

SESODA CORPORATION AND SUBSIDIARIES**Consolidated Financial Statements**

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors SESODA CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of SESODA CORPORATION and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$208,626 thousand and \$221,209 thousand, constituting 1.70% and 1.59% of consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to \$25,920 thousand and \$27,371 thousand, constituting 0.44% and 0.38% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive income (loss) amounting to \$(8,573) thousand, \$(1,613) thousand, \$(14,703) thousand and \$(7,775) thousand, constituting 1.38%, (0.45)%, 5.13% and (1.06)% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SESODA CORPORATION and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Huang, Ming-Hung and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
August 11, 2025

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SESODA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

| Assets | December 31, 2024 (Restated) | | | | | | June 30, 2024 (Restated) | | | | | | December 31, 2024 (Restated) | | | | | | June 30, 2024 (Restated) | | | | | | |
|----------------------------|---|----|----------------------|------------|-------------------|------------|-----------------------------|------------|--------|---|----|----------------------|---------------------------------|-------------------|------------|-------------------|------------|--|-----------------------------|--|--------|--|---|--|--|
| | June 30, 2025 | | | | Amount | | % | | Amount | | % | | Amount | | % | | Amount | | % | | Amount | | % | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | \$ | 2,138,185 | 17 | 2,113,651 | 15 | 2,139,562 | 15 | 2100 | Short-term borrowings (notes 6(j), (w) and 8) | \$ | 1,671,829 | 13 | 1,592,241 | 12 | 2,125,454 | 15 | | | | | | | | |
| 1110 | Current financial assets at fair value through profit or loss (note 6(c)) | | 9,777 | - | 10,955 | - | 2,010 | - | 2110 | Total short-term notes and bills payable (notes 6(k) and (w)) | | 47,995 | - | - | - | - | - | | | | | | | | |
| 1136 | Current financial assets at amortized cost (note 6(b)) | - | - | - | 117,665 | 1 | - | - | 2322 | Long-term borrowings, current portion (notes 6(j), (w) and 8) | | 705,933 | 6 | 719,252 | 5 | 585,717 | 4 | | | | | | | | |
| 1150 | Notes receivable, net (note 6(e)) | | 80,306 | 1 | 92,953 | 1 | 114,294 | 1 | 2170 | Accounts payable | | 366,838 | 3 | 290,410 | 2 | 317,817 | 3 | | | | | | | | |
| 1170 | Accounts receivable, net (note 6(e)) | | 448,052 | 4 | 701,292 | 5 | 576,259 | 4 | 2200 | Other payables (notes 6(r) and 7) | | 409,047 | 3 | 570,034 | 4 | 535,868 | 4 | | | | | | | | |
| 130X | Inventories (note 6(f)) | | 615,670 | 5 | 503,225 | 4 | 553,310 | 4 | 2230 | Current tax liabilities | | 94,682 | 1 | 211,849 | 2 | 126,215 | 1 | | | | | | | | |
| 1476 | Other current financial assets | | 37,386 | - | 131,343 | 1 | 268,848 | 2 | 2280 | Lease liabilities-current (notes 6(l) and (w)) | | 5,409 | - | 6,086 | - | 7,459 | - | | | | | | | | |
| 1470 | Other current assets | | 158,775 | 1 | 241,623 | 2 | 289,013 | 2 | 2399 | Other current liabilities (note 6(j)) | | 74,545 | 1 | 71,355 | - | 147,254 | 1 | | | | | | | | |
| | Total current assets | | <u>3,488,151</u> | <u>28</u> | <u>3,912,707</u> | <u>29</u> | <u>3,943,296</u> | <u>28</u> | | Total current liabilities | | <u>3,376,278</u> | <u>27</u> | <u>3,461,227</u> | <u>25</u> | <u>3,845,784</u> | <u>28</u> | | | | | | | | |
| Non-current assets: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1510 | Non-current financial assets at fair value through profit or loss (note 6(c)) | | 21,546 | - | 23,944 | - | 11,582 | - | 2540 | Long-term borrowings (notes 6(j), (w) and 8) | | 1,658,703 | 14 | 2,204,403 | 16 | 2,590,009 | 19 | | | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (note 6(d)) | | 93,924 | 1 | 91,872 | 1 | 76,557 | 1 | 2570 | Deferred tax liabilities | | 787,861 | 6 | 787,861 | 6 | 744,402 | 5 | | | | | | | | |
| 1550 | Investments accounted for using equity method, net (note 6(g)) | | 103,419 | 1 | 111,547 | 1 | 238,340 | 2 | 2580 | Lease liabilities-non-current (notes 6(l) and (w)) | | 4,589 | - | 4,445 | - | 6,856 | - | | | | | | | | |
| 1600 | Property, plant and equipment (notes 6(h), 8 and 9) | | 8,449,330 | 69 | 9,466,136 | 69 | 9,529,717 | 69 | 2645 | Guarantee deposits received | | 80 | - | 80 | - | 80 | - | | | | | | | | |
| 1755 | Right-of-use assets (note 6(i)) | | 9,903 | - | 10,389 | - | 14,110 | - | | Total non-current liabilities | | <u>2,451,233</u> | <u>20</u> | <u>2,996,789</u> | <u>22</u> | <u>3,341,347</u> | <u>24</u> | | | | | | | | |
| 1840 | Deferred tax assets | | 32,412 | - | 2,751 | - | 37,951 | - | 3100 | Total liabilities | | <u>5,827,511</u> | <u>47</u> | <u>6,458,016</u> | <u>47</u> | <u>7,187,131</u> | <u>52</u> | | | | | | | | |
| 1975 | Net defined benefit asset | | 67,848 | 1 | 67,028 | - | 48,143 | - | 3200 | Equity (notes 6(g) and (o)) : | | | | | | | | | | | | | | | |
| 1995 | Other non-current assets, others (note 9) | | 17,480 | - | 11,666 | - | 11,691 | - | 3310 | Capital stock | | <u>2,490,017</u> | <u>20</u> | <u>2,490,017</u> | <u>18</u> | <u>2,490,017</u> | <u>18</u> | | | | | | | | |
| | Total non-current assets | | <u>8,795,862</u> | <u>72</u> | <u>9,785,333</u> | <u>71</u> | <u>9,968,091</u> | <u>72</u> | 3320 | Capital surplus | | <u>72,761</u> | <u>1</u> | <u>71,868</u> | <u>-</u> | <u>105,481</u> | <u>1</u> | | | | | | | | |
| | | | | | | | | | 3350 | Retained earnings : | | | | | | | | | | | | | | | |
| | | | | | | | | | 3310 | Legal reserve | | | | | | | | | | | | | | | |
| | | | | | | | | | 3320 | Special reserve | | | | | | | | | | | | | | | |
| | | | | | | | | | 3350 | Unappropriated retained earnings | | | | | | | | | | | | | | | |
| | | | | | | | | | | Other equity interest : | | | | | | | | | | | | | | | |
| | | | | | | | | | 3410 | Exchange differences on translation of foreign financial statements | | | | | | | | | | | | | | | |
| | | | | | | | | | 3420 | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | | | | | | | | | | | | | | | |
| | | | | | | | | | | Total equity | | | | | | | | | | | | | | | |
| | | | | | | | | | | Total liabilities and equity | | | | | | | | | | | | | | | |
| | Total assets | | <u>\$ 12,284,013</u> | <u>100</u> | <u>13,698,040</u> | <u>100</u> | <u>13,911,387</u> | <u>100</u> | | | | <u>\$ 12,284,013</u> | <u>100</u> | <u>13,698,040</u> | <u>100</u> | <u>13,911,387</u> | <u>100</u> | | | | | | | | |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SESODA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

| | For the three months ended June 30 | | | | For the six months ended June 30 | | | |
|------|---|---|-----------------|------|----------------------------------|-----|-----------------|------|
| | 2025 | | 2024 (Restated) | | 2025 | | 2024 (Restated) | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| 4110 | Operating revenue (note 6(q)) | | \$ 1,448,706 | 100 | 1,619,593 | 100 | 2,967,222 | 100 |
| 5111 | Operating cost (notes 6(f), (h), (i), (m), 7 and 12) | | 1,011,143 | 70 | 1,051,511 | 65 | 2,064,809 | 70 |
| | Gross profit from operations | | 437,563 | 30 | 568,082 | 35 | 902,413 | 30 |
| 6000 | Operating expenses (notes 6(e), (h), (i), (l), (m), (r), 7 and 12): | | | | | | | |
| 6100 | Selling expenses | | 98,938 | 7 | 110,967 | 7 | 202,656 | 7 |
| 6200 | Administrative expenses | | 79,965 | 5 | 107,955 | 7 | 190,958 | 6 |
| 6450 | Expected credit gain | | (2,942) | - | (6,978) | - | (2,942) | - |
| | Total operating expenses | | 175,961 | 12 | 211,944 | 14 | 390,672 | 13 |
| 6900 | Net operating income | | 261,602 | 18 | 356,138 | 21 | 511,741 | 17 |
| 7000 | Non-operating income and expenses (notes (g), (h), (l) and (s)): | | | | | | | |
| 7100 | Interest income | | 15,522 | 1 | 20,271 | 1 | 33,016 | 1 |
| 7010 | Other income | | 421 | - | 86 | - | 501 | - |
| 7020 | Other gains and losses | | (183,920) | (13) | 38,504 | 2 | (87,462) | (3) |
| 7050 | Finance costs | | (32,847) | (2) | (55,649) | (3) | (74,706) | (3) |
| 7060 | Share of loss of associates and joint ventures accounted for using equity method | | (4,584) | - | (9,747) | - | (7,848) | - |
| | Total non-operating income and expenses | | (205,408) | (14) | (6,535) | - | (136,499) | (5) |
| 7900 | Income before tax | | 56,194 | 4 | 349,603 | 21 | 375,242 | 12 |
| 7950 | Less: Income tax expenses (note 6(n)) | | 30,644 | 2 | 70,254 | 4 | 92,970 | 3 |
| | Net income | | 25,550 | 2 | 279,349 | 17 | 282,272 | 9 |
| 8300 | Other comprehensive income (notes 6(g) and (o)): | | | | | | | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | | | | | | | |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | | 3,735 | - | 9,494 | 1 | 15,689 | 1 |
| 8320 | Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | | (25) | - | 142 | - | (280) | - |
| 8349 | Minus : income tax related to components of other comprehensive income that will not be reclassified to profit or loss | | - | - | - | - | - | - |
| | Components of other comprehensive income that will not be reclassified to profit or loss | | 3,710 | - | 9,636 | 1 | 15,409 | 1 |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | | | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | | (650,180) | (45) | 67,603 | 4 | (584,093) | (20) |
| 8399 | Minus : income tax related to components of other comprehensive income that will be reclassified to profit or loss | | - | - | - | - | - | - |
| | Components of other comprehensive income that will be reclassified to profit or loss | | (650,180) | (45) | 67,603 | 4 | (584,093) | (20) |
| 8300 | Other comprehensive income | | (646,470) | (45) | 77,239 | 5 | (568,684) | (19) |
| | Total comprehensive income | | \$ (620,920) | (43) | 356,588 | 22 | (286,412) | (10) |
| | Basic earnings per share | | \$ 0.10 | | 1.12 | | 1.13 | |
| 9750 | Basic earnings per share (note 6(p)) (expressed in New Taiwan Dollars) | | \$ 0.10 | | 1.12 | | 1.13 | |
| 9850 | Diluted earnings per share (note 6(p)) (expressed in New Taiwan Dollars) | | \$ 0.10 | | 1.12 | | 1.13 | |
| | | | | | | | | |

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SESODA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

| | Retained earnings | | | | | | Total other equity interest | | | |
|---|---------------------|-----------------|------------------|-----------------|----------------------------------|-------------------------|---|----------------------------|-----------------------------|------------------|
| | Common stock | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Other comprehensive income | Total other equity interest | Total equity |
| Balance at January 1, 2024 | \$ 2,490,017 | 105,364 | 1,172,557 | 131,650 | 2,565,229 | 3,869,436 | 92,933 | (191,191) | (98,258) | 6,366,559 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Cash dividends | - | - | - | - | (373,502) | (373,502) | - | - | - | (373,502) |
| Net income | - | - | - | - | 481,556 | 481,556 | - | - | - | 481,556 |
| Other comprehensive income | - | - | - | - | - | - | 258,707 | (9,181) | 249,526 | 249,526 |
| Total comprehensive income | - | - | - | - | 481,556 | 481,556 | 258,707 | (9,181) | 249,526 | 731,082 |
| Disposal of investments accounted for using equity method | - | (468) | - | - | 4 | 4 | - | (4) | (4) | (468) |
| Change in capital surplus | - | 585 | - | - | - | - | - | - | - | 585 |
| Balance at June 30, 2024 (Restated) | \$ 2,490,017 | 105,481 | 1,172,557 | 131,650 | 2,673,287 | 3,977,494 | 351,640 | (200,376) | 151,264 | 6,724,256 |
| Balance at January 1, 2025 (Restated) | \$ 2,490,017 | 71,868 | 1,172,557 | 131,650 | 3,155,136 | 4,459,343 | 405,382 | (186,586) | 218,796 | 7,240,024 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve appropriated | - | - | 98,954 | - | (98,954) | - | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | - | (498,003) | (498,003) | - | - | - | (498,003) |
| Net income | - | - | - | - | 282,272 | 282,272 | - | - | - | 282,272 |
| Other comprehensive income | - | - | - | - | - | - | (584,093) | 15,409 | (568,684) | (568,684) |
| Total comprehensive income | - | - | - | - | 282,272 | 282,272 | (584,093) | 15,409 | (568,684) | (286,412) |
| Change in capital surplus | - | 893 | - | - | - | - | - | - | - | 893 |
| Balance at June 30, 2025 | \$ 2,490,017 | 72,761 | 1,271,511 | 131,650 | 2,840,451 | 4,243,612 | (178,711) | (171,177) | (349,888) | 6,456,502 |

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SESODA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

| | For the six months ended June 30 | |
|--|---|------------------------|
| | 2025 | 2024 (Restated) |
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 375,242 | 605,299 |
| Adjustments: | | |
| Adjustments to reconcile profit (loss): | | |
| Depreciation expenses | 290,006 | 292,559 |
| Expected credit gains | (2,942) | (6,978) |
| Net losses on financial assets at fair value through profit or loss | 5,855 | 6,238 |
| Financial cost | 74,706 | 112,004 |
| Interest income | (33,016) | (33,321) |
| Dividend income | (335) | (16) |
| Share of loss of associates accounted for using equity method | 7,848 | 19,832 |
| Losses (gain) on disposal of property, plant and equipment | (60,602) | 2,077 |
| Property, plant and equipment transferred to expenses | 28,829 | 28,263 |
| Gains on disposal of investments accounted for using equity method | - | (914) |
| Total adjustments to reconcile profit (loss) | 310,349 | 419,744 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Decrease (increase) in notes receivable | 12,647 | (11,123) |
| Decrease in accounts receivable | 256,182 | 25,945 |
| Increase in inventories | (113,287) | (103,198) |
| Decrease in other current assets | 85,265 | 14,000 |
| Decrease in other current financial assets | 91,766 | 24,947 |
| Increase in net defined benefit assets | (820) | (1,202) |
| Total changes in operating assets | 331,753 | (50,631) |
| Changes in operating liabilities: | | |
| Increase in accounts payable | 76,428 | 13,751 |
| Increase (decrease) in other payables | (151,714) | 89,824 |
| Increase (decrease) in other current liabilities | 2,868 | (52,622) |
| Total changes in operating liabilities | (72,418) | 50,953 |
| Total changes in operating assets and liabilities | 259,335 | 322 |
| Total adjustments | 569,684 | 420,066 |
| Cash inflow generated from operations | 944,926 | 1,025,365 |
| Interest received | 35,207 | 32,311 |
| Dividends received | 335 | 16 |
| Interest paid | (79,367) | (114,586) |
| Income taxes paid | (242,215) | (25,099) |
| Net cash flows from operating activities | 658,886 | 918,007 |
| Cash flows from (used in) investing activities: | | |
| Acquisition of financial assets at fair value through profit or loss | (3,292) | - |
| Acquisition of financial assets at amortized cost | (70,553) | - |
| Proceeds from disposal of financial assets at amortized cost | 185,230 | - |
| Proceeds from disposal of investment accounted for under the equity method | - | 1,756 |
| Acquisition of property, plant and equipment | (159,951) | (149,690) |
| Proceeds from disposal of property, plant and equipment | 211,063 | - |
| Increase in refundable deposits | (2,952) | (868) |
| Net cash flows from (used in) investing activities | 159,545 | (148,802) |
| Cash flows from (used in) financing activities: | | |
| Increase in short-term borrowings | 4,777,520 | 6,353,025 |
| Decrease in short-term borrowings | (4,683,340) | (6,068,025) |
| Increase (decrease) in short-term notes and bills payable | 48,000 | (200,000) |
| Proceeds from long-term borrowings | - | 265,000 |
| Repayments of long-term borrowings | (369,518) | (224,468) |
| Increase in guarantee deposits received | - | 80 |
| Payment of lease liabilities | (4,021) | (4,294) |
| Cash dividends paid | (498,003) | (373,502) |
| Other financing activities | 893 | 585 |
| Net cash used in financing activities | (728,469) | (251,599) |
| Effect on exchange rate changes on cash and cash equivalents | | |
| Net increase in cash and cash equivalents | (65,428) | 21,362 |
| Cash and cash equivalents at beginning of period | 24,534 | 538,968 |
| Cash and cash equivalents at end of period | \$ 2,138,185 | 2,139,562 |

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SESODA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history:

SESODA CORPORATION, formerly called SOUTH EAST SODA MANUFACTURING CO., LTD., (hereinafter referred to as the “Company”) was incorporated in March 2, 1957 as a corporation limited by shares under the Company Act of the Republic of China (R.O.C.). The major business activities of the Company are the manufacturing and sales of pure soda ash, sodium bicarbonate, hydrochloric acid, ammonium bicarbonate power and potassium sulfate.

The Company and subsidiaries (the “Group”) are engaged in preceding business and vessel chartering. Please refer to note 14.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on August 11, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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SESODA CORPORATION AND SUBSIDIARIES
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(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

| Standards or Interpretations | Content of amendment | Effective date per IASB |
|---|---|--------------------------------|
| IFRS 18 “Presentation and Disclosure in Financial Statements” | <p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. | January 1, 2027 |

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SESODA CORPORATION AND SUBSIDIARIES
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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies:

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Preparation and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) to the consolidated financial statements for the year ended December 31, 2024.

(i) List of subsidiaries in the consolidated financial statements

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | | Note |
|-------------------------|------------------------------------|---|--------------------------|------------------------------|--------------------------|-------------|
| | | | June 30, 2025 | December 31, 2024 | June 30, 2024 | |
| The Company | Sesoda Steamship Corporation (SSC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| The Company | East Tender Trading Co., Ltd. | General trade and investments | 100.00 % | 100.00 % | 100.00 % | (Note) |
| The Company | Yukari Group Co., Ltd. | Wholesale of foods and groceries, sales of drinks and operation of restaurant | 100.00 % | 100.00 % | 100.00 % | (Note) |
| The Company | E-Teq Venture Co., Ltd. | Electronics components manufacturing, data storage media manufacturing and duplicating, general investments | 100.00 % | 100.00 % | 100.00 % | (Note) |

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | | Note |
|------------------------------|---|--|--------------------------|------------------------------|--------------------------|-------------|
| | | | June 30, 2025 | December 31, 2024 | June 30, 2024 | |
| The Company | Yun Sheng investment Co., Ltd. | General investments | 100.00 % | 100.00 % | 100.00 % | (Note) |
| The Company and SSC | Sesoda Investments (BVI) Ltd. | Holding company (SIL) | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SS Marine Holding Corporation (SSMHC) | Holding company | 100.00 % | 100.00 % | 100.00 % | |
| SSC | Southeast Shipping Corporation (SESC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | Southeast Marine Globe Corporation (SMGC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | Southeast Marine Transport Corporation (SMTC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Harmony Corporation (SEHC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Bulker Corporation (SEBC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Apex Corporation (SEAC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Marine Corporation (SEMC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Carrier Corporation (SECC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Evermore Corporation (SEEC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Fortune Corporation (SEFC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Royal Corporation (SERC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Delta Corporation (SEDC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Victory Corporation (SEVC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Glory Corporation (SEGC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSC | SE Peace Corporation (SEPC) | Ship operation and chartering | 100.00 % | 100.00 % | 100.00 % | |
| SSMHC | SE Jasmine Corporation (SEJC) | Holding company | 100.00 % | 100.00 % | 100.00 % | |
| East Tender Trading Co., Ltd | Zai Feng Auto Transportation Co., Ltd. | Automobile cargo transportation business | 100.00 % | 100.00 % | 100.00 % | (Note) |

(Note): Company is an immaterial subsidiary whose financial statements have not been reviewed.

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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Notes to the Consolidated Financial Statements

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34 “Interim Financial Reporting”.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to note 6 to the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|----------------------------------|--------------------------|------------------------------|--------------------------|
| Petty cash | \$ 17,306 | 21,148 | 13,565 |
| Demand deposits | 919,061 | 597,369 | 396,879 |
| Time deposits | 1,201,818 | 1,495,134 | 1,729,118 |
| Cash and cash equivalents | \$ 2,138,185 | 2,113,651 | 2,139,562 |

Please refer to note 6(t) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

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Notes to the Consolidated Financial Statements

(b) Current financial assets at amortized cost

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|-----------------------------------|------------------|----------------------|------------------|
| Time deposits (over there months) | \$ - | <u>117,665</u> | - |

The Group has assessed that these financial assets are held to maturity to collect contract cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets at amortized cost.

For the the year ended December 31, 2024, the Group held domestic time deposits, with weighted-average annual interest rates of 3.17%, which matured in March 2025.

(c) Financial assets at fair value through profit or loss

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|---------------------------------|------------------|----------------------|------------------|
| Foreign listed company's stocks | \$ 1,312 | 1,315 | 2,010 |
| Open end funds | 8,465 | 9,640 | - |
| Private funds | 21,546 | 23,944 | 11,582 |
| Total | <u>\$ 31,323</u> | <u>34,899</u> | <u>13,592</u> |
| Current | \$ 9,777 | 10,955 | 2,010 |
| Non-current | 21,546 | 23,944 | 11,582 |
| | <u>\$ 31,323</u> | <u>34,899</u> | <u>13,592</u> |

For the six months ended June 30, 2025 and in 2024, the Group acquired the private fund of GOLDEN ASPEN TOTAL RUTURN FUND I(GAP), at the amount of \$3,292 and \$9,759, respectively. In 2024, the Group acquired Mega ESG Taiwan-U.S. Sustainable Double Profits Multi-Asset Fund USD Acc at the amount of \$9,837.

The aforementioned financial assets were not pledged.

(d) Financial assets at fair value through other comprehensive income-non-current

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|------------------------------------|------------------|----------------------|------------------|
| Domestic listed company's stocks | \$ 2,205 | 2,571 | 2,007 |
| Foreign unlisted companies' stocks | 91,719 | 89,301 | 74,550 |
| Total | <u>\$ 93,924</u> | <u>91,872</u> | <u>76,557</u> |

(i) Equity instruments at fair value through other comprehensive income

The Group held equity securities for long-term strategic purposes (and not for trading purposes) which have been designated as measured at fair value through other comprehensive income.

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(ii) For market risk, please refers to note 6(t).

(iii) The aforementioned financial assets were not pledged.

(e) Notes and accounts receivable

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|--|--------------------------|------------------------------|--------------------------|
| Notes receivable | \$ 80,306 | 92,953 | 114,294 |
| Accounts receivable—measured at amortized cost | 452,402 | 705,642 | 593,572 |
| Less: Loss allowance | (4,350) | (4,350) | (17,313) |
| Sub-total | 448,052 | 701,292 | 576,259 |
| Total | \$ 528,358 | 794,245 | 690,553 |

The Group applies the simplified approach to provide for its loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and days past due, as well as incorporate forward looking information. The loss allowance provision was determined as follows:

| | June 30, 2025 | | |
|----------------------------|------------------------------|---|---------------------------------|
| | Gross carrying amount | Weighted-average expected credit loss rate | Loss allowance provision |
| Current | \$ 494,850 | 0~0.02% | 97 |
| 1 to 30 days past due | 29,313 | 0.81 % | 237 |
| 31 to 60 days past due | 2,868 | 4.99 % | 143 |
| 61 to 90 days past due | 988 | 30.77 % | 304 |
| More than 90 days past due | 4,689 | 37.15 % | 1,742 |
| | \$ 532,708 | | 2,523 |

| | December 31, 2024 | | |
|----------------------------|------------------------------|---|---------------------------------|
| | Gross carrying amount | Weighted-average expected credit loss rate | Loss allowance provision |
| Current | \$ 774,333 | 0~0.04% | 302 |
| 1 to 30 days past due | 20,495 | 1.09 % | 223 |
| 61 to 90 days past due | 241 | 39.14 % | 95 |
| More than 90 days past due | 3,526 | 100.00 % | 3,526 |
| | \$ 798,595 | | 4,146 |

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | | June 30, 2024 | |
|----------------------------|------------------------------|---|---------------------------------|
| | Gross carrying amount | Weighted-average expected credit loss rate | Loss allowance provision |
| Current | \$ 645,876 | 0~0.04% | 248 |
| 1 to 30 days past due | 42,134 | 0.87 % | 367 |
| 31 to 60 days past due | 6,227 | 13.35 % | 831 |
| 61 to 90 days past due | 4,258 | 47.47 % | 2,022 |
| More than 90 days past due | 9,371 | 100.00 % | 9,371 |
| | <u>\$ 707,866</u> | | <u>12,839</u> |

There was no material difference between the Group's allowance loss and expected credit loss at reporting date.

The movements in the Group's notes and accounts receivable allowance losses were as follows:

| | For the six months ended | |
|----------------------------|---------------------------------|----------------------|
| | June 30 | 2024 |
| Balance at January 1 | \$ 4,350 | 24,291 |
| Impairment losses reversed | - | (6,978) |
| Balance at June 30 | <u>\$ 4,350</u> | <u>17,313</u> |

(Note): The Group reclassified the receivables of \$12,963 from its customer, TA HSIANG CONTAINERS IND. CO., LTD., as other receivables and has fully recognized impairment losses in 2024. For the six months ended June 30, 2025, the Group recovered \$2,942 and recognized expected credit impairment gain.

The aforementioned financial assets were not pledged. For other credit risk, please refers to note 6(t).

(f) Inventories

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|----------------|--------------------------|------------------------------|--------------------------|
| Merchandise | \$ 80,209 | 119,521 | 151,666 |
| Finished goods | 228,480 | 137,325 | 156,807 |
| Raw materials | 284,372 | 228,137 | 225,412 |
| Fuel | 4,767 | 3,456 | 4,577 |
| Supplies | 17,842 | 14,786 | 14,848 |
| | <u>\$ 615,670</u> | <u>503,225</u> | <u>553,310</u> |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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Except for operating costs arising from the ordinary sale of inventories, other gains or losses directly recorded under operating cost were as follows:

| | For the three months ended | | For the six months ended | |
|--|----------------------------|---------------------|--------------------------|------------------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Unallocated overheads | \$ (127) | 188 | 4,145 | 3,285 |
| Gains on valuation of inventories (Note) | (9) | (332) | (14) | (16,241) |
| Gains on inventories count | 2,826 | 28 | 2,826 | 28 |
| | <u><u>\$ 2,690</u></u> | <u><u>(116)</u></u> | <u><u>6,957</u></u> | <u><u>(12,928)</u></u> |

(Note): The gains on valuation of inventories are due to sales of inventory that was previously written down.

The aforementioned inventories were not pledged.

(g) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

| | December 31, | | June 30, | |
|------------|--------------------------|-----------------------|-----------------------|----------------|
| | June 30, 2024 | | 2024 | |
| | 2025 | (Restated) | (Restated) | (Restated) |
| Associates | <u><u>\$ 103,419</u></u> | <u><u>111,547</u></u> | <u><u>238,340</u></u> | <u><u></u></u> |

(i) Associates

Associates which are material to the Group consisted of the following:

| Name of Associates | Main business | Main operating location | Proportion of shareholding and voting rights | | |
|--------------------|--|-------------------------|--|----------------------|------------------|
| | | | June 30, 2025 | December 31, 2024 | June 30, 2024 |
| EOC (Note) | Manufacturing of DWDM filter components required for Optical communication | Yilan | 13.43 % | 13.43 % | 34.71 % |
| | | | | | |
| June 30, 2025 | December 31, 2024 | June 30, 2024 | | | |
| Fair value | <u><u>\$ 123,524</u></u> | <u><u>182,723</u></u> | <u><u>301,187</u></u> | <u><u></u></u> | <u><u></u></u> |

(Note): A resolution was approved during the board meeting for the Group to dispose its entire shares in EAST TENDER OPTOELECTRONICS CORPORATION (EOC) by applying the accounting policy for non-current assets held for sale in the first quarter of 2024. However, the disposal of the shares had been postponed for more than one year, in which the Group still hold one of its director's seats, resulting in the Group to be able to retain a significant influence over EOC, leading to its non-current assets to be reclassified from held-for-sale to investments accounted for using equity method, which was retrospectively applied from the date the investment in the first quarter of 2025.

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SESODA CORPORATION AND SUBSIDIARIES
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Moreover, in 2024, the Group continued to dispose certain portion of its shares in EOC, who conducted a cash capital increase in the fourth quarter of the same year, in which the Group did not participate, resulting in the Group's shareholding ratio in EOC to decrease to 13.43%.

The financial information of EOC was as follows:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 | |
|---|---|------------------------------|---|-----------------|
| Current assets | \$ 488,389 | 521,371 | 251,696 | |
| Non-current assets | 609,694 | 535,431 | 619,591 | |
| Current liabilities | (150,577) | (118,545) | (112,926) | |
| Non-current liabilities | (100,766) | (101,848) | (103,328) | |
| Net assets | <u>\$ 846,740</u> | <u>836,409</u> | <u>655,033</u> | |
| Net assets attributable to the NCI | <u>\$ 76,682</u> | <u>5,826</u> | - | |
| Net assets attributable to owners of the investee | <u>\$ 770,058</u> | <u>830,583</u> | <u>655,033</u> | |
| Net assets attributable to the Group | <u>\$ 103,419</u> | <u>111,547</u> | <u>227,362</u> | |
| | For the three months ended June 30 | | For the six months ended June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Operating revenue | <u>\$ 43,611</u> | <u>28,165</u> | <u>79,052</u> | <u>52,546</u> |
| Loss from continuing operations | \$ (35,132) | (24,653) | (60,540) | (50,219) |
| Other comprehensive income | (195) | 421 | (2,089) | 1,459 |
| Total comprehensive loss | <u>\$ (35,327)</u> | <u>(24,232)</u> | <u>(62,629)</u> | <u>(48,760)</u> |
| Comprehensive loss attributable to the NCI | <u>\$ (1,003)</u> | <u>-</u> | <u>(2,104)</u> | <u>-</u> |
| Comprehensive loss attributable to the owner of the investee | <u>\$ (34,324)</u> | <u>(24,232)</u> | <u>(60,525)</u> | <u>(48,760)</u> |
| Comprehensive loss attributable to the Group | <u>\$ (4,610)</u> | <u>(9,605)</u> | <u>(8,128)</u> | <u>(19,328)</u> |
| | For the three months ended June 30 | | For the six months ended June 30 | |
| | 2025 | 2024 (Restated) | | |
| Share of net assets of associates as of January 1 | \$ 111,547 | 258,978 | | |
| Comprehensive loss attributable to the Group | (8,128) | (19,328) | | |
| Disposal of associates | - | (1,310) | | |
| Share of net assets of associates as of June 30 | <u>\$ 103,419</u> | <u>238,340</u> | | |

(ii) The aforementioned investments accounted for using equity method were not pledged.

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(h) Property, plant and equipment

The cost, depreciation and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2025 and 2024 were as follows:

| | <u>Land</u> | <u>Buildings</u> | <u>Machinery and equipment</u> | <u>Transportation equipment</u> | <u>Vessels</u> | <u>Leasehold improvements</u> | <u>Other equipment</u> | <u>Construction in progress</u> | <u>Total</u> |
|---|---------------------|------------------|--------------------------------|---------------------------------|-------------------|-------------------------------|------------------------|---------------------------------|-------------------|
| Cost: | | | | | | | | | |
| Balance on January 1, 2025 | \$ 1,204,924 | 986,670 | 1,880,657 | 50,154 | 11,933,855 | 19,778 | 320,946 | 169,710 | 16,566,694 |
| Additions | - | 1,411 | 851 | - | 46,241 | - | 49,249 | 54,720 | 152,472 |
| Disposals | - | - | (4,549) | - | (533,667) | - | (5,032) | - | (543,248) |
| Reclassification (Note) | - | - | 81,572 | - | - | - | (32,713) | (76,846) | (27,987) |
| Effect on changes in foreign exchange rates | - | - | - | - | (1,231,013) | - | (2,645) | - | (1,233,658) |
| Balance on June 30, 2025 | \$ 1,204,924 | 988,081 | 1,958,531 | 50,154 | 10,215,416 | 19,778 | 329,805 | 147,584 | 14,914,273 |
| Balance on January 1, 2024 | \$ 1,204,924 | 808,180 | 1,768,425 | 50,154 | 11,153,213 | 19,778 | 291,619 | 252,226 | 15,548,519 |
| Additions | - | - | 1,998 | - | 47,518 | - | 42,267 | 77,123 | 168,906 |
| Disposals | - | - | - | - | (25,219) | - | - | - | (25,219) |
| Reclassification (Note) | - | 1,945 | 12,741 | - | - | - | (25,661) | (17,288) | (28,263) |
| Effect on changes in foreign exchange rates | - | - | - | - | 632,308 | - | 1,353 | - | 633,661 |
| Balance on June 30, 2024 | \$ 1,204,924 | 810,125 | 1,783,164 | 50,154 | 11,807,820 | 19,778 | 309,578 | 312,061 | 16,297,604 |
| Depreciation and impairments loss: | | | | | | | | | |
| Balance on January 1, 2025 | \$ - | 532,877 | 1,357,842 | 38,442 | 5,014,544 | 17,365 | 139,488 | - | 7,100,558 |
| Depreciation | - | 10,850 | 43,250 | 2,130 | 221,690 | 527 | 7,585 | - | 286,032 |
| Disposals | - | - | (4,548) | - | (391,032) | - | (3,816) | - | (399,396) |
| Effect on changes in foreign exchange rates | - | - | - | - | (520,116) | - | (2,135) | - | (522,251) |
| Balance on June 30, 2025 | \$ - | 543,727 | 1,396,544 | 40,572 | 4,325,086 | 17,892 | 141,122 | - | 6,464,943 |
| Balance on January 1, 2024 | \$ - | 516,212 | 1,275,153 | 33,403 | 4,289,756 | 16,225 | 124,298 | - | 6,255,047 |
| Depreciation | - | 8,555 | 41,086 | 2,555 | 228,805 | 570 | 6,751 | - | 288,322 |
| Disposals | - | - | - | - | (23,142) | - | - | - | (23,142) |
| Effect on changes in foreign exchange rates | - | - | - | - | 246,534 | - | 1,126 | - | 247,660 |
| Balance on June 30, 2024 | \$ - | 524,767 | 1,316,239 | 35,958 | 4,741,953 | 16,795 | 132,175 | - | 6,767,887 |
| Carrying amounts: | | | | | | | | | |
| Balance on January 1, 2025 | \$ 1,204,924 | 453,793 | 522,815 | 11,712 | 6,919,311 | 2,413 | 181,458 | 169,710 | 9,466,136 |
| Balance on June 30, 2025 | \$ 1,204,924 | 444,354 | 561,987 | 9,582 | 5,890,330 | 1,886 | 188,683 | 147,584 | 8,449,330 |
| Balance on January 1, 2024 | \$ 1,204,924 | 291,968 | 493,272 | 16,751 | 6,863,457 | 3,553 | 167,321 | 252,226 | 9,293,472 |
| Balance on June 30, 2024 | \$ 1,204,924 | 285,358 | 466,925 | 14,196 | 7,065,867 | 2,983 | 177,403 | 312,061 | 9,529,717 |

(Note): Transfer from construction in progress and transfer to expense.

(i) Pledge information

Please refer to note 8 for the pledge and collateral of short-term and long-term borrowings information of the property, plant and equipment.

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Notes to the Consolidated Financial Statements

(ii) Capitalization of interest

| | For the three months ended June 30 | | For the six months ended June 30 | |
|--------------------|------------------------------------|--------------------|----------------------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Capitalized amount | \$ 709 | 1,020 | 1,291 | 1,971 |
| Interest rates | <u>2.04%~2.16%</u> | <u>1.92%~2.04%</u> | <u>2.04%~2.16%</u> | <u>1.92%~2.04%</u> |

The Group disposed of the bulk carrier M.V. Achilles Bulker to a non-related party, NAB SHIPPING LTD., for a consideration of \$211,063 and resulting in a gain on disposal of \$66,696.

(i) Right-of-use assets

The Group leases buildings and transportation equipment. The movements in right-of-use assets were as follows:

| | <u>Buildings</u> | <u>Transportation equipment</u> | <u>Total</u> |
|----------------------------------|------------------|---------------------------------|----------------|
| Cost: | | | |
| Balance at January 1, 2025 | \$ 18,760 | 13,952 | 32,712 |
| Additions | 2,466 | 1,022 | 3,488 |
| Disposals | <u>(3,420)</u> | <u>(5,277)</u> | <u>(8,697)</u> |
| Balance at June 30, 2025 | <u>\$ 17,806</u> | <u>9,697</u> | <u>27,503</u> |
| Balance at January 1, 2024 | \$ 18,601 | 12,646 | 31,247 |
| Additions | 5,425 | 4,904 | 10,329 |
| Disposals | <u>(543)</u> | <u>(4,053)</u> | <u>(4,596)</u> |
| Balance at June 30, 2024 | <u>\$ 23,483</u> | <u>13,497</u> | <u>36,980</u> |
| Accumulated depreciation: | | | |
| Balance at January 1, 2025 | \$ 12,308 | 10,015 | 22,323 |
| Depreciation | 1,994 | 1,980 | 3,974 |
| Disposals | <u>(3,420)</u> | <u>(5,277)</u> | <u>(8,697)</u> |
| Balance at June 30, 2025 | <u>\$ 10,882</u> | <u>6,718</u> | <u>17,600</u> |
| Balance at January 1, 2024 | \$ 13,622 | 9,607 | 23,229 |
| Depreciation | 1,993 | 2,244 | 4,237 |
| Disposals | <u>(543)</u> | <u>(4,053)</u> | <u>(4,596)</u> |
| Balance at June 30, 2024 | <u>\$ 15,072</u> | <u>7,798</u> | <u>22,870</u> |
| Carrying amounts: | | | |
| Balance at January 1, 2025 | \$ 6,452 | 3,937 | 10,389 |
| Balance at June 30, 2025 | <u>\$ 6,924</u> | <u>2,979</u> | <u>9,903</u> |
| Balance at January 1, 2024 | \$ 4,979 | 3,039 | 8,018 |
| Balance at June 30, 2024 | <u>\$ 8,411</u> | <u>5,699</u> | <u>14,110</u> |

The Group leases the building as a storefront and parking space, and the lease period is usually one to ten year. The lease period of the leased transportation equipment is usually one to three years.

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Short-term and long-term borrowings

(i) The short-term borrowings were summarized as follows:

| June 30, 2025 | | | |
|---|-----------------|----------------------|-----------------------|
| | Currency | Interest rate | Maturity date |
| Secured bank loans | NTD | 1.98%~2.00% | 2025/07/16~2025/12/12 |
| Unsecured bank loans | NTD | 1.67%~2.28% | 2025/07/09~2026/06/23 |
| | | | <u>\$ 1,671,829</u> |
| Unused credit lines (including short-term and long-term borrowings) | | | <u>\$ 1,981,660</u> |

| December 31, 2024 | | | |
|---|-----------------|----------------------|----------------------|
| | Currency | Interest rate | Maturity date |
| Secured bank loans | NTD | 0.50%~2.00% | 2025/1/3~2025/6/18 |
| Unsecured bank loans | NTD | 1.74%~2.27% | 2025/1/24~2025/8/26 |
| Unsecured bank loans | USD | 5.17% | 2025/1/17~2025/1/20 |
| | | | <u>\$ 1,592,241</u> |
| Unused credit lines (including short-term and long-term borrowings) | | | <u>\$ 2,376,070</u> |

| June 30, 2024 | | | |
|---|-----------------|----------------------|----------------------|
| | Currency | Interest rate | Maturity date |
| Secured bank loans | NTD | 0.50%~2.00% | 2024/7/5~2025/1/3 |
| Unsecured bank loans | NTD | 1.71%~2.24% | 2024/7/12~2025/6/12 |
| Unsecured bank loans | USD | 5.98%~6.05% | 2024/7/19~2024/9/12 |
| | | | <u>\$ 2,125,454</u> |
| Unused credit lines (including short-term and long-term borrowings) | | | <u>\$ 1,825,315</u> |

(ii) The long-term borrowings were summarized as follows:

| June 30, 2025 | | | |
|-----------------------|-----------------|----------------------|----------------------|
| | Currency | Interest rate | Maturity year |
| Secured bank loans | USD | 5.15%~5.56% | 2025~2029 |
| Secured bank loans | NTD | 2.22%~2.26% | 2025~2028 |
| Less: current portion | | | <u>705,933</u> |
| Total | | | <u>\$ 1,658,703</u> |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| December 31, 2024 | | | | |
|--------------------------|-----------------|----------------------|----------------------|----------------------------|
| | Currency | Interest rate | Maturity year | Amount |
| Secured bank loans | USD | 5.29%~5.98% | 2025~2029 | \$ 1,967,301 |
| Secured bank loans | NTD | 2.22%~2.26% | 2025~2028 | 956,354 |
| Less: current portion | | | | <u>719,252</u> |
| Total | | | | <u><u>\$ 2,204,403</u></u> |

| June 30, 2024 | | | | |
|-----------------------|-----------------|----------------------|----------------------|----------------------------|
| | Currency | Interest rate | Maturity year | Amount |
| Secured bank loans | USD | 6.24%~6.58% | 2024~2029 | \$ 2,175,774 |
| Secured bank loans | NTD | 0.50%~2.26% | 2024~2028 | 999,952 |
| Less: current portion | | | | <u>585,717</u> |
| Total | | | | <u><u>\$ 2,590,009</u></u> |

(iii) Government low-interest loan:

For the six months ended, 2025 and 2024, the Group obtained a one-year low-interest loan of \$100,000 and \$170,000 from the government subsidy. The loan was recognized and measured based on the market interest rate. The difference between the loan and the actual repayment preferential interest rate was recognized as deferred income of \$511 and \$779 based on the government subsidy and recorded under other current liabilities.

(iv) For the collateral for short-term and long-term borrowings, please refer to note 8.

(k) Short-term notes and bills payable

| June 30, 2025 | | | |
|------------------------------------|--|------------------------------|--------------------------|
| Item | Guarantee or acceptance institution | Rang of interest rate | Amount |
| Short-term notes and bills payable | MEGA BILLS HSINCHU BRANCH | 1.95% | \$ 48,000 |
| Less: Discount | | | <u>(5)</u> |
| Total | | | <u><u>\$ 47,995</u></u> |
| Unused credit line | | | <u><u>\$ 152,000</u></u> |

| December 31, 2024 | | | |
|------------------------------------|--|------------------------------|--------------------------|
| Item | Guarantee or acceptance institution | Rang of interest rate | Amount |
| Short-term notes and bills payable | MEGA BILLS HSINCHU BRANCH | - | \$ - |
| Less: Discount | | | <u>-</u> |
| Total | | | <u><u>\$ -</u></u> |
| Unused credit line | | | <u><u>\$ 200,000</u></u> |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| Item | Guarantee or acceptance institution | June 30, 2024 | |
|------------------------------------|-------------------------------------|------------------------|-------------------|
| | | Range of interest rate | Amount |
| Short-term notes and bills payable | MEGA BILLS HSINCHU BRANCH | - | \$ - |
| Less: Discount | | | \$ - |
| Total | | | \$ - |
| Unused credit line | | | \$ <u>200,000</u> |

The aforementioned short-term notes and bills payable were not pledged.

(l) Lease liabilities

The carrying amounts of lease liabilities were as follows:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|-------------|------------------|----------------------|------------------|
| Current | \$ <u>5,409</u> | <u>6,086</u> | <u>7,459</u> |
| Non-current | \$ <u>4,589</u> | <u>4,445</u> | <u>6,856</u> |

For the liquidity analysis, please refer to note 6(t).

The amounts recognized in profit or loss were as follows:

| | For the three months ended June 30 | | For the six months ended June 30 | |
|---|---------------------------------------|------------|-------------------------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| Interest expenses on lease liabilities | \$ <u>48</u> | <u>52</u> | <u>92</u> | <u>84</u> |
| Expenses relating to leases of low-value assets | \$ <u>628</u> | <u>550</u> | <u>911</u> | <u>3,248</u> |

The amounts recognized in the statement of cash flows were as follows:

| | For the six months ended June 30 | |
|-------------------------------|-------------------------------------|--------------|
| | 2025 | 2024 |
| Total cash outflow for leases | \$ <u>5,024</u> | <u>7,626</u> |

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expenses recognized in profit or loss for the Group were as follows:

| | For the three months ended | | For the six months ended | |
|-------------------|----------------------------|---------------------|--------------------------|---------------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Operating cost | \$ (250) | (147) | (503) | (296) |
| Operating expense | (44) | (20) | (86) | (39) |
| | <u><u>\$ (294)</u></u> | <u><u>(167)</u></u> | <u><u>(589)</u></u> | <u><u>(335)</u></u> |

(ii) Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months and six months ended June 30, 2025 and 2024 were as follows:

| | For the three months ended | | For the six months ended | |
|-------------------|----------------------------|---------------------|--------------------------|---------------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Operating cost | \$ 998 | 923 | 1,944 | 1,831 |
| Operating expense | 537 | 623 | 1,130 | 1,231 |
| | <u><u>\$ 1,535</u></u> | <u><u>1,546</u></u> | <u><u>3,074</u></u> | <u><u>3,062</u></u> |

(iii) Others

The Group paid and recognized the severance pay for the three months and six months ended June 30, 2025 and 2024 were as follows:

| | For the three months ended | | For the six months ended | |
|-------------------|----------------------------|-----------------|--------------------------|-----------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Operating cost | \$ - | - | 700 | - |
| Operating expense | 1,720 | - | 1,780 | - |
| | <u><u>\$ 1,720</u></u> | <u><u>-</u></u> | <u><u>2,480</u></u> | <u><u>-</u></u> |

(n) Income taxes

(i) Income tax expense

The components of income tax expense for the three months and six months ended June 30, 2025 and 2024 were as follows:

| | For the three months ended | | For the six months ended | |
|------------------------------|----------------------------|----------------------|--------------------------|-----------------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Current tax expense | | | | |
| Current period | \$ 32,649 | 72,740 | 94,975 | 126,229 |
| Adjustment for prior periods | (2,005) | (2,486) | (2,005) | (2,486) |
| | <u><u>\$ 30,644</u></u> | <u><u>70,254</u></u> | <u><u>92,970</u></u> | <u><u>123,743</u></u> |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Assessment

The Company's income tax returns for all years through 2022 were assessed by the tax authorities.

(o) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to June 30, 2025 and 2024. For the related information, please refer to note 6(p) to the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The detail of capital surplus were as follows:

| | June 30, 2025 | December 31, 2024 (Restated) | June 30, 2024 |
|--|------------------|------------------------------------|------------------|
| The subsidiaries acquired cash dividend from the Company | \$ 4,079 | 4,079 | 4,079 |
| Gain on the subsidiaries sale of the Company's stock | 2,379 | 2,379 | 2,379 |
| Increase through changes in ownership interests in associates | 59,381 | 59,381 | 90,684 |
| Donation from shareholders | 6,922 | 6,029 | 8,339 |
| Total | \$ 72,761 | 71,868 | 105,481 |

(ii) Retained earnings

The Company's Article of Incorporation stipulates that the Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes, of the remaining balance 10% is to be appropriated as legal reserve until the accumulated legal reserve equals the Company's capital; a special reserve should also be set aside in accordance with the relevant regulations or as requested by the authorities. Any balance left over and the beginning balance of retaining earnings shall be distributed by way of cash or stock dividends; and the ratio for all dividends shall exceed 1% of the remaining earnings. The Company's appropriations of earnings are decided in the meeting of the Board of Directors and are presented for approval in the Company's shareholders' meeting.

However, dividends issued in cash may be approved by the Board of Directors with more than two thirds of the directors' attendance, and resolved by more than half of the directors; thereafter, reported in the shareholders' meeting.

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In response to the Company's long term development needs, the Company's capital structure and long-term financial planning were taken into consideration. Therefore, the Company formulated its dividend policy based on its operating performance and principle of balanced dividend payments. Furthermore, the proportion of cash dividend payment shall be no less than 20% of the current year's dividend, which should all be distributed in cash.

The appropriations of earning for 2024 had been approved in Board of Directors held on March 14, 2025. The appropriations of earning for 2023 had been approved in Board of Directors held on March 11, 2024. The relevant dividend distributions to shareholders were as follows:

| | 2024 | | 2023 | |
|--|---------------------------------------|-------------------------|--|-------------------------|
| | Amount per share (NTD) | Total amount | Amount per share (NTD) | Total amount |
| Dividends distributed to ordinary shareholders: | | | | |
| Cash | \$ 2.00 | <u>498,003</u> | 1.50 | <u>373,502</u> |
| (iii) Other equity interests, net of tax | | | | |
| | | | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | |
| | | | | Total |
| Balance as of January 1, 2025 | \$ 405,382 | | (186,586) | 218,796 |
| Exchange differences on foreign operations | | (584,093) | - | (584,093) |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | | - | 15,689 | 15,689 |
| Unrealized gains (losses) from financial assets on accounted for using equity method | | | (280) | (280) |
| Balance as of June 30, 2025 | <u>\$ (178,711)</u> | | <u>(171,177)</u> | <u>(349,888)</u> |
| | | | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | |
| | | | | Total |
| Balance as of January 1, 2024 | \$ 92,933 | | (191,191) | (98,258) |
| Exchange differences on foreign operations | | 258,707 | - | 258,707 |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | | - | (9,685) | (9,685) |
| Unrealized gains (losses) from financial assets on accounted for using equity method | | - | 504 | 504 |
| Disposal of investments accounted for using equity method | | | (4) | (4) |
| Balance as of June 30, 2024 (Restated) | <u>\$ 351,640</u> | | <u>(200,376)</u> | <u>151,264</u> |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Earnings per share

The Company's earnings per share were calculated as follows:

(i) Basic earnings per share

| | For the three months ended | | For the six months ended | |
|--|----------------------------|--------------------|--------------------------|--------------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 (Restated) | 2025 | 2024 (Restated) |
| Profit belonging to common shareholders | \$ 25,550 | 279,349 | 282,272 | 481,556 |
| Weighted average number of outstanding shares of common stock (in thousand shares) | <u>249,002</u> | <u>249,002</u> | <u>249,002</u> | <u>249,002</u> |
| Basic earnings per share (in NTD) | <u>\$ 0.10</u> | <u>1.12</u> | <u>1.13</u> | <u>1.93</u> |

(ii) Diluted earnings per share

| | For the three months ended | | For the six months ended | |
|--|----------------------------|--------------------|--------------------------|--------------------|
| | June 30 | | June 30 | |
| | 2025 | 2024 (Restated) | 2025 | 2024 (Restated) |
| Profit (diluted) belonging to common shareholders | \$ 25,550 | 279,349 | 282,272 | 481,556 |
| Weighted average number of outstanding shares of common stock (in thousand shares) | 249,002 | 249,002 | 249,002 | 249,002 |
| Effect on potentially dilutive common stock-employee remuneration (in thousand shares) | 805 | 1,195 | 1,608 | 1,206 |
| Weighted average number of common stock (diluted) (in thousand shares) | <u>249,807</u> | <u>250,197</u> | <u>250,610</u> | <u>250,208</u> |
| Diluted earnings per share (in NTD) | <u>\$ 0.10</u> | <u>1.12</u> | <u>1.13</u> | <u>1.92</u> |

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Revenue from contracts with customers

| | For the three months ended June 30 | | | | | Total | |
|------------------------------------|------------------------------------|----------------|---------------|------------|------------------|------------------|--|
| | 2025 | | | | | | |
| | Chemical products | Chartering | Catering | Freight | | | |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 429,987 | - | 6,056 | - | | 436,043 | |
| Singapore | - | 194,213 | - | - | | 194,213 | |
| Pakistan | 176,447 | - | - | - | | 176,447 | |
| India | 61,262 | - | - | - | | 61,262 | |
| Hong Kong | - | 122,211 | - | - | | 122,211 | |
| Denmark | - | 78,192 | - | - | | 78,192 | |
| Japan | 116,903 | - | - | - | | 116,903 | |
| Australia | 80,517 | - | - | - | | 80,517 | |
| South Korea | 21,309 | 25,140 | - | - | | 46,449 | |
| Other countries | 136,557 | (88) | - | - | | 136,469 | |
| | \$ 1,022,982 | 419,668 | 6,056 | - | | 1,448,706 | |
| For the three months ended June 30 | | | | | | | |
| 2024 | | | | | | | |
| | Chemical products | Chartering | Catering | Freight | Others | Total | |
| | | | | | | | |
| | | | | | | | |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 410,915 | - | 8,013 | 144 | - | 419,072 | |
| Singapore | - | 174,431 | - | - | - | 174,431 | |
| Pakistan | 209,665 | - | - | - | - | 209,665 | |
| Denmark | - | 163,714 | - | - | - | 163,714 | |
| Japan | 175,425 | - | - | - | - | 175,425 | |
| Peru | 10,516 | - | - | - | - | 10,516 | |
| India | 65,075 | - | - | - | - | 65,075 | |
| Australia | 78,668 | - | - | - | - | 78,668 | |
| Other countries | 183,792 | 139,235 | - | - | - | 323,027 | |
| | \$ 1,134,056 | 477,380 | 8,013 | 144 | - | 1,619,593 | |
| For the six months ended June 30 | | | | | | | |
| 2025 | | | | | | | |
| | Chemical products | Chartering | Catering | Freight | Total | | |
| | | | | | | | |
| | | | | | | | |
| Primary geographical markets: | | | | | | | |
| Taiwan | \$ 857,091 | - | 11,828 | 5 | 868,924 | | |
| Singapore | - | 339,898 | - | - | 339,898 | | |
| Pakistan | 310,544 | - | - | - | 310,544 | | |
| India | 278,874 | - | - | - | 278,874 | | |
| Hong Kong | - | 264,345 | - | - | 264,345 | | |
| Denmark | - | 208,873 | - | - | 208,873 | | |
| Japan | 156,053 | - | - | - | 156,053 | | |
| Australia | 131,213 | - | - | - | 131,213 | | |
| South Korea | 62,707 | 64,825 | - | - | 127,532 | | |
| Other countries | 278,062 | 2,904 | - | - | 280,966 | | |
| | \$ 2,074,544 | 880,845 | 11,828 | 5 | 2,967,222 | | |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | For the six months ended June 30 | | | | |
|-------------------------------|----------------------------------|----------------|---------------|------------|------------------|
| | 2024 | | | | |
| | Chemical products | Chartering | Catering | Freight | Total |
| Primary geographical markets: | | | | | |
| Taiwan | \$ 835,826 | - | 15,597 | 288 | 851,711 |
| Singapore | 7 | 378,267 | - | - | 378,274 |
| Pakistan | 367,471 | - | - | - | 367,471 |
| Denmark | - | 325,030 | - | - | 325,030 |
| Japan | 226,042 | - | - | - | 226,042 |
| Peru | 117,317 | - | - | - | 117,317 |
| India | 115,649 | - | - | - | 115,649 |
| Australia | 110,370 | - | - | - | 110,370 |
| Other countries | 368,273 | 198,653 | - | - | 566,926 |
| | \$ 2,140,955 | 901,950 | 15,597 | 288 | 3,058,790 |

(r) Remuneration to employees and directors

On May 16, 2025, the Company resolved at the shareholders' meeting to amend its Article of Incorporation. According to the amended Articles, the Company should contribute 4.8% of employee remuneration (including a minimum of 50% to those base-level employees), 1.2% of special bonus and less than 2.5% of directors' remuneration when there is profit for the year. Prior to the amendment, the Company should contribute 1.2% of special bonus, 4.8% of employee remuneration, and less than 2.5% of directors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset the deficit.

The Company estimated its employees and directors remuneration were as follows:

| | For the three months ended June 30 | | For the six months ended June 30 | |
|------------------------|---------------------------------------|---------------|-------------------------------------|---------------|
| | 2025 | | 2024 | |
| | 2025 | 2024 | 2025 | 2024 |
| Employees remuneration | \$ 2,931 | 18,773 | 19,582 | 32,214 |
| Special bonus | 733 | 4,693 | 4,896 | 8,053 |
| Directors remuneration | 1,527 | 9,777 | 10,199 | 16,778 |
| | \$ 5,191 | 33,243 | 34,677 | 57,045 |

The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the employees' remuneration, special bonus and directors' remuneration of each period, multiplied by the percentage of employees' remuneration, special bonus and directors' remuneration as specified in the Company's articles. These remunerations and bonuses were expensed under operating expenses for each period.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration of \$66,361 and \$693, plus the special bonus \$16,590 and \$173, as well as directors' remuneration \$34,563 and \$361, respectively. There was no difference between the estimated amounts and the actual amounts reflected in the consolidated financial statements. Related information would be available at the Market Observation Post System website.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Non-operating income and expenses

(i) Interest revenue

| | For the three months ended June 30 | | For the six months ended June 30 | |
|------------------------------------|---------------------------------------|---------------|-------------------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Interest income from bank deposits | <u>15,522</u> | <u>20,271</u> | <u>33,016</u> | <u>33,321</u> |

(ii) Other revenue

| | For the three months ended June 30 | | For the six months ended June 30 | |
|-----------------|---------------------------------------|-----------|-------------------------------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Rental income | 86 | 78 | 166 | 164 |
| Dividend income | 335 | 8 | 335 | 16 |
| Total | <u>421</u> | <u>86</u> | <u>501</u> | <u>180</u> |

(iii) Other gains and losses

| | For the three months ended June 30 | | For the six months ended June 30 | |
|--|---------------------------------------|---------------|-------------------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Foreign exchange gains (losses) | (193,069) | 20,015 | (163,211) | 75,909 |
| (Losses)gains on financial assets at fair value through profit or loss | (2,551) | 163 | (5,855) | (6,238) |
| Gains on disposals of investments accounted for using equity method | - | 914 | - | 914 |
| Losses on disposals of property, plant and equipment | (1,959) | (30) | 60,602 | (2,077) |
| Insurance claims deductible | (164) | (8) | (361) | (511) |
| Compensation income | 4,540 | 154 | 4,768 | 154 |
| Subsidy to crew bonus | 4,693 | 5,457 | 8,947 | 10,339 |
| Subsidy to communication fee | 2,353 | 2,161 | 4,504 | 4,172 |
| Price difference from fuel | (4,231) | 5,748 | (8,486) | 9,927 |
| Others | 6,468 | 3,930 | 11,630 | 5,440 |
| Total | <u>(183,920)</u> | <u>38,504</u> | <u>(87,462)</u> | <u>98,029</u> |

(iv) Finance costs

| | For the three months ended June 30 | | For the six months ended June 30 | |
|---------------------------------------|---------------------------------------|-----------------|-------------------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | \$ | \$ | \$ | \$ |
| Interest expenses – bank loan | (32,799) | (55,597) | (74,614) | (111,920) |
| Interest expenses – lease liabilities | (48) | (52) | (92) | (84) |
| Total | <u>(32,847)</u> | <u>(55,649)</u> | <u>(74,706)</u> | <u>(112,004)</u> |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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(t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(u) to the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

For credit risk exposure of notes and accounts receivable, please refer to note 6(e).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

| | Carrying amount | Contractual cash flows | Within 1 year | 1-2 year | 2-5 year | Over 5 years |
|--|------------------------|-------------------------------|----------------------|-----------------|------------------|---------------------|
| June 30, 2025 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings | \$ 1,671,829 | 1,685,433 | 1,685,433 | - | - | - |
| Short-term notes and bills payable | 47,995 | 48,000 | 48,000 | - | - | - |
| Long-term borrowings (including current portion) | 2,364,636 | 2,577,773 | 806,566 | 736,970 | 1,034,237 | - |
| Accounts payable | 366,838 | 366,838 | 366,838 | - | - | - |
| Other payables | 409,047 | 409,047 | 409,047 | - | - | - |
| Lease liabilities | 9,998 | 10,239 | 5,548 | 2,435 | 2,256 | - |
| Guarantee deposits received | 80 | 80 | - | 80 | - | - |
| | \$ 4,870,423 | 5,097,410 | 3,321,432 | 739,485 | 1,036,493 | - |
| December 31, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings | \$ 1,592,241 | 1,600,841 | 1,600,841 | - | - | - |
| Long-term borrowings (including current portion) | 2,923,655 | 3,227,707 | 849,538 | 754,619 | 1,623,550 | - |
| Accounts payable | 290,410 | 290,410 | 290,410 | - | - | - |
| Other payables | 570,034 | 570,034 | 570,034 | - | - | - |
| Lease liabilities | 10,531 | 10,782 | 6,219 | 2,088 | 2,475 | - |
| Guarantee deposits received | 80 | 80 | - | 80 | - | - |
| | \$ 5,386,951 | 5,699,854 | 3,317,042 | 756,787 | 1,626,025 | - |
| June 30, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Short-term borrowings | \$ 2,125,454 | 2,140,590 | 2,140,590 | - | - | - |
| Long-term borrowings (including current portion) | 3,175,726 | 3,565,664 | 737,590 | 910,949 | 1,917,125 | - |
| Accounts payable | 317,817 | 317,817 | 317,817 | - | - | - |
| Other payables | 535,868 | 535,868 | 535,868 | - | - | - |
| Lease liabilities | 14,315 | 14,675 | 7,647 | 4,041 | 2,987 | - |
| Guarantee deposits received | 80 | 80 | - | 80 | - | - |
| | \$ 6,169,260 | 6,574,694 | 3,739,512 | 915,070 | 1,920,112 | - |

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposures to foreign currency risk were as follows:

| | June 30, 2025 | | | December 31, 2024 | | | June 30, 2024 | | |
|-------------------------|-------------------------------------|---------------|-----------|-------------------------------------|---------------|-----------|-------------------------------------|---------------|-----------|
| | Foreign currency (thousand dollars) | Exchange rate | NTD | Foreign currency (thousand dollars) | Exchange rate | NTD | Foreign currency (thousand dollars) | Exchange rate | NTD |
| Financial assets | | | | | | | | | |
| Monetary items | | | | | | | | | |
| USD | \$ 48,004 | 29.30 | 1,406,517 | 60,671 | 32.79 | 1,989,402 | 57,683 | 32.45 | 1,871,813 |
| CNY | 56,646 | 4.09 | 231,682 | 56,646 | 4.48 | 253,774 | 56,646 | 4.45 | 252,075 |
| Monetary items | | | | | | | | | |
| USD | 8,349 | 29.30 | 244,626 | 4,175 | 32.79 | 136,898 | 7,866 | 32.45 | 255,252 |

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, short-term borrowings and accounts payable that are denominated in foreign currency. A depreciation (appreciation) 1 % of NTD against the USD for the six months ended June 30, 2025 and 2024 would have increased (decreased) the net profit before tax by \$11,619 and \$16,166, respectively. The analysis assumes that all other variables remain constant.

Since the Group has many kinds of functional currencies, the information on foreign exchange gains or losses on monetary items is disclosed by total amount. For the six months ended June 30, 2025 and 2024, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(163,211) and \$75,909, respectively.

(iv) Interest rate risk

Please refer to the attached note for the liquidity risk and the Group's interest rate exposure to its financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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If the interest rate increases (decreases) by 1%, the Group's net profit before tax would have decreased (increased) by \$20,182 and \$26,506 for the six months ended June 30, 2025 and 2024, respectively, all other variable factors that remain constant. This is mainly due to the Group's borrowing in floating rates.

(v) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

| Prices of securities at the reporting date | For the six months ended June 30 | | | | |
|--|---------------------------------------|-------------------|---------------------------------------|-------------------|--|
| | 2025 | | 2024 | | |
| | Other comprehensive income before tax | Income before tax | Other comprehensive income before tax | Income before tax | |
| Increasing 1% | \$ 939 | 313 | 766 | 136 | |
| Decreasing 1% | \$ (939) | (313) | (766) | (136) | |

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group's financial assets and liabilities are valued approximately to their fair value, and are not based on observable market data and the value measurements which are not reliable. No additional fair value disclosure is required in accordance with the regulations.

| | June 30, 2025 | | | | |
|---|---------------|---------|---------|---------|---------|
| | Book Value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Foreign listed company's stocks | \$ 1,312 | 1,312 | - | - | 1,312 |
| Open end funds | 8,465 | 8,465 | - | - | 8,465 |
| Private funds | 21,546 | - | - | 21,546 | 21,546 |
| Subtotal | 31,323 | 9,777 | - | 21,546 | 31,323 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic listed company's stocks | 2,205 | 2,205 | - | - | 2,205 |
| Foreign unlisted companies' stocks | 91,719 | - | - | 91,719 | 91,719 |
| Subtotal | 93,924 | 2,205 | - | 91,719 | 93,924 |
| Total | \$ 125,247 | 11,982 | - | 113,265 | 125,247 |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

| | December 31, 2024 | | | | |
|---|--------------------------|----------------|----------------|----------------|----------------|
| | Book Value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Foreign listed company's stocks | \$ 1,315 | 1,315 | - | - | 1,315 |
| Open end funds | 9,640 | 9,640 | - | - | 9,640 |
| Private funds | 23,944 | - | - | 23,944 | 23,944 |
| Subtotal | 34,899 | 10,955 | - | 23,944 | 34,899 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic listed company's stocks | 2,571 | 2,571 | - | - | 2,571 |
| Foreign unlisted companies' stocks | 89,301 | - | - | 89,301 | 89,301 |
| Subtotal | 91,872 | 2,571 | - | 89,301 | 91,872 |
| Total | <u>\$ 126,771</u> | <u>13,526</u> | <u>-</u> | <u>113,245</u> | <u>126,771</u> |
| June 30, 2024 | | | | | |
| | Fair Value | | | | |
| | Book Value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | | | | | |
| Foreign listed company's stocks | \$ 2,010 | 2,010 | - | - | 2,010 |
| Private funds | 11,582 | - | - | 11,582 | 11,582 |
| Subtotal | 13,592 | 2,010 | - | 11,582 | 13,592 |
| Financial assets at fair value through other comprehensive income | | | | | |
| Domestic listed company's stocks | 2,007 | 2,007 | - | - | 2,007 |
| Foreign unlisted companies' stocks | 74,550 | - | - | 74,550 | 74,550 |
| Subtotal | 76,557 | 2,007 | - | 74,550 | 76,557 |
| Total | <u>\$ 90,149</u> | <u>4,017</u> | <u>-</u> | <u>86,132</u> | <u>90,149</u> |

2) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

The fair value of financial assets and liabilities traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Central Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, its fair value is determined as follows:

- Unquoted equity instruments: The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

3) Reconciliation of Level 3 fair values

| | At fair value through profit or loss | Fair value through other comprehensive income | | Total |
|------------------------------------|---|--|--------------------------------|----------------|
| | | Private funds | Unquoted equity instruments | |
| Balance as of January 1, 2025 | \$ 23,944 | | 89,301 | 113,245 |
| Total gains and losses recognized: | | | | |
| In profit or loss | (5,690) | | - | (5,690) |
| In other comprehensive income | - | | 2,418 | 2,418 |
| Purchase | 3,292 | | - | 3,292 |
| Balance as of June 30, 2025 | <u>\$ 21,546</u> | | <u>91,719</u> | <u>113,265</u> |
| Balance as of January 1, 2024 | \$ 16,744 | | 77,217 | 93,961 |
| Total gains and losses recognized: | | | | |
| In profit or loss | (5,162) | | - | (5,162) |
| In other comprehensive income | - | | (2,667) | (2,667) |
| Balance as of June 30, 2024 | <u>\$ 11,582</u> | | <u>74,550</u> | <u>86,132</u> |

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value were “financial assets measured at fair value through profit or loss - private funds” and “financial assets measured at fair value through other comprehensive income - equity investments”.

Most of the Group's equity investments and private funds that use level 3 inputs to measure fair value have multiple significant unobservable inputs. There is no correlation existence among the significant unobservable inputs of equity investments and private funds that have no active markets because they were independent of each other.

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs were as follows:

| Item | Valuation technique | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|--|--------------------------------------|--|---|
| Financial assets at fair value through profit or loss-private funds | Comparable listed companies approach | <ul style="list-style-type: none"> · PB ratio (as of June 30, 2025, December 31, 2024 and June 30, 2024 were 0.55~1.83、0.35~2.56 and 0.30~1.90, respectively) · Market liquidity discount rate (as of June 30, 2025, December 31, 2024 and June 30, 2024 were all 25%) | <ul style="list-style-type: none"> · The higher the PB ratio, the higher the fair value · The higher the market liquidity discount rate, the lower the fair value |
| | Net asset value metod | · Net asset value | <ul style="list-style-type: none"> · The higher the net asset value, the higher the fair value. |
| Financial assets at fair value through other comprehensive income - equity investments | Comparable listed companies approach | <ul style="list-style-type: none"> · PB ratio (as of June 30, 2025, December 31, 2024 and June 30, 2024 were 0.8~1.2、0.6~1.3 and 0.3~1.27, respectively) · Market liquidity discount rate (as of June 30, 2025, December 31, 2024 and June 30, 2024 were all 40%) | <ul style="list-style-type: none"> · The higher the PB ratio, the higher the fair value · The higher the market liquidity discount rate, the lower the fair value |

5) Sensitivity analysis of reasonably possible alternative assumptions for fair value measurements in Level 3 of the fair value hierarchy

The fair value measurements of the Group's financial instruments are reasonable. However, changes in the use of valuation models or valuation variables may affect the estimations. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effect on other comprehensive income:

| | Inputs | Increase or decrease | Effects of changes in fair value on profit and loss | | Effects of changes in fair value on other comprehensive income | |
|---|---------------|-----------------------------|--|--------------------|---|--------------------|
| | | | Favorable | Unfavorable | Favorable | Unfavorable |
| June 30, 2025 | | | | | | |
| Financial assets at fair value through profit or loss | PB ratio | 10% | \$ 2,155 | (2,155) | - | - |
| Financial assets at fair value through other comprehensive income | PB ratio | 10% | - | - | 9,172 | (9,172) |
| December 31, 2024 | | | | | | |
| Financial assets at fair value through profit or loss | PB ratio | 10% | \$ 2,394 | (2,394) | - | - |
| Financial assets at fair value through other comprehensive income | PB ratio | 10% | - | - | 8,930 | (8,930) |
| June 30, 2024 | | | | | | |
| Financial assets at fair value through profit or loss | PB ratio | 10% | \$ 1,158 | (1,158) | - | - |
| Financial assets at fair value through other comprehensive income | PB ratio | 10% | - | - | 7,455 | (7,455) |

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the inter relationships with another input.

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(v) to the consolidated financial statements for the year ended December 31, 2024.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6 (v) to the consolidated financial statements for the year ended December 31, 2024 for further details.

The decrease in debt-to-equity ratio as of 2024 December 31, is mainly due to the growth in profits during the year.

(w) Financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities for the six months ended June 30, 2025 and 2024 were as follows:

| | Non-cash changes | | | | | | June 30, 2025 |
|--|---------------------|------------------|---------------------------------|---------------|--------------------------------|--------------|------------------|
| | January 1, 2025 | Cash flows | Foreign exchange movement | New lease | Changes in lease payment | Other | |
| Long-term borrowings (including current portion) | \$ 2,923,655 | (369,518) | (189,501) | - | - | - | 2,364,636 |
| Short-term borrowings | 1,592,241 | 94,180 | (14,270) | - | - | (322) | 1,671,829 |
| Short-term notes and bills payable | - | 48,000 | - | - | - | (5) | 47,995 |
| Lease liabilities | 10,531 | (4,021) | - | 3,488 | - | - | 9,998 |
| Total liabilities from financing activities | <u>\$ 4,526,427</u> | <u>(231,359)</u> | <u>(203,771)</u> | <u>3,488</u> | <u>-</u> | <u>(327)</u> | <u>4,094,458</u> |
| Non-cash changes | | | | | | | |
| | January 1, 2024 | Cash flows | Foreign exchange movement | New lease | Changes in lease payment | Other | June 30, 2024 |
| | \$ 3,010,707 | 40,532 | 124,535 | - | - | (48) | 3,175,726 |
| Long-term borrowings (including current portion) | 1,810,265 | 285,000 | 30,920 | - | - | (731) | 2,125,454 |
| Short-term notes and bills payable | 199,827 | (200,000) | - | - | - | 173 | - |
| Lease liabilities | 8,280 | (4,294) | - | 10,329 | - | - | 14,315 |
| Total liabilities from financing activities | <u>\$ 5,029,079</u> | <u>121,238</u> | <u>155,455</u> | <u>10,329</u> | <u>-</u> | <u>(606)</u> | <u>5,315,495</u> |

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Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship with related parties

| Name of related party | Relationship with the Group | |
|--|------------------------------------|----------------------------------|
| Bright Charter Shipping Limited | | Substantive related party (Note) |
| Sesoda Social Welfare Foundation | | Other related party (Note 2) |
| Zhengbang Investment Co., Ltd. | | Corporate shareholder of Company |
| SINCERE INDUSTRIAL CORPORATION | | Corporate shareholder of Company |
| Yalan Investment Consulting Co., Ltd. | | Corporate shareholder of Company |
| Sande International Investment Co., Ltd. | | Corporate shareholder of Company |

(Note): The Company's corporate director (SINCERE INDUSTRIAL CORPORATION) is the actual controller over the Bright Charter Shipping Limited.

(Note 2) The foundation was established by donations from the Company and was registered and established on May 31, 2022.

(b) Significant transactions with related parties

(i) Shipping agency expense

| | For the three months ended | | For the six months ended | |
|---------------------------------|----------------------------|--------|--------------------------|--------|
| | June 30 | | June 30 | |
| | 2025 | 2024 | 2025 | 2024 |
| Bright Charter Shipping Limited | \$ 14,209 | 16,023 | 30,490 | 31,591 |

Bright charter shipping Limited provides shipping agency service to the Group and settles related fee by the end of each next month.

(ii) Donations

| | 2025 | 2024 | 2025 | 2024 |
|----------------------------------|------|------|------|------|
| Sesoda Social Welfare Foundation | \$ - | - | 600 | - |

(iii) Payables

| Account | Relationship | Name of related party | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|----------------|---------------------------|---------------------------------|------------------|----------------------|------------------|
| Other payables | Substantive related party | Bright Charter Shipping Limited | \$ 23,206 | 5,410 | 10,709 |

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Notes to the Consolidated Financial Statements

(c) Key management personnel compensation comprised

| | For the three months ended | | For the six months ended | |
|------------------------------|----------------------------|---------------|--------------------------|---------------|
| | June 30 | 2024 | June 30 | 2024 |
| Short-term employee benefits | \$ 17,001 | 30,705 | 46,023 | 54,710 |
| Post-employment benefits | 1,818 | 386 | 1,930 | 772 |
| | \$ 18,819 | 31,091 | 47,953 | 55,482 |

(8) Pledged assets:

| Pledged assets | Object | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|-------------------------------|--|----------------------------|-------------------------|-------------------------|
| Property, plant and equipment | | | | |
| — Land | Guarantees for long-term and short-term borrowings | \$ 678,305 | 678,305 | 678,305 |
| — Buildings | Guarantees for long-term and short-term borrowings | 31,021 | 50,474 | 52,536 |
| — Vessels | Guarantees for long-term borrowings | <u>4,569,556</u> | <u>5,244,285</u> | <u>5,318,282</u> |
| | | <u>\$ 5,278,882</u> | <u>5,973,064</u> | <u>6,049,123</u> |

(9) Significant commitments and contingencies:

The Group entered into contracts with domestic and foreign vendors to purchase property, plant and equipment were as follows:

| | June 30, 2025 | December 31, 2024 | June 30, 2024 |
|----------------------|-------------------|----------------------|------------------|
| Total contract value | <u>\$ 169,883</u> | <u>324,183</u> | <u>350,937</u> |
| Cumulative payments | <u>\$ 124,339</u> | <u>283,464</u> | <u>275,855</u> |

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

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(12) Other:

(a) A summary of employee benefits, depreciation, and amortization, by function, was as follows:

| By item | By function | For the three months ended June 30 | | | | |
|----------------------------|-------------|------------------------------------|-------------------|---------|----------------|-------------------|
| | | 2025 | | | 2024 | |
| | | Operating cost | Operating expense | Total | Operating cost | Operating expense |
| Employee benefits | | | | | | |
| Salary | | 125,097 | 13,745 | 138,842 | 135,275 | 40,282 |
| Labor and health insurance | | 3,303 | 1,886 | 5,189 | 2,692 | 1,451 |
| Pension | | 748 | 2,213 | 2,961 | 776 | 603 |
| Remuneration of directors | | - | 10,140 | 10,140 | - | 15,498 |
| Others | | 10,712 | 722 | 11,434 | 11,511 | 1,613 |
| Depreciation | | 131,548 | 5,590 | 137,138 | 143,392 | 4,772 |
| Depletion | | - | - | - | - | - |
| Amortization | | - | - | - | - | - |

| By item | By function | For the six months ended June 30 | | | | |
|----------------------------|-------------|----------------------------------|-------------------|---------|----------------|-------------------|
| | | 2025 | | | 2024 | |
| | | Operating cost | Operating expense | Total | Operating cost | Operating expense |
| Employee benefits | | | | | | |
| Salary | | 263,741 | 51,388 | 315,129 | 269,853 | 72,269 |
| Labor and health insurance | | 6,486 | 4,031 | 10,517 | 5,519 | 2,821 |
| Pension | | 2,141 | 2,824 | 4,965 | 1,535 | 1,192 |
| Remuneration of directors | | - | 29,427 | 29,427 | - | 28,340 |
| Others | | 22,692 | 1,661 | 24,353 | 22,648 | 2,289 |
| Depreciation | | 278,552 | 11,454 | 290,006 | 282,848 | 9,711 |
| Depletion | | - | - | - | - | - |
| Amortization | | - | - | - | - | - |

(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclical factors.

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2025:

- (i) Loans to other parties: Please refer to schedule A.
- (ii) Guarantees and endorsements for other parties: Please refer to schedule B.
- (iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to schedule C.

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- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:None
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (vi) Business relationships and significant intercompany transactions: Please refer to schedule D.
- (b) Information on investees: Please refer to schedule E.
- (c) Information on investment in mainland China: None.

(14) Segment information:

The Group's operating segment information and reconciliation were as follows:

| For the three months ended June 30, 2025 | | | | | | |
|---|--------------------------|-------------------|----------------|-----------------|--|----------------|
| | <u>Chemical products</u> | | | | <u>Reconciliation and elimination (Note)</u> | <u>Total</u> |
| | <u>Oversea sales</u> | <u>Chartering</u> | <u>Freight</u> | <u>Catering</u> | <u>Others</u> | |
| Revenue: | | | | | | |
| Revenue from external customers | \$ 1,022,982 | 419,668 | - | 6,056 | - | 1,448,706 |
| Intersegment revenues | - | - | 5,298 | 88 | - | (5,386) |
| Total revenue | <u>\$ 1,022,982</u> | <u>419,668</u> | <u>5,298</u> | <u>6,144</u> | <u>-</u> | <u>(5,386)</u> |
| Reportable segment profit or loss | <u>\$ 184,002</u> | <u>63,628</u> | <u>25</u> | <u>(2,475)</u> | <u>(188,986)</u> | <u>-</u> |
| | | | | | | <u>56,194</u> |
| For the three months ended June 30, 2024 (Restated) | | | | | | |
| | <u>Chemical products</u> | | | | <u>Reconciliation and elimination (Note)</u> | <u>Total</u> |
| | <u>Oversea sales</u> | <u>Chartering</u> | <u>Freight</u> | <u>Catering</u> | <u>Others</u> | |
| Revenue: | | | | | | |
| Revenue from external customers | \$ 1,134,056 | 477,380 | 144 | 8,013 | - | 1,619,593 |
| Intersegment revenues | - | - | 4,331 | 56 | - | (4,387) |
| Total revenue | <u>\$ 1,134,056</u> | <u>477,380</u> | <u>4,475</u> | <u>8,069</u> | <u>-</u> | <u>(4,387)</u> |
| Reportable segment profit or loss | <u>\$ 252,102</u> | <u>63,704</u> | <u>(616)</u> | <u>(1,681)</u> | <u>36,094</u> | <u>-</u> |
| | | | | | | <u>349,603</u> |
| For the six months ended June 30, 2025 | | | | | | |
| | <u>Chemical products</u> | | | | <u>Reconciliation and elimination (Note)</u> | <u>Total</u> |
| | <u>Oversea sales</u> | <u>Chartering</u> | <u>Freight</u> | <u>Catering</u> | <u>Others</u> | |
| Revenue: | | | | | | |
| Revenue from external customers | \$ 2,074,544 | 880,845 | 5 | 11,828 | - | 2,967,222 |
| Intersegment revenues | - | - | 9,714 | 138 | - | (9,852) |
| Total revenue | <u>\$ 2,074,544</u> | <u>880,845</u> | <u>9,719</u> | <u>11,966</u> | <u>-</u> | <u>(9,852)</u> |
| Reportable segment profit or loss | <u>\$ 372,002</u> | <u>107,334</u> | <u>(170)</u> | <u>(5,859)</u> | <u>(98,065)</u> | <u>-</u> |
| | | | | | | <u>375,242</u> |
| For the six months ended June 30, 2024 (Restated) | | | | | | |
| | <u>Chemical products</u> | | | | <u>Reconciliation and elimination (Note)</u> | <u>Total</u> |
| | <u>Oversea sales</u> | <u>Chartering</u> | <u>Freight</u> | <u>Catering</u> | <u>Others</u> | |
| Revenue: | | | | | | |
| Revenue from external customers | \$ 2,140,955 | 901,950 | 288 | 15,597 | - | 3,058,790 |
| Intersegment revenues | - | - | 9,261 | 137 | - | (9,398) |
| Total revenue | <u>\$ 2,140,955</u> | <u>901,950</u> | <u>9,549</u> | <u>15,734</u> | <u>-</u> | <u>(9,398)</u> |
| Reportable segment profit or loss | <u>\$ 444,518</u> | <u>86,588</u> | <u>(385)</u> | <u>(3,006)</u> | <u>77,584</u> | <u>-</u> |
| | | | | | | <u>605,299</u> |

(Note): For the three months and six months ended June 30, 2025 and 2024, the reportable segment should eliminate intersegment revenues by \$5,386, \$4,387, \$9,852 and \$9,398, respectively.

| NO. | Creditor | Borrower | Financial statement account | Related party | Maximum outstanding balance for the period | Ending balance | Actual amount drawn down | Interest Rate | Nature of financing (Note 1) | Amount of transaction | Reasons for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on financing granted to each borrower | Ceiling on total financing granted | Notes |
|-----|----------|----------|-------------------------------------|---------------|--|----------------|--------------------------|---------------|------------------------------|-----------------------|----------------------------------|---------------------------------|------------|-------|---|------------------------------------|---------------------|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | SECC | SSC | Other receivables - related parties | Yes | 33,210 | 29,300 | 0 | 4.33% | 2 | - | Operating Capital | - | N/A | - | 361,534 | 361,534 | (Note 2 and Note 8) |
| 2 | SEFC | SSC | Other receivables - related parties | Yes | 33,210 | 29,300 | 0 | 4.33% | 2 | - | Operating Capital | - | N/A | - | 411,391 | 411,391 | (Note 3 and Note 8) |
| 3 | SEPC | SSC | Other receivables - related parties | Yes | 33,210 | 29,300 | 0 | 4.33% | 2 | - | Operating Capital | - | N/A | - | 417,145 | 417,145 | (Note 4 and Note 8) |
| 4 | SERC | SSC | Other receivables - related parties | Yes | 33,210 | 29,300 | 0 | 4.33% | 2 | - | Operating Capital | - | N/A | - | 411,056 | 411,056 | (Note 5 and Note 8) |
| 5 | SEGC | SSC | Other receivables - related parties | Yes | 33,210 | 29,300 | 0 | 4.33% | 2 | - | Operating Capital | - | N/A | - | 401,715 | 401,715 | (Note 6 and Note 8) |
| 6 | SEEC | SSC | Other receivables - related parties | Yes | 33,210 | 29,300 | 0 | 4.33% | 2 | - | Operating Capital | - | N/A | - | 373,922 | 373,922 | (Note 7 and Note 8) |
| 合計 | | | | | | | | | | | | | | | | | |

Note 1: Nature of financing:

1. For entities that the Company has business with.
2. For entities with short-term financing needs.

Note 2: Subsidiary SECC total amount available for financing purposes shall not exceed of SECC's audited or reviewed net worth.

Note 3: Subsidiary SEEC total amount available for financing purposes shall not exceed of SEEC's audited or reviewed net worth.

Note 4: Subsidiary SERC total amount available for financing purposes shall not exceed of SERC's audited or reviewed net worth.

Note 5: Subsidiary SEGC total amount available for financing purposes shall not exceed of SEGC's audited or reviewed net worth.

Note 6: Subsidiary SEFC total amount available for financing purposes shall not exceed of SEFC's audited or reviewed net worth.

Note 7: Subsidiary SEPC total amount available for financing purposes shall not exceed of SEPC's audited or reviewed net worth.

Note 8: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Schedule B Guarantees and endorsements for other parties:

| Number (Note 1) | Name of guarantor | Counter-party of guarantee and endorsement | | Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3) | Highest balance of guarantees and endorsements during the period | Balance of guarantees and endorsements as of reporting date | Actual usage amount | Property pledged for guarantees and endorsements (Amount) | Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements | Maximum amount for guarantees and endorsements | Parent company endorsements/ guarantees to subsidiary | Subsidiary endorsements/ guarantees to parent company | Endorsements/ guarantees to the companies in mainland China |
|--------------------|----------------------|---|---|--|---|---|------------------------|--|---|--|--|--|--|
| | | Name | Relationship with the Company (Note 2) | | | | | | | | | | |
| 0 | The Company | SSC | 2 | 6,456,502 | 1,992,600 | 1,465,000 | - | - | 22.69% | 19,369,506 | Y | N | N |
| 0 | The Company | SEMC | 2 | 6,456,502 | 139,660 | 101,888 | 101,888 | - | 1.58% | 19,369,506 | Y | N | N |
| 0 | The Company | SECC | 2 | 6,456,502 | 203,863 | 130,967 | 130,967 | - | 2.03% | 19,369,506 | Y | N | N |
| 0 | The Company | SEFC | 2 | 6,456,502 | 241,147 | 203,162 | 203,162 | - | 3.15% | 19,369,506 | Y | N | N |
| 0 | The Company | SEDC | 2 | 6,456,502 | 194,112 | 117,493 | 117,493 | - | 1.82% | 19,369,506 | Y | N | N |
| 0 | The Company | SEEC | 2 | 6,456,502 | 185,577 | 163,728 | 163,728 | - | 2.54% | 19,369,506 | Y | N | N |
| 0 | The Company | SERC | 2 | 6,456,502 | 223,900 | 185,441 | 185,441 | - | 2.87% | 19,369,506 | Y | N | N |
| 0 | The Company | SEGC | 2 | 6,456,502 | 259,702 | 203,928 | 203,928 | - | 3.16% | 19,369,506 | Y | N | N |
| 0 | The Company | SEPC | 2 | 6,456,502 | 261,883 | 215,127 | 215,127 | - | 3.33% | 19,369,506 | Y | N | N |
| 0 | The Company | SEVC | 2 | 6,456,502 | 207,821 | 170,922 | 170,922 | - | 2.65% | 19,369,506 | Y | N | N |
| | | | | | 3,910,265 | 2,957,656 | | | | | | | |

Note 1: Company numbering as follows:

The Company – 0

Note 2: Relationship with the Company:

1. For entities the guarantor has business transaction with.

2. For entities in which the guarantor, directly or indirectly, owned more than 50% of their shares.

Note 3: The Company's operating procedures of guarantee were as follows:

The guarantees and endorsements limit provided by The Company to other parties should not exceed 300% of its equity based on the most recent financial statements. The individual guarantee amount should not exceed 100% of its equity based on the most recent financial statements.

Schedule C Securities held as of March 31, 2025 :

| Name of holder | Category and name of security | Relationship with the company | Account title | Shares/ Units | Ending balance | | | |
|--|--|-------------------------------|---|---------------|----------------|-----------------------------|------------|--------|
| | | | | | Carrying value | Percentage of ownership (%) | Fair value | Remark |
| E-TEQ VENTURE CO., LTD. " Stock : | INTEL CORPORATION | — | Current financial assets at fair value through profit or loss | 2,000 | 1,312 | - | 1,312 | |
| | APOGEE Optocom CO., LTD. | — | Non-current financial assets at fair value through other comprehensive income | 30,000 | 2,205 | 0.07% | 2,205 | |
| | Subtotal | | | | 3,517 | | 3,517 | |
| E-TEQ VENTURE CO., LTD. " Private Fund: | CMIA VCC Digital VII(VC 7) | — | Non-current financial assets at fair value through profit or loss | 500 | 10,359 | 0.65% | 10,359 | |
| | GOLDEN ASPEN TOTAL RUTURN FUND I(GAP) | — | Non-current financial assets at fair value through profit or loss | - | 11,187 | - | 11,187 | |
| | Subtotal | | | | 21,546 | | 21,546 | |
| SSC Open end fund : " Stock : | Mega ESG Taiwan-U.S. Sustainable Double Profits Multi-Asset Fund | — | Current financial assets at fair value through profit or loss | 30,000 | 8,465 | - | 8,465 | |
| | USD Acc | — | | | 8,465 | | 8,465 | |
| | Subtotal | | | | 91,719 | 15.00% | 91,719 | |
| The company Stock : " Subtotal | Qingdao Soda Ash Industrial Potassic Fertilizer Technology Co., Ltd. | — | Non-current financial assets at fair value through other comprehensive income | - | 91,719 | | 91,719 | |
| | Subtotal | | | | 125,247 | | 125,247 | |
| | Total | | | | | | | |

Schedule D Relationships and importance transactions between the Group and subsidiaries :

| Number (Note 1) | Company Name | Related Party | Relationship (Note 2) | Transaction | | | |
|--------------------|--------------|---|-----------------------|--------------------------------|--------|-------------|---|
| | | | | Account title | Amount | Credit term | Percentage of consolidated sales revenue and total assets |
| 1 | SSC | SESC · SMGC · SMT · SEHC · SEBC · SEAC · SEMC · SECC · SEEC · SEFC · SERC · SEGC · SEPC | 2 | Other payables-related parties | 91,160 | - | 0.74% |

Note 1: Company numbering as follows:

1. 0 represents the parent company.

2. Subsidiary company number starts with Arabic numeral 1.

Note 2: Relationship of the counterparties:

1. Parent company to subsidiary.

2. Transactions are between subsidiaries.

Note 3: The section only disclosed the information of the account balance more than 0.5% of total consolidated assets.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Schedule E Securities held as of March 31, 2025 :

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | The ending balance at this period | | | Net income (losses) of investee | Investment income (losses) | Remark |
|-------------------------------|--|----------------|---|---------------------------------|-------------------------------------|-----------------------------------|-------------------------|----------------|---------------------------------|----------------------------|-----------------------|
| | | | | The ending balance at this year | The ending balance at the beginning | Shares | Percentage of ownership | Carrying value | | | |
| The Company | SSC | Panama | Ship operation and chartering | 1,711,502 | 1,110,902 | 10 | 100.00% | 5,156,209 | 169,269 | 169,269 | Subsidiary |
| | " | Taipei | General trade and investments | 38,023 | 38,023 | 3,200,000 | 100.00% | 36,770 | (1,394) | (1,394) | Subsidiary |
| | SIL | BVI | Holding company | 21,145 | 21,145 | 880 | 50.00% | (33,851) | (94) | (47) | Subsidiary |
| | " | Yilan | Manufacturing of thin film filter components required for optical communication | 48,604 | 48,604 | 4,661,297 | 13.43% | 103,419 | (60,540) | (7,848) | Associate |
| | " | Taipei | Wholesale of foods and groceries, sales of drinks, operation of restaurant | 94,787 | 94,787 | 2,600,000 | 100.00% | (178) | (5,921) | (5,921) | Subsidiary |
| | " | Taipei | Electronics components manufacturing, data storage media manufacturing and duplicating, general investments | 115,000 | 115,000 | 10,380,000 | 100.00% | 91,154 | (7,373) | (7,373) | Subsidiary |
| | " | Taipei | Investment | 30,000 | 30,000 | 3,000,000 | 100.00% | 30,409 | 146 | 146 | Subsidiary |
| | | | | 2,059,061 | 1,458,461 | | | 5,383,932 | | 146,832 | |
| SSC | SESC | Panama | Ship operation and chartering | 344 | 344 | 10 | 100.00% | 145,087 | 4,469 | 4,469 | Sub-Subsidiary |
| | " | BVI | Holding company | 89,364 | 89,364 | 880 | 50.00% | 30,481 | (94) | (47) | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 210,188 | 210,188 | 10 | 100.00% | 223,319 | 7,875 | 7,875 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 252,530 | 252,530 | 10 | 100.00% | 251,550 | (19,703) | (19,703) | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 319,718 | 348,841 | 10 | 100.00% | 297,843 | 5,974 | 5,974 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 224,951 | 248,536 | 10 | 100.00% | 492,505 | 5,377 | 5,377 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 113,802 | 369,059 | 10 | 100.00% | 18,526 | 67,616 | 67,616 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 318,036 | 229,896 | 11 | 100.00% | 449,742 | 16,147 | 16,147 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 247,798 | 247,798 | 11 | 100.00% | 361,534 | 10,454 | 10,454 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 292,030 | 292,030 | 11 | 100.00% | 373,922 | 20,024 | 20,024 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 239,439 | 239,439 | 11 | 100.00% | 411,391 | 17,828 | 17,828 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 286,639 | 286,639 | 11 | 100.00% | 411,056 | 24,553 | 24,553 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 297,122 | 297,122 | 11 | 100.00% | 360,321 | 10,111 | 10,111 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 260,850 | 254,236 | 11 | 100.00% | 335,880 | (6,757) | (6,757) | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 253,174 | 253,174 | 11 | 100.00% | 401,715 | 10,688 | 10,688 | Sub-Subsidiary |
| | " | Panama | Ship operation and chartering | 332,639 | 332,639 | 11 | 100.00% | 417,145 | 14,090 | 14,090 | Sub-Subsidiary |
| | " | Cayman Islands | Holding company | 2,126 | 2,037 | - | 100.00% | 181 | (48) | (48) | Sub-Subsidiary(Note1) |
| SSMHC | SEJC | Panama | Holding company | 3,740,750 | 3,953,872 | | | 4,982,198 | | 188,651 | |
| | | Yilan | Automobile cargo transportation business | 301 | 262 | - | 100.00% | (19) | (17) | (17) | Sub-Subsidiary |
| | | | | 27,381 | 27,381 | 19,000 | 100.00% | 24,525 | (161) | (161) | Sub-Subsidiary |
| East Tender Trading Co., Ltd. | Zai Feng Auto Transportation Co., Ltd. | | | | | | | | | | |

Note1: The sub-subsidiary which is 100% held by the subsidiary has been established and registered. However, the funds have not been fully invested. Capital registration is handled until the funds are all in place.

Note2: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.