

Sesoda Corporation

Stock code: 1708

2022 General Shareholders' Meeting Meeting Agenda

Date:

May 20, 2022

Address:

No. 120 Xincheng 1st Road, Suao Township,
Yilan County Sesoda Corporation Suao
General Plant

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Meeting agenda

Sesoda Corporation
Agenda of 2022 General Shareholders' Meeting

Method of convening : General shareholders' meeting in
physical form

Date: 9:00 AM on May 20 (Friday), 2022

Address: No. 120 Xincheng 1st Road, Suao Township,
Yilan County Sesoda Corporation Suao
General Plant

1. Call the Meeting to Order
2. Opening Ceremony
3. Chairman's Remarks
4. Matters to be reported
 - (1) 2021 business report
 - (2) Report on the distribution of employees' and directors' remuneration for 2021
 - (3) Report by the Audit Committee on the examination of 2021 final accounts
 - (4) Report on the earnings distribution by cash dividends for 2021
 - (5) Other reports
5. Matters for Acknowledgment
 - (1) 2021 business report and financial statements
 - (2) 2021 earnings distribution scheme

6. Matters for Discussion
 - (1) Revision of Articles of Association
 - (2) Revision of Rules of Procedure of Shareholders' Meeting
 - (3) Revision of Procedures for Acquisition or Disposal of Assets
 - (4) Revision of Procedures of Loans to Others and Endorsements/Guarantees
 - (5) Lifting of the non-competition restriction on Directors
7. Extraordinary Motions
8. Meeting Adjourned

Matters to be reported

Matters to be reported

1. The Company's 2021 business report

Explanation:

Please refer to pages 6 to 10 of this handbook for the Company's 2021 business report.

2021 Business Report of Sesoda Corporation

(1) Foreword

COVID-19 has been raging globally for more than two years. Compared with other countries, Taiwan is relatively lucky. Although the unexpected local epidemic intensified in May 2021, with the joint efforts of the government, industries and the people, not only was the epidemic kept under control, but the life of the public almost went on as normal and the challenge was overcome smoothly. Therefore, despite the repeated epidemic and rising commodity prices, Taiwan's economic growth rate, foreign trade, investment, production and other aspects have performed well.

On the whole last year, with the development of the chemical industry and the bulk shipping business, we created good operating results to share with the shareholders. The sales volume of the Company's trade products including soda ash and baking soda declined slightly compared with that in 2020, mainly due to the increase in global raw material prices, coupled with the impact of a shortage of containers, congested ports and poor shipping. At the same time, the supply price rose sharply, causing downstream customers, market demand and purchase volume to decrease. Although the turnover decreased, the profit increased. Potassium sulfate products for export faced the severe challenges of high ocean container freight rates, lack of cabin space, lack of labor and even lack of ships which became part of the daily life; besides, the price of potassium chloride, the main raw materials of potassium sulfate, soared and the international price of potassium chloride hit a new high in ten years. However, under our sales strategy of diversifying the market for flexible sales, adjusting the price at any time in response to market changes and actively striving for bulk ship shipments, although the sales volume in 2021 was slightly lower than that in 2020 by several thousand tons, the profit almost doubled.

Our investment in the shipping business mainly includes 15 Handy size bulk carriers ranging from 28,000 DWT to 38,000 DWT. Our owned vessels are leased on short and medium-term leases in a staggered manner to balance seasonality and business cycles. In 2021, due to the rebound in demand and the impact of the pandemic, the market hire of bulk carriers rose sharply in the second half of the year and the Group's fleet benefited from the contract changers in the second half of the year. The average hire increase in the second half of the year alone exceeded 38%. The main operating costs were affected by different pandemic prevention regulations in various places and the actual cost of replacement of crew and supply increased, which also increased the invisible time cost; however, the overall profit still maintained a growth.

At the beginning of 2022, the global economic recovery accelerated but at an uneven pace. Many developing countries are still struggling with the pandemic and global inflation is likely to rise more than expected. Households and businesses are facing the risk of accelerated price growth. The export of potassium sulfate will continue to face fierce competition in the market and the impact of high shipping costs will not be resolved in the short term. On the other hand, the Russian-Ukrainian war has further promoted the global potash fertilizer price and boosted the Company's revenue. Furthermore, the rising cost of potassium chloride also puts pressure on the company's operations. Many customers are relatively conservative in the purchase of potassium sulfate due to the short-term surge in fertilizer costs. The Company will form appropriate sales strategies and price adjustments based on market and customer needs and strengthen export orders for bulk ships. The business of soda ash and other trade products is still affected by high shipping costs and rising international supply prices and the overall demand is unstable. It is expected that the market price of chemical raw materials will change

greatly this year, which will make the sales of soda ash and other markets more challenging.

(2) Status of production and sales

The Company's net operating revenue in 2021 was NT\$3,032,839 thousand, an increase of 13.72% from NT\$2,667,022 thousand in 2020, mainly due to an increase in the prices of various products.

The following is a comparison of the production/purchasing volume and sales volume of products in 2021 and 2020:

	Department	2021	2020	Rate of Increase (Decrease)
Production/ purchasing volume (metric tons)	Manufacturing	362,555	335,931	7.93%
	Trading	95,428	94,110	1.40%
Net sales (metric tons)	Manufacturing	354,475	337,221	5.12%
	Trading	97,021	97,358	-0.35%

(3) Status of operating profit and loss

In 2021 the net operating income was NT\$375,169 thousand and the net income was NT\$670,871 thousand, an increase of NT\$305,921 thousand (about 441.78%) and NT\$496,742 thousand (about 285.27%) respectively compared with that in 2020. The increase in operating profit was mainly due to an increase in the price of self-made products.

(4) Outlook

As the situation of the Russian-Ukrainian war is becoming more severe, many countries have successively imposed economic and financial sanctions on Russia. It remains to be seen how much this will affect the global economy. With the accelerated progress of vaccination in various countries, the impact of the pandemic on the real economy is slowing down and it is expected that the global economy will recover

significantly. However, during the recovery process, shipping logistics and energy supply are in short supply. Major international forecasting agencies believe that this year's global economic and trade growth rate will slow down from last year. Due to the slowdown of the pandemic in Taiwan, the demand for technology-applied products and traditional products is booming and the government has successively launched a number of economic revitalization policies; all these will help drive the performance of domestic demand. The demand for traditional products has recovered with the increase in capacity utilization rate and the demand for international oil prices and raw materials is expected to rise. On the export part, due to Russia's invasion of Ukraine, the supply of many fertilizers, including potassium chloride, has been greatly impacted, adding a lot of uncertainty to the supply and demand of the global potassium sulfate market. The Company will actively consolidate and develop the market according to the market price.

Since the beginning of this year, the BHSI index has gradually recovered after the traditional winter off-season of the previous year and has gradually recovered after the Chinese Lunar New Year. Most markets' outlook for 2022 is that the bulk carrier market will still be affected by the pandemic and due to the Russian-Ukrainian war, cargo shipments will still be restricted. However, the global demand will still slowly increase due to the opening of major economies; in addition, the price of new ships remains high, and it is known that the new ships in 2022 will only add a limited capacity. With a limited market supply increase, the rental of ships in the bulk market is expected to be supported this year.

Looking into the future, the escalation of international geopolitical conflicts will have an unavoidable impact on the global economy. There is still a great uncertainty in the effective control of the pandemic, and the bottleneck of the global supply chain has yet to be resolved; the phenomenon of rising inflation will probably last longer. In the face of future market changes, the Company will continue to actively invest in industry-academia

cooperation, develop new products and comply with the government's energy-saving and carbon-reduction policies to recover CO₂ and use existing production lines to produce baking soda. It is estimated that mass production can be achieved this year, with an annual output of about 15,000 tons.

All staff of the Company will uphold the consistent persistence and go all out, hoping to enhance our competitiveness with sufficient production capacity and flexible operations mode to make the Company's operations sustainable and grow day by day.

Finally, I would like to express my deep gratitude to all shareholders, directors, and all colleagues for their support, and I wish you all good health and all the best.

Chairman

President

Accounting Manager

Chen Rong Yuan

Hwang Chih Cherng

Chu Ching Yun

Matters to be reported

2. Report on the distribution of employees' and directors' remuneration for 2021

Explanation:

According to the resolutions of the 6th session of the 5th term of the Remuneration Committee meeting on March 9, 2022 and the 7th session of the 24th term of the board meeting on March 24, 2022, the distribution of 3.5% as employees' remuneration for 2021 was NT\$30,643,420, 1% as special bonus was NT\$8,755,263 and 2% as directors' remuneration was NT\$17,510,526; all of them were paid in cash.

Matters to be reported

3. Report by the Audit Committee on the examination of 2021 final accounts

Explanation:

The Company's 2021 final accounts have been audited and certified by KPMG Taiwan and examined by the Audit Committee. Please refer to page 13 to 21.

Sesoda Corporation

Audit Committee's Review Report

The board meeting prepared the Company's business report, financial statements and earnings distribution scheme for 2021. The financial statements were audited by KPMG Taiwan and an audit report was issued accordingly. The above-mentioned business report, financial statements and earnings distribution scheme have been audited by this Audit Committee and are not found to be inconsistent, so they are reported as above in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act. Please review.

Sincerely

The Company's 2022 General Shareholders' Meeting

Convener of Audit Committee: Wang Po-Hsin

March 24, 2022

Independent Auditors' Report

To the Board of Directors of SESODA CORPORATION:

Opinion

We have audited the financial statements of SESODA CORPORATION (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(m) and note 6(n) for disclosures related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Company's finance and operating performance. In addition, since the Company is a listed company, there are risks of material misstatement due to revenue recognition. The accuracy of the timing and amount of revenue recognized have a significant impact on the financial statements. Therefore, we consider it as one of our key audit matters.

How the matter was addressed in our audit:

Testing the effectiveness of design and implementing the internal control of sales and collecting cycle; reviewing the revenue recognition of significant sales contracts to determine whether the accounting treatment key judgment and estimation are appropriate; analyzing the changes in the top 10 customers from the previous year to the most recent period, as well as the changes in the price and quantity of each category of product line to determine whether if there are any significant misstatements; selecting sales transactions from a period of time before and after the balance sheet date, and verifying the vouchers to determine the accuracy of the timing and amounts of revenue recognized; understanding whether if there is a significant subsequent sales return or discount; and reviewing whether the disclosure of revenue made by the management is appropriate.

2. Impairment of investments accounted for using equity method

Please refer to note 4(l), note 5, and note 6(e) for the disclosures related to impairment on investments accounted for using equity method.

Description of key audit matter:

Some subsidiaries accounted for using equity method are subject to impairment test when there are indications that vessels may have been impaired. Also, the impairment assessment is measured using the future cash flow of present discount value. Because the impairment assessment involved significant uncertainty and management's judgment. Therefore, we consider it one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, understanding the financial reporting process; evaluating the judgement made by the management in measuring the recoverable amount and the historical reasonableness of the management's estimates on business forecasts; verifying the key assumptions used by management to formulate future cash flow forecasts and calculate the recoverable amount; as well as performing a sensitivity analysis of key assumptions, and reviewing whether the relevant information has been properly disclosed.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hung Huang and Po-Shu Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2022

Notes to Readers

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

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

Independent Auditors' Report

To the Board of Directors of SESODA CORPORATION:

Opinion

We have audited the consolidated financial statements of SESODA CORPORATION and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

1. Revenue recognition

Please refer to note 4(m) and note 6(p) for disclosures related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Group's finance and operating performance. In addition, since the Group is a listed company, there are risks of material misstatement due to revenue recognition. The accuracy of the timing and amount of revenue recognized have a significant impact on the financial statements. Therefore, we consider it as one of our key audit matters.

How the matter was addressed in our audit:

Testing the effectiveness of design and implementing the internal control of sales and collecting cycle; reviewing the revenue recognition of significant sales contracts to determine whether the accounting treatment key judgment and estimation are appropriate; analyzing the changes in the top 10 customers from the previous year to the most recent period, as well as the changes in the price and quantity of each category of product line to determine whether if there are any significant misstatements; selecting sales transactions from a period of time before and after the balance sheet date, and verifying the vouchers to determine the accuracy of the timing and amounts of revenue recognized; understanding whether if there is a significant subsequent sales return or discount; and reviewing whether the disclosure of revenue made by the management is appropriate.

2. Impairment of assets

Please refer to note 4(l), note 5, and note 6(g) for the disclosures related to impairment of assets.

Description of key audit matter:

Vessels are subject to impairment test at the time there are indications that vessels may have been impaired. Also, the impairment assessment is measured using the future cash flow of present discount value. Because the impairment assessment involved significant uncertainty and management's judgment. Therefore, we consider it one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, understanding the financial reporting process; evaluating the judgement made by the management in measuring the recoverable amount and the historical reasonableness of the management's estimates on business forecasts; verifying the key assumptions used by management to formulate future cash flow forecasts and calculate the recoverable amount; as well as performing a sensitivity analysis of key assumptions, and reviewing whether the relevant information has been properly disclosed.

Other Matter

SESODA CORPORATION has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hung Huang and Po-Shu Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2022

Notes to Readers

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

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

Matters to be reported

4. Report on the earnings distribution by cash dividend for 2021

Explanation:

- (1) Handled in accordance with item 5 of Article 240 of the Company Act, Article 29 of the Articles of Association and the resolution of the 7th board meeting of the 24th term on March 24, 2022.
- (2) The Company has 249,001,651 ordinary shares outstanding. It is proposed to distribute a cash dividends to shareholders at NT\$2 per share, totaling NT\$498,003,302.
- (3) To facilitate computerized check operations and token exchange, the cash dividend is calculated at NT\$1 and the amount below NT\$1 is not counted. The total amount of odd-lot shares is included in other income of the Company.
- (4) A board meeting will be held separately to determine the book-close date and distribution date of the cash dividends and handle other relevant matters.

Matters to be reported

5. Other Reporting Items

(1) Investment in the Mainland

On December 31, 2021, the Company directly invested in Qingdao Soda Ash Industrial Potassic Fertilizer Technology Co., Ltd. with a book value of NT\$114,517 thousand, accounting for 4.60% of the Company's paid-in capital.

(2) Endorsements/Guarantees:

On December 31, 2021, the Company provided an endorsement/guarantee of NT\$5,307,663 thousand for the investee company in which the Company directly or indirectly held more than 50% of the ordinary shares and the remaining balance was NT\$3,597,039 thousand (for details, please refer to the Company's 2021 annual report or the information on the MOPS).

Matters for Acknowledgment

Matters for Acknowledgment

Proposal 1: Proposed by the Board meeting

Description: The Company's 2021 business report and financial statements (including consolidated financial statements) are hereby submitted for recognition.

Explanation:

1. The Company's 2021 financial statements (including consolidated financial statements) and business report have been examined by the Company's Audit Committee which approved them and issued an audit report at the 7th board meeting of the 24th term on March 24, 2022. Among them, the financial statements (including consolidated financial statements) have been audited and signed by KPMG Taiwan.

2. Please refer to pages 6 to 10 for the business report.

Please refer to page 25 to 32 for the financial statements.

Resolution:

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
SESODA CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020			
		Amount	%	Amount	%	Amount	%
Assets							
Current assets:							
1100	Cash and cash equivalents (note 6 (a))	\$ 360,847	4	346,334	5	2100	Short-term borrowings (notes 6(h) and 8)
1150	Notes receivable, net (note 6(c))	138,875	2	79,949	1	2170	Accounts payable
1170	Accounts receivable, net (note 6(c))	532,555	7	353,483	5	2200	Other payables (note 6(o))
1210	Other receivables from related parties (note 7)	11,451	-	13,961	-	2220	Other payables to related parties (note 7)
1220	Current tax assets	7,654	-	108	-	2230	Current tax liabilities
130X	Inventories (note 6(d))	649,215	8	312,112	4	2280	Lease liabilities-current (note 6(i))
1476	Other current financial assets	40,767	-	16,280	-	2399	Other current liabilities
1470	Other current assets	41,641	-	50,303	1		
	Total current assets	1,783,005	21	1,172,530	16		
Non-current assets:							
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	115,630	2	137,068	2	2645	Guarantee deposits received
1550	Investments accounted for using equity method (note 6(e))	4,345,362	52	3,931,973	54	2570	Deferred tax liabilities (note 6(k))
1600	Property, plant and equipment (notes 6(f), 8 and 9)	2,047,051	25	1,974,870	28	2580	Lease liabilities-non-current (note 6(i))
1755	Right-of-use assets (note 6(g))	11,856	-	2,268	-	2650	Credit balance of investments accounted for using equity method (note 6(e))
1840	Deferred tax assets (note 6(k))	248	-	1,003	-		Total non-current liabilities
1915	Prepayments for business facilities (note 9)	649	-	240	-		Total liabilities
1920	Refundable deposits	6,894	-	5,894	-		Equity (notes 6(b), (e), (j), (k) and (l)):
1975	Net defined benefit asset (note 6(j))	23,710	-	26,509	-		Common stock
	Total non-current assets	6,551,400	79	6,079,825	84		Capital surplus
							Retained earnings:
							Legal reserve
							Special reserve
							Unappropriated retained earnings
							Other equity interest:
							Exchange differences on translation of foreign financial statements
							Unrealized gains or losses from financial assets measured at fair value through other comprehensive income

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
SESODA CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
4110 Operating revenue (note 6(n))	\$ 3,032,839	100	2,667,022	100
5111 Operating cost (notes 6(d), (f) and (j))	2,068,152	68	2,150,161	81
Gross profit from operations	<u>964,687</u>	<u>32</u>	<u>516,861</u>	<u>19</u>
6000 Operating expenses (notes 6(f), (g), (i), (j), (o) and 7):				
6100 Selling expenses	418,306	14	335,721	13
6200 Administrative expenses	171,212	6	111,892	4
Total operating expenses	<u>589,518</u>	<u>20</u>	<u>447,613</u>	<u>17</u>
6900 Net operating income	<u>375,169</u>	<u>12</u>	<u>69,248</u>	<u>2</u>
7000 Non-operating income and expenses (notes 6(e), (f), (i), (p) and 7):				
7100 Interest income	86	-	172	-
7010 Other income	9,713	-	6,247	-
7020 Other gains and losses	18,396	1	13,679	1
7050 Finance costs	(6,625)	-	(4,010)	-
7060 Share of gains of subsidiaries and associates accounted for using equity method	421,878	14	102,111	4
Total non-operating income and expenses	<u>443,448</u>	<u>15</u>	<u>118,199</u>	<u>5</u>
7900 Income before tax	818,617	27	187,447	7
7950 Less: Income tax expenses (note 6(k))	<u>147,746</u>	<u>5</u>	<u>13,318</u>	<u>-</u>
Net income	<u>670,871</u>	<u>22</u>	<u>174,129</u>	<u>7</u>
8300 Other comprehensive income (notes 6(e), (j), (k) and (l)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	(7,674)	-	3,174	-
8316 Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	(121,249)	(4)	(54,147)	(2)
8330 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	85	-	(443)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(1,535)</u>	<u>-</u>	<u>635</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(127,303)</u>	<u>(4)</u>	<u>(52,051)</u>	<u>(2)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(101,568)	(3)	(174,105)	(7)
8380 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	110	-	(82)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>(101,458)</u>	<u>(3)</u>	<u>(174,187)</u>	<u>(7)</u>
8300 Other comprehensive income	<u>(228,761)</u>	<u>(7)</u>	<u>(226,238)</u>	<u>(9)</u>
8500 Total comprehensive income	<u>\$ 442,110</u>	<u>15</u>	<u>(52,109)</u>	<u>(2)</u>
9750 Basic earnings per share (note 6(m)) (expressed in New Taiwan dollars)	<u>\$ 2.69</u>		<u>0.70</u>	
9850 Diluted earnings per share (note 6(m))(expressed in New Taiwan dollars)	<u>\$ 2.68</u>		<u>0.70</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SESODA CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total other equity interest
Balance at January 1, 2020	2,115,203	17,420	938,804	131,930	2,760,702	3,831,436	(68,465)	36,634	(31,831)
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	27,690	-	(27,690)	-	-	-	-
Special reserve	-	-	-	31,831	(31,831)	-	-	-	-
Cash dividends	-	-	-	-	(169,216)	-	-	-	-
Stock dividends	169,216	-	-	-	(169,216)	(169,216)	-	-	(169,216)
Reversal of special reserve	-	-	-	(20)	20	-	-	-	-
Net income	-	-	-	-	174,129	174,129	-	-	-
Other comprehensive income	-	-	-	-	2,096	2,096	(174,187)	(54,147)	(228,334)
Total comprehensive income	-	-	-	-	176,225	176,225	(174,187)	(54,147)	(228,334)
Changes in associates accounted for using equity method	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	84,670	-	-	-	-	-	-	84,670
Changes in capital surplus	-	-	-	-	(1,036)	(1,036)	-	1,036	-
Balance at December 31, 2020	2,284,419	102,594	966,494	163,741	2,537,958	3,668,193	(242,652)	(16,477)	(259,129)
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	17,521	-	(17,521)	-	-	-	-
Special reserve	-	-	-	95,388	(95,388)	-	-	-	-
Cash dividends	-	-	-	-	(205,597)	(205,597)	-	-	(205,597)
Stock dividends	205,598	-	-	-	(205,598)	(205,598)	-	-	-
Reversal of special reserve	-	-	-	(252)	252	-	-	-	-
Net income	-	-	-	-	670,871	670,871	-	-	-
Other comprehensive income	-	-	-	-	(6,054)	(6,054)	(101,458)	(121,249)	(222,707)
Total comprehensive income	-	-	-	-	664,817	664,817	(101,458)	(121,249)	(222,707)
Changes in capital surplus	-	517	-	-	-	-	-	-	517
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021	\$ 2,490,017	103,111	984,015	258,877	2,682,592	3,925,484	(344,110)	(141,395)	(485,505)
									6,033,107

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

SESODA CORPORATION**Statements of Cash Flows****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 818,617	187,447
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	90,188	82,261
Interest expense	6,625	4,010
Interest income	(86)	(172)
Dividend income	(9,701)	(6,236)
Share of profit of subsidiaries and associates accounted for using equity method	(421,878)	(102,111)
Gain on disposal of property, plant and equipment	(1,255)	-
Property, plant and equipment transferred to expenses	15,375	23,615
Gain on disposal of investments accounted for using equity method	-	(4,978)
Others	(2,123)	-
Total adjustments to reconcile profit (loss)	(322,855)	(3,611)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(58,926)	73,269
Decrease (increase) in accounts receivable	(179,072)	75,280
Decrease (increase) in other receivables from related parties	2,510	(6,396)
Decrease (increase) in inventories	(337,706)	109,507
Decrease in other current assets	9,563	7,157
Decrease (increase) in other current financial assets	(24,279)	3,495
Increase in net defined benefit assets	(4,875)	(6,766)
Increase in accounts payable	123,552	80,814
Increase (decrease) in other payables	107,721	(33,349)
Increase (decrease) in other payables to related parties	55	(1,017)
Increase (decrease) in other current liabilities	1,834	(9,824)
Total changes in operating assets and liabilities	(359,623)	292,170
Cash inflow generated from operations	136,139	476,006
Interest received	99	160
Dividends received	24,933	24,950
Interest paid	(7,187)	(5,182)
Income taxes paid	(5,366)	(7,637)
Net cash flows from operating activities	148,618	488,297
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(63,892)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,417	4,029
Acquisition of investments accounted for using equity method	(127,450)	(177,905)
Proceeds from disposal of investments accounted for using equity method	-	13,559
Acquisition of property, plant and equipment	(140,863)	(126,454)
Proceeds from disposal of property, plant and equipment	5,863	-
Decrease (increase) in refundable deposits	(1,000)	1,703
Net cash used in investing activities	(322,925)	(285,068)
Cash flows from (used in) financing activities:		
Increase in short-term loans	3,810,000	2,948,231
Decrease in short-term loans	(3,410,000)	(2,758,331)
(Decrease) increase in guarantee deposits received	(242)	242
Payment of lease liabilities	(5,858)	(3,610)
Cash dividends paid	(205,597)	(169,216)
Other financing activities	517	504
Net cash flows from financing activities	188,820	17,820
Net increase in cash and cash equivalents	14,513	221,049
Cash and cash equivalents at beginning of period	346,334	125,285
Cash and cash equivalents at end of period	\$ 360,847	346,334

See accompanying notes to parent company only financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
SESODA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 955,556	8	923,288	8
1110 Current financial assets at fair value through profit or loss (note 6(b))	2,851	-	-	-
1150 Notes receivable, net (note 6(d))	138,875	1	79,949	1
1170 Accounts receivable, net (note 6(d))	543,337	5	356,298	3
1220 Current tax assets	7,654	-	108	-
130X Inventories (note 6(e))	650,415	5	313,461	3
1476 Other current financial assets	174,893	1	41,980	-
1470 Other current assets	118,276	1	128,237	1
Total current assets	2,591,857	21	1,843,321	16
Non-current assets:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	2,720	-	2,970	-
1517 Non-current financial assets at fair value through other comprehensive income (note 6(e))	118,190	1	181,374	2
1550 Investments accounted for using equity method (note 6(f))	464,335	4	504,221	4
1600 Property, plant and equipment (notes 6(g), 8 and 9)	8,894,391	74	9,289,285	78
1755 Right-of-use assets (note 6(h))	20,487	-	16,040	-
1840 Deferred tax assets (note 6(m))	248	-	1,003	-
1915 Prepayments for business facilities (note 9)	1,756	-	5,639	-
1920 Refundable deposit	8,173	-	7,297	-
1975 Net defined benefit asset, non-current (note 6(l))	23,710	-	26,509	-
1995 Other non-current assets	169	-	626	-
Total non-current assets	9,534,179	79	10,034,964	84
Total assets	\$ 12,126,036	100	11,878,285	100
Liabilities and Equity				
Current liabilities:				
2100 Short-term borrowings (notes 6(i) and 8)	\$ 1,518,240	13	1,340,544	11
2322 Long-term borrowings, current portion (notes 6(i) and 8)	443,889	4	447,439	4
2170 Accounts payable	398,160	3	275,553	2
2200 Other payables (note 6(q) and 7)	409,539	3	215,023	2
2230 Current tax liabilities	77,507	1	6,155	-
2280 Lease liabilities-current (note 6(j))	8,704	-	6,646	-
2399 Other current liabilities	59,109	-	44,314	-
Total current liabilities	2,915,148	24	2,335,674	19
Non-current liabilities:				
2540 Long-term borrowings (notes 6(i) and 8)	2,654,911	22	3,302,236	28
2570 Deferred tax liabilities (note 6(m))	510,460	4	433,929	4
2580 Lease liabilities-non-current (note 6(j))	12,410	-	10,127	-
2645 Guarantee deposits received	-	-	242	-
Total non-current liabilities	3,177,781	26	3,746,534	32
Total liabilities	6,092,929	50	6,082,208	51
Equity attributable to owners of parent (notes 6(c), (f), (l), (m) and (n)):				
3100 Capital stock	2,490,017	21	2,284,419	19
3200 Capital surplus	103,111	1	102,594	1
Retained earnings:				
3310 Legal reserve	984,015	8	966,494	8
3320 Special reserve	258,877	2	163,741	2
3350 Unappropriated retained earnings	2,682,592	22	2,537,958	21
	3,925,484	32	3,668,193	31
Other equity interest:				
3410 Exchange differences on translation of foreign financial statements	(344,110)	(3)	(242,652)	(2)
3420 Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(141,395)	(1)	(16,477)	-
	(485,505)	(4)	(259,129)	(2)
	6,033,107	50	5,796,077	49
Total equity	\$ 12,126,036	100	11,878,285	100
Total liabilities and equity				

See accompanying notes to consolidated financial statements.

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

SESODA CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

	2021		2020	
	Amount	%	Amount	%
4110 Operating revenue (notes 6 (k) and (p))	\$ 4,795,266	100	4,034,992	100
5111 Operating cost (notes 6(e), (g), (h), (j), (l) and 7)	3,229,062	67	3,197,912	79
Gross profit from operations	<u>1,566,204</u>	<u>33</u>	<u>837,080</u>	<u>21</u>
6000 Operating expenses (notes 6(g), (h), (j), (l), (q) and 7):				
6100 Selling expenses	415,662	9	333,887	9
6200 Administrative expenses	336,642	7	248,865	6
Total operating expenses	<u>752,304</u>	<u>16</u>	<u>582,752</u>	<u>15</u>
6900 Net operating income	<u>813,900</u>	<u>17</u>	<u>254,328</u>	<u>6</u>
7000 Non-operating income and expenses (notes 6(f), (g), (j) and (r)):				
7100 Interest income	708	-	3,107	-
7010 Other income	9,815	-	6,236	-
7020 Other gains and losses	67,223	1	14,269	-
7050 Finance costs	(52,354)	(1)	(104,857)	(2)
7060 Share of profit or loss of associates accounted for using equity method	(20,158)	-	15,190	-
Total non-operating income and expenses	<u>5,234</u>	<u>-</u>	<u>(66,055)</u>	<u>(2)</u>
7900 Income before tax	819,134	17	188,273	4
7950 Less: Income tax expenses (note 6(m))	<u>148,263</u>	<u>3</u>	<u>14,144</u>	<u>-</u>
Net income	<u>670,871</u>	<u>14</u>	<u>174,129</u>	<u>4</u>
8300 Other comprehensive income (notes 6(f), (l), (m) and (n)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains or losses on remeasurements of defined benefit plans	(7,674)	-	3,174	-
8316 Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(121,249)	(3)	(54,147)	(1)
8320 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	85	-	(443)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(1,535)</u>	<u>-</u>	<u>635</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(127,303)</u>	<u>(3)</u>	<u>(52,051)</u>	<u>(1)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(101,568)	(2)	(174,105)	(4)
8370 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	110	-	(82)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>(101,458)</u>	<u>(2)</u>	<u>(174,187)</u>	<u>(4)</u>
8300 Other comprehensive income	<u>(228,761)</u>	<u>(5)</u>	<u>(226,238)</u>	<u>(5)</u>
Total comprehensive income	<u>\$ 442,110</u>	<u>9</u>	<u>(52,109)</u>	<u>(1)</u>
Basic earnings per share				
9750 Basic earnings per share (note 6(o)) (expressed in New Taiwan dollars)	<u>\$ 2.69</u>		<u>0.70</u>	
9850 Diluted earnings per share (note 6(o)) (expressed in New Taiwan dollars)	<u>\$ 2.68</u>		<u>0.70</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SESODA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest		
	Retained earnings						Unrealized gains		
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest
\$	2,115,203	17,420	938,804	131,930	2,760,702	3,831,436	(68,465)	36,634	(31,831)
Balance at January 1, 2020	-	-	27,690	-	(27,690)	-	-	-	-
Appropriation and distribution of retained earnings:	-	-	-	31,831	(31,831)	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(169,216)	(169,216)	-	-	(169,216)
Cash dividends	-	-	-	-	(169,216)	(169,216)	-	-	-
Stock dividends	169,216	-	-	-	(169,216)	-	-	-	-
Reversal of special reserve	-	-	-	(20)	20	-	-	-	-
Net income	-	-	-	-	174,129	174,129	-	-	174,129
Other comprehensive income	-	-	-	-	2,096	2,096	(174,187)	(54,147)	(228,334)
Total comprehensive income	-	-	-	-	176,225	176,225	(174,187)	(54,147)	(52,109)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Change of share profit of associates accounted for using equity method	-	84,670	-	-	(1,036)	(1,036)	-	1,036	-
Change of other capital surplus	-	504	-	-	-	-	-	-	84,670
Balance at December 31, 2020	2,284,419	102,594	966,494	163,741	2,537,958	3,668,193	(242,652)	(16,477)	(259,129)
Appropriation and distribution of retained earnings:	-	-	17,521	-	(17,521)	-	-	-	-
Legal reserve	-	-	-	-	(95,388)	-	-	-	-
Special reserve	-	-	-	95,388	(95,388)	-	-	-	-
Cash dividends	-	-	-	-	(205,597)	(205,597)	-	-	(205,597)
Stock dividends	205,598	-	-	-	(205,598)	-	-	-	-
Reversal of special reserve	-	-	-	(252)	252	-	-	-	-
Net income	-	-	-	-	670,871	670,871	-	-	670,871
Other comprehensive income	-	-	-	-	(6,054)	(6,054)	(101,458)	(121,249)	(228,761)
Total comprehensive income	-	-	-	-	664,817	664,817	(101,458)	(121,249)	(442,110)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Change of other capital surplus	-	517	-	-	3,669	3,669	-	(3,669)	-
Balance at December 31, 2021	\$ 2,490,017	103,111	984,015	258,877	2,682,592	3,925,484	(344,110)	(141,395)	(485,505)
									517
									6,033,107

See accompanying notes to consolidated financial statements.

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

SESODA CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 819,134	188,273
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	470,941	474,540
Gain or loss on financial assets at fair value through profit or loss	528	(99)
Interest expense	52,354	104,857
Interest income	(708)	(3,107)
Dividend income	(9,815)	(6,236)
Share of profit or loss of associates accounted for using equity method	20,158	(15,190)
Loss on disposal of property, plant and equipment	1,722	3,439
Property, plant and equipment transferred to expenses	15,375	23,615
Gain or loss on disposal of investments accounted for using equity method	14	(4,978)
Gain on lease modification	(126)	-
Others	(2,123)	-
Total adjustments to reconcile profit (loss)	548,320	576,841
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(58,926)	73,269
Decrease (increase) in accounts receivable	(187,039)	73,219
Decrease (increase) in inventories	(337,557)	109,039
Decrease (increase) in other current assets	10,811	(6,281)
Increase in other current financial assets	(133,203)	(17,916)
Increase in net defined benefit assets	(4,875)	(6,766)
Increase in accounts payable	122,607	82,769
Increase (decrease) in other payables	163,887	(73,705)
Increase (decrease) in other current liabilities	14,795	(10,011)
Total changes in operating assets and liabilities	(409,500)	223,617
Cash inflow generated from operations	957,954	988,731
Interest received	1,219	3,537
Dividends received	22,888	18,418
Interest paid	(54,006)	(112,966)
Income taxes paid	(5,619)	(8,760)
Net cash flows from operating activities	922,436	888,960
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(65,754)	-
Acquisition of financial assets at fair value through profit or loss	(3,211)	-
Proceeds from disposal of financial assets at fair value through profit or loss	4,417	4,086
Proceeds from disposal of investments accounted for using equity method	5,856	13,559
Acquisition of property, plant and equipment	(245,116)	(209,328)
Proceeds from disposal of property, plant and equipment	5,887	-
Decrease (increase) in refundable deposits	(876)	1,710
Decrease in other non-current assets	457	356
Net cash used in investing activities	(298,340)	(189,617)
Cash flows from (used in) financing activities:		
Increase in short-term loans	7,300,448	8,940,423
Decrease in short-term loans	(7,102,512)	(8,556,859)
Proceeds from long-term borrowings	11,072	-
Repayments of long-term borrowings	(563,794)	(691,570)
Increase (decrease) in guarantee deposits received	(242)	242
Payment of lease liabilities	(9,665)	(7,394)
Cash dividends paid	(205,597)	(169,216)
Other financing activities	517	504
Net cash used in financing activities	(569,773)	(483,870)
Effect of exchange rate changes on cash and cash equivalents	(22,055)	(13,162)
Net increase in cash and cash equivalents	32,268	202,311
Cash and cash equivalents at beginning of period	923,288	720,977
Cash and cash equivalents at end of period	\$ 955,556	923,288

See accompanying notes to consolidated financial statements.

Matters for Acknowledgment

Proposal 2: Proposed by the Board meeting

Description: The Company's 2021 earnings distribution scheme is hereby submitted for recognition.

Explanation:

1. The cumulative distributable earnings in 2021 is NT\$2,682,592,282 and the cash dividends to be distributed are NT\$498,003,302 (NT\$2 per share).
2. Please refer to page 34 for the 2021 earnings distribution scheme.

Resolution:

Sesoda Corporation
Profit Distribution Table
2021

Unit: New Taiwan Dollars

Undistributed surplus earnings, beginning of period	2,013,853,581
Add (less):	
Determine the remeasurement of the benefit plan	(6,138,445)
Changes in affiliated companies accounted for using equity method	85,145
Disposal of equity investments at fair value through other comprehensive income	3,669,453
Others	251,783
Net income	670,870,765
Amount available for distribution	2,682,592,282
Less:	
Legal reserve (10% after tax)	(66,873,870)
Provision for special reserve	(226,627,443)
Distribution item:	
Shareholder dividend-cash dividend (NTD 2 per share)	(498,003,302)
Undistributed surplus earnings, end of period	1,891,087,667

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 the legal reserve is revised to "the net income plus items other than the net income are included in the current year's undistributed surplus earnings."

Chairman:

Chen Rong Yuan

President:

Hwang Chih Cherng

Accounting Manager:

Chu Ching Yun

Discussion Item

Discussion Item

Proposal 1: Proposed by the Board meeting

Description: It is proposed to revise the "Articles of Association." The revision is hereby submitted for resolution.

Explanation:

1. In accordance with the resolution of the Company's 7th board meeting of the 24th term on March 24, 2022.
2. Please refer to pages 36 to 38 for the comparison table before and after the revision of the Articles of Association.

Resolution:

Sesoda Corporation
Articles of Association Comparison Table Before and After
the Amendments

Revised on May 20,2022

Amended article	Existing article	Explanation
<u>Article 11-1:</u> <u>The shareholders'</u> <u>meeting of the Company</u> <u>may be held by means of</u> <u>visual communication</u> <u>network or other</u> <u>methods promulgated by</u> <u>the Ministry of Economic</u> <u>Affairs.</u>	This article is newly added	In accordance with facts.
Article 28: The Company shall distribute employees' remuneration at <u>4.8%</u> and special rewards at <u>1.2%</u> of the profit status of the current year ; in addition, directors' remuneration shall be distributed at a rate not exceeding <u>2.5%</u> of the profit status of the current year, but the Company shall make up for the cumulative losses in advance. The current year's profit as mentioned in the	Article 28: The Company shall distribute employees' remuneration at <u>3.5%</u> and special rewards at <u>1%</u> of the profit status of the current year ; in addition, directors' remuneration shall be distributed at a rate not exceeding <u>2%</u> of the profit status of the current year, but the Company shall make up for the cumulative losses in advance. The current year's profit as mentioned in the	Revised in accordance with facts.

Amended article	Existing article	Explanation
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.	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.	

Amended article	Existing article	Explanation
<p>Article 33</p> <p>The Articles of Association was established on February 22, 1957..... the 51st revision was made on June 5, 2019, the 52nd revision was made on July 5, 2021, <u>and the 53rd revision was made on May 20, 2022.</u></p>	<p>Article 33</p> <p>The Articles of Association was established on February 22, 1957..... the 51st revision was made on June 5, 2019, and the 52nd revision was made on July 5, 2021.</p>	<p>The 53rd revision was added due to the revision of the foregoing provisions.</p>

Discussion Item

Proposal 2: Proposed by the Board

Description: It is proposed to revise the "Rules of Procedure of Shareholders' Meeting." The revision is hereby submitted for resolution.

Explanation:

1. In compliance with the decree and the resolution of the Company's 7th board meeting of the 24th term on March 24, 2022.
2. For the revised Rules of Procedure of the Shareholders' Meeting, please refer to pages 40 to 69.

Resolution:

Sesoda Corporation
Rules of Procedure of the Shareholders' Meeting
Revised on May 20, 2022

- Article 1 In order to establish a good governance system of the Company's shareholders' meeting, improve the supervision function and strengthen the management function, these Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 Unless otherwise provided by laws and regulations, the shareholders' meeting of Sesoda Corporation (hereinafter referred to as the Company) shall be handled in accordance with these Rules.
- Article 3 Unless otherwise provided in laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors.
- The change of the convening method of the shareholders' meeting of the Company shall be decided by the board meeting and the change shall be made before the notice of the shareholders' meeting is sent at the latest. The Company shall, 30 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare an electronic file

containing the notice of the shareholders' meeting, the form of the power of attorney, the relevant recognition cases, discussion cases, selection or dismissal of directors and reasons and explanations of the proposals, and transmit it to the MOPS. The Company shall also, 21 days before the general shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare an electronic file containing the handbook and supplementary information of the shareholders' meeting, and transmit it to the MOPS. However, if the paid-in capital of the Company reaches NT\$10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign and mainland capital recorded in the shareholders' register reaches more than 30% in the most recent fiscal year, the electronic file transmission shall be completed 30 days before the general shareholders' meeting. 15 days before the shareholders' meeting, the Company shall make available the handbook and supplementary information of the meeting for the shareholders to read at any time; the Company shall also have them displayed at the Company and the professional stock affairs agency appointed by the Company.

On the day of the shareholders' meeting, the Company shall provide shareholders with the proceedings manual and supplementary

information of the meeting referred to in the preceding paragraph in the following ways:

- (1) Distribute them at the site of the shareholders' meeting when convening a physical shareholders' meeting.
- (2) Distribute them at the site of the shareholders' meeting and transmit the electronic file to the video conference platform when convening a hybrid shareholders meetings.
- (3) Transmit the electronic file to the video conference platform when convening a virtual-only shareholders meetings.

The meeting notice and announcement shall contain the reasons for convening the meeting; the notice may be sent by electronic means if approved by the counterparties.

The election or dismissal of directors, alteration of articles of association, capital reduction, application for suspension of public offering, removal of director's non-competition restriction, capital increase from earnings, capital increase from reserve, company dissolution, merger, division or all circumstances in paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act,

Article 56-1 and Article 60-2 of the

Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed under the convening reason with a description of the main contents of the matters, and shall not be proposed as an extempore motion.

If the reason for convening the shareholders' meeting has stated a full re-election of directors and their date of assuming office, then after the re-election is completed at the shareholders' meeting, the date of assuming office may not be further changed via an extempore motion. °

Any shareholder holding more than 1% of the total issued shares may submit to the Company in writing a proposal for the general shareholders' meeting. However, each such shareholder is limited to making only one proposal, otherwise the excess proposals will not be included in the agenda. In addition, the board of directors may not list the proposal from a shareholder in case of any of the circumstances in item 4, Article 172-1 of the Company Act.

Shareholders may submit proposals to urge the Company to promote public interests or to fulfill social responsibilities.

Procedure-wise, the number of such proposals shall be limited to one according to the relevant provisions of Article 172-1 of the Company Act, otherwise the excess

proposals will not be included in the agenda. The Company shall, before the book-close date of the general shareholders' meeting, announce the acceptance of proposals, the written or electronic method accepted, and the location and period of acceptance; the period of acceptance shall not be less than 10 days.

The proposal made by a shareholder is limited to 300 words and those exceeding 300 words will not be included in the agenda; the proposing shareholder shall either attend the general shareholders' meeting personally or entrust an agent to attend and participate in the discussion of the proposal.

The Company shall notify the proposing shareholder of the results of the acceptance before the date the convening notice is sent and shall include in the meeting notice the proposals compliant with the requirements of this article. For shareholders' proposals not included in the agenda, the board of directors shall explain the reasons for non-inclusion.

Article 4 At each shareholder's meeting, the shareholder may issue a power of attorney in the form printed by the Company to specify the scope of authorization and sign or seal it and entrust an agent to attend.

Each shareholder is limited to issuing one power of attorney and entrusting only one

person and shall have the power of attorney delivered to the Company five days before the date of the shareholders' meeting. If the entrustment is repeated, the first one delivered shall prevail. However, the above does not apply if a declaration is made on the revocation of the entrustment previously delivered.

After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting personally or wishes to exercise the voting right in writing or electronically, a notice of revocation shall be delivered to the Company in writing two days before the date of the shareholders' meeting; if the power of attorney is cancelled after the time limit, the voting right exercised by the entrusted agent shall prevail.

After the power of attorney is delivered to the Company, if the shareholder wishes to attend the shareholders' meeting personally or wishes to exercise the voting right in writing or electronically, a notice of revocation shall be delivered to the Company in writing two days before the date of the shareholders' meeting; if the power of attorney is cancelled after the time limit, the voting right exercised by the entrusted agent shall prevail.

Article 5

The place of the meeting shall be the place where the Company or its plant is located or where it is convenient for the shareholders to

attend. The meeting time shall not be before 9 a.m. or after 3 p.m. and the opinion of the independent directors shall be taken into full account when considering the meeting place and time.

When the Company holds a video shareholders' meeting, it is not subject to the restrictions on the place of the meeting in the preceding paragraph.

Article 6

The Company shall specify in the notice of meeting the time and place for accepting the registration of shareholders, solicitors and entrusted agents (hereinafter collectively referred to as shareholders) and other matters needing attention.

The time for the shareholder's registration referred to in the preceding paragraph shall be at least 30 minutes before the meeting; the registration office shall be clearly marked and sufficient qualified personnel shall be sent to handle the registration. For a video conference of the shareholders' meeting, the acceptance of registration shall start 30 minutes before the meeting at the video conference platform of the shareholders' meeting. The shareholders who complete the registration shall be deemed to be present in person at the shareholders' meeting.

The shareholders shall attend the shareholders' meeting based on the

attendance card, sign-in card or other attendance certificates. The Company shall not arbitrarily add other supporting documents to the certification documents based on which the shareholders attend the meeting. The solicitor of the power of attorney for attending the meeting shall carry an identity certificate for verification.

The Company shall prepare a sign-in book for the attending shareholders to sign in, or the attending shareholders may submit their sign-in cards for signing in.

The Company shall deliver the meeting handbook, annual report, attendance card, speech slip, voting ballots and other meeting materials to the shareholders present at the shareholders' meeting; if there is a re-election of directors, the electing ballots shall also be attached.

When the government or a legal person is a shareholder, the number of its representatives present at the shareholders' meeting is not limited to one. When a legal person is entrusted to attend the shareholders' meeting, only one representative may be appointed to attend.

If the shareholders' meeting is held in the form of video conference, shareholders who wish to attend by video shall register with the Company two days before the shareholders' meeting.

If the shareholders' meeting is held in the form of video conference, the Company shall upload the proceedings manual, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting and continue to disclose them until the end of the meeting.

Article 6-1 When the Company holds the shareholders' meeting in the form of video conference, the following matters shall be specified in the notice of convening the shareholders' meeting:

- (1) Methods for shareholders to participate in video conferences and exercise their rights shall at least include the following matters:
- (2) The handling methods in case of obstacles to the video conference platform or participation by video due to natural disasters, incidents or other force majeure shall at least include the following matters:
 - a. The time at which the obstacle above persists and cannot be ruled out causing the meeting to be adjourned or resumed, and the date of the meeting if it is to be postponed or resumed.
 - b. Shareholders who have not registered to participate in the

original shareholders' meeting by video shall not participate in the postponed or resumed meeting.

- c. If the video assisted shareholders' meeting cannot be resumed, the shareholders' meeting shall be continued if, after deducting the number of shares attending the shareholders' meeting by video, the total number of shares attending the shareholders' meeting reaches the quorum of the shareholders' meeting. The number of shares attending the shareholders' meeting by video shall be included in the total number of shares of the shareholders attending the meeting, but shall be deemed to have waived on the voting on all proposals at the shareholders' meeting.
- d. The handling method in the event that the results of all proposal have been announced, but no extempore motion has been processed.

- (3) When convening a shareholders' meeting in the form of a video

conference, the convening notice shall specify the appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video.

Article 7 If the shareholders' meeting is convened by the board of directors, the Chairman shall serve as the chairman of the meeting. When the Chairman is on leave or unable to exercise his functions and powers for some reason, the Vice Chairman shall act as the deputy. If the Vice Chairman is also on leave or unable to exercise his functions and powers for some reason, the Chairman shall appoint a director to act as the deputy. If the Chairman fails to appoint a deputy, the directors shall elect one person among themselves to act as the deputy.

If the chairman of the preceding paragraph is deputized by a managing director or director, the person should have served for more than six months and understands the Company's financial and business conditions.

The same applies if the chairman is the representative of a corporate director.

For the shareholders' meeting convened by the board of directors, the Chairman of the board shall preside in person and more than half of the directors of the board and at least one member of each functional committee shall attend; the attendance shall be

recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the power to convene other than a member of the board of directors, the convener shall be the chairman of the meeting. If there are two or more conveners, one of them shall be elected to be the chairman.

The Company may appoint its designated lawyers, accountants or related personnel to attend the shareholders' meeting as non-voting delegates.

Article 8

The Company shall continuously audio and videotape the whole process of shareholders' registration, the meeting and vote counting starting from the time of accepting shareholders' registration.

The recording above shall be kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, the recording shall be kept until the end of the lawsuit.

If the shareholders' meeting is held in the form of video conference, the Company shall keep records of the shareholders' registration, sign-in, check-in, questioning and voting and the vote counting results and continuously audio and video record the whole process of the video conference.

The information and audio and video recordings referred to in the preceding paragraph shall be properly kept by the Company during its existence and the audio and video recordings shall be provided to those entrusted to handle the video conference affairs for preservation.

Article 9 Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares present shall be calculated according to the number of shares registered in the signature book or the sign-in cards submitted and on the video conference platform, plus the number of shares exercising voting rights in writing or electronically.

The chairman shall call the meeting to order at the specified meeting time and announce the number of shares without voting rights and the number of shares present at the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a meeting postponement, provided that the number of such postponements is no more than two and the total time no more than one hour. If the attending shareholders still do not represent one third of the total number of issued shares after two postponements, the chairman shall declare the meeting aborted. If the shareholders' meeting is held in the

form of video conference, the Company shall also announce the meeting being aborted on the video conference platform of the shareholders' meeting.

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 and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. If the shareholders' meeting is to be held in the form of video conference, shareholders who wish to attend by video shall re-register with 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 chairman may resubmit the tentative resolution for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors and the resolutions of related motions (including extraordinary motions and amendments to

original motions) shall be made on a case-by-case basis by voting. The meeting shall proceed in the order set in the agenda, which may not be changed without a 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 chairman may not declare the meeting adjourned prior to completion of the meeting agenda (including extraordinary motions) of the preceding two paragraphs except by a resolution of the shareholders' meeting. If the chairman 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 chairman in accordance with statutory procedures and then continue the meeting based on the agreement of a majority of the votes represented by the attending shareholders.

The chairman shall allow ample opportunities during the meeting for explanation and discussion of motions and their amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a motion has been discussed sufficiently for voting, the chairman may announce a cessation of the

discussion and call for a vote and arrange sufficient time for voting.

Article 11 Before speaking, an attending shareholder shall specify on the speaker's slip his/her speech summary, shareholder account number (or attendance card number) and account name. The order in which shareholders speak shall be set by the chairman.

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.

Without the consent of the chairman, each shareholder who speaks on the same motion shall not speak more than twice and the speech each time shall not exceed five minutes. If the shareholder's speech violates the rules above or exceeds the scope of the agenda item, the chairman 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 chairman may respond in person or direct relevant personnel to respond.

If the shareholders' meeting is held in the form of video conference, the shareholders participating by video may ask questions in writing on the video conference platform of the shareholders' meeting after the chairman calls the meeting to order and before the adjournment of the meeting. The number of questions for each proposal shall not be more than two and each question shall be limited to 200 words. The provisions of paragraphs 1 to 5 shall not apply.

Article 12 If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

The voting at the shareholders' meeting shall be based on the number of shares. The shares held by shareholders with no voting rights shall not be counted in the total number of issued shares while adopting a resolution at the shareholders' meeting. When a shareholder has personal interests in items at the meeting which may cause harmful results to the interests of the

Company, he shall not participate in the voting and shall not exercise voting rights on behalf of other shareholders. The number of shares that may not exercise voting rights referred to in the preceding paragraph shall not be counted in the number of voting rights of the shareholders present.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion with excessive voting rights shall not be counted.

Article 13 Each shareholder has one voting right per share, but this does not apply to those who are restricted or have no voting rights as specified in paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall have the voting rights exercised by electronic means or in writing; when the voting rights are exercised in writing or by electronic means, the exercise method shall be specified in the notice of the shareholders' meeting. The shareholders who exercise the voting rights in writing or by electronic means shall be deemed to attend the shareholders' meeting in person.

However, for extempore motions and amendments to the original motions of the shareholders' meeting, such shareholders shall be deemed to have waived their voting rights; therefore, the Company should avoid extempore motions and amendments to the original motions.

If the voting rights are exercised in writing or by electronic means as in the preceding paragraph, the intention of the said expression shall be delivered to the Company two days before the shareholders' meeting. If the intention is repeated, the first one delivered shall prevail. However, the above does not apply if a declaration is made on the revocation of the intention previously delivered.

After the shareholder exercises the voting right in writing or by electronic means, if he wants to attend the shareholders' meeting in person, he shall make a revocation of the intention previously delivered in the same manner as the revocation of the voting intention in the previous paragraph two days before the shareholders' meeting; if the revocation is made after the deadline, the voting right exercised in writing or by 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.

Unless otherwise provided by law or the Company's Articles of Association, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present.

When voting, the chairman or his designated personnel shall announce the total number of voting rights of the shareholders present, and the shareholders shall then vote on the proposals one by one. The results of shareholders' consent, objection and waiver shall be entered on the MOPS on the same day after the shareholders' meeting. 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 rights of the entrusted agent shall prevail.

When there is an amendment or replacement to a proposal, the chairman shall determine the order of voting together with that of the original proposal. If one of the proposals is approved, the other proposals shall be deemed to be rejected and no more voting shall be needed.

The persons who supervise and calculate the votes on proposals shall be appointed by the chairman, but the vote supervisor shall have the status of shareholder.

The vote counting operation of voting or election at the shareholders' meeting shall be conducted in a public place of the venue of the shareholders' meeting and the voting results, including the number of voting rights, shall be announced on the spot after the completion of the counting and recorded accordingly.

If the Company holds the shareholders' meeting in the form of video conference, after the chairman calls the meeting to order, the shareholders participating by video shall vote on various proposals and election proposals through the video conference platform and shall complete the voting before the chairman announces the end of the voting. If the voting is delayed, they shall be deemed to have abstained.

If the shareholders' meeting is convened in the form of video conference, the votes shall be counted in one go after the chairman announces the end of voting, and the voting and election results shall be announced.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6 and want to attend the physical shareholders' meeting in person shall cancel their registration in the same process as that for their registration two days before the

shareholders' meeting; if the cancellation is overdue, they may only attend the shareholders' meeting by video.

For those who exercised their voting rights in writing or electronically, but did not revoke their expression of intention and participated in the shareholders' meeting by video, then except for temporary motions, they shall not exercise their voting rights on the original motions, propose amendments to the original motions, or exercise their voting rights on the amendments to the original motions.

Article 14 When there is an election of directors at the shareholders' meeting, it shall be handled in accordance with the relevant election rules prescribed by the Company and the election results, including a list of elected directors and the number of voting rights they received as well as a list of directors not elected and the number of voting rights they received shall be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed and signed by the monitoring personnel and properly kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Act, the recording shall be kept until the end of the lawsuit.

Article 15 The resolutions of the shareholders' meeting

shall be recorded in the meeting minutes, signed or sealed by the chairman and distributed to the shareholders within 20 days after the meeting.

The production and distribution of the minutes may be done electronically. For the distribution of minutes referred to in the preceding paragraph, the Company may enter the minutes on the MOPS for public announcement.

The minutes shall be taken in the order of the date, place, name of the chairman, resolution method, essentials of the proceedings and voting results (including the number of voting rights) and the number of voting rights received by each candidate shall be disclosed when there is an election of directors. The minutes shall be kept permanently in the existence of the Company.

If the shareholders' meeting is held in the form of video conference, in addition to the items required to be recorded in accordance with the preceding paragraph, the minutes shall record the start and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairman and the recorder, appropriate alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by

video and the handling methods and results in case of obstacles to the video conference platform or participation by video due to force majeure.

If convening a shareholders' meeting in the form of video conference, the Company shall, in addition to the provisions of the preceding paragraph, specify in the minutes the alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video.

Article 16 The Company shall clearly disclose in the meeting venue and in the prescribed format the number of shares acquired by solicitors, the number of shares represented by entrusted agents and the number of shares of shareholders attending in writing or electronically on the day of the meeting. If the shareholders' meeting is held by video conference, the Company shall upload the information above to the video conference platform for the shareholders' meeting at least 30 minutes before the meeting and continue to disclose it until the end of the meeting.

When the shareholders' meeting is held in the form of video conference, the Company shall disclose on the video conference platform the number of shareholders' rights present when the meeting is called to order.

The same applies if there are other statistics on the number of rights present at the meeting.

If the resolution of the shareholders' meeting contains any material information stipulated by law and provided by the Taiwan Stock Exchange Co., Ltd. (or the Taipei Exchange), the Company shall transmit the contents to the MOPS before the specified deadline.

Article 17 The meeting affair staff of the shareholders' meeting shall wear identification cards or armbands.

The chairman may command the picket (or security personnel) to assist in maintaining the order of the meeting venue. When assisting in maintaining order, the picket (or security personnel) shall wear an armband or identification card with the word "picket." If sound amplification equipment is available at the meeting venue, the chairman may stop shareholders from speaking if they speak on equipment not prepared by the Company.

If a shareholder violates the rules of procedure and fails to comply with the chairman's correction and hinders the meeting from proceeding, the chairman may direct the picker or the security personnel to ask him to leave the meeting venue.

Article 18 When the meeting is in progress, the chairman may announce a break at his discretion. In case of force majeure, the

chairman may rule to suspend the meeting and announce the time for continuation of the meeting as the case may be.

Before the conclusion of the proceedings (including extemporary motions) scheduled for the shareholders' meeting, if the venue for the meeting cannot continue to be used, another venue may be found to continue the meeting upon the resolution of the shareholders.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, decide to postpone or renew the meeting within five days.

Article 19 If the shareholders' meeting is held in the form of video conference, the Company shall immediately disclose the voting results of various proposals and election results on the video conference platform of the shareholders' meeting after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.

Article 20 If the Company holds the shareholders' meeting in the form of video conference, the chairman and the recorder shall be in the same place in Taiwan and the chairman shall announce the address of the place at the meeting.

Article 21 If the shareholders' meeting is held in the

form of video conference, the chairman shall, when calling the meeting to order, announce that there is no need to postpone or continue the meeting per paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Before the chairman announces the adjournment of the meeting, if there is any obstacle to the video conference platform or participation by video for more than 30 minutes due to any natural disaster, accident or other force majeure, the provisions of Article 182 of the Company Act shall not apply if the meeting should be postponed or resumed within five days.

In the event of a postponed or resumed meeting referred to in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting. If the meeting should be postponed or resumed in accordance with paragraph 2, for the shareholders who have registered to participate in the original shareholders' meeting by video and have completed their registration but have not participated in the postponed or resumed meeting, their number of shares present, voting rights and election rights exercised at the original shareholders' meeting shall be included in the total number of shares, voting rights and

election rights of shareholders attending the postponed or resumed meeting.

When handling the postponed or resumed shareholders' meeting in accordance with paragraph 2, there is no need to re-discuss and adopt resolutions on the proposals for which the voting and vote counting have been completed and the voting results or the list of directors elected have been announced.

When the Company holds a video-assisted shareholders' meeting and it is impossible to resume the video meeting in paragraph 2, if the total number of shares present at the shareholders' meeting by video is still meets the quorum of the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by video, the shareholders' meeting shall continue without postponing or resuming the meeting in accordance with paragraph 2.

In the event that the meeting should be continued in accordance with the preceding paragraph, the number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares represented by shareholders, but such shares shall be deemed to have abstained from all proposals at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, relevant pre-processing operations shall be handled in accordance with the provisions of paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and in accordance with the date of the original shareholders' meeting and the various provisions of the same Article.

During the periods specified in the latter paragraph of Article 12 and paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and paragraph 2 of Article 44-5, Article 44-15 and paragraph 1 of article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholders' meeting in accordance with paragraph 2 above.

Article 22 When the Company holds the shareholders' meeting in the form of video conference, it shall provide appropriate alternative measures for shareholders who have difficulties in attending the shareholders' meeting by video.

Article 23 The rules and any amendments hereto shall be implemented after adoption by the shareholders' meeting. The same procedure

applies to the revision.

Discussion Item

Proposal 3: Proposed by the Board meeting

Description: It is proposed to revise the "Procedures for Asset Acquisition & Disposal". The revision is hereby submitted for resolution.

Explanation:

1. In accordance with the Company's 7th board meeting of the 24th term on March 24, 2022.
2. Please refer to pages 71 to 87 for the Comparison Table of Amendment to the "Procedures for Acquisition or Disposal of Assets".

Resolution:

Sesoda Corporation

“Procedures for Asset Acquisition & Disposal”

Comparison Table Before and After the Amendment

Revised on May 20,2022

Article No.	Amended article	Existing article	Explanation
Article 2	<p>Scope and Quota: (omitted) II. Quota: (I) The Company and its subsidiaries may authorize the Chairman of the board of directors to make decisions within a certain amount for the acquisition of real estate, equipment and right-of-use assets for business use and then submit them to the latest board of directors for</p>	<p>Scope and Quota: (omitted) II. Quota: (I) The Company and its subsidiaries may authorize the Chairman of the board of directors to make decisions within a certain amount for the acquisition of real estate, equipment and right-of-use assets for business use, and then submit them to the latest board of directors for ratification. (II) The Company</p>	<p>Revision based on the order referenced Jin-Guan-Fa No. 1110380465 and actual needs.</p>

Article No.	Amended article	Existing article	Explanation
	<p>ratification.</p> <p>(II) The Company may purchase real estate and its right-of-use assets or securities for business purpose, but the total amount <u>(original amount)</u> shall not exceed 100% of the net value of the Company. The original amount of individual securities investment shall not exceed 60% of the net value of the Company.</p> <p>..... omitted below.</p>	<p>may purchase real estate and its right-of-use assets or securities for business purpose, but the total amount shall not exceed 100% of the net value of the Company.</p> <p>The original amount of individual securities investment shall not exceed 60% of the net value of the Company.</p> <p>..... omitted below.</p>	

Article No.	Amended article	Existing article	Explanation
Article 3-1	<p>Appraisal Report or Professional Opinion: (omitted) II. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall <u>comply with the self-discipline norms of their trade associations and the following matters:</u> (I) Carefully evaluating its own professional ability, practical experience and independence before</p>	<p>Appraisal Report or Professional Opinion: (omitted) II. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following matters: (I) Carefully evaluating its own professional ability, practical experience and independence before undertaking a case. (II) <u>When auditing</u> cases, appropriate operating procedures should be properly planned and implemented</p>	Same explanation as above.

Article No.	Amended article	Existing article	Explanation
	<p>undertaking a case.</p> <p>(II) <u>When executing</u> cases, appropriate operating procedures should be properly planned and implemented to form conclusions and issue a report or opinion; the procedures, information collected and conclusions shall be detailed in the working paper of the case.</p> <p>(III) The <u>appropriateness</u> and rationality of the data sources,</p>	<p>to form conclusions and issue a report or opinion; the procedures, information collected and conclusions shall be detailed in the working paper of the case.</p> <p>(III) The <u>completeness, correctness</u> and rationality of the data sources, parameters and information used shall be evaluated item by item as the basis for issuing the appraisal report or opinion.</p> <p>(IV) The statement shall include the professional and independent nature of the relevant</p>	

Article No.	Amended article	Existing article	Explanation
	<p>parameters and information used shall be evaluated item by item as the basis for issuing the appraisal report or opinion.</p> <p>(IV) The statement shall include the professional and independent nature of the relevant personnel, and that the information used in the evaluation is <u>appropriate</u> and reasonable and in compliance with relevant laws and regulations.</p>	<p>personnel and that the information used in the evaluation is reasonable <u>and correct</u> and in compliance with relevant laws and regulations.</p> <p>..... omitted below.</p>	

Article No.	Amended article	Existing article	Explanation
 omitted below.		
Article 5	<p>Procedures for determining the trading conditions for acquiring or disposing of real estate, equipment or its right of-use assets:</p> <p>.....(omitted)</p> <p>III. In case of any of the following circumstances for the professional appraiser's appraisal report, except that the appraisal results of the assets obtained are higher than the transaction amount or the</p>	<p>Procedures for determining the trading conditions for acquiring or disposing of real estate, equipment or its right of-use assets:</p> <p>.....(omitted)</p> <p>III. In case of any of the following circumstances for the professional appraiser's appraisal report, except that the appraisal results of the assets obtained are higher than the transaction amount, or the appraisal results of the disposed assets are lower than the transaction</p>	Same explanation as above.

Article No.	Amended article	Existing article	Explanation
	appraisal results of the disposed assets are lower than the transaction amount, the accountant shall be requested to express a concrete opinion about the reasons for the difference and the fairness of the transaction price: omitted below.	amount, the accountant shall be requested to <u>comply with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation)</u> , and express a concrete opinion about the reasons for the difference and the fairness of the transaction price: omitted below.	
Article 6	Procedures for	Procedures for	Same

Article No.	Amended article	Existing article	Explanation
	determining the trading conditions of acquisition or disposal of securities: When acquiring or disposing of securities, the latest audited and certified or reviewed financial statements of the target company shall be obtained as the reference for evaluating the trading price before the date of occurrence. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300	determining the trading conditions of acquisition or disposal of securities: When acquiring or disposing of securities, the latest audited and certified or reviewed financial statements of the target company shall be obtained as the reference for evaluating the trading price before the date of occurrence. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall consult an accountant for a	explanation as above.

Article No.	Amended article	Existing article	Explanation
	million or more, the Company shall consult an accountant for a fairness opinion on the transaction price before the date of occurrence. However, this restriction does not apply if the securities are publicly quoted in an active market or there are other applicable requirements by the Financial Supervisory Commission (FSC).	fairness opinion on the transaction price before the date of occurrence. <u>If the accountant needs to adopt an expert's report, the accountant shall comply with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China.</u> However, this restriction does not apply if the securities are publicly quoted in an active market or there are other applicable requirements by the Financial	

Article No.	Amended article	Existing article	Explanation
		Supervisory Commission (FSC).	
Article 7	Procedures for determining the trading conditions of acquisition or disposal of intangible assets or their right-of-use assets or membership cards: Other than dealing with domestic government agencies, if the transaction amount of intangible assets or its right-of-use assets or membership cards acquired or disposed of by the Company	Procedures for determining the trading conditions of acquisition or disposal of intangible assets or their right-of-use assets or membership cards: Other than dealing with domestic government agencies, if the transaction amount of intangible assets or its right-of-use assets or membership cards acquired or disposed of by the Company reaches 20% of the Company's paid-in capital or	Same explanation as above.

Article No.	Amended article	Existing article	Explanation
	reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall, before the date of occurrence, consult the accountant to express an opinion on the fairness of the transaction price.	NT\$300 million or more, the Company shall, before the date of occurrence, consult the accountant to express an opinion on the fairness of the transaction price. <u>The accountant shall comply with the provisions of the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation of the Republic of China.</u>	
Article 8	Announcement and Declaration Standards:(omitted) (VI) Any assets	Announcement and Declaration Standards:(omitted) (VI) Any assets transaction,	Same explanation as above.

Article No.	Amended article	Existing article	Explanation
	<p>transaction, disposal of creditor's rights by a financial institution or investment in mainland China other than those mentioned in the preceding five paragraphs, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the above shall not apply to the following circumstances:</p> <p>1. Trading of domestic government bonds <u>or</u></p>	<p>disposal of creditor's rights by a financial institution or investment in mainland China other than those mentioned in the preceding five paragraphs, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the above shall not apply to the following circumstances:</p> <p>1. Trading of domestic government bonds.</p> <p>..... omitted below.</p>	

Article No.	Amended article	Existing article	Explanation
	<u>foreign</u> <u>governme</u> <u>nt bonds</u> <u>with a</u> <u>credit</u> <u>rating not</u> <u>lower than</u> <u>the ROC's</u> <u>sovereign</u> <u>rating.</u> omitted below.		

Article No.	Amended article	Existing article	Explanation
Article 10	<p>Resolution Procedures: (omitted) The calculation of the transaction amount in the preceding two articles shall be handled in accordance with the provisions of paragraphs 2 and 3 of Article 8. <u>The said one-year period is based on the date of the occurrence of the transaction, and is calculated retroactively for one year. The part that has been submitted to the shareholders'</u></p>	<p>Resolution Procedures: (omitted) The calculation of the transaction amount in the preceding two articles shall be handled in accordance with the provisions of paragraphs 2 and 3 of Article 8. When submitting to the board meeting for discussion in accordance with paragraph 1, full consideration shall be given to the opinions of independent directors. If independent directors have objections or reservations, they shall be stated in the</p>	Same explanation as above.

Article No.	Amended article	Existing article	Explanation
	<u>meeting, the board meeting and the supervisor for recognition in accordance with these standards is exempted from being included in.</u> When submitting to the board meeting for discussion in accordance with paragraph 1, full consideration shall be given to the opinions of independent directors. If independent directors have objections or reservations, they shall be stated in the minutes of the	minutes of the board meeting.	

Article No.	Amended article	Existing article	Explanation
	<u>board meeting.</u> <u>Where a public</u> <u>company or its</u> <u>subsidiary that</u> <u>is not a</u> <u>domestic public</u> <u>company has a</u> <u>transaction</u> <u>referred to in</u> <u>paragraph 1</u> <u>and the</u> <u>transaction</u> <u>amount</u> <u>reaches 10%</u> <u>or more of the</u> <u>total assets of</u> <u>the public</u> <u>company, the</u> <u>public</u> <u>company shall</u> <u>submit the</u> <u>information</u> <u>listed in</u> <u>paragraph 1 to</u> <u>the</u> <u>shareholders'</u> <u>meeting for</u> <u>approval</u> <u>before signing</u> <u>the transaction</u> <u>contract and</u>		

Article No.	Amended article	Existing article	Explanation
	<u>making the payment.</u> <u>However, this restriction does not apply to transactions between a public company and its parent company or subsidiaries, or between its subsidiaries.</u>		

Discussion Item

Proposal 4: Proposed by the Board meeting

Description: It is proposed to revise the "Operating procedures of Fund Lending and procedures for Endorsements & Guarantees." The revision is hereby submitted for resolution.

Explanation:

1. According to the resolution of the Company's 4th board meeting of the 24th term on November 11, 2021.
2. Please refer to pages 89 to 96 for the Comparison Table of Amendment to the "Procedures for Fund Lending and Endorsements/Guarantees."

Resolution:

Sesoda Corporation

" Operating procedures of Fund Lending and procedures for
Endorsements & Guarantees "

Comparison Table Before and After the Amendment

Revised on May 20,2022

Article No.	Amended article	Existing article	Explanation
Article 2	Reasons and necessity of the object of fund lending: When an investee company in which the Company has a direct or indirect shareholding of 100% has a need for short-term capital financing, <u>the reasons and circumstances for the loan of funds shall be listed.</u>	Reasons and necessity of the object of fund lending: When an investee company in which the Company has a direct or indirect shareholding of 100% has a need for short-term capital financing.	Revised based on actual needs.
Article 4	Fund lending term and interest calculation method: I. The term of fund lending shall be no more than one year from the lending date. If the lending needs to be	Fund lending term and interest calculation method: I. The term of fund lending shall be no more than one year from the lending date. If the lending needs to be	Revised based on actual needs.

Article No.	Amended article	Existing article	Explanation
	<p>renewed at expiration, the lending application procedures shall be handled again.</p> <p>II. During the financing period, <u>the annual interest rate is subject to the flexible adjustment of the Finance Department according to the capital cost based on the interest rates of the Company's deposits and loans at financial institutions; the annual interest rate shall not be lower than the maximum interest rate of the Company's short-term borrowings from financial institutions.</u></p> <p>III. Unless</p>	<p>renewed at expiration, the lending application procedures shall be handled again.</p> <p>II. During the financing period, <u>the annual interest rate is calculated by the Finance Department based on the rediscount rate of the Central Bank and is charged on a monthly basis.</u></p>	

Article No.	Amended article	Existing article	Explanation
	<u>otherwise specified, the calculation and collection of fund lending interest shall be based on the principle of monthly interest calculation and collection.</u>		
Article 6	Procedures for handling fund lending and review operations: I. Special application for approval: The letter of request for fund lending shall detail the lending amount, term, purpose and provision of collateral, with basic information and financial statements provide and then be submitted to the Finance	Procedures for handling fund lending and review operations: I. Special application for approval: The letter of request for fund lending shall detail the lending amount, term, purpose and provision of collateral, with basic information and financial statements provide and then be submitted to the Finance Department for	Revision of text.

Article No.	Amended article	Existing article	Explanation
	<p>Department for approval.</p> <p>II. Detailed review procedures: Based on the information obtained in the preceding paragraph, the Finance Department shall conduct a detailed review on the necessity and rationality of fund lending, the credit rating and risk assessment of the lending object, the impact on the Company's operational risk, financial status and shareholders' <u>rights and interests, and whether collateral</u> should be obtained and the appraised value of collateral.</p> <p>..... (omitted</p>	<p>approval.</p> <p>II. Detailed review procedures: Based on the information obtained in the preceding paragraph, the Finance Department shall conduct a detailed review on the necessity and rationality of fund lending, the credit rating and risk assessment of the lending object, the impact on the Company's operational risk, financial status and shareholders' rights and interests and whether or not collateral should be obtained and the appraised value of the collateral.</p> <p>..... (omitted below)</p>	

Article No.	Amended article	Existing article	Explanation
	below)		
Article 8	Subsequent control measures for the amount of lending and handling procedures for overdue claims: After the fund is granted, attention shall be paid to the financial, business and relevant credit status of the borrower and the guarantor. If collateral is provided, attention shall be paid to any change in the guarantee value. In case of a significant change, immediately notify the Chairman of the board of directors and handle it appropriately according to the instructions. When	Subsequent control measures for the amount of lending and handling procedures for overdue claims: After the fund is granted, attention shall be paid to the financial, business and relevant credit status of the borrower and the guarantor. If collateral is provided, attention shall be paid to any change in the guarantee value. In case of a significant change, immediately notify the Chairman of the board of directors and handle it appropriately according to the instructions. When the borrower repays the loan when or	Based on actual needs and the addition of items 2 and 3.

Article No.	Amended article	Existing article	Explanation
	<p>the borrower repays the loan when or before it is due, the Company shall first calculate the interest payable which shall be paid off together with the principal and then voiding the promissory note and returning it to the borrower or writing off the mortgage.</p> <p><u>If the loan object does not meet the requirements or the balance exceeds the limit due to the change of circumstances, an improvement plan shall be formulated in accordance with Articles 16 and 20 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Gua</u></p>	<p>before it is due, the Company shall first calculate the interest payable which shall be paid off together with the principal and then voiding the promissory note and returning it to the borrower or writing off the mortgage.</p>	

Article No.	Amended article	Existing article	Explanation
	<u>rantees by Public Companies;" the relevant improvement plan shall be submitted to the Audit Committee and the improvement shall be completed in accordance with the planned schedule.</u> <u>If the Company's fund lending is subject to the disguised fund lending referred to in the "Q&A of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the amount is significant in accordance with the authorization regulations, the Company shall</u>		

Article No.	Amended article	Existing article	Explanation
	<u>obtain a resolution of the board meeting at least quarterly on whether or not it has the nature of fund lending and handle it in accordance with Article 14-5 of the Securities and Exchange Act.</u>		

Discussion Item

Proposal 5: Proposed by the board meeting

Description: It is proposed to remove the non-compete restrictions on incumbent directors. The revision is hereby submitted for resolution.

Explanation:

Sande International Investment Co., Ltd., the corporate director of the Company, has changed its representative to Chen Yi-Te since February 10, 2022. Without prejudice to the interests of the Company, it is proposed to remove the non-compete restriction on Chen Yi-Te serving as a director of Sincere Industrial Corporation according to the provisions of Article 209 of the Company Act.

Resolution:

Extraordinary motions

Extraordinary motions

Adjournment

Appendix

Sesoda Corporation Rules of Procedure for Shareholders' Meetings

Amended May 11, 2017

1. Unless otherwise provided by the laws and regulations, the shareholders' meeting of Sesoda Corporation (hereinafter referred to as the Company) shall be handled in accordance with these Rules. °
2. The company has set up a signature book for the attending shareholders to sign in or the attending shareholders may hand in the sign-in card instead. The number of attending shares is calculated based on the signature book or the handed in sign-in card plus the number of shares exercised in writing or electronically.
3. Attendance and voting at the shareholders' meeting shall be on the basis of the number of shares.
4. The place of the meeting shall be the place where the Company or its plant is located or where it is convenient for the shareholders to attend. The meeting time shall not be before 9 a.m. or after 3 p.m.
5. If the shareholders' meeting is convened by the board of directors, the Chairman shall serve as the chairman of the meeting. When the Chairman is on leave or unable to exercise his functions and powers for some reason, the Vice Chairman shall act as the deputy. If there is no Vice Chairman in

place or the Vice Chairman is also on leave or unable to exercise his functions and powers for some reason, the Chairman shall appoint a managing director to act as the deputy. If there is no managing director in place, the Chairman shall appoint a director to act as the deputy. If the Chairman fails to appoint a deputy, the managing directors or directors shall elect one person among themselves to act as the deputy.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the convener shall be the presiding chair.

6. The Company may appoint its designated lawyers, accountants or related personnel to attend the shareholders' meeting as non-voting delegates.

Staff handling the administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

7. The Company shall audio or video record the entire process of the shareholders' meeting and keep the recording for at least one year.
8. The chairman shall call the meeting to order at the specified meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a meeting postponement, provided that the number of such postponements is no more than two and the total time no more than one hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a

tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act. By the end of such meeting, if number of shares represented by the attending shareholders has already constituted more than one half of the outstanding shares, the presiding chair may put the tentative resolution to the vote at the general meeting again in accordance with Article 174 of Taiwan's Company Act.

9. If a shareholders' meeting is convened by the board meeting, the meeting agenda shall be set by the board meeting. The meeting shall proceed in the order set in the agenda, which may not be changed without a 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 agenda set out in the previous two items shall not be declared adjourned by the presiding chair without a resolution before the proceedings are over (including provisional motions).

After the meeting is adjourned, shareholders may not elect a new presiding chair to continue the meeting at the meeting site or at another venue.

10. Before speaking, an attending shareholder shall specify on the speaker's slip his/her speech summary, shareholder account number (or attendance card number) and account name. The order in which shareholders speak shall be set by the chairman.

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.

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.

11. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice concerning the same item, and each speech shall not last more than 5 minutes.

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

12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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.

13. After an attending shareholder has spoken, the presiding chair may respond in person or direct relevant personnel to make response.

14. When the presiding chair is of the opinion that a proposal has been discussed sufficiently for voting

to proceed, the presiding chair may announce the closure of the discussion and call for a vote.

15. The examiners and counting staff of votes on motions shall be appointed by the presiding chair, but the examiners shall have shareholder status. Voting results shall be made known on-site immediately and recorded in writing.
16. During the meeting, the presiding chair may declare a break at his discretion. If all resolutions cannot be completed in one meeting, the shareholders meeting may decide to continue the meeting within five days without notice and announcement.
17. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
18. At the time of voting on a proposal, if there is no objection after consultation by the presiding chair, it shall be deemed as passed, and its effect is the same as that of voting.

When there are amendments or alternatives to the same proposal that are not compatible with the original proposal, the presiding chair may determine the order of voting. If one of the proposals has been passed by the number of voting rights specified in the regulations or the Articles of Incorporation, the other proposals that are incompatible are deemed to be rejected and do not need to be voted on again.

19. The presiding chair may direct the proctors (or security personnel) to help maintain order at the meeting place.

When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. Matters left unresolved in these Rules of Procedure shall be handled in accordance with the Company Act, relevant laws and regulations and the Company's Articles of Incorporation.
21. These Rules of Procedure shall be implemented after being approved by the shareholders meeting. The same shall hold true of amendments.

Sesoda Corporation

Articles of Association

Revised on July 5, 2021

Chapter 1 General Provisions

Article 1 The Company is organized in accordance with the provisions of the Company Act on companies limited by shares, and is named Sesoda Corporation.

Article 2 The business scope of the Company is as follows:

- (1) C801010 Basic Industrial Chemical Manufacturing.
- (2) C801110 Fertilizer Manufacturing.
- (3) C802990 Other Chemical Products Manufacturing
- (4) C802090 Manufacture of Cleaning Preparations.
- (5) C802200 Coating, Paint, Dye and Pigment Manufacturing.
- (6) F113010 Wholesale of Machinery.
- (7) C701010 Printing.
- (8) C702010 Plate Making Industry.
- (9) G801010 Warehousing.
- (10) F103010 Wholesale of Animal Feeds.
- (11) J101050 Environmental Testing Services.
- (12) F107050 Wholesale of Fertilizer.
- (13) F107100 Wholesale of Chemical Materials.

- (14) F107070 Wholesale of Animal Medicines.
- (15) F107080 Wholesale of Environment Medicines.
- (16) F107110 Wholesale of Petrochemical Materials.
- (17) F111020 Wholesale of Cement, Lime and Products.
- (18) C901050 Cement and Concrete Mixing Manufacturing.
- (19) F112020 Wholesale of Coal and Products.
- (20) F107130 Wholesale of Synthetic Resin.
- (21) F115020 Wholesale of Mineral.
- (22) F119010 Wholesale of Electronic Materials.
- (23) F219010 Retail Sale of Electronic Materials.
- (24) F102130 Wholesale of Flavoring Pastes.
- (25) F107010 Wholesale of Paints, Varnishes and Lacquers.
- (26) F107020 Wholesale of Dyeing Mills and Dyestuff.
- (27) F107170 Wholesale of Industrial Catalyst.
- (28) F401010 International Trade.
- (29) F106010 Wholesale of Ironware.
- (30) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

- (31) C114010 Food Additives
Manufacturing
- (32) F121010 Wholesale of Food
Additives
- (33) F221010 Retail of Food Additives

- Article 2-1 The total amount of the Company's foreign investment is not restricted by Article 13 of the Company Act.
- Article 2-2 The Company may provide external guarantees for business needs.
- Article 3 The Company is located in Taipei and has a manufacturing plant in Su'ao Township, Yilan County, Taiwan. Depending on business needs, the Company may, by resolution of the board meeting, set up plants, branches, offices or sales departments at home and abroad in a later stage.
- Article 4 The announcement method of the Company shall be in compliance with the company Act and other relevant laws and regulations.

Chapter 2 Shares

- Article 5 The capital of the Company is set at NT \$3,000,000,000, divided into 300,000,000 shares at an amount of 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 6 The shares of the Company shall be registered and numbered in sequence. They shall be signed or sealed by the directors on behalf of the Company and issued after being certified. The Company may be exempted from printing physical shares or may consolidate the printing of the total number of shares issued each time. The shares issued without printing physical shares shall be registered and kept with the Taiwan Depository and Clearing Corporation.
- Article 7 For the transfer or pledge of shares, the transferor and the transferee, or the pledgor and the pledgee shall jointly sign to apply with the company for the registration of change of account name or pledge. Necessary supporting documents shall be submitted if the shares are acquired due to inheritance or gift.
- Article 8 The stock affairs of the Company shall be handled in accordance with the regulations of the competent authority.

- Article 9 The registration for transfer of shares shall cease within 60 days before the general shareholders' meeting, 30 days before the extraordinary shareholders' meeting, or within 5 days before the ex-date of the Company's distribution of dividends, bonuses or other benefits.
- Article 10 Shareholders shall fill in the seal specimen card to be kept at the Company for the purpose of receiving dividends and exercising shareholders' rights. 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 3 Shareholders' Meetings

- Article 11 The Company's shareholders' meetings are divided into the general shareholders' meeting and the extraordinary shareholders' meeting. 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 12 The Chairman of the board of directors shall be the chairman of the shareholders' meeting. In case of the Chairman's absence, the Vice Chairman or one of the directors shall act as the chairman.

- Article 13 The convening of the general and extraordinary shareholders' meetings shall be conducted in accordance with relevant laws and regulations.
- Article 14 Unless otherwise stipulated in the Company Act, the shareholders of the Company shall have one voting right per share.
- Article 15 Unless otherwise provided in relevant laws and regulations, the proposal of a shareholders' meeting shall be adopted by a majority vote of the shareholders or proxies present, who represent more than half of the total number of voting shares.

Chapter 4 Directors and Audit Committee

- Article 16 The Company has nine to eleven directors to form the board of directors and one chairman and one deputy chairman are elected according to law. The term of office is three years and re-election is allowed. 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."

The total number of shares held by all directors shall not be less than the number set by the competent authority.

Article 16-1 The directors of the Company are elected by a candidate nomination system, and the shareholders shall select from the list of candidates. The number of independent directors shall not be less than three and not less than one fifth of the 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 16-2 The Company established its Audit Committee in accordance with the provisions of the Securities and Exchange Act. The Audit Committee shall be composed of all the independent directors. The Audit Committee or the members of the Audit Committee shall exercise their functions and powers and other matters in accordance with the provisions of relevant laws and

regulations or the Company's rules and its organizational procedures shall be separately prescribed by the board meeting.

- Article 17 The board meeting shall exercise its functions and powers conferred by the Company Act and the shareholders' meeting.
- Article 18 The Chairman of the board of directors of the Company shall, on behalf of the Company, decide on important policies internally and supervise the implementation of plans. If the Chairman is absent or on a business trip, his responsibilities shall be undertaken by the Vice Chairman. 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 19 The board meeting of the Company shall convene once every two months and an extraordinary meeting may be convened when necessary. Unless otherwise provided by the Company Act, the meeting shall be convened by the Chairman. Unless otherwise provided by the Company Act, more than half of the directors shall be present in the board meeting and the consent of more than half of the directors present is required for a resolution. Whether or not the resolution stands if only half of the

directors are present or the consent of only half of the directors present is obtained shall be decided by the Chairman.

The notice of convening the board meeting may be in writing or by e-mail or fax.

Article 20 The board meeting is authorized to negotiate the remuneration and travel expenses of the directors of the Company according to the degree of their participation in the operation of the Company and the value of their contribution and with reference to the standards of the industry.

Article 21 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 22 (deleted).

Chapter 5 Managers

- Article 23 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 24 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 25 The Company may appoint a top consultant upon the resolution of the Board of Directors.
- Article 26 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 6 Accounting

- Article 27 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:

- (1) Business Report.
- (2) Financial Statements.
- (3) Proposals concerning profit distributions or covering of losses.

Article 28 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 29 If there is a surplus in the Company's annual final accounts, it shall first pay taxes to make up for the accumulated losses over the years.

A 10% withdrawal is the legal reserve, but this is not the limit when the legal reserve has reached the Company's paid-in capital. Furthermore, a special reserve shall be allocated or transferred according to laws and regulations or the competent authority. If there is still a surplus, the balance plus undistributed surplus earnings accumulated in previous years is the amount of dividends that can be distributed to shareholders. In addition, no less than 1% of the distributable amount shall be allocated for the distribution of shareholder dividends. The Board of Directors shall draft a distribution proposal and submit it to the shareholders meeting for distribution after resolution.

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 30 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. The proportion of cash dividends distributed shall not be less than 20% of the dividend of the current year, and all dividends may be distributed in cash.

Chapter 7 Supplementary Provisions

- Article 31 The Company's various rules and regulations will be stipulated separately.
- Article 32 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 33 The Articles of Association was established on February 22, 1957; the 1st amendment was made on October 1, 1957, the 2nd amendment was made on September 20, 1958, the 3rd amendment was made on March 29, 1959, the 4th amendment was made on July 3, 1959, the 5th amendment was made on October 12, 1960, the 6th amendment was made on August 8, 1961, the 7th amendment was made on December 29, 1961, the 8th amendment was made on May 15, 1965, the 9th amendment was made on May 6, 1967, the 10th amendment was made on April 15, 1968, the 11th amendment was made on March 30, 1970,

the 12th amendment was made on April 30, 1971, the 13th amendment was made on March 18, 1976, the 14th amendment was made on March 30, 1978, the 15th amendment was made on October 6, 1978, the 16th amendment was made on March 25, 1980, the 17th amendment was made on March 6, 1981, the 18th amendment was made on March 31, 1982, the 19th amendment was made on June 9, 1983, the 20th amendment was made on May 16, 1984, the 21st amendment was made on April 30, 1985, the 22nd amendment was made on May 16, 1986, the 23rd amendment was made on May 7, 1987, the 24th amendment was made on April 21, 1988, the 25th amendment was made on March 31, 1989, the 26th amendment was made on April 7, 1990, the 27th amendment was made on April 17, 1991, the 28th amendment was made on April 11, 1992, the 29th amendment was made on April 16, 1993, the 30th amendment was made on April 21, 1994, the 31st amendment was made on May 9, 1995, the 32nd amendment was made on April 23, 1996, the 33rd amendment was made on April 28, 1997, the 34th amendment was made on April 23, 1998, the 35th amendment was made on April 23, 1998, the 36th amendment was made on April 20, 1999, the 37th amendment was made on June 9, 2000, the 38th amendment was made on April 24,

2001, the 39th amendment was made on April 26, 2002, the 40th amendment was made on April 23, 2003, the 41st amendment was made on April 21, 2004, the 42nd amendment was made on May 20, 2005, the 43rd amendment was made on May 12, 2006, the 44th amendment was made on May 15, 2007, the 45th amendment was made on May 11, 2010, the 46th amendment was made on May 28, 2012, the 47th amendment was made on May 14, 2014, the 48th amendment was made on May 24, 2016, the 49th amendment was made on May 11, 2017, the 50th amendment was made on June 8, 2018, the 51st amendment was made on June 5, 2019, and the 52nd amendment was made on July 5, 2021.

Sesoda Corporation

Schedule of director shareholding

Book-close date: March 22, 2022

Title	Name	Appointment date	Number of shares held at the time of appointment			Number of shares currently held			Remarks
			Type	Number of shares	% of issued shares at the time	Type	Number of shares	% of issued shares at the time	
Chairman	Zheng Bang Investment Co. Ltd. Representative: Chen Rong-Yuan	July 5, 2021	Common stock	14,758,338	6.46%	Common stock	16,086,588	6.46%	
Director	Zheng Bang Investment Co. Ltd. Representative: Chen Li-Te								
Vice Chairman	Sincere Industrial Corporation Representative: Chen Cheng-Te	July 5, 2021	Common stock	3,425,923	1.50%	Common stock	3,734,256	1.50%	
Director	Sincere Industrial Corporation Representative: Chen Kai-Yuan								
Director	Sincere Industrial Corporation Representative: Chu Yuan-Hua								
Director	San De International Investment Co., Ltd. representative: Chen Yi-Te	July 5, 2021	Common stock	4,967,462	2.17%	Common stock	5,414,533	2.17%	
Director	Yalan Investment Consulting Co., Ltd. Representative: Wu Chung-Li	July 5, 2021	Common stock	4,017,929	1.76%	Common stock	4,379,542	1.76%	
Independent Director	Tsao Ming	July 5, 2021	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Wang Po-Hsin	July 5, 2021	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Chu Jih-Chuan	July 5, 2021	Common stock	0	0.00%	Common stock	0	0.00%	
Total			Common stock	27,169,652		Common stock	29,614,919		

Total number of shares issued on July 5, 2021:

228,441,881 Shares

Total number of share issued on March 22, 2022:

249,001,651 Shares

Note:

Statutory shareholdings of all directors of the Company are: 12,000,000 shares; as of March 22, 2022, the shareholding is: 29,614,919 Share

◎ The Company has set up an Audit Committee, so there is no applicability regarding number of shares that should be held by supervisors

◎ Shares held by independent directors are not included in the number of shares held by directors