

**Sesoda Corporation**  
(Formerly known as SESODA)

Stock code: 1708

**2024 Annual Shareholders Meeting  
Meeting Agenda**

Date: May 21, 2024

Location: No. 120, Xincheng 1st Road, Suao Township, Yilan County, Suao  
Main Factory of Sesoda Corporation

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# **Meeting agenda**

# **Sesoda Corporation 2024 Annual Shareholders Meeting Agenda**

Method: Physical shareholders' meeting

Date: 9:00 a.m., May 21, 2024 (Tuesday)

Address: No. 120 Xincheng 1st Road, Suao Township, Yilan County, Suao Main Factory of Sesoda Corporation

- I. Call the Meeting to Order
- II. Opening Ceremony
- III. Chairman's Remarks
- IV. Matters to be reported
  - (I) 2023 Business Report
  - (II) Report of 2023 remuneration distribution for employees and directors
  - (III) Audit Committee's Review Report on 2023 Financial Statements
  - (IV) Report on 2023 distribution of earnings as cash dividends
  - (V) Other reports
- V. Matters for Acknowledgment
  - (I) 2023 Business Report and Financial Statements
  - (II) 2023 Earnings Distribution Proposal
- VI. Matters for Discussion
  - (I) Amendment to the Articles of Incorporation
  - (II) Amendment to the Rules of Procedure for Shareholders' Meetings
- VII. Election
  - Election of 11 directors (including 3 independent directors) of the 25th Board of Directors
- VIII. Other motions
  - Removal of non-competition restrictions imposed on the directors of 25th Board of Directors
- IX. Extempore motions
- X. Adjournment

# **Matters to be reported**

## Matters to be reported

### I. 2023 Business Report of the Company

Description: For the Company's 2023 business report, please refer to Page 7 to Page 9.

## 2023 Business Report of Sesoda Corporation

### (I) Foreword

In 2023, a year full of challenges, the global economic recovery faced multiple challenges. Particularly, multiple blows were also posed by the global inflation, intensifying economic competition between China and the USA and international geopolitical tensions. Fortunately, based on flexible business strategies and with the efforts of all employees, the Company mitigated the condition unfavorable to business in 1H of the year and recovered its profitability step by step. Above all, with respect to the Company's core profession, the chemical engineering business, the Company successfully consumed high-priced inventory by strengthening inventory management and market pricing strategies in 2H of the year, and benefited from the quarterly recovery of the selling price, thereby reversing the loss situation in 1H of last year effectively.

For the trading business, although the sales volume of major products, such as soda ash and baking soda, declined from the previous year due to market fluctuations which primarily resulted from the weak demand of the downstream segment. In terms of the international trade, the market price of potash fluctuated sharply as a result of the conflict between Russia and Ukraine. At the same time, the international price of KCl also reached a record high for a while but then fell rapidly. Despite the fierce market competition and pressure from the price decline, the Company effectively reduced its dependence on a single market based on the diversified market sales strategy. The selling price of potash sulfate also began to recover steadily as of Q3.

For the shipping business, the Company currently owns 15 handy sized bulk carriers, which are primarily leased with pay on a daily basis. Although the overall market rent was lower than that of the previous year due to the destocking and economic regression expected to cause the decrease in demand for transportation capacity, the shipping business still maintained its profit in 2023 through effective cost control and adjustment on business strategies, such as crew scheduling.

Generally speaking, 2023 was a challenging year for the Company. In the future, the Company will still insist on its innovative and resilient strategies prepared in response to market changes, commit itself to creating long-term value for shareholders, and provide customers with higher quality products and services.

### (II) Status of production and sales

The production/purchase volume and sales volume in 2023 and 2022 are listed for comparison as follows:

	Department	2023	2022	Rate of Increase (Decrease)
Production/External purchase volumes (Metric tons)	Manufacturing	357,724	370,185	-3.37%
	Trading	57,906	96,157	-39.78%
Net sales volume (Metric tons)	Manufacturing	367,662	366,285	0.38%
	Trading	64,511	82,257	-21.57%

### (III) Operating revenue and profit & loss

In 2023, the Company had to deal with multipole challenges. As a result, its business condition suffered significant volatility. The net operating revenue was NT\$4,074,614 thousand, a decrease of 23.27% from NT\$5,310,423 thousand in 2022. This was mainly due to the trouble caused by the inventory of high-priced raw materials and the selling price decline, causing the gross profit to decline significantly.

The operating income of last year showed a decline. The net operating loss was NT\$62,324 thousand, the profit before tax NT\$13,207 thousand and the net loss in the current period NT\$28,458 thousand, a decrease of NT\$805,918 thousand (about -108.38%), NT\$1,587,697 thousand (about -99.18%) and NT\$1,232,880 thousand (about -102.36%), respectively, from the previous year. The Company made every endeavor to control the losses. However, it was still unable to withstand the high raw material cost and market price decline. As a result, the profit sought from its core profession was affected severely.

Even the shipping business was not exempted from the impact posed by the external economic recession. In particular, factors, such as the Russia-Ukraine War and the aggressive lift rate by the United States, have caused further pressure to the shipping market and thereby resulted in a significant decline in profits. This reflects the unprecedented challenges faced by the Company's business units in the context of global economic uncertainty.

### (IV) Outlook

In the context of the uncertain outlook of the global economy in 2024, the Company was facing a period in which challenges and opportunities co-existed. Generally, the international forecasts show that the global economy will grow slightly this year. Notwithstanding, the Company expects that the demand from downstream customers will continue to be weak for the core products, such as soda ash and baking soda, and the challenges faced by the market sales remain severe. To this end, the Company will spare no effort in developing new suppliers and proactively expanding new customer bases to improve our market competitiveness.

In response to the global challenge about environmental protection and carbon reduction, ESG and other eco-friendly issues have become the focus of the Company's future work. For the time being, the Company plans to continue investing in carbon reduction equipment in 2024, and gradually increase the sales of baking soda through process improvement and recovery of carbon dioxide generated by some processes to convert it into baking soda, so that the Company may increase market share and operating revenue, and also strengthen its local production capabilities to become the only local supplier of baking soda, thereby mitigating the risk over the supply chain disruption in the domestic market.

In terms of the export sales of potash, given the global economic recovery, the market demand is expected to grow and thereby promote the recovery of the market price of potash this year. The Company will continue to manage the sales of potash stably, use the raw material procurement strategy flexibly, consolidate existing customers, and keep developing new markets.

Although the shipping business reinvested by the Company is facing challenges, including the decline in daily rents resulting from the slowdown in demand and the increase in orders for new ships, in consideration of the factors, such as existence of the demand for basic bulk cargo and the minor impact posed to the handy sized bulk carriers by the Red Sea Crisis, the Company believes



that the shipping market will get specific supports in 2024. Especially, if the economy recovers in China and, therefore, demand recovers, the economy of the shipping market is still expected to get specific supports.

Looking forward to the future, despite the factors, such as the Russia–Ukraine War, Israel–Palestine conflict and the Red Sea Crisis in the Middle East, which are still affecting the international political and economic situation severely, as well as the growing impact posed by climate change to the global economy, we still keep cautious and also optimistic toward the global economy in 2024. The Company will keep watching the impact posed by international political and economic changes and the speed of the U.S. Fed’s interest rate cut to the inflation and economy closely. The global economy and trade are expected to grow stably but reveal certain lurking problems this year.

All of the Company’s employees will insist on the spirit of hard work and also go all out. The Company expects to apply its flexible allocation of production capacity and business model to keep improving its competitiveness and facilitating its sustainable development and growth.

Finally, I would like to thank all shareholders, directors and employees for their support. Wish you good health, happiness and all the best.

Chairman

President

Accounting Manager

## Matters to be reported

### II. Report of 2023 remuneration distribution for employees and directors

Description: According to the resolutions rendered by 13th meeting of 5th Remuneration Committee on March 11, 2024 and 23rd meeting of 24th the Board of Directors on March 11, 2024, 4.8% of the earnings were distributed as the remuneration to employees, totaling NT\$692,851, 1.2% thereof as the special bonus, totaling NT\$173,213, and 2.5% thereof as the remuneration to directors, totaling NT\$360,860, all paid in cash.

## Matters to be reported

### III. Audit Committee's Review Report on 2023 Financial Statements

Description: The Company's 2023 financial statements have been audited by KPMG and the Audit Committee. Please refer to Page 12 to Page 20 for details.

## **Sesoda Corporation Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 business report, financial statements and earnings distribution proposal. Among them, the financial statements have been audited by KPMG and an external auditor's report was issued. The above-mentioned business report, financial statements and profit distribution proposal has been reviewed by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with relevant provisions of the Securities and Exchange Act and the Company Act.

Sincerely

2024 Annual General Meeting of the Company

Convener of Audit Committee

Wang Po-Hsin

March 11, 2024

## **External Auditors' Report**

To: Board of Directors of Sesoda Corporation (formerly known as SESODA)

### **Audit opinion**

We have audited the accompanying individual balance sheets of Sesoda Corporation (“the Company”) as at December 31, 2023 and 2022, and the related individual statements of comprehensive income, of changes in equity and of cash flow for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, said parent company only financial statements present fairly, in all material respects, the individual financial position of the Company as at December 31, 2023 and 2022, and its individual financial performance and its individual cash flow for the years then ended, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters determined by us to be communicated on the audit report are as follows:

#### **I. Revenue recognition**

Regarding the accounting policy for the revenue recognition, please refer to Note 4 (13), Recognition of Revenue of the parent company only financial statements. For related disclosure of revenue recognition, please refer to Note 6 (15) of the parent company only financial statements.

#### **Description of Key Audit Matters:**

Sesoda Corporation is a listed company involved in the public interest, and investors care about its operating performance very much. Therefore, the revenue is recognized as an important assessment matter when we audit the financial statements of Sesoda Corporation.

Our main audit procedures for said key audit matters include:

- Understand the main types of revenue and transaction conditions, and assess whether the timing of revenue recognition is correct;
- Conducting analysis on changes in the revenue of major customers and assessing whether there are any significant abnormalities;
- Checking the sales contracts of major sales partners and testing the internal control over shipping operations and operating procedures for revenue recognition of Sesoda Corporation;
- Selecting a period around the balance sheet date of Sesoda Corporation for shipping the goods, and checking relevant vouchers and forms to confirm whether sales revenues are listed for the appropriate periods in the financial statements;
- Examining whether there are any subsequent significant refunds or allowances, and checking the appropriateness of the disclosures made by the management regarding the revenue recognized.

#### **Responsibilities of the management level and the governing body for the parent company only financial statements**

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

In preparing the parent company only financial statements, the management's responsibilities also include assessing the ability of the Company to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Company or cease operations, or has no other viable alternative but to liquidate or suspend business.

Those charged with governance (including the Auditing Committee) are responsible for supervising the Company's financial reporting process.

#### **Auditors' Responsibilities for Auditing the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the Standards on Auditing cannot guarantee that material misstatements in the parent company only financial statements will be detected. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following tasks:

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

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

We also provided the governance unit with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and communicated with the governance unit all relationships and other matters that may be considered to affect the independence of the accountants (including related protective measures).

From the matters communicated with the governance unit, we have determined key audit matters of the Company's 2023 parent company only financial statements. We describe these matters in our

auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Certified Public Accountant:

Approval reference number of the competent securities authority      Jin-Guan-Zheng-6-Zi No. 0950103298  
: Jin-Guan-Zheng-Shen-Zi No. 1080303300  
March 11, 2024



## **External Auditors' Report**

To: Board of Directors of Sesoda Corporation (formerly known as SESODA)

### **Audit opinion**

We have audited the accompanying consolidated balance sheets of Sesoda Corporation and its subsidiaries (herein after referred to as “the consolidated company”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flow for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of the consolidated company as of December 31, 2023 and 2022 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2023 and 2022.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated company's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters determined by us to be communicated on the audit report are as follows:

#### **I. Revenue recognition**

Regarding the accounting policy for the revenue recognition, please refer to Note 4 (13), Recognition of Revenue of the consolidated financial statements. For related disclosure of revenue recognition, please refer to Note 6 (17) of the consolidated financial statements.

Description of Key Audit Matters:

The consolidated company is a listed company involved in the public interest, and investors care about its operating performance very much. Therefore, the revenue is recognized as an important assessment matter when we audit the financial statements of the consolidated company. Our main audit procedures for said key audit matters include:

- Understand the main types of revenue and transaction conditions, and assess whether the timing of revenue recognition is correct;
- Conducting analysis on changes in the revenue of major customers and assessing whether there are any significant abnormalities;
- Checking the sales contracts of major sales partners and testing the internal control overs shipping operations and operating procedures for revenue recognition of the consolidated company;
- Selecting a period around the balance sheet date of the consolidated company for shipping the goods, and checking relevant vouchers and forms to confirm whether sales revenues are listed for the appropriate periods in the financial statements;
- Examining whether there are any subsequent significant refunds or allowances, and checking the appropriateness of the disclosures made by the management regarding the revenue recognized.

#### **Other matters**

Sesoda Corporation (formerly known as SESODA) has prepared the parent company only financial statements for 2023 and 2022, and the audit reports with unqualified opinions that we have issued are on file for reference.

#### **Responsibilities of the management level and the governing body for the consolidated financial statements**

The 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 with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management's responsibilities also include assessing the ability of the consolidated company to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the consolidated company or cease operations, or has no other viable alternative but to liquidate or suspend business.

Those charged with governance (including the Auditing Committee) are responsible for supervising the consolidated company's financial reporting process.

## **Auditors' Responsibilities for Auditing the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the Standards on Auditing cannot guarantee that material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following tasks:

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

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

We also provided the governance unit with a statement that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and communicated with the governance unit all relationships and other matters that may be considered to affect the independence of the accountants (including related protective measures).

From the matters communicated with the governance unit, we have determined key audit matters of the consolidated company's 2023 consolidated financial statements. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Certified Public Accountant:

Approval reference number of the competent securities authority : Jin-Guan-Zheng-6-Zi No. 0950103298  
Jin-Guan-Zheng-Shen-Zi No. 1080303300

March 11, 2024

## Matters to be reported

### IV. Report on 2023 distribution of earnings as cash dividends

#### Description:

- (1) In accordance with Paragraph 5, Article 240 of the Company Act, Article 29 of the Company's Articles of Incorporation, and the resolution of 23rd meeting of 24th Board of Directors on March 11, 2024.
- (2) The Company has 249,001,651 common shares outstanding. It is proposed to distribute cash dividends to shareholders of NT\$ 1.5 per share, totaling NT\$ 373,502,477.
- (3) In consideration of the difficulty in computerized check operations and token swapping, the calculation of cash dividends is round up to the nearest NTD. Fractions less than a full NT\$1 shall be summed up and recognized by the Company as other income.
- (4) The Board of Directors will convene separately to determine the record date and payment date of cash dividends and other related matters.

## Matters to be reported

### V. Other reports

#### 1. Investment in Mainland China:

On December 31, 2023, the Company invested directly in Qingdao Soda Ash Potash Technology Co., Ltd., with the carrying amount, NT\$77,217 thousand, representing 3.10% of the Company's paid-in capital.

#### 2. Loaning of funds:

On December 31, 2023, the Company's wholly owned indirect subsidiary loaned funds to the Company's wholly owned subsidiary, Sesoda Steamship Corporation, for a total of NT\$122,840 thousand.

(Please refer to the Company's 2023 annual report or the MOPS for details).

#### 3. Endorsements / guarantees provided:

As of December 31, 2023, the Company provided endorsements and guarantees for the investees in which the Company directly or indirectly holds more than 50% of common shares, for a total amount of NT\$4,118,307 thousand.

(Please refer to the Company's 2023 annual report or the MOPS for details).

# **Matters for Acknowledgment**

## Matters for Acknowledgment

Proposal 1: Proposed by the Board

Cause: 2023 The business report and financial statements (including consolidated financial statements) are submitted for ratification.

Description: 1. The Company's 2023 financial statements (including consolidated financial statements) and business report have been audited by the Audit Committee and approved per resolution by 23rd meeting of 24th Board of Directors and an audit report was issued accordingly on March 11, 2024. Among them, the financial statements (including the consolidated financial statements) have been audited by KPMG.

2. Please refer to Page 7 to Page 9 for the Business Report.

Please refer to Page 25 to Page 32 for the Financial Statements.

Resolution:



**Unit: NTD Thousand**25

# Sesoda Corporation (formerly known as SESODA)

## Statement of Comprehensive Income

December 31, 2023 and 2022

Unit: NTD Thousand

		2023		2022	
		Amount	%	Amount	%
4110	Operating revenue (Note 6(15))	\$ 4,074,614	100	5,310,423	100
5111	Operating cost (Notes 6(4), (6) & (11))	3,650,098	90	3,701,701	70
	Operating margin	424,516	10	1,608,722	30
6000	Operating expenses (Notes 6(3), (6), (7), (10), (11) & (16) and 7):				
6100	Selling expenses	428,497	11	481,809	9
6200	Administrative expenses	122,516	3	302,468	6
6450	Expected credit impairment loss (gains on recovery)	(64,173)	(2)	80,851	1
	Total operating expenses	486,840	12	865,128	16
6900	Net operating profit (loss)	(62,324)	(2)	743,594	14
7000	Non-operating revenue and expenses (Notes 6(5), (6), (10) & (17) and 7):				
7100	Interest revenue	21,721	1	2,090	-
7010	Other revenue	365	-	5,980	-
7020	Other gains and losses	(10,086)	-	102,369	2
7050	Financial cost	(27,191)	(1)	(13,892)	-
7060	Share of profit or loss of subsidiaries and associates accounted for using the equity method	90,722	2	760,763	14
	Total non-operating revenue and expenses	75,531	2	857,310	16
7900	Net profit before tax	13,207	-	1,600,904	30
7950	Less: Income tax expenses (Note 6(12))	41,665	1	396,482	7
	Current net profit (loss)	(28,458)	(1)	1,204,422	23
8300	Other comprehensive income (Notes 6(2), (5), (11), (12) & (13)):				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	230	-	13,370	-
8316	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	(547)	-	(36,541)	(1)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method – Items that are not subsequently reclassified to income	1,960	-	(12,552)	-
8349	Less: Income tax related to items not subject to reclassification	46	-	2,674	-
	Total of items not reclassified into profit or loss	1,597	-	(38,397)	(1)
8360	Items that might be reclassified into profit or loss subsequently				
8361	Exchange differences on translation of financial statements of foreign operations	8,513	-	428,530	8
8399	Less: Income tax related to items that might be subject to reclassification	-	-	-	-
	Total items that might be reclassified into profit or loss subsequently	8,513	-	428,530	8
8300	Other comprehensive income in the current period	10,110	-	390,133	7
8500	Total comprehensive income for the period	\$ (18,348)	(1)	1,594,555	30
9750	Basic earnings per share (Note 6(14)) (Unit: NTD)	\$ (0.11)		4.84	
9850	Diluted earnings per share (Note 6(14)) (Unit: NTD)	\$ (0.11)		4.78	

(Please refer to the attached Notes to the parent company only financial statements.)

Chairman: Chen Jung-Yuan General Manager: Huang Chih-Cheng Accounting Manager: Chu Ching-Yun

**Sesoda Corporation (formerly known as SESODA)**  
**Statement of Changes in Equity**  
**December 31, 2023 and 2022**

**Unit: NTD Thousand**

	Retained earnings						Other equity		Total	Total equity
	Capital stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income		
<b>Balance at the beginning of January 1, 2022</b>	\$ 2,490,017	103,111	984,015	258,877	2,682,592	3,925,484	(344,110)	(141,395)	(485,505)	6,033,107
Appropriation and distribution of earnings:										
Provision of legal reserve	-	-	66,873	-	(66,873)	-	-	-	-	-
Provision of special reserve	-	-	-	226,628	(226,628)	-	-	-	-	-
Cash dividend on common stock dividend	-	-	-	-	(498,003)	(498,003)	-	-	-	(498,003)
Reversal of special reserve	-	-	-	(9)	9	-	-	-	-	-
Net profit for the period	-	-	-	-	1,204,422	1,204,422	-	-	-	1,204,422
Other comprehensive income in the current period	-	-	-	-	11,064	11,064	428,530	(49,461)	379,069	390,133
Total comprehensive income for the period	-	-	-	-	1,215,486	1,215,486	428,530	(49,461)	379,069	1,594,555
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	974	974	-	(974)	(974)	-
Changes in affiliated companies accounted for using equity method	-	-	-	-	209	209	-	(209)	(209)	-
Changes in other capital surplus	-	1,629	-	-	-	-	-	-	-	1,629
<b>Balance as of December 31, 2022</b>	2,490,017	104,740	1,050,888	485,496	3,107,766	4,644,150	84,420	(192,039)	(107,619)	7,131,288
Appropriation and distribution of earnings:										
Provision of legal reserve	-	-	121,669	-	(121,669)	-	-	-	-	-
Reversal of special reserve	-	-	-	(353,846)	353,846	-	-	-	-	-
Cash dividend on common stock dividend	-	-	-	-	(747,005)	(747,005)	-	-	-	(747,005)
Net loss for the period	-	-	-	-	(28,458)	(28,458)	-	-	-	(28,458)
Other comprehensive income in the current period	-	-	-	-	749	749	8,513	848	9,361	10,110
Total comprehensive income for the period	-	-	-	-	(27,709)	(27,709)	8,513	848	9,361	(18,348)
Changes in other capital surplus	-	624	-	-	-	-	-	-	-	624
<b>Balance as of December 31, 2023</b>	<u>\$ 2,490,017</u>	<u>105,364</u>	<u>1,172,557</u>	<u>131,650</u>	<u>2,565,229</u>	<u>3,869,436</u>	<u>92,933</u>	<u>(191,191)</u>	<u>(98,258)</u>	<u>6,366,559</u>

(Please refer to the attached Notes to the parent company only financial statements.)

**Chairman: Chen Jung-Yuan**

**General Manager: Huang Chih-Cheng**

**Accounting Manager: Chu Ching-Yun**

**Sesoda Corporation (formerly known as SESODA)**  
**Statement of Cash Flow**  
**December 31, 2023 and 2022**

**Unit: NTD Thousand**

	2023	2022
<b>Cash flow from operating activities:</b>		
Net income before tax for the current period	\$ 13,207	1,600,904
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expenses	100,208	92,101
Expected credit impairment (reversal gain) loss	(64,173)	80,851
Interest expenses	27,191	13,892
Interest revenue	(21,721)	(2,090)
Dividend revenue	-	(5,930)
Share of gains of subsidiaries and associates accounted for using the equity method	(90,722)	(760,763)
Gains from the disposal of property, plant and equipment	-	(36)
Property, plant and equipment reclassified to expenses	36,767	43,904
Gain on lease modification	(2)	(116)
Total adjustments to reconcile profit (loss)	(12,452)	(538,187)
Net changes in assets related to operating activities:		
Decrease in notes receivable	18,179	17,525
Decrease (increase) in accounts receivable	175,877	(231,437)
Increase in other receivables – Related parties	(2,332)	(2,277)
Decrease (increase) in inventory	936,105	(738,476)
Decrease (increase) in other current assets	36,516	(18,437)
Increase in other financial assets – current	(26,996)	(9,809)
Increase in net defined benefit assets	(4,808)	(4,823)
Total net changes in assets related to operating activities	1,132,541	(987,734)
Net changes in liabilities related to operating activities:		
Increase (decrease) in accounts payable	(348,664)	252,124
Increase (decrease) in other payables	(103,605)	61,996
Increase (decrease) in other payables – Related parties	980	(93)
Increase (decrease) in other current liabilities	27,195	(2,172)
Total net changes in liabilities related to operating activities	(424,094)	311,855
Total net changes in assets and liabilities related to operating activities	708,447	(675,879)
<b>activities</b>		
Total adjustments	695,995	(1,214,066)
Cash inflow from operations	709,202	386,838
Interest received	19,917	1,913
Dividends received	320,024	14,370
Interest paid	(31,244)	(15,257)
Income tax paid	(213,601)	(75,455)
<b>Net cash inflow from operating activities</b>	804,298	312,409
<b>Cash flow from investing activities</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,546
Acquisition of investments under equity method	-	(35,000)
Disposal of investments under equity method	-	2,639
Decrease in prepaid investments	-	468,568
Acquisition of property, plant and equipment	(269,995)	(353,315)
Disposal of property, plant and equipment	-	1,728
Decrease (increase) in refundable deposits	2,425	(4,775)
<b>Net cash inflow (outflow) from investing activities</b>	(267,570)	81,391
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	5,290,000	5,617,200
Decrease in short-term borrowings	(5,390,000)	(5,387,200)
Increase in short-term notes and bills payable	500,000	-
Decrease in short-term notes and bills payable	(300,000)	-
Borrowing of long-term loans	735,000	-
Repayment of lease principal	(5,800)	(5,675)
Payment of cash dividends	(747,005)	(498,003)
Receipt of cash dividends of previous years returned by shareholders	624	1,629
<b>Net cash inflow (outflow) from financing activities</b>	82,819	(272,049)
<b>Increase in cash and cash equivalents in the current period</b>	619,547	121,751
<b>Opening balance of cash and cash equivalents</b>	482,598	360,847
<b>Ending balance of cash and cash equivalents</b>	<b>\$ 1,102,145</b>	<b>482,598</b>

(Please refer to the attached Notes to the parent company only financial statements.)

**Chairman: Chen Jung-Yuan**

**General Manager: Huang Chih-Cheng**

**Accounting Manager: Chu Ching-Yun**

**Sesoda Corporation (formerly known as SESODA) and its Subsidiaries**  
**Consolidated Balance Sheet**  
**December 31, 2023 and 2022**

**Unit: NTD Thousand**

		2023.12.31		2022.12.31				2023.12.31		2022.12.31	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents (Note 6(1))	\$ 1,600,594	12	1,295,290	9	2100	Liabilities and equity				
1110	Financial assets at fair value through profit or loss – current (Note 6(2))	3,086	-	1,623	-	2111	Current liabilities:				
1150	Notes receivable (Note 6(4))	103,171	1	121,350	1	2111	Short-term borrowings (Notes 6(9) & (23) and 8)	\$ 1,810,265	14	1,618,520	12
1170	Accounts receivable, net (Note 6(4))	595,226	5	686,870	5	2322	Short-term notes and bills payable (Notes 6(10) & (23))	199,827	2	-	-
130X	Inventories (Note 6(5))	450,112	4	1,387,135	10	2322	Long-term borrowings due within one year (Notes 6(9) & (23) and 8)	476,845	4	516,275	4
1476	Other financial assets – current	292,785	2	138,862	1	2170	Accounts payable	304,066	2	650,407	5
1470	Other current assets	308,609	2	230,355	2	2200	Other payables (Notes 6(18) and 7)	430,620	3	507,349	3
	Total current assets	3,353,583	26	3,861,485	28	2230	Current income tax liabilities	3,256	-	215,709	1
Non-current assets:											
1510	Financial assets at fair value through profit or loss – non-current (Note 6(2))	16,744	-	13,123	-	2280	Lease liabilities – current (Notes 6(11) & (23))	5,599	-	8,229	-
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6(3))-	79,443	1	79,552	1	2399	Other current liabilities	199,097	1	99,616	1
1550	Investment under equity method (Note 6(6))	258,978	2	290,707	2		Total current liabilities	3,429,575	26	3,616,105	26
1600	Property, plant and equipment (Notes 6(7), 8 and 9)	9,293,472	71	9,472,908	69	2540	Non-current liabilities:				
1755	Right-of-use assets (Note 6(8))	8,018	-	15,382	-	2540	Long-term borrowings (Notes 6(9) & (23) and 8)	2,533,862	19	2,337,127	17
1840	Deferred income tax assets (Note 6(14))	8,040	-	47,872	-	2570	Deferred income tax liabilities (Note 6(14))	744,402	6	744,360	5
1975	Net defined benefit assets (Note 6(13))	46,941	-	41,903	-	2580	Lease liabilities – non-current (Notes 6(11) & (23))	2,681	-	7,696	-
1995	Other non-current assets (Note 9)	11,860	-	13,644	-		Total non-current liabilities	3,280,945	25	3,089,183	22
	Total non-current assets	9,723,496	74	9,975,091	72		Total liabilities	6,710,520	51	6,705,288	48
Equity (Notes 6(3), (6), (13), (14) & (15)):											
						3100	Capital stock	2,490,017	19	2,490,017	18
						3200	Capital surplus	105,364	1	104,740	1
							Retained earnings:				
						3310	Legal reserve	1,172,557	9	1,050,888	8
						3320	Special reserve	131,650	1	485,496	3
						3350	Undistributed earnings	2,565,229	20	3,107,766	22
								3,869,436	30	4,644,150	33
							Other equity:				
						3410	Exchange differences on translation of financial statements of foreign operations	92,933	-	84,420	1
						3420	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	(191,191)	(1)	(192,039)	(1)
								(98,258)	(1)	(107,619)	-
							Total equity	6,366,559	49	7,131,288	52
							Total liabilities and equity	\$ 13,077,079	100	13,836,576	100

(Please refer to the attached Notes to the consolidated financial statements.)

**Chairman: Chen Jung-Yuan**

**General Manager: Huang Chih-Cheng**

**Accounting Manager: Chu Ching-Yun**

**Sesoda Corporation (formerly known as SESODA) and its Subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**December 31, 2023 and 2022**

**Unit: NTD Thousand**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4110	<b>Operating revenue (Notes 6(12) &amp; (17))</b>	\$ 5,879,183	100	8,025,189	100
5111	<b>Operating cost (Notes 6(5), (7), (8), (11) &amp; (13) and 7):</b>	5,019,654	85	5,177,065	64
	<b>Operating margin</b>	859,529	15	2,848,124	36
6000	<b>Operating expenses (Notes 6(4), (7), (8), (11) &amp; (13) and 7):</b>				
6100	Selling expenses	423,143	7	480,199	6
6200	Administrative expenses	290,408	5	538,550	7
6450	Expected credit impairment loss (gains on recovery)	(64,173)	(1)	80,851	1
	<b>Total operating expenses</b>	649,378	11	1,099,600	14
6900	<b>Operating profit</b>	210,151	4	1,748,524	22
7000	<b>Non-operating revenue and expenses (Notes 6(2), (6), (7), (11) &amp; (19)):</b>				
7100	Interest revenue	38,738	1	6,619	-
7010	Other revenue	448	-	6,099	-
7020	Other gains and losses	21,445	-	120,725	1
7050	Financial cost	(224,280)	(4)	(113,880)	(1)
7060	Share of profit or loss of associates accounted for using the equity method	(33,250)	(1)	(166,422)	(2)
	<b>Total non-operating revenue and expenses</b>	(196,899)	(4)	(146,859)	(2)
7900	<b>Net profit before tax</b>	13,252	-	1,601,665	20
7950	<b>Less: Income tax expenses (Note 6(14))</b>	41,710	1	397,243	5
	<b>Current net profit (loss)</b>	(28,458)	(1)	1,204,422	15
8300	<b>Other comprehensive income (Notes 6(6), (13), (14) &amp; (15)):</b>				
8310	<b>Items not reclassified into profit or loss</b>				
8311	Remeasurement of defined benefit plan	230	-	13,370	-
8316	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	(109)	-	(48,874)	-
8320	Share of other comprehensive income of associates accounted for using equity method – Items that are not subsequently reclassified to income	1,522	-	(219)	-
8349	Less: Income tax related to items not subject to reclassification	46	-	2,674	-
	<b>Total of items not reclassified into profit or loss</b>	1,597	-	(38,397)	-
8360	<b>Items that might be reclassified into profit or loss subsequently</b>				
8361	Exchange differences on translation of financial statements of foreign operations	8,513	-	428,530	5
8399	Less: Income tax related to items that might be subject to reclassification	-	-	-	-
	<b>Total items that might be reclassified into profit or loss subsequently</b>	8,513	-	428,530	5
8300	<b>Other comprehensive income in the current period</b>	10,110	-	390,133	5
	<b>Total comprehensive income for the period</b>	<u>\$ (18,348)</u>	<u>(1)</u>	<u>1,594,555</u>	<u>20</u>
9750	<b>Basic earnings per share (Note 6(16)) (Unit: NTD)</b>	<u>\$ (0.11)</u>		<u>4.84</u>	
9850	<b>Diluted earnings per share (Note 6(16)) (Unit: NTD)</b>	<u>\$ (0.11)</u>		<u>4.78</u>	

(Please refer to the attached Notes to the consolidated financial statements.)

**Chairman: Chen Jung-Yuan**

**General Manager: Huang Chih-Cheng**

**Accounting Manager: Chu Ching-Yun**

**Sesoda Corporation (formerly known as SESODA) and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**December 31, 2023 and 2022**

**Unit: NTD Thousand**

	Retained earnings						Exchange differences on translation of financial statements of foreign operations	Other equity		
	Capital stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total		Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Total	Total equity
Balance as of January 1, 2022	\$ 2,490,017	103,111	984,015	258,877	2,682,592	3,925,484	(344,110)	(141,395)	(485,505)	6,033,107
Appropriation and distribution of earnings:										
Provision of legal reserve	-	-	66,873	-	(66,873)	-	-	-	-	-
Provision of special reserve	-	-	-	226,628	(226,628)	-	-	-	-	-
Cash dividend on common stock dividend	-	-	-	-	(498,003)	(498,003)	-	-	-	(498,003)
Reversal of special reserve	-	-	-	(9)	9	-	-	-	-	-
Net profit for the period	-	-	-	-	1,204,422	1,204,422	-	-	-	1,204,422
Other comprehensive income in the current period	-	-	-	-	11,064	11,064	428,530	(49,461)	379,069	390,133
Total comprehensive income for the period	-	-	-	-	1,215,486	1,215,486	428,530	(49,461)	379,069	1,594,555
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	1,183	1,183	-	(1,183)	(1,183)	-
Changes in other capital surplus	-	1,629	-	-	-	-	-	-	-	1,629
Balance as of December 31, 2022	2,490,017	104,740	1,050,888	485,496	3,107,766	4,644,150	84,420	(192,039)	(107,619)	7,131,288
Appropriation and distribution of earnings:										
Provision of legal reserve	-	-	121,669	-	(121,669)	-	-	-	-	-
Reversal of special reserve	-	-	-	(353,846)	353,846	-	-	-	-	-
Cash dividend on common stock dividend	-	-	-	-	(747,005)	(747,005)	-	-	-	(747,005)
Net loss for the period	-	-	-	-	(28,458)	(28,458)	-	-	-	(28,458)
Other comprehensive income in the current period	-	-	-	-	749	749	8,513	848	9,361	10,110
Total comprehensive income for the period	-	-	-	-	(27,709)	(27,709)	8,513	848	9,361	(18,348)
Changes in other capital surplus	-	624	-	-	-	-	-	-	-	624
Balance as of December 31, 2023	\$ 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

(Please refer to the attached Notes to the consolidated financial statements.)

**Chairman: Chen Jung-Yuan**

**General Manager: Huang Chih-Cheng**

**Accounting Manager: Chu Ching-Yun**

**Sesoda Corporation (formerly known as SESODA) and its Subsidiaries**  
**Consolidated Statement of Cash Flow**  
**December 31, 2023 and 2022**

**Unit: NTD Thousand**

	2023	2022
<b>Cash flow from operating activities:</b>		
Net income before tax for the current period	\$ 13,252	1,601,665
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expenses	543,325	516,592
Expected credit impairment (reversal gain) loss	(64,173)	80,851
Net (gains) losses on financial assets at fair value through profit or loss	(9,355)	6,387
Financial cost	224,280	113,880
Interest revenue	(38,738)	(6,619)
Dividend revenue	(106)	(6,078)
Share of loss of associates accounted for using the equity method	33,250	166,422
Loss from disposal of property, plant and equipment	5,626	2,320
Property, plant and equipment reclassified to expenses	36,767	43,904
Gain on lease modification	(2)	(116)
Total adjustments to reconcile profit (loss)	730,874	917,543
Net changes in assets related to operating activities:		
Decrease in notes receivable	18,179	17,525
Decrease (increase) in accounts receivable	155,817	(224,384)
Decrease (increase) in inventory	936,399	(738,573)
Increase in other current assets	(77,896)	(103,903)
Decrease (increase) in other financial assets – current	(151,124)	36,586
Increase in net defined benefit assets	(4,807)	(4,823)
Total net changes in assets related to operating activities	876,568	(1,017,572)
Net changes in liabilities related to operating activities:		
Increase (decrease) in accounts payable	(346,341)	252,247
Increase (decrease) in other payables	(82,663)	98,263
Increase in other current liabilities	99,481	40,507
Total net changes in liabilities related to operating activities	(329,523)	391,017
Total net changes in assets and liabilities related to operating activities	547,045	(626,555)
Total adjustments	1,277,919	290,988
Cash inflow from operations	1,291,171	1,892,653
Interest received	35,939	5,843
Dividends received	106	13,065
Interest paid	(227,920)	(102,809)
Income tax paid	(214,693)	(75,961)
<b>Net cash inflow from operating activities</b>	884,603	1,732,791
<b>Cash flow from investing activities</b>		
Acquisition of financial assets at fair value through profit or loss	-	(15,274)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,824
Proceeds from disposal of financial assets at fair value through profit or loss	4,429	-
Acquisition of property, plant and equipment	(384,859)	(406,225)
Disposal of property, plant and equipment	460	2,299
Decrease (increase) in refundable deposits	2,425	(4,788)
Acquisition of right-of-use assets	(184)	(34)
Decrease in other non-current assets	-	169
<b>Cash outflow from investing activities</b>	(377,729)	(422,029)
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	11,564,053	8,949,235
Decrease in short-term borrowings	(11,372,308)	(8,903,495)
Increase in short-term notes and bills payable	500,000	-
Decrease in short-term notes and bills payable	(300,000)	-
Borrowing of long-term loans	735,000	-
Repayment of long-term loans	(585,718)	(539,949)
Repayment of lease principal	(9,333)	(9,168)
Payment of cash dividends	(747,005)	(498,003)
Receipt of cash dividends of previous years returned by shareholders	624	1,629
<b>Net cash outflow from financing activities</b>	(214,687)	(999,751)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	13,117	28,723
<b>Increase in cash and cash equivalents in the current period</b>	305,304	339,734
<b>Opening balance of cash and cash equivalents</b>	1,295,290	955,556
<b>Ending balance of cash and cash equivalents</b>	<b>\$ 1,600,594</b>	<b>1,295,290</b>

(Please refer to the attached Notes to the consolidated financial statements.)

**Chairman: Chen Jung-Yuan**

**General Manager: Huang Chih-Cheng**

**Accounting Manager: Chu Ching-Yun**



## Matters for Acknowledgment

Proposal 2: Proposed by the Board

Cause: The Company's 2023 earnings distribution proposal is submitted for ratification.

Description: 1. 2023 cumulative distributable earnings were NT\$2,565,229,720, and the cash dividends proposed to be distributed NT\$373,502,477 (at NT\$1.5 per share).

2. Please refer to Page 34 for the 2023 earnings distribution table.

Resolution:

Sesoda Corporation  
Profit Distribution Table  
2023

Unit: New Taiwan Dollars

Undistributed surplus earnings, beginning of period	2,592,938,450
Add (subtract):	
Determine the remeasurement of the benefit plan	184,349
Changes in affiliated companies accounted for using equity method	564,520
Net loss after tax for the year	(28,457,599)
Amount available for distribution	2,565,229,720
Less:	
Distribution item:	
Shareholder dividend-cash dividend (NTD 1.5 per share)	(373,502,477)
Undistributed surplus earnings, end of period	2,191,727,243

Explanation:

1. The current number of issued shares and the number of shares participating in the distribution are both 249,001,651 shares.
2. The basis for setting aside the legal reserve is amended as “the net profit after tax for the current period plus the items other than the net profit after tax for the current period recognized into the undistributed earnings for the year.”

Chairman:

Manager:

Accounting Supervisor:

# **Discussion Item**

## Discussion Item

Proposal 1: Proposed by the Board

Cause: The proposed amendments to the Company's "Articles of Incorporation" are submitted for resolution.

Description: 1. In accordance with the resolution rendered by 20th meeting of 24th Board of Directors of the Company on November 6, 2023.

2. For the Comparison Table of the Articles of Incorporation before and after the amendment, please refer to Page 37 to Page 39.

Resolution:

**Sesoda Corporation**  
**Comparison Table of the “Articles of Incorporation” before and after the amendment**

Amended on May 21, 2024

Amended article	Original article	Description
<p>Article 2:  The Company's operations are as follows:</p> <ol style="list-style-type: none"> <li>1. C801010 Basic Chemical Engineering.</li> <li>2. C801110 Fertilizer Manufacturing.</li> <li>3. C802990 Other Chemical Manufacturing.</li> <li>4. C802090 Cleaning Products Manufacturing.</li> <li>5. C802200 Coating, Paint, Dyestuff and Pigment Manufacturing.</li> <li>6. F113010 Wholesale of Machinery.</li> <li>7. C701010 Printing</li> <li>8. C702010 Plate Making.</li> <li>9. G801010 Warehousing.</li> <li>10. F103010 Wholesale of Feeds.</li> <li>11. J101050 Environmental Testing Services.</li> <li>12. F107050 Wholesale of Fertilizers.</li> <li>13. F107100 Wholesale of Basic Chemical Materials.</li> <li>14. F107070 Wholesale of Veterinary Drugs.</li> <li>15. F107080 Wholesale of Environmental Drugs.</li> <li>16. F107110 Wholesale of Petrochemical Materials.</li> <li>17. F111020 Wholesale of Cement, Lime and Products</li> <li>18. C901050 Cement and Concrete Products Manufacturing.</li> <li>19. F112020 Wholesale of Coal and Coal Products.</li> <li>20. F107130 Wholesale of Synthetic Resins.</li> </ol>	<p>Article 2:  The Company's operations are as follows:</p> <ol style="list-style-type: none"> <li>1. C801010 Basic Chemical Engineering.</li> <li>2. C801110 Fertilizer Manufacturing</li> <li>3. C802990 Other Chemical Manufacturing.</li> <li>4. C802090 Cleaning Products Manufacturing.</li> <li>5. C802200 Coating, Paint, Dyestuff and Pigment Manufacturing.</li> <li>6. F113010 Wholesale of Machinery.</li> <li>7. C701010 Printing</li> <li>8. C702010 Plate Making.</li> <li>9. G801010 Warehousing.</li> <li>10. F103010 Wholesale of Feeds.</li> <li>11. J101050 Environmental Testing Services.</li> <li>12. F107050 Wholesale of Fertilizers.</li> <li>13. F107100 Wholesale of Basic Chemical Materials.</li> <li>14. F107070 Wholesale of Veterinary Drugs.</li> <li>15. F107080 Wholesale of Environmental Drugs.</li> <li>16. F107110 Wholesale of Petrochemical Materials.</li> <li>17. F111020 Wholesale of Cement, Lime and Products</li> <li>18. C901050 Cement and Concrete Products Manufacturing.</li> <li>19. F112020 Wholesale of Coal and Coal Products.</li> <li>20. F107130 Wholesale of Synthetic Resins.</li> <li>21. F115020 Wholesale of Ores.</li> </ol>	<p>To be added or amended according to actual needs.</p>

Amended article	Original article	Description
21. F115020 Wholesale of Ores. 22. F119010 Wholesale of Electronic Materials. 23. F219010 Retail Sale of Electronic Materials. 24. F102130 Wholesale of Condiments. 25. F107010 Wholesale of Paints and Coating Materials. 26. F107020 Wholesale of Dyes and Pigments. 27. F107170 Wholesale of Industrial Additives. 28. F401010 International Trade. 29. F106010 Wholesale of Hardware. 30. ZZ99999 Any business that is not prohibited or restricted by law, except those that are subject to approval. 31. C114010 Food Additive Manufacturing. 32. F121010 Wholesale of Food Additives. 33. F221010 Retail Sale of Food Additives. 34. <u>F207050 Retail Sale of Fertilizer.</u> 35. <u>C201010 Feed Manufacturing.</u> 36. <u>F202010 Retail Sale of Feeds.</u>	22. F119010 Wholesale of Electronic Materials. 23. F219010 Retail Sale of Electronic Materials. 24. F102130 Wholesale of Condiments. 25. F107010 Wholesale of Paints and Coating Materials. 26. F107020 Wholesale of Dyes and Pigments. 27. F107170 Wholesale of Industrial Additives. 28. F401010 International Trade. 29. F106010 Wholesale of Hardware. 30. ZZ99999 Any business that is not prohibited or restricted by law, except those that are subject to approval. 31. C114010 Food Additive Manufacturing. 32. F121010 Wholesale of Food Additives. 33. F221010 Retail Sale of Food Additives.	
Article 16-1: The Company adopts a candidate nomination system for the election of directors. Shareholders shall elect the directors from the list of candidates. There shall be no less than one director of a different gender. The number of independent directors shall be no less than three and no less than <u>one-third</u> of the total number of directors. Regarding independent directors' professional qualifications, shareholding, part-time restrictions, nomination and selection	Article 16-1: The Company adopts a candidate nomination system for the election of directors. Shareholders shall elect the directors from the list of candidates. The number of independent directors shall be no less than three and no less than <u>one-fifth</u> of the total number of directors. Regarding independent directors' professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other compliance matters, they shall be handled in accordance with	To be amended according to actual needs.

Amended article	Original article	Description
methods, and other compliance matters, they shall be handled in accordance with the regulations of the competent authority. The election of directors shall be carried out in accordance with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of elections shall be calculated separately. Those with more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors.	the regulations of the competent authority. The election of directors shall be carried out in accordance with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of elections shall be calculated separately. Those with more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors.	
Article 33 These Articles were established on February 22, 1957..... The 51st amendments hereto were made on June 5, 2019. The 52nd amendments here were made on July 5, 2021. The 53rd amendments hereto were made on May 20, 2022. <u>The 54th amendments hereto were made on May 21, 2024.</u>	Article 33 These Articles were established on February 22, 1957.....The 51st amendments hereto were made on June 5, 2019. The 52nd amendments here were made on July 5, 2021. The 53rd amendments hereto were made on May 20, 2022.	Due to amendments to the previous provisions, the 54th amendments hereto are added.

## Discussion Item

Proposal 2: Proposed by the Board

Cause: The proposed amendments to the Company's "Rules of Procedure for Shareholders' Meetings" are submitted for resolution.

Description: 1. In accordance with the resolution rendered by 20th meeting of 24th Board of Directors of the Company on November 6, 2023.

2. For the Comparison Table of the Rules of Procedure for Shareholders' Meetings before and after the amendment, please refer to Page 41 to Page 42.

Resolution:



**Sesoda Corporation**  
**Comparison Table of the “Rules of Procedure for Shareholders’ Meetings” after**  
**and before the amendment**

Amended on May 21, 2024

Amended article	Original article	Description
<p>Article 3:  Shareholders’ meetings of the Company shall be convened by the Board of Directors, unless otherwise provided in the law.  <u>Unless otherwise provided in the Regulations Governing the Administration of Shareholders Service of Public Companies, the Company’s organization of a shareholders’ meeting by means of visual communication network shall be expressly defined in the Articles of Incorporation and subject to resolution by the Board of Directors. Meanwhile, the organization of a shareholders’ meeting by means of visual communication network shall be adopted per the resolution rendered by a majority of directors at a meeting attended by two-third or more of the total number of directors.</u>  Changes to the method of convening a shareholders’ meeting of the Company shall be subject to a resolution by the Board of Directors, and made no later than the dispatch of the notice of the shareholders’ meeting.  ... omitted below.</p>	<p>Article 3:  Shareholders’ meetings of the Company shall be convened by the Board of Directors, unless otherwise provided in the law.  Changes to the method of convening a shareholders’ meeting of the Company shall be subject to a resolution by the Board of Directors, and made no later than the dispatch of the notice of the shareholders’ meeting.  ... omitted below.</p>	<p>To be added or amended according to actual needs.</p>
<p>Article 6-1:  The Company shall specify the following in the shareholders’ meeting notice when convening a shareholders’ meeting by means of visual communication network:    ... (omitted)</p> <p>3. When the Company convenes a virtual-only shareholders’ meeting, it shall also specify appropriate alternative measures available to</p>	<p>Article 6-1:  The Company shall specify the following in the shareholders’ meeting notice when convening a shareholders’ meeting by means of visual communication network:    ... (omitted)</p> <p>3. When the Company convenes a virtual-only shareholders’ meeting, it shall also specify appropriate alternative measures available to shareholders who have difficulty</p>	<p>To be amended according to actual needs.</p>

Amended article	Original article	Description
<p>shareholders who have difficulty taking part in the virtual-only shareholders' meeting. <u>Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide said shareholders with connection facilities and necessary assistance, and shall specify the period during which shareholders may file applications with the Company and other related matters to be attended.</u></p>	<p>taking part in the virtual-only shareholders' meeting.</p>	
<p>Article 22 When the Company convenes a virtual-only shareholders' meeting, it shall make appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting. <u>Except for the situations specified in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide said shareholders with connection facilities and necessary assistance, and shall specify the period during which shareholders may file applications with the Company and other related matters to be attended.</u></p>	<p>Article 22 When the Company convenes a virtual-only shareholders' meeting, it shall make appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting.</p>	<p>To be amended according to actual needs.</p>

# **Election matters**

## Election matters

Proposed by the Board of Directors

Cause: Election of 11 directors (including 3 independent directors) for the 25th Board of Directors of the Company, who shall hold the term of office for 3 years from July 1, 2024 to June 30, 2027.

Description: I. The current directors of the Company were elected at the shareholders' meeting on July 5, 2021, who were supposed to hold the term of office until July 4 this year. According to Paragraph 1, Article 199 of the Company Act, the current directors shall be discharged earlier when the new directors of 25th Board of Directors start to hold their term of office, i.e. on June 30, 2024

II. The list of candidates for the directors of the Company's 25th Board of Directors (including independent directors) is as follows:

Serial number	Account No. (ID card number)	Account Name (Name)	Educational background/work experience	Number of shareholdings	Type of nominee	Whether he/she has served as an independent director for three consecutive terms/Reasons
1	3941	Sincere Industrial Corporation Representative: Chen Kai-Yuan	Department of Industrial Engineering, Chung Yuan Christian University 1. Sesoda Corporation Director 2. SINCERE INDUSTRIAL CORPORATION Director 3. Zhengbang Investment Co., Ltd. Chairman 4. Sesoda Steamship Corporation Director/President 5. Sesoda Investment (BVI) Ltd. Director/President	3,734,256	Director	Not applicable
2	97936	Zhengbang Investment Co., Ltd. Representative: Chen Jung-Yuan	Florida Institute of Technology MBA 1. Sesoda Corporation Chairman 2. Qingdao Soda Ash Potash Technology Co., Ltd. Director	16,086,588	Director	Not applicable
3	97936	Zhengbang Investment Co., Ltd. Representative: Chen Li-Te	Department of Business Administration, University of Southern California 1. Sesoda Corporation Director 2. SINCERE INDUSTRIAL CORPORATION Director	16,086,588	Director	Not applicable
4	3941	Sincere Industrial Corporation Representative: Chen Cheng-Te	New York University Stern School of Business MBA 1. Sesoda Corporation Vice Chairman 2. SINCERE INDUSTRIAL CORPORATION Director 3. Santos International Investment Co., Ltd. President 4. EAST-TENDER OPTOELECTRONICS CORPORATION Chairman 5. YUN SHENG INVESTMENT CO., LTD. Chairman 6. Yilan County Sesoda Corporation Social Welfare Foundation Chairman	3,734,256	Director	Not applicable
5	59629	Ya-Lan Investment Consulting Co., Ltd. Representative: Wu Chung-Li	Department of Business Administration, Chu Hai College of Higher Education, Hong Kong 1. Sesoda Corporation Director 2. TEH-HU CARGOCEAN MANAGEMENT	4,379,542	Director	Not applicable

Serial number	Account No. (ID card number)	Account Name (Name)	Educational background/work experience	Number of shareholdings	Type of nominee	Whether he/she has served as an independent director for three consecutive terms/Reasons
			COMPANY LIMITED Director			
6	3941	Sincere Industrial Corporation Representative: Chu Yuan-Hua	MBA, Holy Names University, United States 1. Sesoda Corporation Director 2. Jun Hui International (Longan) Co., Ltd. Chairman 3. Jun Hui Textile Garment (Kunshan) Ltd. Managing Director 4. Jun Hui Holdings (Singapore) Ltd. Director 5. TAI HING COTTON MILL, LIMITED Director 6. FORBSON INTERNATIONAL CO., LTD. Supervisor	3,734,256	Director	Not applicable
7	97937	Santos International Investment Co., Ltd. Representative: Chen Yi-Te	Department of Management, Hofstra University 1. Sesoda Corporation Director 2. YUKARI GROUP CO., LTD. Chairman 3. SINCERE INDUSTRIAL CORPORATION Chairman 4. Zhengbang Investment Co., Ltd. General Manager	5,414,533	Director	Not applicable
8	97937	Santos International Investment Co., Ltd. Representative: Wen Kuo-Lan	Old Dominion, Virginia, USA. University/Eastern Virginia Medical School Doctor in Biomedical Science 1. GenomeFrontier Therapeutics, Inc. COO 2. Mycenax Biotech Inc. General Manager and Co-founder 3. Mycenax Biotech Inc. Vice General Manager, Head of Quality Assurance and Co-Founder 4. Development Center for Biotechnology Research Fellow	5,414,533	Director	Not applicable
9	K10111XXXX	Po-Hsin Wang	Michigan State University MBA 1. Sesoda Corporation Independent Director 2. The Taiwan M&A and Private Equity Council (MAPECT) Director	0	Independent Director	Yes With expertise in commerce , finance and management, which may help the Company's

Serial number	Account No. (ID card number)	Account Name (Name)	Educational background/work experience	Number of shareholdings	Type of nominee	Whether he/she has served as an independent director for three consecutive terms/Reasons
			3. FCC PARTNERS (TAIPEI) INC. Vice Chairman 4. CardinalRain Inc. Chairman 5. How Securities Inc. Director			business development.
10	A10067XXXX	Tsao Ming	National Sun Yat-sen University EMBA 1. Sesoda Corporation Independent Director 2. Formosa Petrochemical Corporation Director/General Manager 3. FORMOSA OIL (ASIA PACIFIC) CORPORATION Chairman 4. Idemitsu Formosa Specialty Chemicals Corporation Chairman 5. Kraton Formosa Polymers Corporation Chairman 6. MAI-LIAO POWER CORPORATION General Manager	0	Independent Director	Yes With expertise in chemical industry and management, which may help the Company's business development.
11	N12221XXXX	Chu Jih-Chuan	Master of Law, Northwestern University 1. Sesoda Corporation Independent Director 2. Liu, Chang & Partners Partner 3. Baker McKenzie Associate Partner 4. Formosa Transnational Attorneys at Law Attorney-at-Law 5. Taiwan Depository & Clearing Corporation Attorney-at-Law 6. Central Deposit Insurance Corporation, Ministry of Finance Attorney-at-Law	0	Independent Director	No

Election results:

# Other motions



## Other proposals

### Proposal 1: Proposed by the Board

**Cause:** The proposal for removal of non-competition restrictions on directors (including representatives of juristic person directors) and independent directors of 25th Board of Directors of the Company is submitted for resolution.

**Description:** 1. The Company shall, without prejudice to the interests of the Company, shall have directors (including representatives of juristic person directors) and independent directors of 25th Board of Directors who were elected at the annual general meeting, or who may have investments in or operate other companies engaged in the business lines identical with or similar to the Company's relieved from the non-competition restriction pursuant to Article 209 of the Company Act.

2. The details about the proposal for removal of the non-competition restrictions on the directors are specified as follows:

Director	Name of the company in which the director holds a concurrent job role	Concurrent job position
Chen Kai-Yuan	Sincere Industrial Corporation	Director
Chen Li-Te	Sincere Industrial Corporation	Director
Chen Cheng-Te	Sincere Industrial Corporation	Director
Chen Yi-Te	Sincere Industrial Corporation	Director
Chen Jung-Yuan	Qingdao Soda Ash Potash Technology Co., Ltd.	Director
Wu Chung-Li	Teh-Hu Cargocean Management Company Limited	Director

**Resolution:**

# **Extempore motions**

Extraordinary motions

Adjournment

# Appendix

# Sesoda Corporation

## Rules of Procedure for Shareholders' Meetings

Amended on May 20, 2022

Article I In order to establish a good governance system, improve the supervisory function and strengthen the management function of the Company's shareholders' meeting, these Rules are established in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article II Except as otherwise provided by laws and regulations, the shareholders' meetings of Sesoda Corporation (hereinafter referred to as the Company) shall be governed by these Rules.

Article III Shareholders' meetings of the Company shall be convened by the Board of Directors, unless otherwise provided in the law.

Changes to the method of convening a shareholders' meeting of the Company shall be subject to a resolution by the Board of Directors, and made no later than the dispatch of the notice of the shareholders' meeting. The Company shall compile an electronic file that contains meeting notice, proxy letter form, motions for ratification, motions for discussion, election or dismissal of directors, etc. and post it on the MOPS before 30 days before the date of an annual general meeting or before 15 days before the date of a special shareholders' meeting. At least 21 days before an annual general meeting, or 15 days before a special shareholders' meeting, an electronic copy of the shareholders' meeting handbook and supplementary information shall be prepared and posted onto MOPS.

Notwithstanding, where the Company's paid-in capital reaches NT\$10 billion or more at the end of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reaches 30% or more as recorded in the roster of shareholders at the time of organization of the annual general meeting in the most recent fiscal year, it shall upload the electronic file 30 days prior to the day on which the annual general meeting is to be held. Within 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting handbook and supplementary information and made them available for review by shareholders at any time. The same shall also be displayed at the premises of the Company and the professional shareholder services agent designated by the Company.

The handbook and supplementary information referred to in the preceding paragraph shall be made available to the shareholders for reference by the Company on the day of the meeting in the following manners:

- I. For tangible shareholders' meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform in an electronic form.
- III. For shareholders' meetings convened by means of visual communication network only, to be shared on the virtual meeting platform in an electronic form.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application for cessation of public offering, approval of directors' competition with the Company, capitalization of retained earnings and capital reserve, company dissolution, merger, spin-off, or the conditions set forth in Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out, with the essential contents explained, in the notice of the reasons for convening the meeting. None of the above matters may be raised as an extempore motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may submit to the Company a proposal for discussion at an annual general meeting, provided that the shareholder is allowed to submit no more than one proposal to the annual general meeting. Any additional proposal will not be included in the motions. Additionally, when the circumstances of any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the motions.

Any shareholder may submit any suggestive proposal to urge the Company to promote public interests or fulfill its social responsibilities. Procedurally, the shareholder is allowed to submit no more than one proposal pursuant to Article 172-1 of the Company Act. Any additional proposal will not be included in the motions.

Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy and participate in the discussion.

The Company shall notify the resolution to the shareholders submitting the proposals before the date of notice for the shareholders' meeting, and list the motions meeting the requirements defined in this provision in the meeting notice. For shareholders' proposals that are not included in the motions, the Board of Directors shall explain the reasons for not including such proposals at the shareholders' meeting.

#### Article IV

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy letter issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy letter and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy letter to the Company 5 days before the date of the meeting. When duplicate proxy letters are delivered, the one received earliest shall prevail. However, this excludes situations where the

shareholder has issued a proper declaration to withdraw the previous proxy arrangement.

After a proxy letter has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after due date, votes cast at the meeting by the proxy shall prevail.

After a proxy letter has been delivered to the Company, if the shareholder intends to attend a virtual shareholders' meeting, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after due date, votes cast at the meeting by the proxy shall prevail.

Article V The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Virtual shareholders' meetings are not subject to the location restrictions stated in the preceding paragraph.

Article VI The Company shall specify in the meeting notice the time and place for acceptance of the registration from the shareholders, solicitors and proxies (hereinafter referred to as "shareholders") and other matters to be noted.

The time when shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders' meeting in person.

Shareholders shall attend the shareholders' meeting with the attendance card, sign-in card or other attendance documents. The Company shall not arbitrarily add requirements for other supporting documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting the proxy letters shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

Shareholders who attend the meeting shall be given by the Company a copy of the meeting handbook, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Additional ballots shall be prepared if director election is also being held during the meeting. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. Any juristic person that has been designated as a proxy attendant can only appoint one representative to attend the shareholders' meeting.

Where a shareholders' meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders' meeting, the shareholder shall register with the Company within 2 days prior to the shareholders' meeting.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other related information to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article VI-I The Company shall specify the following in the shareholders' meeting notice when convening a shareholders' meeting by means of visual communication network:

- I. Methods for shareholders to participate in the meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed, if required, or on which the meeting will resume.
  - (II) Shareholders not registering to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - (III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted toward the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
  - (IV) Actions to be taken if the outcome of all proposals have been announced while extempore motions have not been carried out.
- III. When the Company convenes a virtual-only shareholders' meeting, it shall also specify appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting.

Article VII If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act as the chairperson. Where no Vice Chairman is appointed, or the Vice Chairman is on leave or for any reason unable to exercise the powers of the chairperson too, the Chairman shall designate one managing director to act on behalf of him/her. Where no managing director is appointed, the Chairman may designate one director to act on behalf of him/her. Where the Chairman does not make such a designation, the managing directors, or directors, shall select from among themselves one person to serve as chairperson.



If a managing director or a director serves as the chairperson in the preceding paragraph, the managing director or director shall be the one who has held the position for more than six months and who understands the financial and business conditions of the Company.

The same shall apply to a representative who is a juristic person director.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of Board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. Attendance shall be recorded in the shareholders' meeting minutes.

If a shareholders' meeting is convened by a party with the power to convene other than the Board of Directors, the party with the power to convene shall chair the meeting. When there are two or more persons, one shall be elected from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article VIII

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recordings referred to in the preceding paragraph shall be retained for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The data and recordings referred to in the preceding paragraph shall be kept properly for as long as the Company exists; a copy of the recording shall also be retained by the video conference service provider.

#### Article IX

Attendance at a shareholders' meeting shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time, and at the same time announce the number of non-voting shares and the number of shares attending the meeting. However, when the attending shareholders represent less than a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article X

If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. The relevant motions shall be voted on one by one. The meeting shall be conducted according to the scheduled agenda, but shall not be changed without the resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or special motions put forward by the shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

#### Article XI

Before speaking, an attending shareholder must specify on a speaker slip the gist of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the contents of the speech do not correspond to the subject given on the speaker's slip, the content of the speech shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed five minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda, the chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violations.

When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time when the chairperson declares the meeting open until the chairperson declares the meeting adjourned. No more than two questions on the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1–5 do not apply.

## Article XII

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

The votes cast at a shareholders' meeting shall be calculated based on the number of shares.

For resolution of a shareholders' meeting, the number of shares held by shareholders without voting rights shall not be counted in the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares held by shareholders who are not permitted to vote shall be excluded from the calculation of total voting rights.

With the exception of a trust enterprise or a shareholder services agent approved by the securities' competent authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

## Article XIII

A shareholder shall be entitled to one vote for each share held, except when the shares are RSAs or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholders' meeting in person.

Notwithstanding, they are considered to have waived their rights with respect to the extempore motions and amendments to original motions of that meeting. Therefore, it is advisable that the Company should avoid the submission of extempore motions and amendments to original proposals.

Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate

submissions, the earliest submission shall be taken into record. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous instruction.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or a virtual shareholders' meeting, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, within 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after due date, the voting rights already exercised by correspondence or electronic means shall prevail.

If the voting right is exercised in writing or by electronic means and the agent entrusted via a power of attorney is present at the shareholders' meeting, the voting right of the entrusted agent shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a motion shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each motion, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a motion, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other motions will then be deemed rejected, and no further voting shall be required. The chairperson will appoint a ballot examiner and a ballot counter, provided that the ballot examiner must be a shareholder.

Motion and election votes are to be counted openly at the shareholders' meeting. Results of the vote, including the final tally, shall be announced on-site and recorded in minutes.

When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on motions and elections on the virtual meeting platform before the chairperson announces the voting session ends, or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration 2 days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extempore motions, they will not exercise voting rights on the original proposals or make any amendments to the original motions or exercise voting rights on amendments to the original motions.

Article XIV When the shareholders' meeting elects directors, it shall proceed in accordance with the regulations for election of directors established by the Company, and shall announce the results of the election on the spot, including the name list of elected directors and the number of votes with which they were elected, and the name list of directors not elected and number of votes they received.

All ballots used in the election referred to in the preceding paragraph shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

Article XV The resolutions of the shareholders' meeting shall be recorded in the minutes of meeting, signed or sealed by the chairperson, and distributed to each shareholder within 20 days after the meeting. The meeting minute may be produced and distributed in an electronic form. The Company may distribute the meeting minute referred to in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minute shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.

The minute shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minute as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairperson's and minute recorder's name, alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with, shall also be included in the minute.

When convening a virtual shareholders' meeting, in addition to complying with the requirements in the preceding paragraph, the Company shall also specify in the meeting minute alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting.

Article XVI On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this

information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform.

The same shall apply whenever the number of votes represented by attending shareholders is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations and under the regulations of TWSE/TPEX, the Company shall upload the contents of such resolution to the MOPS within the prescribed time period.

Article XVII The service personnel of the shareholders' meeting shall wear identification badges or armbands.

The chairperson may instruct proctors or security personnel to help maintain order in the meeting. When proctors or security personnel help maintain order at the meeting place, they shall wear armbands or identification cards bearing the word "Proctor."

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company, if any.

If a shareholder violates the rules of procedure and does not obey the chairperson's corrective instructions, and hinders the progress of the meeting and fails to comply, the chairperson may direct the proctors or security personnel to ask him or her to leave the venue.

Article XVIII When a meeting is in progress, the chairperson may announce a break based on time considerations. In the event of a force majeure event, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If, before the parliamentary procedure is accomplished in accordance with the agenda (including extempore motions), the meeting venue cannot be occupied any longer, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of the Company Act.

Article XIX In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.

Article XX When the Company convenes a virtual shareholders' meeting, both the chairperson and minute recorder shall be at the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article XXI In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the

virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within next 5 days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders not registering to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted toward the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or the name list of elected directors.

When the Company convenes a hybrid shareholders' meeting, and the meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders' attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under Paragraph 2 is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted toward the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all motions on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the lead-time work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the latter part of Article 12, and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under Paragraph 2.

## Article XXII

When the Company convenes a virtual-only shareholders' meeting, it shall make appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting.

Article XXIII      These Rules shall take effect immediately once approved during a shareholders' meeting. The same shall apply where these Rules are amended.



## **Procedures for Election of Directors of Sesoda Corporation**

Amended on June 8, 2018

- I. Elections of directors of the Company shall be conducted in accordance with the Procedures.
- I-I. The Company's directors are elected in accordance with Article 192-1 of the Company Act, and the candidate nomination system is adopted.
- II. For election of the Company's directors, each share will have voting rights in an amount equal to the number of directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- III. The Company shall prepare ballots equivalent to the number of directors to be elected, specifying the number of votes attached to them, and distribute them to the shareholders attending the shareholders' meeting. No ballots shall be produced separately for shareholders who exercise their voting rights by electronic means.
- IV. Before the election begins, the chairperson shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.
- V. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- VI. If the candidate is a shareholder, the voter must fill in the name in the "Candidate" column of the ballot with the candidate's account name and shareholder account number noted. If the candidate is not a shareholder, the name and the ID card number of the candidate should be filled in the said column of the ballot. However, when the candidate is a government or juristic person shareholder, the name of the government or juristic person shall be filled in the column for the account name of the candidate. The name of the government or juristic person and the name of its representative may also be filled in. If there are several representatives, the names of the representatives should be filled in separately.
- VII. A ballot is invalid under any of the following circumstances:
  - (I) A ballot not prepared by the Board of Directors.
  - (II) A blank ballot is thrown into the ballot box.
  - (III) The writing on the ballot is illegible or tampered with.
  - (IV) Where the candidate is a shareholder, but the candidate's account name or shareholder account number is inconsistent with the roster of shareholders; where the candidate is a non-shareholder, the name and identity document number are found inconsistent upon verification.
  - (V) Other words are entered in addition to the candidate's account name (name) or shareholder account number (ID No.) and the number of voting rights allotted.
  - (VI) The candidate's name entered in the ballot is identical with another shareholder's name, but no shareholder account number or ID No. is provided on the ballot to

identify such individual.

(VII) Two or more candidates are entered on the same ballot.

- VIII. The Company's directors shall be elected from the persons with legal capacity at a shareholders' meeting. Meanwhile, in accordance with the number of seats specified in the Articles of Incorporation of the Company, candidates to whom the ballots representing a prevailing number of votes shall be elected as the directors. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, the persons who receive the same number of votes shall negotiate with each other for the one to be elected. Where it is impossible to conclude the negotiation amicably, the seat of director shall be left vacant.
- VIII-I. The elections of the Company's independent directors and other directors shall be consolidated in accordance with the relevant provisions of the Procedures, and the number of independent directors and non-independent directors shall be counted separately. Candidates to whom the ballots representing a prevailing number of votes shall be elected as the directors.
- IX. The voting rights shall be calculated on-site immediately after the end of the poll, and the voting result shall be announced by the chairperson on the site.
- X. The Company shall issue notifications to the persons elected as directors.
- XI. Matters not provided for herein shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and relevant laws and regulations.
- XII. The Procedures shall take effect immediately once approved during a shareholders' meeting. The same shall apply where the Procedures are amended.

# Sesoda Corporation

## Articles of Incorporation

Revised on May 20, 2022

### Chapter I: General Provisions

- Article I The Company shall be incorporated in accordance with the provisions of the Company Act and shall be named as 東南實業股份有限公司 and its English name shall be SESODA CORPORATION.
- Article II The Company's business lines are specified as follows:
- (I) C801010 Basic Chemical Engineering.
  - (II) C801110 Fertilizer Manufacturing.
  - (III) C802990 Other Chemical Manufacturing.
  - (IV) C802090 Cleaning Products Manufacturing.
  - (V) C802200 Coating, Paint, Dyestuff and Pigment Manufacturing.
  - (VI) F113010 Wholesale of Machinery.
  - (VII) C701010 Printing.
  - (VIII) C702010 Plate Making.
  - (IX) G801010 Warehousing.
  - (X) F103010 Wholesale of Feeds.
  - (XI) J101050 Environmental Testing Services.
  - (XII) F107050 Wholesale of Fertilizers.
  - (XIII) F107100 Wholesale of Basic Chemical Materials.
  - (XIV) F107070 Wholesale of Veterinary Drugs.
  - (XV) F107080 Wholesale of Environmental Drugs.
  - (XVI) F107110 Wholesale of Petrochemical Materials.
  - (XVII) F111020 Wholesale of Cement, Lime and Products
  - (XVIII) C901050 Cement and Concrete Products Manufacturing.
  - (XIX) F112020 Wholesale of Coal and Coal Products.
  - (XX) F107130 Wholesale of Synthetic Resins.
  - (XXI) F115020 Wholesale of Ores.
  - (XXII) F119010 Wholesale of Electronic Materials.
  - (XXIII) F219010 Retail Sale of Electronic Materials.
  - (XXIV) F102130 Wholesale of Condiments.
  - (XXV) F107010 Wholesale of Paints and Coating Materials.
  - (XXVI) F107020 Wholesale of Dyes and Pigments.
  - (XXVII) F107170 Wholesale of Industrial Additives.
  - (XXVIII) F401010 International Trade.
  - (XXIX) F106010 Wholesale of Hardware.
  - (XXX) ZZ99999 Any business that is not prohibited or restricted by law, except those that are subject to approval.
  - (XXXI) C114010 Food Additive Manufacturing.
  - (XXXII) F121010 Wholesale of Food Additives.
  - (XXXIII) F221010 Retail Sale of Food Additives.
- Article II-I The total amount of the Company's foreign investment is not restricted by Article 13 of the Company Act.
- Article II-II The Company may provide external guarantees for business needs.

- Article III The Company is headquartered in Taipei City and sets a manufacturing plant in Suao Township, Yilan County, Taiwan. When necessary, the Company may establish branch plants, branch companies, offices or retail stores at home or abroad per resolution of the Board of Directors.
- Article IV The public announcement method of the Company shall be handled in accordance with the provisions of the Company Act and other related laws and regulations.

## **Chapter II: Shares**

- Article V The total capital of the Company is authorized as NT\$3 billion, divided into 300 million shares at NT\$10 per share and issued in installments. Among the unissued shares, the Board of Directors is authorized to issue a resolution based on actual needs.
- With the approval of the shareholders meeting, the Company can issue employee stock options at a subscription price lower than the market price, or transfer the Company's shares to employees at a price lower than the average price of the actual shares.
- Article VI The shares of the Company are registered and shall be sequentially numbered after being signed or sealed by the director representing the Company and certified according to laws. The Company may issue shares without printing physical stock certificates or may issue a consolidated copy of the total number of shares issued each time. Notwithstanding, the Company shall have the shares issued without physical stock certificates kept by a securities depository organization.
- Article VII For the transfer or creation of shares, a registration for a change of account name or the creation of rights with the Company shall be filed jointly by the transferor and the transferee or the pledgor and the pledgee in their names, and necessary supporting documents shall be provided in the case of acquisition through inheritance or donation.
- Article VIII The Company's shareholder services shall be handled in accordance with the regulations of the competent authority.
- Article IX The Company's share transfer shall be suspended within 60 days prior to the annual general meeting or within 30 days prior to the special shareholders' meeting, or within 5 days prior to the record date for the distribution of dividends and bonuses or other benefits by the Company.
- Article X Shareholders shall write down the specimen seal card and keep it in the Company for the purpose of claiming dividends and exercising shareholdings. The transfer of shares and the establishment, revocation, and renewal of the seal card shall be handled in accordance with the regulations of the competent authority.

## **Chapter III: Shareholders' Meeting**

- Article XI Article 11: The shareholders' meetings are divided into annual general meetings and special shareholders' meetings. General meetings are held within six months after the end of each fiscal year, and interim meetings are held in accordance with the law when necessary.

- Article XI-I The shareholders' meeting of the Company may be held by means of visual communication network or other methods announced by the Ministry of Economic Affairs.
- Article XII The Chairman shall chair the shareholders' meeting. In the absence of the Chairman, one of the Vice Chairman or the Directors shall be elected to serve as the deputy.
- Article XIII The convening of the annual general meeting and special shareholders' meeting shall be handled in accordance with the relevant laws and regulations.
- Article XIV Each shareholder of the Company shall have one voting right per share, unless otherwise provided under the Company Act.
- Article XV Resolutions at a shareholders' meeting shall, unless otherwise provided by other applicable laws, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, at the meeting.

#### **Chapter IV: Directors and Audit Committee**

- Article XVI The Company shall have 9 to 11 directors to form the Board of Directors. A Chairman and a Vice Chairman shall be elected from among themselves in accordance with the law, who shall hold the term of office for 3 years and may be re-elected for another term. The number of candidates to be elected shall be determined by the Board of Directors, and the selection procedures shall be conducted in accordance with relevant laws and regulations and the "Procedures for Election of Directors."
- Article XVI-I The total number of shares held by all directors shall not be less than the number set by the competent authority.
- The Company adopts a candidate nomination system for the election of directors. Shareholders shall elect the directors from the list of candidates. The number of independent directors shall be no less than three and no less than one-fifth of the total number of directors. Regarding independent directors' professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other compliance matters, they shall be handled in accordance with the regulations of the competent authority.
- The election of directors shall be carried out in accordance with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of elections shall be calculated separately. Those with more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors.
- Article XVI-II The Company has established an Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors. The Audit Committee or the members of the Audit Committee, exercise of powers and other compliance requirements shall be handled in accordance with the relevant laws and regulations or the Company's regulations.

The Board of Directors shall establish the Committee's organizational charter separately.

- Article XVII The Board of Directors exercises the functions and powers conferred by the Company Act and the Shareholders' Meeting.
- Article XVIII The Chairman of the Company decides important policies and supervises the implementation of the plan on behalf of the Company internally. If the Chairman is absent for any reason or is out on business, the Vice Chairman shall perform the duties on behalf of him. If the vice chairman is absent, the Chairman shall appoint a director to act as his representative. If the Chairman does not designate such a stand-in, the directors will choose a representative from among themselves.
- Article XIX The Board of Directors of the Company shall meet once every two months, and special meetings may be convened when necessary. Resolutions by the Board of Directors shall, unless otherwise provided in the Company Act, be adopted by a majority vote of the directors present at the meeting attended by a majority of the whole directors. A tie is decided at the sole discretion of the chairperson. The notice of the Board of Directors meeting may be sent to each director in writing or via e-mail or fax.
- Article XX The Board of Directors is authorized to determine the remuneration and transportation allowances of the Company's directors based on the extent of their participation in the Company's operations and the value of their contributions, and in reference to the pay level among the peers.
- Article XXI When the Board of Directors meets, the directors shall attend in person. If other directors are entrusted to attend as a representative, a proxy statement shall be issued every time, and the authorization scope of the convening reasons shall be listed. Each director shall be limited to one person as representative. If the Board of Directors uses a video conference, the directors who participate in the conference with a video screen shall be deemed to be present in person.
- Article XXII (Deleted)

## **Chapter V: Managers**

- Article XXIII The Company has a general manager, who is responsible for all the affairs of the Company in accordance with the resolutions of the Board of Directors and the supervision of the Chairman. The appointment, dismissal and remuneration of the general manager shall be handled in accordance with the provisions of the Company Act.
- Article XXIV The authority and scope of the manager's management of the Company's affairs and signatures shall be separately prescribed by the Board of Directors.
- Article XXV The Company may appoint a top consultant upon the resolution of the Board of Directors.

Article XXVI The Company may purchase liability insurance for directors and important staff during their terms of office, who shall be liable for compensation in accordance with the law when performing their duties.

## **Chapter VI: Accounting**

Article XXVII The Company uses January 1st to December 31st as its fiscal year. At the end of each year, the Board of Directors shall prepare the following list and submit it to the General Meeting of Shareholders for acknowledgement:

- (I) Business Report.
- (II) Financial Statements.
- (III) Proposals concerning profit distributions or covering of losses.

Article XXVIII The Company shall allocate 3.5% of the current year's profit to employees and 1% of the special bonus, and the Company shall distribute directors' remuneration not exceeding 2% of the current year's profit. However, if the Company still has accumulated losses, these shall first be made up. The current year's profit as mentioned in the preceding paragraph refers to the current year's pre-tax earnings before deducting the distribution of employee remuneration, special incentives and directors' remuneration. The distribution of employee remuneration, special incentives and directors' remuneration shall be made by the Board of Directors with more than two-thirds of the directors attending and a resolution approved by more than half of the directors present, and this shall be reported to the shareholders' meeting. Employee remuneration and special incentives can be paid in stock or cash and the recipients may include employees of affiliated companies who meet certain conditions.

Article XXIX If there is a profit in the Company's annual final accounts, it shall first pay tax and make up for the accumulated losses of the past years, and then appropriate 10% as the legal reserve, unless the legal reserve has reached the amount of the Company's paid-in capital. Meanwhile, the special reserve shall be appropriated or reversed in accordance with the law or as required by the competent authority. If there is any surplus, the remaining balance, plus the accumulated undistributed earnings in previous years, shall be the amount distributable for shareholder dividends, and no less than 1% thereof shall be appropriated as the dividends to be distributed to shareholders based on the distribution proposal drafted by the Board of Directors and resolved by a shareholders' meeting.

For the Company's distribution of dividends and bonuses or in respect to all or part of the legal reserve and capital reserve as stipulated in Article 241, Paragraph 1 of the Company Act, where cash is distributed it shall be authorized by resolution of Board of Directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders meeting.

Article XXX The Company's capital structure and long-term financial planning shall be considered in response to the Company's long-term development. The Company's dividend policy shall be to reflect operational performance and is based on the principle of balanced dividend distribution. Among the other things, the percentage of cash dividends shall be no less than 20% of the dividends for the year, and paid in cash in whole.

## **Chapter VII: Supplementary Provisions**

- Article XXXI     The Company's various rules and regulations will be stipulated separately.
- Article XXXII    If there are any matters not stipulated in these Articles of Incorporation, they shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article XXXIII   These Articles were established on February 22, 1957. The 1st amendments hereto were made on October 1, 1957. The 2nd amendments hereto were made on September 20, 1958. The 3rd amendments hereto were made on March 29, 1959. The 4th amendments hereto were made on July 3, 1959. The 5th amendments hereto were made on October 12, 1960. The 6th amendments hereto were made on August 8, 1961. The 7th amendments hereto were made on December 29, 1961. The 8th amendments hereto were made on May 15, 1965. The 9th amendments hereto were made on May 6, 1967. The 10th amendments hereto were made on April 15, 1968. The 11th amendments hereto were made on March 30, 1970. The 12th amendments hereto were made on April 30, 1971. The 13th amendments hereto were made on March 18, 1976. The 14th amendments hereto were made on March 30, 1978. The 15th amendments hereto were made on October 6, 1978. The 16th amendments hereto were made on March 25, 1980. The 17th amendments hereto were made on March 6, 1981. The 18th amendments hereto were made on March 31, 1982. The 19th amendments hereto were made on June 9, 1983. The 20th amendments hereto were made on May 16, 1984. The 21st amendments hereto were made on April 30, 1985. The 22nd amendments hereto were made on May 16, 1986. The 23rd amendments hereto were made on May 7, 1987. The 24th amendments hereto were made on April 21, 1988. The 25th amendments hereto were made on March 31, 1989. The 26th amendments hereto were made on April 7, 1990. The 27th amendments hereto were made on April 17, 1991. The 28th amendments hereto were made on April 11, 1992. The 29th amendments hereto were made on April 16, 1993. The 30th amendments hereto were made on April 21, 1994. The 31st amendments hereto were made on May 9, 1995. The 32nd amendments hereto were made on April 23, 1996. The 33rd amendments hereto were made on April 28, 1997. The 34th amendments hereto were made on April 23, 1998. The 35th amendments hereto were made on April 23, 1998. The 36th amendments hereto were made on April 20, 1999. The 37th amendments hereto were made on June 9, 2000. The 38th amendments hereto were made on April 24, 2001. The 39th amendments hereto were made on April 26, 2002. The 40th amendments hereto were made on April 23, 2003. The 41st amendments hereto were made on April 21, 2004. The 42nd amendments hereto were made on May 30, 2005. The 43rd amendments hereto were made on May 12, 2006. The 44th amendments hereto were made on May 15, 2007. The 45th amendments hereto were made on May 11, 2010. The 46th amendments hereto were made on May 28, 2012. The 47th amendments hereto were made on May 14, 2014. The 48th amendments hereto were made on May 24, 2016. The 49th amendments hereto were made on May 11, 2017. The 51st amendments hereto were made on June 8, 2018. The 51st amendments hereto were made on June 5, 2019. The 52nd amendments hereto were made on July 5, 2021. The 53rd amendments hereto were made on May 20, 2022.