

Sesoda Corporation

(Original name: SESODA CORPORATION)

Stock Code: 1708

2023 General meeting of the shareholders' **Meeting Agenda**

Date: May18, 2023

Venue: No. 120, Xincheng 1st Rd., Su'ao Township, Yilan
County

Suao main factory of Sesoda Corporation

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Meeting agenda

Sesoda Corporation

Meeting agenda

Type: physical shareholders' meeting

Date: 9:00 a.m., May 18 (Thu), 2023

Address: No. 120 Xincheng 1st Road, Suao Township, Yilan County

Suao main factory of Sesoda Corporation

- I. Call the Meeting to Order
- II. Opening Ceremony
- III. Chairman's Remarks
- IV. Matters to be reported
 - (I) 2022 business report
 - (II) 2022 employees' and directors' compensation report
 - (III) Audit Committee's Review report on the 2022 Financial Statements
 - (IV) 2022 earnings distribution of cash dividend report
 - (V) Others
- V. Matters for Acknowledgment
 - (I) 2022 business report and financial statement report
 - (II) 2022 earnings distribution
- VI. Extraordinary Motion
- VII. Adjournment

Matters to be reported

Matters to be reported

I. 2022 business report of the Company

Explanatory Notes: The Company's 2022 business report, please refer to pages 6 to 9.

Sesoda Corporation 2022 business report

(I) Foreword

2022 was a year full of challenges and opportunities. Under the double influence of the pandemic and international geopolitical factors, the cost of raw material commodities and freight soared, and all occupations and industries have been affected. However, with the dedicated efforts of the management team, both the Company's revenue and profit in 2022 grew, compared with the previous year.

Generally speaking, last year, because of the dual profit injection of the chemical industry and the reinvestment in the shipping business, the Company created good operating results. The sales volume of the Company's trading products, including soda ash and baking soda, declined slightly, compared with 2021, mainly due to the impact of the pandemic, the interruption of the supply chain and the high price of raw materials. Also, the impact of the Ukrainian-Russian War has led to high natural gas prices and increased production costs. Product prices have also risen to new highs in recent years, affecting the demand from downstream customers and markets and impacting sales. Potassium sulfate products for export had a strong market demand. Also, the impact of the Ukrainian-Russian War and the economic sanctions on Belarus resulted in an imbalance between the supply and demand of potassium chloride in the international market, and the price hit a record high in ten years. The global ex-works price of potassium sulfate has also increased accordingly, and the terminal price has climbed to a high point. The Company takes market diversification as its main sales strategy to reduce the impact of changes in a single market. Although the sales volume in 2022 only increased slightly, compared with 2021, the profits almost doubled due to the overall increase in raw material commodities.

The reinvestment in the shipping business is mainly on handysize bulk carriers, with a total of 15 ships. The owned vessels are rented out in short-term and medium-term leases to balance the impact of seasonality and the

business cycle. The BHSI index reversed and fell by nearly 60% after reaching a high point in mid-March 2022. It was mainly affected by the economic recession such as the alleviation of the shortage of shipping capacity and the strong interest rate lift in the United States. However, it still grew by nearly 70% compared with three years ago. In 2022, the Company's fleet renewed the contracts successively. Due to the deferred effect of the fixed-term leases, the average rent still increased by about 30%.

(II) Status of production and sales

The production/outsourcing volume and sales volume of products in 2022 and 2021 are compared as follows:

	Department	2022	2021	Rate of Increase (Decrease)
Production/External purchase volumes (Metric ton)	Manufacturing	370,185	362,555	2.10%
	Trading	96,157	95,428	0.76%
Net sales volume (Metric ton)	Manufacturing	366,285	354,475	3.33%
	Trading	82,257	97,021	-15.22%

(III) Revenue and Profit and Loss

The Company's net operating income in 2022 was NT\$5,310,423,000, an increase of 75.10%, compared with NT\$3,032,839,000 in 2021. The net operating profit was NT\$743,594,000, and the net profit for the period was NT\$1,204,422,000, an increase of NT\$368,425,000 (approximately 98.20%) and NT\$533,551,000 (approximately 79.53%) respectively, compared with 2021. The increase in operating profit was mainly due to the price increase of self-made products.

(IV) Outlook

Major international institutions predicted that the global economy's performance in 2023 may not be as good as last year. In the soda ash business and other trade products, the demand from downstream customers will remain

weak, and the challenges in market sales will remain high. The problem of an unstable supply of major trading products still remains, so obtaining a stable supply is the top priority. Meanwhile, the Company will actively develop new suppliers and continue to expand new customers to improve competitiveness.

In terms of potassium sulfate export, global inflation has intensified due to economic and geopolitical factors, and the overall economy has relatively weakened. Some countries suppressed their international trade due to foreign debt and capital control measures, so the purchase of fertilizers has decreased significantly. It is predicted that the potassium sulfate market demand will remain weak this year. In 2023, the sales of potassium sulfate will be operating steadily against the trend, in addition to accelerating the destocking, stabilizing the existing customers, and developing new markets at the same time.

In terms of reinvesting in the shipping business, the business cycle was sluggish due to the slowdown in demand. However, due to the previous high ship prices, the supply of new ships and the volume of ship orders in the first half of 2022 did not increase significantly. And, the new ship orders following the drop in ship prices at the end of the year are not expected to be delivered until the end of 2023 to 2024. With the basic demand for bulk freight, and the opening up of China after the pandemic also increased the demand for shipping capacity in the market, it should be expected to be supported in 2023.

Looking forward, the global economy will not perform well due to factors such as the continued Ukrainian-Russian War, high inflation and climate change. It is still necessary to closely observe the time of impact on the economy after the substantial loosening of the pandemic prevention policy. It is predicted that the global economy and trade growth rate this year will slow down compared with last year. In addition, the Company will start to produce baking soda this year. It is not only an important milestone in meeting carbon neutrality and reducing carbon footprints, but the advantage of local supply provides a solution to the disruption of the domestic market supply

chain resulting from factors such as the pandemic and international geopolitics, but can also increase export opportunities.

All employees of the Company will hold consistent persistence and give their best, expecting to enhance competitiveness through sufficient production capacity and flexible operating model, so that the Company's operations can be sustainable and grow day by day.

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

Chairman

General Manager

Accounting Officer

Matters to be reported

II. 2022 employees' and directors' compensation report

Explanatory Notes: According to the resolutions of the 10th meeting of the 5th remuneration committee on March 24, 2023 and the 15th meeting of the 24th board of directors on March 27, 2023, 4.8% of employee remuneration, totaling NT\$83,981,870, and 1.2% of special incentives, totaling NT\$20,995,468 and 2.5% of the director's compensation, totaling NT\$43,740,557, would be distributed for 2022, all paid in cash.

Matters to be reported

III. Audit Committee's Review report on the 2022 Financial Statements

Explanatory Notes: The Company's 2022 financial statements have been audited and certified by KPMG, and audited by the Audit Committee. Please refer to pages 12 to 19.

Sesoda Corporation Audit Committee's Review Report

The board of directors prepared the Company's 2022 business report, financial statements and profit distribution proposal, among which the financial statements have been audited and certified by KPMG, and an audit report has been issued. The above-mentioned business report, financial statements and profit distribution proposal has been reviewed by the Audit Committee and found to have no inconsistencies. This report is issued in accordance with relevant provisions of the Securities and Exchange Act and the Company Act.

Sincerely

2023 General shareholders' meeting of the Company

Convener of Audit Committee Wang Po-Hsin

March 27, 2023

Independent Auditors' Report

To the Board of Directors of SESODA CORPORATION:

Opinion

We have audited the financial statements of SESODA CORPORATION (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

Notes to Readers

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

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

Independent Auditors' Report

To the Board of Directors of SESODA CORPORATION:

Opinion

We have audited the consolidated financial statements of SESODA CORPORATION and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

Other Matter

SESODA CORPORATION has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

Notes to Readers

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

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

Matters to be reported

IV. 2022 earnings distribution of cash dividend report

Explanatory Notes:

- (1) It is handled in accordance with Article 240, paragraph 5 of the Company Act, Article 29 of the Articles of Incorporation of the Company, and the resolution of the 15th meeting of the 24th Board of Directors on March 27, 2023.
- (2) The Company has 249,001,651 outstanding common shares, and it is proposed to distribute cash dividends of NT\$3 per share to shareholders, totaling NT\$747,004,953.
- (3) In order to cope with computerized check operations and considering the difficulty in exchanging the fractional currency, cash dividends would be rounded to NT\$1, the amount less than NT\$1 will not be calculated, and the total amount of odd lot shares is included in the Company's other income.
- (4) Convene the board of directors to determine the base date for the distribution of cash dividends, distribution date and handle other related matters.

Matters to be reported

V. Others

1. Mainland investments:

The Company directly invested in Qingdao Soda Ash Industrial Development Co., Ltd. on December 31, 2022, with a book value of NT\$77,764,000, accounting for 3.12% of the Company's paid-in capital.

2. Making endorsement/guarantees:

The company provided an endorsement/guarantee quota of NT\$4,935,539,000 for the companies that the Company directly invests in, or indirectly holds more than 50% of its ordinary shares. The balance used was NT\$3,221,921,000 (please refer to the company's 2022 annual report or the MOPS for details).

Matters for Acknowledgment

Matters for acknowledgment

Proposal 1: Proposed by the Board

Proposal: Submit the Company's 2022 business report and financial statements (including consolidated financial statements) for acceptance.

Explanatory Notes:

1. The Company's 2022 financial statements (including consolidated financial statements), business report, etc., have been audited by the Company's Audit Committee completely, resolved by the 15th meeting of the 24th board of directors on March 27, 2023 and issued the audit report. Among which, the financial statements (including consolidated financial statements) have been audited and certified by KPMG.
2. Please refer to pages 6 to 9 of the business report.

Please refer to pages 24 to 31 for the financial statements.

Resolution:

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
SESODA CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
4110 Operating revenue (note 6(n))	\$ 5,310,423	100	3,032,839	100
5111 Operating cost (notes 6(d), (f) and (j))	3,701,701	70	2,068,152	68
Gross profit from operations	<u>1,608,722</u>	<u>30</u>	<u>964,687</u>	<u>32</u>
6000 Operating expenses (notes (c), (f), (g), (i), (j), (o) and 7):				
6100 Selling expenses	481,809	9	418,306	14
6200 Administrative expenses	302,468	6	171,212	6
6450 Expected credit loss	80,851	1	-	-
Total operating expenses	<u>865,128</u>	<u>16</u>	<u>589,518</u>	<u>20</u>
6900 Net operating income	<u>743,594</u>	<u>14</u>	<u>375,169</u>	<u>12</u>
7000 Non-operating income and expenses (notes 6(e), (f), (i), (p) and 7):				
7100 Interest income	2,090	-	86	-
7010 Other income	5,980	-	9,713	-
7020 Other gains and losses	102,369	2	18,396	1
7050 Finance costs	(13,892)	-	(6,625)	-
7060 Share of gains of subsidiaries and associates accounted for using equity method	<u>760,763</u>	<u>14</u>	<u>421,878</u>	<u>14</u>
Total non-operating income and expenses	<u>857,310</u>	<u>16</u>	<u>443,448</u>	<u>15</u>
7900 Income before tax	1,600,904	30	818,617	27
7950 Less: Income tax expenses (note 6(k))	<u>396,482</u>	<u>7</u>	<u>147,746</u>	<u>5</u>
Net income	<u>1,204,422</u>	<u>23</u>	<u>670,871</u>	<u>22</u>
8300 Other comprehensive income (notes 6(e), (j), (k) and (l)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	13,370	-	(7,674)	-
8316 Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	(36,541)	(1)	(121,249)	(4)
8330 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(12,552)	-	85	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>2,674</u>	<u>-</u>	<u>(1,535)</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(38,397)</u>	<u>(1)</u>	<u>(127,303)</u>	<u>(4)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	428,530	8	(101,568)	(3)
8380 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	110	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>428,530</u>	<u>8</u>	<u>(101,458)</u>	<u>(3)</u>
8300 Other comprehensive income	<u>390,133</u>	<u>7</u>	<u>(228,761)</u>	<u>(7)</u>
8500 Total comprehensive income	<u>\$ 1,594,555</u>	<u>30</u>	<u>442,110</u>	<u>15</u>
9750 Basic earnings per share (note 6(m)) (expressed in New Taiwan Dollars)	<u>\$ 4.84</u>		<u>2.69</u>	
9850 Diluted earnings per share (note 6(m)) (expressed in New Taiwan Dollars)	<u>\$ 4.78</u>		<u>2.68</u>	

See accompanying notes to parent company only financial statements.

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

SESODA CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total other equity interest
Balance at January 1, 2021									
Appropriation and distribution of retained earnings:									
Legal reserve		102,594	966,494	163,741	2,537,958	3,668,193	(242,652)	(16,477)	5,796,077
Special reserve	-	-	17,521	-	(17,521)	-	-	-	-
Cash dividends	-	-	-	95,388	(95,388)	-	-	-	-
Stock dividends	205,598	-	-	-	(205,597)	(205,597)	-	-	(205,597)
Reversal of special reserve	-	-	-	-	(205,598)	(205,598)	-	-	-
Net income	-	-	-	(252)	252	-	-	-	-
Other comprehensive income	-	-	-	-	670,871	670,871	-	-	670,871
Total comprehensive income	-	-	-	-	(6,054)	(6,054)	(101,458)	(121,249)	(222,707)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	664,817	664,817	(101,458)	(121,249)	442,110
Changes in capital surplus	-	-	-	-	3,669	3,669	-	(3,669)	-
Balance at December 31, 2021									
Appropriation and distribution of retained earnings:									
Legal reserve	2,490,017	103,111	984,015	258,877	2,682,592	3,925,484	(344,110)	(141,395)	6,033,107
Special reserve	-	-	66,873	-	(66,873)	-	-	-	-
Cash dividends	-	-	-	226,628	(226,628)	-	-	-	-
Reversal of special reserve	-	-	-	-	(498,003)	(498,003)	-	-	(498,003)
Net income	-	-	-	(9)	9	-	-	-	-
Other comprehensive income	-	-	-	-	1,204,422	1,204,422	-	-	1,204,422
Total comprehensive income	-	-	-	-	11,064	11,064	428,530	(49,461)	390,133
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,215,486	1,215,486	428,530	(49,461)	1,594,555
Changes in associates accounted for using equity method	-	-	-	-	974	974	-	(974)	-
Changes in capital surplus	-	1,629	-	-	209	209	-	(209)	-
Balance at December 31, 2022									
	2,490,017	104,740	1,050,888	485,496	3,107,766	4,644,150	84,420	(192,039)	7,131,288

See accompanying notes to parent company only financial statements.

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

SESODA CORPORATION**Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,600,904	818,617
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	92,101	90,188
Expected credit loss	80,851	-
Interest expense	13,892	6,625
Interest income	(2,090)	(86)
Dividend income	(5,930)	(9,701)
Share of profit of subsidiaries and associates accounted for using equity method	(760,763)	(421,878)
Gain on disposal of property, plant and equipment	(36)	(1,255)
Property, plant and equipment transferred to expenses	43,904	15,375
Gain on lease modification	(116)	-
Others	-	(2,123)
Total adjustments to reconcile profit (loss)	(538,187)	(322,855)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	17,525	(58,926)
Increase in accounts receivable	(231,437)	(179,072)
Decrease (increase) in other receivables from related parties	(2,277)	2,510
Increase in inventories	(738,476)	(337,706)
Decrease (increase) in other current assets	(18,437)	9,563
Increase in other current financial assets	(9,809)	(24,279)
Increase in net defined benefit assets	(4,823)	(4,875)
Increase in accounts payable	252,124	123,552
Increase in other payables	61,996	107,721
Increase (decrease) in other payables to related parties	(93)	55
Increase (decrease) in other current liabilities	(2,172)	1,834
Total changes in operating assets and liabilities	(675,879)	(359,623)
Cash inflow generated from operations	386,838	136,139
Interest received	1,913	99
Dividends received	14,370	24,933
Interest paid	(15,257)	(7,187)
Income taxes paid	(75,455)	(5,366)
Net cash flows from operating activities	312,409	148,618
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(63,892)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,546	4,417
Acquisition of investments accounted for using equity method	(35,000)	(127,450)
Proceeds from disposal of investments accounted for using equity method	2,639	-
Decrease in prepayments for investments	468,568	-
Acquisition of property, plant and equipment	(353,315)	(140,863)
Proceeds from disposal of property, plant and equipment	1,728	5,863
Increase in refundable deposits	(4,775)	(1,000)
Net cash from (used in) investing activities	81,391	(322,925)
Cash flows from (used in) financing activities:		
Increase in short-term loans	5,617,200	3,810,000
Decrease in short-term loans	(5,387,200)	(3,410,000)
Decrease in guarantee deposits received	-	(242)
Payment of lease liabilities	(5,675)	(5,858)
Cash dividends paid	(498,003)	(205,597)
Other financing activities	1,629	517
Net cash flows from (used in) financing activities	(272,049)	188,820
Net increase in cash and cash equivalents	121,751	14,513
Cash and cash equivalents at beginning of period	360,847	346,334
Cash and cash equivalents at end of period	\$ 482,598	360,847

See accompanying notes to parent company only financial statements.

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

SESODA CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

	2022		2021	
	Amount	%	Amount	%
4110 Operating revenue (notes 6(k) and (p))	\$ 8,025,189	100	4,795,266	100
5111 Operating cost (notes (e), (g), (h), (j), (l) and 7)	<u>5,177,065</u>	<u>64</u>	<u>3,229,062</u>	<u>67</u>
Gross profit from operations	<u>2,848,124</u>	<u>36</u>	<u>1,566,204</u>	<u>33</u>
6000 Operating expenses (notes 6(d), (g), (h), (j), (l), (q) and 7):				
6100 Selling expenses	480,199	6	415,662	9
6200 Administrative expenses	538,550	7	336,642	7
6450 Expected credit loss	<u>80,851</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,099,600</u>	<u>14</u>	<u>752,304</u>	<u>16</u>
6900 Net operating income	<u>1,748,524</u>	<u>22</u>	<u>813,900</u>	<u>17</u>
7000 Non-operating income and expenses (notes 6(f), (g), (j) and (r)):				
7100 Interest income	6,619	-	708	-
7010 Other income	6,099	-	9,815	-
7020 Other gains and losses	120,725	1	67,223	1
7050 Finance costs	(113,880)	(1)	(52,354)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>(166,422)</u>	<u>(2)</u>	<u>(20,158)</u>	<u>-</u>
Total non-operating income and expenses	<u>(146,859)</u>	<u>(2)</u>	<u>5,234</u>	<u>-</u>
7900 Income before tax	1,601,665	20	819,134	17
7950 Less: Income tax expenses (note 6(m))	<u>397,243</u>	<u>5</u>	<u>148,263</u>	<u>3</u>
Net income	<u>1,204,422</u>	<u>15</u>	<u>670,871</u>	<u>14</u>
8300 Other comprehensive income (notes 6(f), (l), (m) and (n)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains or losses on remeasurements of defined benefit plans	13,370	-	(7,674)	-
8316 Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(48,874)	-	(121,249)	(3)
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	(219)	-	85	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>2,674</u>	<u>-</u>	<u>(1,535)</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>(38,397)</u>	<u>-</u>	<u>(127,303)</u>	<u>(3)</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	428,530	5	(101,568)	(2)
8370 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	110	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>428,530</u>	<u>5</u>	<u>(101,458)</u>	<u>(2)</u>
8300 Other comprehensive income	<u>390,133</u>	<u>5</u>	<u>(228,761)</u>	<u>(5)</u>
Total comprehensive income	<u>\$ 1,594,555</u>	<u>20</u>	<u>442,110</u>	<u>9</u>
Basic earnings per share				
9750 Basic earnings per share (note 6(o)) (expressed in New Taiwan Dollars)	<u>4.84</u>		<u>2.69</u>	
9850 Diluted earnings per share (note 6(o)) (expressed in New Taiwan Dollars)	<u>4.78</u>		<u>2.68</u>	

See accompanying notes to consolidated financial statements.

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

SESODA CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the years ended December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						
	Retained earnings				Total other equity interest		
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest
Balance at January 1, 2021	\$ 2,284,419	102,594	966,494	163,741	2,537,958	(242,652)	(16,477)
Appropriation and distribution of retained earnings:					3,668,193		
Legal reserve	-	-	17,521	-	(17,521)	-	-
Special reserve	-	-	-	95,388	(95,388)	-	-
Cash dividends	-	-	-	-	(205,597)	-	-
Stock dividends	205,598	-	-	-	(205,598)	-	-
Reversal of special reserve	-	-	-	(252)	252	-	-
Net income	-	-	-	-	670,871	-	-
Other comprehensive income	-	-	-	-	(6,054)	(101,458)	(121,249)
Total comprehensive income	-	-	-	-	664,817	(101,458)	(222,707)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	3,669	-	(3,669)
Change in capital surplus	-	517	-	-	-	-	-
Balance at December 31, 2021	2,490,017	103,111	984,015	258,877	2,682,592	(344,110)	(141,395)
Appropriation and distribution of retained earnings:					3,925,484		
Legal reserve	-	-	66,873	-	(66,873)	-	-
Special reserve	-	-	-	226,628	(226,628)	-	-
Cash dividends	-	-	-	-	(498,003)	-	-
Reversal of special reserve	-	-	-	(9)	9	-	-
Net income	-	-	-	-	1,204,422	-	-
Other comprehensive income	-	-	-	-	11,064	428,530	(49,461)
Total comprehensive income	-	-	-	-	1,215,486	428,530	379,069
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,183	-	(1,183)
Change in capital surplus	-	1,629	-	-	-	-	-
Balance at December 31, 2022	\$ 2,490,017	104,740	1,050,888	485,496	3,107,766	84,420	(107,619)
					4,644,150		7,131,288

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SESODA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,601,665	819,134
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	516,592	470,941
Expected credit loss	80,851	-
Loss on financial assets at fair value through profit or loss	6,387	528
Financial cost	113,880	52,354
Interest income	(6,619)	(708)
Dividend income	(6,078)	(9,815)
Share of loss of associates accounted for using equity method	166,422	20,158
Loss on disposal of property, plant and equipment	2,320	1,722
Property, plant and equipment transferred to expenses	43,904	15,375
Loss on disposal of investments accounted for using equity method	-	14
Gain on lease modification	(116)	(126)
Others	-	(2,123)
Total adjustments to reconcile profit (loss)	917,543	548,320
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	17,525	(58,926)
Increase in accounts receivable	(224,384)	(187,039)
Increase in inventories	(738,573)	(337,557)
Decrease (increase) in other current assets	(103,903)	10,811
Decrease (increase) in other current financial assets	36,586	(133,203)
Increase in net defined benefit assts	(4,823)	(4,875)
Increase in accounts payable	252,247	122,607
Increase in other payables	98,263	163,887
Increase in other current liabilities	40,507	14,795
Total changes in operating assets and liabilities	(626,555)	(409,500)
Cash inflow generated from operations	1,892,653	957,954
Interest received	5,843	1,219
Dividends received	13,065	22,888
Interest paid	(102,809)	(54,006)
Income taxes paid	(75,961)	(5,619)
Net cash flows from operating activities	1,732,791	922,436
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(65,754)
Acquisition of financial assets at fair value through profit or loss	(15,274)	(3,211)
Proceeds from disposal of financial assets at fair value through profit or loss	1,824	4,417
Proceeds from disposal of investments accounted for using equity method	-	5,856
Acquisition of property, plant and equipment	(406,225)	(245,116)
Proceeds from disposal of property, plant and equipment	2,299	5,887
Increase in refundable deposits	(4,788)	(876)
Acquisition of right-of-use assets	(34)	-
Decrease in other non-current assets	169	457
Net cash used in investing activities	(422,029)	(298,340)
Cash flows from (used in) financing activities:		
Increase in short-term loans	8,949,235	7,300,448
Decrease in short-term loans	(8,903,495)	(7,102,512)
Proceeds from long-term borrowings	-	11,072
Repayments of long-term borrowings	(539,949)	(563,794)
Decrease in guarantee deposits received	-	(242)
Payment of lease liabilities	(9,168)	(9,665)
Cash dividends paid	(498,003)	(205,597)
Other financing activities	1,629	517
Net cash used in financing activities	(999,751)	(569,773)
Effect of exchange rate changes on cash and cash equivalents	28,723	(22,055)
Net increase in cash and cash equivalents	339,734	32,268
Cash and cash equivalents at beginning of period	955,556	923,288
Cash and cash equivalents at end of period	\$ 1,295,290	955,556

See accompanying notes to consolidated financial statements.

Matters for acknowledgment

Proposal 2: Proposed by the Board

Proposal: Submit the Company's 2022 earnings distribution proposal for acceptance.

Explanatory Notes:

1. The accumulative distributable earnings in 2022 are NT\$(the same below) 3,461,611,167, and the proposed distribution of cash dividends is NT\$747,004,953 (NT\$3 per share).
2. Please refer to page 33 for the 2022 Earnings Distribution Table.

Resolution:

Sesoda Corporation
Earnings Distribution Table
2022

Unit: New Taiwan Dollars

Undistributed surplus earnings, beginning of period	1,891,087,667
Add (subtract):	
Determine the remeasurement of the benefit plan	10,696,600
Changes in affiliated companies accounted for using equity method	367,740
Disposal of equity investments at fair value through other comprehensive income	1,182,539
Reversal of equity deduction, special surplus reserve	353,845,859
Others	8,875
Current year net profit after tax	1,204,421,887
Amount available for distribution	3,461,611,167
Less:	
Set aside the profits as a legal reserve (10% after tax)	(121,667,764)
Distribution item:	
Shareholder dividend-cash dividend (NTD 3 per share)	(747,004,953)
Undistributed surplus earnings, end of period	2,592,938,450

Explanation:

1. The current number of issued shares and the number of shares participating in the distribution are both 249,001,651 shares.
2. The basis for the legal reserve is revised to "the current period's after-tax net profit plus items other than the current period's after-tax net profit are included in the current year's undistributed surplus earnings."

Chairman:

Manager:

Accounting Supervisor:

Extraordinary Motions

Extraordinary motions

Adjournment

Appendix

Sesoda Corporation

Rules of Procedure of Shareholders' Meeting

Revised on May 20, 2022

- Article I In order to establish a good governance system of the Company's shareholders' meeting, improve the supervision function and strengthen the management function, these Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article II Unless otherwise provided by laws and regulations, the shareholders' meeting of Sesoda Corporation (hereinafter referred to as the Company) shall be handled in accordance with these Rules.
- Article III Unless otherwise provided in laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors.

The change of the convening method of the shareholders' meeting of the Company shall be decided by the board meeting, and the change shall be made before the notice of the shareholders' meeting is sent at the latest.

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

15 days before the shareholders' meeting, the Company shall make available the handbook and supplementary information of the meeting for the shareholders to read at any time; the Company shall also have them displayed at the Company and the professional stock affairs agency appointed by the Company.

On the day of the shareholders' meeting, the Company shall provide shareholders with the proceedings manual and supplementary information of the meeting referred to in the preceding paragraph in the following ways:

- I. Distribute them at the site of the shareholders' meeting when convening a physical shareholders' meeting.
- II. Distribute them at the site of the shareholders' meeting and transmit the electronic file to the video conference platform when convening a video-conference assisted shareholders' meeting.
- III. Transmit the electronic file to the video conference platform when convening a shareholders' meeting in the form of video conference.

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

counterparties.

The election or dismissal of directors, alteration of articles of association, capital reduction, application for suspension of public offering, removal of director's non-competition restrictions, capital increase from earnings, capital increase from reserve, company dissolution, merger, division or all circumstances in paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed under the convening reason with a description of the main contents of the matters, and shall not be proposed as an extemporary motion.

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

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

Shareholders may submit proposals to urge the Company to promote public interests or to fulfill social responsibilities. Procedure-wise, the number of such proposals shall be limited to one according to the relevant provisions of Article 172-1 of the Company Act, otherwise the excess proposals will not be included in the agenda.

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

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

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

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

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

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

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

Article V The place of the meeting shall be the place where the Company or its plant is located or where it is convenient for the shareholders to attend. The meeting time shall not be before 9 a.m. or after 3 p.m. and the opinion of the independent directors shall be taken into full account when considering the meeting place and time.

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

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

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

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

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

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

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

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

shareholders' meeting.

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

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

- I. Methods for shareholders to participate in video conferences and exercise their rights.
- II. The handling methods in case of obstacles to the video conference platform or participation by video due to natural disasters, incidents or other force majeure shall at least include the following matters:
 - (i) The time of the meeting to be postponed or resumed due to the continuous failure to remove the obstacles above and the date of the postponed or resumed meeting if required.
 - (ii) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.
 - (iii) If the video assisted shareholders' meeting cannot be resumed, the shareholders' meeting shall be continued if, after deducting the number of shares attending the shareholders' meeting by video, the total number of shares attending the shareholders' meeting reaches the quorum of the shareholders' meeting. The number of shares attending the shareholders' meeting by video shall be included in the total number of shares of the shareholders attending the meeting, but shall be deemed to waive on the voting on all proposals at the shareholders' meeting.
 - (iv) The handling method in the event that the results of all proposal have been announced, but no extemporary motion has been processed.
- III. When convening a shareholders' meeting in the form of video conference, the convening notice shall specify appropriate alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video.

Article VII If the shareholders' meeting is convened by the board of directors, the Chairman shall serve as the chairman of the meeting. When the Chairman is on leave or unable to exercise his functions and powers for some reason, the Vice Chairman shall act as the deputy. If there is no Vice Chairman in place or the Vice Chairman is also on leave or unable to exercise his functions and powers for some reason, the Chairman shall appoint a managing director to act as the deputy. If there is no managing director in place, the Chairman shall appoint a director to act as the deputy. If the Chairman fails to appoint a deputy, the managing directors or directors shall elect one person among themselves to act as the deputy.

If the chairman of the preceding paragraph is deputized by a managing director or director, the person shall have served for more than six months and understands the Company's financial and business conditions. The same applies if the chairman is the representative of a corporate director.

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

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

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

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

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

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

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

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

The chairman shall call the meeting to order at the specified meeting time, and announce the number of shares without voting rights and the number of shares present at the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a meeting postponement, provided that the number of such postponements is no more than two, and the total time no more than one hour. If the attending shareholders still do not represent one third of the total number of issued shares after two postponements, the chairman shall declare the meeting aborted. If the shareholders' meeting is held in the form of video conference, the Company shall also announce the meeting being aborted on the video conference platform of the shareholders' meeting.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. If the shareholders' meeting is to be held in the form of video conference,

shareholders who wish to attend by video shall re-register with the Company in accordance with Article 6.

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

Article X If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, and the resolutions of related motions (including extraordinary motions and amendments to original motions) shall be made on a case-by-case basis by voting. The meeting shall proceed in the order set in the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

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

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

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

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

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

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

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

After an attending shareholder has spoken, the chairman may respond in person or

direct relevant personnel to respond.

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

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

The voting at the shareholders' meeting shall be based on the number of shares.

The shares held by shareholders with no voting right shall not be counted in the total number of issued shares while adopting a resolution at the shareholders' meeting.

When a shareholder has personal interests in items at the meeting which may cause harmful results to the interests of the Company, he shall not participate in the voting and shall not exercise voting rights on behalf of other shareholders.

The number of shares that may not exercise voting rights referred to in the preceding paragraph shall not be counted in the number of voting rights of the shareholders present.

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

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

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

When the Company holds a shareholders' meeting, it shall have the voting rights exercised by electronic means or in writing; when the voting rights are exercised in writing or by electronic means, the exercise method shall be specified in the notice of the shareholders' meeting. The shareholders who exercise the voting rights in writing or by electronic means shall be deemed to attend the shareholders' meeting in person. However, for extemporary motions and amendments to the original motions of the shareholders' meeting, such shareholders shall be deemed to have waived their voting rights; therefore, the Company should avoid extemporary motions and amendments to the original motions.

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

After the shareholder exercises the voting right in writing or by electronic means, if he wants to attend the shareholders' meeting in person, he shall make a revocation

of the intention previously delivered in the same manner as the revocation of the voting intention in the previous paragraph two days before the shareholders' meeting; if the revocation is made after the deadline, the voting right exercised in writing or by electronic means shall prevail. If the voting right is exercised in writing or by electronic means and the agent entrusted via a power of attorney is present at the shareholders' meeting, the voting right of the entrusted agent shall prevail.

Unless otherwise provided by law or the Company's Articles of Association, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or his designated personnel shall announce the total number of voting rights of the shareholders present and the shareholders shall then vote on the proposals one by one. The results of the shareholders' consent, objection and the waiver shall be entered on the MOPS on the same day after the shareholders' meeting.

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

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

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

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

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

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

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

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

voting rights they received shall be announced on the spot.

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

Article XV The resolutions of the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The production and distribution of the minutes may be done electronically.

For the distribution of minutes referred to in the preceding paragraph, the Company may enter the minutes on the MOPS for public announcement.

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

If the shareholders' meeting is held in the form of video conference, in addition to the items required to be recorded in accordance with the preceding paragraph, the minutes shall record the start and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairman and the recorder, appropriate alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video and the handling methods and results in case of obstacles to the video conference platform or participation by video due to force majeure.

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

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

When the shareholders' meeting is held in the form of video conference, the Company shall disclose on the video conference platform the number of shareholders' rights present when the meeting is called to order. The same applies if there are other statistics on the number of rights present at the meeting.

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

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

The chairman may command the picket (or security personnel) to assist in maintaining the order of the meeting venue. When assisting in maintaining order, the picket (or security personnel) shall wear an armband or identification card with the word "picket."

If sound amplification equipment is available at the meeting venue, the chairman may stop shareholders from speaking if they speak on equipment not prepared by the Company.

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

Article XVIII When the meeting is in progress, the chairman may announce a break at his discretion. In case of force majeure, the chairman may rule to suspend the meeting and announce the time for continuation of the meeting as the case may be.

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

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

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

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

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

In the event of an postponed or resumed meeting referred to in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.

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

shareholders attending the postponed or resumed meeting.

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

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

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

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

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

- Article XXII When the Company holds the shareholders' meeting in the form of video conference, it shall provide appropriate alternative measures for shareholders who have difficulties in attending the shareholders' meeting by video.
- Article XXIII The rules and any amendments hereto shall be implemented after adoption by the shareholders' meeting. The same procedure applies to the revision.

Sesoda Corporation Incorporation

Revised on May 20, 2022

Chapter I General Provisions

Article 1 The Company shall be incorporated as a company limited by shares, under the Company Act of the Republic of China, and its name shall be 東南實業股份有限公司 in the Chinese language, and SESODA CORPORATION in the English language.

Article 2 The scope of business of the Company shall be as follows:

- I. C801010 Basic Industrial Chemical Manufacturing
- II. C801110 Fertilizer Manufacturing °
- III. C802990 Other Chemical Products Manufacturing
- IV. C802090 Manufacture of Cleaning Preparations
- V. C802200 Coating, Paint, Dye and Pigment Manufacturing
- VI. F113010 Wholesale of Machinery
- VII. C701010 Printing
- VIII. C702010 Plate Making Industry
- IX. G801010 Warehousing
- X. F103010 Wholesale of Animal Feeds
- XI. J101050 Environmental Testing Services
- XII. F107050 Wholesale of Fertilizer
- XIII. F107100 Wholesale of Chemical Materials
- XIV. F107070 Wholesale of Veterinary Drugs
- XV. F107080 Wholesale of Environmental Agents
- XVI. F107110 Wholesale of Petrochemical Materials
- XVII. F111020 Wholesale of Cement, Lime and Products
- XVIII. C901050 Cement and Concrete mixing manufacturing
- XIX. F112020 Wholesale of Coal and Products
- XX. F107130 Wholesale of Synthetic Resin
- XXI. F115020 Wholesale of Ores

- XXII. F119010 Wholesale of Electronic Materials
- XXIII. F219010 Retail Sale of Electronic Materials
- XXIV. F102130 Wholesale of Flavoring Pastes
- XXV. F107010 Wholesale of Paints, Coating and Varnishes
- XXVI. F107020 Wholesale of Dyes and Pigments
- XXVII. F107170 Wholesale of Industrial Catalyst
- XXVIII. F401010 International Trade
- XXIX. F106010 Wholesale of Hardware
- XXX. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- XXXI. C114010 Food Additives Manufacturing
- XXXII. F121010 Wholesale of Food Additives
- XXXIII. F221010 Retail of Food Additives

- Article 2-1 The total amount of the Company's foreign investment is not restricted by Article 13 of the Company Act.
- Article 2-2 The Company may provide external guarantees for business needs.
- Article 3 The Company is located in Taipei City, and has set up a manufacturing plant in Suao Township, Yilan County, Taiwan Province. Afterwards, depending on business needs, the Board of Directors may decide to establish plants, branches, offices, or sales offices domestically and overseas.
- Article 4 The Company's announcement method is implemented in accordance with the Company Act and other relevant laws and regulations.

Chapter II Shares

- Article 5 The total capital of the company is NT\$3.1 billion, which is divided into 300 million shares, NT\$10 per share, issued in installments. Among the unissued shares, the Board of Directors is authorized to

issue a resolution based on actual needs.

With the approval of the shareholders meeting, the Company can issue employee stock options at a subscription price lower than the market price, or transfer the Company's shares to employees at a price lower than the average price of the actual shares.

- Article 6 The Company's stock is designated as a registered type, which shall be serially numbered, signed or stamped by the director representing the Company, and issued after being issued with a certificate. It may also be issued without printing the stock or combined and printed for the total number of each issue. Unprinted shares shall be registered with the central securities depository for safekeeping.
- Article 7 For the transfer or establishment of shares, the transferor and the transferee or the pledger and the pledgee shall jointly apply for the registration of the change of the account name or the establishment of the rights by the Company. Those who are acquired by inheritance or donation shall submit the necessary supporting documents.
- Article 8 The Company's stock affairs are handled in accordance with the regulations of the competent authority.
- Article 9 Transfer of shares of the Company shall not be done within 60 days before the General Meeting of Shareholders, within 30 days before an interim shareholders meeting, or within 5 days before the base date when the Company has decided to distribute dividends and bonuses or other benefits.
- Article 10 Shareholders shall fill in their seal cards and deposit them in the Company to receive dividends and exercise their equity rights. The transfer of shares and the establishment, revocation, and renewal of the seal card shall be handled in accordance with the regulations of the competent authority.

Chapter III Shareholders' Meeting

- Article 11 There are two types of shareholder meetings: General Meetings and interim meetings. General meetings are held within six months after the end of each fiscal year, and interim meetings are held in accordance with the law when necessary.
- Article 11-1 The shareholders' meeting of the company may be held by video conference or other methods announced by the Ministry of Economic Affairs.
- Article 12 The shareholders' meeting shall take the Chairman as the presiding chair. In case of the absence of the Chairman, the vice chairman or one of the directors shall act as his representative.
- Article 13 The convening of the General Meeting of Shareholders and interim meetings shall be handled in accordance with relevant laws and regulations.
- Article 14 Shareholders of the Company shall have one voting right per share unless otherwise provided by the Company Act.
- Article 15 Unless otherwise stipulated by relevant laws and regulations, the resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be implemented with more than half of the voting rights of the shareholders present.

Chapter IV Directors and Audit Committee

- Article 16 The Company has nine to eleven directors to organize the Board of Directors. According to the law, one chairman and one vice chairman are mutually recommended. The term of office is three years, and they can be re-elected. The number of candidates to be elected shall be determined by the Board of Directors, and the selection procedures

shall be conducted in accordance with relevant laws and regulations and the "Procedures for Election of Directors."

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

Article 16-1 The Company adopts a candidate nomination system for electing the directors. Shareholders shall select candidates from a list of candidates. Among them, the number of independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors. Regarding independent directors' professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other compliance matters, they shall be handled in accordance with the regulations of the competent authority.

The election of directors shall be carried out in accordance with Article 198 of the Company Act. Independent directors and non-independent directors shall be elected together, and the number of elections shall be calculated separately. Those with more voting rights represented by the votes obtained shall be elected as independent directors and non-independent directors.

Article 16-2 The company has set up an audit committee in accordance with the Securities and Exchange Act. The audit committee should be composed of all independent directors. The audit committee or members of the audit committee, their exercise of powers and other matters to be complied with shall be handled in accordance with relevant laws and regulations or regulations of the company. Its organizational regulations shall be formulated by the board of directors separately.

Article 17 The Board of Directors exercises the powers granted by the Company Act and the shareholders meeting.

- Article 18 The Chairman of the Company, on behalf of the Company, decides important policies internally and supervises the implementation of the plan. If the Chairman is absent due to an event or is on business, his position is represented by the vice chairman. If the vice chairman is absent, the Chairman shall appoint a director to act as his representative. If the Chairman does not designate such a stand-in, the directors will choose a representative from among themselves.
- Article 19 Except as otherwise provided by the Company Act, they shall be convened by the Chairman of the Board. Resolutions shall be attended by more than half of the directors unless otherwise provided by the Company Act, and shall require the consent of more than half of the directors present; the presiding chair shall decide if this shall be the same number.
- The convening notice of the board of directors may be given in written notice, by electronic mail (E-mail) or by fax.
- Article 20 In respect to the remuneration and transportation expenses of directors of the Company, the Board of Directors is authorized to make decisions based on a director's degree of participation and contribution to the operations of the Company, and to negotiate with reference to industry standards.
- Article 21 When the Board of Directors meets, the directors shall attend in person. If other directors are entrusted to attend as a representative, a proxy statement shall be issued every time, and the authorization scope of the convening reasons shall be listed. Each director shall be limited to one person as representative. If the Board of Directors uses a video conference, the directors who participate in the conference with a video screen shall be deemed to be present in person.
- Article 22 (delete).

Chapter V Managers

- Article 23 The Company has a general manager, who is responsible for all the affairs of the Company in accordance with the resolutions of the Board of Directors and the supervision of the Chairman. The appointment, dismissal and remuneration of the general manager shall be handled in accordance with the provisions of the Company Act.
- Article 24 The authority and scope of the manager's management of the Company's affairs and signatures shall be separately prescribed by the Board of Directors.
- Article 25 The Company may appoint a top consultant upon the resolution of the Board of Directors.
- Article 26 The Company may purchase liability insurance for directors and important staff during their terms of office, who shall be liable for compensation in accordance with the law when performing their duties.

Chapter VI Accounting

- Article 27 The Company uses January 1st to December 31st as its fiscal year. At the end of each year, the Board of Directors shall prepare the following list and submit it to the General Meeting of Shareholders for acknowledgement:
- I. Business Report.
 - II. Financial Statements.
 - III. Proposals concerning profit distributions or covering of losses.
- Article 28 The Company shall allocate 3.5% of the current year's profit to employees and 1% of the special bonus, and the Company shall distribute directors' remuneration not exceeding 2% of the current year's profit. However, if the Company still has accumulated losses,

these shall first be made up. The current year's profit as mentioned in the preceding paragraph refers to the current year's pre-tax earnings before deducting the distribution of employee remuneration, special incentives and directors' remuneration. The distribution of employee remuneration, special incentives and directors' remuneration shall be made by the Board of Directors with more than two-thirds of the directors attending and a resolution approved by more than half of the directors present, and this shall be reported to the shareholders' meeting. Employee remuneration and special incentives can be paid in stock or cash and the recipients may include employees of affiliated companies who meet certain conditions.

Article 29 In the event that the Company, according to the final settlement, and if it earns profits in a fiscal year, such profits shall first be set aside to pay the applicable taxes and offset losses. Secondly, the profit shall be set aside at 10% for legal reserve, unless the legal reserve has reached the Company's total paid-up capital. And according to the laws or regulations of the competent authority to allocate or reverse the special reserve. If there is still a surplus, the balance plus the accumulated undistributed surplus in the previous years would be the distributable amount of shareholders' dividends. The allocation shall not be less than 1% of the distributable amount. The board of directors shall prepare a distribution proposal and submit it to the shareholders' meeting for resolution.

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

Article 30 The Company's capital structure and long-term financial planning shall be considered in response to the Company's long-term development. The Company's dividend policy shall be to reflect operational performance and is based on the principle of balanced dividend distribution. Among them, the distribution ratio of cash dividends shall not be less than 20% of the annual dividends, and all dividends may be distributed in cash.

Chapter VII Supplementary Provisions

Article 31 The Company's various rules and regulations will be stipulated separately.

Article 32 If there are any matters not stipulated in these Articles of Incorporation, they shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 33 This incorporation was established on February 22, 1957, the first revision was on October 1, 1957, the second revision was on September 20, 1958, and the third revision was on March 29, 1959, the fourth revision on July 3, 1959, the fifth revision on October 12, 1960, the sixth revision on August 8, 1961, the seventh revision on December 29, 1961, the eighth revision on May 15, 1965, the ninth revision on May 6, 1967, the tenth revision on April 15, 1968, the eleventh revision on March 30, 1970, the twelfth revision was on April 30, 1971, the thirteenth revision was on March 18, 1976, the fourteenth revision was on March 30, 1978, the fifteenth revision was on October 6, 1978, the sixteenth revision was on March 25, 1980, the seventeenth revision was on March 6, 1981, the eighteenth revision on March 31, 1982, the nineteenth revision was on June 9, 1983, the twentieth revision was on May 16, 1984, the twenty-first revision was on April 30, 1985, the twenty-second revision was on May 16, 1986, the twenty-third revision was on May 7, 1987, the

twenty-fourth revision was on April 21, 1988, the twenty-fifth revision was on March 31, 1989, the twenty-sixth revision was on April 7, 1990, the twenty-seventh revision was on April 17, 1991, the twenty-eighth revision was on April 11, 1992, the twenty-ninth revision was on April 16, 1993, the thirtieth revision was on April 21, 1994, the thirty-first revision was on May 9, 1995, the thirty-second revision was on April 23, 1996, the thirty-third revision was on April 28, 1997, the thirty-fourth revision was on April 23, 1998, and the thirty-fifth revision was on April 23, 1998, the thirty-sixth revision was on April 20, 1999, the thirty-seventh revision was on June 9, 2000, the thirty-eighth revision was on April 24, 2001, the thirty-ninth revision was on April 26, 2002, the fortieth revision was on April 23, 2003, the forty-first revision was on April 21, 2004, the forty-second revision was on May 20, 2005, the forty-third revision was on May 12, 2006, the forty-fourth revision was on May 15, 2007, the forty-fifth revision was on May 11, 2010, the forty-sixth revision was on May 28, 2012, the forty-seventh revision was on May 14, 2014, the forty-eighth revision was on May 24, 2016, the forty-ninth revision was on May 11, 2017, the fiftieth revision was on June 8, 2018, the fifty-first revision was on June 5, 2019, the fifty-second revision was on July 5, 2021, and the fifty-third revision was on May 20, 2022.

Sesoda Corporation

Schedule of director shareholding

Base date: March 20, 2023

Title	Name	Appointment date	Number of shares held at the time of appointment		Number of shares currently held			Note
			Type	Number of shares	% held as of that time	Type	Number of shares	% held as of that time
Chairman	Zhengbang Investment Co., Ltd. Representative: Chen Jung-Yuan	2021.07.05	Common stock	14,758,338	6.46%	Common stock	16,086,588	6.46%
Director	Zhengbang Investment Co., Ltd. Representative: Chen Li-Te	2021.07.05	Common stock	3,425,923	1.50%	Common stock	3,734,256	1.50%
Vice Chairman	Sincere Industrial Corporation Representative: Chen Cheng-Te	2021.07.05	Common stock	4,967,462	2.17%	Common stock	5,414,533	2.17%
Director	Sincere Industrial Corporation Representative: Chen Kai-Yuan	2021.07.05	Common stock	4,017,929	1.76%	Common stock	4,379,542	1.76%
Director	Sincere Industrial Corporation Representative: Chu Yuan-Hua	2021.07.05	Common stock	0	0.00%	Common stock	0	0.00%
Director	International Investment Holding Limited Company Representative : Chen Yi-de	2021.07.05	Common stock	0	0.00%	Common stock	0	0.00%
Director	Yalan Investment Consulting Co., Ltd. Representative: Wu Chung-Li	2021.07.05	Common stock	0	0.00%	Common stock	0	0.00%
Independent Director	Tsao Ming	2021.07.05	Common stock	0	0.00%	Common stock	0	0.00%
Independent Director	Wang Po-Hsin	2021.07.05	Common stock	0	0.00%	Common stock	0	0.00%
Independent Director	Chu Jih-Chuan	2021.07.05	Common stock	0	0.00%	Common stock	0	0.00%
Total			Common stock	27,169,652		Common stock	29,614,919	

Total issued shares on July 05, 2021:

228,441,881

Total issued shares on March 20, 2023:

249,001,651

Note: All directors of the Company shall legally hold the shares a

12,000,000 shares, by March 20, 2023, holds:

29,614,919

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

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