

**SESODA CORPORATION AND SUBSIDIARIES****Consolidated Financial Statements****With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023**

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

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## Independent Auditors' Review Report

To the Board of Directors SESODA CORPORATION:

### Introduction

We have reviewed the accompanying consolidated balance sheets of SESODA CORPORATION and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$222,688 thousand and \$222,939 thousand, constituting 1.62% and 1.70% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$25,710 thousand and \$30,658 thousand, constituting 0.35% and 0.45% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$(6,162) thousand and \$(1,085) thousand, constituting (1.65)% and 0.70% of consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

**Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SESODA CORPORATION and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chen, Ya-Ling and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)

May 6, 2024

**Notes to Readers**

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

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

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

## SESODA CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:									Current liabilities:								
1100	Cash and cash equivalents (note 6(a))	\$	1,830,944	13	1,600,594	12	1,092,138	8	2100	Short-term borrowings (notes 6(j), (w) and 8)	\$	2,032,567	15	1,810,265	14	1,677,650	13
1110	Current financial assets at fair value through profit or loss (note 6(b))		2,827	-	3,086	-	1,990	-	2111	Short-term notes and bills payable (notes 6(k), (w) and 8)		-	-	199,827	2	-	-
1150	Notes receivable, net (note 6(d))		105,555	1	103,171	1	96,346	1	2322	Long-term borrowings, current portion (notes 6(j), (w) and 8)		537,041	4	476,845	4	497,210	4
1170	Accounts receivable, net (note 6(d))		633,534	5	595,226	5	679,915	5		Accounts payable		541,012	4	304,066	2	189,620	1
130X	Inventories (note 6(e))		737,681	5	450,112	4	991,239	8	2170	Other payables (notes 6(r) and 7)		462,208	4	430,620	3	500,325	4
1460	Non-current assets held for sale, net (note 6(f))		249,255	2	-	-	-	-	2200	Dividends payable (notes 6(o) and 7)		373,502	3	-	-	747,005	6
1476	Other current financial assets		268,873	2	292,785	2	131,439	1	2216	Current tax liabilities		56,745	-	3,256	-	215,721	2
1470	Other current assets		269,363	2	308,609	2	174,851	1	2230	Lease liabilities-current (notes 6(l) and (w))		5,108	-	5,599	-	6,836	-
	Total current assets		4,098,032	30	3,353,583	26	3,167,918	24	2280	Other current liabilities (note 6(j))		173,972	1	199,097	1	55,450	-
	Non-current assets:								2399	Total current liabilities		4,182,155	31	3,429,575	26	3,889,817	30
1510	Non-current financial assets at fair value through profit or loss (note 6(b))		10,602	-	16,744	-	13,596	-		Non-current liabilities:							
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))		65,304	1	79,443	1	88,198	1	2540	Long-term borrowings (notes 6(j), (w) and 8)		2,470,165	18	2,533,862	19	2,210,653	17
1550	Investments accounted for using equity method, net (note 6(g))		-	-	258,978	2	285,179	2	2570	Deferred tax liabilities		744,402	5	744,402	6	744,360	5
1600	Property, plant and equipment (notes 6(h), 8 and 9)		9,517,435	69	9,293,472	71	9,377,712	72	2580	Lease liabilities-non-current (notes 6(l) and (w))		2,413	-	2,681	-	6,236	-
1755	Right-of-use assets (note 6(i))		7,295	-	8,018	-	12,548	-		Total non-current liabilities		3,216,980	23	3,280,945	25	2,961,249	22
1840	Deferred tax assets		8,040	-	8,040	-	81,232	1		Total liabilities		7,399,135	54	6,710,520	51	6,851,066	52
1975	Net defined benefit asset, non-current		47,844	-	46,941	-	43,191	-		Equity (notes 6(g) and (o)) :							
1995	Other non-current assets, others (note 9)		12,719	-	11,860	-	12,373	-	3100	Capital stock		2,490,017	18	2,490,017	19	2,490,017	19
	Total non-current assets		9,669,239	70	9,723,496	74	9,914,029	76	3200	Capital surplus		105,949	1	105,364	1	105,364	1
										Retained earnings :							
									3310	Legal reserve		1,172,557	9	1,172,557	9	1,050,888	8
									3320	Special reserve		131,650	1	131,650	1	485,496	4
									3350	Unappropriated retained earnings		2,393,934	17	2,565,229	20	2,224,003	17
												3,698,141	27	3,869,436	30	3,760,387	29
										Other equity interest :							
									3410	Exchange differences on translation of foreign financial statements		284,037	2	92,933	-	57,310	-
									3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		(210,008)	(2)	(191,191)	(1)	(182,197)	(1)
												74,029	-	(98,258)	(1)	(124,887)	(1)
										Total equity		6,368,136	46	6,366,559	49	6,230,881	48
Total assets		\$	13,767,271	100	13,077,079	100	13,081,947	100	Total liabilities and equity	\$	13,767,271	100	13,077,079	100	13,081,947	100	

See accompanying notes to consolidated financial statements.

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

**SESODA CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		<b>For the three months ended March 31</b>			
		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4110	<b>Operating revenue (note 6(q))</b>	\$ 1,439,197	100	1,605,319	100
5111	<b>Operating cost (notes 6(e), (h), (i), (l), (m), 7 and 12)</b>	<u>988,517</u>	<u>69</u>	<u>1,585,071</u>	<u>99</u>
	<b>Gross profit from operations</b>	<u>450,680</u>	<u>31</u>	<u>20,248</u>	<u>1</u>
6000	<b>Operating expenses (notes 6(d), (h), (i), (l), (m), (r), 7 and 12):</b>				
6100	Selling expenses	105,786	7	91,799	5
6200	Administrative expenses	95,427	7	75,985	5
6450	Expected credit gain	<u>-</u>	<u>-</u>	<u>(28,833)</u>	<u>(2)</u>
	<b>Total operating expenses</b>	<u>201,213</u>	<u>14</u>	<u>138,951</u>	<u>8</u>
6900	<b>Net operating income (loss)</b>	<u>249,467</u>	<u>17</u>	<u>(118,703)</u>	<u>(7)</u>
7000	<b>Non-operating income and expenses (notes 6(b), (g), (h), (l) and (s)):</b>				
7100	Interest income	13,050	1	4,501	-
7010	Other income	94	-	115	-
7020	Other gains and losses	59,525	4	695	-
7050	Finance costs	(56,355)	(4)	(51,008)	(3)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>(10,085)</u>	<u>(1)</u>	<u>(5,707)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>6,229</u>	<u>-</u>	<u>(51,404)</u>	<u>(3)</u>
7900	<b>Income (loss) before tax</b>	255,696	17	(170,107)	(10)
7950	<b>Less: Income tax expenses (benefit) (note 6(n))</b>	<u>53,489</u>	<u>4</u>	<u>(33,349)</u>	<u>(2)</u>
	<b>Net income (loss)</b>	<u>202,207</u>	<u>13</u>	<u>(136,758)</u>	<u>(8)</u>
8300	<b>Other comprehensive income (notes 6(f), (g) and (o)):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(19,179)	(1)	9,663	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	362	-	179	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>(18,817)</u>	<u>(1)</u>	<u>9,842</u>	<u>1</u>
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	191,104	13	(27,110)	(2)
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>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>191,104</u>	<u>13</u>	<u>(27,110)</u>	<u>(2)</u>
8300	<b>Other comprehensive income</b>	<u>172,287</u>	<u>12</u>	<u>(17,268)</u>	<u>(1)</u>
	<b>Total comprehensive income</b>	<u>\$ 374,494</u>	<u>25</u>	<u>(154,026)</u>	<u>(9)</u>
	<b>Basic earnings per share</b>				
9750	Basic earnings per share (note 6(p)) (expressed in New Taiwan Dollars)	<u>\$ 0.81</u>		<u>(0.55)</u>	
9850	Diluted earnings per share (note 6(p)) (expressed in New Taiwan Dollars)	<u>\$ 0.81</u>		<u>(0.55)</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 three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest			
	Retained earnings						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Total equity	
Balance at January 1, 2023	\$ 2,490,017	104,740	1,050,888	485,496	3,107,766	4,644,150	84,420	(192,039)	(107,619)	7,131,288
Appropriation and distribution of retained earnings:										
Cash dividends	-	-	-	-	(747,005)	(747,005)	-	-	-	(747,005)
Net loss	-	-	-	-	(136,758)	(136,758)	-	-	-	(136,758)
Other comprehensive income	-	-	-	-	-	-	(27,110)	9,842	(17,268)	(17,268)
Total comprehensive income	-	-	-	-	(136,758)	(136,758)	(27,110)	9,842	(17,268)	(154,026)
Change in capital surplus	-	624	-	-	-	-	-	-	-	624
Balance at March 31, 2023	\$ 2,490,017	105,364	1,050,888	485,496	2,224,003	3,760,387	57,310	(182,197)	(124,887)	6,230,881
Balance at January 1, 2024	\$ 2,490,017	105,364	1,172,557	131,650	2,565,229	3,869,436	92,933	(191,191)	(98,258)	6,366,559
Appropriation and distribution of retained earnings:										
Cash dividends	-	-	-	-	(373,502)	(373,502)	-	-	-	(373,502)
Net income	-	-	-	-	202,207	202,207	-	-	-	202,207
Other comprehensive income	-	-	-	-	-	-	191,104	(18,817)	172,287	172,287
Total comprehensive income	-	-	-	-	202,207	202,207	191,104	(18,817)	172,287	374,494
Change in capital surplus	-	585	-	-	-	-	-	-	-	585
Balance at March 31, 2024	\$ 2,490,017	105,949	1,172,557	131,650	2,393,934	3,698,141	284,037	(210,008)	74,029	6,368,136

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 three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit (loss) before tax</b>	\$ 255,696	(170,107)
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	144,395	131,081
Expected credit gain	-	(28,833)
Net losses (gains) on financial assets at fair value through profit or loss	6,401	(875)
Financial cost	56,355	51,008
Interest income	(13,050)	(4,501)
Dividend income	(8)	(22)
Share of loss of associates accounted for using equity method	10,085	5,707
Loss on disposal of property, plant and equipment	2,047	-
Property, plant and equipment transferred to expenses	9,435	4,802
Gain on lease modification	-	(2)
<b>Total adjustments to reconcile profit (loss)</b>	<u>215,660</u>	<u>158,365</u>
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in notes receivable	(2,384)	25,004
(Increase) decrease in accounts receivable	(38,308)	35,788
(Increase) decrease in inventories	(287,569)	395,793
Decrease in other current assets	32,117	55,671
Decrease in other current financial assets	24,402	8,248
Increase in net defined benefit assts	(903)	(1,288)
Increase (decrease) in accounts payable	236,946	(460,787)
Increase (decrease) in other payables	32,725	(23,719)
Decrease in other current liabilities	<u>(25,746)</u>	<u>(44,166)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(28,720)</u>	<u>(9,456)</u>
Cash inflow (outflow) generated from operations	442,636	(21,198)
Interest received	12,560	3,676
Dividends received	8	22
Interest paid	(58,638)	(55,891)
Income taxes received (paid)	<u>7,129</u>	<u>(166)</u>
<b>Net cash flows from (used in) operating activities</b>	<u>403,695</u>	<u>(73,557)</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(89,173)	(77,628)
(Increase) decrease in refundable deposits	<u>(865)</u>	<u>1,001</u>
<b>Net cash used in investing activities</b>	<u>(90,038)</u>	<u>(76,627)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	3,759,000	1,913,850
Decrease in short-term loans	(3,564,000)	(1,851,600)
Decrease in short-term notes and bills payable	(200,000)	-
Repayments of long-term borrowings	(96,475)	(121,696)
Payment of lease liabilities	(2,157)	(2,228)
Other financing activities	<u>585</u>	<u>624</u>
<b>Net cash used in financing activities</b>	<u>(103,047)</u>	<u>(61,050)</u>
<b>Effect on exchange rate changes on cash and cash equivalents</b>	<u>19,740</u>	<u>8,082</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>230,350</u>	<u>(203,152)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,600,594</u>	<u>1,295,290</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 1,830,944</u></u>	<u><u>1,092,138</u></u>

See accompanying notes to consolidated financial statements.

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

## **SESODA CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

**March 31, 2024 and 2023**

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

#### **(1) Company history**

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

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 2024.

#### **(3) New standards, amendments and interpretations adopted:**

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

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

(Continued)

## SESODA CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

#### (4) Summary of material accounting policies:

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

##### (a) Statement of compliance

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

##### (b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4(c) to the consolidated financial statements for the year ended December 31, 2023.

##### (i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Sesoda Steamship Corporation (SSC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
The Company	East Tender Trading Co., Ltd.	General trade and investments	100.00 %	100.00 %	100.00 %	(Note )
The Company	Yukari Group Co., Ltd.	Wholesale of foods and groceries, sales of drinks and operation of restaurant	100.00 %	100.00 %	100.00 %	(Note )

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	E-Teq Venture Co., Ltd.	Electronics components manufacturing, data storage media manufacturing and duplicating, general investments	100.00 %	100.00 %	100.00 %	(Note )
The Company	Yun Sheng investment Co., Ltd.	General investments	100.00 %	100.00 %	100.00 %	(Note )
The Company and SSC	Sesoda Investments (BVI) Ltd. (SIL)	Holding company	100.00 %	100.00 %	100.00 %	
SSC	SS Marine Holding Corporation (SSMHC)	Holding company	100.00 %	100.00 %	100.00 %	
SSC	Southeast Shipping Corporation (SESC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	Southeast Marine Globe Corporation (SMGC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	Southeast Marine Transport Corporation (SMTC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Harmony Corporation (SEHC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Bulker Corporation (SEBC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Apex Corporation (SEAC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Marine Corporation (SEMC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Carrier Corporation (SECC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Evermore Corporation (SEEC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Fortune Corporation (SEFC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Royal Corporation (SERC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Delta Corporation (SEDC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Victory Corporation (SEVC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Glory Corporation (SEGC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSC	SE Peace Corporation (SEPC)	Ship operation and chartering	100.00 %	100.00 %	100.00 %	
SSMHC	SE Jasmine Corporation (SEJC)	Holding company	100.00 %	100.00 %	100.00 %	
East Tender Trading Co., Ltd	Zai Feng Auto Transportation Co., Ltd.	Automobile cargo transportation business	100.00 %	100.00 %	100.00 %	(Note )

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

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

(Continued)

## SESODA CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(c) Non-current assets held for sale

In the first quarter of 2024, the Group's Board of Directors resolved to dispose the entire shareholdings of EAST TENDER OPTOELECTRONICS CORPORATION (EOC). Therefore, the Group started to adopt the accounting policies related to non-current assets held for sale from the 1st quarter of 2024.

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, any equity-accounted investee is no longer equity accounted.

(d) Employee benefits

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

(e) Income taxes

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

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

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

**(a) Cash and cash equivalents**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Petty Cash	\$ 16,445	18,457	19,280
Demand deposits	394,543	371,602	414,144
Time deposits	1,419,956	1,210,535	658,714
Cash and cash equivalents	<u><u>\$ 1,830,944</u></u>	<u><u>1,600,594</u></u>	<u><u>1,092,138</u></u>

**(b) Financial assets at fair value through profit or loss**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Foreign listed company's stocks	\$ 2,827	3,086	1,990
Open end Funds	-	-	4,250
Private Fund	10,602	16,744	9,346
Total	<u><u>\$ 13,429</u></u>	<u><u>19,830</u></u>	<u><u>15,586</u></u>
Current	\$ 2,827	3,086	1,990
Non-current	10,602	16,744	13,596
	<u><u>\$ 13,429</u></u>	<u><u>19,830</u></u>	<u><u>15,586</u></u>

The aforementioned financial assets were not pledged.

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Domestic listed companies' stocks	\$ 2,130	2,226	1,968
Foreign unlisted companies' stocks	63,174	77,217	86,230
Total	<u><u>\$ 65,304</u></u>	<u><u>79,443</u></u>	<u><u>88,198</u></u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

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

- (iii) The aforementioned financial assets were not pledged.

- (d) Notes and accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 105,555	103,171	96,346
Accounts receivable—measured as amortized cost	657,825	619,517	739,546
Less: Loss allowance	(24,291)	(24,291)	(59,631)
Sub-total	633,534	595,226	679,915
Total	<u>\$ 739,089</u>	<u>698,397</u>	<u>776,261</u>

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

<b>March 31, 2024</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 673,344	0~0.35%	2,339
1 to 30 days past due	65,979	2.11 %	1,392
31 to 60 days past due	10,404	18.28 %	1,901
More than 90 days past due	13,653	100.00 %	13,653
	<u>\$ 763,380</u>		<u>19,285</u>
<b>December 31, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 678,655	0~0.35%	2,279
1 to 30 days past due	18,541	2.11 %	391
31 to 60 days past due	2,629	18.38 %	483
61 to 90 days past due	4,995	64.08 %	3,201
More than 90 days past due	17,868	100.00 %	17,868
	<u>\$ 722,688</u>		<u>24,222</u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average expected credit loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 725,084	0~0.45%	3,281
1 to 30 days past due	53,313	5.97 %	3,182
31 to 60 days past due	8,588	35.95 %	3,087
61 to 90 days past due	409	83.37 %	341
More than 90 days past due	48,498	100.00 %	48,498
	<b>\$ 835,892</b>		<b>58,389</b>

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

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 24,291	88,464
Impairment losses reversed	-	(28,833)
Balance at March 31	<b>\$ 24,291</b>	<b>59,631</b>

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

(e) Inventories

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Merchandise	\$ 156,001	138,125	255,267
Finished goods	165,419	111,924	318,097
Raw materials	393,582	178,888	398,609
Fuel	5,538	4,489	6,407
Supplies	17,141	16,686	12,859
	<b>\$ 737,681</b>	<b>450,112</b>	<b>991,239</b>

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Unallocated overheads	\$ 3,097	16,677
Losses (gains) on valuation of inventories (Note)	(15,909)	124,667
	<b>\$ (12,812)</b>	<b>141,344</b>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(Note) Reversal of the amount by which the net realizable value of inventories exceeds the carrying amount as of March 31, 2024.

The aforementioned inventories were not pledged.

(f) Non-current assets held for sale

On March 25, 2024, the Group's Board of Directors resolved to dispose the entire shareholdings of EAST TENDER OPTOELECTRONICS CORPORATION (EOC), wherein the relevant sales procedures have already been initiated. The above equity-accounted investees were classified as non-current assets held-for-sale. By the end of March 31, 2024, the non-current assets held-for-sale were amounted \$249,255 and the equity related to the non-current assets held-for-sale which were reported as accumulated unrealized other comprehensive income were \$362.

(g) Investments accounted for using the equity method

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

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates	<b>\$ 258,978</b>	<b>285,179</b>

(i) Associates

<b>Name of Associates</b>	<b>Main business</b>	<b>Main operating location</b>	<b>Proportion of shareholding and voting rights</b>	
			<b>December 31, 2023</b>	<b>March 31, 2023</b>
EOC (Note)	Manufacturing of DWDM filter components required for Optical communication	Yilan	34.89 %	34.89 %

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Fair value	<b>\$ 328,865</b>	<b>279,955</b>

(Note): As of December 31, 2023 and March 31, 2023, the Group holds both 34.89% of the outstanding voting shares of EAST TENDER OPTOELECTRONICS CORPOATION (EOC), and is the single largest shareholder of the investee. The Group failed to obtain more than half of the total number of directors' seats of EOC and it also failed to obtain more than half of the voting rights at a shareholder' meeting. Therefore, it is determined that the Group only has significant influence but not control, over EOC.

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The financial information of EOC was as follows:

	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current assets	\$ 252,156	301,426
Non-current assets	639,323	662,359
Current liabilities	(77,832)	(74,058)
Non-current liabilities	(109,854)	(120,856)
Net assets	<u><u>\$ 703,793</u></u>	<u><u>768,871</u></u>
Net assets attributable to the Group	<u><u>\$ 245,553</u></u>	<u><u>274,162</u></u>
	<b>For the three months ended March 31 2023</b>	
Operating revenue	<u><u>\$ 29,339</u></u>	
Loss from continuing operations	\$ (13,002)	
Other comprehensive income	513	
Total comprehensive loss	<u><u>\$ (12,489)</u></u>	
Comprehensive loss attributable to the Group	<u><u>\$ (5,528)</u></u>	
	<b>For the three months ended March 31 2023</b>	
Share of net assets of associates as of January 1	\$ 290,707	
Comprehensive loss attributable to the Group	(5,528)	
Share of net assets of associates as of March 31	<u><u>\$ 285,179</u></u>	

(ii) The Group did not provide any investments accounted for using the equity method as collateral.

(h) Property, plant and equipment

The cost, depreciation and impairment of the property, plant and equipment of the Group for the three month ended March 31, 2024 and 2023 were as follows:

Cost:	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Vessels</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Balance on January 1, 2024	\$ 1,204,924	808,180	1,768,425	50,154	11,153,213	19,778	291,619	252,226	15,548,519
Additions	-	-	905	-	42,536	-	18,276	28,781	90,498
Disposals	-	-	-	-	(24,855)	-	-	-	(24,855)
Reclassification (Note)	-	-	-	-	-	-	(9,435)	-	(9,435)
Effect on changes in foreign exchange rates	-	-	-	-	468,808	-	1,008	-	469,816
Balance on March 31, 2024	<u><u>\$ 1,204,924</u></u>	<u><u>808,180</u></u>	<u><u>1,769,330</u></u>	<u><u>50,154</u></u>	<u><u>11,639,702</u></u>	<u><u>19,778</u></u>	<u><u>301,468</u></u>	<u><u>281,007</u></u>	<u><u>16,074,543</u></u>

(Continued)

## SESODA CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

	Land	Buildings	Machinery and equipment	Transportation equipment	Vessels	Leasehold improvements	Other equipment	Construction in progress	Total
Balance on January 1, 2023	\$ 1,204,924	742,136	1,550,634	41,754	11,142,641	19,221	245,534	339,691	15,286,535
Additions	-	-	276	5,503	11,307	-	25,557	58,390	101,033
Disposals	-	-	-	-	(14,084)	-	-	-	(14,084)
Reclassification (Note)	-	160	889	-	(1,557)	-	(6,361)	613	(6,256)
Effect on changes in foreign exchange rates	-	-	-	-	(94,344)	-	(163)	-	(94,507)
Balance on March 31, 2023	<u>\$ 1,204,924</u>	<u>742,296</u>	<u>1,551,799</u>	<u>47,257</u>	<u>11,043,963</u>	<u>19,221</u>	<u>264,567</u>	<u>398,694</u>	<u>15,272,721</u>
<b>Depreciation and impairments loss:</b>									
Balance on January 1, 2024	\$ -	516,212	1,275,153	33,403	4,289,756	16,225	124,298	-	6,255,047
Depreciation	-	4,277	20,620	1,277	112,433	285	3,382	-	142,274
Disposals	-	-	-	-	(22,808)	-	-	-	(22,808)
Effect on changes in foreign exchange rates	-	-	-	-	181,762	-	833	-	182,595
Balance on March 31, 2024	<u>\$ -</u>	<u>520,489</u>	<u>1,295,773</u>	<u>34,680</u>	<u>4,561,143</u>	<u>16,510</u>	<u>128,513</u>	<u>-</u>	<u>6,557,108</u>
Balance on January 1, 2023	\$ -	499,697	1,208,675	33,028	3,944,504	14,645	113,078	-	5,813,627
Depreciation	-	4,013	15,418	792	104,849	555	3,243	-	128,870
Disposals	-	-	-	-	(14,084)	-	-	-	(14,084)
Effect on changes in foreign exchange rates	-	-	-	-	(33,246)	-	(158)	-	(33,404)
Balance on March 31, 2023	<u>\$ -</u>	<u>503,710</u>	<u>1,224,093</u>	<u>33,820</u>	<u>4,002,023</u>	<u>15,200</u>	<u>116,163</u>	<u>-</u>	<u>5,895,009</u>
<b>Carrying amounts:</b>									
Balance on January 1, 2024	<u>\$ 1,204,924</u>	<u>291,968</u>	<u>493,272</u>	<u>16,751</u>	<u>6,863,457</u>	<u>3,553</u>	<u>167,321</u>	<u>252,226</u>	<u>9,293,472</u>
Balance on March 31, 2024	<u>\$ 1,204,924</u>	<u>287,691</u>	<u>473,557</u>	<u>15,474</u>	<u>7,078,559</u>	<u>3,268</u>	<u>172,955</u>	<u>281,007</u>	<u>9,517,435</u>
Balance on January 1, 2023	<u>\$ 1,204,924</u>	<u>242,439</u>	<u>341,959</u>	<u>8,726</u>	<u>7,198,137</u>	<u>4,576</u>	<u>132,456</u>	<u>339,691</u>	<u>9,472,908</u>
Balance on March 31, 2023	<u>\$ 1,204,924</u>	<u>238,586</u>	<u>327,706</u>	<u>13,437</u>	<u>7,041,940</u>	<u>4,021</u>	<u>148,404</u>	<u>398,694</u>	<u>9,377,712</u>

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

(i) Pledge information

Please refer to note 8 for the pledge and collateral information of the property, plant and equipment.

(ii) Capitalization of interest

	For the three months ended March 31	
	2024	2023
Capitalized amount	<u>\$ 951</u>	<u>1,230</u>
Interest rates	<u>1.92%</u>	<u>1.92%</u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Right-of-use assets

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

	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
<b>Cost:</b>			
Balance at January 1, 2024	\$ 18,601	12,646	31,247
Additions	-	1,398	1,398
Disposals	<u>-</u>	<u>(4,053)</u>	<u>(4,053)</u>
Balance at March 31, 2024	<u><b>\$ 18,601</b></u>	<u><b>9,991</b></u>	<u><b>28,592</b></u>
Balance at January 1, 2023	\$ 18,582	13,368	31,950
Disposals	<u>-</u>	<u>(2,492)</u>	<u>(2,492)</u>
Balance at March 31, 2023	<u><b>\$ 18,582</b></u>	<u><b>10,876</b></u>	<u><b>29,458</b></u>
<b>Accumulated depreciation:</b>			
Balance at January 1, 2024	\$ 13,622	9,607	23,229
Depreciation	996	1,125	2,121
Disposals	<u>-</u>	<u>(4,053)</u>	<u>(4,053)</u>
Balance at March 31, 2024	<u><b>\$ 14,618</b></u>	<u><b>6,679</b></u>	<u><b>21,297</b></u>
Balance at January 1, 2023	\$ 10,343	6,225	16,568
Depreciation	997	1,214	2,211
Disposals	<u>-</u>	<u>(1,869)</u>	<u>(1,869)</u>
Balance at March 31, 2023	<u><b>\$ 11,340</b></u>	<u><b>5,570</b></u>	<u><b>16,910</b></u>
<b>Carrying amounts:</b>			
Balance at January 1, 2024	<u><b>\$ 4,979</b></u>	<u><b>3,039</b></u>	<u><b>8,018</b></u>
Balance at March 31, 2024	<u><b>\$ 3,983</b></u>	<u><b>3,312</b></u>	<u><b>7,295</b></u>
Balance at January 1, 2023	<u><b>\$ 8,239</b></u>	<u><b>7,143</b></u>	<u><b>15,382</b></u>
Balance at March 31, 2023	<u><b>\$ 7,242</b></u>	<u><b>5,306</b></u>	<u><b>12,548</b></u>

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

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(j) Short-term and long-term borrowings

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

<b>March 31, 2024</b>				
	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Amount</b>
Secured bank loans	NTD	0.50%~1.88%	2024/4/15~2025/1/3	\$ 234,580
Unsecured bank loans	NTD	1.58%~2.11%	2024/4/10~2024/9/8	1,109,987
Unsecured bank loans	USD	6.00%~6.03%	2024/4/15~2024/4/26	688,000
				<u>\$ 2,032,567</u>
Unused credit lines (including short-term and long-term borrowings)				<u>\$ 2,502,000</u>

<b>December 31, 2023</b>				
	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Amount</b>
Unsecured bank loans	NTD	1.58%~2.11%	2024/1/11~2024/7/4	\$ 1,150,000
Unsecured bank loans	USD	6.05%~6.16%	2024/1/15~2024/1/29	660,265
				<u>\$ 1,810,265</u>
Unused credit lines (including short-term and long-term borrowings)				<u>\$ 2,612,335</u>

<b>March 31, 2023</b>				
	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity date</b>	<b>Amount</b>
Secured bank loans	NTD	1.88%~2.47%	2023/4/26~2023/6/21	\$ 600,000
Unsecured bank loans	NTD	1.73%~2.09%	2023/6/6~2023/8/16	560,000
Unsecured bank loans	USD	5.45%~5.91%	2023/4/5~2023/4/17	517,650
				<u>\$ 1,677,650</u>
Unused credit lines (including short-term and long-term borrowings)				<u>\$ 1,849,350</u>

For the collateral for short-term borrowings, please refer to note 8.

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

<b>March 31, 2024</b>				
	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	USD	6.20%~6.57%	2024~2029	\$ 2,272,395
Secured bank loans	NTD	0.50%~2.14%	2024~2028	734,811
Less: current portion				537,041
Total				<u>\$ 2,470,165</u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>December 31, 2023</b>			
	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	USD	6.33%~6.89%	2024~2029	\$ 2,275,707
Secured bank loans	NTD	2.10%~2.14%	2024~2028	735,000
Less: current portion				476,845
Total				<u><u>\$ 2,533,862</u></u>

	<b>March 31, 2023</b>			
	<b>Currency</b>	<b>Interest rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	USD	4.38%~6.18%	2023~2029	\$ 2,707,863
Less: current portion				497,210
Total				<u><u>\$ 2,210,653</u></u>

For the collateral for long-term borrowings, please refer to note 8.

(iii) Government low-interest loan:

The Group obtained a one-year low-interest loan of \$170,000 from the government subsidy. The loan was recognized and measured based on the market interest rate. The difference between the loan and the actual repayment preferential interest rate was recognized as deferred income of \$622 based on the government subsidy and recorded under other current liabilities.

(k) Short-term notes and bills payable

	<b>March 31, 2024</b>		
<b>Item</b>	<b>Guarantee or acceptance institution</b>	<b>Range of interest rate</b>	<b>Amount</b>
Short-term notes and bills payable	-	-	\$ -
Less: Discount			-
Total			<u><u>\$ -</u></u>
Unused credit line			<u><u>\$ 200,000</u></u>

	<b>December 31, 2023</b>		
<b>Item</b>	<b>Guarantee or acceptance institution</b>	<b>Range of interest rate</b>	<b>Amount</b>
Short-term notes and bills payable	MEGA BILLS HSINCHU BRANCH	1.75%	\$ 200,000
Less: Discount			(173)
Total			<u><u>\$ 199,827</u></u>
Unused credit line			<u><u>\$ -</u></u>

As of March 31, 2023, the Group had no short-term notes and bills payable.

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(l) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ <u>5,108</u>	<u>5,599</u>	<u>6,836</u>
Non-current	\$ <u>2,413</u>	<u>2,681</u>	<u>6,236</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2024	2023
Interest expenses on lease liabilities	\$ <u>32</u>	<u>50</u>
Expenses relating to leases of low-value assets	\$ <u>2,698</u>	<u>3,277</u>

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

	For the three months ended March 31	
	2024	2023
Total cash outflow for leases	\$ <u>4,887</u>	<u>5,555</u>

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

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

	For the three months ended March 31	
	2024	2023
Operating cost	\$ (149)	(136)
Operating expense	(19)	(16)
	\$ <u>(168)</u>	<u>(152)</u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
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(ii) Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months ended March 31, 2024 and 2023 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating cost	\$ 908	1,656
Operating expense	608	601
	<b>\$ 1,516</b>	<b>2,257</b>

(n) Income taxes

(i) Income tax expense (benefit)

The components of income tax expense (benefit) for the three month ended March 31, 2024 and 2023 were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax expense (benefit)		
Current period	\$ 53,489	(33,349)
Adjustment for prior periods	-	-
	<b>\$ 53,489</b>	<b>(33,349)</b>

(ii) Assessment

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

(o) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2024 and 2023. For the related information, please refer to note 6(o) to the consolidated financial statements for the year ended December 31, 2023.

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Capital surplus

The detail of capital surplus were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
The subsidiaries acquired cash dividend from the Company	\$ 4,079	4,079	4,079
Gain on the subsidiaries sale of the Company's stock	2,379	2,379	2,379
Increase through changes in ownership interests in associates	91,152	91,152	91,152
Donation from shareholders	8,339	7,754	7,754
	<b><u>\$ 105,949</u></b>	<b><u>105,364</u></b>	<b><u>105,364</u></b>

(ii) Retained earnings

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

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

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

The appropriations of earning for 2023 had been approved in Board of Directors held on March 11, 2024. The appropriations of earning for 2022 had been approved in Board of Directors held on March 27, 2023. The relevant dividend distributions to shareholders were as follows:

	<b>2023</b>		<b>2022</b>	
	<b>Amount per share (NTD)</b>	<b>Total amount</b>	<b>Amount per share (NTD)</b>	<b>Total amount</b>
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.50	<b><u>\$ 373,502</u></b>	3.00	<b><u>747,005</u></b>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Other equity interests, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2024	\$ 92,933	(191,191)	(98,258)
Exchange differences on foreign operations	191,104	-	191,104
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	-	(19,179)	(19,179)
Unrealized gains or losses from financial assets on accounted for using equity method	-	362	362
Balance as of March 31, 2024	<u>\$ 284,037</u>	<u>(210,008)</u>	<u>74,029</u>
	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2023	\$ 84,420	(192,039)	(107,619)
Exchange differences on foreign operations	(27,110)	-	(27,110)
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	-	9,663	9,663
Unrealized gains or losses from financial assets on accounted for using equity method	-	179	179
Balance as of March 31, 2023	<u>\$ 57,310</u>	<u>(182,197)</u>	<u>(124,887)</u>

(p) Earnings (losses) per share

For the three month ended March 31, 2024 and 2023, the Company's earnings (losses) per share were calculated as follows:

(i) Basic earnings (losses) per share

	For the three months ended March 31	
	2024	2023
Profit (loss) belonging to common shareholders	<u>\$ 202,207</u>	<u>(136,758)</u>
Weighted average number of outstanding shares of common stock (in thousand shares)	<u>249,002</u>	<u>249,002</u>
Basic earnings (losses) per share (in NTD)	<u>\$ 0.81</u>	<u>(0.55)</u>

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Diluted earnings (losses) per share

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Profit (loss) belonging to common shareholders	<u>\$ 202,207</u>	<u>(136,758)</u>
Weighted average number of outstanding shares of common stock (in thousand shares)	249,002	249,002
Effect on potentially dilutive common stock-employee remuneration (in thousand shares) (Note)	<u>567</u>	<u>-</u>
Weighted average number of common stock (diluted) (in thousand shares)	<u>249,569</u>	<u>249,002</u>
Diluted earnings (losses) per share (in NTD)	<u>\$ 0.81</u>	<u>(0.55)</u>

(Note): The employee remuneration that was not included in the weighted average number of diluted common stock were 2,391 thousand shares in March 31, 2023, which did not need to be included because it has an anti-dilution effect.

(q) Revenue from contracts with customers

	<b>For the three months ended March 31</b>				
	<b>2024</b>				
	<b>Chemical products</b>	<b>Charting</b>	<b>Catering</b>	<b>Freight</b>	<b>Total</b>
Primary geographical markets:					
Taiwan	\$ 424,911	-	7,584	144	432,639
Singapore	7	203,836	-	-	203,843
Denmark	-	161,316	-	-	161,316
Pakistan	157,806	-	-	-	157,806
Peru	106,801	-	-	-	106,801
Mexico	82,386	-	-	-	82,386
Japan	50,617	-	-	-	50,617
India	50,574	-	-	-	50,574
Other countries	133,797	59,418	-	-	193,215
	<u>\$ 1,006,899</u>	<u>424,570</u>	<u>7,584</u>	<u>144</u>	<u>1,439,197</u>

  

	<b>For the three months ended March 31</b>			
	<b>2023</b>			
	<b>Chemical products</b>	<b>Charting</b>	<b>Catering</b>	<b>Total</b>
Primary geographical markets:				
Taiwan	\$ 400,930	-	11,830	412,760
Denmark	-	211,235	-	211,235
Singapore	-	239,745	-	239,745
Japan	294,770	915	-	295,685
Saudi Arabia	76,647	-	-	76,647
Other countries	336,969	32,278	-	369,247
	<u>\$ 1,109,316</u>	<u>484,173</u>	<u>11,830</u>	<u>1,605,319</u>

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(r) Remuneration to employees and directors

In accordance with the articles of incorporation, the Company should contribute 1.2% of special bonus, 4.8% of employee remuneration, and less than 2.5% of directors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset the deficit.

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Employees remuneration	\$ 13,441	-
Special bonus	3,360	-
Directors remuneration	7,001	-
	<b>\$ 23,802</b>	<b>-</b>

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

For the years ended December 31, 2023 and 2022, the Company estimated its employees' remuneration, amounting to \$693 and \$83,982, special bonus amounting to \$173 and \$20,995, and directors' remuneration amounting to \$361 and \$43,741, respectively. There was no difference between the actual distributed amounts as determined by the Board of Directors. Related information would be available at the Market Observation Post System website.

(s) Non-operating income and expenses

(i) Interest revenue

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 13,050	4,501

(ii) Other revenue

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Rental income	\$ 86	93
Dividend income	8	22
Total	<b>\$ 94</b>	<b>115</b>

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Other gains and losses

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Foreign exchange gains (losses)	\$ 55,894	(24,441)
Gains (losses) on financial assets at for value through profit or loss	(6,401)	875
Losses on disposals of property, plant and equipment	(2,047)	-
Insurance claims deductible	(503)	(1,824)
Compensation income	-	14,917
Subsidy to crew bonus	4,882	3,294
Subsidy to communication fee	2,011	1,837
Price difference from fuel	4,179	5,287
Others	1,510	750
Total	<u><u>\$ 59,525</u></u>	<u><u>695</u></u>

(iv) Finance costs

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest expenses – bank loan	\$ (56,323)	(50,958)
Interest expenses – lease liabilities	(32)	(50)
Total	<u><u>\$ (56,355)</u></u>	<u><u>(51,008)</u></u>

(t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(t) to the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

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

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 year</u>	<u>2-5 year</u>	<u>Over 5 years</u>
<b>March 31, 2024</b>						
Non-derivative financial liabilities						
Short-term borrowing	\$ 2,032,567	2,038,381	2,038,381	-	-	-
Long-term borrowing (including current portion)	3,007,206	3,400,916	685,608	809,284	1,906,024	-
Accounts payable	541,012	541,012	541,012	-	-	-
Other payables	462,208	462,208	462,208	-	-	-
Dividends payable	373,502	373,502	373,502	-	-	-
Lease liability	7,521	7,618	5,182	2,436	-	-
	<u><u>\$ 6,424,016</u></u>	<u><u>6,823,637</u></u>	<u><u>4,105,893</u></u>	<u><u>811,720</u></u>	<u><u>1,906,024</u></u>	<u><u>-</u></u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowing	\$ 1,810,265	1,817,128	1,817,128	-	-	-
Short-term notes and bills payable	199,827	200,000	200,000	-	-	-
Long-term borrowing (including current portion)	3,010,707	3,433,344	628,409	806,024	1,763,210	235,701
Accounts payable	304,066	304,066	304,066	-	-	-
Other payables	430,620	430,620	430,620	-	-	-
Lease liability	8,280	8,367	5,670	2,560	137	-
	<u><u>\$ 5,763,765</u></u>	<u><u>6,193,525</u></u>	<u><u>3,385,893</u></u>	<u><u>808,584</u></u>	<u><u>1,763,347</u></u>	<u><u>235,701</u></u>
<b>March 31, 2023</b>						
Non-derivative financial liabilities						
Short-term borrowing	\$ 1,677,650	1,683,886	1,683,886	-	-	-
Long-term borrowing (including current portion)	2,707,863	3,195,838	646,231	554,252	1,621,532	373,823
Accounts payable	189,620	189,620	189,620	-	-	-
Other payables	500,325	500,325	500,325	-	-	-
Dividends payable	747,005	747,005	747,005	-	-	-
Lease liability	13,072	13,262	6,964	4,702	1,596	-
	<u><u>\$ 5,835,535</u></u>	<u><u>6,329,936</u></u>	<u><u>3,774,031</u></u>	<u><u>558,954</u></u>	<u><u>1,623,128</u></u>	<u><u>373,823</u></u>

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

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Currency risk

1) Exposure to foreign currency risk

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

	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 50,667	32.00	1,621,344	45,931	30.71	1,410,541	24,356	30.45	741,640
<u>Non-monetary items</u>									
CNY	56,646	4.41	249,809	56,646	4.33	245,277	56,646	4.43	250,942
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	8,792	32.00	281,344	8,000	30.71	245,680	5,000	30.45	152,250

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, short-term loans and accounts payable that are denominated in foreign currency. A depreciation (appreciation) 1 % of NTD against the USD for the three month ended March 31, 2024 and 2023 would have increased (decreased) the net profit before tax by \$13,400 and \$5,894, respectively. The analysis assumes that all other variables remain constant.

Since the Group has many kinds of functional currencies, the information on foreign exchange gains or losses on monetary items is disclosed by total amount. For the three month ended March 31, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$55,894 and \$(24,441), respectively.

(iv) Interest rate risk

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

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

If the interest rate increases (decreases) by 1%, the Group's net profit before tax would have decreased (increased) by \$12,599 and \$10,964 for the three month ended March 31, 2024 and 2023, respectively, all other variable factors that remain constant. This is mainly due to the Group's borrowing in floating rates.

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**SESODA CORPORATION AND SUBSIDIARIES**  
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(v) Other market price risk

For the three month ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31			
	2024		2023	
	Other comprehensive income before tax	Income before tax	Other comprehensive income before tax	Income before tax
Increasing 1%	\$ <u>653</u>	<u>134</u>	<u>882</u>	<u>156</u>
Decreasing 1%	\$ <u>(653)</u>	<u>(134)</u>	<u>(882)</u>	<u>(156)</u>

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

	March 31, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Foreign listed company's stocks	\$ 2,827	2,827	-	-	2,827
Private fund	<u>10,602</u>	<u>-</u>	<u>-</u>	<u>10,602</u>	<u>10,602</u>
Subtotal	<u>13,429</u>	<u>2,827</u>	<u>-</u>	<u>10,602</u>	<u>13,429</u>
Financial assets at fair value through other comprehensive income					
Domestic listed company's stocks	2,130	2,130	-	-	2,130
Foreign unlisted companies' stocks	<u>63,174</u>	<u>-</u>	<u>-</u>	<u>63,174</u>	<u>63,174</u>
Subtotal	<u>65,304</u>	<u>2,130</u>	<u>-</u>	<u>63,174</u>	<u>65,304</u>
Total	<u>\$ 78,733</u>	<u>4,957</u>	<u>-</u>	<u>73,776</u>	<u>78,733</u>

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**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>December 31, 2023</b>					
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Foreign listed company's stocks	\$ 3,086	3,086	-	-	3,086
Private fund	<u>16,744</u>	<u>-</u>	<u>-</u>	<u>16,744</u>	<u>16,744</u>
Subtotal	<u>19,830</u>	<u>3,086</u>	<u>-</u>	<u>16,744</u>	<u>19,830</u>
Financial assets at fair value through other comprehensive income					
Domestic listed company's stocks	2,226	2,226	-	-	2,226
Foreign unlisted companies' stocks	<u>77,217</u>	<u>-</u>	<u>-</u>	<u>77,217</u>	<u>77,217</u>
Subtotal	<u>79,443</u>	<u>2,226</u>	<u>-</u>	<u>77,217</u>	<u>79,443</u>
Total	<u><u>\$ 99,273</u></u>	<u><u>5,312</u></u>	<u><u>-</u></u>	<u><u>93,961</u></u>	<u><u>99,273</u></u>
<b>March 31, 2023</b>					
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Foreign listed company's stocks	\$ 1,990	1,990	-	-	1,990
Open end funds	4,250	4,250	-	-	4,250
Private fund	<u>9,346</u>	<u>-</u>	<u>-</u>	<u>9,346</u>	<u>9,346</u>
Subtotal	<u>15,586</u>	<u>6,240</u>	<u>-</u>	<u>9,346</u>	<u>15,586</u>
Financial assets at fair value through other comprehensive income					
Domestic listed company's stocks	1,968	1,968	-	-	1,968
Foreign unlisted companies' stocks	<u>86,230</u>	<u>-</u>	<u>-</u>	<u>86,230</u>	<u>86,230</u>
Subtotal	<u>88,198</u>	<u>1,968</u>	<u>-</u>	<u>86,230</u>	<u>88,198</u>
Total	<u><u>\$ 103,784</u></u>	<u><u>8,208</u></u>	<u><u>-</u></u>	<u><u>95,576</u></u>	<u><u>103,784</u></u>

2) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

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

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

(Continued)

## SESODA CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

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

#### 3) Reconciliation of Level 3 fair values

	<u>As fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Private funds</u>	<u>Unquoted equity instrument</u>	<u>Total</u>
Balance as of January 1, 2024	\$ 16,744	77,217	93,961
Total gains and losses recognized:			
In profit or losses	(6,142)	-	(6,142)
In other comprehensive income	-	(14,043)	(14,043)
Balance as of March 31, 2024	<u>\$ 10,602</u>	<u>63,174</u>	<u>73,776</u>
Balance as of January 1, 2023	\$ 8,908	77,764	86,672
Total gains and losses recognized:			
In profit or losses	438	-	438
In other comprehensive income	-	8,466	8,466
Balance as of March 31, 2023	<u>\$ 9,346</u>	<u>86,230</u>	<u>95,576</u>

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

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

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

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit or loss-private fund	Comparable listed companies approach	·PB ratio (as of March 31, 2024 and December 31, 2023 were 0.21~1.67 and 0.27~3.29, respectively) ·EBITDA (as of March 31, 2023 was 10.57~22.22) ·Market liquidity discount rate (as of March 31, 2024, December 31, 2023 and March 31, 2023 were 25%, 25% and 40%, respectively)	·The higher the PB ratio, the higher the fair value  · The higher the EBITDA ratio, the higher the fair value. · The higher the market liquidity discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income - equity investments	Comparable listed companies approach	·PB ratio (as of March 31, 2024, December 31, 2023 and March 31, 2023 were 0.4~1.17, 0.4~1.3 and 0.4~1.8, respectively) ·Market liquidity discount rate (as of March 31, 2024, December 31, 2023 and March 31, 2023 were all 40%)	·The higher the PB ratio, the higher the fair value  · The higher the market liquidity discount rate, the lower the fair value

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

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

			Effects of changes in fair value on profit and losses		Effects of changes in fair value on other comprehensive income	
	Inputs	Increase or decrease	Favorable	Unfavorable	Favorable	Unfavorable
March 31, 2024						
Financial assets at fair value through profit or loss	PB ratio	10%	\$ 1,060	(1,060)	-	-
Financial assets at fair value through other comprehensive income	PB ratio	10%	\$ -	-	6,317	(6,317)
December 31, 2023						
Financial assets at fair value through profit or loss	PB ratio	10%	\$ 1,674	(1,674)	-	-
Financial assets at fair value through other comprehensive income	PB ratio	10%	\$ -	-	7,722	(7,722)
March 31, 2023						
Financial assets at fair value through profit or loss	EBITDA ratio	10%	\$ 935	(935)	-	-
Financial assets at fair value through other comprehensive income	PB ratio	10%	\$ -	-	8,623	(8,623)

(Continued)

## SESODA CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(u) to the consolidated financial statements for the year ended December 31, 2023.

(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6 (v) to the consolidated financial statements for the year ended December 31, 2023 for further details.

(w) Financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities for the three month ended March 31, 2024 and 2023 were as follows:

	January 1, 2024	Cash flows	Non-cash changes				March 31, 2024
			Foreign exchange movement	New lease	Changes in lease payment	Other	
Long-term borrowings (including current portion)	\$ 3,010,707	(96,475)	93,162	-	-	(188)	3,007,206
Short-term borrowings	1,810,265	195,000	27,735	-	-	(433)	2,032,567
Short-term notes and bills payable	199,827	(200,000)	-	-	-	173	-
Lease liabilities	8,280	(2,157)	-	1,398	-	-	7,521
Total liabilities from financing activities	<u>\$ 5,029,079</u>	<u>(103,632)</u>	<u>120,897</u>	<u>1,398</u>	<u>-</u>	<u>(448)</u>	<u>5,047,294</u>

  

	January 1, 2023	Cash flows	Non-cash changes				March 31, 2023
			Foreign exchange movement	New lease	Changes in lease payment		
Long-term borrowings (including current portion)	\$ 2,853,402	(121,696)	(23,843)	-	-		2,707,863
Short-term borrowings	1,618,520	62,250	(3,120)	-	-		1,677,650
Lease liabilities	15,925	(2,228)	-	-	(625)		13,072
Total liabilities from financing activities	<u>\$ 4,487,847</u>	<u>(61,674)</u>	<u>(26,963)</u>	<u>-</u>	<u>(625)</u>		<u>4,398,585</u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(7) Related-party transactions:**

(a) Names and relationship with related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Bright Charter Shipping Limited	Substantive related party (Note)
Zhengbang Investment Co., Ltd.	Corporate shareholder of Company
Sincere Industrial Corporation	Corporate shareholder of Company
Yalan Investment Consulting Co., Ltd.	Corporate shareholder of Company
Sande International Investment Co., Ltd.	Corporate shareholder of Company

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

(b) Significant transactions with related parties

(i) Shipping agency expense

	<b>For the three months ended March 31</b>	
	<u>2024</u>	<u>2023</u>
Bright Charter Shipping Limited	\$ <u>15,568</u>	<u>15,048</u>

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

(ii) Payables

<u>Account</u>	<u>Relationship</u>	<u>Name of related party</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Other payables	Substantive related party	Bright Charter Shipping Limited	\$ <u>10,560</u>	<u>5,067</u>	<u>10,049</u>

(iii) Other

Dividends payable to corporate shareholder as of March 31, 2024, December 31, 2023 and March 31, 2023 were \$44,422, \$0 and \$88,845, respectively, and were recorded under dividends payable.

(c) Key management personnel compensation comprised:

	<b>For the three months ended March 31</b>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 24,005	14,822
Post-employment benefits	386	359
	<u>\$ 24,391</u>	<u>15,181</u>

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(8) Pledged assets:**

<b>Pledged assets</b>	<b>Object</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Property, plant and equipment				
— Land	Guarantees for long-term and short-term borrowings	\$ 678,305	678,305	678,305
— Buildings	Guarantees for long-term and short-term borrowings	53,814	55,092	56,107
— Vessels	Guarantees for long-term borrowings	5,315,004	5,153,349	6,404,171
		<u>\$ 6,047,123</u>	<u>5,886,746</u>	<u>7,138,583</u>

**(9) Significant commitments and contingencies:**

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Total contract value	<u>\$ 318,778</u>	<u>297,877</u>	<u>363,672</u>
Cumulative payments	<u>\$ 245,597</u>	<u>143,876</u>	<u>288,429</u>

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Other:**

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

	<b>For the three months ended March 31</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Operating cost</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Operating cost</b>	<b>Operating Expense</b>	<b>Total</b>
<b>By item</b>						
Employee benefits						
Salary	134,578	31,987	166,565	142,143	13,468	155,611
Labor and health insurance	2,827	1,370	4,197	2,877	2,173	5,050
Pension	759	589	1,348	1,520	585	2,105
Remuneration of directors	-	12,842	12,842	-	9,418	9,418
Others	11,137	676	11,813	11,864	713	12,577
Depreciation	139,456	4,939	144,395	125,751	5,330	131,081
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Seasonality of operations

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

**(13) Other disclosures:**

(a) Information on significant transactions:

The following were the information on significant transactions required by the “ Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three month ended March 31, 2024:

- (i) Loans to other parties: Please refer to schedule A.
- (ii) Guarantees and endorsements for other parties: Please refer to schedule B.
- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to schedule C.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (ix) Trading in derivative instruments: None.
- (x) Business relationships and significant intercompany transactions: Please refer to schedule D.

(b) Information on investees: Please refer to schedule E.

(c) Information on investment in mainland China: None.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Zhengbang Investment Co., Ltd.		16,086,588	6.46 %
Chu Ying-Piao		12,650,048	5.08 %

(Continued)

**SESODA CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment information:**

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

For the three months ended March 31, 2024								
	Chemical products		Chartering	Freight	Catering	Others	Reconciliation and elimination (note)	Total
	Overseas sales	Domestic sales						
Revenue:								
Revenue from external customers	\$ 581,988	424,911	424,570	144	7,584	-	-	1,439,197
Intersegment revenues	-	-	-	4,930	81	-	(5,011)	-
Total revenue	<u>\$ 581,988</u>	<u>424,911</u>	<u>424,570</u>	<u>5,074</u>	<u>7,665</u>	<u>-</u>	<u>(5,011)</u>	<u>1,439,197</u>
Reportable segment profit or loss	<u>\$ 107,329</u>	<u>85,087</u>	<u>22,884</u>	<u>231</u>	<u>(1,325)</u>	<u>41,490</u>	<u>-</u>	<u>255,696</u>
For the three months ended March 31, 2023								
	Chemical products		Chartering	Freight	Catering	Others	Reconciliation and elimination (note)	Total
	Overseas sales	Domestic sales						
Revenue:								
Revenue from external customers	\$ 708,386	400,930	484,173	-	11,830	-	-	1,605,319
Intersegment revenues	-	-	-	3,214	222	-	(3,436)	-
Total revenue	<u>\$ 708,386</u>	<u>400,930</u>	<u>484,173</u>	<u>3,214</u>	<u>12,052</u>	<u>-</u>	<u>(3,436)</u>	<u>1,605,319</u>
Reportable segment profit or loss	<u>\$ (235,354)</u>	<u>18,839</u>	<u>63,317</u>	<u>46</u>	<u>(1,083)</u>	<u>(15,872)</u>	<u>-</u>	<u>(170,107)</u>

(Note): For the three months ended March 31, 2024 and 2023, the reportable segment should eliminate intersegment revenues by \$5,011 and \$3,436, respectively.

## Schedule A Financing to other parties:

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 1)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral		Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
													Item	Value			
1	SECC	SSC	Other receivables - related parties	Yes	32,000	32,000	32,000	5.33%	2	-	Operating Capital	-	N/A	-	368,563	368,563	(Note 2 and Note 8)
2	SEFC	SSC	Other receivables - related parties	Yes	32,000	32,000	32,000	5.33%	2	-	Operating Capital	-	N/A	-	409,285	409,285	(Note 3 and Note 8)
3	SEPC	SSC	Other receivables - related parties	Yes	32,000	32,000	32,000	5.33%	2	-	Operating Capital	-	N/A	-	418,203	418,203	(Note 4 and Note 8)
4	SERC	SSC	Other receivables - related parties	Yes	32,000	32,000	12,800	5.33%	2	-	Operating Capital	-	N/A	-	383,677	383,677	(Note 5 and Note 8)
5	SEGC	SSC	Other receivables - related parties	Yes	32,000	32,000	28,800	5.33%	2	-	Operating Capital	-	N/A	-	411,206	411,206	(Note 6 and Note 8)
6	SEEC	SSC	Other receivables - related parties	Yes	32,000	32,000	12,800	5.33%	2	-	Operating Capital	-	N/A	-	375,566	375,566	(Note 7 and Note 8)
Total							150,400										

Note 1: Nature of financing:

1. For entities that the Company has business with.

2. For entities with short-term financing needs.

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

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

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

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

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

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

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

Schedule B Guarantees and endorsements for other parties:

Number (Note 1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	SSC	2	6,368,136	2,240,000	2,240,000	688,000	-	35.18%	19,104,408	Y	N	N
0	The Company	SEMC	2	6,368,136	183,420	174,865	174,865	-	2.75%	19,104,408	Y	N	N
0	The Company	SECC	2	6,368,136	243,005	234,370	234,370	-	3.68%	19,104,408	Y	N	N
0	The Company	SEFC	2	6,368,136	274,271	274,271	274,271	-	4.31%	19,104,408	Y	N	N
0	The Company	SEDC	2	6,368,136	240,480	240,480	240,480	-	3.78%	19,104,408	Y	N	N
0	The Company	SEEC	2	6,368,136	231,520	231,520	231,520	-	3.64%	19,104,408	Y	N	N
0	The Company	SERC	2	6,368,136	268,594	268,594	268,594	-	4.22%	19,104,408	Y	N	N
0	The Company	SEGC	2	6,368,136	305,280	305,280	305,280	-	4.79%	19,104,408	Y	N	N
0	The Company	SEPC	2	6,368,136	292,526	288,462	288,462	-	4.53%	19,104,408	Y	N	N
0	The Company	SEVC	2	6,368,136	254,554	254,554	254,554	-	4.00%	19,104,408	Y	N	N
					4,533,650	4,512,396							

Note 1: Company numbering as follows:

The Company—0

Note 2: Relationship with the Company:

1. For entities the guarantor has business transaction with.

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

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

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

Schedule C Securities held as of March 31, 2024 :

Name of holder	Category and name of security	Relationship with the company	Account title	Ending balance				Remark
				Shares/ Units	Carrying value	Percentage of ownership (%)	Fair value	
E-TEQ VENTURE CO., LTD.	Stock :							
	INTEL CORPORATION	—	Current financial assets at fair value through profit or loss	2,000	2,827	0.00%	2,827	
	APOGEE Optocom CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	30,000	2,130	0.07%	2,130	
	Subtotal				4,957		4,957	
E-TEQ VENTURE CO., LTD.	Private Fund:							
	CMIA Digital Growth VII	—	Non-current financial assets at fair value through profit or loss	500	10,602	0.65%	10,602	
	Subtotal				10,602		10,602	
The company	Stock :							
	Qingdao Soda Ash Industrial Potassic Fertilizer Technology Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	0	63,174	15.00%	63,174	
					63,174		63,174	
	Total				78,733		78,733	

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

Number (Note 1)	Company Name	Related Party	Relationship (Note 2)	Transaction			
				Account title	Amount	Credit term	Percentage of consolidated sales revenue and total assets
1	SSC	SESC 、SMGC 、 SMTc 、SEHC 、SEBC 、 SEAC 、 SEMC 、SECC 、SEEC 、 SEFC 、SERC 、SEDC 、 SEVC 、SEGC 、SEPC	2	Other payables-related parties	117,285	-	0.85%

Note 1: Company numbering as follows:

1. 0 represents the parent company.
2. Subsidiary company number starts with Arabic numeral 1.

Note 2: Relationship of the counterparties:

- 1.Parent company to subsidiary.
- 2.Transactions are between subsidiaries.

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

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

Schedule E Information on investments:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		The ending balance at this period			Net income (losses) of investee	Investment income (losses)	Remark
				The ending balance at this year	The ending balance at the beginning	Shares	Percentage of ownership	Carrying value			
The Company	SSC	Panama	Ship operation and chartering	1,110,902	1,110,902	10	100.00%	4,625,444	17,702	17,702	Subsidiary
"	East Tender Trading Co., Ltd.	Taipei	General trade and investments	38,023	38,023	3,200,000	100.00%	39,619	798	798	Subsidiary
"	SIL	BVI	Holding company	21,145	21,145	880	50.00%	(33,745)	(42)	(21)	Subsidiary
"	East Tender Optoelectronics Co., Ltd.	Yilan	Manufacturing of thin film filter components required for optical communication	97,142	97,142	9,316,297	34.89%	249,256	(25,566)	(10,085)	Associate
"	Yukari Group Co., Ltd.	Taipei	Wholesale of foods and groceries, sales of drinks, operation of restaurant	89,787	89,787	2,100,000	100.00%	5,887	(1,345)	(1,345)	Subsidiary
"	E-Teq Venture Co., Ltd.	Taipei	Electronics components manufacturing, data storage media manufacturing and duplicating, general investments	115,000	115,000	10,380,000	100.00%	95,790	(5,839)	(5,839)	Subsidiary
"	YUN SHENG INVESTMENT CO., LTD.	Taipei	Investment	30,000	30,000	3,000,000	100.00%	30,145	39	39	Subsidiary
				1,501,999	1,501,999			5,012,396		1,249	
SSC	SESC	Panama	Ship operation and chartering	353	353	10	100.00%	181,823	3,836	3,836	Sub-Subsidiary
"	SIL	BVI	Holding company	89,363	89,363	880	50.00%	33,373	(42)	(21)	Sub-Subsidiary
"	SMGC	Panama	Ship operation and chartering	242,190	242,190	10	100.00%	250,382	5,230	5,230	Sub-Subsidiary
"	SEHC	Panama	Ship operation and chartering	267,854	273,996	10	100.00%	308,631	(6,680)	(6,680)	Sub-Subsidiary
"	SMTC	Panama	Ship operation and chartering	381,963	390,265	10	100.00%	363,169	5,686	5,686	Sub-Subsidiary
"	SEBC	Panama	Ship operation and chartering	296,458	306,049	10	100.00%	574,301	5,169	5,169	Sub-Subsidiary
"	SEAC	Panama	Ship operation and chartering	424,297	367,519	10	100.00%	375,131	(21,479)	(21,479)	Sub-Subsidiary
"	SEMC	Panama	Ship operation and chartering	229,896	229,896	11	100.00%	357,229	7,386	7,386	Sub-Subsidiary
"	SECC	Panama	Ship operation and chartering	247,798	247,798	11	100.00%	368,563	3,400	3,400	Sub-Subsidiary
"	SEEC	Panama	Ship operation and chartering	292,030	292,030	11	100.00%	375,566	8,699	8,699	Sub-Subsidiary
"	SEFC	Panama	Ship operation and chartering	239,439	239,439	11	100.00%	409,285	5,354	5,354	Sub-Subsidiary
"	SERC	Panama	Ship operation and chartering	286,639	286,639	11	100.00%	383,677	10,622	10,622	Sub-Subsidiary
"	SEDC	Panama	Ship operation and chartering	297,122	297,122	11	100.00%	358,825	(1,671)	(1,671)	Sub-Subsidiary
"	SEVC	Panama	Ship operation and chartering	254,236	254,236	11	100.00%	355,671	1,626	1,626	Sub-Subsidiary
"	SEGC	Panama	Ship operation and chartering	253,174	253,174	11	100.00%	411,206	7,729	7,729	Sub-Subsidiary
"	SEPC	Panama	Ship operation and chartering	332,639	332,639	11	100.00%	418,203	(812)	(812)	Sub-Subsidiary
"	SSMHC	Cayman Islands	Holding company	1,811	1,793	-	100.00%	35	(58)	(58)	Sub-Subsidiary(Note1)
				4,137,262	4,104,501			5,525,070		34,016	
SSMHC	SEJC	Panama	Holding company	262	244	-	100.00%	(41)	(38)	(38)	Sub-Subsidiary(Note1)
East Tender Trading Co., Ltd.	Zai Feng Auto Transportation Co., Ltd.	Yilan	Automobile cargo transportation business	27,381	27,381	19,000	100.00%	25,537	185	185	Sub-Subsidiary

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

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