



Stock Code:2363  
The Form of Shareholders' Meeting: Physical

# Silicon Integrated Systems Corp.

## 2024 Annual Shareholders' Meeting

### Meeting Handbook

May 27, 2024

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THIS IS A TRANSLATION OF 2024 ANNUAL SHAREHOLDERS' MEETING HANDBOOK ("THE HANDBOOK") OF SILICON INTEGRATED SYSTEMS CORPORATION ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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# Silicon Integrated Systems Corp.

## Meeting Procedures of the 2024 Annual General Meeting

- I. Meeting Called to Order
- II. Chairman's Speech
- III. Report Items
- IV. Proposed Resolutions
- V. Election
- VI. Agenda Items
- VII. Extraordinary Motions
- VIII. Adjournment

# Silicon Integrated Systems Corp.

## Agenda of the 2024 Annual General Meeting

Time: May 27, 2024, 9:00 am

Venue: No.180, Sec. 2, Gongdao 5th Rd., Hsinchu (SiS Building)

The Form of Shareholders' Meeting: Physical

Attendants: All shareholders and their proxies

Chairman: Stan Hung

- I. Meeting Called to Order
- II. Chairman's Speech
- III. Report Items
  - Proposal 1: 2023 Business Report
  - Proposal 2: Audit Committee's Review Report on the 2023 Financial Statements
  - Proposal 3: Report on the shareholders' proposal at the Annual Shareholders' Meeting
  - Proposal 4: Report on 2023 employees' and directors' compensation
  - Proposal 5: Amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings"
- IV. Proposed Resolutions
  - Proposal 1: Ratification of the 2023 Business Report and Financial Statements
  - Proposal 2: Ratification of the 2023 Earnings Distribution Proposal
- V. Election
  - Proposal 1: Early comprehensive election for the 9th Board of Directors of the 13th term of the Company (including 3 independent directors)
- VI. Agenda Items
  - Proposal 1: Plan to conduct capital reduction and cash refund
  - Proposal 2: Removal of the non-competition restrictions for newly elected directors
- VII. Extraordinary Motions
- VIII. Adjournment

## Report Items:

### Report 1

Proposal: 2023 Business Report

Description: Please refer to Attachment I on page 7~8 for the 2023 Business Report.

### Report 2

Proposal: Audit Committee's Review Report on the 2023 Financial Statements.

Description: Please refer to Attachment II on page 9 and Attachment III on page 10 to 19 of this Handbook for the Audit Committee's Review Report and Independent Auditors' Report.

### Report 3

Proposal: Report on the shareholders' proposal at the Annual Shareholders' Meeting

Description:

1. In compliance with Article 172-1 of the Company Act.
2. The Company did not receive any shareholders' proposals during the period from March 22, 2024 to April 1, 2024.

### Report 4

Proposal: Report on the distribution of 2023 employees' and directors' compensation

Description:

1. In accordance with Article 32 of the Company's Articles of Incorporation: The Company shall contribute the remaining balance of profit before tax after offsetting the accumulated loss to employees' and directors' compensation. The percentage of employees' compensation shall be no less than 5% of the aforementioned balance and the percentage of directors' compensation shall be no more than 2% of the aforementioned balance. Employees' compensation may be distributed in the form of shares or cash, while directors' compensation may be distributed in the form of cash.
2. The Company proposed to distribute NT\$55,420,083 in cash for employees' compensation and NT\$6,927,510 in cash for directors' compensation.

### Report 5

Proposal: Amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings"

Description:

1. Acting in accordance with the "Regulations Governing Procedure for Board of Directors Meetings for Public Companies" as amended by the Financial Supervisory Commission's Financial-Supervisory-Securities-Corporate 11203839965 dated January 11, 2024.
2. For the comparison table of revised provisions of the "Regulations Governing Procedure for Board of Directors", please refer to pages 30 [Attachment VI] of this Handbook.

## Proposed Resolution:

**Proposal 1** (Proposed by the Board of Directors)

Proposal: Ratification of the 2023 Business Report and Financial Statements.

Description:

1. The 2023 Business Report and Financial Statements have been approved by the Board of Directors at the 13th Meeting of the 12th Board of Directors, reviewed by the Audit Committee, which has issued a written review report, and submitted to the shareholders' meeting for ratification in accordance with the laws and regulations. Please refer to Attachment II on page 9 of this Handbook.
2. For the attached Business Report, please refer to Attachment I on page 7 to 8 of this Handbook. For the Independent Auditors' Report and the above financial statements, please refer to Attachments III to V on page 10 to 29 of this Handbook.

Resolution:

**Proposal 2**

(Proposed by the Board of Directors)

Proposal: Ratification of the 2023 Earnings Distribution Proposal

Description:

1. With the Company's earnings after tax for 2023 of NT\$571,261,536, plus the undistributed earnings at the beginning of 2023 of NT\$1,583,075,207, the remeasurement of the defined benefit plan of NT\$1,224,367, and the gain on sale - equity instrument investment at fair value through other comprehensive income of NT\$1,520,319,170, while less the legal reserve of NT\$209,280,507, the distributable earnings for the period is NT\$3,466,599,773. The Company proposed to distribute cash dividends of NT\$224,876,805, or NT\$0.3 per share.
2. Please refer to the following 2023 Earnings Distribution Table

### Silicon Integrated Systems Corp.

#### 2023 Earnings Distribution Table

Unit: NT\$

No.	Amount
Undistributed earnings at the beginning of the period	1,583,075,207
Plus: Remeasurement of defined benefit plans	1,224,367
Plus: Gain on sale - investments in equity instruments at fair value through other comprehensive income	1,520,319,170
Undistributed earnings at the beginning of the period after adjustment	3,104,618,744
Earnings after tax for the period	571,261,536
Less: Provision of legal reserve	(209,280,507)
Distributable earnings for the period	3,466,599,773
Less: Cash dividend NT\$0.3/share	(224,876,805)
Undistributed earnings at the end of the period	3,241,722,968

Chairman: Stan Hung

Manager: Le-Tien Jung

Chief Accountant: Yuan-Kwei Chen

Note: The cash dividends are calculated by "unconditionally rounded up to the nearest dollar", and the total amount of distribution less than one dollar is recognized as other income of the Company. The Board of Directors is authorized to set the ex-dividend date. If the number of outstanding shares is subsequently affected by the repurchase of the Company's shares, the transfer or cancellation of treasury shares, the addition or issuance or withdrawal of restricted employees' shares, which result in a change of the dividend distribution rate, the Board of Directors is authorized by the shareholders' meeting to make appropriate adjustments.

Resolution:

## **Election:**

**Election 1** (Proposed by the Board of Directors)

Proposal: Early comprehensive election for the 9th Board of Directors of the 13th term of the Company (including 3 independent directors)

Description:

1. In response to the operational needs of the Company, it is proposed to conduct an early comprehensive election of the 13th Board of Directors (including independent directors) of the Company, in accordance with Article 199-1 of the Company Act, at the 2024 General Shareholders' Meeting.
2. There are nine director positions (including three independent directors) to be filled in this election, each with a term of three years, commencing from May 27, 2024, to May 26, 2027. The term of office for the 12th Board of Directors (including independent directors) of the Company shall automatically expire upon the completion of the election of the new directors (including independent directors) in this instance.
3. The Company has established the Audit Committee and the Remuneration Committee according to law. The members of these two committees are entirely formed by independent directors. The original members will be automatically dismissed upon the completion of the election of the independent directors of the 13th Board.
4. For the list of director (including independent directors) candidates and relevant information, please refer to Attachment VII from pages 32 to 35 of this Handbook.

Election:

## **Agenda Items:**

**Discussion 1**

(Proposed by the Board of Directors)

Proposal: Plan to conduct a capital reduction and cash refund

Description:

1. To enhance shareholder return on equity, it is proposed to carry out a capital reduction for cash refund. For details, please refer to Attachment VIII on page 31 of this Handbook. .
2. The authorized capital of the Company is NT\$18,000,000,000, divided into 1,800,000,000 shares with a par value of NT\$10 per share. As of the present, the actual issued shares amount to 749,589,356 shares. It is proposed to reduce the capital by NT\$ 2,623,562,750, resulting in the cancellation of 262,356,275 shares. The capital reduction ratio is approximately 35%. The paid-in capital after the cash refund will be NT\$ 4,872,330,810, divided into 487,233,081 shares with a par value of NT\$ 10 per share.
3. Based on the total number of issued common shares, it is estimated that 1,000 shares will be exchanged for 650 shares (i.e., a reduction of 350 shares per 1,000 shares), with an estimated cash refund of NT\$3.5 per share. For fractional shares remaining after the reduction, shareholders may apply for consolidation registration with the Company's stock transfer agent before the book closure date for the exchange of

shares. If fractional shares remain after consolidation or if consolidation is not completed within the specified period, the chairman is authorized to negotiate with specific parties for the purchase at face value.

4. It is proposed to authorize the chairman to handle all relevant matters after approval at the shareholders' meeting, including but not limited to executing relevant administrative procedures and setting the reduction record date.
5. The rights and obligations of the new shares issued through this capital reduction will be the same as those of the original shares. In the event of changes in laws and regulations, requests from regulatory authorities, or other factors affecting the number of outstanding shares, it is proposed to authorize the chairman to handle the adjustment of the capital reduction exchange ratio and the amount of cash refund per share.

Resolution:

Discussion 2 (Proposed by the Board of Directors)

Proposal: Removal of the non-competition restrictions on newly elected directors.

Description:

1. According to Article 209 of the Company Law, a director who acts himself or on behalf of another person for such activities that are within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and obtain its approval.
2. The directors may have investments in or serve as directors in other companies with identical or similar business as those of the Company. Such circumstance shall obtain approval from the shareholders' meeting. If the Company's directors meet the above conditions, the shareholders' meeting shall discuss the removal of the non-competition restriction on the Company's directors and representatives of legal person (in case of a juristic entity, including its representative).
3. Please refer to Attachment IX on page 37 of this Handbook for the relevant information on positions concurrently held by the newly elected directors at other companies.

Resolution:

representative of legal person

## **Extraordinary Motions:**

## **Adjournment**



## 【Attachments I】

### Silicon Integrated Systems Corp. Business Report

The global economy witnessed a post-pandemic recovery in 2023; however, decisions to counter inflationary pressures through interest rate hikes, geopolitical tensions, and pressures on the financial system from the China economy dampened purchase willness for consumer electronics. Additionally, high inventory levels resulting from excessive stocking during the pandemic exacerbated the extreme imbalance between supply and demand in the overall consumer electronics supply chain. The Company's IC design business unable to achieve the expected performance targets due to the impact of inventory adjustment on customers and sluggish consumer demand. However, the Company achieved a pre-tax net profit of NT\$ 571 million and earnings per share of NT\$0.76 for the fiscal year 2023, supported by growth in non-operating income.

Looking forward to 2024, we anticipate the launch of next-generation projection-based multi-touch capacitive touch chipsets, capacitive active stylus touch chipsets, active stylus control chipsets, touch panel modules, touch panel application modules, and solution design services, as well as MEMS microphone chipsets and solutions which contributes to the growth of the overall revenue.

#### 2023 Business Performance

##### Results of the Business Plan

In the fields of consumer electronics, industrial control, and automotive touch products, the Company has introduced a series of large-sized external capacitive touch products. These products feature 40-point touch, high anti-noise capability, waterproofing, and palm rejection, fully meeting market demands for touch functionality. Moreover, the Company has launched competitive new products in the large-sized interactive whiteboard segment.

The Company's financial condition, profitability and research and development are as follows.

##### Financial Condition

###### (I) Parent Company Only Financial Statements

Unit: NT\$'000

Item	2023	2022	Increase(decrease) amount
Revenue	118,171	143,354	(25,183)
Gross profit	19,934	(9,558)	29,492
Operating loss	(422,738)	(404,595)	(18,143)
Net income for the period	571,261	483,657	87,604

###### Consolidated Financial Statements

Unit: NT\$'000

Item	2023	2022	Increase(decrease) amount
Revenue	187,184	182,202	4,982
Gross profit	56,676	4,640	52,036
Operating loss	(451,166)	(463,840)	12,674
Net income for the period	558,841	463,903	94,938

## Profitability

### (I) Parent Company Only Financial Statements

Item		2023	2022
Return on assets(%)		3.31	2.49
Return on equity(%)		3.33	2.51
Ratio to paid-in capital(%)	Net operating loss	(5.64)	(5.40)
	Profit before income tax	8.41	7.18
Net profit margin(%)		483.42	337.39
Earnings per share(NTD)		0.76	0.65

### (II) Consolidated Financial Statements

Item		2023	2022
Return on assets(%)		3.22	2.39
Return on equity(%)		3.25	2.40
Ratio to paid-in capital(%)	Net operating loss	(6.02)	(6.19)
	Profit before income tax	8.24	6.92
Net profit margin(%)		298.55	254.61
Earnings per share(NTD)		0.76	0.65

## Research and development

- Continued to improve the performance and specifications of capacitive touch chipsets and active stylus chipsets and improve the existing business, education, industrial control, and smart white board markets. Develop highly cost-effective touch screens in various sizes and smart (cloud) white board touch modules.
- Expanded the market outreach by introducing the next generation of USI and MPP specification stylus pens and Bluetooth touch feedback for laptops and tablets.
- Continued to develop various types of MEMS microphone-related products for AI applications.

## Summary of 2024 Business Plan

Thank you for the support and encouragement from our shareholders, we will continue to invest in R&D resources and innovative technologies to improve the performance of our existing products and promote new modules, so as to increase revenue and return profits to our shareholders.

Sincerely,

We wish you all health and good fortune.

Chairman: Stan Hung

Manager: Le-Tien Jung

Chief Accountant: Yuan-Kwei Chen

【Attachments II】

Silicon Integrated Systems Corp.  
Audit Committee's Report

The 2023 financial statements and consolidated financial statements of the Company prepared and delivered by the Board of Directors had been jointly audited by CPA Chris Hu and Hsin-Min Hsu from EY, who are of opinion that such financial statements are sufficient to present the financial condition, operating results and cash flow of the Company. The Business Report and earnings distribution have been reviewed by the Audit Committee, which has not found any inconsistencies. Therefore, the Audit Committee hereby issues this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2024 Annual Shareholders' Meeting of Silicon Integrated Systems Corp.

Convener of the Audit Committee: Ya-Ching Li

February 26, 2024

## 【Attachments III】

### **Independent Auditors' Report**

To Silicon Integrated Systems Corporation

#### **Opinion**

We have audited the accompanying parent company only balance sheets of Silicon Integrated Systems Corporation (“the Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of 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 Accountants 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 parent company only financial statements. 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.

### **Revenue recognition**

The Company recognized NT\$ 118,171 thousand as net sales for the year ended December 31, 2023. Sales of products is the main operating activity of the Company. Its sale regions include not only Taiwan but also Asia and other regions. Trade terms of sales of products under each sale order may be different. It is necessary for the Company to judge and determine the performance obligations and the timing of its satisfaction under each sale order. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) evaluating and testing the effectiveness of internal control which is related to the timing of revenue recognition; assessing the appropriateness of the accounting policy for revenue recognition; performing test of details on samples selected; tracing to relevant documentation of transactions, reviewing the significant terms of sale orders and agreements, identifying the performance obligations of the sale orders and agreements and timing of its satisfaction, performing cutoff procedures on selected samples for a period before and after reporting date, tracing to relevant documentation to verify the appropriateness of the timing of revenue recognition, and reviewing significant sales allowance and reversals in subsequent period. Please refer to Note 4 and Note 6 in notes to the parent company only financial statements.

### **Other Matter – Making Reference to the Audits of Other Auditors**

We did not audit the financial statements of certain investee companies, which were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The investment in these investee companies under equity method amounted to NT\$77,762 thousand and NT\$119,839 thousand, accounting for 0.4% and 1% of total assets as of December 31, 2023 and 2022, respectively. The related shares of losses recognized from these subsidiaries, associates and joint ventures under the equity method amounted to NT\$66,671 thousand and NT\$43,633 thousand, accounting for (11)% and (8)% of the net income before tax for the years ended December 31, 2023 and 2022 respectively.

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### **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 the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers for such internal control as management determines is necessary to enable the preparation of the 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

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

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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 internal control of the Company.
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 ability to continue as a going concern of the Company. 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 accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements 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.

Hu, Shen-Chieh

Hsu, Hsin-Min

Ernst & Young, Taiwan

February 26, 2024

#### Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, results of operations and cash flows in accordance with 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.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.



## **Independent Auditors' Report**

To Silicon Integrated Systems Corporation

### **Opinion**

We have audited the accompanying consolidated balance sheets of Silicon Integrated Systems Corporation and its subsidiaries (“the Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by 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 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. 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.

### Revenue recognition

The Group recognized NT\$187,184 thousand as net sales for the year ended December 31, 2023. Sales of products is the main operating activity of the Group. Its sale regions include not only Taiwan but also Asia and other regions. Trade terms of sales of products under each sale order may be different. It is necessary for the Group to judge and determine the performance obligations and the timing of its satisfaction under each sale order. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) evaluating and testing the effectiveness of internal control which is related to the timing of revenue recognition; assessing the appropriateness of the accounting policy for revenue recognition; performing test of details on samples selected; tracing to relevant documentation of transactions, reviewing the significant terms of sale orders and agreements, identifying the performance obligations of the sale orders and agreements and timing of its satisfaction, performing cutoff procedures on selected samples for a period before and after reporting date, tracing to relevant documentation to verify the appropriateness of the timing of revenue recognition, and reviewing significant sales allowance and reversals in subsequent period. Please refer to Note 4 and Note 6 in notes to the consolidated financial statements.

### **Other Matter – Making Reference to the Audits of Other Auditors**

We did not audit the financial statements of certain consolidated subsidiaries, whose statements reflect total assets of NT\$98,043 thousand and NT\$86,792 thousand, constituting 1% and 1% of consolidated total assets as of December 31, 2023 and 2022, respectively, and total operating revenues of NT\$61,270 thousand and NT\$17,589 thousand, constituting 33% and 10% of consolidated operating revenues for the years ended December 31, 2023 and 2022, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

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We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of the other auditors. These associates and joint ventures under equity method amounted to NT\$35,609 thousand and NT\$82,638 thousand, representing 0.2% and 1% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of losses from the associates and joint ventures under the equity method amounted to NT\$53,410 thousand and NT\$18,970 thousand, representing (9)% and (4)% of the consolidated net income before tax for the years ended December 31, 2023 and 2022, respectively.

### **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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

<Continued from previous page>

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 internal control of the Group.
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 ability to continue as a going concern of the Group and its subsidiaries. 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 and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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.

<Continued from previous page>

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 2022 consolidated financial statements 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.

## **Others**

We have audited and expressed an unqualified opinion on the parent Company only financial statements of Silicon Integrated Systems Corporation as of and for the years ended December 31, 2023 and 2022.

Hu, Shen-Chieh

Hsu, Hsin-Min

Ernst & Young, Taiwan

February 26, 2024

## Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with 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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

【Attachments IV】

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

SILICON INTEGRATED SYSTEMS CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023	%	December 31, 2022	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$ 3,670,547	19	\$ 1,391,733	9
Financial assets measured at amortized cost – current	4, 6(3), 8, 12	357,658	2	9,641	-
Account receivable, net	4, 6(4), 6(12), 12	13,551	-	12,528	-
Accounts receivable - related parties, net	4, 6(4), 6(12), 7, 12	272	-	2,460	-
Other receivables		2,601	-	63,916	-
Inventories, net	4, 5, 6(5)	47,834	-	89,238	1
Prepayments		5,127	-	3,278	-
Other current assets		5,350	-	12,981	-
Total current assets		4,102,940	21	1,585,775	10
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income – non-current	4, 6(2), 12	14,095,365	74	12,904,748	84
Investments accounted for using the equity method	4, 6(6)	103,695	1	149,115	1
Property, plant and equipment	4, 5, 6(7)	738,438	4	733,251	5
Right-of-use assests	4, 6(13)	420	-	533	-
Intangible assets	4, 6(8)	3,046	-	3,837	-
Deferred tax assets	4, 5, 6(17)	1,095	-	125	-
Prepayment for equipment		-	-	175	-
Refundable deposits	12	227	-	247	-
Net defined benefit assets – non-current	4, 6(9)	74,756	-	74,078	-
Total non-current assets		15,017,042	79	13,866,109	90
<b>Total assets</b>		<u>\$ 19,119,982</u>	<u>100</u>	<u>\$ 15,451,884</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

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

SILICON INTEGRATED SYSTEMS CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2023	%	December 31, 2022	%
<b>Current liabilities</b>					
Contract liabilities – current	6(11)	\$ 2,055	-	\$ 1,192	-
Accounts payable	12	3,383	-	1,850	-
Accounts payable - related parties	7, 12	650	-	158	-
Other payables	12	110,048	1	71,746	1
Other payables - related parties	7, 12	-	-	897	-
Payables on equipment	12	5,528	-	2,058	-
Lease liabilities – current	4, 6(13), 12	158	-	160	-
Other current liabilities		2,924	-	2,931	-
Refund liabilities		233	-	3,621	-
Total current liabilities		124,979	1	84,613	1
<b>Non-current liabilities</b>					
Deferred tax liabilities	4, 5, 6(17)	306	-	2,612	-
Lease liabilities – non-current	4, 6(13), 12	272	-	378	-
Guarantee deposits	12	3,908	-	3,830	-
Total non-current liabilities		4,486	-	6,820	-
<b>Total liabilities</b>		129,465	1	91,433	1
<b>Equity</b>					
Capital	6(10)				
Common stock		7,495,894	39	7,495,894	48
Additional paid-in capital	4, 6(10)	83,210	-	85,303	1
Retained earnings	6(10)				
Legal reserve		515,141	3	429,146	3
Unappropriated earnings		3,675,880	19	2,418,660	15
Other components of equity		7,220,392	38	4,931,448	32
<b>Total equity</b>		18,990,517	99	15,360,451	99
<b>Total liabilities and equity</b>		\$ 19,119,982	100	\$ 15,451,884	100

The accompanying notes are an integral part of the parent company only financial statements.

SILICON INTEGRATED SYSTEMS CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	For the years ended December 31			
		2023	%	2022	%
Operating revenues	4, 6(11), 7	\$ 118,171	100	\$ 143,354	100
Operating costs	6(5), 6(14), 7	(98,237)	(83)	(152,912)	(107)
Gross profit		19,934	17	(9,558)	(7)
Operating expenses	6(8), 6(12), 6(14), 7				
Selling expenses		(33,862)	(29)	(52,008)	(36)
Administrative expenses		(139,014)	(118)	(107,946)	(75)
Research and development expenses		(269,790)	(228)	(235,053)	(164)
Expected credit loss		(6)	-	(30)	-
Total operating expenses		(442,672)	(375)	(395,037)	(275)
Operating loss		(422,738)	(358)	(404,595)	(282)
Non-operating income and expenses	4, 6(6), 6(15)				
Interest income		25,146	21	4,463	3
Other income		1,098,447	930	994,905	694
Other gains and losses		(722)	(1)	4,195	3
Financial costs		(21)	-	(13)	-
Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method		(69,709)	(59)	(60,521)	(42)
Total non-operating income and expenses		1,053,141	891	943,029	658
Income before income tax		630,403	533	538,434	376
Income tax expense	4, 5, 6(17)	(59,142)	(50)	(54,777)	(38)
Net income		571,261	483	483,657	338
Other comprehensive income	6(16)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6(9)	1,530	1	14,866	10
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		3,808,786	3,223	(7,832,837)	(5,464)
Income tax relating to items that will not be reclassified to profit or loss		(306)	-	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(618)	-	203	-
Income tax relating to items that may be reclassified to profit or loss		1,095	1	-	-
Other comprehensive income (loss), net of tax		3,810,487	3,225	(7,817,768)	(5,454)
Total comprehensive income (loss)		\$ 4,381,748	3,708	\$ (7,334,111)	(5,116)
Earnings per share (NT\$)	6(18)				
Earnings per share-basic		\$ 0.76		\$ 0.65	
Earnings per share-diluted		\$ 0.76		\$ 0.64	



## SILICON INTEGRATED SYSTEMS CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Description	Common Stock	Additional Paid-in Capital	Retained Earnings		Other Equity		Total Equity
			Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	
Balance as of January 1, 2022	\$ 6,814,449	\$ 81,798	\$ 402,492	\$ 2,811,971	\$ (5,059)	\$ 13,130,562	\$23,236,213
Appropriation and distribution of 2021 retained earnings							
Legal reserve	-	-	26,654	(26,654)	-	-	-
Cash dividends	-	-	-	(545,156)	-	-	(545,156)
Share dividends	681,445	-	-	(681,445)	-	-	-
Net income for the year ended December 31, 2022	-	-	-	483,657	-	-	483,657
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	14,866	203	(7,832,837)	(7,817,768)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	498,523	203	(7,832,837)	(7,334,111)
Changes in subsidiaries' ownership	-	3,238	-	-	-	-	3,238
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	361,421	-	(361,421)	-
Others	-	267	-	-	-	-	267
Balance as of December 31, 2022	\$ 7,495,894	\$ 85,303	\$ 429,146	\$ 2,418,660	\$ (4,856)	\$ 4,936,304	\$ 15,360,451
Balance as of January 1, 2023	\$ 7,495,894	\$ 85,303	\$ 429,146	\$ 2,418,660	\$ (4,856)	\$ 4,936,304	\$ 15,360,451
Appropriation and distribution of 2022 retained earnings							
Legal reserve	-	-	85,995	(85,995)	-	-	-
Cash dividends	-	-	-	(749,589)	-	-	(749,589)
Other changes in capital surplus							
Share of changes in associates and joint ventures accounted for using equity method	-	(3,306)	-	-	-	-	(3,306)
Net income for the year ended December 31, 2023	-	-	-	571,261	-	-	571,261
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	1,224	477	3,808,786	3,810,487
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	572,485	477	3,808,786	4,381,748
Changes in subsidiaries' ownership	-	1,213	-	-	-	-	1,213
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	1,520,319	-	(1,520,319)	-
Balance as of December 31, 2023	\$ 7,495,894	\$ 83,210	\$ 515,141	\$ 3,675,880	\$ (4,379)	\$ 7,224,771	\$ 18,990,517

The accompanying notes are an integral part of the parent company only financial statements.

## SILICON INTEGRATED SYSTEMS CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31	
	2023	2022
<b>Cash flows from operating activities :</b>		
Net income before tax	\$ 630,403	\$ 538,434
Adjustments for:		
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:		
Depreciation	12,966	14,654
Amortization	1,154	1,486
Expected credit loss	6	30
Interest expenses	21	13
Interest income	(25,146)	(4,463)
Dividend income	(1,059,038)	(955,802)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	69,709	60,521
Losses on disposal of property, plant, and equipment	83	14
Changes in operating assets and liabilities:		
Accounts receivable	(1,029)	2,607
Accounts receivable - related parties	2,188	32,555
Other receivables	1,578	(1,874)
Other receivables-related parties	-	5
Inventories	41,404	8,560
Prepayments	(1,849)	1,894
Other current assets	7,631	3,236
Other operating assets	546	(41)
Contract liabilities	863	888
Accounts payable	1,533	(13,587)
Accounts payable - related parties	492	(8,511)
Other payables	38,302	19,417
Other payable - related parties	(897)	(1,742)
Other current liabilities	(3,395)	(68)
Cash used in operations	(282,475)	(301,774)
Interest received	24,158	3,972
Income tax paid	(599)	(65,659)
Net cash used in operating activities	(258,916)	(363,461)
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through other comprehensive income or loss	(2,150)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income or loss	2,620,319	831,121
Acquisition of financial assets measured at amortized cost	(348,017)	(17)
Acquisition of investments accounted for using the equity method	(27,000)	(54,041)
Acquisition of property, plant and equipment	(14,546)	(13,058)
Proceeds from disposal of property, plant and equipment	14	10
Increase in refundable deposits	-	(85)
Decrease in refundable deposits	20	-
Acquisition of intangible assets	(363)	(695)
Decrease in prepayment for equipment	175	2,708
Dividends received	1,059,038	955,802
Net cash provided by investing activities	3,287,490	1,721,745
<b>Cash flows from financing activities :</b>		
Increase in guarantee deposits	78	58
Cash payment for the principle portion of lease liabilities	(249)	(268)
Cash dividends	(749,589)	(545,156)
Others	-	267
Net cash used in financing activities	(749,760)	(545,099)
Net increase in cash and cash equivalents	2,278,814	813,185
Cash and cash equivalents at beginning of the year	1,391,733	578,548
Cash and cash equivalents at end of the year	\$ 3,670,547	\$ 1,391,733

The accompanying notes are an integral part of the parent company only financial statements.

**【Attachments V】**

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023	%	December 31, 2022	%
<b>Current assets</b>					
Cash and cash equivalents	4, 6(1)	\$ 3,758,872	20	\$ 1,475,986	10
Financial assets measured at amortized cost – current	4, 6(3), 8, 12	357,658	2	9,641	-
Account receivable, net	4, 6(4), 6(12), 12	15,461	-	15,315	-
Accounts receivable - related parties, net	4, 6(4), 6(12), 7, 12	272	-	919	-
Other receivables	12	2,619	-	63,934	-
Inventories, net	4, 5, 6(5)	62,141	-	100,525	1
Prepayments		5,300	-	3,463	-
Other current assets		8,131	-	15,485	-
Total current assets		4,210,454	22	1,685,268	11
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income – non-current	4, 6(2), 12	14,095,365	74	12,904,748	83
Investments accounted for using the equity method	4, 6(6)	35,609	-	82,638	1
Property, plant and equipment	4, 5, 6(7)	744,628	4	742,521	5
Right-of-use assests	4, 6(13)	4,184	-	7,954	-
Intangible assets	4, 6(8)	7,566	-	4,958	-
Deferred tax assets	4, 5, 6(17)	1,095	-	125	-
Prepayment for equipment		-	-	175	-
Refundable deposits	12	3,349	-	1,929	-
Net defined benefit assets – non-current	4, 6(9)	74,756	-	74,078	-
Total non-current assets		14,966,552	78	13,819,126	89
<b>Total assets</b>		<u>\$ 19,177,006</u>	<u>100</u>	<u>\$ 15,504,394</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2023	%	December 31, 2022	%
<b>Current liabilities</b>					
Contract liabilities – current	6(11)	\$ 2,055	-	\$ 2,992	-
Accounts payable	12	3,494	-	1,863	-
Accounts payable - related parties	7, 12	650	-	158	-
Other payables	12	121,615	1	80,759	1
Other payables - related parties	7, 12	-	-	897	-
Payables on equipment	12	5,528	-	2,058	-
Lease liabilities – current	4, 6(13), 12	3,567	-	4,676	-
Other current liabilities		3,969	-	3,099	-
Refund liabilities		233	-	3,621	-
Total current liabilities		141,111	1	100,123	1
<b>Non-current liabilities</b>					
Deferred tax liabilities	4, 5, 6(17)	306	-	2,612	-
Lease liabilities – non-current	4, 6(13), 12	692	-	3,303	-
Guarantee deposits	12	3,880	-	3,772	-
Total non-current liabilities		4,878	-	9,687	-
<b>Total liabilities</b>		145,989	1	109,810	1
<b>Equity</b>					
Capital	6(10)				
Common stock		7,495,894	39	7,495,894	48
Additional paid-in capital	4,6(10)	83,210	-	85,303	1
Retained earnings	6(10)				
Legal reserve		515,141	3	429,146	3
Unappropriated earnings		3,675,880	19	2,418,660	15
Other components of equity		7,220,392	38	4,931,448	32
Equity attributable to the parent company		18,990,517	99	15,360,451	99
<b>Non-controlling interests</b>	4	40,500	-	34,133	-
<b>Total equity</b>		19,031,017	99	15,394,584	99
<b>Total liabilities and equity</b>		\$ 19,177,006	100	\$ 15,504,394	100

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	For the years ended December 31			
		2023	%	2022	%
Operating revenues	4, 6(11), 7, 14	\$ 187,184	100	\$ 182,202	100
Operating costs	6(5), 6(14), 7	(130,508)	(70)	(177,562)	(98)
Gross profit		56,676	30	4,640	2
Operating expenses	6(8),6(12), 6(14), 7				
Selling expenses		(47,498)	(25)	(74,211)	(41)
Administrative expenses		(154,370)	(82)	(128,061)	(70)
Research and development expenses		(305,968)	(163)	(266,178)	(146)
Expected credit loss		(6)	-	(30)	-
Total operating expenses		(507,842)	(270)	(468,480)	(257)
Operating losses		(451,166)	(240)	(463,840)	(255)
Non-operating income and expenses	4, 6(6), 6(15)				
Interest income		25,713	14	4,645	3
Other income		1,098,915	587	994,464	546
Other gains and losses		(1,823)	(1)	2,576	1
Financial costs		(224)	-	(191)	-
Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method		(53,410)	(29)	(18,970)	(10)
Total non-operating income and expenses		1,069,171	571	982,524	540
Income before income tax		618,005	331	518,684	285
Income tax expense	4, 5, 6(17)	(59,164)	(33)	(54,781)	(30)
Net income		558,841	298	463,903	255
Other comprehensive income	6(16)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6(9)	1,530	1	14,866	8
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		3,808,786	2,036	(7,832,837)	(4,299)
Income tax relating to items that will not be reclassified to profit or loss		(306)	-	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(618)	-	203	-
Income tax relating to items that may be reclassified to profit or loss		1,095	-	-	-
Other comprehensive income (loss), net of tax		3,810,487	2,037	(7,817,768)	(4,291)
Total comprehensive income		\$ 4,369,328	2,335	\$ (7,353,865)	(4,036)
Net income (loss) attributable to:					
Stockholders of the parent		\$ 571,261	305	\$ 483,657	266
Non-controlling interests		(12,420)	(7)	(19,754)	(11)
		\$ 558,841	298	\$ 463,903	255
Comprehensive income (loss) attributable to:					
Stockholders of the parent		\$ 4,381,748	2,342	\$ (7,334,111)	(4,025)
Non-controlling interests		(12,420)	(7)	(19,754)	(11)
		\$ 4,369,328	2,335	\$ (7,353,865)	(4,036)
Earnings per share (NT\$)	6(18)				
Earnings per share-basic		\$ 0.76		\$ 0.65	
Earnings per share-diluted		\$ 0.76		\$ 0.64	

The accompanying notes are an integral part of the consolidated financial statements.

## English Translation of Consolidated Financial Statements Originally Issued in Chinese

## SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Description	Equity Attributable to the Parent							Non-controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings		Other Equity		Total		
			Legal Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income			
Balance as of January 1, 2022	\$ 6,814,449	\$ 81,798	\$ 402,492	\$ 2,811,971	\$ (5,059)	\$ 13,130,562	\$ 23,236,213	\$ 26,625	\$ 23,262,838
Appropriation and distribution of 2021 retained earnings									
Legal reserve	-	-	26,654	(26,654)	-	-	-	-	-
Cash dividends	-	-	-	(545,156)	-	-	(545,156)	-	(545,156)
Share dividends	681,445	-	-	(681,445)	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	483,657	-	-	483,657	(19,754)	463,903
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	14,866	203	(7,832,837)	(7,817,768)	-	(7,817,768)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	498,523	203	(7,832,837)	(7,334,111)	(19,754)	(7,353,865)
Changes in subsidiaries' ownership	-	3,238	-	-	-	-	3,238	(3,238)	-
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	361,421	-	(361,421)	-	-	-
Others	-	267	-	-	-	-	267	-	267
Non-controlling Interests	-	-	-	-	-	-	-	30,500	30,500
Balance as of December 31, 2022	\$ 7,495,894	\$ 85,303	\$ 429,146	\$ 2,418,660	\$ (4,856)	\$ 4,936,304	\$ 15,360,451	\$ 34,133	\$ 15,394,584
Balance as of January 1, 2023	\$ 7,495,894	\$ 85,303	\$ 429,146	\$ 2,418,660	\$ (4,856)	\$ 4,936,304	\$ 15,360,451	\$ 34,133	\$ 15,394,584
Appropriation and distribution of 2022 retained earnings									
Legal reserve	-	-	85,995	(85,995)	-	-	-	-	-
Cash dividends	-	-	-	(749,589)	-	-	(749,589)	-	(749,589)
Other changes in capital surplus									
Share of changes in associates and joint ventures accounted for using equity method	-	(3,306)	-	-	-	-	(3,306)	-	(3,306)
Net income for the year ended December 31, 2023	-	-	-	571,261	-	-	571,261	(12,420)	558,841
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	1,224	477	3,808,786	3,810,487	-	3,810,487
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	572,485	477	3,808,786	4,381,748	(12,420)	4,369,328
Changes in subsidiaries' ownership	-	1,213	-	-	-	-	1,213	(1,213)	-
Non-controlling Interests	-	-	-	-	-	-	-	20,000	20,000
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	1,520,319	-	(1,520,319)	-	-	-
Balance as of December 31, 2023	\$ 7,495,894	\$ 83,210	\$ 515,141	\$ 3,675,880	\$ (4,379)	\$ 7,224,771	\$ 18,990,517	\$ 40,500	\$ 19,031,017

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2023 and 2022  
(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,	
	2023	2022
<b>Cash flows from operating activities :</b>		
Net income before tax	\$ 618,005	\$ 518,684
Adjustments for:		
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:		
Depreciation	21,043	26,245
Amortization	1,755	2,248
Expected credit loss	6	30
Interest expenses	224	191
Interest income	(25,713)	(4,645)
Dividend income	(1,059,038)	(955,802)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	53,410	18,970
Losses on disposal of property, plant, and equipment	37	238
Others	(4)	(18)
Changes in operating assets and liabilities:		
Accounts receivable	(146)	2,130
Accounts receivable - related parties	647	(214)
Other receivables	1,579	(1,881)
Inventories	38,384	18,453
Prepayments	(1,837)	2,397
Other current assets	7,354	4,797
Other operating assets	546	(41)
Contract liabilities	(937)	2,449
Accounts payable	1,631	(13,580)
Accounts payable - related parties	492	(8,511)
Other payables	40,856	20,715
Other payable - related parties	(897)	(1,742)
Other current liabilities	(2,518)	(2,049)
Cash used in operations	(305,121)	(370,936)
Interest received	24,724	4,155
Income tax paid	(1,715)	(65,664)
Net cash used in operating activities	(282,112)	(432,445)
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through other comprehensive income or loss	(2,150)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income or loss	2,620,319	831,121
Acquisition of financial assets measured at amortized cost	(348,017)	(17)
Acquisition of investments accounted for using the equity method	(10,000)	-
Acquisition of property, plant and equipment	(14,802)	(13,446)
Proceeds from disposal of property, plant and equipment	102	355
Increase in refundable deposits	(1,420)	-
Decrease in refundable deposits	-	519
Acquisition of intangible assets	(4,363)	(695)
Decrease in prepayment for equipment	175	2,727
Dividends received	1,059,038	955,802
Net cash provided by investing activities	3,298,882	1,776,366
<b>Cash flows from financing activities :</b>		
Increase in guarantee deposits	108	-
Cash payment for the principle portion of lease liabilities	(5,189)	(8,365)
Cash dividends	(749,589)	(545,156)
Change in non-controlling interests	20,000	30,500
Others	-	267
Net cash used in financing activities	(734,670)	(522,754)
Effect of exchange rate changes on cash and cash equivalents	786	(102)
Net increase in cash and cash equivalents	2,282,886	821,065
Cash and cash equivalents at beginning of the year	1,475,986	654,921
Cash and cash equivalents at end of the year	\$ 3,758,872	\$ 1,475,986

The accompanying notes are an integral part of the consolidated financial statements.

【 Attachments VI】

Comparison Table of amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings"

Provisions	Before amendment	After amendment	Description
Article 12	<p>When the time of a meeting has arrived and one-half all board directors are present, the meeting chair may call the meeting to order immediately.</p> <p>When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, which shall not exceed two times in total and the total postponed time shall not exceed one hour. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.</p> <p>The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	<p>When the time of a meeting has arrived and one-half all board directors are present, the meeting chair may call the meeting to order immediately.</p> <p>When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may <u>on the same day</u> announce postponement of the meeting time, which shall not exceed two times in total and the total postponed time shall not exceed one hour. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.</p> <p>The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	Amendments made in accordance with the law
Article 13	<p>A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting regarding the contents of the agenda items and extraordinary motion.</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at</p>	<p>A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting regarding the contents of the agenda items and extraordinary motion.</p> <p>If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at</p>	Amendments made in accordance with the law



Provisions	Before amendment	After amendment	Description
	the meeting, the chair shall declare a suspension of meeting, in which case Article 12 paragraph 2 shall apply mutatis mutandis.	the meeting, the chair shall declare a suspension of meeting, in which case Article 12 paragraph 2 shall apply mutatis mutandis. <u>If at any time during the proceeding of a board of directors meeting the chairperson is unable to preside over the meeting due to unforeseen circumstances or fails to announce the adjournment according to the provisions in the 2 paragraph, the appointment of a proxy shall be governed by the provisions of Article 10 paragraph 3.</u>	

【Attachments VII】

List of director candidates for the 13th board

Position	Name/Gender	Education/Experience/Current Position	Number of Shares Held
Director	United Microelectronics Corp.	Current Position: Director of Unimicron Technology Corporation Director of Faraday Technology Corporation Director of Novatek Microelectronics Corp. Director of ITE Tech. Inc. Director of Chipbond Technology Corporation Director of Silicon Integrated Systems Corp.	142,535,174
	Representative Stan Hung Male	Education: Department of Accounting, Tamkang University  Experience: Chairman of United Microelectronics Corp.  Current Position: Chairman of United Microelectronics Corp. Chairman of UMC Capital Chairman of TLC Capital Corporation Chairman of Faraday Technology Corporation Chairman of UMC Capital Corp. Chairman of TriKnight Capital Corporation Director of United Microelectronics (Europe)B.V. Chairman of Silicon Integrated Systems Corp.	0
Director	United Microelectronics Corp.	Current Position: Director of Unimicron Technology Corporation Director of Faraday Technology Corporation Director of Novatek Microelectronics Corp. Director of ITE Tech. Inc. Director of Chipbond Technology Corporation Director of Silicon Integrated Systems Corp.	142,535,174
	Representative Mo Ya-Nan Male	Education: Master's Degree of Electrical Engineering, State University of New York  Experience: Executive Director of United Microelectronics Corp.  Current Position: Executive Director of United Microelectronics Corp. Director of Silicon Integrated Systems Corp.	0

Position	Name/Gender	Education/Experience/Current Position	Number of Shares Held
Director	Liangxun Investment Co., Ltd.	Current Position: Director of Silicon Integrated Systems Corp.	1,650,424
	Representative Tsai-Feng Hou Female	Education: Master's Degree of Public Policy Program, National Sun Yat-Sen University  Experience: Special Assistant to the Chairman of Orient Semiconductor Electronics, Ltd.  Current Position: Independent Director of Nanya Technology Corp Director of Liangxun Investment Co., Ltd. Director of Taiwan Implant Technology Company, Ltd. Director of Silicon Integrated Systems Corp.	500,475
Director	Le-Tien Jung Male	Education: Ph.D. of the University of Texas-Austin  Experience: Assistant Manager of United Microelectronics Corp.  Current Position: Chairman of HuiTong intelligence Co., Ltd. Manager of Silicon Integrated Systems Corp.	0

※ The record date of stock holding is March 29, 2024

**List of director candidates for the 13th board**

Position	Name/Gender	Education/Experience/Current Position	Number of Shares Held
Director	Ting-Yu Lin Male	<p>Education: Master's Degree in International Finance, Meiji University</p> <p>Experience: Director of United Microelectronics Corp.</p> <p>Current Position: Director of United Microelectronics Corp. Director of Unimicron Technology Corp. Chairman of Sunrox International Inc. Chairman of Sunrox Industries. Inc.</p>	0
Director	Cheng Wan-Ling Female	<p>Education: Master's Degree at State University of New York at Buffalo</p> <p>Experience: Secretary to the Chairman of United Microelectronics Corp.</p> <p>Current Position: Director of ASolid Technology Co., Ltd. Assistant Investment Manager at Hsun Chieh Investment Co., Ltd.</p>	0
Independent Director	Ya-Ching Li Female	<p>Education: Master's Degree of Accounting, University of Missouri</p> <p>Experience: Accounting Manager/Director of Audit Department of United Microelectronics Corporation</p> <p>Current Position: Independent Director of Unimicron Technology Corporation Independent Director of Silicon Integrated Systems Corp.</p>	0
Independent Director	Chia-Wei Tai Male	<p>Education: Department of Business Administration, Fu Jen Catholic University</p> <p>Experience: Deputy General Manager at SinoPac Securities Director of SinoPac Holdings Director of Zhier Venture Capital Co., Ltd Director of TaiHan Precision Technology Co., Ltd.</p> <p>Current Position: Independent Director of Hu Lane Associate Inc. Independent Director of Family International</p>	0

Position	Name/Gender	Education/Experience/Current Position	Number of Shares Held
		Gourmet Co.,Ltd. Director of U-Neuron Biomedical Inc. Director of Siang Sian Restaurant Independent Director of Silicon Integrated Systems Corp.	
Independent Director	Ching-Liu Hsiao Male	Education: Department of Economics, Feng Chia University Experience: Vice President of CTBC Bank Current Position: Independent Director of Silicon Integrated Systems Corp.	0

※ The record date of stock holding is March 29, 2024

## 【Attachments VIII】

### Silicon Integrated Systems Corp.

#### Explanation of the Capital reduction and Cash Refund at the 2024

##### Shareholders' Meeting

The Company currently has a registered capital of approximately NT\$7.5 billion, and considering the current operational scale, there is room for capital reduction. According to the consolidated financial statements for the fiscal year 2023, the Company's net profit after tax amounted to NT\$558,841 thousand, with accumulated retained earnings totaling NT\$3,675,880 thousand, and operating funds amounting to NT\$4,116,530 thousand. The debt ratio stands at 0.76%, indicating an overall sound financial structure characterized by low leverage and sufficient cash flow on the balance sheet. Therefore, under this premise, the Board of Directors resolved on February 26, 2024, to carry out a 35% reduction in capital through cash refund to improve the balance sheet structure. This action aims to make the equity base relatively light, thereby enhancing shareholder equity, which is beneficial for both the Company and its shareholders.

Both the distribution of profits and the execution of cash refund will be financed from internal funds. As of the end of fiscal year 2023, the cash position exceeded NT\$4 billion, sufficient to cover the required funds for profit distribution (approximately NT\$225 million) and the cash refund proposal (approximately NT\$2.624 billion), totaling approximately NT\$2.85 billion. After completing the profit distribution and cash refund for the current fiscal year, the Company will still have ample fund to support future operations, development, and investment. Therefore, there will be no impact on future operations and investment plans, and currently, there are no plans to conduct fund raising or issue new shares.

【Attachments IX】

Removal of the non-competition restrictions on newly elected directors

Positions concurrently held by the newly elected directors at other companies		
Position	Name	Name and positions concurrently held in other companies
Director	United Microelectronics Corp.	Director of Unimicron Technology Corp. Director of Faraday Technology Corporation Director of Novatek Microelectronics Corp. Director of ITE Tech. Inc. Director of Chipbond Technology Corporation
Director	Stan Hung	Chairman of United Microelectronics Corp. Chairman of UMC Capital Chairman of TLC Capital Corporation Chairman of Faraday Technology Corporation Chairman of UMC Capital Corp. Chairman of TriKnight Capital Corporation Director of United Microelectronics (Europe)B.V.
Director	Tsai-Feng Hou	Independent Director, of Nanya Technology Corporation Director of Taiwan Implant Technology Company, Ltd. Director of Liangxun Investment Co., Ltd.
Director	Le-Tien Jung	Chairman of HuiTong intelligence Co., Ltd.
Director	Ting-Yu Lin	Director of United Microelectronics Corp. Director of Unimicron Technology Corp. Director of Sunrox International Inc. Director of Sunrox Industries. Inc.
Director	Cheng Wan-Ling	Director of ASolid Technology Co., Ltd.
Independent Director	Ya-Ching Li	Independent Director of Unimicron Technology Corporation
Independent Director	Chia-Wei Tai	Independent Director of Hu Lane Associate Inc. Independent Director of Family International Gourmet Co.,Ltd. Director of U-Neuron Biomedical Inc. Director of Siang Sian Restaurant

## 【Appendix I】

# Silicon Integrated Systems Corp. Rules of Procedure for Shareholders' Meetings

Established on June 8, 1995  
Amended on June 26, 2002  
Amended on June 12, 2006  
Amended on June 25, 2015

- I. Unless otherwise required by the law, the shareholders' meeting of the Company shall be conducted in accordance with the Rules.
- II. The Company shall provide an attendance register for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised in writing or electronically.
- III. The participation and voting of the shareholders' meeting shall be calculated based on the number of shares.
- IV. The shareholders' meeting shall be held in a place where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting. The meeting shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.
- V. If a shareholders' meeting is convened by the Board of Directors, the Chairman shall preside at such meeting. If the Chairman is on leave or unable to exercise his powers and duties for any reason, the Vice Chairman shall preside at such meeting. The Chairman shall designate a managing director to preside as the chairman if the Vice Chairman is not appointed, or if the Vice Chairman is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the Chairman shall designate a director to preside as the chairperson. If the Chairman fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting. If the shareholders' meeting is convened by a person, other than the Board of Directors, with the authority to convene a meeting, such person shall act as the chairperson at that meeting.
- VI. The attorneys, Certified Public Accountants, or relevant personnel appointed by the Company may participate in a shareholder' meeting. Staff at the shareholders' meetings shall wear ID badges or arm badges.
- VII. The Company shall conduct sound or video recording of the entire process of the shareholders' meeting and keep it for at least one year.
- VIII. The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, which shall not exceed two times in total and the total postponed time shall not exceed one hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with Article 175 of the Company Act.



In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholders' meeting anew to be duly resolved in accordance with Article 174 of the Company Act.

- IX. The agenda for the shareholders' meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.

The aforementioned shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. The chairman may not, without a resolution, unilaterally announce the adjournment of the meeting before all of the scheduled agenda (including extraordinary motions) have been resolved.

After the adjournment of the meeting, shareholders may not nominate another chairperson to continue the meeting at the original venue or another venue. In the event that the chairperson announces adjournment of the meeting against the Rules Governing the Proceedings of Shareholder Meetings, however, another chairperson may be elected by a majority of the present shareholders to continue the meeting.

- X. Prior to speaking at the meeting, an attending shareholder shall submit a slip of paper summarizing his/her/its comments and/or questions and specifying his/her/its shareholder account number (or the attendance ID number) and the account name of the shareholder, in order for the chairperson to determine the speaking order.

An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of the shareholder's speech and those recorded on the slip, the contents of the shareholder's speech shall prevail.

When an attending shareholder is speaking at the meeting, other shareholders shall not interrupt the speaking shareholder unless permitted by the chairperson and such speaking shareholder. The chairperson shall stop any such violations.

- XI. When a shareholder proposes other agendas or an amendment or an alternative to the original proposal, such proposal shall be seconded by other shareholders, provided that the number of shares represented by the proposer and the seconder shall reach 0.1% of the total number of issued ordinary shares.
- XII. Unless otherwise permitted by the chairperson, a shareholder may only speak up to two times on a single proposal, each of which shall not exceed five minutes. The chairperson may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.
- XIII. If a juristic person is entrusted to attend the shareholders' meeting, such juristic person may only appoint one person to be its representative at the meeting. In the event that a juristic shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.
- XIV. After the speech is given by an attending shareholder, the chairperson may personally respond or designate relevant personnel to respond.
- XV. If the chairperson believes that the discussion for a proposal has reached a level where a vote may be called, the chairperson may announce to end such discussion and call for a vote.

- XVI. The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder. The voting results shall be announced at the meeting and recorded in writing.
- XVII. During the process of the meeting, the chairperson may announce a recess at an appropriate time.
- XVIII. Except otherwise provided under the Company Act and the Company's Articles of Incorporation, a resolution shall be adopted with the approval of a majority of the attending shareholders. If, in the course of the vote, no objections are made by the shareholders present after an inquiry by the chairperson, such proposal is deemed to be adopted with the same effect as if it had been adopted through a voting process.
- XIX. In the event there is an amendment or an alternative for the same proposal, the chairperson shall set the voting order together with the original proposal. When one of them is resolved, other proposal(s) is (are) deemed to have been rejected and no voting is required. A shareholder who exercises his/her voting rights by mail or electronically is deemed to have forfeited his/her voting rights on any extraordinary motions and amendments to the original proposals at such shareholders' meeting.
- XX. The chairperson may instruct the person responsible for maintaining order(or security)to assist in maintaining the order of the meeting. Such person(or security)shall wear arm badges marked "Security" while assisting in maintaining the order of the meeting.
- XXI. These Rules and any amendments thereof shall be effective upon approval at the shareholders' meeting.

【Appendix II】

**Silicon Integrated Systems Corp.**  
**Rules of Procedure of Board of Directors Meetings**

Amended on June 11, 2007  
Amended on June 13, 2008  
Amended on June 17, 2010  
Amended on June 28, 2013  
Amended on June 08, 2018  
Amended on June 21, 2019  
Amended on June 06, 2023

- Article 1      These rules are established in accordance with Article 26-3, Paragraph 8 of the Securities and Exchange Act and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
- Article 2      Unless otherwise required by the law or the Articles of Incorporation, the shareholders' meeting of the Company shall be conducted in accordance with the Rules.
- Article 3      The Board meeting shall be convened at least once a quarter. Notice shall be made to the directors for the reasons of convening Board meetings, the date, and venue in writing, by e-mail, or fax. In case of an emergency, the notice for convening Board meetings may be made in writing, by e-mail, or fax.
- Unless there is a sudden emergency or justifiable reason, the matters in Article 7, Paragraph 1 shall be listed in the reasons for convening the meeting, and shall not be raised by a temporary motion.
- Article 4      A board of directors meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to all directors and suitable for holding such a meeting.
- Article 5      The board of directors shall consist of the Finance Department or other persons authorized by the board of directors. The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 6      Agenda items for regular board of directors meetings shall include at least the following:
- I.    Report Items:
1.   Minutes of the last meeting and actions arising.
2.   Reporting on important financial and business matters.
3.   Reporting on internal audit activities.
4.   Other important matters to be reported.
- II.   Agenda Items:
1.   Items discussed and continued from the last meeting.
2.   Items for discussion at this meeting.
- III. Extraordinary Motions:

Article 7 The following matters should be brought to the Board of Directors for discussion:

- I. The Company's operating plan
- II. Annual Financial Report and Semi-Annual Financial Report with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.
- IV. These regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act, including procedures of establishment or amendment for acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- V. Raising, issuing or private placement of equity securities.
- VI. Election or Dismissal of the Chairman
- VII. Appointment and removal of the head of finance, accounting or internal auditing.
- VIII. According to Article 14-3 of the Securities and Exchange Act, other matters that should be resolved by the shareholders' meeting or the board of directors in accordance with laws and regulations or the articles of association, or major matters stipulated by the competent authority.
- IX. A donation to a related party or a major donation to a non-related party. A public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- X. Matters involving the directors' own interests.
- XI. Material properties, derivatives transactions
- XII. The Company has provided significant loans, endorsements, or guarantees of funds.
- XIII. Appointment, discharge, and compensation of certified public accountants

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

For foreign companies whose stock has no par value or a par value other than NT\$10, the 5 percent of paid-in capital in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.

If a company has an independent director or directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 8 Except for matters that must be submitted to the board of directors for discussion under article 7 paragraph 1, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 9 When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may appoint another director to attend as their proxy. A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting. Attendance via tele- or video-conference is deemed as attendance in person. A proxy the preceding paragraph may accept a proxy from one person only.

A director residing in a foreign country and who is unable to attend every board meeting in person, may appoint in writing a shareholder residing domestically as his/her proxy to attend the meetings of the board of directors on a regular basis.

Article 10 Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, the first meeting of the Board of Directors of each term shall be convened by the Director who has the highest number of votes representing the right to vote at the meeting, and the chairman of the meeting shall be the person who has the right to convene the meeting. If there are more than two person with the authority to convene a meeting, they shall elect a chairperson among themselves.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the chairperson shall designate a director as the proxy, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

Article 11 When holding a meeting of the board of directors, as necessary for the agenda items of the meeting, notify managing personnel, certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements. Provided that they shall leave the meeting when deliberation or voting takes place.

- Article 12      When the time of a meeting has arrived and one-half all board directors are present, the meeting chair may call the meeting to order immediately.
- When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, which shall not exceed two times in total and the total postponed time shall not exceed one hour. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.
- The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.
- Article 13      A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.
- The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting regarding the contents of the agenda items and extraordinary motion.
- If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 12 paragraph 2 shall apply *mutatis mutandis*.
- Article 14      When the chair at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.
- When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved.
- In order to facilitate the progress of the proposal, the chairman may stipulate the number of speeches per person and time of each speech during the same proposal. If necessary, it shall be agreed by all directors present for compliance. After the speech is given by an attending shareholder, the chairperson may personally respond or designate relevant personnel to respond to provide the necessary information.
- The method of voting on matters at board of directors meetings shall be specified in the rules of procedure. Except for the case of unanimous consent of all directors present at the meeting upon inquiry, the methods of vote monitoring and counting shall also be specified.
- Article 15      Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.
- In the event there is an amendment or an alternative for the same proposal, the chairperson shall set the voting order together with the original proposal. When one of them is resolved, other proposal(s) is (are) deemed to have been rejected and no voting is required.
- If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. The voting results shall be announced at the meeting and recorded in writing.

Article 16 The Company's directors, managers and other interested parties attending or participating in the Board meetings shall state their important interests at such Board meeting if they have an interest in the proposals listed in the Board meeting or in the legal person they represent. If it may damage the Company's interests, he/she shall not join the discussion and voting, and shall not exercise his/her voting rights on behalf of other directors.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights.

Article 17 Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

- I. Session (or year), time, and place of meeting.
- II. Name of the meeting chair.
- III. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
- IV. Names and titles of those attending the meeting as nonvoting participants.
- V. Name of minutes taker.
- VI. Matters reported on.
- VII. Agenda Items:

The method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7.

VIII. Extraordinary Motions:

The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

IX. Other matters required to be recorded:

If there are independent directors at the board of directors' meeting, when the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority, including any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 18 A company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded and the preceding paragraph does not apply.

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 19 These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting.



## 【Appendix III】

# Silicon Integrated Systems Corp.

## Articles of Incorporation

### Chapter 1 General Provisions

- Article 1 The Company was incorporated in accordance with the Company Act of the Republic of China, and is named Silicon Integrated Systems Corp. (矽統科技股份有限公司). The English name of the Company is Silicon Integrated Systems Corporation.
- Article 2 The business of the Company is as follows: R&D, production, manufacture, and sales of the following products:
1. CC01080 Electronics Components Manufacturing.
  2. I501010 Product Designing.
  3. F401010 International Trade.
- Article 3 The Company may provide guarantees for other companies.
- Article 4 If the Company is a shareholder of another company, its total investment in such company is exempted from the 40% restriction in paid-in capital prescribed in Article 13 of the Company Act.
- Article 5 The Company is based in Hsinchu City and may set up domestic or overseas subsidiaries or offices when necessary upon resolution of the Board of Directors and approval of the competent authority.
- Article 6 The announcement method of the Company shall comply with Article 28 of the Company Act.

### Chapter 2 Shares

- Article 7 The total capital of the Company is eighteen billion New Taiwan Dollars (NT\$18,000,000,000), which is divided into one thousand eight hundred million (1,800,000,000) shares with a par value of ten New Taiwan Dollars (NT\$10) per share. The Board of Directors is authorized to issue outstanding shares in installments as required. For the total capital referred to in the previous paragraph, NT\$2 billion of which may be used to issue stock option warrants, preferred shares with attached warrants, or corporate bonds with attached warrants, with a total of 200 million shares and a par value of NT\$10 per share. The Board of Directors is authorized to issue such shares in installments as required.
- If the Company intends to issue employee stock options at a price lower than the market price or transfer treasury shares to employees at a price lower than the average purchase price of the shares, the issuance is subject to the resolution of the shareholders' meeting.
- Article 8 The Company's shares are registered. The issuing company may be exempted from printing any share certificate for the shares issued. The shares are delivered to the directors and registered with a centralized securities depository enterprise, and shall be handled by way of book-entry transfer in accordance to regulations.

- Article 9 If a shareholder of the Company wishes to transfer his/her shares to another person, he/she shall complete an application form and the transferor and the transferee shall endorse the share certificate and enter it in the shareholder register of the Company. Until the transfer is completed, the original shareholder shall continue to entitle the rights of a shareholder. The combine-stock-printing issuance under the guidance in the previous article are not applicable to the above mentioned endorsement and transfer stipulated in the preceding paragraph.
- Article 10 Shareholders shall leave their signature or seal samples at the Company for verification when they receive dividends or when they exercise their voting rights in writing.
- Article 11 Registration for the transfer of shares shall be closed sixty days before the date of each annual shareholders' meeting, thirty days before the date of each extraordinary meeting, or five days before the date on which dividends, bonuses, or any other benefits are distributed by the Company.

### **Chapter 3 Shareholders' Meeting**

- Article 12 The Company's shareholders' meetings are classified into two types: annual shareholders' meetings and extraordinary meetings. Annual shareholders' meetings are convened once a year, and shall be convened within six months after the end of each fiscal year starting from the previous meeting according to laws and regulations, unless otherwise approved by the competent authority for good cause shown. Extraordinary meetings may be convened according to laws and regulations whenever the Company deems necessary.
- The Company's shareholders' meeting may be convened by video conference or in other methods as announced by the central competent authority.
- Article 13 Shareholders shall be notified thirty days before the date of an annual shareholders' meeting. Shareholders shall be notified fifteen days before the date of an extraordinary meeting. The notice or announcement shall specify the reasons for convening meetings.
- Article 14 Each share of the shareholders of the Company is entitled to one voting right. However, the shares of shareholders are not entitled to any voting right under the circumstances described in Article 179 of the Company Act.
- Article 15 Unless as otherwise provided by the Company Act, the shareholders' resolutions shall be adopted upon the approval of a majority of the attending shareholders at a meeting attended by a majority of the total issued shares.
- Article 16 A shareholder who is unable to attend the shareholders' meeting may appoint a proxy to attend the meeting on his/her behalf by submitting a proxy form provided by the Company, which sets forth the scope of the authorization. Proxies attending the meeting are governed by the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.

- Article 17 The shareholders' meetings shall be presided by the Chairman. If the Chairman is absent, the Chairman shall designate a director as the proxy. If a director is not designated by the Chairman, the directors shall elect a chairperson among themselves. If the meeting is convened by a person, other than the Board of Directors, with the authority to convene a meeting, such person shall act as the chairperson at that meeting. If there is more than one person with the authority to convene a meeting, they shall elect a chairperson among themselves.
- Article 18 Resolutions at the shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairperson. A copy of which shall be distributed to each shareholder within twenty days after the conclusion of the meeting. The preparation and distribution of the meeting minutes may be conducted by way of public announcement.

#### **Chapter 4 Board of Directors and Committees**

- Article 19 The Company shall have seven to nine directors and adopt a candidates nomination system. The directors shall be elected from the list of candidates at the shareholders' meeting for a term of three years and are subject to re-election.
- The Company may purchase liability insurance for directors to protect them against liabilities arising from exercising their duties during their tenure.
- Article 20 The number of independent directors shall be no less than two and represent no less than one-fifth of all directors. Independent directors and non-independent directors shall be elected separately based on the number of votes they receive respectively. The professional qualifications, restrictions on shareholding and concurrent positions held, assessment of independence, the nomination method and other related matters of the independent directors shall comply with the laws and regulations prescribed by the competent authority.
- Article 21 The Company shall establish the Auditing Committee according to the laws and regulations. The Audit Committee shall be consisted of all independent directors and act as supervisors pursuant to the Company Act, Securities and Exchange Act, and other related laws and regulations. The number of Audit Committee members, their term of office, duties, meeting rules, and the resources to be provided by the Company when exercising their duties shall be governed by the Audit Committee Charter.
- Article 22 The Board meeting shall be convened at least once a quarter. Board meetings shall be convened by the Chairman. The procedures of convening Board meetings shall be governed by Article 203 of the Company Act. Notice shall be made to the directors for the reasons of convening Board meetings, the date, and venue in writing, by e-mail, or fax. In case of an emergency, the notice for convening Board meetings may be made in writing, by e-mail, or fax.
- Article 23 A chairperson shall be elected among the directors with the approval of the majority of the directors present at a meeting attended by over two-thirds of all directors. the Chairman is the chairperson of the Board meeting and represents the Company. If the Chairman is unable to perform his/her duties for any reason, the Chairman shall designate a director to preside as the chairperson. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as the chairperson.

- Article 24 The Board of Directors is authorized to distribute the remuneration of all directors, taking into account their participation in and contribution to the Company's operation, as well as the general industry standard.
- Article 25 The Board of Directors shall have the following powers and duties:
1. Review of operational policy and medium and long-term development plans.
  2. Approve the review and supervision of the business plan.
  3. Review the budget and financial statements.
  4. Appointment and dismissal of President and Vice President
  5. Proposal for earnings distribution or deficit compensation of the Company.
  6. Approval of capital increase or reduction.
  7. Approval of establishment, reforms, or cancellation of subsidiaries.
  8. Approval of material capital expenditure plans.
  9. Approval of the purchase and disposal of material properties of the Company.
  10. Approval of organizational procedures and material business principles.
  11. Approval of the amendments to the Articles of Incorporation.
  12. Execution of resolutions approved at the shareholders' meetings.
  13. Convening shareholders' meetings and business report.
  14. Other powers and duties conferred by the Company Act or by the shareholders' meeting.
- Article 26 The directors shall attend Board meetings in person. Directors who are unable to attend may appoint other directors in writing to attend on their behalf. However, each director may only represent one director who is unable to attend. If a Board meeting is conducted by means of video conferencing, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

## **Chapter 5 Managers**

- Article 27 The Board of Directors may recruit a secretary to handle affairs of the Board of Directors at its direction.
- Article 28 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act and internal organization procedures.
- Article 29 The president shall be nominated by the Chairman and appointed by the Board of Directors. The dismissal of the President is also performed by the Board of Directors. Other managers shall be nominated by the President and appointed and dismissed by the Board of Directors.

## **Chapter 6 Accounting**

- Article 30 The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. At the end of the fiscal year, the accounts of the Company shall be finalized. The Company shall prepare and submit the financial statements to the Audit Committee for auditing 30 days prior to the annual shareholders' meeting. The Audit Committee shall submit a report to the shareholders' meeting for ratification after auditing or after the auditing of an appointed lawyer, accountant, or other professionals. Including:
1. Business report.
  2. Financial statements.
  3. Proposal for earnings distribution or deficit compensation.
- Article 31 After the annual general meeting, the Board of Directors shall distribute to each shareholder the copies of ratified financial statements and the proposal for earnings distribution or deficit compensation. The abovementioned financial statements and earnings distribution or deficit compensation may be distributed by way of a public announcement (including electronic).
- Article 32 The Company shall contribute the remaining balance of profit before tax after offsetting the accumulated loss to employees' and directors' compensation. The percentage of employees' compensation shall be no less than 5% of the aforementioned balance and the percentage of directors' compensation shall be no more than 2% of the aforementioned balance. Employees' compensation may be distributed in the form of shares or cash, while directors' compensation may be distributed in the form of cash. The distribution method, total amount, or the number of shares of employees' compensation, as well as the total amount of directors' compensation shall be approved by the majority of the directors present at a meeting attended by over two-thirds of all directors. Employees' compensation in stock or cash includes employees of companies in which the Company holds more than 50% of the shares.
- If the Company has earnings for the fiscal year after the accounts are closed, the Company shall first offset the tax and losses of previous years, and set aside 10% of the balance as the legal reserve, and shall, pursuant to applicable laws and regulations, set aside provision or reversal of special reserve. If there are any earnings, together with the retained earnings of the previous years, the Board of Directors may propose an earnings distribution plan for approval at the shareholders' meeting. If the Company's earnings are insufficient, the Company may not use its capital as interest payment.
- Article 33 The Company's dividends are determined with reference to industry trends, future revenue and profitability, capital expenditure estimates, and working capital requirements. Therefore, dividends may be distributed by way of cash dividends or share dividends. Cash dividends shall be no less than 20% of the total dividends distributed in the fiscal year.

## **Chapter 7 Miscellaneous**

- Article 34      The Company's organizational procedures shall be established by the Board of Directors.
- Article 35      Matters not prescribed herein shall comply with the Company Act and other related laws and regulations.
- Article 20      The Company's Articles of Incorporation was established on August 8, 1987. The 1st amendment was made on May 27, 1989. The 2nd amendment was made on May 26, 1990. The 3rd amendment was made on June 22, 1991. The 4th amendment was made on May 23, 1992. The 5th amendment was made on September 9, 1994. The 6th amendment was made on June 8, 1995. The 7th amendment was made on May 4, 1996. The 8th amendment was made on June 27, 1996. The 9th amendment was made on April 15, 1997. The 10th amendment was made on May 15, 1998. The 11th amendment was made on June 23, 1999. The 12th amendment was made on May 25, 2000. The 13th amendment was made on May 22, 2001. The 14th amendment was made on December 4, 2001. The 15th amendment was made on June 26, 2002. The 16th amendment was made on June 27, 2003. The 17th amendment was made on June 1, 2004. The 18th amendment was made on June 13, 2005. The 19th amendment was made on June 12, 2006. The 20th amendment was made on June 11, 2007. The 21st amendment was made on June 16, 2009. The 22nd amendment was made on June 17, 2010. The 23rd amendment was made on June 15, 2011. The 24th amendment was made on June 28, 2013. The 25th amendment was made on June 15, 2015. The 26th amendment was made on June 21, 2016. The 27th amendment was made on June 8, 2018. The 28th amendment was made on June 21, 2019. The 29th amendment was made on June 21, 2022. The 30th amendment was made on June 6, 2023. The amendments thereto are effective upon approval at the shareholders' meeting.

## 【Appendix IV】

# Silicon Integrated Systems Corp. Rules of Election of Directors

Amended on June 15, 2011  
Amended on June 25, 2015  
Amended on June 21, 2019

- Article 1 The Company's election of directors shall be handled in accordance with these Rules.
- Article 2 The Company's election of directors shall be held at the time of a shareholders' meeting, and the Company shall set up voting boxes and count votes separately. The Company shall adopt a candidate nomination system for the election of directors, and shareholders shall elect them from the list of candidates. Independent directors and non-independent directors shall be elected separately based on the number of votes they receive respectively. The Company shall adopt a cumulative registered voting method with registered ballots for the election in the preceding paragraph. Each share is entitled to the number of votes same as the number of directors to be elected. Shareholders may elect one person collectively or allocate votes to elect several people. Those who won more ballots represented by voting rights will be elected as independent directors and non-independent directors respectively.
- Article 3 At the beginning of an election, the chair designates a number of scrutineers and vote counters to supervise and count votes, respectively.
- Article 4 The Board of Directors shall set up voting boxes and scrutineers shall inspect the boxes before the voting begins.
- Article 5 The Board of Directors shall also prepare ballots and count the number of voting rights on the ballots.
- Article 6 The number Company's directors elected shall be subject to that stipulated in the Company's Articles of Incorporation and those who won more votes shall be elected as directors. Where two or more candidates won the same number of votes with only one slot left, they shall draw lots to determine who has won, and the chair will draw lots on behalf of those who are absent.
- Article 7 If a candidate is a shareholder, the vote shall fill in the candidate's name, shareholder account number, and the number of votes cast in "Candidate"; if the candidate is not a shareholder, the candidate's name and national ID number shall be entered.
- Article 8 When a shareholder leaves the meeting venue in the middle of the meeting, they may entrust another attending shareholder to vote on their behalf.
- Article 9 Ballots will become invalid in any of the circumstances below
1. Those that are not those specified in these Rules.
  2. Those on which the number of candidates filled in exceeds the number of directors to be elected.
  3. Those on which words are written down except the candidate's account name (name), shareholder account number (national ID number), and the number of votes cast.
  4. Blank ballots cast into the voting box.
  5. Those with indecipherable handwriting.

6. Those on which the candidate's name is inconsistent with that listed in the shareholder register if the candidate is a shareholder; the candidate's name or national ID number are confirmed to be inconsistent with the information registered if the candidate is not a shareholder

Article 10 The scrutineers shall monitor the vote counting, and the chair shall announce the result of the vote counting on the spot.

Article 11 These Rules shall be implemented after being approved by the shareholders' meeting, and the same shall apply to any amendments thereto.



【Appendix V】

## Silicon Integrated Systems Corp.

### Total number of shares held by all directors and the minimum shareholding

- I. The statutory number of shares owned by the Company's 12th directors are as follows:  
The number of ordinary shares issued by the Company: 749,589,356 shares  
(including treasury shares: 3 shares)  
The statutory number of shares owned by all directors is 23,986,859 shares.
- II. The shareholdings of all directors as of the date of closure of the share register at the shareholders' meeting on March 29, 2024 are as follows:

Position	Name	Types of shares	Number of Shares	Shareholding (%)
Chairman	Goaltop Technology Corporation Representative: Stan Hung	Ordinary share	11,880	0.00%
Director	United Microelectronics Corp.	Ordinary share	142,535,174	19.01%
Director	Hsun Chieh Investment Co., Ltd.	Ordinary share	35,987,416	4.80%
Director	Liang Hsun Investment Co., Ltd. Representative: Tsai-Feng Hou	Ordinary share	1,650,424	0.22%
Total shareholding of directors (Note)		Ordinary share	180,184,894	24.03%
Independent Director	Ya-Ching Li	Ordinary share	0	0.00%
Independent Director	Chia-Wei Tai	Ordinary share	0	0.00%
Independent Director	Ching-Liu Hsiao	Ordinary share	0	0.00%
Note: The shareholding of independent directors are not included in the shareholding of directors				

※ The percentage of shareholding is calculated by unconditionally rounding off to the second decimal place.