requires	Continental Engineering's Huiguo 101 residential project in Taichung	None
Construction	Meng Hui Construction	October, 2021 ~ as the project requires	Construction project for Felli's new facilities	None
Construction	BES Engineering	October, 2021 ~ as the project requires	Construction project for the new A1 industrial park in Tuchen (section A)	None

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Construction	Meng Hui Construction	November, 2021 ~ as the project requires	Construction project for the King Boat Cultural Museum in Pingtung County	None
Construction	Ta Chen Construction & Engineering Corp.	December, 2021 ~ as the project requires	Construction project for Uni-President's new logistics park in Xinshi	None
Construction	Chuan Lian Enterprise Co., Ltd.	December, 2021 ~ as the project requires	New construction project for Chuan Lian Enterprise's Dadu facilities	None
Construction	True-Dreams Construction Co., Ltd.	December, 2021 ~ as the project requires	Central Motor's facilities in Longjing	None
Construction	Wu Yi Construction Co., Ltd	January, 2022 ~ as the project requires	New construction project for Yuanlih's hotel in Xinyi D3 (top-down steel column)	None
Construction	Hong Li Construction Co., Ltd	February, 2022 ~ as the project requires	New construction project for Chonghong's technological office building project on the Ruanqiao section in Beitou	None

5.7.2 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.	October, 2021 ~ December, 2023	Operation of the incineration plant	None
Taoyuan City Project for Commissioning the BOO Incinerator for General Waste Disposal	Taoyuan City Government	October, 2021 ~ December, 2023	Taoyuan City Project for Commissioning the BOO Incinerator for General Waste Disposal	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

Contract Nature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Biomedical waste clearance and disposal request at their hospitals	Chang Gung Medical Foundation	September, 2017 ~ August, 2022	Biomedical waste clearance and disposal request at their hospitals	None
Industrial waste clearance and disposal	TSMC	January, 2021 ~ December, 2023	Industrial waste clearance and disposal	None
Industrial waste clearance and disposal	Formosa Plastics Group – Mailiao complex	November, 2021 ~ November, 2023	Industrial waste clearance and disposal	None
Industrial waste clearance and disposal	Formosa Plastics Group – Jenwu complex	January, 2022 ~ October, 2023	Industrial waste clearance and disposal	None
Construction and operation	Taoyuan City Government	October, 2018 ~ October, 2043	Taoyuan Biomass Energy Plant BOT (build-operate-transfer) project	None
Construction and operation	CTCI Development	November, 2018 ~as the project requires	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	Taoyuan Biomass Energy Plant BOT (build-operate-transfer) project	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

5.7.3 Loan Contracts

Contract Nnature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Medium and long-term loan	Bank of Taiwan Taoyuan Branch	January 16, 2019~ January 16, 2024	Loan against collateral	None

Contract Nnature	Parties	Starting and Ending Dates	Main Content	Restrictive Clauses
Medium and long-term loan	Cathay United Bank	June 28, 2021~ June 28, 2024	Loan against collateral	None
Medium and long-term loan	Taiwan Cooperative Bank Chengdong Branch	August 18, 2021~ July 26, 2022	Loan against collateral	None
Medium and long-term loan	Hua Nan Bank Daan Branch	January 18, 2022~ January 18, 2024	Loan against collateral	None
Medium and long-term loan	Sunny Bank Zhongxing Branch	February 15, 2022~ February 14, 2025	Loan against collateral	None
Long-term loan	Hua Nan Bank Business Office	April 9, 2019~ October 1, 2034	Syndicated loan against collateral	None

Ⅵ. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet－Based on IFRS (Consolidated)

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)					2022 (As of Mar. 31, 2022) (Note 2)
		2017	2018	2019	2020	2021	
Current Assets		7,335,488	7,713,213	7,451,105	10,685,235	12,690,949	12,499,204
Property, Plant and Equipment		3,444,831	3,358,503	3,689,276	3,408,410	3,220,187	3,146,912
Intangible Assets		13,160	13,082	903,932	2,739,716	4,223,106	4,249,657
Other Assets		6,168,586	6,422,713	6,126,603	7,219,841	14,352,745	14,959,468
Total Assets		16,962,065	17,507,511	18,170,916	24,053,202	34,486,987	34,855,241
Current Liabilities	Before Distribution	2,998,434	2,915,241	2,801,423	5,409,465	4,869,506	4,073,366
	After Distribution	3,809,286	3,726,093	3,594,494	6,281,843	-	-
Non-current Liabilities		301,997	200,675	523,935	1,846,168	3,334,955	3,467,514
Total Liabilities	Before Distribution	3,300,431	3,115,916	3,325,358	7,255,633	8,204,461	7,540,880
	After Distribution	4,111,283	3,926,768	4,118,429	8,128,011	-	-
Equity Attributable to Owners of the Parent		12,039,629	12,369,603	12,690,886	14,001,815	23,208,954	24,182,615
Capital Stock		4,054,260	4,054,260	3,994,260	3,994,260	4,199,820	4,199,820
Capital Surplus		250,766	286,082	356,431	396,542	1,340,352	1,340,352
Retained Earnings	Before Distribution	7,955,038	8,126,439	8,288,354	8,537,942	9,134,644	9,525,678
	After Distribution	7,144,186	7,315,587	7,495,283	7,665,564	-	-
Other Equity Interest		84,639	207,896	170,886	1,166,184	8,584,076	9,166,703
Treasury Stock		(305,074)	(305,074)	(119,045)	(93,113)	(49,938)	(49,938)
Non-controlling Interest		1,622,005	2,021,992	2,154,672	2,795,754	3,073,572	3,131,746
Total Equity	Before Distribution	13,661,634	14,391,595	14,845,558	16,797,569	26,282,526	27,314,361
	After Distribution	12,850,782	13,580,743	14,052,487	15,925,191	-	-

Note 1: The consolidated financial statements as of each year have been audited by independent auditors.
Note 2: Until the printing date of annual report, the consolidated financial statements as of March 31, 2022 haven't been reviewed by independent auditors.
Note 3: The above amount after distribution is based on the resolution of the shareholders meeting of the following year.

6.1.2 Condensed Statement of Comprehensive Income－Based on IFRS (Consolidated)

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)					2022 (As of Mar. 31, 2022) (Note 2)
	2017	2018	2019	2020	2021	
Operating Revenue	10,553,288	10,685,318	8,268,207	9,349,649	13,608,597	3,391,148
Gross Profit	1,854,870	2,085,330	1,876,904	2,026,301	2,355,912	651,262
Operating Profit	1,327,480	1,449,667	1,336,124	1,534,312	1,753,938	513,160
Non-operating Income and Expenses	422,099	208,645	278,087	200,503	200,693	9,435
Profit before Income Tax	1,749,579	1,658,312	1,614,211	1,734,815	1,954,631	522,595
Profit for the Period from Continuing Operations	1,531,043	1,310,339	1,325,958	1,404,259	1,604,262	418,443
Loss from Discontinuing Operation	-	-	-	-	-	-
Profit for the Period	1,531,043	1,310,339	1,325,958	1,404,259	1,604,262	418,443
Other Comprehensive Income (Net profit after Tax)	603,120	124,365	(16,747)	1,059,234	7,841,252	613,392
Total Comprehensive Income for the Period	2,134,163	1,434,704	1,309,211	2,463,493	9,445,514	1,031,835
Profit, Attributable to Owners of the Parent	1,193,481	980,357	947,437	1,043,649	1,278,260	343,205
Profit, Attributable to Non-controlling Interest	337,562	329,982	378,521	360,610	326,002	75,238
Comprehensive Income Attributable to Owners of the Parent	1,802,040	1,105,510	935,757	2,037,957	8,886,972	973,661
Comprehensive Income Attributable to Non-controlling Interest	332,123	329,194	373,454	425,536	558,542	58,174
Earnings per Share (In Dollars)	3.08	2.53	2.44	2.65	3.11	0.82

Note 1: The consolidated financial statements as of each year have been audited by independent auditors.

Note 2: Until the printing date of annual report, the consolidated financial statements as of March 31, 2022 haven't been reviewed by independent auditors.

6.1.3 Condensed Balance Sheet－Based on IFRS (The Company)

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Current Assets		5,029,870	4,368,902	3,952,109	6,815,138	8,848,717
Property, Plant and Equipment		1,837,619	1,858,486	2,394,501	2,384,518	2,383,645
Intangible Assets		9,431	8,483	6,766	3,561	5,688
Other Assets		7,970,218	8,702,492	8,918,089	10,110,101	16,941,243
Total Assets		14,847,138	14,938,363	15,271,465	19,313,318	28,179,293
Current Liabilities	Before Distribution	2,657,829	2,422,459	2,304,593	4,912,207	4,387,958
	After Distribution	3,468,681	3,233,311	3,097,664	5,784,585	-
Non-current Liabilities		149,680	146,301	275,986	399,296	582,381
Total Liabilities	Before Distribution	2,807,509	2,568,760	2,580,579	5,311,503	4,970,339
	After Distribution	3,618,361	3,379,612	3,373,650	6,183,881	-
Equity Attributable to Owners of the Parent		12,039,629	12,369,603	12,690,886	14,001,815	23,208,954
Capital Stock		4,054,260	4,054,260	3,994,260	3,994,260	4,199,820
Capital Surplus		250,766	286,082	356,431	396,542	1,340,352
Retained Earnings	Before Distribution	7,955,038	8,126,439	8,288,354	8,537,942	9,134,644
	After Distribution	7,144,186	7,315,587	7,495,283	7,665,564	-
Other Equity Interest		84,639	207,896	170,886	1,166,184	8,584,076
Treasury Stock		(305,074)	(305,074)	(119,045)	(93,113)	(49,938)
Non-controlling Interest		-	-	-	-	-
Total Equity	Before Distribution	12,039,629	12,369,603	12,690,886	14,001,815	23,208,954
	After Distribution	11,228,777	11,558,751	11,897,815	13,129,437	-

Note 1: The parent-company-only financial statements as of each year have been audited by independent auditors.

Note 2:The above amount after distribution is based on the resolution of the shareholders meeting of the following year.

6.1.4 Condensed Statement of Comprehensive Income－Based on IFRS (The Company)

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note)				
	2017	2018	2019	2020	2021
Operating Revenue	8,578,452	8,657,027	6,109,403	7,263,895	11,614,440
Gross Profit	745,212	909,670	599,028	803,212	1,220,225
Operating Profit	293,542	403,381	204,080	438,988	743,111
Non-operating Income and Expenses	933,411	694,597	781,406	697,356	672,957
Profit before Income Tax	1,226,953	1,097,978	985,486	1,136,344	1,416,068
Profit for the Year from Continuing Operations	1,193,481	980,357	947,437	1,043,649	1,278,260
Loss from Discontinuing Operation	-	-	-	-	-
Profit for the Year	1,193,481	980,357	947,437	1,043,649	1,278,260
Other Comprehensive Income (Net profit after Tax)	608,559	125,153	(11,680)	994,308	7,608,712
Total Comprehensive Income for the Year	1,802,040	1,105,510	935,757	2,037,957	8,886,972
Earnings per Share (In Dollars)	3.08	2.53	2.44	2.65	3.11

Note: The parent-company-only financial statements as of each year have been audited by independent auditors.

6.1.5 Auditors' Opinions for The Last Five Years

Year	Accounting Firm	CPA	Audit Opinion
2017	Deloitte & Touche	Chang, Ching-Fu, Chao, Yong-Hsiang	An Unqualified Opinion
2018	Deloitte & Touche	Chang, Ching-Fu, Chao, Yong-Hsiang	An Unqualified Opinion
2019	Deloitte & Touche	Chang, Ching-Fu, Chao, Yong-Hsiang	An Unqualified Opinion
2020	Deloitte & Touche	Chang, Ching-Fu, Chao, Yong-Hsiang	An Unqualified Opinion
2021	Deloitte & Touche	Chang, Ching-Hsia, Chao, Yong-Hsiang (Note)	An Unqualified Opinion

Note: In 2021, due to the adjustment of the internal job rotation, Chang, Ching-Hsia and Chao, Yong-Hsiang accountants were appointed as accountants for the company's verification of visas.

6.2 Five-Year Financial Analysis

6.2.1 Financial Analysis－Based on IFRS (Consolidated)

Item	Year	Financial Analysis for the Last Five Years (Note 1)					2022 (As of Mar. 31, 2022) (Note 2)
		2017	2018	2019	2020	2021	
Financial Structure (%)	Debt-asset Ratio	19.46	17.80	18.30	30.16	23.79	21.63
	Ratio of Long-term Capital to Property, Plant and Equipment	405.35	434.49	416.60	546.99	919.74	978.16
Solvency (%)	Current Ratio	244.64	264.58	265.97	197.53	260.62	306.85
	Quick Ratio	211.52	232.08	241.32	175.63	194.39	238.27
	Interest Coverage Ratio	1,132.68	378.06	245.54	91.47	118.54	242.49
Operating Ability	Receivables Turnover Rate (Times)	4.03	5.72	9.95	11.47	9.58	8.08
	Average Collection Days for Receivables	91	64	37	32	38	45
	Inventory Turnover Rate (Times)	11.27	9.63	8.37	8.79	5.40	3.72
	Payables Turnover Rate (Times)	6.77	6.23	4.83	5.33	6.14	5.13
	Average Days for Sale	32	38	44	42	68	98
	Property, Plant and Equipment Turnover Rate (Times)	2.99	3.14	2.35	2.63	4.11	4.26
	Total Asset Turnover Rate (Times)	0.65	0.62	0.46	0.44	0.46	0.39
Profitability	Return on Assets (%)	9.44	7.62	7.46	6.72	5.53	4.85
	Return on Equity (%)	11.73	9.34	9.07	8.88	7.45	6.25
	Ratio of Income before Tax to Paid-in Capital (%)	43.15	40.90	40.41	43.43	46.54	49.77
	Profit Margin Before Tax (%)	14.51	12.26	16.04	15.02	11.79	12.34
	Earnings per Share (NT$)	3.08	2.53	2.44	2.65	3.11	0.82
Cash Flow	Cash Flow Ratio (%)	44.74	75.62	33.17	(5.35)	32.62	22.37
	Cash Flow Adequacy Ratio (%)	137.30	144.11	128.41	69.79	42.96	44.37
	Cash Flow Reinvestment Ratio (%)	2.15	6.05	(0.41)	(5.50)	1.21	2.45
Leveraging	Operating Leverage	1.97	1.91	1.92	1.86	1.93	1.80
	Financial Leverage	1.00	1.00	1.00	1.01	1.01	1.00

Analysis of financial ratios changes over 20% between 2020 and 2021:

1. Debt-asset Ratio: The valuation of hold financial merchandise and the inventory increased in 2021 that result in the large variation.
2. Ratio of Long-term Capital to Property, Plant and Equipment: The unrealized gain on financial assets at fair value through other comprehensive income increased in 2021 that result in the large variation.
3. Current Ratio: The current assets increased in 2021 that result in the large variation.
4. Interest Coverage Ratio: The income befor tax increased and the interest expenses decreased respectively in 2021 that result in the large variation.
5. Inventory Turnover Rate and Average Days for Sale: The average inventory increased in 2021 that result in the large variation.
6. Property, Plant and Equipment Turnover Rate and Profit Margin Before Tax: The operating revenue increased in 2021 that result in the large variation.
7. Cash Flow Ratio and Cash Flow Reinvestment Ratio: The net cash generated from operating activities increased in 2021 that result in the large variation.
8. Cash Flow Adequacy Ratio: The inventory for the most recent five years increased in 2021 that result in the large variation.

Note 1: The consolidated financial statements as of each year have been audited by independent auditors.

Note 2: Until the printing date of annual report, the consolidated financial statements as of March 31, 2022 haven't been reviewed by independent auditors.

The following calculation formulas apply to the analysis items above:

1. Financial Structure
   (1) Debt-asset Ratio = total liabilities / total assets
   (2) Ratio of Long-term Capital to Property, Plant and Equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment
2. Solvency
   (1) Current Ratio = current assets / current liabilities
   (2) Quick Ratio = (current assets – inventory – prepaid expenses) / current liabilities
   (3) Interest Coverage Ratio = income before income tax and interest expenses / current interest expenses
3. Operating Ability
   (1) Receivables (including accounts receivable and notes receivable arising from business operations) Turnover Rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period
   (2) Average Collection Days for Receivables = 365 / receivables turnover rate
   (3) Inventory Turnover Rate = cost of sales / average inventory
   (4) Payables (including accounts payable and notes payable arising from business operations) Turnover Rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period
   (5) Average Days of Sale = 365 / inventory turnover rate
   (6) Property, Plant and Equipment Turnover Rate = net sales / average net worth of property, plant and equipment
   (7) Total Asset Turnover Rate = net sales / average total assets
4. Profitability
   (1) Return on Assets = [net income + interest expenses (1- tax rate)] / average total assets
   (2) Return on Equity = net income / average total equity
   (3) Profit Margin before Tax = net income / net sales
   (4) Earnings per Share = (profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of issued shares (Note 3)
5. Cash Flow
   (1) Cash Flow Ratio = Net cash flow from operating activities / current liabilities
   (2) Net Cash Flow Adequacy Ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)
   (3) Cash Flow Reinvestment Ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital) (Note 4)
6. Leveraging
   (1) Operating Leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 5)
   (2) Financial Leverage = operating income / (operating income / interest expenses)

Note 3: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 4: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 5: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 6: In the case of a company whose shares have no par value or have a par value other than NT$10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

6.2.2 Financial Analysis－Based on IFRS (The Company)

Item	Year	Financial Analysis for the Last Five Years (Note 1)				
		2017	2018	2019	2020	2021
Financial Structure (%)	Debt-asset Ratio	18.91	17.20	16.90	27.50	17.64
	Ratio of Long-term Capital to Property, Plant and Equipment	663.32	673.45	541.53	603.94	998.11
Solvency (%)	Current Ratio	189.25	180.35	171.48	138.74	201.66
	Quick Ratio	152.59	141.92	142.47	115.28	128.73
	Interest Coverage Ratio	802.93	250.94	154.93	60.35	86.27
Operating Ability	Receivables Turnover Rate (Times)	3.49	5.09	9.59	12.27	9.68
	Average Collection Days for Receivables	105	72	38	30	38
	Inventory Turnover Rate (Times)	10.40	8.84	7.36	7.94	5.03
	Payables Turnover Rate (Times)	6.27	5.74	4.25	4.85	5.92
	Average Days for Sale	35	41	50	46	73
	Property, Plant and Equipment Turnover Rate (Times)	4.67	4.68	2.87	3.04	4.87
	Total Asset Turnover Rate (Times)	0.61	0.58	0.40	0.42	0.49
Profitability	Return on Assets (%)	8.44	6.61	6.31	6.12	5.44
	Return on Equity (%)	10.41	8.03	7.56	7.82	6.87
	Ratio of Income before Tax to Paid-in Capital (%)	30.26	27.08	24.67	28.45	33.72
	Profit Margin before Tax (%)	13.91	11.32	15.51	14.37	11.01
	Earnings per Share (NT$)	3.08	2.53	2.44	2.65	3.11
Cash Flow	Cash Flow Ratio (%)	6.39	44.92	(9.82)	(28.91)	11.98
	Cash Flow Adequacy Ratio (%)	63.47	72.78	71.09	17.00	1.78
	Cash Flow Reinvestment Ratio (%)	(3.72)	2.01	(7.22)	(13.93)	(1.37)
Leveraging	Operating Leverage	3.27	2.65	3.94	2.63	2.38
	Financial Leverage	1.01	1.01	1.03	1.05	1.02

Analysis of financial ratios changes over 20% between 2020 and 2021:

1. Debt-asset Ratio: The valuation of hold financial merchandise and the inventory increased in 2021 that result in the large variation.
2. Ratio of Long-term Capital to Property, Plant and Equipment: The unrealized gain on financial assets at fair value through other comprehensive income increased in 2021 that result in the large variation.
3. Current Ratio, Inventory Turnover Rate and Average Days for Sale: Due to materials requirement of steel structure construction projects, the inventory increased in 2021 that result in the large variation.
4. Interest Coverage Ratio: The income befor tax increased and the interest expenses decreased respectively in 2021 that result in the large variation.
5. Receivables Turnover Rate and Average Collection Days for Receivables: The average receivables increased in 2021 that result in the large variation.
6. Payables Turnover Rate: The cost of sales increased in 2021 that result in the larege variation.
7. Property, Plant and Equipment Turnover Rate and Profit Margin Before Tax: The operating revenue increased in 2021 that result in the large variation.
8. Cash Flow Ratio and Cash Flow Reinvestment Ratio: The net cash generated from operating activities increased in 2021 that result in the large variation.
9. Cash Flow Adequacy Ratio: The net cash flow from operating activities for the most recent five years decreased in 2021 that result in the large variation.

Note 1: The parent-company-only financial statements as of each year have been audited by independent auditors.

The following calculation formulas apply to the analysis items above:

1. Financial Structure
   (1) Debt-asset Ratio = total liabilities / total assets
   (2) Ratio of Long-term Capital to Property, Plant and Equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment
2. Solvency
   (1) Current Ratio = current assets / current liabilities
   (2) Quick Ratio = (current assets – inventory – prepaid expenses) / current liabilities
   (3) Interest Coverage Ratio = income before income tax and interest expenses / current interest expenses
3. Operating Ability
   (1) Receivables (including accounts receivable and notes receivable arising from business operations) Turnover Rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period
   (2) Average Collection Days for Receivables = 365 / receivables turnover rate
   (3) Inventory Turnover Rate = cost of sales / average inventory
   (4) Payables (including accounts payable and notes payable arising from business operations) Turnover Rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period
   (5) Average Days of Sale = 365 / inventory turnover rate
   (6) Property, Plant and Equipment Turnover Rate = net sales / average net worth of property, plant and equipment
   (7) Total Asset Turnover Rate = net sales / average total assets
4. Profitability
   (1) Return on Assets = [net income + interest expenses (1- tax rate)] / average total assets
   (2) Return on Equity = net income / average total equity
   (3) Profit Margin before Tax = net income / net sales
   (4) Earnings per Share = (profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of issued shares (Note 2)
5. Cash Flow
   (1) Cash Flow Ratio = Net cash flow from operating activities / current liabilities
   (2) Net Cash Flow Adequacy Ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)
   (3) Cash Flow Reinvestment Ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital) (Note 3)
6. Leveraging
   (1) Operating Leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 4)
   (2) Financial Leverage = operating income / (operating income / interest expenses)

Note 2: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 3: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 4: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 5: In the case of a company whose shares have no par value or have a par value other than NT$10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

6.3 Audit Committee's Review Report

To: 2022 Annual General Shareholders' Meeting

Evergreen Steel Corporation

The Board of Directors has prepared the Company's 2021 business report, financial report, and proposal for distribution of earnings. The CPA of Deloitte & Touche has audited the financial report and issued the audit report.

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

Evergreen Steel Corporation

Convener of the Audit Committee：Lee, Kuan-Hsien

Date: March 21, 2022

6.4 Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report:

Please refer to page 166~235 Appendix 1.

6.5 The Parent Company Only Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report:

Please refer to page 236~308 Appendix 2.

6.6 The Company Should Disclose the Financial Impact to the Company If the Company and Its Affiliated Companies Have Incurred Financial or Cash Flow Difficulties in 2021 and as of the Date of this Annual Report: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2021	2020	Difference	
			Amount	%
Current Assets	12,690,949	10,685,235	2,005,714	18.77
Property, Plant and Equipment	3,220,187	3,408,410	(188,223)	(5.52)
Intangible Assets	4,223,106	2,739,716	1,483,390	54.14
Other Assets	14,352,745	7,219,841	7,132,904	98.80
Total Assets	34,486,987	24,053,202	10,433,785	43.38
Current Liabilities	4,869,506	5,409,465	(539,959)	(9.98)
Non-current Liabilities	3,334,955	1,846,168	1,488,787	80.64
Total Liabilities	8,204,461	7,255,633	948,828	13.08
Capital Stock	4,199,820	3,994,260	205,560	5.15
Capital Surplus	1,340,352	396,542	943,810	238.01
Retained Earnings	9,134,644	8,537,942	596,702	6.99
Other Equity Interest	8,584,076	1,166,184	7,417,892	636.08
Treasury Stock	(49,938)	(93,113)	43,175	(46.37)
Non-controlling Interest	3,073,572	2,795,754	277,818	9.94
Total Equity	26,282,526	16,797,569	9,484,957	56.47

Analysis of changes in financial ratios:

1. Increase in intangible assets: Mainly because Ever Ecove Corp., our subsidiary, was building the biomass energy center and the cost was recognized as intangible assets – service concession arrangements.
2. Increase in other assets: the change was mainly due to the increase in the fair value of publicly-traded stocks the Group owns.
3. Increase in non-current liabilities: Mainly due to Ever Ecove Corp., our subsidiary, took out more long-term loans to build the biomass energy center.
4. Increase in capital surplus: Mainly due to the parent carrying out a cash capital increase through a new share issue at premium before going public.
5. Increase in other equity interest: Mainly due to the increase in the fair value of publicly-traded stocks the Group owns.
6. Decrease in treasury stock: Mainly due to the disposal of treasury stock.

7.2 Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2021	2020	Difference	
			Amount	%
Operating Revenue	13,608,597	9,349,649	4,258,948	45.55
Operating Cost	11,252,685	7,323,348	3,929,337	53.65
Gross Profit	2,355,912	2,026,301	329,611	16.27
Operating Expenses	601,974	491,989	109,985	22.36
Operating Profit	1,753,938	1,534,312	219,626	14.31
Non-operating Income and Expenses	200,693	200,503	190	0.09
Profit before Income Tax	1,954,631	1,734,815	219,816	12.67
Income Tax Expense	350,369	330,556	19,813	5.99
Profit for the Year	1,604,262	1,404,259	200,003	14.24
Other Comprehensive Income	7,841,252	1,059,234	6,782,018	640.28
Total Comprehensive Income for the Year	9,445,514	2,463,493	6,982,021	283.42

Analysis of changes in financial ratios:

1. Increase in operating revenue and cost: Mainly due to an increase in the number of tons of steel materials recognized by the steel structure construction projects.
2. Increase in operating expenses: Mainly due to increase in employees' stock options recognized as salary and wages with the parent carrying out a cash capital increase through a new share issue as well as expected credit loss.
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.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis of the Current Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	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
4,219,283	1,588,662	(1,494,277)	4,313,668	None	None

1. Analysis of cash flow deviation:

(1) Operating Activities: Net cash inflow due to cash inflow from operating activities.

(2) Investment Activities: Net cash outflow mainly due to Ever Ecove Corp. invested the

construction/service cost (intangible asset – service concession arrangements) in the Taoyuan Biomass Energy Plant . (3) Financing Activities: Net cash outflow due to the Group paying back its loans. 2. Leverage of cash deficit: None.

7.3.2 Cash Flow Analysis of the Coming Year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated 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
4,313,668	3,398,501	(2,320,878)	5,391,291	None	None
1. Analysis of cash flow deviation: (1) Operating activities: Mainly estimated cash inflow from operations. (2) Investing activities: Net cash outflow mainly due to Ever Ecove Corp. invested the construction in the Taoyuan Biomass Energy Plant. (3) Financing activities: Mainly estimated the cash inflow from long-term borrowings. 2. Leverage of dash deficit: None.					

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

The capital in the “Taoyuan Biomass Energy Plant BOT (build-operate-transfer) project” the Group participated in came from equity funds and bank loans. The Group has signed a syndicated loan contract with the group of lending banks (led by Hua Nan Bank). The plant is estimated to be completed in 2022 and once it begins operation, Taoyuan City will be able to handle its waste disposal by itself. 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 waste and solidify more than 25,000 cubic meters of waste before sending it to 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), help turning Taoyuan into a green and low emission city and generating steady profit for the Group.

7.5 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 2021 share of profit of associates and joint ventures accounted for using equity method is NT$31.891 million. So far, the Group does not have any investment plan for the coming year.

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

7.6.1 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. In the current economy, the inflation rate in Taiwan is relatively low and therefore the fluctuations in interest rates, foreign exchange rates and inflation do not have a significant impact on this Group's profit.

7.6.2 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.

7.6.3 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 requirement 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 with an estimated budget of NT$ 15 million:
   (1) Robotic arms applications in the BOX workstation
   (2) Electronic labeling applications in finished products management
   (3) Replace and upgrade cranes, BOX steel plate flame planers and the lift magnets at the BOX workstations.
   (4) Upgrade the dust extractor for the Plasma ion cutters to reduce environmental pollution and safeguard on-site employees' health.
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 added flying ash washing equipment in 2021 and has been conducting test runs to adjust the equipment since. Hsin Yung will continue to improve the washing process and waste disposal with an estimated budget of NT$ 23.7 million.

7.6.4 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.

7.6.5 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.

7.6.6 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.

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

Currently, the Group has no merger and acquisition plan.

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

(1) Ever Ecove Corp. was incorporated in August, 2008. The company has worked with Taoyuan City Government on the triple-function (anaerobic fermentation, incinerator and bottom ash solidification/landfill plant) biomass energy plant BOT project on a 4.38-hectare lot reserved for environmental protection facility inside the Taoyuan Science Park. After the plant's 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 waste and solidify more than 25,000 cubic meters of waste before sending it to 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). Once the plant begins operation officially, it will generate profit steadily as this Group's reinvested business. In addition, as the main equipment in this project was purchased from foreign suppliers, the manufacturing and delivery of this equipment may be delayed due to the COVID-19 pandemic, which means that the plant's completion may be delayed. The company has followed the contract provisions to request an extension to the construction period.

(2) Super Max Engineering Enterprise Co., Ltd., to increase its production capacity, will newly build a rotary kiln incinerator that can process 43 metric tons of waste daily, which will increase the Company's revenue and profit.

7.6.9 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 BOO contract with Taoyuan City Government and power sales agreement with Taipower. With the main customers being government institutions, the BOO contract having protective clause and power sales conducted in accordance with regulations, this Group does not have the problem of excessive customer concentration.

7.6.10 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.

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

7.6.12 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.

7.6.13 Other Major Risks and Countermeasures: None.

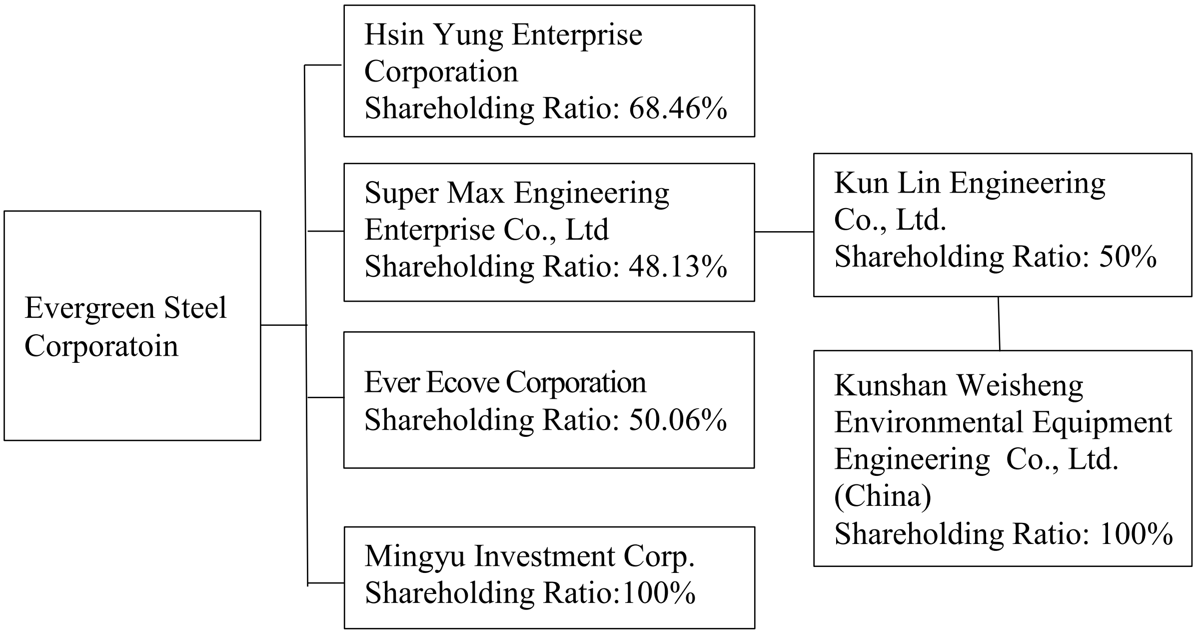
7.7 Other Important Matters: None.

VIII. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Affiliated Companies Merger Business Report

1. Affiliated Companies Organization Chart (December 31, 2021)



2. Basic Information of Affiliated Companies

December 31, 2021
Unit: Dollars

Company	Date Founded	Address	Capital	Main Business Activites
Hsin Yung Enterprise Corporation	1998.12.22	No. 16, Songjiang N. Rd., Zhongli Dist., Taoyuan City	NTD1,450,000,000	Waste disposal and cogeneration
Super Max Engineering Enterprise Co., Ltd.	1980.01.31	14F-13, No. 79, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NTD501,750,000	Waste clearance and disposal
Ever Ecove Corporation	2018.08.07	No. 16, Songjiang N. Rd., Zhongli Dist., Taoyuan City	NTD1,600,000,000	Waste disposal and cogeneration
Mingyu Investment Corp.	1998.03.31	9F, No. 100, Sec. 2, Chang'an E. Rd., Zhongshan Dist., Taipei City	NTD103,500,000	Investment
Kun Lin Engineering Co., Ltd.	1994.08.25	10F, No. 271, Wenchuan Rd., Zuoying Dist., Kaohsiung City	NTD100,000,000	Designing/planning/execution of waste water, air and noise prevention constructions; buying/selling/maintenance of related equipment
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd. (China)	2007.03.15	No.135, Xinhong Rd., Zhangpu Township, Kunshan City, Jiangsu Province, China	USD400,000 RATE: 27.68	Designing/manufacturing/installing of waste water/exhaust equipment and the manufacturing/installation of various types of fitting pipes

Note 1: All affiliated companies, regardless of size, should be disclosed.

Note 2: Each related enterprise has a factory, and the sales value of the factory product exceeds 10% of the operating income of the control company. The name of the factory, the date of establishment, the address and the main production products of the factory shall be added.

Note 3: If the affiliated company is a foreign company, the name and address of the company can be expressed in English. The date of establishment can also be expressed as a Western date, and the amount of paid-in capital can be expressed in foreign currency (but the exchange rate on the reporting date should be added).

3. Information About Same Shareholders of Entities that Are Presumed to Have a Relationship of Control or Subordination: None.
4. Sectors of Affiliated Companies：
   The Company mainly engages in steel structure construction projects while our subsidiaries mainly engage in general/industrial waste clearance and disposal as well as cogeneration. Overall, our affiliated companies cover industries related to steel structure constructions and environmental protection.

5. The Directors, Supervisors and President of Affiliated Companies

December 31, 2021
Unit: Shares

Company	Title (Note 1)	Name and Representative (Note 3)	Shares Holding (Note 2)	
			Shares	%
Hsin Yung Enterprise Corporation	Chairman and President	Evergreen Steel Corp. Representative: Chang, Wan-Chuan	99,266,577	68.46
	Director	Evergreen Steel Corp. Representative: Lin, Keng-Li	99,266,577	68.46
	Director	Wei-Dar Development Co., Ltd. Representative: Lee, Mon-Ling	1,256,652	0.87
	Supervisor	Ko, Lee-Ching	0	0
Super Max Engineering Enterprise Co., Ltd.	Chairman and President	Evergreen Steel Corp. Representative: Lin, Jen-Ming	24,147,144	48.13
	Director	Evergreen Steel Corp. Representative: Lin, Keng-Li	24,147,144	48.13
	Director	Evergreen Steel Corp. Representative: Tai, Jin-Chyuan	24,147,144	48.13
	Director	Evergreen Steel Corp. Representative: Chang, Wan-Chuan	24,147,144	48.13
	Director	Hsieh, Chia-Ying	900,000	1.79
	Director	Huang, Jin-Yong	844,308	1.68
	Director	Li, Sian-Chang	450,000	0.90
	Supervisor	Yeh, Jia-Chyuan	0	0.00
	Supervisor	Li, Sian-Rong	1,336,537	2.66
Ever Ecove Corporation	Chairman and President	Evergreen Steel Corp. Representative: Chen, Zhi-Zhe	80,100,000	50.06
	Director	Evergreen Steel Corp. Representative: Tai, Jin-Chyuan	80,100,000	50.06
	Director	Evergreen Steel Corp. Representative: Lin, Keng-Li	80,100,000	50.06
	Director	Evergreen Steel Corp. Representative: Chang, Yen-I	80,100,000	50.06

Company	Title (Note 1)	Name and Representative (Note 3)	Shares Holding (Note 2)	
			Shares	%
Ever Ecove Corporation	Director	CTCI Corporation Representative: Liao, Jung-Jhe	39,400,000	24.63
	Director	CTCI Corporation Representative: Li, Ding-Gho	39,400,000	24.63
	Supervisor	Evergreeen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	30,500,000	19.06
	Supervisor	Ecove Environment Corporation Representative: Ho, Ai-Cheng	8,000,000	5.00
Mingyu Investment Corp.	Chairman	Evergreen Steel Corp. Representative: Liu, Pang-En	10,350,000	100.00
	Director	Evergreen Steel Corp. Representative: Lin, Keng-Li	10,350,000	100.00
	Director	Evergreen Steel Corp. Representative: Chen, Zhi-Zhe	10,350,000	100.00
	Supervisor	Evergreen Steel Corp. Representative: Chuang, Ting-Ting	10,350,000	100.00
Kun Lin Engineering Co., Ltd.	Chairman	Huang, Bi-Wei	430,553	4.31
	Director	Li, Hong-Yao	902,779	9.03
	Director	Super Max Engineering Enterprise Co., Ltd. Representative: Lin, Jen-Ming	4,999,999	50.00
	Supervisor	Chen, Mei-Shuei	0	0.00
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd. (China)	Chairman	Kun Lin Engineering Co., Ltd. Representative: Huang, Bi-Wei	USD400,000 RATE：27.68	100.00

Note 1: If the affiliated company is a foreign company, the position is equivalent.

Note 2: If the invested company is a joint stock company, please fill in the number of shares and shareholding ratio. Please fill in the capital amount and capital contribution ratio and indicate it.

Note 3: When the directors and supervisors are legal persons, relevant information of the representative should be disclosed.

6. The Operating Overviews of Affiliated Companies (As of December 31, 2021)

Unit: NT$ thousands

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Profit	EPS (Dollars)
Hsin Yung Enterprise Corporation	1,450,000	4,393,870	208,287	4,185,583	1,238,459	717,890	603,995	4.17
Super Max Engineerin Enterprise Co., Ltd.	501,750	2,102,523	191,416	1,911,107	755,699	317,860	293,409	5.85
Ever Ecove Corporation (Note 3)	1,600,000	4,351,557	2,825,536	1,526,021	0	(29,391)	(33,444)	-
Mingyu Investment Corp.	103,500	257,721	9,041	248,680	0	(234)	(7,597)	-
Kun Lin Engineering Co., Ltd.	100,000	572,612	257,160	315,452	526,531	56,671	64,215	6.42
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd. (China)	11,072	169,293	100,956	68,337	191,122	30,245	22,995	N/A

Note 1: All affiliated companies, regardless of size, should be disclosed.
Note 2: If the affiliatd company is a foreign company, the relevant figures should be converted into NT$ at the exchange rate on the reporting date.
Note 3: Ever Ecove Corp. was incorporated in August, 2018 and does not generate any business revenue as its facility is still under construction.

8.1.2 Consolidated Financial Statements Covering Affiliated Enterprises:

Relevant information disclosed in the financial statements of the related business combination has been disclosed in the consolidated financial report in Appendix 1. The financial statements of the business combination are not prepared separately.

8.1.3 Reports on Affiliations : None.

8.2 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.

8.3 Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Latest Year and up to the Printing Date of this Annual Report:

Jan. 1, 2021~Apr. 12, 2022

Unit: NT$ thousands; Shares; %

Subsidiary (Note 1)	Paid-in capital	Source of capital	Company's holding	Date of Acquisition or Disposal	Number/value of shares acquired (Note 2)	Number/value of shares disposed (Note 2)	Gain or Loss on Investment	Number/value of shares in possession as of the publication date of the annual report (Note 3)	Pledge created (Note 4)	Financing endorsement made to a subsidiary	Loan to a subsidiary
Mingyu Investment Corp.	103,500	Equity fund	100%	2021	0	2,499,000 shares 150,332	106,620	None	None	None	None
				As of the publication date of this annual report this year	0	0	0				

Note 1: Each subsidary should be listed separately.

Note 2: The actual amount acquired or disposed.

Note 3: List the shares owned and disposed separately.

Note 4: Explain how it affects the company's financial performance and finances.

8.4 Other Matters That Require Additional Description: None.

8.5 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.

【Appendix 1】

Consolidated Financial Statements and Report of Independent Accountants for the Year Ended December 31, 2021

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Evergreen Steel Corporation did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

EVERGREEN STEEL CORPORATION

By

KENG-LI LIN
Chairman

March 21, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Opinion

We have audited the accompanying consolidated balance sheet of Evergreen Steel Corporation and its subsidiaries (collectively referred to as the "Group") as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group’s consolidated financial statements for the year ended December 31, 2021 are described as follows:

Contract Revenue Recognition

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

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

1. We obtained an understanding of the design and implementation of the Company’s contract revenue evaluation method and control system by performing control tests.

2. We selected samples of the contract revenue with risk characteristics in current year which are subject to detailed tests including checking the price accepted by the customer's with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying correctness of the contract revenue recognition.

3. We performed analytical review of contract revenue and performed a retrospective review of construction costs.

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

Other Matter

We have also audited the parent company only financial statements of Evergreen Steel Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2022

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 4,313,668	13	$ 4,219,283	18
Financial assets at amortized cost - current (Notes 4, 8 and 32)	32,894	-	23,452	-
Contract assets - current (Notes 4, 23, 25 and 31)	3,272,392	10	4,190,973	17
Notes receivable, net (Notes 4 and 23)	38,159	-	126,910	-
Trade receivables, net (Notes 4, 9 and 23)	1,747,619	5	745,136	3
Trade receivables from related parties, net (Notes 4, 9, 23 and 31)	32,645	-	151,458	1
Other receivables (Note 27)	28,443	-	43,468	-
Inventories (Notes 4, 10 and 23)	3,161,609	9	1,008,758	4
Other current assets (Note 17)	63,520	-	175,797	1
Total current assets	12,690,949	37	10,685,235	44
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	13,771,717	40	6,775,512	28
Financial assets at amortized cost - non-current (Notes 4, 8 and 32)	37,602	-	-	-
Investments accounted for using equity method (Notes 4 and 12)	157,509	1	150,799	1
Property, plant and equipment (Notes 4, 13 and 32)	3,220,187	9	3,408,410	14
Right-of-use assets (Notes 4 and 14)	26,378	-	20,479	-
Investment properties (Notes 4, 15 and 32)	103,528	-	105,530	1
Intangible assets (Notes 4 and 16)	4,223,106	12	2,739,716	11
Deferred tax assets (Notes 4 and 27)	61,366	-	42,114	-
Refundable deposits	9,784	-	8,003	-
Net defined benefit assets - non-current (Notes 4 and 22)	3,522	-	-	-
Other non-current assets (Note 17)	181,339	1	117,404	1
Total non-current assets	21,796,038	63	13,367,967	56
TOTAL	$ 34,486,987	100	$ 24,053,202	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	$ 100,000	-	$ 690,000	3
Short-term bills payable (Note 18)	449,937	2	1,799,171	7
Contract liabilities - current (Notes 4, 23 and 25)	1,388,916	4	382,809	2
Notes payable, net (Note 23)	394,003	1	355,383	1
Trade payable, net (Notes 19 and 23)	1,740,979	5	1,172,977	5
Other payables (Notes 20 and 31)	445,656	1	406,764	2
Current tax liabilities (Notes 4 and 27)	214,091	1	175,916	1
Provisions - current (Notes 4 and 21)	61,408	-	60,792	-
Lease liabilities - current (Notes 4 and 14)	13,626	-	8,756	-
Current portion of long-term borrowings (Note 18)	-	-	300,000	1
Other current liabilities	60,890	-	56,897	-
Total current liabilities	4,869,506	14	5,409,465	22
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	3,194,646	10	1,693,469	7
Deferred tax liabilities (Notes 4 and 27)	71,262	-	66,187	1
Lease liabilities - non-current (Notes 4 and 14)	11,278	-	9,738	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	8,579	-	36,024	-
Guarantee deposits received	25,399	-	25,234	-
Other non-current liabilities	23,791	-	15,516	-
Total non-current liabilities	3,334,955	10	1,846,168	8
Total liabilities	8,204,461	24	7,255,633	30
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital				
Ordinary shares	4,199,820	12	3,994,260	16
Capital surplus	1,340,352	4	396,542	2
Retained earnings				
Legal reserve	2,294,939	6	2,190,673	9
Unappropriated earnings	6,839,705	20	6,347,269	26
Total retained earnings	9,134,644	26	8,537,942	35
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(470)	-	(648)	-
Unrealized gain on financial assets at fair value through other comprehensive income	8,584,546	25	1,166,832	5
Total other equity	8,584,076	25	1,166,184	5
Treasury shares	(49,938)	-	(93,113)	-
Total equity attributable to owners of the Company	23,208,954	67	14,001,815	58
NON-CONTROLLING INTERESTS	3,073,572	9	2,795,754	12
Total equity	26,282,526	76	16,797,569	70
TOTAL	$ 34,486,987	100	$ 24,053,202	100

The accompanying notes are an integral part of the consolidated financial statements.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 31)	$ 13,608,597	100	$ 9,349,649	100
OPERATING COSTS (Notes 10, 22, 26 and 31)	(11,252,685)	(83)	(7,323,348)	(78)
GROSS PROFIT	2,355,912	17	2,026,301	22
OPERATING EXPENSES (Notes 22, 26 and 31)				
Selling and marketing expenses	(314,054)	(2)	(246,318)	(3)
General and administrative expenses	(248,198)	(2)	(232,940)	(2)
Expected credit loss	(39,722)	-	(12,731)	-
Total operating expenses	(601,974)	(4)	(491,989)	(5)
PROFIT FROM OPERATIONS	1,753,938	13	1,534,312	17
NON-OPERATING INCOME AND EXPENSES				
Interest income	24,858	-	26,171	-
Other income (Notes 26 and 31)	172,044	1	166,139	2
Other gains (losses) (Note 26)	(11,470)	-	2,279	-
Finance costs (Note 26)	(16,630)	-	(19,176)	-
Share of profit of associates (Note 12)	31,891	-	25,090	-
Total non-operating income and expenses	200,693	1	200,503	2
PROFIT BEFORE INCOME TAX	1,954,631	14	1,734,815	19
INCOME TAX EXPENSE (Note 27)	(350,369)	(2)	(330,556)	(4)
NET PROFIT FOR THE YEAR	1,604,262	12	1,404,259	15
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	2,213	-	(270)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	7,839,240	57	1,058,881	11
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(443)	-	54	-
	7,841,010	57	1,058,665	11

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ (181)	-	$ 711	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 27)	423	-	(142)	-
	242	-	569	-
Other comprehensive income (loss) for the year, net of income tax	7,841,252	57	1,059,234	11
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 9,445,514	69	$ 2,463,493	26
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,278,260	9	$ 1,043,649	11
Non-controlling interests	326,002	3	360,610	4
	$ 1,604,262	12	$ 1,404,259	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 8,886,972	65	$ 2,037,957	22
Non-controlling interests	558,542	4	425,536	4
	$ 9,445,514	69	$ 2,463,493	26
EARNINGS PER SHARE (Note 28)				
Basic	$ 3.11		$ 2.65	
Diluted	$ 3.11		$ 2.65	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
						Other Equity					
	Share Capital			Retained Earnings							
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	399,426	$ 3,994,260	$ 356,431	$ 2,095,929	$ 6,192,425	$ (921)	$ 171,807	$ (119,045)	$ 12,690,886	$ 2,154,672	$ 14,845,558
Appropriation and distribution of 2019 retain earnings											
Legal reserve	-	-	-	94,744	(94,744)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(793,071)	-	-	-	(793,071)	-	(793,071)
Net profit for the year ended December 31, 2020	-	-	-	-	1,043,649	-	-	-	1,043,649	360,610	1,404,259
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(456)	273	994,491	-	994,308	64,926	1,059,234
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,043,193	273	994,491	-	2,037,957	425,536	2,463,493
Disposal of treasury shares	-	-	26,603	-	-	-	-	25,932	52,535	-	52,535
Subsidiary receives dividend from the parent company	-	-	4,998	-	-	-	-	-	4,998	-	4,998
Changes in percentage of ownership interests in subsidiaries	-	-	8,510	-	-	-	-	-	8,510	490,486	498,996
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(274,940)	(274,940)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(534)	-	534	-	-	-	-
BALANCE AT DECEMBER 31, 2020	399,426	3,994,260	396,542	2,190,673	6,347,269	(648)	1,166,832	(93,113)	14,001,815	2,795,754	16,797,569
Appropriation and distribution of 2020 retain earnings											
Legal reserve	-	-	-	104,266	(104,266)	-	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(872,378)	-	-	-	(872,378)	-	(872,378)
Dividends from claims extinguished by prescription	-	-	100	-	-	-	-	-	100	-	100
Net profit for the year ended December 31, 2021	-	-	-	-	1,278,260	-	-	-	1,278,260	326,002	1,604,262
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	915	178	7,607,619	-	7,608,712	232,540	7,841,252
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,279,175	178	7,607,619	-	8,886,972	558,542	9,445,514
Issuance of ordinary shares for cash	20,556	205,560	837,090	-	-	-	-	-	1,042,650	-	1,042,650
Disposal of treasury shares	-	-	106,620	-	-	-	-	43,175	149,795	-	149,795
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	(1)	(1)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(280,723)	(280,723)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	189,905	-	(189,905)	-	-	-	-
BALANCE AT DECEMBER 31, 2021	419,982	$ 4,199,820	$ 1,340,352	$ 2,294,939	$ 6,839,705	$ (470)	$ 8,584,546	$ (49,938)	$ 23,208,954	$ 3,073,572	$ 26,282,526

The accompanying notes are an integral part of the consolidated financial statements.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,954,631	$ 1,734,815
Adjustments for:		
Depreciation expense (investment properties included)	397,178	393,341
Amortization expense	4,465	7,017
Expected credit loss recognized on trade receivables	39,722	12,731
Finance costs	16,630	19,176
Interest income	(24,858)	(26,171)
Dividend income	(140,612)	(103,458)
Ordinary shares transferred to employees at cost	39,660	-
Share of profit of associates	(31,891)	(25,090)
Gain on disposal of property, plant and equipment	(3,913)	(573)
Net loss on disposal of inventories	2,159	4,122
Impairment loss on investment properties	-	3,417
Gain on lease modification	(7)	-
Changes in operating assets and liabilities		
Decrease (increase) in contract assets	878,682	(1,431,890)
Decrease (increase) in notes receivable	88,751	(74,010)
Increase in trade receivables	(883,493)	(355,455)
Decrease (increase) in other receivables	14,905	(22,616)
Increase in inventories	(2,155,010)	(355,339)
Decrease (increase) in other current assets	112,277	(142,906)
Increase in net defined benefit assets	(848)	-
Increase in contract liabilities	1,006,107	34,020
Increase in notes payable	38,620	128,064
Increase in trade payables	568,002	182,001
Increase in other payables	37,357	50,916
Increase (decrease) in provisions	616	(18,340)
Increase in other current liabilities	3,993	8,546
Decrease in net defined benefit liabilities	(27,906)	(26,191)
Increase in other non-current liabilities	8,275	4,264
Cash generated from operations	1,943,492	391
Interest received	24,978	26,207
Interest paid	(53,418)	(30,977)
Income tax paid	(326,390)	(285,189)
Net cash generated from (used in) operating activities	1,588,662	(289,568)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(5,240)	(1,543)
Proceeds from sale of financial assets at fair value through other comprehensive income	848,274	1,646
Purchase of financial assets at amortized cost	(47,844)	(9,562)
Proceeds from sale of financial assets at amortized cost	800	990

(Continued)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Payments for property, plant and equipment	$ (194,488)	$ (149,939)
Proceeds from disposal of property, plant and equipment	5,541	854
Increase in refundable deposits	(1,781)	(465)
Payments for intangible assets	(1,449,532)	(1,828,619)
Increase in other non-current assets	(63,935)	(12,052)
Other dividends received	140,612	103,458
Dividends received from associates	25,000	27,000
Net cash used in investing activities	(742,593)	(1,868,232)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(590,000)	490,000
(Repayments of) proceeds from bills payable	(1,349,234)	1,399,302
Proceeds from long-term borrowings	1,601,177	1,791,127
Repayments of long-term borrowings	(400,000)	(150,000)
Increase in guarantee deposits	165	8,909
Repayment of principal portion of lease liabilities	(13,575)	(9,825)
Repayments of cash dividend	(872,378)	(788,073)
Proceeds from issuance of ordinary shares	1,002,990	-
Proceeds from disposal of treasury shares	149,795	52,535
(Decrease) Increase in non-controlling interests	(1)	498,996
Dividends paid to non-controlling interests	(280,723)	(274,940)
Dividends from claims extinguished by prescription	100	-
Net cash (used in) generated from financing activities	(751,684)	3,018,031
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,385	860,231
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,219,283	3,359,052
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,313,668	$ 4,219,283

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Evergreen Steel Corporation (the "Company") was incorporated in January 1973 as a company limited by shares under the Company Law of the Republic of China. The Company is mainly engaged in the steel structure engineering business and environmental protection business. The Company's steel structure engineering business mainly includes engineering projects of factories, tall buildings and bridges. The Company's reinvestment on environmental protection business includes general and business waste treatment and cogeneration. On January 13, 2020, the Company was approved by the Taipei Exchange (TPEx) for domestic initial public offering, and its ordinary shares were listed and traded on the Emerging Stock Board. Since April 12, 2021, the Company's shares have been listed on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 21, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

The Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Group chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Group is required to make significant judgments or assumptions in applying an accounting policy, and the Group discloses those judgments or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

3) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over one year, and the normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and the entities controlled by the parent company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent company.

See Note 11 and Table 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the consolidated financial statements, the functional currencies of the parent company and its foreign operations (including subsidiaries and associates that use currencies which are different from the currency of the parent company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the parent company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies and inventory in transit. Inventories are stated at the lower of cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is not a subsidiary nor an interest in a joint venture.

Investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, investments in an associate and joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates and joint ventures attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the investment and the carrying amount is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Profits and loss resulting from the Group's downstream, upstream and sidestream transactions with its associates and joint ventures are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

When the Group has a right to charge for the usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognizes this as an intangible asset. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of such assets is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. Reversals of impairment loss are recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets and contract assets at amortized cost including trade receivables and contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the parent company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Onerous contracts

Onerous contracts are those in which the Group’s unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

2) Warranties

The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts. The Group sets out the provisions according to the warranty expenditure expected to occur during the warranty period. If the preparation is not enough, the current year’s expenses shall be included.

n. Revenue recognition

The Group identifies contracts with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Construction contracts revenue

The Group recognizes revenue over time during the construction process. Because the cost of unit of the installation completion of the construction is directly related to fulfilling performance obligation, the Group uses the cost of unit of installation as the estimated total output incurred. The cost ratio is used to measure the progress of the completion, and after the inspection of the installation of the construction, income and cost are relatively recognized. The Group gradually recognizes contract assets during the construction process and transfers the amount to accounts receivable when issuing invoices. If the payment received for the construction project exceeds the amount, the difference is recognized as contract liability. The project retention fund is withheld by the customer as stated in the contract to ensure that the Group completes all contractual obligations and is recognized as contract assets until the Group satisfies the performance obligations.

2) Energy revenue

The Group signed Commission of Waste Incineration with Taoyuan City Government to deliver general waste from city government and general industrial waste from private enterprise. During operation, the Group will charge waste treatment service fee and recognize revenue from waste treatment. Meanwhile, it will bring out revenue of power generation from Taiwan Power Company.

3) Service concession revenue

The Group signed “Building, Operation and Transfer of Taoyuan City Biomass Energy Center Protocol” with Taoyuan City Government to build and operate infrastructure of biomass energy center. During operation phase, the Group recognizes revenue from waste treatment and power generation when actually providing the services of anaerobic digestion and heat treatment.

4) Revenue from the rendering of services

   a) The Group recognized service revenue from waste treatment as the service being provided.

   b) Revenue from the rendering of services comes from providing container repair, renovation and storage services. Such service revenue is recognized when performance obligations are satisfied.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Share-based payment arrangements

The stock option granted to employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Construction Contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date as the estimated total contract costs. Under the IFRS 15, incentives and penalties are considered as variables and shall be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total output units, total costs and contractual items are assessed and determined by management based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts. Refer to Note 25 for related information.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	$ 3,138	$ 3,145
Checking accounts and demand deposits	365,088	410,868
Cash equivalent		
Time deposits	3,590,198	3,512,292
Commercial paper	355,244	292,978
	$ 4,313,668	$ 4,219,283

7. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2021	2020
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 12,826,389	$ 5,744,880
Unlisted shares	824,115	881,433
Foreign investments		
Unlisted shares	121,213	149,199
	$ 13,771,717	$ 6,775,512

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes.

The Group sold its investments in 2021 and 2020 and transferred a gain (loss) of $189,905 thousand and $(534) thousand, respectively, from other equity to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Domestic investments		
Pledge deposits	$ 20,661	$ 17,091
Restricted bank deposits	12,233	6,361
	$ 32,894	$ 23,452
Non-current		
Domestic investments		
Pledge deposits	$ 37,602	$ -

Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLES

	December 31 2021	December 31 2020
Trade receivables (including trade receivables from related parties)		
At amortized cost		
Gross carrying amount	$ 1,780,264	$ 896,771
Less: Allowance for impairment loss	-	(177)
	$ 1,780,264	$ 896,594

The average credit period on sales of goods is 0 to 120 days. In determining the recoverability of a trade receivable, the Group considers the changes in the credit quality of the trade receivable since the date of credit was initially granted to the end of the reporting period. The allowance for bad debts refers to the past arrears records of the counterparty and the analysis of its current financial status to estimate the amount that cannot be recovered.

The Group applies the simplified approach for the allowance of expected credit loss prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial positions.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. The Group directly recognizes the impairment loss of related accounts receivable. The Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the Group's aging of trade receivables.

December 31, 2021

	Amount Without Sign of Default				Amount with Sign of Default	
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 1,629,537	$ 150,706	$ 21	$ -	$ -	$ 1,780,264
Loss allowance (Lifetime ECL)	-	-	-	-	-	-
Amortized cost	$ 1,629,537	$ 150,706	$ 21	$ -	$ -	$ 1,780,264

December 31, 2020

	Amount Without Sign of Default				Amount with Sign of Default	Total
	0 to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days		
Expected credit loss rate	0.02%	0.49%	10%	-	-	
Gross carrying amount	$ 890,842	$ 5,889	$ 40	$ -	$ -	$ 896,771
Loss allowance (Lifetime ECL)	(144)	(29)	(4)	-	-	(177)
Amortized cost	$ 890,698	$ 5,860	$ 36	$ -	$ -	$ 896,594

The above is an aging analysis based on the account opening date.

The above aging schedule was based on the ledger date. The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 177	$ 546
Less: Net remeasurement of loss allowance	(177)	(369)
Balance at December 31	$ -	$ 177

10. INVENTORIES

	December 31	
	2021	2020
Raw material	$ 3,141,252	$ 979,728
Supplies	20,357	21,827
Inventory in transit	-	7,203
	$ 3,161,609	$ 1,008,758

The cost of inventories recognized as operating cost for the years ended December 31, 2021 and 2020 was $10,261,039 thousand and $6,342,473 thousand, respectively.

The cost of goods sold which included the inventory write-downs and disposals is as follows:

	For the Year Ended December 31	
	2021	2020
Inventory write-downs	$ 2,159	$ 1,495
Loss of inventory scrapped and physical inventories	-	2,627
	$ 2,159	$ 4,122

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			% of Ownership December 31		
Investor	**Investee**	**Main Business**	**2021**	**2020**	**Remark**
The parent company	Hsin Yung Enterprise Corporation	Waste treatment, disposal and cogeneration	68.46	68.46	-
	Super Max Engineering Enterprise Co., Ltd.	Waste collection, treatment and disposal	48.13	48.13	1)
	Ever Ecove Corporation	Waste treatment, disposal and cogeneration	50.06	50.06	2)
	Ming Yu Investment Corporation	Investment activities	100.00	100.00	-

Remark:

1) The Company holds a 48.13% interest in Super Max Engineering Enterprise Co., Ltd. The Company occupies more than half of the board's seats and has the practical ability to direct the relevant activities of Super Max Engineering Enterprise Co., Ltd. Therefore, the Company deems it a subsidiary.

2) Ever Ecove Corporation handled a cash capital increase at the end of November 30, 2020. The Company did not subscribe for new shares based on the shareholding ratio. After the capital increase, the shareholding ratio dropped from 70% to 50.06%.

b. Subsidiaries excluded from the consolidated financial statements: None.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2021	**2020**
Associates that are not individually material		
Kun Lin Engineering Co., Ltd.	$ 157,509	$ 150,799

	Proportion of Ownership and Voting Rights December 31	
Name of Associate	**2021**	**2020**
Kun Lin Engineering Co., Ltd.	50%	50%

Aggregate Information of Associates That Are Not Individually Material

	For the Year Ended December 31	
	2021	**2020**
The Group's share of:		
Net income for the year	$ 31,891	$ 25,090

The Group holds 50% of the issued share capital of Kun Lin Engineering Co., Ltd and controls 50% of the voting power in general meetings. According to the agreement made by the shareholders, the other shareholders control the composition of the board of directors of Kun Lin Engineering Co., Ltd and, therefore, the Group does not have control over them. The directors of the Company, however, consider that the Group does exercise significant influence over Kun Lin Engineering Co., Ltd; therefore, the Group accounts them as associates.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2021	$ 1,797,045	$ 164,600	$ 2,490,931	$ 4,732,313	$ 109,799	$ 90,242	$ -	$ 9,384,930
Additions	-	-	1,585	48,391	17,337	30,421	15,797	113,531
Disposals	-	-	-	(16,124)	(703)	(2,936)	-	(19,763)
Reclassification	-	-	-	84,407	-	(3,450)	-	80,957
Balance at December 31, 2021	$ 1,797,045	$ 164,600	$ 2,492,516	$ 4,848,987	$ 126,433	$ 114,277	$ 15,797	$ 9,559,655
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 129,356	$ 1,729,623	$ 3,988,749	$ 74,729	$ 54,063	$ -	$ 5,976,520
Disposals	-	-	-	(14,496)	(703)	(2,936)	-	(18,135)
Depreciation expense	-	5,519	97,501	257,502	11,433	9,128	-	381,083
Balance at December 31, 2021	$ -	$ 134,875	$ 1,827,124	$ 4,231,755	$ 85,459	$ 60,255	$ -	$ 6,339,468
Carrying amount at December 31, 2021	$ 1,797,045	$ 29,725	$ 665,392	$ 617,232	$ 40,974	$ 54,022	$ 15,797	$ 3,220,187

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2020	$ 1,845,363	$ 164,600	$ 2,405,334	$ 4,694,521	$ 108,289	$ 82,376	$ 9,300,483
Additions	-	-	5,300	15,244	4,917	11,957	37,418
Disposals	-	-	-	(9,883)	(3,407)	(3,885)	(17,175)
Reclassification	-	-	80,297	32,431	-	(206)	112,522
Transferred to investment properties	(48,318)	-	-	-	-	-	(48,318)
Balance at December 31, 2020	$ 1,797,045	$ 164,600	$ 2,490,931	$ 4,732,313	$ 109,799	$ 90,242	$ 9,384,930
Accumulated depreciation and impairment							
Balance at January 1, 2020	$ -	$ 123,743	$ 1,634,073	$ 3,737,062	$ 66,575	$ 49,754	$ 5,611,207
Disposals	-	-	-	(9,608)	(3,401)	(3,885)	(16,894)
Depreciation expense	-	5,613	95,344	261,295	11,555	8,400	382,207
Reclassification	-	-	206	-	-	(206)	-
Balance at December 31, 2020	$ -	$ 129,356	$ 1,729,623	$ 3,988,749	$ 74,729	$ 54,063	$ 5,976,520
Carrying amount at December 31, 2020	$ 1,797,045	$ 35,244	$ 761,308	$ 743,564	$ 35,070	$ 36,179	$ 3,408,410

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	3-10 years
Buildings	2-55 years
Machinery and equipment	3-20 years
Transportation equipment	5-7 years
Other equipment	3-8 years

Due to the changes in the use of certain real estate, property, plant and equipment and investment property held by the Group, the net amount of some property, plant and equipment was $48,318 thousand which was transferred to investment property for the year ended December 31, 2020.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 32.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	**2020**
Carrying amount		
Land	$ 24,503	$ 19,476
Other equipment	1,875	1,003
	$ 26,378	$ 20,479

	For the Year Ended December 31	
	2021	**2020**
Additions to right-of-use assets	$ 20,925	$ 3,617
Depreciation charge for right-of-use assets		
Land	$ 13,139	$ 8,128
Other equipment	954	1,004
	$ 14,093	$ 9,132

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	**2020**
Carrying amount		
Current	$ 13,626	$ 8,756
Non-current	$ 11,278	$ 9,738

Range of discount rates for lease liabilities was as follows:

December 31	
2021	**2020**
0.878%-1.1%	1.1%

c. Material lease-in activities and terms (the Group as lessee)

The Group leases land and equipment for the use of plants and manufacturing with lease term of 2 to 3 years. The Group does not have bargain purchase options to acquire the leasehold land at the end of the lease term. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2021	**2020**
Expenses relating to short-term leases and low-value asset leases	$ 18,718	$ 14,812
Total cash outflow for leases	$ 32,530	$ 24,862

15. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2021	$ 302,004
Additions	-
Balance at December 31, 2021	$ 302,004
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ (196,474)
Depreciation expense	(2,002)
Balance at December 31, 2021	$ (198,476)
Carrying amount at December 31, 2021	$ 103,528
Cost	
Balance at January 1, 2020	$ 253,686
Transfers from property, plant and equipment	48,318
Balance at December 31, 2020	$ 302,004
Accumulated depreciation and impairment	
Balance at January 1, 2020	$ (191,055)
Impairment losses recognized	(3,417)
Depreciation expense	(2,002)
Balance at December 31, 2020	$ (196,474)
Carrying amount at December 31, 2020	$ 105,530

For the year ended December 31, 2020, the reclassification of real estate, plant and equipment were set out in Note 13.

The investment properties are depreciated using the straight-line method in 50 years.

The valuation was arrived by reference to market evidence of transaction prices for similar properties, it is fair value is as followed:

	December 31	
	2021	2020
Fair value	$ 190,503	$ 200,106

All of the Group's investment property were held under freehold interests. The investment properties pledged as collateral for bank borrowings were set out in Note 32.

16. INTANGIBLE ASSETS

	December 31	
	2021	2020
Service concession arrangements*	$ 4,216,463	$ 2,734,183
Computer software	6,643	5,533
	$ 4,223,106	$ 2,739,716

* The subsidiary - Ever Ecove Corporation signed a construction contract of "Building, Operation and Transfer of Taoyuan City Biomass Energy Center" with Taoyuan City Government, and the price of the right to charge public service users which was built by Ever Ecove Corporation, is classified as intangible assets - service concession arrangements. The construction period was from October 2018 to October 2021. Ever Ecove Corporation was able to apply to Taoyuan City Government for a one-time extension. The extension period is limited to 1 year with the consent of Taoyuan City Government. Upon completion of construction, Ever Ecove Corporation shall provide operational services until October 2043. Upon expiration of the service concession arrangement, Ever Ecove Corporation shall return the right of management according to the contract and transfer the ownership of the built biomass energy center and related auxiliary facilities to Taoyuan City Government free of charge.

17. OTHER ASSETS

	December 31	
	2021	2020
Current		
Prepayments	$ 38,896	$ 96,949
Prepaid expenses	18,204	28,779
Tax credit	6,420	50,069
	$ 63,520	$ 175,797
Non-current		
Prepayments for equipment	$ 181,339	$ 117,404

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Unsecured borrowings		
Line of credit borrowings	$ 100,000	$ 690,000
Interest rate range	0.83%	0.88%-0.9%

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	$ 450,000	$ 1,800,000
Less: Unamortized discounts on short-term bills payable	(63)	(829)
	$ 449,937	$ 1,799,171
Interest rate range	0.848%	0.848%-0.868%

Promissory Institution included China Bills Finance Corporation, Mega Bills Finance Co., Ltd. and International Bills Finance Corporation.

c. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans	$ 3,210,000	$ 1,990,000
Unsecured borrowings		
Bank loans	-	20,000
	3,210,000	2,010,000
Less: Current portion of long-term borrowing	-	(300,000)
Unamortized discount	(15,354)	(16,531)
	$ 3,194,646	$ 1,693,469
Expiry period	2024-2034	2021-2034
Interest rate range	0.89%-1.79%	0.89%-1.79%

Please refer to Note 32 for details of the collaterals pledged for the above long-term borrowings.

19. TRADE PAYABLES

The average credit period on purchases of certain goods was 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Group, usually more than twelve months after the reporting period. Refer to Note 23 for maturity analysis of retentions payable.

20. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payables for equipment	$ 138,970	$ 90,524
Payable for transportation fees	57,228	47,442
Payable for tax	41,237	11,567
Payable for repairs and maintenance	38,432	79,162
Payable for annual leave	38,384	36,017
Payable for compensation of employees and remuneration of directors	28,753	27,545
Payable for insurance expenses	12,773	20,107
Payable for salaries or bonus	8,598	6,909
Payable for professional fees	5,816	8,299
Others	75,465	79,192
	$ 445,656	$ 406,764

21. PROVISIONS

	December 31	
	2021	2020
Current		
Warranties*	$ 61,070	$ 60,723
Onerous contract - loss on construction	338	69
	$ 61,408	$ 60,792

* The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the government of ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contribute amounts equal to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2021	**2020**
Present value of defined benefit obligation	$ 425,921	$ 446,051
Fair value of plan assets	$ (420,864)	$ (410,027)
Net defined benefit asset	$ (3,522)	$ -
Net defined benefit liability	$ 8,579	$ 36,024

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability	Net Defined Benefit Asset
Balance at January 1, 2021	$ 446,051	$ (410,027)	$ 8,549	$ 27,475
Service cost				
Current service cost	6,756	-	1,264	5,492
Net interest expense (income)	2,062	(1,972)	29	61
Recognized in profit or loss	8,818	(1,972)	1,293	5,553
Remeasurement				
Return on plan assets (excluding amounts included in net interest)	-	(5,426)	(439)	(4,987)
Actuarial loss - changes in demographic assumptions	8,783	-	834	7,949
Actuarial loss - changes in financial assumptions	(4,906)	-	(640)	(4,266)
Actuarial loss - experience adjustments	(664)	-	707	(1,371)
Recognized in other comprehensive income	3,213	(5,426)	462	(2,675)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability	Net Defined Benefit Asset
Contributions from the employer	$ -	$ (33,022)	$ (1,478)	$ (31,544)
Benefits paid	(29,583)	29,583	-	-
Company paid	(2,578)	-	(247)	(2,331)
Balance at December 31, 2021	$ 425,921	$ (420,864)	$ 8,579	$ (3,522)
Balance at January 1, 2020	$ 458,782	$ (396,837)	$ 61,945	$ -
Service cost				
Current service cost	7,184	-	7,184	-
Net interest expense (income)	3,346	(3,015)	331	-
Recognized in profit or loss	10,530	(3,015)	7,515	-
Remeasurement				
Return on plan assets (excluding amounts included in net interest)	-	(12,662)	(12,662)	-
Actuarial loss - changes in financial assumptions	10,511	-	10,511	-
Actuarial loss - experience adjustments	2,421	-	2,421	-
Recognized in other comprehensive income	12,932	(12,662)	270	-
Contributions from the employer	-	(33,706)	(33,706)	-
Benefits paid	(36,193)	36,193	-	-
Balance at December 31, 2020	$ 446,051	$ (410,027)	$ 36,024	$ -

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2021	2020
Operating cost	$ 3,319	$ 3,865
Operating expenses	3,527	3,650
	$ 6,846	$ 7,515

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	**2020**
Discount rate(s)	0.375%-0.625%	0.29%-0.5%
Expected rate(s) of salary increase	2%-3%	2%-3%
Turnover rate	0.1%-7.5%	0.1%-7.5%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will decrease (increase) as follows:

	December 31	
	2021	**2020**
Discount rate(s)		
0.25% increase	$ (8,307)	$ (9,316)
0.25% decrease	$ 8,574	$ 9,625
Expected rate(s) of salary increase		
0.25% increase	$ 8,312	$ 9,320
0.25% decrease	$ (8,097)	$ (9,070)

The sensitivity analysis previously presented may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	**2020**
Expected contributions to the plan for the next year	$ 30,150	$ 33,441
Average duration of the defined benefit obligation	4.2-8.2 years	4.5-8.8 years

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to steel structure business was based on its operating cycle. The amount expected to be recovered or settled within one year after reporting period and more than one year after reporting period for related assets and liabilities are as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2021			
Assets			
Notes receivable	$ 38,136	$ -	$ 38,136
Trade receivables	1,539,150	-	1,539,150
Inventories	3,141,925	-	3,141,925
Contract assets - current	1,791,378	1,481,014	3,272,392
	$ 6,510,589	$ 1,481,014	$ 7,991,603
Liabilities			
Notes payable	$ 15,269	$ -	$ 15,269
Trade payables	1,481,001	141,896	1,622,897
Contract liabilities - current	1,380,717	-	1,380,717
	$ 2,876,987	$ 141,896	$ 3,018,883
December 31, 2020			
Assets			
Notes receivable	$ 126,203	$ -	$ 126,203
Trade receivables	635,261	-	635,261
Inventories	986,652	-	986,652
Contract assets - current	3,468,046	722,927	4,190,973
	$ 5,216,162	$ 722,927	$ 5,939,089
Liabilities			
Notes payable	$ 931	$ -	$ 931
Trade payables	907,412	212,977	1,120,389
Contract liabilities - current	298,877	24,878	323,755
	$ 1,207,220	$ 237,855	$ 1,445,075

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	440,000	440,000
Shares authorized	$ 4,400,000	$ 4,400,000
Number of shares issued and fully paid (in thousands)	419,982	399,426
Shares issued	$ 4,199,820	$ 3,994,260

On December 21, 2020, the board of directors resolved a cash capital increase by issuing 20,556 thousand new shares with a par value $10, and the base date of capital increase was April 8, 2021. The change of registration was completed on April 28, 2021.

The above cash capital increase proposal retains 10% of the cash capital increase shares, which totaled 2,056 thousand shares, for employees' subscription. The Company recognized salary expenses and capital surplus - employee share options of $39,660 thousand on the grant date.

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares		
Treasury share transactions	$ 834,988	$ -
Consolidation excess	439,828	333,208
	51,956	51,956
Only be used to offset a deficit		
Changes in ownership interests in subsidiaries (2)	8,510	8,510
Expired employee share options	4,877	2,775
Unclaimed dividends	193	93
	$ 1,340,352	$ 396,542

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on distribution of compensation of employees and remuneration of directors before and after amendment, refer to f. employee benefits expense in Note 26.

The Company's dividend policy also stipulates to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the parent company shall distribute dividends at no less than 50% of the net profit. The dividends may be distributed by either cash or shares, and cash dividends shall not be less than 50% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2020 and 2019 which were approved in the shareholders' meetings on July 23, 2021 and June 18, 2020, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2020	**2019**	**2020**	**2019**
Legal reserve	$ 104,266	$ 94,744		
Cash dividends	872,378	793,071	$ 2.09	$ 2

The appropriation of earnings for 2021, which were proposed by the Company's board of directors on March 21, 2022, were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 146,908	
Cash dividends	1,251,274	$ 3

The appropriation of earnings for 2021 is subject to resolution in the shareholders' meeting to be held on June 10, 2022.

d. Treasury shares

	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiary - Ming Yu Investment Corporation (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	2,891	2,499	5,390
Additions	-	-	-
Less	-	(2,499)	(2,499)
Number of shares at December 31, 2021	2,891	-	2,891
Carrying amount at December 31, 2021	$ 49,938	$ -	$ 49,938
Number of shares at January 1, 2020	2,891	4,000	6,891
Additions	-	-	-
Less	-	(1,501)	(1,501)
Number of shares at December 31, 2020	2,891	2,499	5,390
Carrying amount at December 31, 2020	$ 49,938	$ 43,175	$ 93,113

For the years ended December 31, 2021 and 2020, the Company's shares were held by its subsidiary-Ming Yu Investment Corporation. Ming Yu Investment Corporation sold 2,499 and 1,501 thousand shares to unrelated parties.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

25. REVENUE

	For the Year Ended December 31	
	2021	2020
Construction contract revenue	$ 11,449,741	$ 7,117,905
Revenue from waste treatment	1,565,346	1,642,248
Energy revenue	428,811	443,506
Revenue from container repair	164,699	145,990
	$ 13,608,597	$ 9,349,649

a. Contact balances

	December 31	
	2021	2020
Contract assets		
Properties construction	$ 1,471,732	$ 3,036,146
Retention receivable	1,878,608	1,192,876
Less: Allowance for impairment loss	(77,948)	(38,049)
	$ 3,272,392	$ 4,190,973
Contract liabilities		
Properties construction	$ 1,380,717	$ 323,755
Waste treatment	8,199	59,054
	$ 1,388,916	$ 382,809

The movements of the loss allowance of contract assets are as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 38,049	$ 24,949
Add: Net remeasurement of loss allowance	39,899	13,100
Balance at December 31	$ 77,948	$ 38,049

b. Partially completed contracts

As of December 31, 2021 and 2020, the transaction price allocated to contract performance obligations that have not been completed totaled NT$14,884,417 thousand and NT$15,905,650 thousand. The Group shall gradually recognize revenues based on the completion status of the projects. The revenues from the contracts are expected to be recognized before the end of 2023.

26. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2021	2020
Dividends income	$ 140,612	$ 103,458
Rental income	13,022	12,973
Others (Note 31)	18,410	49,708
	$ 172,044	$ 166,139

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on disposal of property, plant and equipment	$ 3,913	$ 573
Net foreign exchange gains and (losses)	(11,349)	11,128
Impairment loss on investment properties	-	(3,417)
Others	(4,034)	(6,005)
	$ (11,470)	$ 2,279

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 49,014	$ 25,953
Interest on commercial paper	5,702	7,180
Interest on lease liabilities	237	225
Less: Amounts included in the cost of qualifying assets	(38,323)	(14,182)
	$ 16,630	$ 19,176

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	$ 38,323	$ 14,182
Capitalization rate	1.3%-1.79%	1.3%-1.79%

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 381,083	$ 382,207
Investment property	2,002	2,002
Right-of-use assets	14,093	9,132
Intangible assets	4,465	7,017
	$ 401,643	$ 400,358
An analysis of deprecation by function		
Operating costs	$ 383,902	$ 380,612
Operating expenses	13,276	12,729
	$ 397,178	$ 393,341
An analysis of amortization by function		
Operating costs	$ 867	$ 2,791
Operating expenses	3,598	4,226
	$ 4,465	$ 7,017

e. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Post-employment benefits		
Defined contribution plans	$ 18,923	$ 17,733
Defined benefit plans (Note 22)	6,846	7,515
Other employee benefits	797,037	685,946
Total employee benefits expense	$ 822,806	$ 711,194
An analysis of employee benefits expense by function		
Operating costs	$ 385,226	$ 353,591
Operating expenses	437,580	357,603
	$ 822,806	$ 711,194

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 21, 2022 and March 10, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees	0.50%	0.50%
Remuneration of directors	0.35%	0.44%

Amount

	For the Year Ended December 31	
	2021	**2020**
	Cash	**Cash**
Compensation of employees	$ 7,141	$ 5,745
Remuneration of directors	5,000	5,000

If there is a change in the amounts after the consolidated annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

The Company held board of directors' meetings on March 10, 2021 and March 16, 2020, and those meetings resulted in the actual amounts of the remuneration of directors paid for 2020 and 2019 to differ from the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019, respectively. The differences were adjusted to profit and loss in the following year.

	For the Year Ended December 31			
	2020		2019	
	Compensation of employees	Remuneration of Directors	Compensation of employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 5,745	$ 5,000	$ 5,407	$ 6,819
Amounts recognized in the annual financial statements	$ 5,745	$ 5,000	$ 5,407	$ 7,000

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss are as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 364,473	$ 307,556
Income tax on unappropriated earning	2,226	9,321
Adjustments for prior years	(2,133)	15
	364,566	316,892
Deferred tax		
In respect of the current year	(14,197)	13,664
Income tax expense recognized in profit or loss	$ 350,369	$ 330,556

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax	$ 1,954,631	$ 1,734,815
Income tax expense calculated at the statutory rate	$ 390,926	$ 346,963
Nondeductible expenses in determining taxable income	651	(3,453)
Tax-exempt income	(34,453)	(25,624)
Additional income tax under the Alternative Minimum Tax Act	6,984	1,256
Income tax on unappropriated earning	2,226	9,321
Loss on investments	(4,069)	-
Unrecognized deductible temporary differences	(9,642)	1,277
Adjustments for prior years' tax	(2,133)	15
Others	(121)	801
Income tax expense recognized in profit or loss	$ 350,369	$ 330,556

b. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ -	$ 30,262
Current tax liabilities		
Income tax payable	$ 214,091	$ 175,916

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Temporary differences				
Defined benefit plans	$ 2,613	$ (1,012)	$ 93	$ 1,694
Payable for annual leave	6,903	392	-	7,295
Amortization of repairs and maintenance expenses	3,701	(84)	-	3,617
Unrealized exchange losses	24	1,303	-	1,327
Unrealized provisions	12,145	69	-	12,214
Unrealized expenses	8,303	(1,885)	-	6,418
Unrealized loss on inventories	-	4,455	-	4,455
Bad debts in excess of the limit	-	9,285	-	9,285
Government grants	-	553	-	553
Exchange differences on translation of the financial statements of foreign operations	-	-	423	423
Loss carryforwards	8,425	5,660	-	14,085
	$ 42,114	$ 18,736	$ 516	$ 61,366
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gains	$ 192	$ (192)	$ -	$ -
Reserve for land value increment tax	65,995	-	-	65,995
Defined benefit plans	-	4,731	536	5,267
	$ 66,187	$ 4,539	$ 536	$ 71,262

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 7,797	$ (5,238)	$ 54	$ 2,613
Payable for annual leave	6,141	762	-	6,903
Amortization of repairs and maintenance expenses	3,675	26	-	3,701
Unrealized exchange gains or losses	265	(241)	-	24
Unrealized provisions	14,343	(2,198)	-	12,145
Unrealized expenses	16,672	(8,369)	-	8,303
Loss on market price decline	300	(300)	-	-
Loss carryforwards	6,340	2,085	-	8,425
	$ 55,533	$ (13,473)	$ 54	$ 42,114
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gains or losses	$ 1	$ 191	$ -	$ 192
Reserve for land value increment tax	65,995	-	-	65,995
	$ 65,996	$ 191	$ -	$ 66,187

d. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31 2021	December 31 2020
Deductible temporary differences		
Impairment loss on financial assets	$ 124,736	$ 145,079
Loss on market price decline	-	20,114
Unrealized gain on the transactions with subsidiaries	-	1,739
	$ 124,736	$ 166,932

e. Income tax assessments

The income tax of the Group through 2019, except 2019, have been assessed by the Tax Authorities.

28. EARNINGS PER SHARE

Units: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share	$ 3.11	$ 2.65
Diluted earnings per share	$ 3.11	$ 2.65

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net profit for the year

	For the Year Ended December 31	
	2021	**2020**
Profit for the year attributable to owners of the Company	$ 1,278,260	$ 1,043,649

Shares

Unit: In Thousand Shares

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	410,803	394,011
Effect of potentially dilutive ordinary shares:		
Compensation of employees	153	159
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	410,956	394,170

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

Fair value hierarchy as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 12,826,389	$ -	$ -	$ 12,826,389
Unlisted shares - ROC	-	-	824,115	824,115
Unlisted shares in other country	-	-	121,213	121,213
	$ 12,826,389	$ -	$ 945,328	$ 13,771,717

Fair value hierarchy as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 5,744,880	$ -	$ -	$ 5,744,880
Unlisted shares - ROC	-	-	881,433	881,433
Unlisted shares in other country	-	-	149,199	149,199
	$ 5,744,880	$ -	$ 1,030,632	$ 6,775,512

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments: None

3) Valuation techniques and inputs applied for Level 2 fair value measurement: None

4) Valuation techniques and inputs applied for Level 3 fair value measurement: The fair values of unlisted equity securities - ROC were determined using market approach. The market approach is used to arrive at their par values for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

c. Categories of financial instruments

	December 31	
	2021	**2020**
<u>Financial assets</u>		
Financial assets at amortized cost (1)	$ 6,234,915	$ 5,287,448
Financial assets at FVTOCI		
Equity instruments	13,771,717	6,775,512
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost (2)	6,217,083	6,337,336
Lease liabilities	24,904	18,494

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables and other receivables, financial assets at amortized cost and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise notes payable and trade payables, other payables, guarantee deposits received, short-term borrowings, short-term bills payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivable, trade payables, borrowings and lease liabilities. The Group's Corporate Treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 35.

<u>Sensitivity analysis</u>

The Group was mainly exposed to the Currency USD, Currency EUR and Currency JPY.

The following table details the Group's sensitivity to an increase and a decrease in New Taiwan dollars (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. The positive numbers in the following table indicate the amount of increase in net profit before tax when the New Taiwan Dollars depreciates by 5% relative to the relevant currencies; when the New Taiwan Dollars appreciates by 5% relative to the relevant foreign currencies, its impact on the net profit before tax will be The negative number of the same amount.

	USD Impact		EUR Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020	2021	2020
Profit or loss	$ 735*	$ 293*	$ 762*	$ 5,363*	$ 2,668*	$ 2,582*

* This was mainly attributable to the exposure on outstanding demand deposits in USD, EUR and JPY in cash flow hedges at the end of the year.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	$ 855,586	$ 904,424
Financial liabilities	574,841	2,807,665
Cash flow interest rate risk		
Financial assets	3,354,491	3,242,038
Financial liabilities	3,194,646	1,693,469

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $799 thousand and $7,743 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, time deposits and demand deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. The Group's equity price risk was mainly concentrated on equity instruments operating in Taiwan industry sector quoted in the Taiwan Stock Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, pre-tax profit for years ended December 31, 2021 and 2020 would have increased/decreased by $413,152 thousand and $203,265 thousand, respectively, as a result of the changes in fair value of financial assets as FVTOCI.

The Group's sensitivity to equity prices increased due to the impact of equity price fluctuations.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk of 41% and 30% of total trade receivables as of December 31, 2021 and 2020, respectively, was related to the Group's five largest customers. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 2,305,205	$ 167,295	$ -
Lease liabilities	13,793	11,339	-
Variable interest rate liabilities	48,495	1,334,080	2,223,030
Fixed interest rate liabilities	549,958	-	-
	$ 2,917,451	$ 1,512,714	$ 2,223,030

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,613,362	$ 216,101	$ -
Lease liabilities	8,908	9,835	-
Variable interest rate liabilities	326,622	349,051	1,261,543
Fixed interest rate liabilities	2,489,719	308,147	-
	$ 4,438,611	$ 883,134	$ 1,261,543

b) Financing facilities

	December 31	
	2021	2020
Unsecured bank facility		
Amount used	$ 1,051,335	$ 2,510,000
Amount unused	6,362,665	4,759,360
	$ 7,414,000	$ 7,269,360
Secured bank facility		
Amount used	$ 3,660,000	$ 1,990,000
Amount unused	1,930,000	3,450,000
	$ 5,590,000	$ 5,440,000

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationships

Related Party	Relationship with the Company
Evergreen International Corporation	Investor that has significant influence over the Group
EVA Airways Corporation	Related party in substance
Evergreen Security Corporation	Related party in substance
Ever Accord Construction Corporation	Related party in substance
Evergreen Logistics Corporation	Related party in substance
Evergreen Marine Corporation	Related party in substance
Kun Lin Engineering Corporation	Associate

b. Sales of goods

Related Party	For the Year Ended December 31 2021	2020
Investors that have significant influence over the Group	$ 746	$ 825
Related party in substance	667,487	508,750
	$ 668,233	$ 509,575

The sales conditions for related parties in substance were not significantly different from those sales made to the Group's usual price list. There was no comparable sales price between non-related parties and related party in substance for repairing containers.

c. Other income

Related Party	For the Year Ended December 31 2021	2020
Associate	$ 180	$ 200

d. Purchases of goods and expenses

Related Party	For the Year Ended December 31 2021	2020
Investors that have significant influence over the Group	$ 9,425	$ 12,005
Related party in substance	20,497	21,080
	$ 29,922	$ 33,085

The purchases to related parties had no significant differences with other non-related parties.

e. Contract assets

Related Party	December 31 2021	December 31 2020
Related party in substance	$ 108,229	$ 303,337

For the years ended December 31, 2021 and 2020, impairment loss of $4,654 thousand and $2,652 thousand, respectively, was recognized for contract assets from related parties.

f. Receivables from related parties

Trade receivables

Related Party	December 31 2021	December 31 2020
Investors that has significant influence over the Group	$ 157	$ 156
Related party in substance	32,488	151,302
	$ 32,645	$ 151,458

The outstanding trade receivables from related parties are unsecured.

g. Payables to related parties

Other payables

Related Party	December 31 2021	December 31 2020
Investors that has significant influence over the Group	$ 1,479	$ 2,074
Related party in substance	2,505	2,398
	$ 3,984	$ 4,472

The outstanding trade payables to related parties are unsecured.

h. Lease arrangements

Line Item	Related Party	December 31 2021	December 31 2020
Right-of-use assets	Investors that has significant influence over the Group	$ -	$ 1,004
Lease liabilities	Investors that has significant influence over the Group	$ -	$ 1,015

The Company rents other equipment from Evergreen International Corporation for $85 thousand per month, and the lease terms is from January 2019 to December 2021. However, the Company terminated the agreement in advance in May 2021, and recognized the gain on lease modification of $7 thousand.

i. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 44,384	$ 36,214
Post-employment benefits	932	7,494
Share-based payments	656	-
	$ 45,972	$ 43,708

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, provisional attachment and performance guarantees, etc.:

	December 31	
	2021	2020
Property, plant, and equipment, net	$ 2,274,924	$ 2,335,640
Investment properties	95,705	97,706
Financial assets at amortized cost	70,496	23,452
	$ 2,441,125	$ 2,456,798

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2021 and 2020 were as follows:

a. As of December 31, 2021 and 2020, unused letters of credit for purchasing of materials are as follows:

	December 31	
Currency	2021	2020
NTD	$ 283,947	$ 472,963
USD	-	984

b. The Group’s unrecognized contractual commitments for the construction of intangible assets service concession arrangements are as follows:

	December 31	
Currency	2021	2020
NTD	$ 1,066,408	$ 1,908,254
JPY	583,346	1,318,425
EUR	1,633	6,209
USD	668	2,257

c. For acquisition of property, plant and equipment, unrecognized commitments were as follows:

Currency	December 31 2021	December 31 2020
NTD	$ 40,289	$ -
EUR	1,283	-

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

For capacity planning, the subsidiary - Super Max Company added an incinerator production line on March 15, 2022, which was approved by the board of directors. The investment amount is about NT$920 million. The case has been approved by the Environmental Protection Administration and approved by the Industry Development Bureau on record.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2021

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 531	27.68 (USD:NTD)	$ 14,698
EUR	487	31.32 (EUR:NTD)	15,238
JPY	221,854	0.2405 (JPY:NTD)	53,356
Non-monetary items			
Investments accounted for using the equity method			
RMB	3,785	4.344 (RMB:NTD)	16,444
Financial liabilities			
Monetary items			
RMB	949	4.344 (RMB:NTD)	4,121

December 31, 2020

Unit: In Thousands of Foreign Currency/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 206	28.48 (USD:NTD)	$ 5,859
EUR	3,063	35.02 (EUR:NTD)	107,263
JPY	186,930	0.2763 (JPY:NTD)	51,649
Non-monetary items			
Investments accounted for using the equity method			
RMB	2,939	4.377 (RMB:NTD)	12,866
Financial liabilities			
Monetary items			
RMB	1,094	4.377 (RMB:NTD)	4,789

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Financing provided: None.

2) Endorsements/guarantees provided: See Table 1 below.

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 2 below.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: See Table 3 below.

5) Acquisitions of individual real estate properties at costs of at least NT $300 million or 20% of the paid-in capital: None.

6) Disposals of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 4 below.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions: See Table 5 below.

11) Information on investees: See Table 6 below.

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. See Table 7 below.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

c. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 8 attached.

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Steel Structures	Hsin Yung Enterprise Corporation	Super Max Engineering Enterprise Co., Ltd.	Ever Ecove Corporation	Others	Eliminations	Total
For the year ended December 31, 2021							
Revenue from external customers	$ 11,449,741	$ 1,238,459	$ 755,699	$ -	$ 164,698	$ -	$ 13,608,597
Segment income	$ 769,394	$ 717,890	$ 317,861	$ (29,391)	$ 21,706	$ 4,702	1,802,162
Administration cost							(48,224)
Interest income							24,858
Other income							172,044
Other gains and losses							(11,470)
Finance costs							(16,630)
Share of profit of associates and joint ventures accounted for using the equity method							31,891
Profit before tax							$ 1,954,631
For the year ended December 31, 2020							
Revenue from external customers	$ 7,117,905	$ 1,320,230	$ 765,524	$ -	$ 145,990	$ -	$ 9,349,649
Inter-segment revenue	-	-	15	-	-	(15)	-
Segment revenue	$ 7,117,905	$ 1,320,230	$ 765,539	$ -	$ 145,990	$ (15)	9,349,649
Segment income	$ 468,087	$ 785,474	$ 331,002	$ (26,303)	$ 19,839	$ 5,425	1,583,524
Administration cost							(49,212)
Interest income							26,171
Other income							166,139
Other gains and losses							2,279
Finance costs							(19,176)
Share of profit of associates and joint ventures accounted for using the equity method							25,090
Profit before tax							$ 1,734,815

Segment profit represented the profit before tax earned by each segment without headquarters' administrative cost, interest income, other income, other gains and losses, finance costs, the share of profit of associates or income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Revenue from major products: Refer to Note 25.

c. Geographical information

The Group has no revenue-generating unit that operates outside the ROC; therefore, it is not necessary to disclose information that distinguishes revenue from external customers and non-current assets by location of assets.

d. Information on major customers

The customer accounted for at least 10% of the Group's total operating revenue:

	For the Year Ended December 31	
	2021*	2020*
Customer A	$ 2,108,545	$ -
Customer B	-	1,411,577
Customer C	-	1,029,610
	$ 2,108,545	$ 2,441,187

* The income did not meet at least 10% of the total income of the Group for the years ended December 31, 2021 and 2020.

38. OTHERS

The Group's assessment of COVID-19 has little impact on the overall operations; however, the international epidemic is still uncertain. The Group will continue to pay attention to the development of the epidemic and take relevant counter measurements to alleviate the impact on the Group's operations.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Amount Provided to Each Guarantee Party	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Evergreen Steel Corporation	Ever Ecove Corporation	Subsidiary	$ 11,604,477	$ 3,087,000	$ 3,087,000	$ 2,142,000	$ -	13.30	$ 11,604,477	Y	-	-	Note 2
1	Ming Yu Investment Corporation	Evergreen Steel Corporation	Parent company	4,973,591	1,201,220	1,201,220	1,201,220	-	483.04	4,973,591	-	Y	-	Note 3

Note 1: The Company and its subsidiaries are numbered as follows:

a. "0" for the Company.
b. Subsidiaries are numbered from "1".

Note 2: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of the Company's endorsements or guarantees for subsidiaries holding more than 50% of the shares is not limited by the above ratio, but the maximum shall not exceed 50% of the net value of the most recent financial statements of the Company.

Note 3: According to endorsement or guarantee provided regulation formulated by subsidiaries, the total amount of endorsement or guarantee that the Company is allowed to provide is up to 2,000% of the net worth value of the latest financial statements of the Company.

Note 4: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of endorsements or guarantees for subsidiaries is not limited by the above ratio, but the maximum shall not exceed 200% of the net value of the most recent financial statements of the Company.

TABLE 2

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Evergreen Steel Corporation	Ordinary shares							
	EVA Airways Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	206,973	$ 5,784,889	3.99	$ 5,784,889	
	Shin Kong Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	7,931	87,641	0.06	87,641	
	Evergreen Marine Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	38,262	5,452,293	0.72	5,452,293	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTOCI - non-current	16,000	473,600	0.28	473,600	
	Taiwan Terminal Services Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	100	1,035	1.00	1,035	
	Taiwan Aerospace Corporation	-	Financial assets at FVTOCI - non-current	5,503	62,522	4.06	62,522	
	Pacific Resources Corporation	-	Financial assets at FVTOCI - non-current	591	-	2.56	-	
	Taiwan Incubator SME Development Corporation	-	Financial assets at FVTOCI - non-current	7,689	65,342	10.90	65,342	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	-	Financial assets at FVTOCI - non-current	6,679	121,213	13.39	121,213	
	Dongwei Transportation Co., Ltd.	-	Financial assets at FVTOCI - non-current	660	7,940	18.86	7,940	
	Ever Accord Construction Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	7,500	70,755	12.50	70,755	
	UNI Airways Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	56,475	616,375	14.99	616,375	
	Evergreen Security Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	10	146	0.05	146	
Hsin Yung Enterprise Corporation	Evergreen Marine Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	7,214	1,027,966	0.14	1,027,966	
Super Max Engineering Enterprise Co., Ltd.	P.T. Super Max Indonesia	-	Financial assets at FVTOCI - non-current	-	-	11.00	-	

TABLE 3

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares (In Thousands)	Amount
Evergreen Steel Corporation	Ordinary shares - EVA Airways Corporation	Financial assets at FVTOCI - non-current	-	Related party in substance	240,604	$ 3,478,403	100	$ 1,576	33,731	$ 653,692	$ 487,664	$ 166,028	206,973	$ 2,992,315

Note: Valuation adjustments at year-end are not included.

TABLE 4

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchaser/seller	Related Party	Relationship	Transaction Details				Differences in Transaction Terms Compared to Third Party Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Evergreen Steel Corporation	Ever Accord Construction Corporation	Related party in substance	Sale	$ 512,308	4.41	30-60 days	No significant difference	No significant difference	$ -	-	Note 1
	Evergreen Marine Corporation	Related party in substance	Sale	153,929	1.33	15-45 days	Note 2	No significant difference	32,273	2.00	

Note 1: The amount of contract assets of $106,275 thousand was generated by the transaction between the Group and its related party in substance

Note 2: No similar prices on revenue from containers repair to compare with related party in substance.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	a	Miscellaneous income	$ 3,007	According to mutual agreements	0.02
		Hsin Yung Enterprise Corporation	a	Gain on disposal of property, plant and equipment	784	According to mutual agreements	0.01
		Ever Ecove Corporation	a	Miscellaneous income	515	According to mutual agreements	-
1	Hsin Yung Enterprise Corporation	Ever Ecove Corporation	c	Rental income	360	According to mutual agreements	-

Note 1: The parent company and its subsidiaries are coded as follows:

a. The parent company is coded “0”.
b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationships are coded as follows:

a. From the parent company to its subsidiary.
b. From a subsidiary to its parent company.
c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s end-of-period balance is shown as a percentage to the consolidated total assets as of December 31, 2021. For profit or loss items, cumulative amounts are shown as percentages to the consolidated total operating revenue for the year ended December 31, 2021.

Note 4: The table above only discloses related-party transactions which are material.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ACCOUNTED FOR
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Losses) of the Investee	Share of Profits/ Losses of Investee	Note
				December 31, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	Taiwan	Waste treatment, disposal and cogeneration	$ 992,666	$ 992,666	99,267	68.46	$ 2,174,561	$ 603,995	$ 413,493	Subsidiary
	Super Max Engineering Enterprise Co., Ltd.	Taiwan	Waste collection, treatment and disposal	594,441	594,440	24,147	48.13	919,737	293,409	141,208	Subsidiary
	Ever Ecove Corporation	Taiwan	Waste treatment, disposal and cogeneration	801,000	801,000	80,100	50.06	763,964	(33,444)	(16,743)	Subsidiary
	Ming Yu Investment Corporation	Taiwan	Investment activities	239,487	239,487	10,350	100.00	248,680	(7,597)	(7,597)	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	Kun Lin Engineering Co., Ltd.	Taiwan	Planning of wastewater, air and noise prevention; design, construction, sale, operation and maintenance of related equipment	18,000	18,000	5,000	50.00	157,509	63,782	31,891	Accounted for using the equity method

Note: Refer to Table 7 for information on investments in mainland China.

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Foreign Currency Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profit (Loss)	Carrying Amount as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021	Note
					Outflow	Inflow							
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	Design, manufacture and installation of waste water, waste gas equipment and various piping	$ 11,072 (US$ 400)	c.	$ 11,072 (US$ 400)	$ -	$ -	$ 11,072 (US$ 400)	$ 22,995 (RMB 5,297)	24.07	$ 5,533	$ 16,444	$ 42,296 (US$ 1,528)	

Accumulated Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
$ 11,072 (US$ 400)	$ 11,072 (US$ 400) (Note 3)	$ 15,769,516

Note 1: Investment methods are classified into the following three categories:
a. Directly invest in a company in Mainland China.
b. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
c. Others.

Note 2: The amount was recognized based on the audited financial statements.

Note 3: Investments approved by the Ministry of Economic Affairs, ROC are as follows:

Name of Investee	Date	Order No.	Approved Amount
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	2007.6.15	09600201610	US$ 200
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	2008.1.25	09700027430	US$ 100
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	2008.7.22	09700252240	US$ 100
			US$ 400

TABLE 8

EVERGREEN STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Evergreen International Corporation	91,101,257	21.69
EVA Airways Corporation	38,201,625	9.09
Continental Engineering Corporation	25,645,907	6.10
Chang, Kuo-Hua	25,008,820	5.95
Chang, Kuo-Ming	25,008,820	5.95
Chang, Kuo-Cheng	25,008,820	5.95
Chang Yung-Fa Foundation	25,008,820	5.95

Note 1: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's consolidated financial statements may be different due to differences in the basis of preparation and calculation.

Note 2: According the above information, the delivery of shares to the trust by shareholders is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who acquire more than 10% of shareholding have to disclose their insider ownerships, including their own shares held and those shares delivered to the trust over which shareholders have the right to make decisions on trust property, etc. Information on insider ownership declaration is available at the Market Observation Post System website of the Taiwan Stock Exchange.

【Appendix 2】

Parent Company Only Financial Statements and Report of Independent Accountants for the Year Ended December 31, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Evergreen Steel Corporation

Opinion

We have audited the accompanying balance sheets of Evergreen Steel Corporation (the "Company"), as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2021 are described as follows:

Contract Revenue Recognition

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

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

1. We obtained an understanding of the design and implementation of the Company's contract revenue evaluation method and control system by performing control tests.

2. We selected samples of the contract revenue with risk characteristics in current year which are subject to detailed tests including checking the price accepted by the customer's with construction contracts, assessing the adequacy of the contract cost estimation, recalculating the degree of completion, and verifying correctness of the contract revenue recognition.

3. We performed analytical review of contract revenue and performed a retrospective review of construction costs.

Refer to Note 4 to the financial statements for the accounting policy on the assessment of construction contracts. Refer to Notes 5 and 23 for critical accounting judgments and key sources of estimation uncertainty.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2022

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

EVERGREEN STEEL CORPORATION

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 739,752	3	$ 663,913	3
Financial assets at amortized cost - current (Notes 4, 8 and 30)	3,600	-	3,600	-
Contract assets - current (Notes 4, 21, 23 and 29)	3,272,392	12	4,190,973	22
Notes receivable, net (Notes 4 and 21)	38,159	-	126,225	1
Trade receivables, net (Notes 4, 9 and 21)	1,540,748	5	511,911	2
Trade receivables from related parties, net (Notes 4, 9, 21 and 29)	32,275	-	151,094	1
Other receivables (Note 29)	21,796	-	14,925	-
Inventories (Notes 4, 10 and 21)	3,143,166	11	988,027	5
Other current assets (Note 15)	56,829	-	164,470	1
Total current assets	8,848,717	31	6,815,138	35
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	12,743,751	45	6,328,925	33
Investments accounted for using equity method (Notes 4 and 11)	4,106,942	15	3,648,702	19
Property, plant and equipment (Notes 4, 12 and 30)	2,383,645	9	2,384,518	12
Right-of-use assets (Notes 4 and 13)	26,378	-	20,479	-
Investment properties (Notes 4 and 14)	7,823	-	7,823	-
Intangible assets (Note 4)	5,688	-	3,561	-
Deferred tax assets (Notes 4 and 25)	32,094	-	17,842	-
Refundable deposits	7,071	-	6,683	-
Net defined benefit assets - non-current (Notes 4 and 20)	548	-	-	-
Other non-current assets (Note 15)	16,636	-	79,647	1
Total non-current assets	19,330,576	69	12,498,180	65
TOTAL	$ 28,179,293	100	$ 19,313,318	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 100,000	-	$ 690,000	4
Short-term bills payable (Note 16)	449,937	2	1,799,171	9
Contract liabilities - current (Notes 4, 21 and 23)	1,380,717	5	323,755	2
Notes payable, net (Note 21)	390,502	2	349,566	2
Trade payable, net (Notes 17 and 21)	1,638,382	6	1,132,183	6
Other payables (Notes 18 and 29)	214,832	1	147,118	1
Current tax liabilities (Notes 4 and 25)	105,662	-	68,835	-
Provisions - current (Notes 4 and 19)	61,408	-	60,792	-
Lease liabilities - current (Notes 4 and 13)	13,626	-	8,756	-
Current portion of long-term borrowings (Note 16)	-	-	300,000	2
Other current liabilities	32,892	-	32,031	-
Total current liabilities	4,387,958	16	4,912,207	26
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	500,000	2	300,000	2
Deferred tax liabilities (Notes 4 and 25)	70,667	-	65,995	-
Lease liabilities - non-current (Notes 4 and 13)	11,278	-	9,738	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	-	-	23,033	-
Other non-current liabilities	436	-	530	-
Total non-current liabilities	582,381	2	399,296	2
Total liabilities	4,970,339	18	5,311,503	28
EQUITY (Note 22)				
Share capital				
Ordinary shares	4,199,820	15	3,994,260	21
Capital surplus	1,340,352	5	396,542	2
Retained earnings				
Legal reserve	2,294,939	8	2,190,673	11
Unappropriated earnings	6,839,705	24	6,347,269	33
Total retained earnings	9,134,644	32	8,537,942	44
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(470)	-	(648)	-
Unrealized gain on financial assets at fair value through other comprehensive income	8,584,546	30	1,166,832	6
Total other equity	8,584,076	30	1,166,184	6
Treasury shares	(49,938)	-	(93,113)	(1)
Total equity	23,208,954	82	14,001,815	72
TOTAL	$ 28,179,293	100	$ 19,313,318	100

The accompanying notes are an integral part of the financial statements.

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 23 and 29)	$ 11,614,440	100	$ 7,263,895	100
OPERATING COSTS (Notes 10, 20, 24 and 29)	(10,394,215)	(90)	(6,460,683)	(89)
GROSS PROFIT	1,220,225	10	803,212	11
OPERATING EXPENSES (Notes 20, 24 and 29)				
Selling and marketing expenses	(297,454)	(3)	(230,668)	(3)
General and administrative expenses	(139,938)	(1)	(120,279)	(2)
Expected credit loss	(39,722)	-	(13,277)	-
Total operating expenses	(477,114)	(4)	(364,224)	(5)
PROFIT FROM OPERATIONS	743,111	6	438,988	6
NON-OPERATING INCOME AND EXPENSES				
Interest income	6,086	-	4,515	-
Other income (Notes 24 and 29)	151,502	1	125,302	1
Other gains and (losses) (Note 24)	1,615	-	(8,029)	-
Finance costs (Note 24)	(16,607)	-	(19,147)	-
Share of profit of subsidiaries	530,361	5	594,715	8
Total non-operating income and expenses	672,957	6	697,356	9
PROFIT BEFORE INCOME TAX	1,416,068	12	1,136,344	15
INCOME TAX EXPENSE (Note 25)	(137,808)	(1)	(92,695)	(1)
NET PROFIT FOR THE YEAR	1,278,260	11	1,043,649	14
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	282	-	(1,069)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	7,607,619	66	994,491	14

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Share of the other comprehensive income of subsidiaries accounted for using the equity method	$ 690	-	$ 399	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	(57)	-	214	-
	7,608,534	66	994,035	14
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	60	-	341	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 25)	118	-	(68)	-
	178	-	273	-
Other comprehensive (loss) income for the year, net of income tax	7,608,712	66	994,308	14
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 8,886,972	77	$ 2,037,957	28
EARNINGS PER SHARE (Note 26)				
Basic	$ 3.11		$ 2.65	
Diluted	$ 3.11		$ 2.65	

The accompanying notes are an integral part of the financial statements. (Concluded)

EVERGREEN STEEL CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings		Other Equity			
	Ordinary Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2020	399,426	$ 3,994,260	$ 356,431	$ 2,095,929	$ 6,192,425	$ (921)	$ 171,807	$ (119,045)	$ 12,690,886
Appropriation of 2019 earnings									
Legal reserve	-	-	-	94,744	(94,744)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(793,071)	-	-	-	(793,071)
Net profit for the year ended December 31, 2020	-	-	-	-	1,043,649	-	-	-	1,043,649
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(456)	273	994,491	-	994,308
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,043,193	273	994,491	-	2,037,957
Disposal of treasury shares	-	-	26,603	-	-	-	-	25,932	52,535
Subsidiary receives dividend from the parent company	-	-	4,998	-	-	-	-	-	4,998
Changes in percentage of ownership interests in subsidiaries	-	-	8,510	-	-	-	-	-	8,510
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(534)	-	534	-	-
BALANCE AT DECEMBER 31, 2020	399,426	3,994,260	396,542	2,190,673	6,347,269	(648)	1,166,832	(93,113)	14,001,815
Appropriation of 2020 earnings									
Legal reserve	-	-	-	104,266	(104,266)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(872,378)	-	-	-	(872,378)
Dividends from claims extinguished by prescription	-	-	100	-	-	-	-	-	100
Net profit for the year ended December 31, 2021	-	-	-	-	1,278,260	-	-	-	1,278,260
Other comprehensive income for the year ended December 31, 2021, net of income tax	-	-	-	-	915	178	7,607,619	-	7,608,712
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,279,175	178	7,607,619	-	8,886,972
Issuance of ordinary shares for cash	20,556	205,560	837,090	-	-	-	-	-	1,042,650
Disposal of treasury shares	-	-	106,620	-	-	-	-	43,175	149,795
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	189,905	-	(189,905)	-	-
BALANCE AT DECEMBER 31, 2021	419,982	$ 4,199,820	$ 1,340,352	$ 2,294,939	$ 6,839,705	$ (470)	$ 8,584,546	$ (49,938)	$ 23,208,954

The accompanying notes are an integral part of the financial statements.

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,416,068	$ 1,136,344
Adjustments for:		
Depreciation expense	144,241	137,612
Amortization expense	3,278	4,310
Expected credit loss recognized on trade receivables	39,722	13,277
Finance costs	16,607	19,147
Interest income	(6,086)	(4,515)
Dividend income	(122,674)	(100,549)
Ordinary shares transferred to employees at cost	39,660	-
Share of profit of subsidiaries	(530,361)	(594,715)
Gain on disposal of property, plant and equipment	(5,124)	(1,173)
Net loss on disposal of inventories	2,159	5,622
Impairment loss on investment properties	-	3,417
Realized gain on the transactions with subsidiaries	(955)	(1,273)
Gain on lease modification	(7)	-
Changes in operating assets and liabilities		
Decrease (increase) in contract assets	878,682	(1,431,890)
Decrease (increase) in notes receivable	88,066	(73,764)
Increase in trade receivables	(909,841)	(333,821)
Increase in other receivables	(6,832)	(669)
Increase in inventories	(2,157,298)	(354,910)
Decrease (increase) in other current assets	107,641	(134,736)
Increase in net defined benefit assets	(267)	-
Increase in contract liabilities	1,056,962	26,247
Increase in notes payable	40,936	122,821
Increase in trade payables	506,199	178,304
Increase in other payables	68,029	25,984
Increase (decrease) in provisions	616	(2,740)
Decrease in deferred revenue	(94)	(94)
Increase (decrease) in other current liabilities	861	(969)
Decrease in net defined benefit liabilities	(23,033)	(21,371)
Cash generated from (used in) operations	647,155	(1,384,104)
Interest received	6,047	4,252
Interest paid	(16,922)	(18,766)
Income tax paid	(110,499)	(21,259)
Net cash generated from (used in) operating activities	525,781	(1,419,877)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(5,240)	(1,543)
Proceeds from sale of financial assets at fair value through other comprehensive income	657,812	1,646
Acquisition of investments accounted for using equity the method	(1)	(101,004)

(Continued)

EVERGREEN STEEL CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Payments for property, plant and equipment	$ (130,112)	$ (118,771)
Proceeds from disposal of property, plant and equipment	5,177	663
Increase in refundable deposits	(388)	(2,507)
Payments for intangible assets	(5,405)	(1,105)
Decrease in other non-current assets	63,011	18,113
Dividends received	122,674	100,549
Dividends received from subsidiaries	764,627	539,260
Net cash generated from investing activities	1,472,155	435,301
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(590,000)	490,000
(Repayments of) proceeds from bills payable	(1,349,234)	1,399,302
Proceeds from long-term borrowings	300,000	600,000
Repayments of long-term borrowings	(400,000)	(150,000)
Increase in guarantee deposits	-	45
Repayment of principal portion of lease liabilities	(13,575)	(9,825)
Repayments of cash dividend	(872,378)	(793,071)
Proceeds from issuance of ordinary shares	1,002,990	-
Dividends from claims extinguished by prescription	100	-
Net cash (used in) generated from financing activities	(1,922,097)	1,536,451
NET INCREASE IN CASH AND CASH EQUIVALENTS	75,839	551,875
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	663,913	112,038
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 739,752	$ 663,913

The accompanying notes are an integral part of the financial statements. (Concluded)

EVERGREEN STEEL CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Evergreen Steel Corporation (the "Company") was incorporated in January 1973 as a company limited by shares under the Company Law of the Republic of China. The Company is mainly engaged in the steel structure engineering business. The Company's steel structure engineering business mainly includes engineering projects of factories, tall buildings and bridges. On January 13, 2020, the Company was approved by the Taipei Exchange (TPEx) for domestic initial public offering, and its ordinary shares were listed and traded on the Emerging Stock Board. Since April 12, 2021, the Company's shares have been listed on the Taiwan Stock Exchange.

The financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 21, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

The Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgments or assumptions in applying an accounting policy, and the Company discloses those judgments or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

3) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Company engages in the construction business, which has an operating cycle of over one year, and the normal operating cycle applies when considering the classification of the Company's construction-related assets and liabilities.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries, associates and branches in other countries that use currencies which are different from the currency of the Company) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies and inventory in transit. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

When the Company subscribes for additional new shares of a subsidiary at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the subsidiary. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the subsidiary, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that subsidiary is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets and contract assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Onerous contracts

Onerous contracts are those in which the Company's unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

2) Warranties

The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts. The Company sets out the provisions according to the warranty expenditure expected to occur during the warranty period. If the preparation is not enough, the current year's expenses shall be included.

m. Revenue recognition

The Company identifies contracts with the customers, allocates transaction price to the performance obligations and recognizes revenue when the performance obligations are satisfied.

1) Construction contracts revenue

The Company recognizes revenue over time during the construction process. Because the cost of unit of the installation completion of the construction is directly related to fulfilling performance obligation, the Company uses the cost of unit of installation as the estimated total output incurred. The cost ratio is used to measure the progress of the completion, and after the inspection of the installation of the construction, income and cost are relatively recognized. The Company gradually recognizes contract assets during the construction process and transfers the amount to accounts receivable when issuing invoices. If the payment received for the construction project exceeds the amount, the difference is recognized as contract liability. The project retention fund is withheld by the customer as stated in the contract to ensure that the Company completes all contractual obligations and is recognized as contract assets until the Company satisfies the performance obligations.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from providing container repair, renovation and storage services. Such service revenue is recognized when performance obligations are satisfied.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Share-based payment arrangements

The stock option granted to employees is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Construction Contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date as the estimated total contract costs. Under the IFRS 15, incentives and penalties are considered as variables and shall be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total output unit, contract costs and contractual items are assessed and determined by management based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profit and loss from the construction contracts. Refer to Note 23 for related information.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 2,815	$ 2,815
Checking accounts and demand deposits	170,937	95,098
Cash equivalent		
Time deposits	566,000	566,000
	$ 739,752	$ 663,913

7. FINANCIAL ASSETS AT FVTOCI

	December 31	
	2021	2020
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 11,798,423	$ 5,298,293
Unlisted shares	824,115	881,433
Foreign investments		
Unlisted shares	121,213	149,199
	$ 12,743,751	$ 6,328,925

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes.

The Company sold its investments in 2021 and 2020, and transferred a gain (loss) of $189,905 thousand and $(534) thousand, respectively, from other equity to retained earnings.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Pledge deposits	$ 3,600	$ 3,600

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. TRADE RECEIVABLES

	December 31	
	2021	2020
Trade receivables (including trade receivables from related parties)		
At amortized cost		
Gross carrying amount	$ 1,573,023	$ 663,182
Less: Allowance for impairment loss	-	(177)
	$ 1,573,023	$ 663,005

The average credit period on sales of goods is 0 to 120 days. In determining the recoverability of a trade receivable, the Company considers the changes in the credit quality of the trade receivable since the date of credit was initially granted to the end of the reporting period. The allowance for impairment loss refers to the past arrears records of the counterparty and the analysis of its current financial status to estimate the amount that cannot be recovered.

The Company applies the simplified approach for the allowance of expected credit loss prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial positions.

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. The Company directly recognizes the impairment loss of related accounts receivable. The Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the Company's aging of trade receivables.

December 31, 2021

	Amount Without Sign of Default				Amount with Sign of Default	
	0 to 60 Days	**61 to 90 Days**	**91 to 120 Days**	**Over 120 Days**		**Total**
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 1,422,296	$ 150,706	$ 21	$ -	$ -	$ 1,573,023
Loss allowance (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 1,422,296	$ 150,706	$ 21	$ -	$ -	$ 1,573,023

December 31, 2020

	Amount Without Sign of Default				Amount with Sign of Default	
	0 to 60 Days	**61 to 90 Days**	**91 to 120 Days**	**Over 120 Days**		**Total**
Expected credit loss rate	0.02%	0.53%	10%	-	-	
Gross carrying amount	$ 657,567	$ 5,575	$ 40	$ -	$ -	$ 663,182
Loss allowance (Lifetime ECLs)	(144)	(29)	(4)	-	-	(177)
Amortized cost	$ 657,423	$ 5,546	$ 36	$ -	$ -	$ 663,005

The above is an aging analysis based on the account opening date.

The above aging schedule was based on the ledger date. The movements of the loss allowance of trade receivables were as follows:

	2021	**2020**
Balance at January 1	$ 177	$ -
Add: Net remeasurement of loss allowance (reversed)	(177)	177
Balance at December 31	$ -	$ 177

10. INVENTORIES

	December 31	
	2021	2020
Raw material	$ 3,141,252	$ 979,728
Supplies	1,914	1,096
Inventory in transit	-	7,203
	$ 3,143,166	$ 988,027

The costs of inventories recognized as operating cost for the years ended December 31, 2021 and 2020 was $10,261,039 thousand and $6,342,473 thousand, respectively.

The cost of goods sold which included the inventory write-downs and disposals were as follow:

	2021	2020
Inventory write-downs	$ 2,159	$ 2,995
Loss of inventory scrapped and physical inventories	-	2,627
	$ 2,159	$ 5,622

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

	December 31	
Name of Subsidiaries	2021	2020
Hsin Yung Enterprise Corporation	$ 2,174,561	$ 1,753,091
Super Max Engineering Enterprise Co., Ltd.	919,737	825,841
Ever Ecove Corporation	763,964	780,765
Ming Yu Investment Corporation	248,680	289,005
	$ 4,106,942	$ 3,648,702

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
Hsin Yung Enterprise Corporation	68.46%	68.46%
Super Max Engineering Enterprise Co., Ltd.	48.13%	48.13%
Ever Ecove Corporation	50.06%	50.06%
Ming Yu Investment Corporation	100.00%	100.00%

a. Ever Ecove Corporation handled a cash capital increase at the end of November 30, 2020. The Company did not subscribe for new shares based on the shareholding ratio. After the capital increase, the shareholding ratio dropped from 70% to 50.06%.

b. The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 was based on the subsidiaries' audited financial statements for the years then ended.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2021	$ 1,375,099	$ 156,372	$ 1,479,390	$ 767,675	$ 61,246	$ 51,873	$ 3,891,655
Additions	-	-	1,585	24,770	9,005	15,105	50,465
Disposals	-	-	-	(14,544)	-	(1,014)	(15,558)
Reclassification	-	-	-	79,647	-	-	79,647
Balance at December 31, 2021	$ 1,375,099	$ 156,372	$ 1,480,975	$ 857,548	$ 70,251	$ 65,964	$ 4,006,209
Accumulated depreciation and impairment							
Balance at January 1, 2021	$ -	$ 123,390	$ 892,039	$ 408,178	$ 44,352	$ 39,178	$ 1,507,137
Disposals	-	-	-	(13,707)	-	(1,014)	(14,721)
Depreciation expense	-	4,608	45,474	68,360	5,678	6,028	130,148
Balance at December 31, 2021	$ -	$ 127,998	$ 937,513	$ 462,831	$ 50,030	$ 44,192	$ 1,622,564
Carrying amount at December 31, 2021	$ 1,375,099	$ 28,374	$ 543,462	$ 394,717	$ 20,221	$ 21,772	$ 2,383,645
Cost							
Balance at January 1, 2020	$ 1,375,099	$ 156,372	$ 1,395,575	$ 739,008	$ 63,786	$ 53,915	$ 3,783,755
Additions	-	-	3,519	1,010	767	954	6,250
Disposals	-	-	-	(4,774)	(3,307)	(2,790)	(10,871)
Reclassification	-	-	80,296	32,431	-	(206)	112,521
Balance at December 31, 2020	$ 1,375,099	$ 156,372	$ 1,479,390	$ 767,675	$ 61,246	$ 51,873	$ 3,891,655
Accumulated depreciation and impairment							
Balance at January 1, 2020	$ -	$ 118,688	$ 848,075	$ 344,708	$ 41,149	$ 36,634	$ 1,389,254
Disposals	-	-	-	(4,501)	(3,307)	(2,789)	(10,597)
Depreciation expense	-	4,702	43,758	67,971	6,510	5,539	128,480
Reclassification	-	-	206	-	-	(206)	-
Balance at December 31, 2020	$ -	$ 123,390	$ 892,039	$ 408,178	$ 44,352	$ 39,178	$ 1,507,137
Carrying amount at December 31, 2020	$ 1,375,099	$ 32,982	$ 587,351	$ 359,497	$ 16,894	$ 12,695	$ 2,384,518

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Land improvements	3-10 years
Buildings	2-55 years
Machinery and equipment	3-20 years
Transportation equipment	5 years
Other equipment	3-5 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 30.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Land	$ 24,503	$ 19,476
Other equipment	1,875	1,003
	$ 26,378	$ 20,479

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 20,925	$ 3,617
Depreciation charge for right-of-use assets		
Land	$ 13,139	$ 8,128
Other equipment	954	1,004
	$ 14,093	$ 9,132

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 13,626	$ 8,756
Non-current	$ 11,278	$ 9,738

Range of discount rates for lease liabilities was as follows:

December 31	
2021	2020
0.878%-1.1%	1.1%

c. Material lease-in activities and terms (the Company as lessee)

The Company leases land and equipment for the use of plants and manufacturing with lease term of 2 to 3 years. The Company does not have bargain purchase options to acquire the leasehold land at the end of the lease term. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases and low-value asset leases	$ 14,586	$ 9,961
Total cash outflow for leases	$ 28,398	$ 20,011

14. INVESTMENT PROPERTIES

	Amount
Cost	
Balance at January 1, 2021	$ 150,995
Additions	-
Balance at December 31, 2021	$ 150,995
Accumulated depreciation and impairment	
Balance at January 1, 2021	$ (143,172)
Impairment loss	-
Balance at December 31, 2021	$ (143,172)
Carrying amount at December 31, 2021	$ 7,823
Cost	
Balance at January 1, 2020	$ 150,995
Additions	-
Balance at December 31, 2020	$ 150,995
Accumulated depreciation and impairment	
Balance at January 1, 2020	$ (139,755)
Impairment loss	(3,417)
Balance at December 31, 2020	$ (143,172)
Carrying amount at December 31, 2020	$ 7,823

The valuation was arrived by reference to market evidence of transaction prices for similar properties, it is fair value is as followed:

	December 31	
	2021	2020
Fair value	$ 17,441	$ 15,028

15. OTHER ASSETS

	December 31	
	2021	2020
Current		
Prepayments	$ 37,396	$ 96,349
Prepaid expense	15,546	19,881
Tax credit	3,887	48,240
	$ 56,829	$ 164,470
Non-current		
Prepayments for equipment	$ 16,636	$ 79,647

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Unsecured borrowings		
Line of credit borrowings	$ 100,000	$ 690,000
Interest rate range	0.83%	0.88%-0.9%

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	$ 450,000	$ 1,800,000
Less: Unamortized discounts on short-term bills payable	(63)	(829)
	$ 449,937	$ 1,799,171
Interest rate range	0.848%	0.848%-0.868%

Promissory institution included China Bills Finance Corporation, Mega Bills Finance Co., Ltd. and International Bills Finance Corporation.

c. long-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans	$ 500,000	$ 580,000
Unsecured borrowings		
Bank loans	-	20,000
	500,000	600,000
Less: Current portions of long-term borrowing	-	(300,000)
	$ 500,000	$ 300,000
Expiry period	2024	2021-2024
Interest rate range	0.89%-0.92%	0.89%-1%

Please refer to Note 30 for details of the collaterals pledged for the above long-term borrowings.

17. TRADE PAYABLES

The average credit period on purchases of certain goods was 30 to 90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Company, usually more than twelve months after the reporting period. Refer to Note 21 for maturity analysis of retentions payable.

18. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payable for transportation fees	$ 57,228	$ 37,745
Payable for annual leave	30,105	28,164
Payable for tax	29,969	-
Payable for compensation of employees and remuneration of directors	12,141	10,745
Payable for insurance expenses	10,624	10,516
Payable for salaries or bonus	8,595	6,907
Payable for repairs and maintenance	5,624	4,664
Payable for professional fees	4,042	3,388
Others	56,504	44,989
	$ 214,832	$ 147,118

19. PROVISIONS

	For the Year Ended December 31	
	2021	2020
Current		
Warranties*	$ 61,070	$ 60,723
Onerous contract - loss on construction	338	69
	$ 61,408	$ 60,792

* The contractual obligation of the warranty expenditure is expected to occur during the warranty period after the completion of the construction contracts.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the independent balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	$ 339,563	$ 349,257
Fair value of plan assets	(340,111)	(326,224)
Net defined benefit liabilities (assets)	$ (548)	$ 23,033

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2021	$ 349,257	$ (326,224)	$ 23,033
Service cost			
Current service cost	5,220	-	5,220
Net interest expense (income)	1,746	(1,698)	48
Recognized in profit or loss	6,966	(1,698)	5,268
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,135)	(4,135)
Actuarial loss - changes in demographic assumptions	7,949	-	7,949
Actuarial loss - changes in financial assumptions	(3,414)	-	(3,414)
Actuarial loss - experience adjustments	(682)	-	(682)
Recognized in other comprehensive income	3,853	(4,135)	(282)
Contributions from the employer	-	(26,236)	(26,236)
Benefits paid	(18,182)	18,182	-
Company paid	(2,331)	-	(2,331)
Balance at December 31, 2021	$ 339,563	$ (340,111)	$ (548)
Balance at January 1, 2020	$ 355,637	$ (312,301)	$ 43,336
Service cost			
Current service cost	5,435	-	5,435
Net interest expense (income)	2,667	(2,445)	222
Recognized in profit or loss	8,102	(2,445)	5,657
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(9,869)	(9,869)
Actuarial loss - changes in financial assumptions	7,478	-	7,478
Actuarial loss - experience adjustments	3,460	-	3,460
Recognized in other comprehensive income	10,938	(9,869)	1,069
Contributions from the employer	-	(27,029)	(27,029)
Benefits paid	(25,420)	25,420	-
Balance at December 31, 2020	$ 349,257	$ (326,224)	$ 23,033

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2021	2020
Operating cost	$ 2,631	$ 2,899
Operating expenses	2,637	2,758
	$ 5,268	$ 5,657

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2021	**2020**
Discount rate(s)	0.625%	0.5%
Expected rate(s) of salary increase	2%	2%
Turnover rate	3%-7.5%	3%-7.5%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will decrease (increase) as follows:

	December 31	
	2021	**2020**
Discount rate(s)		
0.25% increase	$ (6,807)	$ (7,478)
0.25% decrease	$ 7,027	$ 7,730
Expected rate(s) of salary increase		
0.25% increase	$ 6,810	$ 7,483
0.25% decrease	$ (6,631)	$ (7,278)

The sensitivity analysis previously presented may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	**2020**
Expected contributions to the plan for the next year	$ 26,197	$ 26,834
Average duration of the defined benefit obligation	8.2 years	8.8 years

21. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Company's assets and liabilities relating to steel structure business was based on its operating cycle. The amount expected to be recovered or settled within one year after reporting period and more than one year after reporting period for related assets and liabilities are as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2021			
Assets			
Notes receivable	$ 38,136	$ -	$ 38,136
Trade receivables	1,539,150	-	1,539,150
Inventories	3,141,925	-	3,141,925
Contract assets - current	1,791,378	1,481,014	3,272,392
	$ 6,510,589	$ 1,481,014	$ 7,991,603
Liabilities			
Notes payable	$ 15,269	$ -	$ 15,269
Trade payables	1,481,001	141,896	1,622,897
Contract liabilities - current	1,380,717	-	1,380,717
	$ 2,876,987	$ 141,896	$ 3,018,883
December 31, 2020			
Assets			
Notes receivable	$ 126,203	$ -	$ 126,203
Trade receivables	635,261	-	635,261
Inventories	986,652	-	986,652
Contract assets - current	3,468,046	722,927	4,190,973
	$ 5,216,162	$ 722,927	$ 5,939,089
Liabilities			
Notes payable	$ 931	$ -	$ 931
Trade payables	907,412	212,977	1,120,389
Contract liabilities - current	298,877	24,878	323,755
	$ 1,207,220	$ 237,855	$ 1,445,075

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2021	**2020**
Number of shares authorized (in thousands)	440,000	440,000
Shares authorized	$ 4,400,000	$ 4,400,000
Number of shares issued and fully paid (in thousands)	419,982	399,426
Shares issued	$ 4,199,820	$ 3,994,260

On December 21, 2020, the board of directors resolved a cash capital increase by issuing 20,556 thousand new shares with a par value $10, and the base date of capital increase was April 8, 2021. The change of registration was completed on April 28, 2021.

The above cash capital increase proposal retains 10% of the cash capital increase shares, which totaled 2,056 thousand shares, for employees' subscription. The Company recognized salary expenses and capital surplus - employee share options of $39,660 thousand on the grant date.

b. Capital surplus

	December 31	
	2021	**2020**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 834,988	$ -
Treasury share transactions	439,828	333,208
Consolidation excess	51,956	51,956
Only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	8,510	8,510
Expired employee share options	4,877	2,775
Unclaimed dividends	193	93
	$1,340,352	$ 396,542

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on distribution of compensation of employees and remuneration of directors before and after amendment, refer to f. employee benefits expense in Note 24.

The Company's dividend policy also stipulates to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the parent company shall distribute dividends at no less than 50% of the net profit. The dividends may be distributed by either cash or shares, and cash dividends shall not be less than 50% of the total dividends.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2020 and 2019 which were approved in the shareholders' meetings on July 23, 2021 and June 18, 2020, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2020	**2019**	**2020**	**2019**
Legal reserve	$ 104,266	$ 94,744		
Cash dividends	872,378	793,071	$ 2.09	$ 2

The appropriations of earnings for 2021, which were proposed by the Company's board of directors on March 21, 2022, were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 146,908	
Cash dividends	1,251,274	$ 3

The appropriation of earnings for 2021 is subject to resolution in the shareholders' meeting to be held on June 10, 2022.

d. Treasury shares

	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiary - Ming Yu Investment Corporation (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	2,891	2,499	5,390
Additions	-	-	-
Less	-	(2,499)	(2,499)
Number of shares at December 31, 2021	2,891	-	2,891
Carrying amount at December 31, 2021	$ 49,938	$ -	$ 49,938
Number of shares at January 1, 2020	2,891	4,000	6,891
Additions	-	-	-
Less	-	(1,501)	(1,501)
Number of shares at December 31, 2020	2,891	2,499	5,390
Carrying amount at December 31, 2020	$ 49,938	$ 43,175	$ 93,113

For the years ended December 31, 2021 and 2020, the Company's shares were held by its subsidiary-Ming Yu Investment Corporation. Ming Yu Investment Corporation sold 2,499 and 1,501 thousand shares to unrelated parties.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Year Ended December 31	
	2021	2020
Construction contract revenue	$ 11,449,741	$ 7,117,905
Revenue from container repair	164,699	145,990
	$ 11,614,440	$ 7,263,895

a. Contact balances

	December 31	
	2021	2020
Contract assets		
Properties construction	$ 1,471,732	$ 3,036,146
Retention receivable	1,878,608	1,192,876
Less: Allowance for impairment loss	(77,948)	(38,049)
	$ 3,272,392	$ 4,190,973
Contract liabilities		
Properties construction	$ 1,380,717	$ 323,755

The movements of the loss allowance of retention receivables were as follows:

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 38,049	$ 24,949
Add: Net remeasurement of loss allowance	39,899	13,100
Balance at December 31	$ 77,948	$ 38,049

b. Partially completed contracts

As of December 31, 2021 and 2020, the transaction price allocated to contract performance obligations that have not been completed totaled NT$14,884,417 thousand and NT$15,905,650 thousand. The Group shall gradually recognize revenues based on the completion status of the projects. The revenues from the contracts are expected to be recognized before the end of 2023.

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2021	2020
Dividends income	$ 122,674	$ 100,549
Rental income	7,642	8,452
Others (Note 29)	21,186	16,301
	$ 151,502	$ 125,302

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on disposal of property, plant and equipment	$ 5,124	$ 1,173
Net foreign exchange gains (losses)	31	(89)
Impairment loss on investment properties	-	(3,417)
Others	(3,540)	(5,696)
	$ 1,615	$ (8,029)

c. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 10,668	$ 11,742
Interest of commercial paper	5,702	7,180
Interest on lease liabilities	237	225
	$ 16,607	$ 19,147

d. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 130,148	$ 128,480
Right-of-use assets	14,093	9,132
Intangible assets	3,278	4,310
	$ 147,519	$ 141,922
An analysis of deprecation by function		
Operating costs	$ 138,437	$ 132,138
Operating expenses	5,804	5,474
	$ 144,241	$ 137,612
An analysis of amortization by function		
Operating costs	$ 271	$ 1,306
Operating expenses	3,007	3,004
	$ 3,278	$ 4,310

e. Employee benefits expense

	For the Year Ended December 31	
	2021	**2020**
Post-employment benefits		
Defined contribution plans	$ 14,880	$ 13,881
Defined benefit plans (Note 20)	5,268	5,657
Other employee benefits	654,611	537,361
Total employee benefits expense	$ 674,759	$ 556,899
An analysis of employee benefits expense by function		
Operating costs	$ 315,934	$ 285,751
Operating expenses	358,825	271,148
	$ 674,759	$ 556,899

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued compensation of employees and remuneration of directors at rates of no less than 0.5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 21, 2022 and March 10, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees	0.50%	0.50%
Remuneration of directors	0.35%	0.44%

Amount

	For the Year Ended December 31	
	2021	**2020**
	Cash	**Cash**
Compensation of employees	$ 7,141	$ 5,745
Remuneration of directors	5,000	5,000

If there is a change in the amounts after the annual independent financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

The Company held board of directors' meetings on March 10, 2021 and March 16, 2020, and those meetings resulted in the actual amounts of the remuneration of directors paid for 2020 and 2019 to differ from the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019, respectively. The differences were adjusted to profit and loss in the following year.

	For the Year Ended December 31			
	2020		2019	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 5,745	$ 5,000	$ 5,407	$ 6,819
Amounts recognized in the annual financial statements	$ 5,745	$ 5,000	$ 5,407	$ 7,000

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense (revenue) recognized in profit or loss are as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 148,027	$ 87,586
Income tax on unappropriated earning	783	2,507
Adjustments for prior years	(1,483)	-
	147,327	90,093
Deferred tax		
In respect of the current year	(9,519)	2,602
Income tax expense recognized in profit or loss	$ 137,808	$ 92,695

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax	$ 1,416,068	$ 1,136,344
Income tax expense calculated at the statutory rate	$ 283,214	$ 227,269
Nondeductible expenses in determining taxable income	4	695
Tax-exempt income	(130,607)	(139,053)
Income tax on unappropriated earning	783	2,507
Loss on investments	(4,069)	-
Unrecognized temporary differences	(9,913)	1,277
Adjustments for prior years' tax	(1,483)	-
Others	(121)	-
Income tax expense recognized in profit or loss	$ 137,808	$ 92,695

b. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Compre-hensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Bad debts in excess of the limit	$ -	$ 9,285	$ -	$ 9,285
Payable for annual leave	5,632	389	-	6,021
Unrealized loss on inventories	-	4,455	-	4,455
Defined benefit plans	41	(41)	-	-
Unrealized exchange loss	24	(23)	-	1
Provision for warranties	12,145	69	-	12,214
Exchange differences on translation of the financial statements of foreign	-	-	118	118
	$ 17,842	$ 14,134	$ 118	$ 32,094
Deferred tax liabilities				
Temporary differences				
Reserve for land value increment tax	$ 65,995	$ -	$ -	$ 65,995
Unrealized exchange gain	-	4,615	57	4,672
	$ 65,995	$ 4,615	$ 57	$ 70,667

For the year ended December 31, 2020

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Compre-hensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Defined benefit plans	$ 4,102	$ (4,275)	$ 214	$ 41
Payable for annual leave	4,906	726	-	5,632
Unrealized exchange loss	-	24	-	24
Provision for warranties	11,223	922	-	12,145
	$ 20,231	$ (2,603)	$ 214	$ 17,842

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Reserve for land value increment tax	$ 65,995	$ -	$ -	$ 65,995
Unrealized exchange gain	1	(1)	-	-
	$ 65,996	$ (1)	$ -	$ 65,995

(Concluded)

c. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2021	2020
Deductible temporary differences		
Impairment loss on financial assets	$ 124,736	$ 145,079
Loss on market price decline	-	20,114
Unrealized gain on the transactions with subsidiaries	-	1,739
	$ 124,736	$ 166,932

d. Income tax assessments

The income tax of the Company through 2019 has been assessed by the Tax Authorities.

26. EARNINGS PER SHARE

Units: NT$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share	$ 3.11	$ 2.65
Diluted earnings per share	$ 3.11	$ 2.65

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net profit for the year

	For the Year Ended December 31	
	2021	2020
Profit for the year	$ 1,278,260	$ 1,043,649

Shares

Unit: In Thousand Shares

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	410,803	394,011
Effect of potentially dilutive ordinary shares:		
Compensation of employees	153	159
Weighted average number of ordinary shares outstanding in the computation of diluted earnings per share	410,956	394,170

The Company may settle the compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

Fair value hierarchy as of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 11,798,423	$ -	$ -	$ 11,798,423
Unlisted shares - ROC	-	-	824,115	824,115
Unlisted shares in other country	-	-	121,213	121,213
	$ 11,798,423	$ -	$ 945,328	$ 12,743,751

Fair value hierarchy as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 5,298,293	$ -	$ -	$ 5,298,293
Unlisted shares - ROC	-	-	881,433	881,433
Unlisted shares in other country	-	-	149,199	149,199
	$ 5,298,293	$ -	$ 1,030,632	$ 6,328,925

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments: None

3) Valuation techniques and inputs applied for Level 2 fair value measurement: None

4) Valuation techniques and inputs applied for Level 3 fair value measurement: The fair values of unlisted equity securities - ROC were determined using market approach. The market approach is used to arrive at their par values for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets at amortized cost (1)	$ 2,383,401	$ 1,475,523
Financial assets at FVTOCI		
Equity instruments	12,743,751	6,328,925
Financial liabilities		
Financial liabilities measured at amortized cost (2)	3,199,762	4,659,473
Lease liabilities	24,904	18,494

1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade and other receivables, financial assets at amortized cost and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise notes payable and trade payables, other payables, guarantee deposits received, short-term borrowings, short-term bills payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, trade receivable, trade payables, borrowings and lease liabilities. The Company's Corporate Treasury function coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 32.

Sensitivity analysis

The Company was mainly exposed to the Currency USD and Currency RMB.

The Company analyzes its sensitivity's increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial liabilities	$ 574,841	$ 2,807,665
Cash flow interest rate risk		
Financial assets	574,312	571,875
Financial liabilities	500,000	300,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $372 thousand and $1,359 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, time deposits and demand deposits.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities. The Company's equity price risk was mainly concentrated on equity instruments operating in Taiwan industry sector quoted in the Taiwan Stock Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, pre-tax profit for years ended December 31, 2021 and 2020 would have increased/decreased by $382,313 thousand and $189,868 thousand, respectively, as a result of the changes in fair value of financial assets as FVTOCI.

The Company's sensitivity to equity prices increased due to the impact of equity price fluctuations.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk which may cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Company is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

The Company's concentration of credit risk of 42% and 45% of total trade receivables as of December 31, 2021 and 2020, respectively, was related to the Company's five largest customers. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2021

	Less than 1 Year	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 2,007,859	$ 141,965	$ -
Lease liabilities	13,793	11,339	-
Variable interest rate liabilities	-	510,066	-
Fixed interest rate liabilities	549,958	-	-
	$ 2,571,610	$ 663,370	$ -

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,357,256	$ 212,977	$ -
Lease liabilities	8,908	9,835	-
Variable interest rate liabilities	301,390	-	-
Fixed interest rate liabilities	2,489,719	308,147	-
	$ 4,157,273	$ 530,959	$ -

b) Financing facilities

	December 31	
	2021	2020
Unsecured bank facility		
Amount used	$ 1,051,335	$ 2,510,000
Amount unused	5,732,665	3,985,000
	$ 6,784,000	$ 6,495,000
Secured bank facility		
Amount used	$ 600,000	$ 580,000
Amount unused	780,000	800,000
	$ 1,380,000	$ 1,380,000

29. TRANSACTIONS WITH RELATED PARTIES

In addition to information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related parties and their relationships

Related Party	Relationship with the Company
Evergreen International Corporation	Investor that has significant influence over the Company
EVA Airways Corporation	Related party in substance
Evergreen Security Corporation	Related party in substance
Ever Accord Construction Corporation	Related party in substance
Evergreen Logistics Corporation	Related party in substance
Evergreen Marine Corporation	Related party in substance
Hsin Yung Enterprise Corporation	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	Subsidiary
Ever Ecove Corporation	Subsidiary
Ming Yu Investment Corporation	Subsidiary

b. Sales of goods

Related Party	For the Year Ended December 31 2021	2020
Related party in substance	$ 666,239	$ 507,493

The sales conditions for related parties in substance were not significantly different from those sales made to the Company's usual price list. There was no comparable sales price between non-related parties and related party in substance for repairing containers.

c. Other income

Related Party	For the Year Ended December 31 2021	2020
Subsidiaries	$ 2,603	$ 3,008

d. Purchases of goods and expenses

Related Party	For the Year Ended December 31 2021	2020
Investors that has significant influence over the Company	$ 8,434	$ 9,886
Substances	-	15
Related party in substance	14,960	15,832
	$ 23,394	$ 25,733

The purchases to related parties had no significant differences with other non-related parties.

e. Contract assets

Related Party	December 31 2021	2020
Related party in substance	$ 108,229	$ 303,337

For the years ended December 31, 2021 and 2020, impairment loss of $4,654 thousand and $2,652 thousand, respectively, was recognized for contract assets from related parties.

f. Receivables from related parties

Trade receivables

Related Party	December 31 2021	2020
Related party in substance	$ 32,275	$ 151,094

Other receivables

Related Party	December 31 2021	2020
Subsidiaries	$ 126	$ 126

The outstanding trade receivables from related parties are unsecured.

g. Payables to related parties

Other payables

Related Party	December 31 2021	December 31 2020
Investors that has significant influence over the Company	$ 1,368	$ 1,733
Related party in substance	1,301	1,257
Subsidiaries	-	15
	$ 2,669	$ 3,005

The outstanding trade payables to related parties are unsecured.

h. Lease arrangements

Line Item	Related Party	December 31 2021	December 31 2020
Right-of-use assets	Investors that has significant influence over the Company	$ -	$ 1,004
Lease liabilities	Investors that has significant influence over the Company	$ -	$ 1,015

The Company rents other equipment from Evergreen International Corporation for $85 thousand per month, and the lease terms is from January 2019 to December 2021. However, the Company terminated the agreement in advance in May 2021, and recognized the gain on lease modification of $7 thousand.

i. Compensation of key management personnel

	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Short-term employee benefits	$ 22,879	$ 21,548
Post-employment benefits	933	1,704
Share-based payments	656	-
	$ 24,468	$ 23,252

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, letters of credit issuance, projects performance and performance guarantees, etc.

	December 31 2021	December 31 2020
Property, plant, and equipment, net	$ 1,946,935	$ 1,995,432
Financial assets at amortized cost	3,600	3,600
	$ 1,950,535	$ 1,999,032

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2021 and 2020 were as follows:

a. As of December 31, 2021 and 2020, unused letters of credit for purchasing of materials are as follows:

	December 31	
Currency	**2021**	**2020**
NTD	$ 283,947	$ 472,963
USD	-	984

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2021

Unit: In Thousands of Foreign Currencies/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 119	27.68 (USD:NTD)	$ 3,289
Non-monetary items			
Investments accounted for using the equity method			
RMB	3,785	4.344 (RMB:NTD)	16,444
Financial liabilities			
Monetary items			
RMB	949	4.344 (RMB:NTD)	4,121

December 31, 2020

Unit: In Thousands of Foreign Currencies/New Taiwan Dollars

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Non-monetary items			
Investments accounted for using the equity method			
RMB	$ 2,939	4.377 (RMB:NTD)	$ 12,866
Financial liabilities			
Monetary items			
RMB	1,094	4.377 (RMB:NTD)	4,789

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Financing provided: None.

2) Endorsements/guarantees provided: See Table 1 below.

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 2 below.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: See Table 3 below.

5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table 4 below.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Information on investees: See Table 5 below.

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. See Table 6 below.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose.

   e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

c. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 7 attached.

34. OTHERS

The Company's assessment of COVID-19 has little impact on the overall operations; however, the international epidemic is still uncertain. The Company will continue to pay attention to the development of the epidemic and take relevant counter measurements to alleviate the impact on the Company's operations.

EVERGREEN STEEL CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guaranteed Amount Provided to Each Guarantee Party	Maximum Amount Endorsed/ Guaranteed During the Period	Ending Balance	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Evergreen Steel Corporation	Ever Ecove Corporation	Subsidiary	$ 11,604,477	$ 3,087,000	$ 3,087,000	$ 2,142,000	$ -	13.30	$ 11,604,477	Y	-	-	Note 2
1	Ming Yu Investment Corporation	Evergreen Steel Corporation	Parent Company	4,973,591	1,201,220	1,201,220	1,201,220	-	483.04	4,973,591	-	Y	-	Note 3

Note 1: The Company and its subsidiaries are numbered as follows:

a. “0” for the Company.
b. Subsidiaries are numbered from “1”.

Note 2: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of the Company’s endorsements or guarantees for subsidiaries holding more than 50% of the shares is not limited by the above ratio, but the maximum shall not exceed 50% of the net value of the most recent financial statements of the Company.

Note 3: According to endorsement or guarantee provided regulation formulated by subsidiaries, the total amount of endorsement or guarantee that the Company is allowed to provide is up to 2,000% of the net worth value of the latest financial statements of the Company.

Note 4: The limit on endorsements or guarantees provided to each guaranteed party is up to 50% of the net worth value of the latest financial statements of the Company. However, the amount of endorsements or guarantees for subsidiaries is not limited by the above ratio, but the maximum shall not exceed 200% of the net value of the most recent financial statements of the Company.

EVERGREEN STEEL CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Evergreen Steel Corporation	Ordinary shares							
	EVA Airways Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	206,973	$ 5,784,889	3.99	$ 5,784,889	
	Shin Kong Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - non-current	7,931	87,641	0.06	87,641	
	Evergreen Marine Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	38,262	5,452,293	0.72	5,452,293	
	Taiwan High Speed Rail Corporation	-	Financial assets at FVTOCI - non-current	16,000	473,600	0.28	473,600	
	Taiwan Terminal Services Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	100	1,035	1.00	1,035	
	Taiwan Aerospace Corporation	-	Financial assets at FVTOCI - non-current	5,503	62,522	4.06	62,522	
	Pacific Resources Corporation	-	Financial assets at FVTOCI - non-current	591	-	2.56	-	
	Taiwan Incubator SME Development Corporation.	-	Financial assets at FVTOCI - non-current	7,689	65,342	10.90	65,342	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	-	Financial assets at FVTOCI - non-current	6,679	121,213	13.39	121,213	
	Dongwei Transportation Co., Ltd.	-	Financial assets at FVTOCI - non-current	660	7,940	18.86	7,940	
	Ever Accord Construction Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	7,500	70,755	12.50	70,755	
	UNI Airways Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	56,475	616,375	14.99	616,375	
	Evergreen Security Corporation	Investee of the Company's mainly shareholders	Financial assets at FVTOCI - non-current	10	146	0.05	146	

TABLE 3

EVERGREEN STEEL CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares (In Thousands)	Amount
Evergreen Steel Corporation	Ordinary shares - EVA Airways Corporation	Financial assets at FVTOCI - non-current	-	Related party in substance	240,604	$ 3,478,403	100	$ 1,576	33,731	$ 653,692	$ 487,664	$ 166,028	206,973	$ 2,992,315

Note: Valuation adjustments at year-end are not included.

TABLE 4

EVERGREEN STEEL CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchaser/Seller	Related Party	Relationship	Transaction Details				Differences in Transaction Terms Compared to Third Party Transactions		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Evergreen Steel Corporation	Ever Accord Construction Corporation	Related party in substance	Sale	$ 512,308	4.41	30-60 days	No significant difference	No significant difference	$ -	-	Note 1
	Evergreen Marine Corporation	Related party in substance	Sale	153,929	1.33	15-45 days	Note 2	No significant difference	32,273	2.00	

Note 1: The amount of contract assets of $106,275 thousand was generated by the transaction between the Company and its related party in substance.

Note 2: No similar prices on revenue from containers repair to compare with related party in substance.

EVERGREEN STEEL CORPORATION

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ACCOUNTED FOR
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Losses) of the Investee	Share of Profits/ Losses of Investee	Note
				December 31, 2021	December 31, 2020	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
Evergreen Steel Corporation	Hsin Yung Enterprise Corporation	Taiwan	Waste treatment, disposal and cogeneration	$ 992,666	$ 992,666	99,267	68.46	$ 2,174,561	$ 603,995	$ 413,493	Subsidiary
	Super Max Engineering Enterprise Co., Ltd.	Taiwan	Waste collection, treatment and disposal	594,441	594,440	24,147	48.13	919,737	293,409	141,208	Subsidiary
	Ever Ecove Corporation	Taiwan	Waste treatment, disposal and cogeneration	801,000	801,000	80,100	50.06	763,964	(33,444)	(16,743)	Subsidiary
	Ming Yu Investment Co., Ltd.	Taiwan	Investment activities	239,487	239,487	10,350	100.00	248,680	(7,597)	(7,597)	Subsidiary
Super Max Engineering Enterprise Co., Ltd.	Kun Lin Engineering Co., Ltd.	Taiwan	Planning of wastewater, air and noise prevention; design, construction, sale, operation and maintenance of related equipment	18,000	18,000	5,000	50.00	157,509	63,782	31,891	Accounted for using the equity method

Note: Refer to Table 6 for information on investments in mainland China.

TABLE 6

EVERGREEN STEEL CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Foreign Currency Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits (Losses)	Carrying Amount as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021	Note
					Outflow	Inflow							
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	Design, manufacture and installation of waste water, waste gas equipment and various piping	$ 11,072 (US$ 400)	c	$ 11,072 (US$ 400)	$ -	$ -	$ 11,072 (US$ 400)	$ 22,995 (RMB 5,297)	24.07	$ 5,533	$ 16,444	$ 42,296 (US$ 1,528)	

Accumulated Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment
$ 11,072 (US$ 400)	$ 11,072 (US$ 400) (Note 3)	$ 15,769,516

Note 1: Investment methods are classified into the following three categories:

a. Directly invest in a company in Mainland China.
b. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
c. Others.

Note 2: The amount was recognized based on the audited financial statements.

Note 3: Investments approved by the Ministry of Economic Affairs, ROC are as follows:

Name of Investee	Date	Order No.	Approved Amounts
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	2007.6.15	09600201610	US$ 200
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	2008.1.25	09700027430	US$ 100
Kunshan Weisheng Environmental Equipment Engineering Co., Ltd.	2008.7.22	09700252240	US$ 100
			US$ 400

EVERGREEN STEEL CORPORATION

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Evergreen International Corporation	91,101,257	21.69
EVA Airways Corporation	38,201,625	9.09
Continental Engineering Corp.	25,645,907	6.10
Chang, Kuo-Hua	25,008,820	5.95
Chang, Kuo-Ming	25,008,820	5.95
Chang, Kuo-Cheng	25,008,820	5.95
Chang Yung-Fa Foundation	25,008,820	5.95

Note 1: The information on the major shareholder listed in the table above is based on the total number of ordinary and preference shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company’s financial statements may be different due to differences in the basis of preparation and calculation.

Note 2: According the above information, the delivery of shares to the trust by shareholders is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who acquire more than 10% of shareholding have to disclose their insider ownerships, including their own shares held and those delivered to the trust over which shareholders have the right to make decisions on trust property, etc. Information on insider ownership declaration is available at the Market Observation Post System website of the Taiwan Stock Exchange.

EVERGREEN STEEL CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

EVERGREEN STEEL CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Remark	Amount
Cash on hand		$ 2,815
Cash in banks		
Checking accounts and demand deposits	Note	170,937
Time deposits		566,000
		$ 739,752

Note: Includes US$119 thousand at $27.68.

EVERGREEN STEEL CORPORATION

STATEMENT OF TRADE RECEIVABLE
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Client A	$ 310,421
Client B	247,941
Client C	137,217
Client D	86,049
Client E	83,590
Client F	79,149
Others (Note)	628,656
	$ 1,573,023

Note: The amount of individual client included in others does not exceed 5% of the account balance.

EVERGREEN STEEL CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Raw materials	$ 3,156,992	$ 3,141,252
Supplies	8,447	1,914
	$ 3,165,439	$ 3,143,166

EVERGREEN STEEL CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2021		Additions in Investment (Note 1)		Decrease in Investment (Note 2)		Balance at December 31, 2021		
Investees	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Collateral
EVA Airways Corporation	240,604	$ 3,163,939	100	$ 3,108,614	(33,731)	$ (487,664)	206,973	$ 5,784,889	N/A
Shin Kong Financial Holding Co., Ltd.	7,934	69,903	447	22,607	(450)	(4,869)	7,931	87,641	N/A
Evergreen Marine Corporation	38,262	1,557,251	-	3,895,042	-	-	38,262	5,452,293	N/A
Taiwan High Speed Rail Corporation	16,000	507,200	-	-	-	(33,600)	16,000	473,600	N/A
Taiwan Terminal Services Corporation	100	818	-	217	-	-	100	1,035	N/A
Taiwan Aerospace Corporation	5,503	61,534	-	988	-	-	5,503	62,522	N/A
Pacific Resources Corporation.	2,625	-	-	-	(2,034)	-	591	-	N/A
Taiwan Incubator SME Development Corporation	7,689	62,142	-	3,200	-	-	7,689	65,342	N/A
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	6,679	149,199	-	-	-	(27,986)	6,679	121,213	N/A
Dongwei Transportation Co., Ltd.	660	6,641	-	1,299	-	-	660	7,940	N/A
Ever Accord Construction Corporation	7,500	49,066	-	21,689	-	-	7,500	70,755	N/A
UNI Airways Corporation	56,475	701,091	-	-	-	(84,716)	56,475	616,375	N/A
Evergreen Security Corporation	10	141	-	5	-	-	10	146	N/A
		$ 6,328,925		$ 7,053,661		$ (638,835)		$ 12,743,751	

Note 1: The increase in investment based on purchase of financial assets at FVTOCI was 547 thousand shares which amounted to $5,240 thousand; and unrealized (loss) gain on financial assets at FVTOCI was $7,048,421 thousand.

Note 2: The decrease in investment from disposal of financial assets at FVTOCI was 34,181 thousand shares which amounted to $492,533 thousand; and unrealized (loss) gain on financial assets at FVTOCI was $146,302 thousand, and investee capital reduction to cover accumulated deficit reduced 2,034 thousand ordinary shares.

EVERGREEN STEEL CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Balance at January 1, 2021		Additions in Investment		Decrease in Investment		Increase (Decrease) in Using the Equity Method	Balance at December 31, 2021			Market Value or Net Assets Value	
Investees	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount		Shares (In Thousands)	%	Amount		Collateral
Hsin Yung Enterprise Corporation (Note 1)	99,267	$ 1,753,091	-	$ 504,483	-	$ (496,506)	$ 413,493	99,267	68.46	$ 2,174,561	$ 2,174,561	N/A
Super Max Engineering Enterprise Co., Ltd. (Note 2)	16,098	825,841	8,049	982	-	(48,294)	141,208	24,147	48.13	919,737	919,737	N/A
Ever Ecove Corporation (Note 3)	80,100	780,765	-	-	-	(58)	(16,743)	80,100	50.06	763,964	763,964	N/A
Ming Yu Investment Corporation (Note 4)	10,350	289,005	-	187,272	-	(220,000)	(7,597)	10,350	100.00	248,680	248,680	N/A
		$ 3,648,702		$ 692,737		$ (764,858)	$ 530,361	-		$ 4,106,942	$ 4,106,942	

Note 1: The increase in the transactions with subsidiaries that was realized was $1,739 thousand; investment based on the proportion of unrealized (losses) gains on financial assets at FVTOCI was $502,744 thousand. The decrease in investment based on the proportion of net defined benefit was $173 thousand; and based on issued cash dividends was $496,333 thousand.

Note 2: The increase in investment based on the proportion of net defined benefits was $921 thousand; and investment based on shares of subsidiary capital increase was $1 thousand, and on the proportion of foreign currency exchange was $60 thousand. The decrease in investment was based issued cash dividends was $48,294 thousand.

Note 3: The decrease in investment based on the proportion of net defined benefit was $58 thousand.

Note 4: The increase in invested company due to the sale of treasury shares was $149,795 thousand (reversal accounted for using equity method); investment based on the proportion of unrealized (losses) gains on financial assets at FVTOCI was $37,477 thousand. The decrease in investment based on issued cash dividends was $220,000 thousand.

EVERGREEN STEEL CORPORATION

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Client Name	Amount	Note
Client A	$ 247,110	
Client B	235,729	
Client C	111,252	
Others	1,044,291	Note
	$ 1,638,382	

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 7

EVERGREEN STEEL CORPORATION

STATEMENT OF NET REVENUE
FOR THE YEARS ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Tonnage	Amount
Construction contract revenue	214,233	$ 11,449,741
Revenue from container repair	-	168,944
Less: Sales return		(4,245)
		$ 11,614,440

EVERGREEN STEEL CORPORATION

STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Inventory balance at the beginning of the year	$ 3,404
Add: Purchases, net	17,042
Less: Inventory balance at the end of the year	(3,286)
Others	(3,113)
Materials consumed	14,047
Direct labor	53,636
Manufacturing expenses	65,904
Manufacturing cost	133,587
Other cost of goods sold	
Add: Sales of material	47
Loss on disposal of inventories	16
Less: Sales scraps	(474)
Cost of goods sold for manufacturing sector	133,176
Invested construction cost	10,341,591
Other cost of goods sold	
Add: Others	2,865
Loss on disposal of inventories	2,143
Less: Sales scraps	(85,560)
Cost of goods sold for construction sector	10,261,039
	$ 10,394,215

EVERGREEN STEEL CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Total
Payroll and related expenses	$ 232,527	$ 81,427	$ 313,954
Insurance expenses	24,424	5,157	29,581
Others (not exceeding 5%)	40,503	53,354	93,857
	$ 297,454	$ 139,938	$ 437,392

EVERGREEN STEEL CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021			2020		
	Classified as Cost of Goods Sold	Classified as Operating Expenses	Total	Classified as Cost of Goods Sold	Classified as Operating Expenses	Total
Labor cost						
Salary	$ 254,002	$ 301,434	$ 555,436	$ 233,599	$ 221,682	$ 455,281
Labor and health insurance	24,613	17,492	42,105	21,096	16,425	37,521
Pension	9,737	10,411	20,148	9,684	9,854	19,538
Board compensation	-	12,520	12,520	-	12,967	12,967
Others	27,582	16,968	44,550	21,372	10,220	31,592
	$ 315,934	$ 358,825	$ 674,759	$ 285,751	$ 271,148	$ 556,899
Depreciation	$ 138,437	$ 5,804	$ 144,241	$ 132,138	$ 5,474	$ 137,612
Amortization	$ 271	$ 3,007	$ 3,278	$ 1,306	$ 3,004	$ 4,310

Note:

1. As of December 31, 2021 and 2020, the Company had 596 and 570 employees, respectively. Among them 7 directors did not serve concurrently as employees for both years.

2. a. For the years ended December 31, 2021 and 2020, the average labor cost was $1,124 thousand and $966 thousand, respectively.

   b. For the years ended December 31, 2021 and 2020, the average salary was $943 thousand and $809 thousand, respectively.

   c. The change in average salary was 16.56%.

   d. The Company had set an independent director, so it did not have supervisors for the years ended December 31, 2021 and 2020.

   e. The remuneration policies of the Company's directors, managers and employees are described as follows:

      1) General directors and independent directors

         In accordance with the Articles of Incorporation and the remuneration payment regulations for directors, if the Company has distributable profit of the current year, the ratio set for directors' remuneration shall not be higher than 2% of distributable profit; and in the total amount of directors' remuneration, individual directors' remuneration shall be allocated according to the degree of each directors' participation in the operation of the Company and the value of their contributions, as well as take into account the general pay levels of the industry.

      2) Remuneration of the general manager and the vice general manager is regulated in accordance with the remuneration payment regulations for managerial officers and is paid according to the Company's overall operating situation and the results of personal performance assessment.

      3) Fixed remuneration of the Company's employees is paid in accordance with the salary standard of each position and is adjusted according to the Company's revenue status, the general pay levels of the market and personal performance. In addition, variable remuneration such as employees' compensation and year-end bonus is paid in accordance with the Articles of Incorporation or the Company's operating result and personal performance.

      4) Remuneration of the directors and managerial officers shall be reviewed by the Company's remuneration committee and approved by the board of directors.

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