



# Silicon Integrated Systems Corp.

## 2024 Annual Shareholders' Meeting

### Meeting Minutes

May 27, 2024

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THIS IS A TRANSLATION OF THE MINUTES FOR THE 2024 ANNUAL SHAREHOLDERS' MEETING ("THE MINUTES") 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 MINUTES SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.



## Silicon Integrated Systems Corp.

### 2024 Annual Shareholders' Meeting Minutes

Time: Monday, May 27, 2024 9:00 am

Location: No. 180, Sec. 2, Gongdao 5<sup>th</sup> Rd., Hsinchu (Silicon Building)

Attendants: All shareholders and their proxy holders, representing 492,749,918 shares (among them, 191,213,289 shares voted via electronic transmission), or 65.73% of the total 749,589,353 outstanding shares

Directors Present: Stan Hung, Tsai-Feng Hou, Ya-Ching Li (Independent Director),  
Chia-Wei Tai (Independent Director),  
Ching-Liu Hsiao (Independent Director)

More than one-half of all 7 directors are in attendance.

Audit Committee Present: Ya-Ching Li (Convener), Chia-Wei Tai, Ching-Liu Hsiao

Attendees: Shen-Chieh Hu ( Partner of Ernst & Young, Taiwan)

Chao-Tsung Huang ( Partner of Chen & Lin Attorneys-at-Law)

Chairman: Stan Hung, the Chairman of the Board of Directors

Minute Recorder: Yuan-Kwei Chen

I. Chairman announced commencement.

II. Chairman's Speech (omitted)

III. Report Items

Report 1: 2023 Business Report

Acknowledged

Report 2: Audit Committee's Review Report on the 2023 Financial Statements

Acknowledged

Report 3: Report on the shareholders' proposal at the Annual Shareholders' Meeting

Acknowledged

Report 4: Report on 2023 employees' and directors' compensation

Acknowledged

Report 5: Amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings"

Acknowledged



#### IV. Proposed Resolutions

##### Proposal 1:

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

##### Description:

1. The 2023 Business Report and Financial Statements have been approved by Board of Directors at the 13th Meeting of the 12th Board of Directors, reviewed by 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.
2. Concerning the attached Business Report, please refer to Attachment I. Concerning Independent Auditors' Report and the above financial statements, please refer to Attachments III to V.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 492,749,918 shares were represented at the time of voting  
(including 191,213,289 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor: 484,959,363 votes (including 184,722,129 shares voted via electronic transmission)	98.41%
Votes against: 754,057 votes (including 754,057 shares voted via electronic transmission)	0.15%
Votes invalid: 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained: 7,036,498 votes (including 5,737,103 shares voted via electronic transmission)	1.42%



## Proposal 2:

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 \$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 employee shares, which result in a change of the dividend distribution rate, Board of Directors is authorized by the shareholders' meeting to make appropriate adjustments.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 492,749,918 shares were represented at the time of voting  
(including 191,213,289 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor: 485,596,635 votes (including 184,721,401 shares voted via electronic transmission)	98.54%
Votes against: 786,280 votes (including 786,280 shares voted via electronic transmission)	0.15%
Votes invalid: 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained: 6,367,003 votes (including 5,705,608 shares voted via electronic transmission)	1.29%



## V. Election

### Proposal 1:

Proposal: Early comprehensive election for 9 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 of this Handbook.

#### Elections Results :

List of Directors Elected

Position	Name	Votes Received
Director	United Microelectronics Corp. Representative : Stan Hung	784,192,680
Director	United Microelectronics Corp. Representative : Ya-Nan Mo	407,410,586
Director	Liangxun Investment Co., Ltd. Representative : Tsai-Feng Hou	434,004,716
Director	Ting-Yu Lin	425,388,937
Director	Le-Tien Jung	416,522,427
Director	Wan-Ling Cheng	399,276,930
Independent Director	Ya-Ching Li	503,533,281
Independent Director	Chia-Wei Tai	486,159,044
Independent Director	Ching-Liu Hsiao	485,993,542



## VI. Agenda Items:

### Proposal 1:

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 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.
- 6.

Comments summarized as the following:

Stockholder No.: 347041 Securities and Futures Investors Protection Center acts in accordance of 2024/3/5 Cheng Pow Far Official Letter No.

1130000604; we would require SiS report to the shareholder meeting and explain or come to a resolution of the following information:

(1) Causes of this capital reduction, its rationality and necessity



- (2)Source of funding as of the capital reduction and cash refund, and impacts on SiS financial, business operations, and capital structures.
- (3)Plans on fund raising or issuing stocks in the coming year or in the year of shareholder meeting, if that is the case of SiS, state the rationality and necessity

Reply summarized as the following:

- (1) As of capital reduction, SiS equity capital NTD7.5billion is deemed oversized when current operational conditions and profitability are compared with that; SiS so as to intend to return cash to shareholders through capital reduction and cash refund in order to reduce the equity capital.
- (2) As of the end of 2024/Q1, SiS cash position around NTD3.9 billion sufficient to cover the cash refund(Est.NTD2.624 billions) ,the earning distribution (Est.NTD0.225 billions), and acquiring UDS(Est.NTD0.35 billions)-etimated total NTD3.2 billions; as of cash position Q1, SiS has sufficient cash to cover the future operation.
- (3) As of today, no plan for fund raising or issuing stocks

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 492,749,918 shares were represented at the time of voting

(including 191,213,289 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor: 483,250,947 votes (including 183,035,713 shares voted via electronic transmission)	98.07%
Votes against:997,900 votes (including 997,900shares voted via electronic transmission)	0.20%
Votes invalid: 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained: 8,501,071votes (including 7,179,676 shares voted via electronic transmission)	1.72%





## Proposal 2:

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 of this Handbook for the relevant information on positions concurrently held by the newly elected directors at other companies.

Resolution: Approved and acknowledged as proposed by Board of Directors.

Voting Result: 492,749,918 shares were represented at the time of voting  
(including 191,213,289 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor: 482,849,344 votes (including 182,634,110 Shares voted via electronic transmission)	97.99%
Votes against: 1,342,210 votes (including 1,342,210 shares voted via electronic transmission)	0.27%
Votes invalid: 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained: 8,558,364 votes (including 7,236,969 shares voted via electronic transmission)	1.73%

VII. Extraordinary Motions: None

VIII. Adjournment: Meeting ended at 09:56 am

## 【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.

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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.

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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 assets	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>		\$ 19,119,982	100	\$ 15,451,884	100

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		1,530	1	14,866	10
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	6(9)	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		(618)	-	203	-
Exchange differences resulting from translating the financial statements of foreign operations					
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	-	(3,306)	-	-	-	-	(3,306)
Share of changes in associates and joint ventures accounted for using equity method	-		-	-	-	-	-
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 assets	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>		\$ 19,177,006	100	\$ 15,504,394	100

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

## 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		\$ 187,184	100	\$ 182,202	100
Operating costs	4, 6(11), 7, 14	(130,508)	(70)	(177,562)	(98)
Gross profit	6(5), 6(14), 7	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		1,530	1	14,866	8
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income	6(9)	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)

	Equity Attributable to the Parent							Non-controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings		Other 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	\$ 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									
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	3,238	-	-	-	-	3,238	(3,238)	-
Others	-	-	-	361,421	-	(361,421)	-	-	-
Non-controlling Interests	-	267	-	-	-	-	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	\$ 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	-	(3,306)	-	-	-	-	(3,306)	-	(3,306)
Share of changes in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-
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									
Non-controlling Interests	-	1,213	-	-	-	-	1,213	(1,213)	-
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	1,520,319	-	(1,520,319)	-	20,000	20,000
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