Stock code: 5234

Daxin Materials Corporation

2025 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

May 14, 2025

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2025 Annual Shareholders' Meeting Procedure

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Chapter II Meeting Agenda

Daxin Materials Corporation
2025 Annual Shareholders' Meeting Agenda

Date and Time: 9:30 am (Wednesday) May 14, 2025

Place: No.21, Keyuan Rd., Xitun Dist., Taichung City, 407, Taiwan (R.O.C.)
(Office of Continuing Education, Chaoyang University of Technology)

Means of Meeting: Physical

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

1. To report the business of 2024
2. Audit Committee's review report
3. To report the distribution of employees’ and directors’ remuneration of 2024
4. To report the cash dividend distribution of 2024

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1. To accept 2024 Business Report and Financial Statements
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1. To lift the non-competition restriction on directors
2. To approve the amendment of the “Articles of Incorporation”

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VII. Adjournment

Report Items

1. **To report the Business of 2024**

   Explanatory Notes:

   For 2024 Business Report, please refer to Attachment 1(P.6~9).

2. **Audit Committee's review report**

   Explanatory Notes:

   For Audit Committee's review report, please refer to Attachment 2(P.10).

3. **To report the distribution of employees' and directors' Remuneration of 2024**

   Explanatory Notes:

   (1) The Board of Directors approved the distribution of 2024 employees' and directors' remuneration on February 25, 2025. The employees' remuneration is NT$53,835,446 and the directors' remuneration is NT$5,383,545; both shall be paid in cash.

   (2) The aforementioned amounts of remuneration to employees and Directors that are approved by the Board of Directors are the same as the amount recognized in the 2024 financial statements.

4. **To report the cash dividend distribution of 2024**

   Explanatory Notes:

   (1) The dividend distribution in the form of cash shall be approved by the Board of Directors and reported to the shareholders' meeting, in accordance with Article 15-1 of Articles of Incorporation.

   (2) The distribution of cash dividends to shareholders is NT$513,579,555 from the retained earnings available for distribution as of December 31, 2024, and the Company distributed dividends of NT$5 per common share, have been approved by the meeting of Board held on February 25, 2025. The cash dividend will be calculated according to the distribution ratio and distributed, rounded down to the nearest one NT$. (any amount below one NT$ will be discarded). The aggregate dividend resulting from the above rounded-down, will be distributed to the shareholders in descending order of decimal point and in ascending order of shareholder account number, until the total amount of cash dividend has been fully distributed. The chairman is authorized to determine the ex-dividend date and other relevant matters.

   (3) If the cash dividend distribution ratio is adjusted due to a change of the Company's total number of outstanding common shares, it is proposed to authorize fully the Chairman of Board of Directors to proceed with the relevant matters.

Recognition Items

1. To accept 2024 Business Report and Financial Statements. (proposed by the Board of Directors)

Explanatory Notes:

(1) For 2024 Business Report, please refer to Attachment 1(P.6~9).

(2) The 2024 Financial Statements were audited by Jun-Yuan Wu and Chien-Hui Lu of KPMG. For Independent Auditors' Report, the aforementioned Financial Statements, please refer to Attachment 3 & 4(P.11~26).

Resolution:

2. To accept the proposal for the distribution of 2024 earnings. (proposed by the Board of Directors)

Explanatory Notes:

For the Proposal for 2024 Earnings Distribution, please refer to Attachment 5(P.27).

Resolution:

Discussion Items

1. To lift the non-competition restriction on directors (proposed by the Board of Directors)

Explanatory Notes:

(1) According to Article 209 of the Company Act, “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

(2) It is proposed to lift the non-competition restrictions on the directors and their representatives at the annual shareholders’ meeting. Please refer to Attachment 6(P.28).

Resolution:

2. To approve the amendment of the “Articles of Incorporation” (proposed by the Board of Directors)

Explanatory Notes:

(1) According to the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act on August 7, 2024, the company shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or remuneration distributions for its non-executive employees. However, the company's accumulated losses shall have been covered. In accordance with the Financial Supervisory Commission's Order No. Jin-Guan-Zheng-Fa-Zi-1130385442 issued on Novenber 18, 2024, the company shall complete the amendment to its Articles of Incorporation by the 2025 shareholders’ meeting.

(2) To align with future business development, the Articles of Incorporation will be amended to include the establishment of the position of Vice Chairman.

(3) For the comparison table of the Articles of Incorporation before and after the amendment, please refer to Attachment 7(P. 29).

Resolution:

Extempore Motions

Adjournment

Chapter III Attachment

Attachment 1

Daxin Materials Corporation
2024 Business Report

In 2024, Daxin overcame numerous challenges while achieving significant successes, strengthening its operational foundation. After navigating two years of market volatility, the display industry has stabilized, and the company’s long-term investments in semiconductor materials are beginning to yield results. Overall, the operating income in 2024 was NT$ 4.118 billion, a decrease of 3.4% from the previous year. In terms of display materials, revenue reached NT$3.651 billion in 2024, declining 8.0% year-over-year due to customers' technological transitions and strategic product line adjustments aimed at enhancing competitiveness. In terms of semiconductor materials, after years of strategic investment and substantial R&D resource allocation, revenue nearly doubled to NT$372 million in 2024, representing a 95.6% increase year-over-year and contributing 9.0% to the total company revenue.

In the past period, the semiconductor industry’s mature process products have undergone inventory adjustment, while demand for advanced semiconductor processes has surged rapidly, driven by artificial intelligence (AI) and high-performance computing (HPC). Additionally, ongoing geopolitical tensions and trade conflicts between major economies have intensified the semiconductor industry's need for high-quality, competitive, and locally sourced upstream materials. We are experiencing growing product development requests from our customer base while also gaining more opportunities for collaborative development with major international companies. In 2024, multiple products have transitioned to mass production, and as our customers expand their manufacturing capacity, we anticipate accelerated growth momentum. Several products for sub-2nm advanced processes and advanced packaging are currently under joint development and validation with semiconductor clients. Furthermore, our strategic collaborations with leading international materials companies are starting to yield results. These developments have already begun contributing to our revenue, with forthcoming partnerships in related products will fortify and diversify our collaborations.

Due to stabilization in the display industry and strategic product portfolio adjustments, annual display materials revenue declined compared to the previous year. However, by optimizing the product portfolio and production processes, as well as increasing the proportion of self-manufactured raw materials, we successfully enhanced our products’ overall competitiveness, resulting in improved gross profit performance.

Looking ahead to 2025, semiconductor materials are expected to experience rapid growth amid market opportunities and challenges. Meanwhile, the display materials segment will focus on stability, operational excellence, and competitive strengthening. By deepening industry partnerships and diversifying service models, we aim to create multifaceted growth opportunities.

Financial Performance

1. Operating revenue
   Consolidated operating revenue in 2024 was NT$4.118 billion, representing a NT$146 million or 3.4% decrease from NT$4.264 billion in 2023.
2. Operating income
   Consolidated operating income in 2024 was NT$607 million, representing a NT$4 million or 0.6% decrease from NT$611 million in 2023.
3. Profit after tax
   Profit after tax in 2024 was NT$571 million, representing a NT$47 million or 9.0% increase from NT$523 million in 2023.

Environmental, Social and Corporate Governance (ESG)

While driving profitable growth, Daxin actively supports national net-zero policies by prioritizing climate change issues. The company has established specific carbon reduction pathways and implemented diverse energy-saving solutions. In 2024, Daxin published its first Task Force on Climate-related Financial Disclosures (TCFD) report and plans to progressively increase RE100 renewable energy, contributing to its role as a responsible corporate citizen.

We strive to foster the growth and development of our diverse employees, and is committed to creating an inclusive workplace. As a partner in the “TALENT in Taiwan Alliance” and recipient of the 2024 “Health 99" company, we prioritize employee wellness. Since 2010, our Daxin Graduate Scholarship program has been cultivating future talents in scientific research.

Daxin values the rights and interests of all stakeholders. In 2024, all directors participated in the shareholders' meeting, which was also live-streamed to enhance interaction and engagement with investors. The Company revised its "Rules for Performance Evaluation of Board of Directors", stipulating that an external evaluation shall be conducted by independent professionals at least once every three years to improve board efficiency and corporate governance. We will continue to promote various sustainability and governance initiatives in alignment with the "Corporate Governance 3.0 – Sustainable Development Roadmap."

Research and Development

Daxin maintains a significant R&D investment, focusing on three major application areas: semiconductor materials, display materials, and key raw materials. We embrace a research and development model that equally emphasizes chemistry, processes, equipment, and AI, while continuously investing in innovative advanced materials and forward-looking technology projects.

We have actively promoted digital transformation in the chemical industry and achieved multiple breakthroughs in process innovation and chemical structure design:

- **Generative AI and Computational Science:** Utilizing AI for molecular structure design and screening, establishing patent analysis systems to accelerate product development.
- **Intelligent Process Control:** Balancing standardization with diverse production models to enhance production stability and line flexibility.
- **Comprehensive Quality Monitoring Mechanism:** Establishing complete traceability from raw materials sourcing through manufacturing processes to the client end.

Semiconductor Materials

The semiconductor market is expanding rapidly in scale, quality, and variety. Daxin provides a comprehensive product portfolio, with multiple products having obtained POR (Process of Record) certification and several already in mass production. We expect strong sales growth for existing products and more products entering mass production in the coming year.

Our solutions cover critical materials for semiconductor processes from front-end to advanced packaging, maintaining high competitiveness. Key products include:

- **Front-End Wafer Process Materials:** Selective metal etching solutions, post-dry etching cleaning solutions, high-purity cleaning solutions, photoresist stripping solutions, photoresist peripheral materials, wafer edge protection adhesives, high-purity polymers and surface treatment solutions.
- **Advanced Packaging Materials:** Multifunctional organic release layers, high selectivity metal etching solutions and high thermal stability photosensitive.

For future development, we will strengthen front-end wafer process technology capabilities, providing customized specialty chemicals aligned with customer process requirements, while establishing nanoparticle and ion purification and detection technologies. In advanced packaging, our photosensitive multilayer formation materials, supported by the Ministry of Economic Affairs in 2024 through the Critical Materials Guidance Program for Heterogeneous Integration Chips. Designed specifically for panel-level packaging applications, this technological breakthrough enables higher-density integration solutions for Fan-out, 2.5D, and 3DIC processes, positioning us strategically in the panel-level packaging market.

Display Materials

Daxin dominates the display materials market share with a comprehensive vertical solution portfolio. Amid intense competition, we focus on developing cost-effective products through customer collaboration. In 2024, we successfully developed the High Abrasion-Resistant FFS Liquid Crystal Alignment Layer and Cholesterol Liquid Crystal Alignment Layer.

In response to "net zero emissions" trends, panel manufacturers seek low-power, high-resolution production technologies. Daxin will continue to introduce ESG-focused energy-saving materials while actively developing environmentally friendly materials that reduce energy consumption, lower process temperature, and help customers address critical ESG challenges including carbon reduction, decreased production energy consumption, and mitigated operational impacts from rising electricity costs. We're also increasing solvent recovery, reducing waste liquid in the production process, introducing sustainable raw materials and expanding local supplier partnerships.

Key Raw Materials

With technologies cultivated through years of R&D, Daxin focuses on developing key raw materials for displays, semiconductors, lithium-ion batteries, advanced IC substrates, and other electronic materials, offering customized solutions. Our core technologies and products include Anode Binders for Lithium-Ion Batteries, Advanced IC Substrates and Key Functional Monomers. In the future, we will strengthen customer technical collaboration to accelerate development cycles, enhance responsiveness, and improve service quality.

Outline of Business Plan

Amid geopolitical uncertainties and economic volatility following the U.S. presidential election, our goal is steady investment and sustainable growth, prioritizing semiconductor materials development.

In 2024, semiconductor materials revenue nearly doubled compared to the previous year. We focus on advanced processes and packaging (sub-2nm process, 2.5D/3DIC packaging materials) to address market needs. Early-stage collaboration with key customers has secured market opportunities, with multiple projects in progress or POR-certified. We're expanding production capacity at the Chungkang new plant to meet customer demand while accelerating partnerships with international semiconductor material manufacturers to provide localized synthesis, purification, and formulation services. We aim to expand diversified businesses and drive the localization of semiconductor materials through a customer-oriented product portfolio.

For display materials, we're optimizing our product portfolio and production process, while increasing the proportion of in-house raw materials to reduce costs and enhance competitiveness. Liquid crystal alignment layer (PI) shipment growth has improved revenue and profitability. Our market-leading photosensitive spacers and copper etching solutions maintain competitive advantage while expanding customer base and product lines. We're collaborating with customers on MicroLED development, with several materials currently in testing phases. We are also actively developing high-performance, ESG-compliant low-temperature process materials to drive business growth.

Beyond semiconductor and display, we have identified opportunities in green energy, substrate manufacturing, and biomedical applications. Through partnership with industry leaders, we aim to co-develop specialty materials to establish a third major product line.

Future Outlook

Looking ahead to 2025, Taiwan's semiconductor supply chain outlook remains optimistic, driven by strong AI/HPC demand and international trade barriers. In response, the Company continues strategic investments across three business models: independent development, collaboration with leading global semiconductor manufacturers, and partnerships with international semiconductor materials companies. These strategies are expected to accelerate our growth trajectory in 2025 and beyond.

In the display industry, while market conditions are stabilizing, competition from the "red supply chain" introduces growth uncertainties. We remain focus on optimizing material costs and improving production efficiency while expanding market presence. Our future priorities include developing higher-specification materials and low-temperature processes aligned with ESG principles for low-carbon sustainability.

As the New Year brings both opportunities and challenges, Daxin's semiconductor materials are expected to deliver stronger results while our display materials reinforce its foundation for enhanced competitiveness. Through our team's collective dedication and continued close customer collaboration, we will pursue stable growth that creates mutual benefits and deliver solid business performance as a return for our shareholders' long-term support and trust.

Chairman:	*Cheng-Yih Lin*
President:	*Tsung-Hsing Kuo*
Chief Financial Officer	*Yen-Chen Liu*

Attachment 2

Daxin Materials Corporation

Audit Committee's Review Report

The Board of Directors of the Company has prepared and submitted the Company's 2024 Business Report, earnings distribution proposal and Financial Statements (including the parent company only and consolidated financial statements). Among them, Jun-Yuan Wu and Chien-Hui Lu, Certified Public Accounts of KPMG, have audited the Financial Statements (including the parent company only and consolidated financial statements). The aforementioned business report, earnings distribution proposal, and financial statements (including the parent company only and consolidated financial statements) have been reviewed by the Audit Committee and no discrepancy is found. The report is in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and we hereby submit this report.

To

2025 Annual Shareholders' Meeting of Daxin Materials Corporation

Convener of the Audit Committee: *Xin-Wu Lin*

February 25, 2025

Attachment 3

Independent Auditors' Report

To the Board of Directors of Daxin Materials Corporation:

Opinion

We have audited the consolidated financial statements of Daxin Materials Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, 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 Accountant and the 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 the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Refer to Note 4(13) "Revenue recognition" and Note 6(16) "Operating revenue" to the consolidated financial statements.

Description of the key audit matter:

Revenue generation is a key operating activity of a company, and the Group's major portion of revenue is composed of related party transactions which might have inherently higher risk of fraud. Moreover, revenue recognition is also dependent on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. Consequently, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding and testing the Group's controls surrounding revenue recognition; understanding the Group's revenue types, its sales terms, related sales agreements and other supporting documents, to assess whether revenue recognition policies are applied appropriately; evaluating the trend of revenue; understanding the nature of related party transactions; performing the circularization of related party transactions; computer-aided testing sales cut off, on a sampling basis, for transactions incurred within a certain period before and after the balance sheet date to evaluate whether the revenue was recorded in proper period; and assessing the adequacy of the Group' s disclosures of its revenue recognition policy and other related disclosures.

2. Valuation of inventories

   Refer to Note 4(8) "Inventories"; Note 5 for uncertainty of accounting estimation and assumptions for inventory valuation, and Note 6(5) "Inventories" to the consolidated financial statements.

   Description of the key audit matter:

   Inventories are measured at the lower of cost and net realizable value. Due to rapid product innovation and keen market competition, the Group's products may no longer meet market demand in short time and lead to the rapid fluctuation in the sales demand, as well as the selling price, which may result in product obsolescence and the cost of inventories to be higher than the net realizable value. Therefore, the valuation of inventories has been identified as one of the key audit matters.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, we have performed certain key audit procedures that included evaluating whether valuation of inventories was accounted by the nature of inventories (the storage life of chemicals); performing sampling tests to verify the accuracy of inventory aging; understanding and testing the Group's controls surrounding inventories obsolescence management; inspecting the calculation mode of net realizable value; sampling the related tickets and supporting documents; evaluating whether valuation of inventories was accounted by in accordance with the Group's accounting policies, as well as the reasonableness of inventory provision policy; and assessing the adequacy of the Group's disclosures of its inventory valuation policy and other related disclosures.

Other Matter

Daxin Materials Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified audit 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, 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 Chun-Yuan Wu and Chien-Hui Lu.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

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

The 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.

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

Daxin Materials Corporation and subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents	$ 194,873	4	243,803	5
1110	Financial assets at fair value through profit or loss — current	44,212	1	7,800	-
1136	Financial assets measured at amortized cost — current	1,423,778	29	1,160,628	25
1170	Accounts receivable, net	413,109	8	370,984	8
1180	Accounts receivable due from related parties, net	720,178	15	698,305	15
130X	Inventories	379,599	7	338,185	7
1476	Other financial assets — current	47,110	1	52,714	2
1479	Other current assets	36,429	1	29,203	1
		3,259,288	66	2,901,622	63
	Noncurrent assets:				
1535	Financial assets measured at amortized cost — noncurrent	26,691	1	8,800	-
1600	Property, plant and equipment	1,479,983	30	1,544,647	33
1755	Right-of-use assets	154,624	3	163,676	4
1780	Intangible assets	2,552	-	1,992	-
1840	Deferred tax assets	23,449	-	18,070	-
1920	Guarantee deposits paid	2,594	-	2,577	-
1990	Other noncurrent assets	316	-	677	-
		1,690,209	34	1,740,439	37
	Total assets	$ 4,949,497	100	4,642,061	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2170	Accounts payable	497,087	10	407,295	9
2180	Accounts payable to related parties	13,331	-	12,333	-
2201	Payroll and bonus payable	349,878	7	299,437	6
2213	Payable on machinery and equipment	41,339	1	36,930	1
2230	Current tax liabilities	72,275	2	90,782	2
2280	Lease liabilities — current	8,606	-	8,617	-
2322	Long-term borrowings, current portion	143,999	3	95,999	2
2399	Other current liabilities	139,358	3	136,181	3
		1,265,873	26	1,087,574	23
	Noncurrent liabilities:				
2540	Long-term borrowings	244,694	5	258,893	6
2570	Deferred tax liabilities	2,057	-	-	-
2580	Lease liabilities — noncurrent	152,732	3	160,954	3
		399,483	8	419,847	9
	Total liabilities	1,665,356	34	1,507,421	32
	Equity:				
3110	Common stock	1,027,159	21	1,027,159	22
3200	Capital surplus	41,838	1	41,814	1
	Retained earnings:				
3310	Legal reserve	638,586	13	586,250	13
3320	Special reserve	-	-	1,310	-
3350	Unappropriated retained earnings	1,576,558	31	1,478,107	32
		2,215,144	44	2,065,667	45
	Total equity	3,284,141	66	3,134,640	68
	Total liabilities and equity	$ 4,949,497	100	4,642,061	100

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

Daxin Materials Corporation and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue**	$ 4,117,847	100	4,264,121	100
5000	**Operating costs**	2,600,000	63	2,785,030	65
	Gross profit from operations	1,517,847	37	1,479,091	35
	Operating expenses:				
6100	Selling expenses	196,206	5	185,786	5
6200	Administrative expenses	216,504	5	204,749	5
6300	Research and development expenses	497,972	12	480,768	11
6450	Expected credit gains	-	-	(3,000)	-
		910,682	22	868,303	21
	Operating income	607,165	15	610,788	14
	Non-operating income and expenses:				
7020	Other gains and losses	31,346	1	(12,943)	-
7100	Interest income	27,035	-	14,758	-
7130	Dividend income	557	-	-	-
7510	Interest expense	(7,516)	-	(7,154)	-
		51,422	1	(5,339)	-
	Profit before income tax	658,587	16	605,449	14
7950	**Less: Income tax expense**	87,975	2	82,095	2
	Net income	570,612	14	523,354	12
8300	**Other comprehensive income (loss)**				
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	-	-	1,310	-
	Total items that may be reclassified subsequently to profit or loss	-	-	1,310	-
8300	**Other comprehensive income (loss)**	-	-	1,310	-
	Total comprehensive income	**$ 570,612**	**14**	**524,664**	**12**
	Earnings per share (NT dollars)				
9750	Basic earnings per share	**$ 5.56**		**5.10**	
9850	Diluted earnings per share	**$ 5.54**		**5.07**	

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

Daxin Materials Corporation and subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2023	$ 1,027,159	41,814	543,638	1,303	1,336,335	1,881,276	(1,310)	2,948,939
Net income	-	-	-	-	523,354	523,354	-	523,354
Other comprehensive income (loss)	-	-	-	-	-	-	1,310	1,310
Total comprehensive income	-	-	-	-	523,354	523,354	1,310	524,664
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	42,612	-	(42,612)	-	-	-
Special reserve appropriated	-	-	-	7	(7)	-	-	-
Cash dividends to shareholders	-	-	-	-	(338,963)	(338,963)	-	(338,963)
Balance at December 31, 2023	1,027,159	41,814	586,250	1,310	1,478,107	2,065,667	-	3,134,640
Net income	-	-	-	-	570,612	570,612	-	570,612
Other comprehensive income (loss)	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	570,612	570,612	-	570,612
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	52,336	-	(52,336)	-	-	-
Reversal of special reserve	-	-	-	(1,310)	1,310	-	-	-
Cash dividends to shareholders	-	-	-	-	(421,135)	(421,135)	-	(421,135)
Other changes in capital surplus	-	24	-	-	-	-	-	24
Balance at December 31, 2024	**$ 1,027,159**	**41,838**	**638,586**	**-**	**1,576,558**	**2,215,144**	**-**	**3,284,141**

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

Daxin Materials Corporation and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		2024	2023
Cash flows from operating activities:			
Profit before income tax	$	658,587	605,449
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation		267,767	256,996
Amortization		3,560	2,927
Expected credit gains		-	(3,000)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss		9,541	(5,333)
Interest expense		7,516	7,154
Interest income		(27,035)	(14,758)
Dividend income		(557)	-
Gain on disposal of property, plant and equipment		(549)	(285)
Provisions for inventory obsolescence and devaluation loss		12,983	15,121
Others		537	999
Changes in operating assets and liabilities:			
Accounts receivable		(42,125)	(20,887)
Accounts receivable due from related parties		(21,873)	(31,777)
Inventories		(54,397)	11,025
Other current assets		(7,226)	(4,063)
Other financial assets－current		5,604	(31,470)
Financial assets measured at amortized cost－current		(261)	127
Accounts payable		89,792	(56,527)
Accounts payable to related parties		998	603
Other current liabilities		53,580	62,712
Cash generated from operations		956,442	795,013
Interest received		26,251	14,471
Interest paid		(7,478)	(7,133)
Income taxes paid		(109,804)	(77,138)
Net cash provided by operating activities		865,411	725,213
Cash flows from investing activities:			
Acquisition of financial assets at amortized cost－current		(262,105)	(108,595)
Disposal (acquisition) of financial assets at amortized cost－noncurrent		(17,891)	1,550
Acquisition of financial assets at fair value through profit or loss		(45,953)	-
Acquisition of property, plant and equipment		(189,922)	(217,542)
Disposal of property, plant and equipment		694	346
Increase in refundable deposits		(17)	(2,400)
Acquisition of intangible assets		(4,120)	(2,605)
Decrease in other noncurrent assets		361	478
Dividends received		557	-
Net cash used in investing activities		(518,396)	(328,768)
Cash flows from financing activities:			
Proceeds from short-term borrowings		160,000	195,000
Repayments of short-term borrowings		(160,000)	(195,000)
Proceeds from long-term borrowings		145,800	60,000
Repayments of long-term borrowings		(111,999)	(77,405)
Repayment of the principal portion of lease liabilities		(8,635)	(8,490)
Cash dividends paid		(421,135)	(338,963)
Other financing activities		24	-
Net cash used in financing activities		(395,945)	(364,858)
Effect of exchange rate changes on cash and cash equivalents		-	1,310
Net increase (decrease) in cash and cash equivalents		(48,930)	32,897
Cash and cash equivalents at beginning of period		243,803	210,906
Cash and cash equivalents at end of period	$	194,873	243,803

Attachment 4

Independent Auditors' Report

To the Board of Directors of Daxin Materials Corporation:

Opinion

We have audited the parent-company-only financial statements of Daxin Materials Corporation("the Company"), which comprise the parent-company-only balance sheet as of December 31, 2024 and 2023, the parent-company-only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountant and the 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 parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Refer to Note 4(13) "Revenue recognition" and Note 6(17) "Operating revenue" to the parent-company-only financial statements.

   Description of the key audit matter:

   Revenue generation is a key operating activity of a company, and the Company's major portion of revenue is composed of related party transactions which might have inherently higher risk of fraud. Moreover, revenue recognition is also dependent on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. Consequently, revenue recognition is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding and testing the Company's controls surrounding revenue recognition; understanding the Company's revenue types, its sales terms, related sales agreements and other supporting documents, to assess whether revenue recognition policies are applied appropriately; evaluating the trend of revenue; understanding the nature of related party transactions; performing the circularization of related party transactions; computer-aided testing sales cut off, on a sampling basis, for transactions incurred within a certain period before and after the balance sheet date to evaluate whether the revenue was recorded in proper period; and assessing the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

2. Valuation of inventories

Refer to Note 4(7) "Inventories"; Note 5 for uncertainty of accounting estimation and assumptions for inventory valuation, and Note 6(5) "Inventories" to the parent-company-only financial statements.

Description of the key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to rapid product innovation and keen market competition, the Company's products may no longer meet market demand in short time and lead to the rapid fluctuation in the sales demand, as well as the selling price, which may result in product obsolescence and the cost of inventories to be higher than the net realizable value. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included evaluating whether valuation of inventories was accounted by the nature of inventories (the storage life of chemicals); performing sampling tests to verify the accuracy of inventory aging; understanding and testing the Company's controls surrounding inventories obsolescence management; inspecting the calculation mode of net realizable value; sampling the related tickets and supporting documents; evaluating whether valuation of inventories was accounted by in accordance with the Company's accounting policies, as well as the reasonableness of inventory provision policy; and assessing the adequacy of the Company's disclosures of its inventory valuation policy and other related disclosures.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 parent-company-only 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 parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only 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 investee companies in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only 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 Chun-Yuan Wu and Chien-Hui Lu.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

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

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

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

Daxin Materials Corporation

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents	$ 194,873	4	243,803	5
1110	Financial assets at fair value through profit or loss－current	44,212	1	7,800	-
1136	Financial assets measured at amortized cost－current	1,423,778	29	1,160,628	25
1170	Accounts receivable, net	413,109	8	370,984	8
1180	Accounts receivable due from related parties, net	720,178	15	698,305	15
130X	Inventories	379,599	7	338,185	7
1476	Other financial assets－current	47,110	1	52,714	2
1479	Other current assets	36,429	1	29,203	1
		3,259,288	66	2,901,622	63
	Noncurrent assets:				
1535	Financial assets measured at amortized cost－noncurrent	26,691	1	8,800	-
1600	Property, plant and equipment	1,479,983	30	1,544,647	33
1755	Right-of-use assets	154,624	3	163,676	4
1780	Intangible assets	2,552	-	1,992	-
1840	Deferred tax assets	23,449	-	18,070	-
1920	Guarantee deposits paid	2,594	-	2,577	-
1990	Other noncurrent assets	316	-	677	-
		1,690,209	34	1,740,439	37
	Total assets	$ 4,949,497	100	4,642,061	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2170	Accounts payable	497,087	10	407,295	9
2180	Accounts payable to related parties	13,331	-	12,333	-
2201	Payroll and bonus payable	349,878	7	299,437	6
2213	Payable on machinery and equipment	41,339	1	36,930	1
2230	Current tax liabilities	72,275	2	90,782	2
2280	Lease liabilities－current	8,606	-	8,617	-
2322	Long-term borrowings, current portion	143,999	3	95,999	2
2399	Other current liabilities	139,358	3	136,181	3
		1,265,873	26	1,087,574	23
	Noncurrent liabilities:				
2540	Long-term borrowings	244,694	5	258,893	6
2570	Deferred tax liabilities	2,057	-	-	-
2580	Lease liabilities－noncurrent	152,732	3	160,954	3
		399,483	8	419,847	9
	Total liabilities	1,665,356	34	1,507,421	32
	Equity:				
3110	Common stock	1,027,159	21	1,027,159	22
3200	Capital surplus	41,838	1	41,814	1
	Retained earnings:				
3310	Legal reserve	638,586	13	586,250	13
3320	Special reserve	-	-	1,310	-
3350	Unappropriated retained earnings	1,576,558	31	1,478,107	32
		2,215,144	44	2,065,667	45
	Total equity	3,284,141	66	3,134,640	68
	Total liabilities and equity	$ 4,949,497	100	4,642,061	100

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

Daxin Materials Corporation

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue**	$ 4,117,847	100	4,264,121	100
5000	**Operating costs**	2,600,000	63	2,785,030	65
	Gross profit from operations	1,517,847	37	1,479,091	35
	Operating expenses:				
6100	Selling expenses	196,206	5	185,786	5
6200	Administrative expenses	216,504	5	204,749	5
6300	Research and development expenses	497,972	12	480,768	11
6450	Expected credit gains	-	-	(3,000)	-
		910,682	22	868,303	21
	Operating income	607,165	15	610,788	14
	Non-operating income and expenses:				
7020	Other gains and losses	31,346	1	(12,943)	-
7100	Interest income	27,035	-	14,758	-
7130	Dividend income	557	-	-	-
7510	Interest expense	(7,516)	-	(7,154)	-
		51,422	1	(5,339)	-
	Profit before income tax	658,587	16	605,449	14
7950	**Less: Income tax expense**	87,975	2	82,095	2
	Net income	570,612	14	523,354	12
8300	**Other comprehensive income (loss)**				
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	-	-	1,310	-
	Total items that may be reclassified subsequently to profit or loss	-	-	1,310	-
8300	**Other comprehensive income (loss)**	-	-	1,310	-
	Total comprehensive income	**$ 570,612**	**14**	**524,664**	**12**
	Earnings per share (NT dollars)				
9750	Basic earnings per share	**$ 5.56**		**5.10**	
9850	Diluted earnings per share	**$ 5.54**		**5.07**	

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

Daxin Materials Corporation

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2023	$ 1,027,159	41,814	543,638	1,303	1,336,335	1,881,276	(1,310)	2,948,939
Net income	-	-	-	-	523,354	523,354	-	523,354
Other comprehensive income (loss)	-	-	-	-	-	-	1,310	1,310
Total comprehensive income	-	-	-	-	523,354	523,354	1,310	524,664
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	42,612	-	(42,612)	-	-	-
Special reserve appropriated	-	-	-	7	(7)	-	-	-
Cash dividends to shareholders	-	-	-	-	(338,963)	(338,963)	-	(338,963)
Balance at December 31, 2023	1,027,159	41,814	586,250	1,310	1,478,107	2,065,667	-	3,134,640
Net income	-	-	-	-	570,612	570,612	-	570,612
Other comprehensive income (loss)	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	570,612	570,612	-	570,612
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	52,336	-	(52,336)	-	-	-
Reversal of special reserve	-	-	-	(1,310)	1,310	-	-	-
Cash dividends to shareholders	-	-	-	-	(421,135)	(421,135)	-	(421,135)
Other changes in capital surplus	-	24	-	-	-	-	-	24
Balance at December 31, 2024	**$ 1,027,159**	**41,838**	**638,586**	**-**	**1,576,558**	**2,215,144**	**-**	**3,284,141**

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

Daxin Materials Corporation
Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		2024	2023
Cash flows from operating activities:			
Profit before income tax	$	658,587	605,449
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation		267,767	256,996
Amortization		3,560	2,927
Expected credit gains		-	(3,000)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss		9,541	(5,333)
Interest expense		7,516	7,154
Interest income		(27,035)	(14,758)
Dividend income		(557)	-
Gain on disposal of property, plant and equipment		(549)	(285)
Provisions for inventory obsolescence and devaluation loss		12,983	15,121
Others		537	2,322
Changes in operating assets and liabilities:			
Accounts receivable		(42,125)	(20,887)
Accounts receivable due from related parties		(21,873)	(31,777)
Inventories		(54,397)	11,025
Other current assets		(7,226)	(4,063)
Other financial assets－current		5,604	(31,470)
Financial assets measured at amortized cost－current		(261)	127
Accounts payable		89,792	(56,527)
Accounts payable to related parties		998	603
Other current liabilities		53,580	62,712
Cash generated from operations		956,442	796,336
Interest received		26,251	14,471
Interest paid		(7,478)	(7,133)
Income taxes paid		(109,804)	(77,138)
Net cash provided by operating activities		865,411	726,536
Cash flows from investing activities:			
Acquisition of financial assets at amortized cost – current		(262,105)	(108,595)
Disposal (acquisition) of financial assets at amortized cost – noncurrent		(17,891)	1,550
Acquisition of financial assets at fair value through profit or loss		(45,953)	-
Disposal of subsidiary		-	124
Acquisition of property, plant and equipment		(189,922)	(217,542)
Disposal of property, plant and equipment		694	346
Increase in refundable deposits		(17)	(2,400)
Acquisition of intangible assets		(4,120)	(2,605)
Decrease in other noncurrent assets		361	478
Dividends received		557	-
Net cash used in investing activities		(518,396)	(328,644)
Cash flows from financing activities:			
Proceeds from short-term borrowings		160,000	195,000
Repayments of short-term borrowings		(160,000)	(195,000)
Proceeds from long-term borrowings		145,800	60,000
Repayments of long-term borrowings		(111,999)	(77,405)
Repayment of the principal portion of lease liabilities		(8,635)	(8,490)
Cash dividends paid		(421,135)	(338,963)
Other financing activities		24	-
Net cash used in financing activities		(395,945)	(364,858)
Net increase (decrease) in cash and cash equivalents		(48,930)	33,034
Cash and cash equivalents at beginning of period		243,803	210,769
Cash and cash equivalents at end of period	**$**	**194,873**	**243,803**

Attachment 5

Daxin Materials Corporation
2024 Earnings Distribution Table

Unit: (NT$)

Item	Amount
Unappropriate retained earnings of previous years	1,005,946,141
Net income of 2024	570,611,638
Less:	
Legal reserve	57,061,164
Retained earnings in 2024 available for distribution	513,550,474
Retained earnings available for distribution as of December 31, 2024	1,519,496,615
Distribution items:	
Cash dividends to common shareholders (NT$ 5 per share, i.e, NT$ 5,000 for every 1000 shares)	513,579,555
Unappropriated retained earnings	1,005,917,060

Attachment 6

List of Non-competition Restrictions to be Lifted

Directors and their Representatives	Released restriction items
Eternal Materials Co. Ltd.	Director, Eternal Technology Corp.
Eternal Materials Co. Ltd. Representative: Chin-Cheng Pan	President, Eternal (China) Investment Co., Ltd. Director, Winchain Material Technology Co., Ltd.

Attachment 7

Comparison Table for the Articles of Incorporation Before and After the Amendment

Before amendment	After amendment	Reason of amendment
Article11 The board of directors shall have one chairman, and the chairman shall be elected by and among the directors by a majority vote at a meeting attended by more than two-thirds of the directors. The chairman of the Board shall preside internally at the meetings of the Board and shall externally represent the Company. In case the chairman of the Board cannot exercise the power and authority, the chairman of the Board may designate one of the directors to act as the chairman. In the absence of such a designation, the directors shall elect a designee from among themselves.	Article10 The board of directors shall have one chairman, and the chairman shall be elected by and among the directors by a majority vote at a meeting attended by more than two-thirds of the directors. As necessary, a vice chairman may be elected by and among the directors in the same manner. The chairman of the Board shall preside internally at the meetings of the Board and shall externally represent the Company. In case the chairman of the Board cannot exercise the power and authority, the vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman also cannot exercise the power and authority, the chairman of the Board may designate one of the directors to act as the chairman. In the absence of such a designation, the directors shall elect a designee from among themselves.	To align with future business development, to add the establishment of the position of Vice Chairman.
Article15 If the Company has a profit (income before tax, excluding remuneration to employees and Directors) for each fiscal year, the Company shall first reserve a sufficient amount to offset its accumulated losses, and then distribute the remaining in accordance with the ratio as follows: I. No less than 3% as employees' remuneration. II. No more than 1% as directors' remuneration. The remuneration of employees and directors shall be resolved by the Board of Directors and reported to the shareholders' meeting.	Article15 If the Company has a profit (income before tax, excluding remuneration to employees and Directors) for each fiscal year, the Company shall first reserve a sufficient amount to offset its accumulated losses, and then distribute the remaining in accordance with the ratio as follows: I. No less than 3% as employees' remuneration. II. No more than 1% as directors' remuneration. No less than 5% of the employees' remuneration referred to in Subparagraph 1 of Paragraph 1 shall be allocated as remuneration for non-executive employees. The remuneration of employees and directors shall be resolved by the Board of Directors and reported to the shareholders' meeting.	To specify that a certain percentage of the Company's annual earnings shall be allocated for non-executive employees' remuneration.
Article17 The Articles of Incorporation was enacted on June 30, 2006. ………………………………………… The eighth amendment was made on June 15, 2022.	Article17 The Articles of Incorporation was enacted on June 30, 2006. ………………………………………… The eighth amendment was made on June 15, 2022. The ninth amendment was made on May 14, 2025.	To add the date of amendment.

Chapter IV Appendix

Appendix 1

Articles of Incorporation (Before the Amendments)

Approved by the Shareholders' Meeting on June 15, 2022.

Chapter 1: General Provisions

Article 1

The Company is incorporated, registered and organized as a company limited by shares in accordance with the Company Act of the Republic of China, and its name is 達興材料股份有限公司 in the Chinese language, and Daxin Materials Corporation in the English language.

Article 2

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

To research, design, develop, manufacture, and sale the following products:

1. Various photoresists, PI alignment layer, liquid crystal, and other related chemicals used in the manufacturing process of displays
2. Overcoat, optical clear resin and other related chemicals for touch panels
3. Ingot slicing solutions, anti-reflection materials, and other related chemicals for energy industry
4. Dielectrics, adhesives and other related chemicals for the semiconductor industry
5. Encapsulants and other related chemicals for the lighting industry
6. Specialty chemicals for other electronic products
7. Analysis and identification of chemical composition
8. Inspection and measurement of product characteristics

The business items and codes of the above products:

(1) C801010 Basic Chemical Industrial
(2) C801020 Petrochemical Materials Manufacturing
(3) C801030 Precision Chemical Material Manufacturing
(4) C801060 Synthetic Rubber Manufacturing
(5) C801100 Synthetic Resin and Plastic Manufacturing
(6) C801990 Other Chemical Materials Manufacturing
(7) C802120 Industrial and Additive Manufacturing
(8) C802200 Coating, Paint, Dye and Pigment Manufacturing
(9) C805990 Other Plastic Products Manufacturing
(10) CC01080 Electronics Components Manufacturing
(11) F107200 Wholesale of Chemical Feedstock (for operation outside the science park only)
(12) F119010 Wholesale of Electronic Materials (for operation outside the science park only)
(13) F401010 International Trade (for products related to the above only)
(14) I199990 Other Consulting Service
(15) IG02010 Research and Development Service
(16) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. (for operation outside the science park only)

The operation of the aforementioned businesses shall comply with the laws and regulations.

Article 3

The head office of the Company shall be in the Central Taiwan Science Park. The Company shall be free, upon approval of the Board of Directors and government authorities in charge, to set up branch offices, factories, branch operating offices or branch business offices at various locations within and without the territory of the Republic of China, whenever the Company deems it necessary.

Article 4

The total amount of the Company’s investments is not subject the restriction of Article 13 of the Company Act. The Company may provide endorsements or guarantees to other parties for the purposes of business or investment.

Chapter 2: Capital Stock

Article 5

The total capital stock of the Company shall be in the amount of 150,000,000 New Taiwan Dollars, divided into 150,000,000 registered shares, at 10 New Taiwan Dollars each. The Board of Directors is authorized to issue the unissued shares in installments.

Among which 100,000,000 New Taiwan Dollars of the total capital stock, divided into 10,000,000 shares, at 10 New Taiwan Dollars each, should be reserved for issuing employee stock options and may be issued installment in accordance with the resolution of the Board of Directors.

Article 6

The share certificates of the Company shall be in registered form, which shall be signed by or sealed by at least three directors, and issued after duly authentication pursuant to the law.

The Company may pursuant to the laws and regulations, deliver shares or other securities in book-entry form, instead of delivering physical shares or other securities.

Article 7

Unless otherwise provided by low and regulations, the Company’s shareholder services shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Chapter 3: Shareholders' Meeting

Article 8

Shareholders' meetings of the Company are of two types, regular meetings and special meetings. Regular meetings shall be convened once a year by the Board of Directors, within six months after the end of each fiscal year. Special meetings shall be convened in accordance with the law and regulations whenever necessary.

The aforementioned meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9

Unless otherwise provided in the Company Act, a meeting of shareholders shall proceed only if attended by shareholders representing more than one-half of the total outstanding shares of the Company. Resolutions of a shareholders meeting shall be adopted at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting. When a shareholder is unable to attend a meeting, he or she may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. Exception for trust enterprise or stock agencies approved by the competent authority, when one person who act as a proxy for two or more shareholders, the number of voting rights represented by that proxy that exceeds 3% of the total number of issued shares shall not be counted. The matters related to use or rescission of the proxy shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 9-1

If the Company proposes to cancel the public offering, the proposal shall be approved by the shareholders' meeting, and applied for the cancellation to the competent authority. This article shall not be altered during the Company is listed (whether TWSE-listed, OTC-listed, or registered on emerging-stock market).

Chapter 4: Board of Directors and Audit Committee

Article10

The Company shall have seven to eleven directors, their term of office shall be three years. Directors shall be elected from a slate of director candidates, which are nominated under the Candidate Nomination System, at shareholders' meetings, and shall be eligible for re-elected. The number of directors is determined by the Board of Directors.

The aforementioned directors of the board shall include at least three independent directors. The professional qualification, restrictions on shareholdings and concurrent positions held, method of nomination and election, and other matters with respect to independent directors shall be in compliance with the relevant regulations of the competent authority.
The Company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of office.

The Board of Directors is authorized to determine the compensation for the directors, taking into account the extent and value of the services provided for the Company’s operation and with reference to the standards of local and overseas industry.

Article10-1

In compliance with Articles 14-4 of the Securities and Exchange Law, the Company shall establish an Audit Committee, which shall consist of all independent directors.

Article10-2

The meeting of the Board of Directors shall be held at least quarterly, and the reasons for calling the Board of Directors meeting shall be notified to each director at least seven days in advance. In the case of emergency, the meeting of the Board of Directors may be convened at any time. The notice of board meetings shall be effected by means of fax, e-mail, or other methods.

Article11

The board of directors shall have one chairman, and the chairman shall be elected by and among the directors by a majority vote at a meeting attended by more than two-thirds of the directors. The chairman of the Board shall preside internally at the meetings of the Board and shall externally represent the Company. In case the chairman of the Board cannot exercise the power and authority, the chairman of the Board may designate one of the directors to act as the chairman. In the absence of such a designation, the directors shall elect a designee from among themselves.

Article12

When a director is unable to attend a meeting of the board for any reason, he/she may appoint another director to attend on his/her behalf by proxy in accordance with Article 205 of the Company Act. Each director may act as proxy for one other director only.

Chapter 5: Managerial Personnel

Article13

The Company shall have one or more managerial personnel. The appointment, discharge, and remuneration of managerial personnel shall be decided in accordance with the Company Act.

Chapter: 6 Accounting

Article14

At the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the shareholders' meeting for acceptance.
I. Business report.
II. Financial statements.
III. Proposal for distribution of earnings or recovery of loss.

Article15

If the Company has a profit (income before tax, excluding remuneration to employees and Directors) for each fiscal year, the Company shall first reserve a sufficient amount to offset its accumulated losses, and then distribute the remaining in accordance with the ratio as follows:
I. No less than 3% as employees' remuneration.
II. No more than 1% as directors' remuneration.

The remuneration of employees and directors shall be resolved by the Board of Directors and reported to the shareholders' meeting.

Article15-1

If the Company has a profit at the end of each fiscal year, the Company shall first pay the tax, offset the accumulated losses, and set aside a legal reserve at 10% of the remaining earnings unless and until the accumulated legal reserve has reached the amount of the paid-in capital of the Company, then set aside or reverse special reserve in accordance with the Company's operation or relevant laws and regulations. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan proposed and approved. Dividend distribution may be distributed in whole or in part, in the form of shares shall be approved by the shareholders' meeting, and in the form of cash shall be approved by the Board of Directors and reported to the shareholders' meeting.

The Company adopts the residual dividend policy considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions, and capital budget, etc., while taking into account the shareholders' interests, maintenance of a balance dividend and the Company's long term financial plan. When the dividends are distributed, at least 30% of the retained earnings available for distribution of the current year shall be distributed as dividend, which may be distributed by way of cash dividend and/or stock dividend, and the ratio for cash dividend shall not be less than 10% of total distribution.

Article15-2

Where the Company incurs no accumulated losses, the Company may distribute the portion of legal reserve which exceeds 25% of the Company's paid-in capital and the capital reserves permitted for distribution under the Company Act, in whole or in part, in the form of cash, to the shareholders in proportion to their shareholdings by the resolution adopted by the Board of Directors and reported to the shareholders' meeting.

Article15-3

The employees who are entitled to the following compensation can include employees of subsidiaries of the Company meeting certain specific qualifications. The Board or the person duly designated by the Board is authorized to decide such qualifications and allocation.
I. Employees' remuneration
II. The buy back shares to be transferred to employees
III. Employee stock options
IV.The reserved shares for subscription by employees when issuing new shares
V. Restricted stock for employees

Chapter 7: Miscellaneous

Article16

Any matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws and regulations shall govern.

Article17

The Articles of Incorporation was enacted on June 30, 2006.

The 1st amendment was made on June 26, 2007.

The 2nd amendment was made on June 23, 2009.

The 3rd amendment was made on June 18, 2010.

The 4th amendment was made on July 22, 2011.

The 5th amendment was made on June 23, 2014.

The 6th amendment was made on May 27, 2016.

The 7th amendment was made on May 24, 2017.

The 8th amendment was made on June 15, 2022.

Appendix 2

Rules and Procedures of Shareholders' Meetings

Approved by the Shareholders' Meeting on July 20, 2021

1. Shareholders' meeting of the Company (the "Meeting") shall be conducted in accordance with the Rules and Procedures.
2. The shareholders or their proxies attending the meeting shall be signed in and the signing in shall be in the form of sign-in cards. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronic means. Attendance and voting at the meeting shall be calculated based on the number of shares.
3. The venue for the meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for the meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m.
4. The meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or unable to exercise the powers of the chairman for any reason, the vice chairman shall act the chair. If there is no vice chairman or the vice chairman is unable to exercise the powers for any reason, the chairman shall appoint one of the directors to act as the chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as the chair. If the meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting.
5. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend the meeting in a non-voting capacity.
6. The Company shall make uninterrupted audio or video recordings of the meeting and the recorded materials shall be retained for at least 1 year.
7. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

   When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the meeting pursuant to Article 174 of the Company Act.
8. If the meeting is convened by the board of directors, the meeting agenda shall be set by the

board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the meeting.

The provisions of the preceding paragraph apply mutatis mutandis to the meeting convened by a party with the power to convene that is not the board of directors.

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

During the meeting, the chair may announce a break based on time consideration. After the meeting is adjourned, shareholders shall not elect another chair to continue the meeting at the same place or at any other place.

9. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number, and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt without consent of the chair and the shareholder in speaking, the chair shall stop any violation.

10. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

11. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.

    If a legal entity is a shareholder and designates two or more representatives to attend the Meeting, only one representative can speak on the same proposal.

12. After an attending shareholder has spoken, the chair may respond himself/herself or appoint an appropriate person to respond.

13. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

14. Vote monitoring and counting person(s) for the voting on a proposal shall be appointed by the chair, and the monitoring person(s) shall be shareholder(s). The results of voting shall be announced on site at the meeting, and a record made of the vote.

15. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the resolution shall be adopted by a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS).

16. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
17. The chair may direct the proctors or security guards to help maintain order at the meeting place. When proctors or security guards help maintain order at the meeting place, they shall wear an armband or identification card bearing the word "Proctor".
18. If a force majeure event occurs during the meeting, the chair may announce a suspension of the meeting or convene a meeting on another day.
19. Any matters not provided in the Rules and Procedures shall be handled in accordance with the Company Act, the Articles of Incorporation of the Company, and relevant laws and regulations.
20. The Rules and Procedures, and any amendments hereto, shall be effective after approval by the shareholders' meeting.

Appendix 3

Shareholding of All Directors

Record Date: March 16, 2025

Title	Name	Current shareholding
Chairman	Cheng-Yih Lin	2,298,832
Director	Tsung-Hsing Kuo	231,911
Director	Eternal Materials Co. Ltd. Representative: Chin-Cheng Pan	23,003,812
Director	Konly Venture Corporation Representative : Ting-Li Lin	19,113,730
Independent Director	Wei-Shun Cheng	0
Independent Director	Xin-Wu Lin	0
Independent Director	Chiao-Mou Cheng	0
Independent Director	Chih-Chun Tsai	0
	Total shareholdings of all Directors	44,648,285

Note

1：Total shares issued as of March 16, 2025：102,715,911 common shares.

2：The minimum shareholding requirements of according to Article 26 of the Securities and Exchange Act：8,000,000 common shares.

DAXIN