

SESODA CORPORATION AND SUBSIDIARIES**Consolidated Financial Statements****With Independent Auditors' Report****For the Years Ended December 31, 2025 and 2024 (Restated)**

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

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Representation Letter

The entities that are required to be included in the consolidated financial statements of SESODA CORPORATION as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, SESODA CORPORATION and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: SESODA CORPORATION

Chairman: R.Y. CHEN

Date: March 12, 2026.



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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, 2025 and 2024, 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 material 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, 2025 and 2024, 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 Financial Statement Audit and Attestation Engagements of 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 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 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. The accuracy of the timing of revenue recognition for sales of chemical products.

Refer refer to note 4(n) and note 6(q) to the consolidated financial statements for accounting policy and disclosures of revenue recognition.

Description of key audit matter:

The sales of chemical products from the Group are subject to the terms and conditions agreed upon in sales contracts with customers, wherein it will affect the timing of revenue recognition and transfer of control to the buyer to be in compliance with the accounting standards. If the revenue is recognized prior to the customer have obtained the goods, it will result in an inappropriate timing of revenue recognition in the period surrounding the reporting date. Hence, the accuracy of the timing of revenue recognition during these periods is one of our key audit matters.

How the matter was addressed in our audit:

- Understanding the types of revenue and transaction terms to assess the accuracy of the timing of revenue recognition.
- Conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions.
- Testing the design, operation and implantation of the effectiveness of internal control on revenue recognition.
- Selecting some samples of transaction records of sales during the period before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

Other Matter

SESODA CORPORATION has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2025 and 2024, 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 Huang, Ming-Hung and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)

March 12, 2026

Notes to Readers

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

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

Consolidated Balance Sheets (Restated)

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024				December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,661,212	13	2,113,651	15	2100	Short-term borrowings (notes 6(j) and 8)	\$ 1,199,751	10	1,592,241	12
1110	Current financial assets at fair value through profit or loss (note 6(c))	2,320	-	10,955	-	2322	Long-term borrowings, current portion (notes 6(j) and 8)	609,445	5	719,252	5
1136	Current financial assets at amortized cost (note 6(b))	39,602	-	117,665	1	2170	Accounts payable	560,543	4	290,410	2
1150	Notes receivable, net (note 6(e))	82,668	1	92,953	1	2200	Other payables (notes 6(r) and 7)	476,747	4	570,034	4
1170	Accounts receivable, net (note 6(e))	594,243	5	701,292	5	2230	Current tax liabilities	83,400	1	211,849	2
130X	Inventories (note 6(f))	759,616	6	503,225	4	2280	Lease liabilities-current (note 6(k))	4,153	-	6,086	-
1476	Other current financial assets	33,251	-	131,343	1	2399	Other current liabilities (note 6(j))	56,204	-	71,355	-
1470	Other current assets	177,795	2	241,623	2		Total current liabilities	2,990,243	24	3,461,227	25
	Total current assets	3,350,707	27	3,912,707	29		Non-current liabilities:				
	Non-current assets:					2540	Long-term borrowings (notes 6(j) and 8)	1,379,045	11	2,204,403	16
1510	Non-current financial assets at fair value through profit or loss (note 6(c))	50,763	-	23,944	-	2570	Deferred tax liabilities (note 6(n))	749,385	6	787,861	6
1517	Non-current financial assets at fair value through other comprehensive income (note 6(d))	263,779	2	91,872	1	2580	Lease liabilities-non-current (note 6(k))	3,677	-	4,445	-
1550	Investments accounted for using equity method, net (note 6(g))	101,084	1	111,547	1	2645	Guarantee deposits received	80	-	80	-
1600	Property, plant and equipment (notes 6(h), (k), 8 and 9)	8,706,972	70	9,466,136	69		Total non-current liabilities	2,132,187	17	2,996,789	22
1755	Right-of-use assets (note 6(i))	7,853	-	10,389	-		Total liabilities	5,122,430	41	6,458,016	47
1840	Deferred tax assets (note 6(n))	9,706	-	2,751	-		Equity (notes 6(g), (m), (n) and (o)) :				
1975	Net defined benefit asset (note 6(m))	-	-	67,028	-	3100	Capital stock	2,490,017	20	2,490,017	18
1995	Other non-current assets, others (note 9)	14,211	-	11,666	-	3200	Capital surplus	70,636	1	71,868	-
	Total non-current assets	9,154,368	73	9,785,333	71		Retained earnings :				
						3310	Legal reserve	1,271,511	10	1,172,557	9
						3320	Special reserve	131,650	1	131,650	1
						3350	Unappropriated retained earnings	3,375,959	27	3,155,136	23
								4,779,120	38	4,459,343	33
							Other equity interest :				
						3410	Exchange differences on translation of foreign financial statements	209,426	2	405,382	3
						3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(166,554)	(2)	(186,586)	(1)
								42,872	-	218,796	2
							Total equity	7,382,645	59	7,240,024	53
							Total liabilities and equity	\$ 12,505,075	100	13,698,040	100
	Total assets	\$ 12,505,075	100	13,698,040	100						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SESODA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2025 and 2024 (Restated)
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2025		2024 (Restated)	
	Amount	%	Amount	%
4110 Operating revenue (notes 6(l) and (q))	\$ 6,156,522	100	6,366,238	100
5111 Operating cost (notes 6(f), (h), (i), (m), 7 and 12)	<u>4,194,716</u>	<u>68</u>	<u>4,256,021</u>	<u>67</u>
Gross profit from operations	<u>1,961,806</u>	<u>32</u>	<u>2,110,217</u>	<u>33</u>
6000 Operating expenses (notes 6(e), (h), (i), (k), (m), (r), 7 and 12):				
6100 Selling expenses	444,021	7	483,138	7
6200 Administrative expenses	401,574	7	449,537	7
6450 Expected credit gain	<u>(4,920)</u>	<u>-</u>	<u>(6,978)</u>	<u>-</u>
Total operating expenses	<u>840,675</u>	<u>14</u>	<u>925,697</u>	<u>14</u>
6900 Net operating income	<u>1,121,131</u>	<u>18</u>	<u>1,184,520</u>	<u>19</u>
7000 Non-operating income and expenses (notes 6(g), (h), (k) and (s)):				
7100 Interest income	57,092	-	76,108	1
7010 Other income	874	-	366	-
7020 Other gains and losses	(25,985)	-	233,270	4
7050 Finance costs	(132,649)	(2)	(214,065)	(3)
7060 Share of loss of associates and joint ventures accounted for using equity method	<u>(8,640)</u>	<u>-</u>	<u>(40,859)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(109,308)</u>	<u>(2)</u>	<u>54,820</u>	<u>1</u>
7900 Income before tax	1,011,823	16	1,239,340	20
7950 Less: Income tax expenses (note 6(n))	<u>193,945</u>	<u>3</u>	<u>290,747</u>	<u>5</u>
Net income	<u>817,878</u>	<u>13</u>	<u>948,593</u>	<u>15</u>
8300 Other comprehensive income (notes 6(g), (m), (n) and (o)):				
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	-	-	18,305	-
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	20,071	-	4,301	-
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	(59)	-	476	-
8349 Minus : income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>3,661</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>20,012</u>	<u>-</u>	<u>19,421</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(195,956)	(3)	312,449	5
8399 Minus : 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>(195,956)</u>	<u>(3)</u>	<u>312,449</u>	<u>5</u>
8300 Other comprehensive income	<u>(175,944)</u>	<u>(3)</u>	<u>331,870</u>	<u>5</u>
Total comprehensive income	<u>\$ 641,934</u>	<u>10</u>	<u>1,280,463</u>	<u>20</u>
Basic earnings per share				
9750 Basic earnings per share (note 6(p)) (expressed in New Taiwan Dollars)	<u>\$ 3.28</u>		<u>3.81</u>	
9850 Diluted earnings per share (note 6(p)) (expressed in New Taiwan Dollars)	<u>\$ 3.25</u>		<u>3.78</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, 2025 and 2024 (Restated)****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Total other equity interest			
							Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings				
Balance at January 1, 2024	\$ 2,490,017	105,364	1,172,557	131,650	2,565,229	3,869,436	92,933	(191,191)	(98,258)	6,366,559
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	-	(373,502)	(373,502)	-	-	-	(373,502)
Net income	-	-	-	-	948,593	948,593	-	-	-	948,593
Other comprehensive income	-	-	-	-	14,816	14,816	312,449	4,605	317,054	331,870
Total comprehensive income	-	-	-	-	963,409	963,409	312,449	4,605	317,054	1,280,463
Disposal of investments accounted for using equity method	-	(31,771)	-	-	-	-	-	-	-	(31,771)
Change in capital surplus	-	(1,725)	-	-	-	-	-	-	-	(1,725)
Balance at December 31, 2024 (Restated)	2,490,017	71,868	1,172,557	131,650	3,155,136	4,459,343	405,382	(186,586)	218,796	7,240,024
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	98,954	-	(98,954)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(498,003)	(498,003)	-	-	-	(498,003)
Changes in equity of associates accounted for using equity method	-	-	-	-	(78)	(78)	-	-	-	(78)
Net income	-	-	-	-	817,878	817,878	-	-	-	817,878
Other comprehensive income	-	-	-	-	(29)	(29)	(195,956)	20,041	(175,915)	(175,944)
Total comprehensive income	-	-	-	-	817,849	817,849	(195,956)	20,041	(175,915)	641,934
Disposal of investments accounted for using equity method	-	(970)	-	-	9	9	-	(9)	(9)	(970)
Change in capital surplus	-	(262)	-	-	-	-	-	-	-	(262)
Balance at December 31, 2025	\$ 2,490,017	70,636	1,271,511	131,650	3,375,959	4,779,120	209,426	(166,554)	42,872	7,382,645

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, 2025 and 2024 (Restated)****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2025</u>	<u>2024 (Restated)</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,011,823	1,239,340
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	565,037	586,609
Expected credit gains	(4,920)	(6,978)
Net (gains) losses on financial assets at fair value through profit or loss	(2,198)	4,523
Financial cost	132,649	214,065
Interest income	(57,092)	(76,108)
Dividend income	(556)	(39)
Share of loss of associates accounted for using equity method	8,640	40,859
(Gains) losses on disposal of property, plant and equipment	(55,056)	2,108
Property, plant and equipment transferred to expenses	52,647	49,131
Gains on disposal of investments accounted for using equity method	(3,208)	(81,938)
Gains on lease modification	(42)	-
Impairment loss on non-financial assets	42,394	-
Total adjustments to reconcile profit (loss)	<u>678,295</u>	<u>732,232</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	10,285	10,218
Decrease (increase) in accounts receivable	107,049	(99,088)
Increase in inventories	(258,439)	(53,510)
Decrease in other current assets	100,739	59,025
Decrease in other current financial assets	63,535	161,916
Decrease (increase) in net defined benefit assets	67,028	(1,782)
Total changes in operating assets	<u>90,197</u>	<u>76,779</u>
Changes in operating liabilities:		
Increase (decrease) in accounts payable	270,133	(13,656)
(Decrease) increase in other payables	(86,678)	155,196
Decrease in other current liabilities	(15,211)	(127,931)
Total changes in operating liabilities	<u>168,244</u>	<u>13,609</u>
Total changes in operating assets and liabilities	<u>258,441</u>	<u>90,388</u>
Total adjustments	<u>936,736</u>	<u>822,620</u>
Cash inflow generated from operations	1,948,559	2,061,960
Interest received	59,365	75,634
Dividends received	556	39
Interest paid	(142,506)	(224,568)
Income taxes paid	(367,532)	(29,106)
Net cash flows from operating activities	<u>1,498,442</u>	<u>1,883,959</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(26,459)	(19,596)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,995	-
Acquisition from capital reduction of financial assets at fair value through other comprehensive income	(157,150)	-
Acquisition of financial assets at amortized cost	(70,553)	(117,665)
Proceeds from disposal of financial assets at amortised cost	185,230	-
Proceeds from disposal of investment accounted for using equity method	3,913	157,215
Acquisition of property, plant and equipment	(324,852)	(348,837)
Proceeds from disposal of property, plant and equipment	211,231	-
Increase in refundable deposits	(2,176)	(764)
Acquisition of right-of-use assets	(35)	(35)
Net cash used in investing activities	<u>(170,856)</u>	<u>(329,682)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	8,604,360	14,266,267
Decrease in short-term borrowings	(8,969,420)	(14,528,822)
Increase in short-term notes and bills payable	-	50,000
Decrease in short-term notes and bills payable	-	(250,000)
Proceeds from long-term borrowings	-	265,000
Repayments of long-term borrowings	(838,556)	(496,147)
Increase in guarantee deposits received	-	80
Payment of lease liabilities	(7,475)	(8,533)
Cash dividends paid	(498,003)	(373,502)
Other financing activities	(262)	(1,725)
Net cash used in financing activities	<u>(1,709,356)</u>	<u>(1,077,382)</u>
Effect on exchange rate changes on cash and cash equivalents	<u>(70,669)</u>	<u>36,162</u>
Net (decrease) increase in cash and cash equivalents	<u>(452,439)</u>	<u>513,057</u>
Cash and cash equivalents at beginning of period	<u>2,113,651</u>	<u>1,600,594</u>
Cash and cash equivalents at end of period	<u>\$ 1,661,212</u>	<u>2,113,651</u>

See accompanying notes to consolidated financial statements.

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

SESODA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024 (Restated)

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

(1) Company history:

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

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on March 12, 2026.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

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SESODA CORPORATION AND SUBSIDIARIES

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The net defined benefit assets are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(o).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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SESODA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non controlling interests, even if this results in the non controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2025	December 31, 2024	
The Company	Sesoda Steamship Corporation (SSC)	Ship operation and chartering	100.00 %	100.00 %	
The Company	East Tender Trading Co., Ltd.	General trade and investments	100.00 %	100.00 %	
The Company	Yukari Group Co., Ltd.	Wholesale of foods and groceries, sales of drinks and operation of restaurant	100.00 %	100.00 %	
The Company	E-Teq Venture Co., Ltd.	Electronics components manufacturing, data storage media manufacturing and duplicating, general investments	100.00 %	100.00 %	
The Company	Yun Sheng investment Co., Ltd.	General investments	100.00 %	100.00 %	
The Company and SSC	Sesoda Investments (BVI) Ltd. (SIL)	Holding company	100.00 %	100.00 %	
SSC	SS Marine Holding Corporation (SSMHC)	Holding company	100.00 %	100.00 %	
SSC	Southeast Shipping Corporation (SESC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	Southeast Marine Globe Corporation (SMGC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	Southeast Marine Transport Corporation (SMTCC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Harmony Corporation (SEHC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Bulker Corporation (SEBC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Apex Corporation (SEAC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Marine Corporation (SEMC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Carrier Corporation (SECC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Evermore Corporation (SEEC)	Ship operation and chartering	100.00 %	100.00 %	

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2025	December 31, 2024	
SSC	SE Fortune Corporation (SEFC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Royal Corporation (SERC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Delta Corporation (SEDC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Victory Corporation (SEVC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Glory Corporation (SEGC)	Ship operation and chartering	100.00 %	100.00 %	
SSC	SE Peace Corporation (SEPC)	Ship operation and chartering	100.00 %	100.00 %	
SSMHC	SE Jasmine Corporation (SEJC)	Holding company	100.00 %	100.00 %	
East Tender Trading Co., Ltd	Zai Feng Auto Transportation Co., Ltd.	Automobile cargo transportation business	100.00 %	100.00 %	

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income which is recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NTD at the exchange rates of the reporting date. The income and expenses of foreign operations are translated into NTD at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such monetary items that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises of cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Accounts receivable is initially recognized when it is originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An accounts receivable without a significant financing component is initially measured at the transaction price.

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SESODA CORPORATION AND SUBSIDIARIES
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(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) –equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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SESODA CORPORATION AND SUBSIDIARIES
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These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- Cash in bank, other receivable, other financial assets and refundable deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group holds time deposits for domestic financial institutions, it is considered to be low credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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SESODA CORPORATION AND SUBSIDIARIES
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The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

1) Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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SESODA CORPORATION AND SUBSIDIARIES
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(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Non-current assets held for sale

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

Once reclassified as held for sale, any investments accounted for using equity method is no longer accounted for using equity method.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

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SESODA CORPORATION AND SUBSIDIARIES
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When the Group's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. Moreover, a difference shall be debited to retained earnings when the balance of capital surplus resulting from investments accounted for using equity method is not sufficient to be written off. If the Group's ownership interest is reduced due to the additional subscription to the shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate or jointly controlled entity had directly disposed of the related assets or liabilities.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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SESODA CORPORATION AND SUBSIDIARIES
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The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	5~50 years
2) Machinery and equipment	5~30 years
3) Transportation equipment	3~5 years
4) Vessels	10~25 years
5) Leasehold improvement	2~7 years
6) Other equipment	2~20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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SESODA CORPORATION AND SUBSIDIARIES
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- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the assessment on whether it will have the option to exercise a purchase; or
- there is a change in the assessment on lease term as to whether it will be extended or terminated; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including office equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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SESODA CORPORATION AND SUBSIDIARIES
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If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rental income'.

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and net defined benefit assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below:

1) Sale of goods

The major business activities of the Group are the manufacturing and sales of pure soda ash, sodium bicarbonate, hydrochloric acid, ammonium bicarbonate power and potassium sulfate.

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The Group recognizes revenue when control of the products has been transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Rental revenue

The Group provides rental of vessels and recognizes revenue using straight-line method over the lease term.

(o) Government grants and government assistance

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as expense as the related services is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations, or are recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to common shareholders of the Company. Basic earnings per share are calculated as the profit attributable to common shareholders of the Company divided by the weighted average number of common shares outstanding. Diluted earnings per share are calculated as the profit attributable to common shareholders of the Company divided by the weighted average number of common shares outstanding after adjustment for the effects of all potentially dilutive common shares, such as employee compensation.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

As of December 31, 2025 and 2024, the Group holds 13.21% and 13.43%, respectively, of the outstanding voting shares of EAST TENDER OPTOELECTRONICS CORPORATION (EOC). Although the remaining shares are not concentrated within specific shareholders, the Group still failed to obtain more than half of the total number of directors' seats of EOC and it also failed to obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group only has significant influence but not control over EOC. Please refer to note 6(g) for more information.

The consolidated financial statements do not contain information indicating significant risks related to assumptions and estimates that would result in material adjustments in the following year, nor has economic uncertainty caused any significant impact.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Petty cash	\$ 19,323	21,148
Demand deposits	443,467	597,369
Time deposits	<u>1,198,422</u>	<u>1,495,134</u>
Cash and cash equivalents	<u><u>\$ 1,661,212</u></u>	<u><u>2,113,651</u></u>

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

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(b) Current financial assets at amortized cost

	December 31, 2025	December 31, 2024
Time deposits (over three months)	<u><u>\$ 39,602</u></u>	<u><u>117,665</u></u>

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

For the years ended December 31, 2025 and 2024, the Group held domestic time deposits, with weighted-average annual interest rates of 3.32% and 3.17%, respectively, which mature in March 2026 and March 2025, respectively.

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

	December 31, 2025	December 31, 2024
Foreign listed company's stocks	\$ 2,320	1,315
Open end funds	-	9,640
Private funds	<u>50,763</u>	<u>23,944</u>
Total	<u><u>\$ 53,083</u></u>	<u><u>34,899</u></u>
Current	\$ 2,320	10,955
Non-current	<u>50,763</u>	<u>23,944</u>
	<u><u>\$ 53,083</u></u>	<u><u>34,899</u></u>

For the years ended December 31, 2025 and 2024, the Group acquired the private fund of GOLDEN ASPEN TOTAL RETURN FUND I(GAP), at the amount of \$11,781 and \$9,759, respectively. For the year ended December 31, 2025, the Group also acquired the private fund of ACION JAPAN ENGAGEMENT OFFSHORE FUND (AJEO), at the amount of \$14,678. In 2025, the Group acquired Mega ESG Taiwan-U.S. Sustainable Double Profits Multi-Asset Fund USD Acc at the amount of \$9,995.

The aforementioned financial assets were not pledged.

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

	December 31, 2025	December 31, 2024
Domestic listed company's stocks	\$ 2,937	2,571
Foreign unlisted companies' stocks	<u>260,842</u>	<u>89,301</u>
Total	<u><u>\$ 263,779</u></u>	<u><u>91,872</u></u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- (ii) In 2025, the Group acquired stocks of Sea Kapital, at the amount of \$157,150.

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

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

- (e) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	\$ 82,668	92,953
Accounts receivable—measured at amortized cost	598,593	705,642
Less: Loss allowance	(4,350)	(4,350)
Sub-total	594,243	701,292
Total	\$ 676,911	794,245

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

	December 31, 2025	
	Gross carrying amount	Weighted-average expected credit loss rate
Current	\$ 660,793	0~0.04%
1 to 30 days past due	19,143	0.28 %
31 to 60 days past due	62	10.10 %
More than 90 days past due	1,263	100.00 %
	\$ 681,261	1,572

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

	2025	2024
Balance at January 1	\$ 4,350	24,291
Impairment losses reversed	-	(6,978)
Reclassification (Note)	-	(12,963)
Balance at December 31	<u>\$ 4,350</u>	<u>4,350</u>

(Note): The Group reclassified the receivables of \$12,963 from its customer, TA HSIANG CONTAINERS IND. CO., LTD., as other receivables and has fully recognized impairment losses in 2024. The Group recovered \$4,920 and recognized expected credit impairment gain in 2025.

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

(f) Inventories

	December 31, 2025	December 31, 2024
Merchandise	\$ 75,801	119,521
Finished goods	228,258	137,325
Raw materials	433,042	228,137
Fuel	3,890	3,456
Supplies	<u>18,625</u>	<u>14,786</u>
	<u>\$ 759,616</u>	<u>503,225</u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2025	2024
Unallocated overheads	\$ 7,358	6,147
Gains on valuation of inventories (Note)	(3,925)	(16,289)
Gains on inventories count	2,823	(3,756)
	\$ 6,256	(13,898)

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

The aforementioned inventories were not pledged.

(g) Investments accounted for using equity method

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

	December 31, 2025	December 31, 2024 (Restated)
Associates	\$ 101,084	111,547

(i) Associates

Associates which are material to the Group were as follows:

Name of Associates	Main business	Main operating location	Proportion of shareholding and voting rights	
			December 31, 2025	December 31, 2024
EOC (Note)	Manufacturing of DWDM filter components required for Optical communication	Yilan	13.21 %	13.43 %

	December 31, 2025	December 31, 2024
Fair value	\$ 215,368	182,723

(Note): A resolution was approved during the board meeting for the Group to dispose its entire shares in EAST TENDER OPTOELECTRONICS CORPOATION (EOC) by applying the accounting policy for non-current assets held for sale in the first quarter of 2024. However, the disposal of the shares had been postponed for more than one year, in which the Group still hold one of its director's seats, resulting in the Group to be able to retain a significant influence over EOC, leading to its non-current assets to be reclassified from held-for-sale to investments accounted for using equity method, which was retrospectively applied from the date the investment in the first quarter of 2025. In addition, EOC conducted a cash capital increase in the fourth quarter of 2024, in which the Group did not participate, resulting in the Group's shareholding ratio in EOC to decrease to 13.43%.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The financial information of EOC were as follows:

	December 31, 2025	December 31, 2024
Current assets	\$ 522,944	521,371
Non-current assets	671,007	535,431
Current liabilities	(164,461)	(118,545)
Non-current liabilities	(121,560)	(101,848)
Net assets	<u><u>\$ 907,930</u></u>	<u><u>836,409</u></u>
Net assets attributable to the NCI	<u><u>\$ 142,721</u></u>	<u><u>5,826</u></u>
Net assets attributable to owners of the investee	<u><u>\$ 765,209</u></u>	<u><u>830,583</u></u>
Net assets attributable to the Group	<u><u>\$ 101,084</u></u>	<u><u>111,547</u></u>
	2025	2024
Operating revenue	<u><u>\$ 173,202</u></u>	<u><u>135,800</u></u>
Loss from continuing operations	\$ (67,881)	(144,669)
Other comprehensive income	(1,058)	5,610
Total comprehensive loss	<u><u>\$ (68,939)</u></u>	<u><u>(139,059)</u></u>
Comprehensive loss attributable to the NCI	<u><u>\$ (6,570)</u></u>	<u><u>(1,413)</u></u>
Comprehensive loss attributable to the owner of the investee	<u><u>\$ (62,369)</u></u>	<u><u>(137,646)</u></u>
Comprehensive loss attributable to the Group	<u><u>\$ (8,711)</u></u>	<u><u>(40,383)</u></u>
	2025	2024
	(Restated)	(Restated)
Share of net assets of associates as of January 1	\$ 111,547	258,978
Comprehensive loss attributable to the Group	(8,711)	(40,383)
Impairment loss	-	12,698
Disposal of associates	(1,674)	(119,746)
Other	(78)	-
Share of net assets of associates as of December 31	<u><u>\$ 101,084</u></u>	<u><u>111,547</u></u>

In 2025 and 2024, the company disposed certain portion of its Shares in EOC at the amount of \$3,913 and \$157,215 in cash, resulting in gains on disposal of \$3,208 and \$81,938.

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

(Continued)

SESODA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(h) Property, plant and equipment

The cost, depreciation and impairment of the property, plant and equipment of the Group for the years ended December 31, 2025 and 2024 were as follows:

		Land	Buildings	Machinery and equipment	Transportation equipment	Vessels	Leasehold improvements	Other equipment	Construction in progress	Total
Cost:										
Balance on January 1, 2025	\$	1,204,924	986,670	1,880,657	50,154	11,933,855	19,778	320,946	169,710	16,566,694
Additions		-	1,411	1,849	7,509	89,000	-	95,143	132,819	327,731
Disposals		-	-	(7,951)	-	(558,976)	(6,493)	(7,873)	-	(581,293)
Reclassification (Note)		-	52,483	88,056	-	-	941	(61,967)	(130,129)	(50,616)
Effect on changes in foreign exchange rates		-	-	-	-	(498,737)	-	(1,146)	-	(499,883)
Balance on December 31, 2025	\$	<u>1,204,924</u>	<u>1,040,564</u>	<u>1,962,611</u>	<u>57,663</u>	<u>10,965,142</u>	<u>14,226</u>	<u>345,103</u>	<u>172,400</u>	<u>15,762,633</u>
Balance on January 1, 2024	\$	1,204,924	808,180	1,768,425	50,154	11,153,213	19,778	291,619	252,226	15,548,519
Additions		-	821	5,306	-	59,917	-	79,757	198,888	344,689
Disposals		-	-	(230)	-	(35,203)	-	(107)	-	(35,540)
Reclassification		-	177,669	107,156	-	-	-	(52,156)	(281,404)	(48,735)
Effect on changes in foreign exchange rates		-	-	-	-	755,928	-	1,833	-	757,761
Balance on December 31, 2024	\$	<u>1,204,924</u>	<u>986,670</u>	<u>1,880,657</u>	<u>50,154</u>	<u>11,933,855</u>	<u>19,778</u>	<u>320,946</u>	<u>169,710</u>	<u>16,566,694</u>
Depreciation and impairments loss:										
Balance on January 1, 2025	\$	-	532,877	1,357,842	38,442	5,014,544	17,365	139,488	-	7,100,558
Depreciation		-	23,167	86,688	4,302	427,232	721	15,540	-	557,650
Disposals		-	-	(7,951)	-	(417,205)	(4,773)	(6,163)	-	(436,092)
Impairment loss		-	-	35,579	-	-	-	-	6,815	42,394
Effect on changes in foreign exchange rates		-	-	-	-	(207,903)	-	(946)	-	(208,849)
Balance on December 31, 2025	\$	<u>-</u>	<u>556,044</u>	<u>1,472,158</u>	<u>42,744</u>	<u>4,816,668</u>	<u>13,313</u>	<u>147,919</u>	<u>6,815</u>	<u>7,055,661</u>
Balance on January 1, 2024	\$	-	516,212	1,275,153	33,403	4,289,756	16,225	124,298	-	6,255,047
Depreciation		-	16,665	82,919	5,039	458,480	1,140	13,918	-	578,161
Disposals		-	-	(230)	-	(33,112)	-	(90)	-	(33,432)
Effect on changes in foreign exchange rates		-	-	-	-	299,420	-	1,362	-	300,782
Balance on December 31, 2024	\$	<u>-</u>	<u>532,877</u>	<u>1,357,842</u>	<u>38,442</u>	<u>5,014,544</u>	<u>17,365</u>	<u>139,488</u>	<u>-</u>	<u>7,100,558</u>
Carrying amounts:										
Balance on December 31, 2025	\$	<u>1,204,924</u>	<u>484,520</u>	<u>490,453</u>	<u>14,919</u>	<u>6,148,474</u>	<u>913</u>	<u>197,184</u>	<u>165,585</u>	<u>8,706,972</u>
Balance on January 1, 2024	\$	<u>1,204,924</u>	<u>291,968</u>	<u>493,272</u>	<u>16,751</u>	<u>6,863,457</u>	<u>3,553</u>	<u>167,321</u>	<u>252,226</u>	<u>9,293,472</u>
Balance on December 31, 2024	\$	<u>1,204,924</u>	<u>453,793</u>	<u>522,815</u>	<u>11,712</u>	<u>6,919,311</u>	<u>2,413</u>	<u>181,458</u>	<u>169,710</u>	<u>9,466,136</u>

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

(i) Pledge information

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

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SESODA CORPORATION AND SUBSIDIARIES
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(ii) Capitalization of interest

	2025	2024
Capitalized amount	\$ <u>2,466</u>	<u>4,965</u>
Interest rates	<u>2.04%~2.16%</u>	<u>1.80%~2.04%</u>

(iii) For the year ended December 31, 2025, the Group disposed of the bulk carrier M.V. Achilles Bulker to a non-related party, NAB SHIPPING LTD., for a consideration of \$211,063 and resulting in a gain on disposal of \$66,696.

(iv) In 2025, in response to market changes and adjustments to equipment allocation, the Company assessed that certain machinery and equipment, and construction in progress has become idle. Thus an impairment loss of \$42,394 was recognized in Other Gains and Losses in the statement of comprehensive income. Please refer to Note 6(s).

(i) Right-of-use assets

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

	Buildings	Transportation equipment	Total
Cost:			
Balance at January 1, 2025	\$ 18,760	13,952	32,712
Additions	2,501	6,093	8,594
Disposals	(8,339)	(9,076)	(17,415)
Balance at December 31, 2025	\$ <u>12,922</u>	<u>10,969</u>	<u>23,891</u>
Balance at January 1, 2024	\$ 18,601	12,646	31,247
Additions	5,460	5,359	10,819
Disposals	(5,301)	(4,053)	(9,354)
Balance at December 31, 2024	\$ <u>18,760</u>	<u>13,952</u>	<u>32,712</u>
Accumulated depreciation:			
Balance at January 1, 2025	\$ 12,308	10,015	22,323
Depreciation	3,583	3,804	7,387
Disposals	(4,596)	(9,076)	(13,672)
Balance at December 31, 2025	\$ <u>11,295</u>	<u>4,743</u>	<u>16,038</u>
Balance at January 1, 2024	\$ 13,622	9,607	23,229
Depreciation	3,987	4,461	8,448
Disposals	(5,301)	(4,053)	(9,354)
Balance at December 31, 2024	\$ <u>12,308</u>	<u>10,015</u>	<u>22,323</u>
Carrying amounts:			
Balance at December 31, 2025	\$ <u>1,627</u>	<u>6,226</u>	<u>7,853</u>
Balance at January 1, 2024	\$ <u>4,979</u>	<u>3,039</u>	<u>8,018</u>
Balance at December 31, 2024	\$ <u>6,452</u>	<u>3,937</u>	<u>10,389</u>

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

(j) Short-term and long-term borrowings

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

December 31, 2025				
	Currency	Interest rate	Maturity date	Amount
Secured bank loans	NTD	2.00%	2026/02/11	\$ 250,000
Unsecured bank loans	NTD	1.67%~2.20%	2026/01/09~2026/06/24	949,751
				<u>\$ 1,199,751</u>
Unused credit lines (including short-term and long-term borrowings)				<u>\$ 1,831,600</u>

December 31, 2024				
	Currency	Interest rate	Maturity date	Amount
Secured bank loans	NTD	0.50%~2.00%	2025/1/3~2025/6/18	\$ 284,997
Unsecured bank loans	NTD	1.77%~2.27%	2025/1/24~2025/8/26	749,814
Unsecured bank loans	USD	5.17%	2025/1/17~2025/1/20	557,430
				<u>\$ 1,592,241</u>
Unused credit lines (including short-term and long-term borrowings)				<u>\$ 2,376,070</u>

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

December 31, 2025				
	Currency	Interest rate	Maturity year	Amount
Secured bank loans	USD	4.67%~5.23%	2026~2029	\$ 1,200,886
Secured bank loans	NTD	2.22%~2.26%	2026~2028	787,604
Less: current portion				609,445
Total				<u>\$ 1,379,045</u>

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

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Government low-interest loan:

For the years ended December 31, 2025 and 2024, the Group obtained a one-year low-interest loan of \$100,000 and \$135,000 from the government subsidy. The loan was recognized and measured based on the market interest rate. The difference between the loan and the actual repayment preferential interest rate was recognized as deferred income of \$249 and \$189 based on the government subsidy and recorded under other current liabilities.

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

(k) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	\$ <u>4,153</u>	<u>6,086</u>
Non-current	\$ <u>3,677</u>	<u>4,445</u>

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

The amounts recognized in profit or loss were as follows:

	2025	2024
Interest expenses on lease liabilities	\$ <u>181</u>	<u>195</u>
Expenses relating to leases of low-value assets	\$ <u>4,577</u>	<u>3,673</u>

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

	2025	2024
Total cash outflow for leases	\$ <u>12,233</u>	<u>12,401</u>

(l) Owned Assets – Lessor

The subsidiary engaged in vessel leasing operations leases its vessels on an hourly basis. For the years ended December 31, 2025 and 2024, the carrying amounts of the vessel equipment were \$6,148,474 and \$6,919,311, respectively, and were presented under property, plant and equipment. The vessels in the fleet are leased under long-term (several years) and short-term (several months) contracts to diversify risk. All vessels were fully leased out at December 31, 2025.

In 2025 and 2024, the rental income from the aforementioned vessel leases were \$1,735,245 and \$1,944,062, respectively, and was recognized under operating revenue.

An analysis of the maturity of lease payments, presented at the undiscounted amounts of lease payments to be received subsequent to the reporting date, is shown in the following table.

	December 31, 2025	December 31, 2024
Less than one year	\$ <u>579,561</u>	<u>905,863</u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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(m) Employee benefits

(i) Defined benefit plans

In 2025, the Company fully settled the seniority of employees under the Labor Standards Act (old pension system) and applied to the Taipei City Department of Labor for the settlement of old-system pension benefits. In November 2025, the application was approved, and the remaining balance in the old pension fund account was settled in December 2025.

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2024
Present value of the defined benefit obligations	\$ 78,726
Fair value of plan assets	(145,754)
Net defined benefit assets	<u><u>\$ (67,028)</u></u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligation

Movements in the present value of the defined benefit obligations were as follows:

	2024
Defined benefit obligations at January 1	\$ 104,749
Current service costs and interest cost	1,344
Remeasurements of the net defined benefit asset:	
— Actuarial gains or losses arising from financial assumption	(4,724)
Benefits paid	<u>(22,643)</u>
Defined benefit obligations at December 31	<u><u>\$ 78,726</u></u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Movements in fair value of the defined benefit plan assets

Movements in the fair value of the plan assets were as follows:

	<u>2024</u>
Fair value of plan assets at January 1	\$ 151,690
Interest revenue	2,016
Remeasurements of the net defined benefit asset:	
— Actuarial gains or losses arising from financial assumption	13,581
Amounts contributed to plan	1,110
Benefits paid	<u>(22,643)</u>
Fair value of plan assets at December 31	<u>\$ 145,754</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or losses were as follows:

	<u>2025</u>	<u>2024</u>
Net interest expense of net defined benefit assets	<u>\$ (225)</u>	<u>(672)</u>
	<u>2025</u>	<u>2024</u>
Operating cost	\$ (107)	(588)
Operating expenses	<u>(118)</u>	<u>(84)</u>
	<u>\$ (225)</u>	<u>(672)</u>

5) The remeasurements of net defined benefit liabilities (assets) recognized in other comprehensive income

The remeasurements of net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	<u>2024</u>
Balance at January 1	\$ 1,779
Recognized in the current period	<u>18,305</u>
Balance at December 31	<u>\$ 20,084</u>

6) Actuarial assumptions

The principal actuarial assumptions at reporting date were as follows:

	<u>2024.12.31</u>
Discount rate	1.750 %
Future salary increasing rate	3.000 %

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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7) Sensitivity analysis

As of December 31, 2024, changes in main actuarial assumptions might have an impact on the present value of the defined benefit obligation as follows:

	Influences on defined benefit obligations	
	Increased	Decreased
December 31, 2024		
Discount rate decrease (increase) 0.25%	874	(857)
Future salary increasing rate increase (decrease) 0.25%	830	(818)

There is no change in other assumptions when performing the above mentioned sensitivity analysis. In practice, assumptions may be interactive with each other. The method used on sensitivity analysis is consistent with the calculation on the net pension liabilities.

(ii) Defined contribution plans

The Group set aside 6% of the contribution rate of the employee's monthly wages to the Labor Pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Group set aside a fixed amount to the Bureau of Labor Insurance without the payment of additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted for the years ended December 31, 2025 and 2024 were as follow:

	2025	2024
Operating cost	\$ 4,292	3,714
Operating expense	2,283	2,457
Total	<u>\$ 6,575</u>	<u>6,171</u>

(iii) Others

For 2025 and 2024, the amount the Group paid and recognized as preferential separation pay were as follow:

	2024	2023
Operating cost	\$ 700	518
Operating expense	5,927	117
Total	<u>\$ 6,627</u>	<u>635</u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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(n) Income taxes

(i) Income tax expense

The components of income tax expense for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 241,563	248,132
Adjustment for prior periods	<u>(2,187)</u>	<u>(2,472)</u>
	<u><u>\$ 239,376</u></u>	<u><u>245,660</u></u>
Deferred tax expense		
Occurrence and reversed of Temporary Differences	\$ (45,431)	45,087
Tax Expense of continuing operations	<u><u>\$ 193,945</u></u>	<u><u>290,747</u></u>

The amounts of income tax recognized in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	<u><u>\$ -</u></u>	<u><u>3,661</u></u>

Reconciliations of income tax expenses and profit before tax for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Profit before tax	<u><u>\$ 1,011,823</u></u>	<u><u>1,239,340</u></u>
Income tax using the Company's domestic tax rate	\$ 202,365	247,868
The income tax effects on permanent difference	(3,749)	4,877
Change in unrecognized temporary differences	(25,160)	38,415
Current-year losses for which no deferred tax asset was recognized	2,482	2,059
Undistributed earnings penalty	19,630	-
Adjustment for prior periods	(2,187)	(2,472)
Others	<u>564</u>	<u>-</u>
	<u><u>\$ 193,945</u></u>	<u><u>290,747</u></u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2025 and 2024. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2025	December 31, 2024
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 465,680	485,830

2) Recognized deferred tax assets and liabilities

Deferred Tax Assets:

	Refund liability	Unrealized exchange loss	Loss on valuation of inventories	Impairment loss on PP&E	Expected credit loss	Total
Balance at January 1, 2025	\$ -	-	846	-	1,905	2,751
Recognized in profit or loss	104	-	(781)	8,411	(779)	6,955
Balance at December 31, 2025	\$ 104	-	65	8,411	1,126	9,706
Balance at January 1, 2024	\$ 84	1,276	4,114	-	2,566	8,040
Recognized in profit or loss	(84)	(1,276)	(3,268)	-	(661)	(5,289)
Balance at December 31, 2024	\$ -	-	846	-	1,905	2,751

Deferred Tax Liability:

	Land value increment tax	Investment income under equity method	Unrealized exchange gain	Defined benefit plans	Total
Balance at January 1, 2025	\$ 166,884	606,617	954	13,406	787,861
Recognized in profit or loss	-	(25,160)	90	(13,406)	(38,476)
Balance at December 31, 2025	\$ 166,884	581,457	1,044	-	749,385
Balance at January 1, 2024	\$ 166,884	568,137	-	9,381	744,402
Recognized in profit or loss	-	38,480	954	364	39,798
Recognized in other comprehensive income	-	-	-	3,661	3,661
Balance at December 31, 2024	\$ 166,884	606,617	954	13,406	787,861

(iii) Assessment

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

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the total value of authorized ordinary shares was \$3,000,000, with a par value of NTD10 per share. The Company has issued 249,002 thousand ordinary shares, all of which have been paid up.

(ii) Capital surplus

The detail of capital surplus were as follows:

	December 31, 2025	December 31, 2024 (Restated)
The subsidiaries acquired cash dividend from the Company\$	4,079	4,079
Gain on the subsidiaries sale of the Company's stock	2,379	2,379
Increase through changes in ownership interests in associates	58,411	59,381
Donation from shareholders	5,767	6,029
Total	\$ 70,636	71,868

In accordance with Company Act, realized capital reserves can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the actual amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

(iii) Retained earnings

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

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

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

The Company applied for exemptions granted under IFRS 1 First-time Adoption of International Financial Reporting Standards endorsed by the FSC. Upon the Company's initial adoption of the above standards, its unrealized revaluation increments and cumulative translation adjustments under shareholders' equity had been reclassified to retained earnings at the adoption date. In accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012, an increase in retained earnings, due to the first-time adoption of the IFRSs endorsed by the FSC, shall be reclassified as a special reserve during earnings distribution. However, when the adjusted retained earnings, due to the first-time adoption of the IFRSs endorsed by the FSC, are insufficient for the appropriation of special reserve at the transition date, the Company may appropriate a special reserve equals the amount of increase in retained earnings. Upon the use, disposal, or reclassification of its related assets, the Company may reverse the special reserve proportionately. As of December 31, 2025 and 2024, the special reserve were both \$131,650.

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

	2024		2023	
	Amount per share (NTD)	Total amount	Amount per share (NTD)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 2.00	\$ <u><u>498,003</u></u>	1.50	<u><u>373,502</u></u>

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On March 12, 2026, the Company's Board of Directors' meeting resolved to appropriate the 2025 earnings. The earnings were appropriated as follows:

	2025	
	Amount per share (NTD)	Total amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 1.60	<u><u>398,403</u></u>

(iv) Other equity interests, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2025 (Restated)	\$ 405,382	(186,586)	218,796
Exchange differences on foreign operations	(195,956)	-	(195,956)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	20,071	20,071
Unrealized gains (losses) from financial assets on accounted for using equity method	-	(30)	(30)
Disposal of non-current assets held for sale	-	(9)	(9)
Balance as of December 31, 2025	<u><u>\$ 209,426</u></u>	<u><u>(166,554)</u></u>	<u><u>42,872</u></u>

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2024	\$ 92,933	(191,191)	(98,258)
Exchange differences on foreign operations	312,449	-	312,449
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	4,301	4,301
Unrealized gains (losses) from financial assets on accounted for using equity method	-	304	304
Balance as of December 31, 2024 (Restated)	<u><u>\$ 405,382</u></u>	<u><u>(186,586)</u></u>	<u><u>218,796</u></u>

(p) Earnings per share

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

(i) Basic earnings per share

	2025	2024 (Restated)
Profit belonging to common shareholders	<u><u>\$ 817,878</u></u>	<u><u>948,593</u></u>
Weighted average number of outstanding shares of common stock (in thousand shares)	<u><u>249,002</u></u>	<u><u>249,002</u></u>
Basic earnings per share (in NTD)	<u><u>\$ 3.28</u></u>	<u><u>3.81</u></u>

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SESODA CORPORATION AND SUBSIDIARIES
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(ii) Diluted earnings per share

	2025	2024 (Restated)
Profit (diluted) belonging to common shareholders	<u>\$ 817,878</u>	<u>948,593</u>
Weighted average number of outstanding shares of common stock (in thousand shares)	249,002	249,002
Effect on potentially dilutive common stock-employee remuneration (in thousand shares)	<u>2,461</u>	<u>2,239</u>
Weighted average number of common stock (diluted) (in thousand shares)	<u>251,463</u>	<u>251,241</u>
Diluted earnings per share (in NTD)	<u>\$ 3.25</u>	<u>3.78</u>

(q) Revenue from contracts with customers

		2025				
		Chemical products	Chartering	Catering	Freight	Total
Primary geographical markets:						
Taiwan	\$	1,775,472	-	22,183	5	1,797,660
Singapore		-	670,259	-	-	670,259
Hong Kong		-	558,199	-	-	558,199
India		465,157	-	-	-	465,157
Pakistan		438,587	-	-	-	438,587
Denmark		-	407,981	-	-	407,981
Japan		342,411	-	-	-	342,411
Australia		286,300	-	-	-	286,300
China		214,567	2,836	-	-	217,403
Other countries		876,595	95,970	-	-	972,565
	\$	<u>4,399,089</u>	<u>1,735,245</u>	<u>22,183</u>	<u>5</u>	<u>6,156,522</u>
		2024				
		Chemical products	Chartering	Catering	Freight	Total
Primary geographical markets:						
Taiwan	\$	1,731,123	-	32,335	297	1,763,755
Singapore		7	832,863	-	-	832,870
Denmark		-	667,043	-	-	667,043
Pakistan		488,730	-	-	-	488,730
Japan		466,774	-	-	-	466,774
India		319,037	-	-	-	319,037
Australia		247,292	-	-	-	247,292
Peru		242,483	-	-	-	242,483
Other countries		894,098	444,156	-	-	1,338,254
	\$	<u>4,389,544</u>	<u>1,944,062</u>	<u>32,335</u>	<u>297</u>	<u>6,366,238</u>

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SESODA CORPORATION AND SUBSIDIARIES
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(r) Remuneration to employees and directors

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

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

	<u>2025</u>	<u>2024</u>
Employee remuneration	\$ 53,049	66,361
Special bonus	13,262	16,590
Directors renunciation	<u>27,630</u>	<u>34,563</u>
Total	<u>\$ 93,941</u>	<u>117,514</u>

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

There was no difference between the estimated amounts and the actual amounts reflected in the consolidated financial statements. Related information would be available at the Market Observation Post System website

(s) Non-operating income and expenses

(i) Interest revenue

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ <u>57,092</u>	<u>76,108</u>

(ii) Other revenue

	<u>2025</u>	<u>2024</u>
Rental income	\$ 318	327
Dividend income	<u>556</u>	<u>39</u>
Total	<u>\$ 874</u>	<u>366</u>

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	2025	2024 (Restated)
Foreign exchange (losses) gains	\$ (69,207)	94,347
Losses on financial assets at fair value through profit or loss	(42,394)	-
Gains (losses) on disposals of investments accounted for using equity method	2,198	(4,523)
Gains on disposals of property, plant and equipment	3,208	81,938
Insurance claims deductible	55,056	(2,108)
Compensation income	272	(1,741)
Subsidy to crew bonus	4,100	16,088
Subsidy to communication fee	20,060	20,475
Price difference from fuel	7,723	8,552
Others	(19,843)	4,868
	<u>12,842</u>	<u>15,374</u>
Total	<u><u>\$ (25,985)</u></u>	<u><u>233,270</u></u>

(iv) Finance costs

	2025	2024
Interest expenses – bank loan	\$ (132,468)	(213,870)
Interest expenses – lease liabilities	(181)	(195)
Total	<u><u>\$ (132,649)</u></u>	<u><u>(214,065)</u></u>

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

For the years ended December 31, 2025 and 2024, there were 25% and 36% of the Group's account receivable balance were both composed of 3 customers. In order to reduce the credit risk of accounts receivable, the Group continuously evaluated the financial position of customers, regularly assessed the possibility of collection of accounts receivables and recognized allowance losses. The impairment loss was within the manager's expectation.

3) Receivables securities

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

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g).

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 year</u>	<u>2-5 year</u>	<u>Over 5 years</u>
December 31, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,199,751	1,206,320	1,206,320	-	-	-
Long-term borrowings (including current portion)	1,988,490	2,144,030	697,241	677,162	769,627	-
Accounts payable	560,543	560,543	560,543	-	-	-
Other payables	476,747	476,747	476,747	-	-	-
Lease liabilities	7,830	8,019	4,276	2,420	1,323	-
Guarantee deposits received	80	80	-	80	-	-
	<u><u>\$ 4,233,441</u></u>	<u><u>4,395,739</u></u>	<u><u>2,945,127</u></u>	<u><u>679,662</u></u>	<u><u>770,950</u></u>	<u><u>-</u></u>
December 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 1,592,241	1,600,841	1,600,841	-	-	-
Long-term borrowings (including current portion)	2,923,655	3,227,707	849,538	754,619	1,623,550	-
Accounts payable	290,410	290,410	290,410	-	-	-
Other payables	570,034	570,034	570,034	-	-	-
Lease liabilities	10,531	10,782	6,219	2,088	2,475	-
Guarantee deposits received	80	80	-	80	-	-
	<u><u>\$ 5,386,951</u></u>	<u><u>5,699,854</u></u>	<u><u>3,317,042</u></u>	<u><u>756,787</u></u>	<u><u>1,626,025</u></u>	<u><u>-</u></u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>December 31, 2025</u>			<u>December 31, 2024</u>		
	<u>Foreign currency (thousand dollars)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (thousand dollars)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 39,887	31.43	1,253,648	60,671	32.79	1,989,402
<u>Non-monetary items</u>						
CNY	56,646	4.50	254,907	56,646	4.48	253,774
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	13,640	31.43	428,705	4,175	32.79	136,898

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SESODA CORPORATION AND SUBSIDIARIES
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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, short-term borrowings and accounts payable that are denominated in foreign currency. A depreciation (appreciation) 1 % of NTD against the USD for the years ended December 31, 2025 and 2024 would have increased (decreased) the net profit before tax by \$8,249 and \$18,525, respectively. The analysis assumes that all other variables remain constant.

Since the Group has many kinds of functional currencies, the information on foreign exchange gains or losses on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, foreign exchange (losses) gains (including realized and unrealized portions) amounted to \$(69,207) and \$94,347, respectively.

(iv) Interest rate risk

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

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

If the interest rate increases (decreases) by 1%, the Group's net profit before tax would have decreased (increased) by \$31,882 and \$45,159 for the years ended December 31, 2025 and 2024, respectively, all other variable factors that remain constant. This is mainly due to the Group's borrowing in floating rates.

(v) Other market price risk

For the years ended December 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	2025		2024	
	Other comprehensive income before tax	Income before tax	Other comprehensive income before tax	Income before tax
Increasing 1%	\$ 2,638	531	919	349
Decreasing 1%	\$ (2,638)	(531)	(919)	(349)

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Fair value of financial instruments

1) Categories and fair value of financial instruments

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

December 31, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Foreign listed company's stocks	\$ 2,320	2,320	-	-	2,320
Private funds	50,763	-	-	50,763	50,763
Subtotal	53,083	2,320	-	50,763	53,083
Financial assets at fair value through other comprehensive income					
Domestic listed company's stocks	2,937	2,937	-	-	2,937
Foreign unlisted companies' stocks	260,842	-	-	260,842	260,842
Subtotal	263,779	2,937	-	260,842	263,779
Total	\$ 316,862	5,257	-	311,605	316,862
December 31, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Foreign listed company's stocks	\$ 1,315	1,315	-	-	1,315
Open end funds	9,640	9,640	-	-	9,640
Private funds	23,944	-	-	23,944	23,944
Subtotal	34,899	10,955	-	23,944	34,899
Financial assets at fair value through other comprehensive income					
Domestic listed company's stocks	2,571	2,571	-	-	2,571
Foreign unlisted companies' stocks	89,301	-	-	89,301	89,301
Subtotal	91,872	2,571	-	89,301	91,872
Total	\$ 126,771	13,526	-	113,245	126,771

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instruments

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

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

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

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

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

3) Reconciliation of Level 3 fair values

	<u>At fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Private funds</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Balance as of January 1, 2025	\$ 23,944	89,301	113,245
Total gains and losses recognized:			
In profit or loss	360	-	360
In other comprehensive income	-	14,391	14,391
Purchase	26,459	157,150	183,609
Balance as of December 31, 2025	<u>\$ 50,763</u>	<u>260,842</u>	<u>311,605</u>
Balance as of January 1, 2024	\$ 16,744	77,217	93,961
Total gains and losses recognized:			
In profit or loss	(2,559)	-	(2,559)
In other comprehensive income	-	12,084	12,084
Purchase	9,759	-	9,759
Balance as of December 31, 2024	<u>\$ 23,944</u>	<u>89,301</u>	<u>113,245</u>

(Continued)

SESODA CORPORATION AND SUBSIDIARIES
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- 4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

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

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

Quantified information of significant unobservable inputs were as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss-private funds	Comparable listed companies approach	·PB ratio (as of December 31, 2025 and December 31, 2024 were 0.71~2.05 and 0.35~2.56, respectively) ·Market liquidity discount rate (as of December 31, 2025 and December 31, 2024 were all 25%)	·The higher the PB ratio, the higher the fair value · The higher the market liquidity discount rate, the lower the fair value
	Net asset value method	·Net asset value	· The higher the net asset value, the higher the fair value
Financial assets at fair value through other comprehensive income - equity investments	Comparable listed companies approach	·PB ratio (as of December 31, 2025 and December 31, 2024 were 0.8~2.08 and 0.6~1.3, respectively) ·Market liquidity discount rate (as of December 31, 2025 and December 31, 2024 were all 40%)	·The higher the PB ratio, the higher the fair value · The higher the market liquidity discount rate, the lower the fair value

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

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

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SESODA CORPORATION AND SUBSIDIARIES
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			Effects of changes in fair value on profit and loss		Effects of changes in fair value on other comprehensive income	
	Inputs	Increase or decrease	Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2025						
Financial assets at fair value through profit or loss	PB ratio	10%	\$ 5,076	(5,076)	-	-
Financial assets at fair value through other comprehensive income	PB ratio	10%	\$ -	-	26,084	(26,084)
December 31, 2024						
Financial assets at fair value through profit or loss	PB ratio	10%	\$ 2,394	(2,394)	-	-
Financial assets at fair value through other comprehensive income	PB ratio	10%	\$ -	-	8,930	(8,930)

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

(u) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how the supervision of the management is in compliance with the Group's risk management policies and procedures. It also reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by an internal auditor. An internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

1) Notes and accounts receivables and other receivables

The credit risk exposure of the Group is mainly affected by the individual conditions of each customer.

The management also considers the statistical data of the Group's customer, including the default risk of the customer's industry and country, which may have an impact on credit risk.

Please refer to note 6(t) for the concentrated notes receivable and accounts receivable from transaction parties.

The Group has established a credit policy. According to this policy, the Group must analyze the credit rating of each new customer individually before granting standard payment and shipping conditions and terms. If the Group can obtain an external rating and in some other cases, the bank's notes will be reviewed. The credit limit, which is regularly reviewed, is established based on individual customers and need not be approved by the Board of Directors.

When the Group monitors the credit risk of its customers according to their credit characteristics, including whether they are distributors or end users; location, industry, age, expiration date, and previous financial difficulties. The main target of the Group's notes, accounts receivable and other receivables is the Group's dealer customers. Customers who are assessed as high-risk are included in the restricted customer list and monitored by the authorized supervisor of the combined company. Future sales with these customers must be based on advance receipts.

The Group regularly evaluates the losses incurred in bills, accounts receivable and other receivables. The Group has set up an allowance and impairment loss account to reflect the estimation of the losses incurred in the bills, accounts receivable and other receivables. The main components of the allowance account include specific losses with individual customers and loss estimates measured by expected credit losses during the lifetime.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions, with good credit rating. The Group expects the counterparties above to meet their obligations; hence, there is no significant credit risk arising from these counterparties.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Guarantees

The Group's policy is to provide financial guarantees only to subsidiaries. As of December 31, 2025, the Group did not provide guarantee to other entities.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group calculates its cost of products and services by using the activity-based costing, which assists in monitoring its cash flow requirements and optimizing its cash return on investments.

Generally, the Group ensures that it maintains sufficient cash to meet expected operational expense with 60 days, including the fulfillment of financial obligations. However, potential impacts that cannot reasonably be expected in extreme cases such as natural disasters, are excluded.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The financial assets at fair value through other comprehensive income hold by the Group are listed and unlisted company's stocks. In other to manage market risk, the Group selects reputable discretionary investments, management, for financial product investments and manage market risk through professional managers.

The financial assets of the Group with fair value risk of interest rate changes are bank deposits; financial liabilities are long-term and short-term borrowings. The impact of changes in interest rates on the fair value of the relevant financial assets and liabilities is not significant.

(v) Capital management

The Company's policy is to keep a strong capital base in order to maintain its investors, creditors and market confidence, and to sustain future development of its business. Equity consists of common stock, capital surplus, retained earnings and other equity interest of the Group. The Board of Directors monitors the return on its capital as well as the level of dividends to its shareholders.

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's debt-to-equity ratio at the end of the reporting period was as follows:

	December 31, 2025	December 31, 2024 (Restated)
Total liabilities	\$ 5,122,430	6,458,016
Less: cash and cash equivalents	<u>1,661,212</u>	<u>2,113,651</u>
Net debt	<u>\$ 3,461,218</u>	<u>4,344,365</u>
Total equity	<u>\$ 7,382,645</u>	<u>7,240,024</u>
Debt-to-equity ratio	<u>46.88 %</u>	<u>60.00 %</u>

(w) Financing activities not affecting current cash flow

Reconciliations of liabilities arising from financing activities for the years ended December 31, 2025 and 2024 were as follows:

			Non-cash changes				December 31, 2025
	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Foreign exchange movement</u>	<u>New lease</u>	<u>Changes in lease payment</u>	<u>Other</u>	
Long-term borrowings (including current portion)	\$ 2,923,655	(838,556)	(96,609)	-	-	-	1,988,490
Short-term borrowings	1,592,241	(365,060)	(27,370)	-	-	(60)	1,199,751
Lease liabilities	10,531	(7,475)	-	8,560	(3,744)	(42)	7,830
Total liabilities from financing activities	<u>\$ 4,526,427</u>	<u>(1,211,091)</u>	<u>(123,979)</u>	<u>8,560</u>	<u>(3,744)</u>	<u>(102)</u>	<u>3,196,071</u>

			Non-cash changes				December 31, 2024
	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Foreign exchange movement</u>	<u>New lease</u>	<u>Changes in lease payment</u>	<u>Other</u>	
Long-term borrowings (including current portion)	\$ 3,010,707	(231,147)	144,095	-	-	-	2,923,655
Short-term borrowings	1,810,265	(262,555)	44,720	-	-	(189)	1,592,241
Short-term notes and bills payable	199,827	(200,000)	-	-	-	173	-
Lease liabilities	8,280	(8,533)	-	10,784	-	-	10,531
Total liabilities from financing activities	<u>\$ 5,029,079</u>	<u>(702,235)</u>	<u>188,815</u>	<u>10,784</u>	<u>-</u>	<u>(16)</u>	<u>4,526,427</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

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

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

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

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Shipping agency expense

	<u>2025</u>	<u>2024</u>
Bright Charter Shipping Limited	\$ <u>68,339</u>	<u>63,598</u>

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

(ii) Donations

	<u>2025</u>	<u>2024</u>
Sesoda Social Welfare Foundation	\$ <u>600</u>	<u>-</u>

(iii) Payables

<u>Account</u>	<u>Relationship</u>	<u>Name of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other payables	Substantive related party	Bright Charter Shipping Limited	\$ <u>5,720</u>	<u>5,410</u>

(iv) Other

In 2025 and 2024, the Group has paid \$59,230 and \$44,422, respectively, on dividends to corporate shareholders.

(c) Key management personnel compensation comprised

	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 105,067	114,916
Post-employment benefits	<u>5,277</u>	<u>1,544</u>
	\$ <u>110,344</u>	<u>116,460</u>

(8) Pledged assets:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment			
— Land	Guarantees for long-term and short-term borrowings	\$ 678,305	678,305
— Buildings	Guarantees for long-term and short-term borrowings	65,544	50,474
— Vessels	Guarantees for long-term borrowings	<u>4,333,220</u>	<u>5,244,285</u>
		\$ <u>5,077,069</u>	<u>5,973,064</u>

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SESODA CORPORATION AND SUBSIDIARIES
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(9) Significant commitments and contingencies:

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

	December 31, 2025	December 31, 2024
Total contract value	\$ 165,899	324,183
Cumulative payments	\$ 131,133	283,464

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

- (a) Please refer to note 6(o) for the Company's 2025 earnings distribution plan.
- (b) On February 25, 2026, the Company's Board of Directors approved an organizational restructuring plan and the proposed listing of a subsidiary in Taiwan. Considering the Group's future operations and the enhancement of management efficiency, the Company's subsidiary SSC intends to transfer all of its equity interests in 14 Panama-registered shipping companies to another subsidiary, SSMHC. SSMHC plans to issue new shares to SSC as consideration for acquiring the equity interests of the aforementioned 14 companies and to prepare for its proposed listing in Taiwan.

(12) Other:

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

By item	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	509,180	134,406	643,586	533,274	154,490	687,764
Labor and health insurance	12,482	6,671	19,153	11,149	5,686	16,835
Pension	4,885	8,092	12,977	3,644	2,490	6,134
Remuneration of directors	-	51,363	51,363	-	57,989	57,989
Others	43,906	3,672	47,578	45,662	4,284	49,946
Depreciation	543,199	21,838	565,037	566,576	20,033	586,609
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

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SESODA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the years ended December 31, 2025:

- (i) Loans to other parties: Please refer to schedule A.
 - (ii) Guarantees and endorsements for other parties: Please refer to schedule B.
 - (iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to schedule C.
 - (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
 - (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
 - (vi) Business relationships and significant intercompany transactions: Please refer to schedule D.
- (b) Information on investees: Please refer to schedule E.
- (c) Information on investment in mainland China: None.

(14) Segment information:

(a) General information

The reportable segments are the Group's strategic divisions which should be reported as follows. They offer different products and services, and are managed separately because they require different technology and marketing strategies. The chief of the Group should review the internal management report of each strategic division. Each reportable department of the Group is summarized below:

- (i) Manufacturing division: Import of sodium carbonate, manufacturing and selling of potassium sulfate, hydrochloric acid and liquid calcium chloride, trading of baking soda, salt and calcium chloride.
- (ii) Ships, boats and Transport division: Operates on its own ship charter and all ships have signed a charter agreement.
- (iii) Freight division: Responsible for the delivery of the Company's sodium carbonate and other products.
- (iv) Catering division: It's engaged in the wholesale of food, Japanese restaurant and catering business.

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SESODA CORPORATION AND SUBSIDIARIES
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(b) Information about reportable segments and their measurement and reconciliations:

The Group doesn't allocate income tax expense (benefit) or infrequent profit and losses to the reportable division. In addition, not all reportable segments include depreciation and amortization of significant non - cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis. The Group measured its operation segment through profit before tax, and serves as the basis for evaluating performance. The Group treated intersegment sales, and transfers as third-party transactions. They are measured at market price.

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

For the year ended December 31, 2025							
	Chemical products	Chartering	Freight	Catering	Others	Reconciliation and elimination (Note)	Total
Revenue:							
Revenue from external customers	\$ 4,399,089	1,735,245	5	22,183	-	-	6,156,522
Intersegment revenues	-	-	20,682	285	-	(20,967)	-
Interest revenue	43,294	14,639	9	13	1,582	(2,445)	57,092
Total revenue	<u>\$ 4,442,383</u>	<u>1,749,884</u>	<u>20,696</u>	<u>22,481</u>	<u>1,582</u>	<u>(23,412)</u>	<u>6,213,614</u>
Interest expenses	<u>\$ 42,881</u>	<u>92,112</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>(2,445)</u>	<u>132,649</u>
Depreciation and amortization	<u>\$ 127,897</u>	<u>428,659</u>	<u>4,550</u>	<u>3,956</u>	<u>11</u>	<u>(36)</u>	<u>565,037</u>
Reportable segment profit or loss	<u>\$ 787,353</u>	<u>279,679</u>	<u>152</u>	<u>(10,198)</u>	<u>(45,163)</u>	<u>-</u>	<u>1,011,823</u>
For the year ended December 31, 2024							
	Chemical products	Chartering	Freight	Catering	Others	Reconciliation and elimination (Note)	Total
Revenue:							
Revenue from external customers	\$ 4,389,544	1,944,062	297	32,335	-	-	6,366,238
Intersegment revenues	-	-	19,072	217	-	(19,289)	-
Interest revenue	65,015	16,049	19	18	3,148	(8,141)	76,108
Total revenue	<u>\$ 4,454,559</u>	<u>1,960,111</u>	<u>19,388</u>	<u>32,570</u>	<u>3,148</u>	<u>(27,430)</u>	<u>6,442,346</u>
Interest expenses	<u>\$ 38,943</u>	<u>136,208</u>	<u>-</u>	<u>111</u>	<u>46,944</u>	<u>(8,141)</u>	<u>214,065</u>
Depreciation and amortization	<u>\$ 116,392</u>	<u>459,785</u>	<u>5,462</u>	<u>4,982</u>	<u>11</u>	<u>(23)</u>	<u>586,609</u>
Reportable segment profit or loss	<u>\$ 826,625</u>	<u>239,846</u>	<u>(659)</u>	<u>(6,391)</u>	<u>205,896</u>	<u>-</u>	<u>1,265,317</u>

(Note): For the years ended December 31, 2025 and 2024, the reportable segment should eliminate intersegment revenues by \$20,967 and \$27,430, respectively.

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SESODA CORPORATION AND SUBSIDIARIES
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(c) The Group's information

(i) Product and service information

Revenue from external customers of the Group was as follows:

	2025	2024
Potassium sulfate	\$ 2,711,172	2,740,981
Liquid calcium chloride	963,192	808,614
Chartering	1,735,245	1,944,062
Catering	22,182	32,335
Others	724,731	840,246
	\$ 6,156,522	6,366,238

(ii) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue from external customers was as follows:

Geographical information	2025	2024
Taiwan	\$ 1,797,659	1,763,755
Singapore	670,259	832,870
Denmark	558,199	667,043
Pakistan	465,157	488,730
Japan	438,587	466,774
India	407,981	319,037
Australia	342,411	247,292
Peru	286,300	242,483
Hong Kong	217,403	239,560
Mexico	202,829	165,014
Other	769,737	933,680
	\$ 6,156,522	6,366,238

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Non-current assets:

Geographical information	December 31, 2025	December 31, 2024
Taiwan	\$ 2,562,862	2,552,751
Panama	<u>6,152,576</u>	<u>6,924,018</u>
	<u>\$ 8,715,438</u>	<u>9,476,769</u>

(iii) Major customers

The Group had no major customer who constituted 10% or more of revenue.

Schedule A Financing to other parties:

No.	Creditor	Borrower	Financial statement account	Related party	Maximum outstanding balance for the period	Ending balance	Actual amount drawn down	Interest Rate	Nature of financing (Note 1)	Amount of transaction	Reasons for short-term financing	Allowance for doubtful accounts	Collateral		Limit on financing granted to each borrower	Ceiling on total financing granted	Notes
													Item	Value			
1	SECC	SSC	Other receivables - related parties	Yes	33,210	0	0	N/A	2	-	Operating Capital	-	N/A	-	394,542	394,542	(Note 2 and Note 3)
2	SEEC	SSC	Other receivables - related parties	Yes	33,210	0	0	N/A	2	-	Operating Capital	-	N/A	-	408,421	408,421	(Note 2 and Note 3)
3	SERC	SSC	Other receivables - related parties	Yes	33,210	0	0	N/A	2	-	Operating Capital	-	N/A	-	453,393	453,393	(Note 2 and Note 3)
4	SEGC	SSC	Other receivables - related parties	Yes	33,210	0	0	N/A	2	-	Operating Capital	-	N/A	-	446,920	446,920	(Note 2 and Note 3)
5	SEFC	SSC	Other receivables - related parties	Yes	33,210	0	0	N/A	2	-	Operating Capital	-	N/A	-	449,031	449,031	(Note 2 and Note 3)
6	SEPC	SSC	Other receivables - related parties	Yes	33,210	0	0	N/A	2	-	Operating Capital	-	N/A	-	440,245	440,245	(Note 2 and Note 3)
Total							0										

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

Note 2: The limit on financing granted to each borrower and the ceiling on total financing granted are subject to the net value disclosed in the latest CPA-audited (or reviewed) financial statements.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Schedule B Guarantees and endorsements for other parties:

Number (Note 1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to subsidiary	Subsidiary endorsements/ guarantees to parent company	Endorsements/ guarantees to the companies in mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	SSC	2	7,382,645	2,141,300	1,257,200	-	-	17.03%	22,147,935	Y	N	N
0	The Company	SEMC	2	7,382,645	139,660	-	-	-	0.00%	22,147,935	Y	N	N
0	The Company	SECC	2	7,382,645	203,863	117,177	117,177	-	1.59%	22,147,935	Y	N	N
0	The Company	SEFC	2	7,382,645	241,147	165,920	165,920	-	2.25%	22,147,935	Y	N	N
0	The Company	SEDC	2	7,382,645	194,112	99,790	99,790	-	1.35%	22,147,935	Y	N	N
0	The Company	SEEC	2	7,382,645	185,577	149,748	149,748	-	2.03%	22,147,935	Y	N	N
0	The Company	SERC	2	7,382,645	223,900	141,536	141,536	-	1.92%	22,147,935	Y	N	N
0	The Company	SEGC	2	7,382,645	259,702	191,723	191,723	-	2.60%	22,147,935	Y	N	N
0	The Company	SEPC	2	7,382,645	261,883	178,312	178,312	-	2.42%	22,147,935	Y	N	N
0	The Company	SEVC	2	7,382,645	207,821	156,679	156,679	-	2.12%	22,147,935	Y	N	N
					4,058,965	2,458,085							

Note 1: The Company—0

Note 2: Relationship with the Company:

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

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

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

Schedule C Securities held as of December 31, 2025 :

Name of holder	Category and name of security	Relationship with the company	Account title	Ending balance				Highest amount of shareholding during the period	Remark
				Shares/ Units	Carrying value	Percentage of ownership (%)	Fair value		
E-TEQ VENTURE CO., LTD. "	Stock :								
	INTEL CORPORATION	—	Current financial assets at fair value through profit or loss	2,000	2,320	-	2,320	2,000	
	APOGEE Optocom CO., LTD.	—	Non-current financial assets at fair value through other comprehensive income	30,000	2,937	0.07%	2,937	30,000	
	Subtotal				5,257		5,257		
E-TEQ VENTURE CO., LTD.	Private Fund :								
	ACION JAPAN ENGAGEMENT OFFSHORE FUND(AJEO)	—	Non-current financial assets at fair value through profit or loss	500	14,573		14,573	500	
	CMIA VCC Digital VII(VC 7)	—	Non-current financial assets at fair value through profit or loss	500	16,192	0.65%	16,192	500	
	GOLDEN ASPEN TOTAL RETURN FUND I(GAP)	—	Non-current financial assets at fair value through profit or loss	-	19,998		19,998	-	
	Subtotal				50,763		50,763		
SSC	Stock :								
	SeaKapital		Non-current financial assets at fair value through other comprehensive income	5,000,000	163,476		163,476	5,000,000	
The company	Subtotal				163,476		163,476		
	Stock :								
	Qingdao Soda Ash Industrial Potassic Fertilizer Technology Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	-	97,366	15.00%	97,366		
	Subtotal				97,366		97,366		
	Total				316,862		316,862		

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

Number (Note 1)	Company Name	Related Party	Relationship (Note 2)	Transaction			
				Account title	Amount	Credit term	Percentage of consolidated sales revenue and total assets
1	SSC	SEAC、SEBC、SECC、SEDC、SEEC、SEFC、SEGC、SEHC、SEMC、SEPC、SERC、SESC、SEVC、SMGC、SMTC	2	Other payables-related parties	80,676	-	0.65%

Note 1: Company numbering as follows:

1. 0 represents the parent company.

2.1 represents subsidiaries.

Note 2: Relationship of the counterparties:

1.Parent company to subsidiary.

2.Transactions between subsidiaries.

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

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

Schedule E Information on investments:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		The ending balance at this period			Highest amount of shareholding during the period	Net income (losses) of investee	Investment income (losses)	Remark
				The ending balance at this year	The ending balance at the beginning	Shares	Percentage of ownership	Carrying value				
The Company	SSC	Panama	Ship operation and chartering	1,711,502	1,110,902	10	100.00%	5,708,171	10	335,097	335,097	Subsidiary
"	East Tender Trading Co., Ltd.	Taipei	General trade and investments	38,023	38,023	3,200,000	100.00%	37,457	3,200,000	(120)	(120)	Subsidiary
"	SIL	BVI	Holding company	21,145	21,145	880	50.00%	(33,850)	880	(128)	(64)	Subsidiary
"	East Tender Optoelectronics Co., Ltd.	Yilan	Manufacturing of thin film filter components required for optical communication	47,780	48,604	4,582,297	13.21%	101,084	4,661,297	(67,881)	(8,639)	Associate
"	Yukari Group Co., Ltd.	Taipei	Wholesale of foods and groceries, sales of drinks, operation of restaurant	100,787	94,787	1,200,000	100.00%	(727)	2,600,000	(12,471)	(12,471)	Subsidiary
"	E-Teq Venture Co., Ltd.	Taipei	Electronics components manufacturing, data storage media manufacturing and duplicating, general investments	115,000	115,000	10,380,000	100.00%	98,649	10,380,000	(610)	(610)	Subsidiary
"	YUN SHENG INVESTMENT CO., LTD.	Taipei	Investment	30,000	30,000	3,000,000	100.00%	30,305	3,000,000	269	269	Subsidiary
				2,064,237	1,458,461			5,941,089			313,462	
SSC	SESC	Panama	Ship operation and chartering	344	344	10	100.00%	128,320	10	19,417	19,417	Sub-Subsidiary
"	SIL	BVI	Holding company	89,364	89,364	880	50.00%	32,680	880	(128)	(64)	Sub-Subsidiary
"	SMGC	Panama	Ship operation and chartering	210,188	210,188	10	100.00%	213,813	10	4,511	4,511	Sub-Subsidiary
"	SEHC	Panama	Ship operation and chartering	252,530	252,530	10	100.00%	271,453	10	(17,679)	(17,679)	Sub-Subsidiary
"	SMTC	Panama	Ship operation and chartering	319,718	348,841	10	100.00%	322,340	10	8,668	8,668	Sub-Subsidiary
"	SEBC	Panama	Ship operation and chartering	224,951	248,536	10	100.00%	493,550	10	22,142	22,142	Sub-Subsidiary
"	SEAC	Panama	Ship operation and chartering	122,445	369,059	10	100.00%	30,688	10	67,548	67,548	Sub-Subsidiary
"	SEMC	Panama	Ship operation and chartering	318,036	229,896	11	100.00%	478,551	11	27,539	27,539	Sub-Subsidiary
"	SECC	Panama	Ship operation and chartering	247,798	247,798	11	100.00%	394,542	11	16,902	16,902	Sub-Subsidiary
"	SEEC	Panama	Ship operation and chartering	292,030	292,030	11	100.00%	408,421	11	42,445	42,445	Sub-Subsidiary
"	SEFC	Panama	Ship operation and chartering	239,439	239,439	11	100.00%	449,031	11	40,709	40,709	Sub-Subsidiary
"	SERC	Panama	Ship operation and chartering	286,639	286,639	11	100.00%	453,393	11	51,976	51,976	Sub-Subsidiary
"	SEDC	Panama	Ship operation and chartering	297,122	297,122	11	100.00%	402,474	11	25,727	25,727	Sub-Subsidiary
"	SEVC	Panama	Ship operation and chartering	276,195	254,236	11	100.00%	382,053	11	(620)	(620)	Sub-Subsidiary
"	SEGC	Panama	Ship operation and chartering	253,174	253,174	11	100.00%	446,920	11	26,334	26,334	Sub-Subsidiary
"	SEPC	Panama	Ship operation and chartering	332,639	332,639	11	100.00%	440,245	11	28,451	28,451	Sub-Subsidiary
"	SSMHC	Cayman Islands	Holding company	2,378	2,037	-	100.00%	78	-	(414)	(414)	Sub-Subsidiary(Note1)
				3,764,990	3,953,872			5,348,552			363,592	
SSMHC	SEJC	Panama	Holding company	321	262	-	100.00%	(20)	-	(36)	(36)	Sub-Subsidiary(Note1)
East Tender Trading Co., Ltd.	Zai Feng Auto Transportation Co., Ltd.	Yilan	Automobile cargo transportation business	27,381	27,381	19,000	100.00%	24,852	19,000	141	141	Sub-Subsidiary

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

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