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Silicon Integrated Systems Corp. 2025 Annual Report

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The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities

N/A

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THIS IS A TRANSLATION OF 2025 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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Chapter 1. Letter to Shareholders

Looking back at 2025, AI applications continued to drive demand for related chips, while shipments of tech products such as smartphones, laptops/personal computers, and servers also rebounded, providing a boost to the global semiconductor industry. In 2025, although the semiconductor market was subject to various potential disruptive factors—including inflation, geopolitical developments, the “Trump effect” in the United States, and broader macroeconomic conditions—it continued to demonstrate strong growth momentum, driven by demand in artificial intelligence (AI) and high-performance computing (HPC). The Company maintains a certain level of competitiveness in the market share of human-machine interface ICs. However, continuous product upgrades remain essential to capture higher value-added opportunities and to mitigate potential declines in average selling prices (ASP). For 2025, the Company reported net income after tax of NT\$788 million and earnings per share (EPS) of NT\$1.53.

Looking ahead to 2026, the Company plans to launch a new generation of active stylus controller ICs, mixed-signal microcontrollers, high-series lithium battery management ICs, as well as MEMS microphone ICs and related solutions. These developments are expected to further drive overall revenue growth.

2025 Business Performance

Results of the Business Plan

In the field of human-machine interface (HMI) ICs, the Company has introduced a full range of capacitive touch solutions across all display sizes. These are complemented by comprehensive active stylus controller ICs, offering high noise immunity, water resistance, and palm rejection functionality. In addition, the Company’s mixed-signal microcontrollers are applied in healthcare and medical devices, including blood pressure monitors, thermometers, body fat scales, blood glucose meters, pulse oximeters, and heart rate monitors, thereby expanding into the medical electronics sector. Furthermore, the Company’s lithium battery management ICs, originally used in wearable devices as well as smartphones, tablets, and laptops, have been extended to higher-series power battery systems and energy storage applications. Moreover, the Company will also launch new MEMS microphone IC products, which are expected to be highly competitive in the market.

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	2025	2024	Increase(decrease) amount
Sales revenue	280,876	164,568	116,308
Gross profit	107,548	80,438	27,110
Operating loss	(400,425)	(344,525)	(55,900)
Net income	788,226	498,582	289,644

(II) Consolidated Financial Statements

Unit: NT\$'000

Item	2025	2024	Increase(decrease) amount
Sales revenue	2,821,137	738,560	2,080,577
Gross profit	877,825	256,862	620,963
Operating loss	(95,137)	(335,292)	240,155
Net income	755,451	472,898	282,553

Profitability**(I) Parent Company Only Financial Statements**

Unit: NT\$'000

Item		2025	2024
Return on assets(%)		4.80	2.98
Return on equity(%)		4.86	3.01
Ratio to paid-in capital(%)	Operating loss	(7.78)	(7.07)
	Profit before income tax	15.50	11.92
Net profit margin(%)		280.63	302.96
Earnings per share(NTD)		1.53	0.81

(II) Consolidated Financial Statement

Unit: NT\$'000

Item		2025	2024
Return on assets(%)		4.30	2.79
Return on equity(%)		4.64	2.85
Ratio to paid-in capital(%)	Operating loss	(1.85)	(6.88)
	Profit before income tax	16.17	11.53
Net profit margin(%)		26.78	64.03
Earnings per share(NTD)		1.53	0.81

Research and development

- Continuously enhance the performance and specifications of active stylus controller ICs, while deepening the Company's presence in established markets, including business, education, industrial control, and e-reader segments.
- Develop high-performance mixed-signal microcontrollers to meet the requirements of measurement and smart medtech applications.
- Launch high-end lithium battery protection ICs and fuel gauge ICs to penetrate high-margin applications currently dominated by major manufacturers in the U.S. and Japan.
- In alignment with AI-driven applications, continue to develop high-sensitivity, low-power

MEMS microphone-related products.

Summary of 2026 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

President: Le-Tien Jung

Chapter 2. Corporate Governance Report

I Information on the President, Vice Presidents, Assistant Managers, and Supervisors of Divisions and Branches

(I) Director Information

A. Board Members Introduction

Name/Title Nationality or Place of Registration/Gender	Date of Appointment/ Initial Appointment Date	Term (years) Age	Shareholding When Elected April 23, 2024 (Closing Date)		Current Shareholding 2026.02.23		Spouse/Minor Children Current Shareholding	
			Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding
Corporate Director of United Microelectronics Corp./R.O.C.	2024.05.27 2003.1.14	3	142,535,174	19.02%	92,647,863	17.99%	0	0
Representative: Stan Hung R.O.C./Male	2024.05.27 2023.08.08	3 60-70	0	0%	0	0%	332	0%
Representative: Ya-Nan Mo R.O.C./Male	2024.05.27 2023.08.08	3 60-70	0	0%	0	0%	0	0%
Liang Hsun Investment Co., Ltd. Corporate Director/R.O.C.	2024.05.27 1998.05.15	3	1,650,424	0.22%	1,100,775	0.21%	0	0%
Representative: Cai-Feng Hou R.O.C./Female	2024.05.27 1998.05.15	3 70-80	0	0%	420,308	0.08%	376	0%
Ting-Yu Lin/Director R.O.C./Male	2024.05.27 2024.05.27	3 70-80	0	0%	0	0%	0	0%
Le-Tien Jung/Director R.O.C./Male	2024.05.27 2024.05.27	3 70-80	0	0%	0	0%	0	0%
Wan-Ling Cheng/Director R.O.C./Female	2024.05.27 2016.06.21	3 40-50	0	0%	0	0%	0	0%
Ya-Ching Li/Independent Director R.O.C./Female	2024.05.27 2019.06.21	3 60-70	0	0%	0	0%	0	0%
Jia-Wei Dai Independent Director R.O.C./Male	2024.05.27 2022.06.21	3 60-70	0	0%	0	0%	0	0%
Qing-Liu Xiao Independent Director R.O.C./Male	2024.05.27 2022.06.21	3 60-70	0	0%	0	0%	0	0%

Note.1 The shareholding is calculated based on the number of issued shares of 514,988,161 shares, less 3 treasury shares, and the number of outstanding shares of 514,988,160 shares as of February 23, 2026. The shareholding of outstanding shares is calculated by unconditionally rounding off two decimal places.

Note.2 The age of directors/independent directors is presented in ranges.

Note.3 Chairman Chia-Tsung Hung is also the Chief Strategy Officer of the Company. In order to enhance operational efficiency and decision execution, the Chairman also maintains close communication with the directors about the Company's operations, plans and policies to implement corporate governance. Director Le-Tian Jung is the CEO of the Company.

Note.4 The two directors on the board also serves as the Company's managerial officers. In the future, the Company will also timely increase the number of independent director seats to actively enhance the function of the Board of Directors and strengthen its capabilities.

Note.5 Ms. Cai-Feng Hou was first appointed as the representative of the corporate director of the Company on May 15, 1998, but was interrupted

due to the reassignment of the corporate director. She was elected as the representative of the corporate director for the 13th term.

Note.6 Ms. Wan-Ling Cheng was first appointed as the representative of the corporate director of the Company on June 21, 2016, but was interrupted due to the interruption caused by the board re-election. She was elected as a natural person director in the 13th term.

Note.7 None of the directors of the Company has held the Company's shares in the names of others.

Note.8 The directors of the Company are not executives, directors who are spouses or within the second degree of kinship.

Major Academic Background and Working Experience	Position Concurrently Held at the Company and Other Companies
Corporate Director	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
Bachelor of Accounting from Tamkang University Chairman of United Microelectronics Corp.	Chairman and Chief Strategy Officer of SiS, Director and Legal Representative of SiS Semiconductor (Shandong) Co., Ltd., Director and Legal Representative of UnitedDS Semiconductor (Shandong) Co., Ltd., Chairman of United Microelectronics Corp., Chairman of Fortune Venture Capital Corp., Chairman of Hung Ting Venture Capital Corp., and Chief Strategy Officer of Faraday, Chairman of UMC Capital Corp., Chairman of TriKnight Capital Corporation, Director of United Microelectronics(Europe)B.V
Master of Electrical Engineering, State University of New York, USA Executive Director of United Microelectronics Corp.	Executive Director of United Microelectronics Corp.
Corporate Director	None
Executive Master of Public Policy, National Sun Yat-sen University Special Assistant to the Chairman of Orient Semiconductor Electronics Ltd	Independent Director of Nanya Technology Corporation, Director of Taiwan Implant Technology Co., Ltd., Chairman of Liang Hsun Investment Co., Ltd.
Master of International Finance, Meiji University, Japan Director of United Microelectronics Corp.	Director of Unimicron Technology Corp, SUNROX INTERNATIONAL, INC., SUNROX INDUSTRIES, INC.
Ph.D., University of Texas at Austin Associate Vice President of United Microelectronics Corp.	Chief Executive Officer of Silicon Integrated Systems Corp.
State University of New York at Buffalo, Master's degree in Accounting ,Investment Assistant Vice President of Hsun Chieh Investment	Investment Assistant Vice President of Hsun Chieh Investment, Director of Novatek Microelectronics Corp
School of Accounting, University of Missouri, USA Independent Director of Unimicron Technology Corp	Independent Director of Unimicron Technology Corp, Independent Director of IC PLUS CORP.
Bachelor of Business Administration, Fu Jen Catholic University Vice President at Investment Banking Division of SinoPac Securities	Director of U-neuron Biomedical Inc., Independent Director of Hu Lane Associate Inc., Independent Director of Family International Gourmet Co., Ltd., Director of Siang Sian Restaurant Co., Ltd.
Bachelor of Economics, Feng Chia University, PMBA, National Taiwan University Vice President of CTBC Bank Co., Ltd.	None

Major Shareholder of Institutional Shareholder

Name of Institutional Shareholder	Major Shareholder of Institutional Shareholder	Shareholding %
United Microelectronics Corp. (Note 1)	CAPITAL TIP CUSTOMIZED TAIWAN SELECT HIGH DIVIDEND EXCHANGE TRADED FUND	6.47
	Taishin International Bank Co., Ltd. is entrusted to custody the Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund's Taiwan ESG Sustainable High Dividend ETF Securities Investment Trust Fund account.	5.34
	Hsun Chieh Investment Co., Ltd.	3.52
	JPMorgan Chase Bank, N.A. acting in its capacity as depository and representative to the holders of ADRs	3.24
	Yuanta/P-shares Taiwan Dividend Plus ETF	2.74
	Taipei Fubon Commercial Bank Co., Ltd. in Custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account	2.69
	Silicon Integrated Systems Corp.	2.12
	Taiwan Life Insurance Co., Ltd.	1.74
	Yann Yuan Investment Co., Ltd.	1.54
	New Labor Pension Fund	1.48
Liang Hsun Investment Co., Ltd. (Note 2)	Cai-Feng Hou	20

Note.1 The shareholding base date of United Microelectronics's institutional shareholders is June 30, 2025, which is the closing date at the 2025 annual shareholders' meeting.

Note.2 The shareholding of Liang Hsun Investment is based on the change registration form on March 23, 2023

Major shareholders of institutional shareholders in which the major shareholders are institutions

Name of Institutional Shareholder	Major Shareholder of Institutional Shareholder/Shareholding
Hsun Chieh Investment Co., Ltd. (Note 2)	Hsieh Yong Capital Co., Ltd. 63.51%, United Microelectronics Corporation 36.49%
Yann Yuan Investment Co., Ltd. (Note 3)	Hsipin Investment Co., Ltd 27.94%, United Microelectronics Corp. 26.78%, King Yuan Electronics Co., Ltd. 14.55%, Unimicron Technology Corp. 11.64%, Coretronic Corporation 11.06%, Sigurd Microelectronics 5.70%, Pohua Investment Co., Ltd. 2.33%
Taiwan Life Insurance Co., Ltd. (Note 4)	CTBC Financial Holding Co., Ltd. 100%

Note.1 The shareholding of Hsun Chieh Investment is based on the change registration form on April 9, 2025.

Note.2 The shareholding of Yann Yuan Investment is based on the change registration form on December 23, 2025.

Note.3 The shareholding of Taiwan Life Insurance Co., Ltd. is based on the change registration form on January 12, 2026.

B. Professional qualifications of directors and independence information of independent directors

The number of three independent directors accounts for 33% of the total number of directors, and all directors do not have any of the circumstances specified in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act, including no spouse or second degree of kinship among directors.

Criteria/Name	Professional qualifications and experience (Note 1)	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chia-Tsung Hung Chairman	Finance, Accounting, and Strategic Management Experience in the Electronics Industry	N/A	0
Ya-Nan Mo Director	Engineering, Technology, and Strategic Management Experience in the Electronics Industry	N/A	0
Cai-Feng Hou Director	Finance, Accounting, and Strategic Management Experience in the Electronics Industry	N/A	0
Ting-Yu Lin	Finance, Accounting, and Strategic Management Experience in the Electronics Industry	N/A	0
Le-Tien Jung	Engineering, Technology, and Strategic Management Experience in the Electronics Industry	N/A	0
Cheng Wan-Ling	Finance, Accounting, and Strategic Management Experience in the Electronics Industry	N/A	0
Ya-Ching Li Independent Director	Finance, Accounting, and Strategic Management Experience in the Electronics Industry	Independence (Note 2)	2
Jia-Wei Dai Independent Director	Finance, Accounting, and Strategic Management Experience in the Finance Industry	Independence (Note 2)	2
Qing-Liu Xiao Independent Director	Finance, Accounting, and Strategic Management Experience in the Finance Industry	Independence (Note 2)	0

Note.1 The financial experts of the Company's Audit Committee are three independent directors: Ya-Ching Li, Chia-Wei Tai, and Ching-Liu Hsiao. Circumstances in Article 30 of the Company Act are not applicable for all directors. For information regarding the Directors' relevant industry experience, please refer to pages 3-4 of this annual report and the Company's website: <https://www.sis.com/zh-tw/Investory/BoardDirectors>

Note.2 All independent directors of the Company are in compliance with the independence criteria: Including, but not limited to, whether he/she, his/her spouse, his/her second degree kinship, etc. are directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of shares of the Company held by him/her, his/her spouse, or second degree of kinship (or in the name of another person); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 3, Paragraphs 1, 5-8 of the Regulations Governing the Establishment of and Matters to be Followed by Independent Directors of Public Companies); the amount of remuneration received for the provision of business, legal, financial and accounting services to the Company or its affiliates in the last two years.

C. Implementation of Diversity Policy of Board Members

- (1) The composition of the Company's Board of Directors shall take diversity into consideration. In accordance with the Company's operations, business model, and development needs, an appropriate diversity policy shall be formulated. The policy should include, but is not limited to, the following two major dimensions:
 - (a) Basic Criteria and Values: Gender, age, nationality, and cultural background.
 - (b) Professional Knowledge and Expertise: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional competencies, and industry experience.

Members of the Board of Directors shall generally possess the knowledge, skills, and integrity necessary to perform their duties. To achieve the objectives of sound corporate governance, the Board as a whole shall possess the following core competencies:

- (a) Capability of Operational Judgment.
 - (b) Capability of Accounting and Financial Analysis.
 - (c) Capability of Business Management.
 - (d) Capability of Crisis Management.
 - (e) Industry Knowledge
 - (f) International Market Perspective.
 - (g) Leadership Capabilities.
 - (h) Decision-Making Ability.
- (2) Based on the aforementioned principles, the 9 Directors of the 13th term of the Board of Directors of the Company encompass experts in the fields of financial accounting and strategic management, financial experts, and professionals in the operation and management of the semiconductor, electronics, and financial industries. In addition to possessing basic conditions and professional knowledge and skills, the Directors' experience enables them to contribute to supervision and decision-making regarding corporate governance, environmental sustainability, corporate social responsibility, legal compliance, and human rights protection through the operations of various functional committees. The Board of Directors also includes representative figures from various sectors of industry and academia to achieve the objective of complementary diversity. To implement the diversity policy for the composition of the Board of Directors, the Company established three female Director seats, accounting for 33%. Furthermore, the Company has 2 Directors holding employee status, accounting for 22%, and 3 independent Directors, accounting for 33%. The individual implementation status of the diversity policy for Board of Directors members is detailed in the table below: the tenures of all independent Directors have not exceeded three terms and comply with the concurrent position restrictions stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Furthermore, they concurrently serve as independent Directors in no more than 3 other public companies.

Implementation Status of Diversity of Board of Directors Members:

Diversity Item/Name of Director	Gender Age	Business Judgment	Accounting Financial Analysis	Operation Management	Crisis Management	Industry Knowledge	International Perspective	Leadership	Decision-making Ability
Chia-Tsung Hung Chairman	Male 60-70	√	√	√	√	√	√	√	√
Ya-Nan Mo Director	Male 60-70	√	√	√	√	√	√	√	√
Cai-Feng Hou Director	Female 70-80	√		√	√	√	√	√	√
Ting-Yu Lin Director	Male 60-70	√	√	√	√	√	√	√	√
Le-Tien Jung Director	Male 60-70	√		√	√	√	√	√	√
Cheng Wan-Ling Director	Female 40-50	√	√	√	√	√	√	√	√
Ya-Ching Li Independent Director	Female 60-70	√	√	√	√	√	√	√	√
Chia-Wei Tai Independent Director	Male 60-70	√	√	√	√	√	√	√	√
Ching-Liu Hsiao Independent Director	Male 60-70	√	√	√	√	√	√	√	√

Note: Mr. Chia-Tsung Hung and Mr. Ya-Nan Mo are the institutional representatives of United Microelectronics Corp. Ms. Tsai-Feng Hou is the institutional representative of Liang-Hsun Investment Co., Ltd.

(II) Chairman & Chief Strategy Officer

Title/Nationality	Name/Gender	Election (appointment) date	Shareholding		Current Shares Held by Children of Minor Age	
			Number of Shares	Shareholding	Number of Shares	Shareholding
Chairman/CSO R.O.C.	Stan Hung Male	2023.08.08	0	0.00%	332	0.00%
CEO R.O.C.	Le-Tien Jung Male	2023.08.09	0	0.00%	0	0.00%
President & Chief Technology Officer R.O.C.	Po-Yin Chao Male	2025.03.01	1,087,560	0.21%	38,000	0.01%
Vice President/CFO/CGO R.O.C.	Po-Wen Huang Male	2023.09.15	0	0.00%	0	0.00%
Vice President R.O.C.	Wen-I Hsu Female	2025.03.01	465,926	0.00%	0	0.00%
Vice President R.O.C.	Huang Chun-chi Male	2025.03.01	170,042	0.09%	0	0.00%
Vice President R.O.C.	Po-Wen Ho Male	2025.03.01	0	0%	0	0.00%
Vice President R.O.C.	Che-Hung Huang Male	2025.08.01	0	0%	0	0.00%
Vice President R.O.C.	Feng-Ming Kuo Male	2025.08.01	0	0%	0	0.00%
Vice President R.O.C.	Chien-Ying Huang Male	2026.01.01	0	0%	0	0.00%
Chief Accountant R.O.C.	Yuan-Kwei Chen Male	2013.01.01	0	0.00%	0	0.00%

Note.1 The shareholding ratio is calculated based on the 514,988,161 issued shares of the Company as of the printing date of the annual report, February 23, 2026. Deducting 1 treasury share, the number of outstanding shares is 514,988,160. The shareholding of outstanding shares is calculated by unconditionally rounding off two decimal places.

Note.2 The shareholdings of the managerial officers are calculated based on the number of shares held as of February 23, 2026.

Note.3 Election and appointment date of the Company's managers.

Note.4 Chairman Chia-Tsung Hung is also the Chief Strategy Officer of the Company. In order to enhance operational efficiency and decision execution, the Chairman also maintains close communication with the directors about the Company's operations, plans and policies to implement corporate governance.

Note.5 None of the managers has held the Company's shares in the names of others.

Note.6 All managers are not spouses or relatives within the second degree of kinship of other managers

Major Experience (Education)	Position Concurrently Held at Other Companies
Bachelor of Accounting from Tamkang University Chairman of United Microelectronics Corp.	Chairman and CSO of SiS, Director and Legal Representative of SiS Semiconductor (Shandong) Co., Ltd., Director and Legal Representative of UnitedDS Semiconductor (Shandong) Co., Ltd., Chairman of UMC., Chairman of Fortune Venture Capital Corp., Chairman of Hung Ting Venture Capital Corp., and CSO of Faraday, Chairman of UMC Capital Corp., Chairman of TriKnight Capital Corporation, Director of United Microelectronics(Europe)B.V
Ph.D. in Electrical Engineering from the University of Texas at Austin, Associate Vice President of United Microelectronics Corp.	Chairman of HuiTong intelligence Co., Ltd.
Master's Degree, Institute of Electronics, National Yang Ming Chiao Tung University	Chairman, Hycon Technology Corp.
MsC in Industrial and Systems Engineering from the University of Missouri-Columbia CFO of United Microelectronics Corp.	Director of Huitong Zhilian Co., Ltd., Director of Mars Investments, Executive Director of Shenzhen Bangtong, Director of Asia Pacific Microsystems, Inc.
Bachelor's Degree, Department of International Business, Tamkang University, Senior Assistant Vice President, Sales Division, Hycon Technology Corp.	None
Master's Degree, Institute of Aeronautics and Astronautics, Chung Hua Polytechnic Institute ,Senior Assistant Vice President, Production Division and Quality Assurance Division, Hycon Technology Corp.	None
Master's Degree, Department of Electrical and Computer Engineering, University of Southern California Assistant Vice President, Product and Application Development Division, Hycon Technology Corp.	None
Master's Degree, Department of Electrical Engineering and Computer Science, University of Missouri Senior Director, Wavetek Microelectronics Corporation	None
Master's Degree, Institute of Semiconductor Materials, National Yang Ming Chiao Tung University Deputy Director, United Microelectronics Corp.	None
Master's Degree, Institute of Electronics, National Yang Ming Chiao Tung University Vice President, Sunplus Innovation Technology Inc.	None
Bachelor of Accounting, Culture University Senior Manager of Accounting Office	None

II Remuneration of the Directors, President and Vice Presidents

(I) Director Remuneration

Position	Name	Director Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Profit After Tax (Note 3)	
		Remuneration (A)		Severance Pay and Pension (B)		Director Compensation (C)		Business Expenses (D)		All Companies in	the Company's Consolidated Financial Statements
		The Company	All Companies in Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements		
Chairman	United Microelectronics Corp.	0	0	0	0	1,420	1,420	0	0	0.18%	0.18%
	Representative: Chia-Tsung Hung	0	0	0	0	0	0	630	630	0.08%	0.08%
	Representative: Ya-Nan Mo	0	0	0	0	0	0	630	630	0.08%	0.08%
Director	Liang Hsun Investment Co., Ltd.	0	0	0	0	710	710	0	0	0.09%	0.09%
	Representative: Cai-Feng Hou	0	0	0	0	0	0	630	630	0.08%	0.08%
Director	Ting-Yu Lin	0	0	0	0	710	710	630	630	0.17%	0.17%
Director	Le-Tien Jung	0	0	0	0	710	710	630	630	0.07%	0.17%
Director	Cheng Wan-Ling	0	0	0	0	710	710	630	630	0.07%	0.17%
Independent Director	Ya-Ching Li	0	0	0	0	710	710	630	630	0.32%	0.17%
Independent Director	Jia-Wei Dai	0	0	0	0	710	710	630	630	0.32%	0.17%
Independent Director	Ching-Liu Hsiao	0	0	0	0	710	710	630	630	0.32%	0.17%

(II) Range of Director Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Amount of Remuneration (A+B+C+D)		Total Amount of Remuneration (A+B+C+D+E+F+G)	
	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements
Below NT\$1,000,000	Stan Hung, Ya-Nan Mo, Liang Hsun Investment Co., Ltd., Cai-Feng Hou,	Stan Hung, Ya-Nan Mo, Liang Hsun Investment Co., Ltd., Cai-Feng Hou,	Ya-Nan Mo, Liang Hsun Investment Co., Ltd., Cai-Feng Hou,	Ya-Nan Mo, Liang Hsun Investment Co., Ltd., Cai-Feng Hou,
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	UMC ,Ting-Yu Lin, Le-Tien Jung, Wan-Ling Cheng, Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao	UMC ,Ting-Yu Lin, Le-Tien Jung, Wan-Ling Cheng, Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao	UMC ,Ting-Yu Lin, Wan-Ling Cheng, Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao	UMC ,Ting-Yu Lin, Wan-Ling Cheng, Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	Stan Hung, Le-Tien Jung	Stan Hung, Le-Tien Jung
Total	11	11	11	11

Note.1 General Directors: Chairman Stan Hung and Director Ya-Nan Mo are institutional Director representatives of United Microelectronics Corp. Director Tsai-Feng Hou is the institutional representative of Liang-Hsun Investment. Director Ting-Yu Lin, Director Le-Tien Jung, and Director Wan-Ling Cheng. Independent directors are: Independent Director Ya-Ching Li, Independent Director Jia-Wei Dai, Independent Director Qing-Liu Xiao.

Currency Unit: NTS'000

Relevant Remuneration Received by Directors who Are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Profit After Tax (Note 3)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)				The Company	All Companies in Consolidated Financial Statements	
The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements				
				Cash	Stock	Cash	Stock			
0	0	0	0	0	0	0	0	0.18%	0.18%	None
4,620	4,620	0	0	3,500	0	3,500	0	1.11%	1.11%	
0	0	0	0	0	0	0	0	0.08%	0.08%	
0	0	0	0	0	0	0	0	0.09%	0.09%	None
0	0	0	0	0	0	0	0	0.08%	0.08%	
0	0	0	0	0	0	0	0	0.17%	0.17%	None
4,552	4,552	108	108	3,500	0	3,500	0	1.21%	1.21%	None
0	0	0	0	0	0	0	0	0.17%	0.17%	None
0	0	0	0	0	0	0	0	0.17%	0.17%	None
0	0	0	0	0	0	0	0	0.17%	0.17%	None
0	0	0	0	0	0	0	0	0.17%	0.17%	None

Note.1 This refers to the Directors' remuneration for 2024, distributed in 2025.

Note.2 Directors of the 13th term were elected on May 27, 2024.

Note.3 The Directors' remuneration data is as of December 31, 2025.

Note.4 The consolidated net profit after tax attributable to owners of the parent for 2025 was NT788,226 thousand. The ratio is calculated by unconditionally rounding off two decimal places.

Note.5 With regard to the remuneration of the Company's independent directors, in addition to the evaluation results of the performance evaluation of the directors, the Remuneration Committee shall, in accordance with Article 24 of the Company's Articles of Incorporation, consider the independent director's participation and contribution in the Company's operations, connect the reasonable fairness of the performance risk with the remuneration received, take into account the Company's operating performance and the general remuneration in the industry, and submit to the Board of Directors for approval.

Note.6 Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies in consolidated financial statements in the most recent year: None.

(III) Compensation for the General Manager and Vice President

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)	
		All Companies in	the Company's Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements
CSO	Stan Hung	4,620	4,620	0	0	0	0
CEO	Le-Tien Jung	4,552	4,552	108	108	0	0
President	Chao Po-yin	3,080	3,080	90	90	3	23
Vice President	Po-Wen Huang	2,675	2,675	108	108	0	0
Vice President	Hsu Wen-yi	2,620	2,620	90	90	0	0
Vice President	Huang Chun-chi	2,400	2,400	90	90	0	0
Vice President	He Po-wen	2,400	2,400	90	90	0	0
Vice President	Huang Che-hung	1,310	1,310	45	45	0	0
Vice President	Kuo Feng-Ming	1,035	1,035	45	45	0	0
Vice President	Huang Chien-ying	-	-	-	-	-	-

Note: Mr. Huang Chien-ying assumed office on January 1, 2026.

(IV) Range of Remuneration Paid to the President and Vice Presidents

Range of Remuneration Paid to the President and Vice Presidents	Name of President and Vice President	
	Total Amount of Remuneration (A+B+C+D)	
	The Company	All Companies in Consolidated Financial Statements
NT\$2,000,001 to NT\$3,000,000	Huang Chun-chi, Ho Po-wen, Huang Che-hung, Kuo Feng-ming	Huang Chun-chi, Ho Po-wen, Huang Che-hung, Kuo Feng-ming
NT\$3,000,001 to NT\$4,000,000	Zhao Po-yin, Hsu Wen-yi	Zhao Po-yin, Hsu Wen-yi
NT\$4,000,001 to NT\$5,000,000	Po-Wen Huang	Po-Wen Huang
5,000,001 to 10,000,000 yuan	Stan Hung, Le-Tien Jung	Stan Hung, Le-Tien Jung
Total	9 people	9 people

(V) Top Five Managers with the Highest Remuneration

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)	
		All Companies in	the Company's Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements	All Companies in	the Company's Consolidated Financial Statements
CEO	Le-Tien Jung	4,552	4,552	108	108	0	0
CSO	Stan Hung	4,620	4,620	0	0	0	0
CFO	Po-Wen Huang	2,675	2,675	108	108	0	0
President	Chao Po-yin	3,080	3,080	90	90	3	3
Vice President	Hsu Wen-yi	2,620	2,620	90	90	0	0

Currency Unit: NT\$ thousand

Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Profit After Tax (Note 2)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
All Companies in		the Company's Consolidated Financial Statements		All Companies in	the Company's Consolidated Financial Statements	
Cash	Stock	Cash	Stock			
3,500	0	3,500	0	1.030%	1.030%	None
3,500	0	3,500	0	1.035%	1.035%	None
560	0	560	0	0.474%	0.474%	None
1,800	0	1,800	0	0.581%	0.581%	None
550	0	550	0	0.414%	0.414%	None
400	0	400	0	0.367%	0.367%	None
400	0	400	0	0.367%	0.367%	None
1,200	0	1,200	0	0.324%	0.324%	None
1,200	0	1,200	0	0.289%	0.289%	None
-	-	-	-	-	-	-

Note.1 The data for the President, Vice Presidents, and related managerial officers is as of December 31, 2025.

Note.2 The consolidated net profit after tax attributable to owners of the parent for 2025 was NT\$788,226 thousand. The ratio is calculated to two decimal places, rounding down.

Currency Unit: NT\$ thousand

Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Profit After Tax (Note 2)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
All Companies in		the Company's Consolidated Financial Statements		All Companies in	the Company's Consolidated Financial Statements	
Cash	Stock	Cash	Stock			
3,500	0	3,500	0	1.035%	1.035%	None
3,500	0	3,500	0	1.030%	1.030%	None
1,800	0	1,800	0	0.581%	0.581%	None
560	0	560	0	0.474%	0.474%	None
550	0	550	0	0.414%	0.414%	None

Note.1 The data for the President, Vice Presidents, and related managerial officers is as of December 31, 2025.

(VI) Name of manager who distributed employee compensation and the distribution status:

December 31, 2025; Unit: NT\$ thousand

Position	Name	Stock amount	Cash amount	Total amount	Ratio of total remuneration to net profit after tax %
CSO	Stan Hung	0	13,583	13,583	1.72 %
CEO	Le-Tien Jung				
President	Chao Po-yin				
Vice President/ CFO/CGO	Po-Wen Huang				
Vice President	Hsu Wen-yi				
Vice President	Huang Chun-chi				
Vice President	He Po-wen				
Vice President	Huang Che-hung				
Vice President	Kuo Feng-Ming				
Vice President	Huang Chien-ying				
Chief Accountant	Yuan-Kwei Chen				

Note: Mr. Huang Chien-ying assumed office on January 1, 2026.

(VII) Analysis of Director and Manager Remuneration

A. Analysis of Director and Manager Remuneration in the Past Two Years

Currency Unit: NT\$'000

Position	Ratio of total remuneration to net profit after tax					
	2025			2024		
	Remuneration	Net profit after tax	Remuneration net profit after tax	Remuneration	Net profit after tax	Remuneration net profit after tax
Director	6,391	788,226	0.81%	12,099	498,582	2.42%
Manager	13,583		1.72%	26,350		5.28%

Note.1 The consolidated net profit after tax attributable to owners of the parent for 2025 was NT\$788,226 thousand. The ratio is calculated to two decimal places, rounding down.

B. Remuneration policies, standards and packages, procedures for determining remuneration, and connection between operating performance and future risk exposure

- In accordance with the Remuneration Committee Charter of the Company, the compensation system for directors and managers includes cash compensation, stock options, stock dividends, retirement benefits or severance pay, allowances and other substantial incentives, which shall be approved by the Remuneration Committee of the Company and then submitted to the Board of Directors for approval.
- Director remuneration distribution policy and the procedures of determining remuneration: in addition to the monthly fixed amount of transportation fee, pursuant to the Company's Articles of Incorporation, the net profit after final

accounts shall be used to pay the income tax in accordance with the laws and regulations and offset the accumulated loss. Afterward, 10% shall be allocated as a legal reserve. The percentage of director remuneration shall not exceed 2% of the aforementioned balance.

- The manager's compensation policy, standards and packages are determined with reference to the industry standard, the Company's payroll regulations, the manager's respective areas of responsibility, the performance and achievement rate of the same year, and the reasonable compensation based on the contribution to the Company's overall operation in that year.
- The Company has assessed that there are no significant future risks.

III Implementation of Corporate Governance

(I) Operation of the Board of Directors

A. The Board of Directors convened 7 times in 2025 and up to the printing date in 2026 (2025.02.27, 2025.04.10, 2025.04.21, 2025.07.28, 2025.10.27, 2025.12.15, 2026.02.23). The attendance status of the Directors is as follows:

Position	Name	Attendance in person	Attendance by proxy	Actual attendance	Remarks
Chairman	Representative of United Microelectronics: Stan Hung	7	0	100 %	
Director	Representative of United Microelectronics: Ya-Nan Mo	7	0	100 %	
Director	Representative of Liangxun Investment: Cai-Feng Hou	7	0	100%	
Director	Ting-Yu Lin	7	0	100%	
Director	Le-Tien Jung	7	0	100 %	
Director	Cheng Wan-Ling	7	0	100 %	
Independent Director	Ya-Ching Li	7	0	100 %	
Independent Director	Jia-Wei Dai	7	0	100 %	
Independent Director	Ching-Liu Hsiao	7	0	100 %	

Other matters to be recorded:

- If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
 - (1) Matters set out in Article 14- 3 of the Securities and Exchange Act: the Company has established an Audit Committee; thus, this is not applicable to Article 14-3 of the Securities and Exchange Act. Please refer to the annual report on the implementation of the Audit Committee for relevant information.
 - (2) Except for the aforementioned matters, other resolutions made by the Board of Directors are opposed or reserved by the independent directors; these are recorded or the independent directors have submitted written statements against the resolutions: None.

- Recusals of directors from voting due to conflicts of interests:
 - (1) Regarding the proposal for adjusting the authority and responsibilities of the President of the Company on February 27, 2025, Director Le-Tien Jung recused himself from the discussion and did not participate in the voting due to a conflict of interest.
 - (2) Regarding the proposal for distributing the remuneration of managerial officers of the Company for 2024 on July 28, 2025, Chairman Stan Hung and Director Le-Tien Jung recused themselves during the discussion and voting due to conflicts of interest.
 - (3) Regarding the proposal for the appointment of the Chief Executive Officer of the Company on July 28, 2025, Director Le-Tien Jung recused himself and left the meeting because he concurrently holds the status of a managerial officer.
 - (4) Regarding the proposal for adjusting the corporate credit loan from CTBC Bank Co., Ltd. to the Company's mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., on July 28, 2025, Chairman Stan Hung recused himself during the discussion and voting due to a conflict of interest.
 - (5) Regarding the proposal for adjusting the guarantee provided by the Company to the mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., on July 28, 2025, Chairman Stan Hung recused himself during the discussion and voting due to a conflict of interest.
 - (6) Regarding the proposal for loaning funds to the Company's mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., on July 28, 2025, Chairman Stan Hung recused himself during the discussion and voting due to a conflict of interest.
 - (7) Regarding the cash capital increase proposal for the sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., via SiS Investments Limited and Silicon Integrated Semiconductor (Shandong) Co., Ltd on October 27, 2025, Chairman Stan Hung recused himself, left the meeting during the discussion, and did not participate in the voting due to a conflict of interest.
 - (8) Regarding the salary adjustment status for managerial officers (including all employees) of the Company for 2025 on February 23, 2026, Chairman Stan Hung and Director Le-Tien Jung recused themselves from the discussion and did not participate in the voting due to conflicts of interest.
- Targets and implementation of the Board of Directors' functions in the current and most recent years: in order to implement corporate governance and enhance the functions of the Company's Board of Directors, performance targets are established to strengthen the efficiency of the Board of Directors' operations. The Company established the "Board of Directors Performance Evaluation Procedures" in 2019 and conducts performance evaluation annually and review for improvement on an ongoing basis. For the sustainable development of the Company and to assist the Board of Directors to strengthen the management mechanism and improve the corporate governance, the Nomination Committee is expected to be established in the future.

B. Evaluation of the Board of Director

Frequency	Once a year			
Period	January 1, 2025 - December 31, 2025			
Scope of evaluation	Evaluation method	Evaluation aspects	Single/total evaluation results	
Board of Directors	Internal evaluation of the Board of Directors	Participation in the Company's operation (12 items)	5.00	4.99
		Improvement of the Board of Directors decision-making quality (12 items)	5.00	
		Composition and structure of the Board of Directors (7 items)	4.98	
		Election and continuous education of the directors (7 items)	5.00	
		Internal control (7 items)	5.00	
Individual directors	Self-evaluation and peer evaluation of Board members	Understanding of the Company's objectives and missions (3 items)	5.00	4.99
		Understanding of the duties of directors (3 items)	5.00	
		Participation in the Company's operation (8 items)	4.98	
		Management and communication of the internal relations (3 items)	5.00	
		Expertise and continuing education of the directors (3 items)	4.96	
		Internal control (3 items)	5.00	
Audit Committee	Self-evaluation and peer evaluation of the Audit Committee members	Participation in the Company's operation (4 items)	5.00	5.00
		Understanding of the duties of the Audit Committee (6 items)	5.00	
		Improvement of the Board of Directors decision-making quality (7 items)	5.00	
		Composition and election of the Audit Committee members (3 items)	5.00	
		Internal control (3 items)	5.00	
Remuneration Committee	Self-evaluation and peer evaluation of the Remuneration Committee members	Participation in the Company's operation (4 items)	5.00	4.98
		Understanding of the duties of the Remuneration Committee (5 items)	4.93	
		Improvement of the Board of Directors decision-making quality (6 items)	5.00	
		Composition and election of the Remuneration Committee members (3 items)	5.00	
		Internal control (1 items)	5.00	

Note1. The 13th Board of Directors, the 3rd Audit Committee, and the 6th Remuneration Committee all assumed office on May 27, 2024.

Note2. The evaluation results are presented in five levels, and the principles of the assessment levels are as follows: Number 1: Very poor (strongly disagree); Number 2: Poor (disagree); Number 3: Moderate (average); Number 4: Excellent (agree); Number 5: Excellent (strongly agree).

C. Results of Board of Directors Performance Evaluation

The selection of the Company's Board members is taken into account: the operational development needs and facilitation of the full performance of the Board of Directors' functions. The Board meetings have an open discussion atmosphere, which enables the directors to provide guidance and supervision, and are able to form medium and long-term strategies and annual plans that can be implemented, and that is conducive to the Company's sustainable operation. The Board of Directors attaches great importance to

corporate risk management. The Chief Corporate Governance Officer is committed to providing the necessary assistance to the directors to facilitate timely access to sufficient information and resources for Board members to exercise their duties.

D. Succession planning for Board members and important management

(1) Succession planning and operation of the Board members

The Company adopts a candidate nomination system for the election of Directors in accordance with the Articles of Incorporation. The Shareholders' Meeting elects the Directors through voting to form the Board of Directors. The term of each session is three years. The election of directors shall be conducted in accordance with the "Rules for Election of Directors" of the Company, unless otherwise provided by laws or Articles of Incorporation. The members of the board of directors must have a professional background (such as legal, accounting, industry, finance, marketing, or technology) and professional skills (such as business judgment ability, accounting and financial analysis ability, operation management ability, crisis management ability, industry knowledge, international market view, leadership ability, and decision-making ability.)

The Company plans for the succession of directors through the following methods:

- (a) Suitable directors candidates recommended by the current directors.
- (b) Directors candidates recommended by shareholders.
- (c) The board of directors' performance evaluation results serve as a reference for nominating directors for reappointment.

To strengthen the functions of the Board of Directors and encourage Directors to continuously enhance their capabilities, the Company annually arranges at least 6 hours of continuing education courses for each Director. This assists the Directors in acquiring new knowledge, keeping pace with the times, and familiarizing themselves with their roles, functions, responsibilities, and obligations on the Board of Directors. Furthermore, this effectively implements the corporate governance system and facilitates the continuous optimization of the Board of Directors to achieve sustainable corporate operations. In addition, the Board of Directors conducts an annual performance evaluation for its members. The Company utilizes the evaluation results as a reference basis for selecting or nominating Directors and as a reference basis for determining their individual salary and remuneration.

(2) Succession planning and operation of important management personnel

The Company regards employees at or above the manager level as the important management level, mainly based on personality traits, performance, and future potential as evaluation criteria. Personality traits should include positive influence, growth-oriented mindset, and team spirit. In addition to excellent work performance, management personnel should also comply with the Company's core values and

mission vision. As important management positions cover various departments within the Company, they are all targets of active cultivation by the Company. Department heads have clear job responsibilities; they are actively trained and nurtured, and they cooperate with management succession planning to conduct internal training on management skills. In addition, the Company encourages important management levels to engage in on-the-job training or participate in training programs provided by external units to enhance individuals' comprehensive abilities. The Company conducts cross departmental collaborative training for key talents based on future development, hoping to cultivate the diverse abilities of successor talents to facilitate the smooth implementation of future succession plans. In response to the Company's future strategic direction and focus on talent development, important management personnel within the company receive annual training in leadership, operational management, and other related courses to cultivate a broad perspective and advanced comprehensive management skills. The Company conducts annual employee performance evaluations, through daily observations and performance evaluations; thus employee will better understand due areas for strengthening, personal development needs, and company expectations; the Company uses the evaluation results as a reference for future succession planning.

(II) Operations of the Audit Committee:

The Audit Committee supports the Board of Directors to oversee the Company and responsible for the missions granted by Company Act, Securities and Exchange Act, and other related laws and regulations. The Company's Audit Committee is composed all independent directors. The operation of the committee complies with the Audit Committee Charter.

A. Professional qualifications and experience of Audit Committee members

Criteria/Name	Professional qualifications and experience
Ya-Ching Li Independent Director	Having Work Experience in the Areas of Commerce, Finance, Accounting, and Otherwise Necessary for the Business/ School of Accounting, University of Missouri, USA Senior Assistant of President of GCS Holdings, Independent Director and Remuneration Committee member of Unimicron, Director of D-Tech Optoelectronics, Director of GCOM Semiconductor, Supervisor of Unikorn Semiconductor, Independent Director of IC PLUS Corp.
Chia-Wei Tai Independent Director	Having Work Experience in the Areas of Commerce, Finance, Accounting, and Otherwise Necessary for the Business/ Bachelor of Business Administration, Fu Jen Catholic University Director of U-neuron Biomedical Inc., Independent Director of Hu Lane Associate Inc., Independent Director of Family International Gourmet Co., Ltd., Director of Siang Sian Restaurant Co., Ltd.
Ching-Liu Hsiao Independent Director	Having Work Experience in the Areas of Commerce, Finance, Accounting, and Otherwise Necessary for the Business/Bachelor of Economics, Feng Chia University Vice President of CTBC Bank Co., Ltd.

B. Key work items of the Audit Committee:

- (1) The Company's financial statements
- (2) The Company's internal control system
- (3) Material properties, derivatives, loaning of funds, and provision of endorsements/guarantees
- (4) Audit plan of the internal audit department and implementation of such plan
- (5) Appointment, discharge, compensation, and independence of certified public accountants
- (6) Management's understanding of the risks and control procedures of compliance to laws and regulations

C. The 3rd term of the Audit Committee convened 7 times in 2025 and up to the printing date in 2026 (2025.02.27, 2025.04.10, 2025.04.21, 2025.07.28, 2025.10.27, 2025.12.15, 2026.02.23). The attendance status of the Audit Committee members is as follows:

Position	Name	Attendance in person	Attendance by proxy	Actual attendance	Remarks
Independent Director (Convener)	Ya-Ching Li	7	0	100 %	
Independent Director	Jia-Wei Dai	7	0	100 %	
Independent Director	Ching-Liu Hsiao	7	0	100 %	

D. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

(1) Matters set out in Article 14-5 of the Securities and Exchange Act

Board of Directors Date/Term	Major resolutions	Audit Committee resolution	The Company's response to the Audit Committee
2025.02.27 7th meeting of the 13th term	<ol style="list-style-type: none"> 1. 2024 Financial Statements 2. Allocation of remuneration for directors, employees for the fiscal year 2024. 3. 2024 Earnings Distribution Proposal. 4. Deliberation of the independence and competence evaluation results of the CPAs 5. Non-assurance services provided by the accounting firm and its affiliated entities 6. 2024 Internal Control System Statement 7. Related Party Transactions for Fiscal Year 2025. 8. Amendment to the Company's "Table of Authority and Responsibility." 	Approved by all attending committee members	Approved by directors participated in the discussion
2025.04.10 8th Meeting of the 13th Board	<ol style="list-style-type: none"> 1. Proposal for the mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., to acquire shares of Sunplus Innovation Technology (Xiamen) Co., Ltd. 2. Proposal for the guarantee provided to the mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd. 	Approved by all attending committee members	Approved by directors participated in the discussion
2025.04.21 9th Meeting of the 13th Board	<ol style="list-style-type: none"> 1. Financial statements for the first quarter of 2025. 	Approved by all attending committee members	Approved by directors participated in the discussion
2025.07.28 10th Meeting of the 13th Board	<ol style="list-style-type: none"> 1. Financial statements for the second quarter of 2025. 	Approved by all attending committee members	Approved by directors participated in the discussion
2025.10.27 11th Meeting of the 13th Board	<ol style="list-style-type: none"> 1. Financial statements for the third quarter of 2025. 2. Proposal for the cash capital increase of the sub-subsidiary, United Semiconductor (Shandong) Co., Ltd. 3. Proposal to amend and add to the internal control/internal audit system of the Company. 4. The Company's audit plan for 2026. 	Approved by all attending committee members	Approved by directors participated in the discussion
2025.12.15 12th Meeting of the 13th Board	<ol style="list-style-type: none"> 1. Proposal for the short-form merger with Hycon Technology Corp. 	Approved by all attending committee members	Approved by directors participated in the discussion
2026.02.23 13th Meeting of the 13th Board	<ol style="list-style-type: none"> 1. Proposal for the final accounting books and statements for 2025. 2. Distribution of the remuneration of Directors and employees for 2025. 3. Proposal for the earnings distribution for 2025. 4. Amendment to the "Operational Procedures for Loaning Funds" of the Company 5. Deliberation of the independence and competence evaluation results of the CPAs 6. Non-assurance services provided by the accounting firm and its affiliated entities 7. Proposal for the Internal Control System Statement for 2025. 8. Proposal for related party transactions for 2026. 	Approved by all attending committee members	Approved by directors participated in the discussion

- (2) In addition to the above-mentioned matters, other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.
- E. Recusals of independent directors from resolutions due to conflicts of interests:
- (1) On May 27, 2024, the appointment of members to the Company's 6th Remuneration Committee took place. Directors Ya-Ching Li, Jia-Wei Dai, and Qing-Liu Xiao recused themselves from the meeting, did not participate in the discussion, and abstained from the resolution.
- (2) On February 27, 2025, a proposal to lift the non-compete restrictions for the Company's directors was presented. Directors Wan-Ling Cheng and Ya-Ching Li, having a vested interest in this matter, recused themselves from the discussion and did not participate in the voting.
- F. Communication between the independent directors and the Chief Internal Auditor, and the CPAs:
- (1) In addition to submitting monthly audit finding reports and follow-up reports to the independent directors by the Company's internal audit department, the Company's Chief Internal Auditor holds at least one meeting of the Audit Committee every quarter to report on audit work, audit results, and follow-ups to the independent directors.
- (2) Every half year, the Company's CPAs report and communicate to independent directors regarding the review or audit results of the Company and its subsidiaries at home and abroad, internal control audit, the impact of the amendments to and release of IFRSs on the Company, and other relevant legal requirements.
- (3) Communication between the independent directors and the Chief Internal Auditor
In addition to submitting monthly audit reports and follow-up reports to the independent directors, the Company's internal audit department explains the audit, the audit results, and their follow-ups at the Board meetings and regularly communicate with the independent directors.

Date	Attendees	Key communication topics	Communication results
2025.02.27 Internal Audit Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao Chief Auditor Mr. Hung-Jen Li	Improvement of deficiencies and irregularities of the internal control system of 2024	All attending independent directors have no opinion and no recommendation
2025.04.21 Internal Audit Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao Chief Auditor Mr. Hung-Jen Li	Internal Audit Business Execution Report	All attending independent directors have no opinion and no recommendation

Date	Attendees	Key communication topics	Communication results
2025.07.28 Internal Audit Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao Chief Auditor Mr. Hung-Jen Li	Internal Audit Business Execution Report	All attending independent directors have no opinion and no recommendation
2025.10.27 Internal Audit Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao Chief Auditor Mr. Hung-Jen Li	Internal Audit Business Execution Report	All attending independent directors have no opinion and no recommendation
2026.02.23 Internal Audit Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao Chief Auditor Mr. Hung-Jen Li	Internal Audit Business Execution Report	All attending independent directors have no opinion and no recommendation

(4) Communication between the independent directors and CPAs

Date	Attendees	Key communication topics	Communication results
2025.02.27 Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao CPA Ms. Shen-Jie Hu	Audit results of the consolidated and parent company only financial statements for 2024communication with corporate governance unit and management, update of securities act, update of tax act, update of IFRSs	All attending independent directors have no opinion and no recommendation
2025.07.28 Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao CPA Ms. Shen-Jie Hu	Review results of the consolidated financial statements for the first half of 2024, communication with corporate governance unit and management, update of securities act, update of tax act, update of IFRSs	All attending independent directors have no opinion and no recommendation
2026.02.23 Project Report Meeting	Independent Director Ms. Ya-Ching Li Independent Director Mr. Jia-Wei Dai Independent Director Mr. Qing-Liu Xiao CPA Ms. Shen-Jie Hu	Audit results of the consolidated and parent company only financial statements for 2024communication with corporate governance unit and management, update of securities act, update of tax act, update of IFRSs	All attending independent directors have no opinion and no recommendation

(5) The chief internal auditor, CPAs, and independent directors can communicate directly with each other as needed at any time, and the communication channel operates smoothly.

(III) Implementation of Corporate Governance

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
I. Has the Company established and disclosed its code of practice on corporate governance based on Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies	<p>Yes/To establish a good corporate governance system, the Company has established its own Corporate Governance Principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" prepared by Taiwan Stock Exchange Corporation and Taipei Exchange to establish an effective corporate governance framework and then abide by it. In addition to complying with the laws and regulations and the Articles of Incorporation, the Company's corporate governance system is based on the principles of protecting the rights and interests of shareholders, strengthening the functions of the Board of Directors, fulfilling the functions of the Audit Committee, respecting the rights and interests of stakeholders, and enhancing the transparency of information, as well as upholding Ethical Corporate Management Best Practice Principles, with the hope to fulfill corporate responsibility for sustainable management and enhance operational performance through effective corporate governance operations.</p> <p>The Principles are disclosed and available for download on the Company's website at https://www.sis.com.</p>	None
II. Shareholding structure and shareholders' rights		
<p>■ Does the Company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigation</p>	<p>Yes/The Company attaches great attention to right-to-know of shareholders and complies with the relevant regulations of information disclosure, and shall, in a frequent and timely manner, provide the Company's financial, business, internal shareholding, and corporate governance information to the shareholders through the MOPS or the Company's website. For ensuring shareholder's interests, the Company has appointed dedicated staff to handle the suggestions, inquiries, and disputes of shareholders.</p>	None
<p>■ Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders</p>	<p>Yes/The Company has established a system, where a dedicated person will retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders. Pursuant to the information disclosure requirements, the Company shall regularly disclose relevant pledges and addition/decrease in the shares of shareholders who have over 10% of the Company shares. The Company shall also disclose major items that can result in changes in shares so other shareholders can conduct supervision.</p>	None

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
<p>■ Does the Company establish and execute a risk management and firewall system with its affiliates</p>	<p>Yes/The Company and its affiliates have established specific rules for their personnel, assets, and financial affairs, which clearly stated their responsibilities. In addition, risk assessments are conducted and firewalls are established to prevent unpredictable issues.</p>	<p>None</p>
<p>■ Does the Company establish internal rules against insiders using undisclosed information for securities trading</p>	<p>Yes/ The Company has established and effectively implemented a comprehensive internal control system in accordance with relevant laws, orders and standards. In addition to the regular self-inspection of each department, the audit department reviews the results of self-inspection of each department from time to time for better supervision.</p>	<p>None</p>
<p>III. Composition and responsibilities of the Board of Directors</p>		
<p>■ Has the Board of Directors established diversified policies, specific management objectives and implementation for the composition of its members</p>	<p>Yes/ In consideration of diversification and practical operational needs, the current Board of Directors was completely re-elected on May 27, 2024, comprising nine members. The directors possess experience in various fields of business or expertise, having backgrounds in science, technology, finance, and accounting. Their relevant experiences cover industries such as semiconductor manufacturing and IC design. Additionally, more than half of the directors have accounting and financial expertise. The current members include three independent directors (33%), and additionally, there are three female directors (33%) among the board members. The number of directors who are not managers of the Company exceeds half of the Board of Directors. For related information, please refer to page 10 of this annual report and the Company's website at www.sis.com.</p>	<p>None</p>
<p>■ Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee required by the laws</p>	<p>Yes/ The Company has established the Remuneration Committee and the Audit Committee, which are composed of independent directors in accordance with the law, to contribute to the Company's sustainable development, assist the Board of Directors in strengthening the management mechanism and improve corporate governance. It is expected that the Board of Directors will approve the establishment of the Nomination Committee in the future, to improve the functions of the Board of Directors and strengthen the management mechanism of the Company. In the future, other functional committees will be established according to legal requirements and actual needs.</p>	<p>None</p>

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
<p>■ Does the Company establish Board of Directors Performance Evaluation Procedures and its evaluation methods, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal</p>	<p>Yes/The Company has established standards and methods to evaluate the performance of the Board of Directors, conducts Board evaluation, self/peer evaluation annually and regularly, reports the results of evaluations to the Remuneration Committee and the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination and renewal. Evaluation criteria includes the participation in the Company's operations, improvement of the Board of Directors decision-making quality, composition and structure of the Board of Directors, election and continuing education of directors, internal control, understanding of the Company's objectives and missions, understanding of directors' responsibilities, participation in the Company's operations, management and communication of the internal relations, and expertise and continuing education of directors. The attendance rate of the Directors at the Board of Directors meetings in 2025 reached 100%. For the overall performance evaluation, please refer to page 19 of this annual report.</p>	<p>None</p>
<p>■ Does the Company regularly evaluate the independence of the CPAs</p>	<p>The Company's Audit Committee regularly evaluates the internal quality control procedures of the CPAs and their independence, which are reported to the Board of Directors for approval. The evaluation results for the past two years were conducted on February 27, 2025, and February 23, 2026, respectively. The evaluation criteria include: the CPAs' independence statement, the audit or non-audit services provided by the CPAs being reviewed in advance by the Audit Committee to ensure that the non-audit services do not affect the audit results, the same CPA not provide CPA services for more than seven consecutive years, and with reference to Audit Quality Indicators (AQIs) to yearly assess the competence of the CPAs, focusing on five major dimensions and thirteen indicators, including professionalism, independence, quality control, supervision, and innovation capability. For related information, please refer to Note 1 on page 33</p>	<p>None</p>
<p>IV. Does the Company has a suitable and appropriate number of corporate governance officer and designates a Chief Corporate Governance Officer to be responsible for corporate governance-related matters</p>		
<p>Yes/ The Remuneration Committee and the Board of Directors on March 18, 2020, approved a Chief Corporate Governance Officer who has more than three years of experience as the</p>	<p>None</p>	

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	<p>head of finance and stock affairs of a public company. Our Chief Corporate Governance Officer, Mr. Po-Wen Huang, was appointed by the 12th Board of Directors during its 10th meeting on September 15, 2023, as indicated on Page 36 The Chief Corporate Governance Officer is responsible for supervising the stock affairs division under the finance department on matters related to the convening of Board meetings and shareholders' meetings, preparing minutes and disclosures, providing information necessary for directors to perform their duties, assisting directors in complying with laws and regulations, and assisting directors in their appointment and continuing education. In addition, the Chief Corporate Governance Officer communicates with the independent directors on an annual basis on matters related to corporate governance. The promotion of corporate governance operations in 2025 is as follows:</p> <ul style="list-style-type: none"> ■ Oversee the planning and implementation of the corporate governance system of the Company and its subsidiaries; report regularly to the Board of Directors on important issues or legal amendments related to the Company's business sectors and corporate governance. ■ The Company arranges training courses according to the needs of Board members, evaluates and purchases appropriate liability insurance for directors, supervisors, and important employees; the company reports the contents of the insurance policy to the Board of Directors. ■ The independent directors meet regularly and as necessary with the accountants and auditors to implement internal audit and control systems. ■ The agenda of the directors' meetings is notified to the directors 7 days in advance, and the meetings are convened and information is provided. If there is a conflict of interest in a resolution, those with a conflict of interests shall be recused from the discussion and voting. The minutes of the Board meetings are completed and sent to the directors within 20 days after the meeting. ■ To implement corporate governance, the performance of the Board of Directors, functional committees, and individual directors are regularly evaluated in accordance with the "Board of Directors Performance Evaluation Procedures" established by the Company. ■ The Company holds corporate meetings every year for its business performance, participates in investment forums from time to time, has dedicated staff to serve shareholders, and established diversified communication channels with investors. ■ The Company sets the date of the shareholders' meeting in accordance with the law, prepares and publishes the notice of the meeting, the meeting handbook, and the minutes of the meeting within the statutory period, and handles the registration of changes in the Articles of Incorporation or the election of directors within the statutory period. The Company also assigns a senior officer responsible for corporate governance-related matters and coordinate all corporate governance matters of the Company. 	

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
V. Has the Company established communication channels with stakeholders, set up a stakeholder area on the Company's website, and responded appropriately to important social responsibility issues of the stakeholders		
	Yes/ The Company has a spokesperson, stock affair office, investor relations, and email address to maintain smooth communication channels with banks and employees, consumers, suppliers, communities, or stakeholders of the Company, and to respect and protect their legitimate rights and interests.	None
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs		
	Yes/The Company has appointed a professional shareholder service agency, Horizon Securities Corp., to deal with shareholder affairs on behalf of the Company.	None
VII. Information Disclosure		
<ul style="list-style-type: none"> ■ Does the Company have a website to disclose the financial operations and corporate governance information 	Yes/The Company's website is at https://www.sis.com , which established an Internet-based reporting system for information disclosure. A dedicated staff was appointed to be responsible for gathering and disclosing information. A spokesperson system was also established so as to ensure the proper and timely disclosure of information on policies that might affect the decisions of shareholders and stakeholders.	None
<ul style="list-style-type: none"> ■ Did the Company adopt other means of information disclosure 	Yes/The Company sets up a bilingual website with the use of Internet access, which is maintained by a dedicated staff and provides updated information on the Company's financial business and corporate governance. The information is detailed and accurate for the reference of shareholders and stakeholders.	None
<ul style="list-style-type: none"> ■ Does the Company announces and files the annual financial reports within two months after the close of the fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline 	Yes/The Financial Department's report for the year 2025 will be announced and filed within two months after the end of the fiscal year, aiming to provide shareholders and investors with more transparent and timely financial information. The Company announces and files Q1, Q2, Q3 financial reports and its monthly operating within the period prescribed by the competent authority.	None
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance: Yes		
<ul style="list-style-type: none"> ■ Employee benefits and care 	The Company adheres to relevant labor laws to protect employees' legitimate interests. The Company has	None

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	comprehensive and generous welfare measures for our employees. In addition to free medical checkups every 1-2 years, the Company also provides psychological counseling services for its employees to alleviate stress. In addition, the Company provides employees' family members with consultant service on economic and legal expertise, and encourage them to communicate directly with the management to appropriately reflect their opinions on the Company's operation and financial condition or major decisions involving their interests.	
<ul style="list-style-type: none"> ■ Investor relations 	The Company has been attaching great attention to the right-to-know of investors and shareholders and complies with the relevant regulations of information disclosure through the shareholders' meetings and spokesperson system. The Company provides information on its financial, business, internal shareholding, and corporate governance to the shareholders and investors in a frequent and timely manner through the MOPS or the Company's website.	None
<ul style="list-style-type: none"> ■ Supplier relations 	Upholding the principle of honesty, equality, and mutual benefit, the Company is committed to building a foundation of harmonious relationship and trust with its partners and customers with good business reputations to create a win-win situation. The Company has also set up a dedicated customer service department responsible for the communication and coordination with the inquiries of its suppliers and customers.	None
<ul style="list-style-type: none"> ■ Rights of stakeholder 	The Company maintains unobstructed communication channels with banks, employees, consumers, suppliers, communities or stakeholders of the Company, and respects and protects their legitimate interests. When any of a stakeholder's legitimate interests is infringed, the Company shall handle the matter in a proper manner and in good faith.	None
<ul style="list-style-type: none"> ■ Implementation of risk management policies and risk evaluation measures 	The Company has a sound financial, business and accounting management system, conducts comprehensive risk assessments with its major banks, customers, and suppliers, and implements necessary control mechanisms to identify and prevent potential risks, so as to enhance the correctness and accuracy of its decision-making and reduce its credit risk and operating risks.	None
<ul style="list-style-type: none"> ■ Implementation of customer policy 	The Company has a dedicated customer service department, which is responsible for providing customer consultation and	None

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	assisting in handling customer-related issues, and responding to relevant contractors in a timely manner to provide the assistance required by the customers.	
<ul style="list-style-type: none"> ■ Purchase of liability insurance for the directors and supervisors 	To reduce and diversify the unexpected risk arising from unexpected accidents or negligence of directors and independent director to the Company and its shareholders, the Company purchases liability insurance for its directors every year. In 2025 and 2026, the Company purchased "Directors, Supervisors and Important Employees Liability Insurance" with Cathay Century Insurance Co., Ltd. in an amount of US\$10 million for the directors and important employees of the Company.	None
<ul style="list-style-type: none"> ■ Continuous education of directors and managers 	Related information Note 2 on Page 34	None
IX. The improvements made in accordance with the Corporate Governance Evaluation results issued in the most recent year and provide prioritized plans for improvement with aspects yet to be improved		
	Yes/In accordance with the results of last year's corporate governance evaluation, the Company has disclosed its company profile (including company history, product introduction, organizational structure, and management team) and investor relations contact window and response to shareholders' inquiries on the Company's website. The Company will prioritize the improvement of early disclosure of the shareholders' meeting handbook and annual report, increasing the number of independent directors to meet diversity, gender policy, and detailed disclosure of relevant corporate information in the annual report and on the Company's website. The future self-evaluation report or evaluation report will be made in accordance with the needs of the company and the regulations of the competent authorities.	None

Note.1 Evaluation of the Independence and Competence of the CPAs

Audit Quality Indicators (AQI)		Compliance with Indicators	
1.	Audit Quality Indicator Dimension 1: Professionalism	Yes	
2.	Audit Quality Indicator Dimension 2: Quality Control	Yes	
3.	Audit Quality Indicator Dimension 3: Independence	Yes	
4.	Audit Quality Indicator Dimension 4: Supervision	Yes	
5.	Audit Quality Indicator Dimension 5: Innovation Capability	Yes	
Evaluation Item		Result	Independence
1.	The CPA does not have any direct or significant indirect financial interest in the Company.	Yes	Yes
2.	The CPA does not have any significant, close business relationship with the Company.	Yes	Yes
3.	The CPA does not have any potential employment relationship with the Company during the audit.	Yes	Yes
4.	The CPA has not engaged in any financial lending or borrowing transactions with the Company.	Yes	Yes
5.	The CPA has not received any significant gifts or presents from the Company or its directors and managers (where the value exceeds typical social etiquette standards).	Yes	Yes
6.	The CPA has not provided auditing services to the Company for seven consecutive years.	Yes	Yes
7.	The CPA does not hold any shares of the Company.	Yes	Yes
8.	The CPA, their spouse, dependents, or audit team members have not served as directors, managers, or in any role with significant influence on the audit case during the audit period or the previous two years. It is also confirmed that they will not serve in any such positions during the upcoming audit period.	Yes	Yes
9.	Has the CPA complied with the independence requirements stipulated in Statement No. 10 of the Norm of Professional Ethics for CPA, and obtained the "Declaration of Independence" issued by the CPA?	Yes	Yes

Note.2 Continuing education status of Directors in 2025

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
Chairman	Stan Hung	2025/06/04	2025/06/04	Taiwan Corporate Governance Association	Navigating the Changing Landscape: A Strategic Blueprint in the Changing Global Layout	3
		2025/09/23	2025/09/23	Taiwan Institute of Directors	The Impact of US Tariff Policies on Our Country's Economy and Enterprises, and Response Measures	3
Corporate Representative Director	Ya-Nan Mo	2025/06/26	2024/06/26	Taiwan Securities Association	Related Regulations and Case Analysis for Anti-Money Laundering and Countering the Financing of Terrorism	3
		2025/09/25	2025/09/25	Taiwan Securities Association	In-service training on aligning with IFRS sustainable disclosure standards and sustainable information management internal control systems.	3
Corporate Representative Director	Cai-Feng Hou	2025/04/18	2025/04/18	Taiwan Investor Relations Institute	Corporate Governance Upgrade: Creating a New Landscape for Talent Competitiveness - International Industry Talent Trends and Response Strategies	3
		2025/10/30	2025/10/30	Industrial Technology Research Institute	The Grand Future of Power Systems	3
		2025/10/30	2025/10/30	Securities & Futures Institute	Advanced Seminar on Directors' Practical Operations - Analysis of Corporate Transformation and Merger and Acquisition Issues	3
		2025/11/14	2025/11/14	Securities & Futures Institute	Advanced Seminar on Directors' Practical Operations - Trump 2.0 Disrupting the Global Economic Order: Impacts and Coping Methods	3

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
		2025/11/14	2025/11/14	Securities & Futures Institute	Advanced Seminar on Directors' Practical Operations - Overseas Investment and Mergers and Acquisitions	3
Director	Ting-Yu Lin	2025/05/16	2025/05/16	Securities & Futures Institute	Promotion Session on Preventing Insider Trading in 2025	3
		2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
Director	Le-Tien Jung	2025/05/02	2025/05/02	Securities & Futures Institute	Promotion Session on Preventing Insider Trading in 2025	3
		2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
Director	Cheng Wan-Ling	2025/06/04	2025/06/04	Taiwan Corporate Governance Association	Navigating the Changing Landscape: A Strategic Blueprint in the Changing Global Layout	3
		2025/07/29	2025/07/29	Taiwan Corporate Governance Association	Personal Data Security Audits	3
		2025/07/29	2025/07/29	Taiwan Corporate Governance Association	Enhancing Corporate Governance Resilience: Practical Applications of Sustainability Information Disclosure and Internal Control Mechanisms	3
Independent Director	Ya-Ching Li	2025/05/16	2025/05/16	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
		2025/06/26	2025/06/26	Securities & Futures Institute	Promotion Session on Preventing Insider Trading in 2025	3
Independent Director	Chia-Wei Tai	2025/05/14	2025/05/14	Taiwan Corporate Governance Association	How the Board of Directors Responds to 12 ESG Risk Issues	3

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
		2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
Independent Director	Ching-Liu Hsiao	2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
		2025/09/25	2025/09/25	Taiwan Securities Association	In-service training on aligning with IFRS sustainable disclosure standards and sustainable information management internal control systems.	3

Continuing education status of managerial officers in 2025

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
Chief Strategy Officer (CFO)	Stan Hung	2025/06/04	2025/06/04	Taiwan Corporate Governance Association	Navigating Change: A Strategic Blueprint for Transforming Global Layouts	3
		2025/09/23	2025/09/23	Taiwan Institute of Directors	The Impact of U.S. Tariff Policies on Our Economy and Enterprises, and Response Measures	3
President	Le-Tien Jung	2025/05/02	2025/05/02	Securities & Futures Institute	Promotion Session on Preventing Insider Trading in 2025	6
		2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
Chief Financial officer/ Chief Corporate Governance Officer	Po-Wen Huang	2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of Regulations and Case Studies Related to Anti-Money Laundering and Counter-Terrorism Financing	3
		2025/07/09	2025/07/09	Taiwan Securities Association	Cathay Sustainable Finance and Climate Change Summit 2025	6

		2025/09/25	2025/09/25	Taiwan Securities Association	In-service training on aligning with IFRS sustainable disclosure standards and sustainable information management internal control systems.	3
Chief Accountant	Yuan-Kwei Chen	2025/08/14	2025/08/15	Accounting Research and Development Foundation in Taiwan	Continuing Education Course for Chief Accountant of Issuers, Securities Firms and the Securities Exchange	12

(IV) Operation of the Remuneration Committee

A. Duties of Remuneration Committee

The operation of the Committee aimed to strengthen corporate governance and risk management. The Committee evaluates and monitors the remuneration system of directors and managers of the Company to motivate and retain talents. The main responsibilities are to regularly review the performance evaluation and policies and systems of the directors' and managers' remuneration, and evaluate and set the remuneration of directors and managers.

B. Key Work Items of the Remuneration Committee

Approval of director-related remuneration, review of managers' performance and remuneration structure, and approval of managers' salaries and bonuses

C. Information of the 5th Remuneration Committee members

Criteria/ Name	Professional qualifications and experience	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Ya-Ching Li Independent Director Convener	Having Work Experience in the Areas of Commerce, Finance, Accounting, and Otherwise Necessary for the Business Graduate of the University of Missouri Graduate School of Accounting/Senior Assistant of President of GCS Holdings, Independent Director and Remuneration Committee member of Unimicron, Director of D-Tech Optoelectronics, Director of GCOM Semiconductor, Supervisor of Unikorn Semiconductor, Independent Director of IC PLUS Corp.	Independence Criteria	2
Chia-Wei Tai Independent Director	Having Work Experience in the Areas of Commerce, Finance, Accounting, and Otherwise Necessary for the Business Bachelor of Business Administration, Fu Jen Catholic	Independence Criteria	2

	University/Director of U-neuron Biomedical Inc.		
Ching-Liu Hsiao Independent Director	Having Work Experience in the Areas of Commerce, Finance, Accounting, and Otherwise Necessary for the Business Bachelor of Economics, Feng Chia University/Vice President of CTBC Bank Co., Ltd.	Independence Criteria	0

Note.1 Independence Criteria: the members of the Remuneration Committee are in compliance with the independence requirements including, but not limited to, whether he/she, his/her spouse, his/her second degree kinship, etc. are directors, supervisors or employees of the Company or its affiliated companies; the number and proportion of shares of the Company held by him/her, his/her spouse, or second degree of kinship (or in the name of another person;) Whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 6, Paragraph 1, Sub-Paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange;) the amount of remuneration received for the of business, legal, financial and accounting services to the Company or its affiliates in the last two years.

Note.2 The 6th Remuneration Committee was inaugurated on May 27, 2024.

D. The 6th term of the Remuneration Committee convened 5 times from 2025 up to the printing date (2025.02.27, 2025.07.28, 2025.10.27, 2025.12.15, 2026.02.23). The attendance status of the Remuneration Committee members is as follows:

Position	Name	Attendance in person	Attendance by proxy	Actual attendance	Remarks
Convener	Ya-Ching Li	5	0	100 %	
Committee Member	Jia-Wei Dai	5	0	100 %	
Committee Member	Ching-Liu Hsiao	5	0	100 %	

Note: The members of the 6th term of the Remuneration Committee assumed office on May 27, 2024.

Other matters to be recorded:

- If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.
- If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

E. Important Resolutions of the Remuneration Committee from 2025 up to the Printing Date of the Annual Report

Remuneration Committee Date/Term	Major resolutions	Remuneration Committee resolution	The Company's response to the Remuneration Committee
2025.02.27 5th meeting of the 6th term	Adjustment of the President's authorities and responsibilities, appointment of managerial officers, promotion and appointment of Vice Presidents.	Approved by all attending committee members	Approved by directors participated in the discussion
2025.07.28 6th Meeting of the 6th Term	Remuneration of managerial officers for 2024, the appointment proposal of the Chief Executive Officer, and the promotion proposal of the Vice President.	Approved by all attending committee members	Approved by directors participated in the discussion
2025.10.27 7th Meeting of the 6th Term	Appointment proposal of the Chief Technology Officer, and the evaluation measures for the year-end bonuses of managerial officers (including all employees) for 2026.	Approved by all attending committee members	Approved by directors participated in the discussion
2025.12.15 8th Meeting of the 6th Term	Promotion proposal of the Vice President.	Approved by all attending committee members	Approved by directors participated in the discussion
2026.02.23 9th Meeting of the 6th Term	Salary adjustment status for managerial officers (including all employees) for 2025, and the appointment proposal of the Vice President.	Approved by all attending committee members	Approved by directors participated in the discussion

F. Remuneration Committee members have different opinions on the adoption of important resolutions with records or written statements: None.

(V) Implementation of Promoting Sustainable Development

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
I. Does the Company establish a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the Board of Directors supervise the situation		
	No/Although the Company does not have a dedicated (part-time) unit to implement sustainable development, the Company has been actively implementing various sustainable development policies within the existing organizational structure in accordance with the work attributes of each department, with a view to implementing corporate governance, developing a sustainable environment, and safeguarding social welfare.	None
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies		
	Yes/The Company conducts risk assessment from time to time according to the different nature of ESG issues related to the Company's operations, and formulates related risk management policies or strategies. The Company also actively fulfills corporate social responsibility while engaging in business operations to meet the international trend of maintaining a balance between environmental, social and governance.	None
III. Environmental issues		
<ul style="list-style-type: none"> ■ Has the Company established proper environmental management systems based on the characteristics of the industries 	Yes/The Environmental Safety and Health Department is responsible for collecting and evaluating adequate and timely information of the impact of operational activities on the natural environment. Establish measurable goals and objectives, review the sustainability and relevance of these objectives from time to time, and review the progress of environmental sustainability goals or objectives.	None
<ul style="list-style-type: none"> ■ Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact 	Yes/ Due to the limited global resources and the phenomenon of climate change and global warming, the Company actively strives to improve the efficiency of resource conservation and recycling, including water resources and all kinds of energy, in the hope of reducing the burden on the earth and the environment, so that the earth's resources can be conserved and utilized in a sustainable manner.	None

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																
<p>■ Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?</p>	<p>Yes/The Company evaluates the potential risks and opportunities to enterprises arising from climate changes from time to time, conducts risk assessments and analyses for enterprises based on different climate changes in different periods and topics, and makes effective prevention and control in response to the risks.</p>	None																
<p>■ Does the Company inspect its greenhouse gas emissions, water consumption, and the total weight of wastes in the past two years. Does the Company formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or waste management</p>	<p>The statistical data on greenhouse gas emissions, water usage, and waste production for the past two years are based on the following scope of information coverage. Detailed content is disclosed in the Sustainability Report.</p> <p>(1) Currently, office electricity consumption is the primary source of carbon emissions for the Company. The Company regularly maintains and upkeeps related equipment and shortens the usage time of air conditioning and lighting equipment to lower greenhouse gas emissions. The Company implemented various energy-saving measures. The total electricity consumption in 2025 decreased by 734,104 kWh compared to 2024, representing a 15% reduction in energy consumption.</p> <table border="1" data-bbox="568 1391 1179 1561"> <thead> <tr> <th>Year</th> <th>Electricity Consumption Volume</th> <th>Difference in Increase or Decrease</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>4,856,192</td> <td rowspan="2">-15%</td> </tr> <tr> <td>2025</td> <td>4,122,088</td> </tr> </tbody> </table> <p>(2) Because the Company operates in the IC design industry, it has no factories of its own. All consumed/discharged water is domestic water. The Company implemented various water-saving measures. The total water consumption in 2025 decreased by 2,289 cubic meters compared to 2024, representing an 11% reduction in water consumption.</p> <table border="1" data-bbox="568 1848 1179 2018"> <thead> <tr> <th>Year</th> <th>Water Consumption Volume</th> <th>Difference in Increase or Decrease</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>20,744</td> <td rowspan="2">-11%</td> </tr> <tr> <td>2025</td> <td>18,455</td> </tr> </tbody> </table>	Year	Electricity Consumption Volume	Difference in Increase or Decrease	2024	4,856,192	-15%	2025	4,122,088	Year	Water Consumption Volume	Difference in Increase or Decrease	2024	20,744	-11%	2025	18,455	None
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Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
	<p>(3) Waste management policy. Our company, as an IC design firm, outsources its manufacturing operations, resulting in waste mainly consisting of household waste and office paper. Only a small amount of general business waste is generated. Flow of waste disposal and selection of qualified waste disposal contractors. The total volumes of industrial waste in 2024 and 2025 were 1.16 metric tons and 0.36 metric tons, respectively.</p> <p style="text-align: right;">(Unit: metric tons)</p> <table border="1" data-bbox="563 913 1189 1079"> <thead> <tr> <th>Business Waste</th> <th>Total amount</th> <th>Difference in Increase or Decrease</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>1.06</td> <td rowspan="2" style="text-align: center;">-68%</td> </tr> <tr> <td>2025</td> <td>0.36</td> </tr> </tbody> </table> <p>The measures implemented by our company are as follows:</p> <p>(1) Greenhouse Gases: The Company completed planning and will replace the chilled water host, upgrading from a constant-frequency centrifugal chiller to a magnetic bearing centrifugal chiller. In addition, the Company installed a solar energy system on the roof of the Company's building. From its completion in August 2022 to its operation up to December 2025, the total power generation was approximately 970 MWh, and the accumulated carbon reduction was approximately 460 metric tons. Converting this unit, it can power a 20-watt light bulb for 67,361 months or reduce the felling of 24,000 banyan trees. Simultaneously, we are actively implementing various energy-saving measures to reduce the total electricity consumption. Additionally, we have planted approximately 4,019 square meters of forest behind the company premises, contributing to carbon reduction and urban greening efforts.</p> <p>(2) Water usage: The Company has been promoting water-saving measures for a long time. We have reduced the water flow in the washbasins in restrooms and the pantry. Our facilities</p>	Business Waste	Total amount	Difference in Increase or Decrease	2024	1.06	-68%	2025	0.36	
Business Waste	Total amount	Difference in Increase or Decrease								
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2025	0.36									

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	<p>mainly use water-saving products with the water-saving certification mark. We conduct regular inspections of equipment and company pipelines to ensure there are no water leaks.</p> <p>(3) Waste: The Company implements waste reduction measures and practices waste sorting. Both general business waste and recyclable materials are handled by qualified contractors for proper disposal.</p> <p>Verification Status and Covered Scope of Various Information: The Company experienced no instances of pollution leaks causing operational suspensions or major penalty events in 2025. The Company continuously improves and implements energy conservation and carbon reduction measures. The verification scope includes the headquarters building of our company.</p>	
IV. Social issues		
<p>■ Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights</p>	<p>Yes/The Company adheres to its management philosophy; we have established management policies and procedures for related issues in our rules and regulations and international human rights conventions, in the hope that we can more actively fulfill our corporate social responsibility.</p>	None
<p>■ Does the Company formulate and implement reasonable employee benefit measures and appropriately reflect operating performance or results in employee compensation</p>	<p>Yes/ Please refer to page 96 of this Annual Report for the welfare measures and benefits for the Company's employees. Employees' remuneration is based on their academic background and working experience, performance and market standards, and do not differ due to gender, race, religion, political affiliation or marital status. The Company also protect the rights and interests of the employees in accordance with relevant laws and regulations and systems. The Company conducts regular performance appraisal operations for all colleagues annually. The Company utilizes this as the basis for personnel promotions, employee training and development, and remuneration distribution. Detailed content is disclosed in</p>	None

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	the "2025 SiS Sustainability Report."	
<p>■ Does the Company provide a safe and healthy working environment and organize training on health and safety for its employees on a regular basis</p>	<p>Yes/The Company provides a safe and healthy working environment for employees, including the provision of necessary health and first aid facilities and the implementation of related education and training from time to time, as well as the implementation and reporting of employee temperature screening and environment-related tests on a regular basis, and strives to reduce the risk factors to employees' safety and health, in order to maintain their safety and health and prevent the occurrence of occupational hazards.</p>	None
<p>■ Has the Company established effective career development training plans</p>	<p>Yes/The Company organizes training and seminars from time to time to actively train our employees' career abilities through different training and communication with the peers.</p>	None
<p>■ Does the Company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer protection policies and complaint procedures</p>	<p>Yes/The Company actively and clearly explains and labels the health and safety, customer privacy, marketing and product marks and services to our customers in accordance with relevant laws and regulations and international standards. The Company also provides relevant communication and consultation channels to properly communicate and serve our customers. The Company attaches great importance to the interests of the customers. In addition to providing the necessary consultation and after-sales services, the Company also provide effective and simple channels for complaints to protect the rights of consumers.</p>	None
<p>■ Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection,</p>	<p>Yes/In accordance with relevant governmental laws and regulations and international standards, the Company has defined the management policies for suppliers in the Company's rules and regulations to ensure the safety of the working environment, human rights, and ethical standards for the implementation of the green supply chain. In addition to the Company's rules and regulations, the Company requires</p>	None

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
occupational safety and health, or labor rights and the implementation	suppliers to comply with applicable local laws and regulations.	
<p>V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?</p>		
<p>Yes/The Company's sustainability development report is prepared in accordance with international report preparation standards and guidelines. The Company will actively obtain confirmation and valuable opinions from third-party accreditation bodies in the future.</p>	None	<p>VI. If the Company has established its own sustainable development principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles</p>
<p>The Company established a "Sustainable Development Best Practice Principles" as approved by the Board of Directors in May 2022, and our company's sustainability operations are in line with these guidelines.</p>		
<p>VII. Important information to facilitate a better understanding of the Company's sustainable development practices</p>		
<p>Alongside our corporate operations, our company actively practices corporate social responsibility in pursuit of sustainable development. This aligns with international trends in environmental, social, and corporate governance (ESG) development. We aim to enhance the quality of life for employees, communities, and society as a whole. Integrating corporate social responsibility into our operational activities and development direction is a fundamental aspect of our business strategy. Detailed content is disclosed in the "2025 SiS Sustainability Report."</p> <p>Implementing sustainable environment</p> <p>The Company installed a solar energy system on the roof of the building. From its completion in August 2022 and operation up to December 2025, the total power generation was approximately 970 MWh, and the accumulated carbon reduction was approximately 460 metric tons. Converting this unit, it can power a 20-watt light bulb for 67,361 months or reduce the felling of 59,000 banyan trees. Simultaneously, we are actively implementing various energy-saving measures to reduce the total electricity consumption. Additionally, we have planted approximately 4,019 square meters of forest behind the company premises, contributing to carbon reduction and urban greening efforts. Simultaneously, the Company proactively implements various energy-saving measures. The total electricity consumption in 2024 decreased by 10,608 kWh compared to 2023, representing a 0.22% reduction in energy consumption. Furthermore, the total electricity consumption in 2025 decreased by 734,104 kWh compared to 2024, representing a 15% reduction in energy consumption. The Company is dedicated to reducing electricity consumption year by year.</p> <p>Expand social participation</p>		

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	<p>In 2000, SiS established the “SiS Education Foundation”, whose mission is to promote education, sponsor technology research and development, and promote information dissemination. The Foundation also supports various educational and artistic activities through corporate actions, and in recent years, we have further engaged in sustainability and environmental-related issues. Information regarding foundation participation activities in 2025 is as follows:</p> <ul style="list-style-type: none"> ■ In October 2025, the Company sponsored the Hsinchu Enterprise Manager Association with exactly NT\$50,000. ■ In October 2025, the Company donated exactly NT\$40,000 to National Tsing Hua University. ■ In October 2025, the Company donated exactly NT\$40,000 to National Yang Ming Chiao Tung University. ■ In October 2025, the Company donated exactly NT\$40,000 to Chun Huei (Spring Sunshine) Club. ■ In October 2025, the Company donated exactly NT\$40,000 to Association of Civil Communication, Taiwan (ACCT). ■ In October 2025, the Company donated exactly NT\$40,000 to the Dandelion Hope Foundation. ■ In October 2025, the Company donated exactly NT\$40,000 to Taiwan Foundation for Children's Education in Rural Areas. ■ In October 2025, the Company donated exactly NT\$40,000 to the Teresa Children Center. ■ In October 2025, the Company donated exactly NT\$40,000 to the NTU Children's Health Foundation. 	

(VI) Implementation of Climate-Related Information

Item	Implementation status
<ul style="list-style-type: none"> ■ Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 	<p>The Company will actively plan and formulate risk management policies, with the Board of Directors serving as the highest guiding and supervisory body responsible for policy and plan advocacy. Through coordinating the responsibilities of various departments, and following the disclosure of the four major aspects, discussions will be conducted on climate governance, strategies, risk management, and indicator targets. Climate-related issues will be incorporated into the risk management process.</p>
<ul style="list-style-type: none"> ■ Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 	<p>Short-term Impact/ In the event of impacts caused by tropical cyclones or floods, such as property losses and increased capital expenditures. Additionally, to comply with the global net-zero emission</p>

Item	Implementation status
	<p>trend and related regulatory requirements, factors such as green products and carbon emission reduction have also led to an increase in relevant expenses for the Company in the short term.</p> <p>Medium and Long-term Impact/ Capital Expenditure: To reduce overall electricity consumption and save energy, there is a need for regular maintenance, repair, or upgrading of related machinery and equipment. When necessary, outdated equipment will be replaced, leading to a continuous increase in the Company's capital expenditure.</p> <p>Operating Costs: In response to growing environmental awareness and global emphasis on extreme weather issues, investments in green and circular production processes, as well as equipment upgrades, are being made. In the long term, these initiatives will contribute to enhanced profitability and effectively reduce operating costs.</p>
<ul style="list-style-type: none"> ■ Describe the financial impact of extreme weather events and transformative actions. 	<p>The impacts of events such as global warming and extreme weather on the Company's medium to long-term outlook are expected to result in increased operating costs and capital expenditures.</p> <p>Transition risks: Such as greenhouse gas emission-related policies and regulations, as well as the need to procure green raw materials in response to future regulations, and the transition of product technology and processes, are all factors expected to increase the Company's operating costs in the future.</p>

Item	Implementation status
<ul style="list-style-type: none"> ■ Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 	<p>The Company will actively plan to establish risk management policies and set up dedicated units for risk management to facilitate the effective monitoring and operation of risk management within the Company. Regarding risk issues, the Company will conduct risk identification and analysis in various aspects such as operations, finance, compliance, human resources, cybersecurity, ESG, etc., based on the scope of business. Climate change risks have already been incorporated into the overall risk management process. Based on the results of risk identification, each department will plan response strategies, integrate, and manage risks that may affect operations and profitability. In the future, the risk management unit will submit risk management reports to the Board of Directors annually to mitigate the potential impacts of risks.</p>

Item	Implementation status
<ul style="list-style-type: none"> ■ If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 	<p>The scenario analysis assessments have not been utilized.</p>
<ul style="list-style-type: none"> ■ If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 	<p>The transition plan has not been formulated.</p>
<ul style="list-style-type: none"> ■ If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 	<p>The internal carbon pricing mechanism has not been established.</p>
<ul style="list-style-type: none"> ■ If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 	<p>The climate-related targets have not been set.</p>

<p>■ Status of greenhouse gas inventory and assurance, along with reduction targets, strategies, and specific action plans (Please refer to Note 1).</p>	<p>The Company builds the organizational greenhouse gas inventory system and conducts the inventory in accordance with the ISO 14064-1: 2018 international standard. For greenhouse gas inventory data, please refer to the 2024 Sustainability Report.</p>
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Note.1 Greenhouse Gas Inventory and Assurance Status

(1) Greenhouse Gas Inventory and Assurance Status:

Year	Scope	Emissions (Metric Tons of CO ₂ e)			Intensity (Metric Tons of CO ₂ e / NT\$ million)		Assurance Institution	Assurance Status	Assurance Opinion
		Scope 1	Scope 2	Total	Scope 1	Scope 2			
		2024	Parent Company Only	161.3175	2,301.8350	2,463.1525			
	Consolidated Financial Statements Subsidiaries	-	-	-					
2025	parent company entity	158.5367	1,747.7653	1,906.3020	0.06	0.66			
	Consolidated financial statements subsidiary.	15.3934	114.5544	129.9478					

(2) Greenhouse Gas Reduction Targets, Strategies, and Specific Plans

<p>The base year for greenhouse gas reduction and its data, reduction targets, strategies, and specific action plans, along with the achievement status of reduction targets.</p>
<p>The Company voluntarily utilized 2024 as the base year and completed the inventory of major emission sources for 2025. The Company expects to conduct assurance operations in 2027 in accordance with regulations.</p> <p>The reduction targets, strategies, and specific action plans, along with the achievement status of reduction targets, are as follows:</p> <p>(1) Legal Compliance and Responsibility Commitments, (2) Energy Conservation, Carbon Reduction, and Resource Efficiency Enhancement, (3) Green Products and Environmental Design, (4) Pollution Prevention and Continuous Improvement. The Company commits to utilizing continuous improvement as its environmental management principle. Through standardized, scientific, and institutionalized management mechanisms, the Company regularly reviews energy utilization efficiency, pollution emissions, and waste management results. The Company establishes quantifiable and trackable environmental indicator performances to continuously improve environmental strategies and indicator directions. The detailed information is disclosed in the "2025 Silicon Sustainability ESG Report."</p>

(VII) Integrity Management

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
I. Establishment of ethical corporate management policies and programs		
<p>■ Does the Company have policies and practices for ethical corporate management passed by the Board of Directors and clearly state them in regulations and publicly available documents Do the Board of Directors and senior management make commitments to actively implement those business policies</p>	<p>Yes/In order to establish a corporate culture and sound development of ethical management and a reference framework for the establishment of solid business operations, the Company has established the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and the Rules for Handling Reports of Illegal, Unethical or Dishonest Practices in accordance with the relevant regulations of the competent authorities and the Company's policies, which have been approved by the Board of Directors. The Company also discloses its corporate culture and policies for ethical management, the Board of Directors and the management on its website and actively implemented and enforced them in internal management and external business activities.</p>	<p>None</p>
<p>■ Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies</p>	<p>Yes/On March 18, 2020, the Company has established the Ethical Corporate Management Best Practice Principles, and established the Procedures for Ethical Management and Guidelines for Conduct, and the Rules for Handling Reports of Illegal, Unethical or Dishonest Practices in accordance with the Principles. The details of the Code cover all aspects and the code of conduct. Through internal announcements and training from time to time, the Company aims to provide clear regulations and explanations for different types of dishonest conduct, so that the Company's employees can comply with the standard and avoid unnecessary deviations and incidents of dishonest conduct, prevent unethical conducts of employees, and establish a solid risk control mechanism. Establish fair, honest, trustworthy and transparent business activities.</p>	<p>None</p>

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
<p>■ Does the Company establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, consequences of violation and complaint procedures in such policies</p>	<p>Yes/Dishonest conducts within the scope of business and activities of the Company include political candidates or party officials, as well as any stated-owned or private enterprises or organizations and their directors, supervisors, managers, employees, persons with substantial control or other interested parties, etc. If the Company's personnel are threatened or intimidated to provide or promise to facilitate, they shall record the process and report to their immediate supervisors, and notify the Company's dedicated department to handle the matter in order to eliminate dishonest conducts.</p>	<p>None</p>
<p>II. Fulfillment of ethical corporate management</p>		
<p>■ Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties</p>	<p>Yes/Before entering into a contract with another party, the Company has fully understood the ethical management of the other party and includes ethical management in the terms and conditions of the contract, which stipulated ethical conduct, such as clear and reasonable payment terms, including payment location and method, as well as taxation laws to be complied with.</p>	<p>None</p>
<p>■ Has the Company established a dedicated unit under Board of Directors to implement ethical corporate management, and report to Board of Directors on a regular basis on ethical operation policies as well as precautionary measures against unethical conduct and their implementation information</p>	<p>Yes/The Company's Legal Department is responsible for the implementation, explanation, consultation service and notification of the Company's ethical corporate management and monitoring the implementation. Human Resources Administration Department has incorporated ethical corporate management into employee performance appraisal and human resources policies, and has established a reward system and complaint channels, and reports to Board of Directors on the implementation and effectiveness of the ethical corporate management policy and prevention of dishonest conduct as a basis for monitoring.</p>	<p>None</p>

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
<p>■ Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement such policy properly</p>	<p>Yes/The Company has adopted policies for preventing conflicts of interest and offer appropriate means for the related personnel to explain whether their interests would potentially conflict with those of the companies in the group. If a director has an interest in a proposal listed by Board of Directors that is harmful to the interests of the Group, he or she may present his or her opinion and answer questions, and shall not participate in the discussion and voting, and shall recuse himself or herself and shall not exercise his or her voting rights on behalf of other directors. Directors and managers of companies in the Group shall not use their positions in the Group to improperly benefit their own relatives or any other person.</p>	<p>None</p>
<p>■ To implement relevant policies on ethical conduct, has the Company established effective accounting and internal control systems and assign an internal audit unit to develop relevant auditing plans according to the assessment results of unethical conduct risks. Does the Company inspect the implementation of such auditing plans or assign CPAs to implement the auditing</p>	<p>Yes/The Company follows Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Rules for Handling Reports of Illegal, Unethical or Dishonest Practices, which were approved by Board of Directors as guidelines. The Company has effectively established an accounting system and an internal control system for the purpose of implementing ethical corporate management, and has established a risk assessment and verification plan for each item in accordance with the aforementioned methods, and reviews the results of each risk assessment and plan from time to time and requests for improvement immediately to ensure that the design and implementation of this system remains accurate and effective. In the future, the Company will also consider the need for an accountant to perform such audits in light of the scale of the audits.</p>	<p>None</p>
<p>■ Does the Company regularly conduct internal and external educational training on ethical corporate management</p>	<p>No/Although the Company does not regularly conduct internal and external training on ethical corporate management, it conducts seminars and training for its employees on an irregular basis.</p>	<p>None</p>

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
III. Operation of the whistle-blowing system		
<p>■ Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels. Are appropriate personnel assigned to the alleged party</p>	<p>Yes/The Company provides proper reporting channels and shall keep the identity of the whistle-blower and the content of the report confidential. In addition, the Company has established a disciplinary and complaint system for violations of the ethical corporate management, and immediately discloses the titles, names, dates of violations, details of violations, and the follow-up actions on the Group's intranet.</p>	<p>None</p>
<p>■ Does the Company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms</p>	<p>Yes/The Company has established standard operating procedures and confidentiality mechanisms for the investigation of reports of illegal, unethical or dishonest conduct in accordance with the rules and regulations governing the handling of such reports. Any related incidents shall be reported to the Company's dedicated unit to prevent any leakage of information.</p>	<p>None</p>
<p>■ Does the Company provide protection for whistle-blowers against improper treatment</p>	<p>Yes/The Company has established a whistleblower protection policy in accordance with the Company's Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, and the Rules for Handling Reports of Illegal, Unethical or Dishonest Practices. The Company has a dedicated unit to handle such cases and to protect whistleblowers from improper treatment.</p>	<p>None</p>
IV. Enhanced disclosure of ethical corporate management information		
<p>■ Does the Company disclose the Ethical Corporate Management Best Practice Principles and the results of its implementation on the company website and MOPS</p>	<p>Yes/Disclose at Market Observation Post System and the Company's website http://www.sis.com. The Company discloses its policy of ethical management on the company website, and shall make timely announcements of the policy in product launches, in order to make its suppliers, customers, and other business-related</p>	<p>None</p>

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	institutions and personnel fully aware of its principles and rules with respect to ethical management. The annual report has been disclosed on the Market Observation Post System, containing information related to the Company's integrity and operations.	
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles		
	The Company has established the "Ethical Corporate Management Best Practice Principles", the "Code of Ethical Conduct for Directors and Managers", and the "Code of Ethics for Employees" In accordance with Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest. All directors, managers, and employees of the Company must comply with the Code and related regulations. Please refer to the relevant regulations on the Company's official website at https://www.sis.com .	None
VI. Important information to facilitate a better understanding of the Company's ethical corporate management practices		
	The Company shall engage in commercial activities in a fair and transparent manner. Prior to any commercial transactions, companies in the Group shall consider the legality of its agents, suppliers, clients, or other trading counterparts and whether any of them are involved in unethical conduct or are discovered thereof during credit assessment and shall avoid any dealings with persons so involved.	None

(VIII) The Company shall disclose access to its Corporate Governance Best Practice Principles and related rules and regulations if it has such rules and regulations

The "Corporate Governance" section of the Company's website explains the relevant corporate governance policies and their implementation, and provides investors with access to download the relevant corporate governance regulations; please refer to the Market Observation Post System and the Company's website at <http://www.sis.com>. Furthermore, for the relevant corporate governance operational

status of the Company, please refer to the Corporate Governance Operational Status in this annual report (pages 26-39).

- (IX) Other material information that enables a better understanding of the Company's corporate governance shall be disclosed together

In order to establish a good internal mechanism for handling and disclosing material information, to avoid improper leakage of information, and to ensure the consistency and accuracy of information released by the Company, the Company has established the "Internal Material Information Handling Procedures" for all directors, managers and employees of the Company to follow and to provide education and guidance in a timely manner.

(X) Implementation of the internal control system

A. Statement on Internal Control

Silicon Integrated Systems Corp.

Statement on Internal Control

Date: February 23, 2026

Based on the results of the self-assessment, the Company hereby declares the following regarding its internal control system for 2025:

- I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to provide reasonable assurance for the achievement of operational effectiveness and efficiency (including profitability, performance, and ensuring asset safety), reliability, timeliness, transparency of reporting, and compliance with relevant regulations and laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each key component includes several items. Please refer to the Regulations for the aforementioned items. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
- IV. The Company has adopted the aforesaid assessment items for the internal control system to review whether the design and implementation of the internal control system are effective.
- V. Based on the review results in the preceding paragraph, the Company is of the opinion that, as of December 31, 2025, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations, are effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement is an integral part of the Company's Annual Report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. The Board of Directors of the Company approved this statement on February 23, 2026. Among the nine attending Directors, none held dissenting opinions, and all agreed with the content of this statement. The Company hereby declares this accordingly.

Silicon Integrated Systems Corp.

Chairman: Stan Hung

President: Le-Tien Jung

- B. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.

(XI) Major resolutions at the shareholders' meetings and Board meetings

A. The 2025 Shareholders' Meeting of the Company was held on May 22, 2025, at No. 180, Sec. 2, Gongdao 5th Rd., Hsinchu City (SiS Technology Building). The resolutions of the attending shareholders and the execution status are as follows:

Resolution at the shareholders' meetings	Implementation
Ratified the Business Report and Financial Statements of the Company for 2024	For 2024, the Company's Consolidated operating revenue was NT\$738,560 thousand Net profit after tax was NT\$472,898 thousand Earnings per share was NT\$0.81
Ratified the Earnings Distribution Proposal of the Company for 2024	For 2024, the Company's Beginning unappropriated earnings were NT\$3,241,722,968 Add: Remeasurements of defined benefit plans of NT\$17,572,940 Adjusted beginning unappropriated earnings were NT\$3,259,295,908 Net profit after tax for the current period was NT\$498,582,375 Less: Appropriated legal reserve of NT\$51,615,532 Distributable earnings for the current period were NT\$3,706,262,751 Less: Cash dividends of NT\$0.5 per share, totaling NT\$257,494,080 Ending unappropriated earnings were NT\$3,448,768,671
Proposal to Amend the "Articles of Incorporation" of the Company	Enforced as resolved
Proposal to Amend the "Rules and Procedures of Shareholders' Meeting" of the Company	Enforced as resolved
Proposal to Release the Non-competition Restrictions on the Directors of the Company	Enforced as resolved

B. The important proposals approved by the Board of Directors of the Company from 2025 up to the printing date of this annual report are summarized as follows:

Board of Directors Date / Session	Major resolutions	Resolution of Board of Directors	Implementation status
2025.02.27 7th meeting of the 13th term	Approved the final accounting books and statements of the Company for 2024, the proposal for the distribution of the remuneration of Directors and employees of the Company for 2024, the earnings distribution proposal for 2024, the evaluation results of the independence and suitability of the certifying Certified Public Accountant, the proposal for non-assurance services of the accounting firm and its affiliated	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved

Board of Directors Date / Session	Major resolutions	Resolution of Board of Directors	Implementation status
	enterprises, the proposal for the Internal Control System Statement of the Company for 2024, the proposal to amend the "Articles of Incorporation" of the Company, the proposal to amend the "Rules and Procedures of Shareholders' Meeting" of the Company, the proposal to amend the "Delegation of Authority and Responsibility Table" of the Company, the proposal for adjusting the authority and responsibilities of the President, the appointment proposal of managerial officers, the promotion and appointment proposals of managerial officers, the proposal for releasing the non-competition restrictions on the Directors of the Company, the proposal for convening the 2025 Shareholders' Meeting of the Company, the proposal for the period and location for accepting proposals from shareholders holding 1% or more of shares for the 2025 Shareholders' Meeting, and the proposal for related party transactions for 2025.		
2025.04.10 8th meeting of the 13th term	Approved the proposal for the Company's mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., to acquire the shares of Sunplus Innovation Technology (Xiamen) Co., Ltd., and the proposal for the guarantee of the Company's mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2025.04.21 9th meeting of the 13th term	Approved the financial statements for the first quarter of 2025.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2025.07.28 10th meeting of the 13th term	Approved the financial statements for the second quarter of 2025, the distribution of the remuneration of managerial officers of the Company for 2024, the appointment proposal of the Chief Executive Officer, the promotion proposal of managerial officers, the Sustainability Report of the Company for 2024, the proposal for adjusting the corporate credit loan to the mainland China sub-subsidiary of the Company, United Semiconductor (Shandong) Co., Ltd., the proposal for adjusting the guarantee provided by the Company to the mainland China sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., and the proposal for loaning funds to the mainland China sub-	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved

Board of Directors Date / Session	Major resolutions	Resolution of Board of Directors	Implementation status
	subsidiary of the Company, United Semiconductor (Shandong) Co., Ltd.		
2025.10.27 11th meeting of the 13th term	Approved the financial statements for the third quarter of 2025, the cash capital increase proposal for the sub-subsidiary, United Semiconductor (Shandong) Co., Ltd., the appointment proposal of the Chief Technology Officer, the proposal for deferring salary adjustments, the evaluation measures for the year-end bonuses of managerial officers (including all employees), the work plan of the Remuneration Committee, the proposal to amend and add to the internal control/internal audit system of the Company, and the audit plan for 2026.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2025.12.15 12th meeting of the 13th term	Approved the budget for 2026, the promotion proposal of managerial officers, and the short-form merger proposal with Hycon Technology Corp.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2025.02.27 13th meeting of the 13th term	Approved the final accounting books and statements of the Company for 2025, the proposal for the distribution of the remuneration of Directors and employees of the Company for 2025, the earnings distribution proposal for 2025, the proposal to amend the "Procedures for Loaning of Funds to Others" of the Company, the evaluation results of the independence and suitability of the certifying Certified Public Accountant, the proposal for non-assurance services of the accounting firm and its affiliated enterprises, the proposal for the Internal Control System Statement of the Company for 2025, the proposal for related party transactions for 2026, the salary adjustment status for managerial officers (including all employees) for 2025, the appointment proposal of managerial officers, the proposal for convening the 2026 Shareholders' Meeting of the Company, and the proposal for the period and location for accepting proposals from shareholders holding 1% or more of shares for the 2026 Shareholders' Meeting,	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved

(XII) Directors (including independent directors) have different opinions on important resolutions passed by the Board of Directors with records or written statements: None.

IV Information on CPA Fees

Unit: NT\$'000

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Remarks
Ernst & Young	Hu, Shen-Chieh Hsu, Hsin-Min	2025	3,590	290	3,880	

Note.1 The audit fees refer to the fees paid to CPAs by the Company with regards to the services of financial report auditing, verification, and review.

Note.2 Non-audit fees refer to tax certification fees of NT\$260 thousand and other fees of NT\$30 thousand.

- (I) Disclosure of audit and non-audit fees as well as details of the non-audit services where the non-audit fees paid to the certified public accountants, the independent certified public accounting firm and/or its affiliates account for 25% or more of the audit fees: None.
- (II) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees and the reasons shall be disclosed: As of 2024 up to the date of publication of this Annual Report, there was no change in the CPA firm of the Company.
- (III) Disclosure of the amount, percentage and reasons of decrease where the audit fees are lower than the previous fiscal year by 10% or more: None.

V Information on the Replacement of Certified Public Accountants: None

VI The Company's Chairman, Presidents, or financial and accounting managers did not hold any positions in the CPA firm or its affiliates last year.

VII Any transfer of equity interests and pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10% in the most recent year and up to the date of publication of the Annual Report. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the Company as well as the Company's directors, and shareholders who hold more than 10% of the shares, and the number of shares transferred or pledged.

(I) Change of equity of directors, managers and shareholders in the most recent year and up to the date of publication of the Annual Report.

Position	Name	2025		As of February 27, 2025.	
		Increase (Decrease) in the Number of Shares	Increase (Decrease) in the number of Pledged Shares	Increase (Decrease) in the Number of Shares	Increase (Decrease) in the number of Pledged Shares
Chairman Chairman/Chief Strategy Officer	United Microelectronics Corp. Legal representative: Stan Hung	-	-	-	-
		-	-	-	-
Director	United Microelectronics Corp. Legal representative: Ya-Nan Mo	-	-	-	-
		-	-	-	-
Director	Liang Hsun Investment Co., Ltd. Legal representative: Cai-Feng Hou	-	-	-	-
		-	-	-	-
Director	Lin Ting-Yu	-	-	-	-
Director / Chief Executive Officer	Le-Tien Jung	-	-	-	-
Director	Cheng Wan-Ling	-	-	-	-
Independent Director	Ya-Ching Li	-	-	-	-
Independent Director	Jia-Wei Dai	-	-	-	-
Independent Director	Ching-Liu Hsiao	-	-	-	-
President / Chief Technology Officer	Po-Yin Chao	-	-	-	-
Vice President/Chief Financial Officer/Corporate Governance Officer	Po-Wen Huang	-	-	-	-
Vice President	Wen-I Hsu	-	-	-	-
Vice President	Huang Chun-chi	-	-	-	-
Vice President	Po-Wen Ho	-	-	-	-
Vice President	Che-Hung Huang	-	-	-	-
Vice President	Feng-Ming Kuo	-	-	-	-
Vice President	Huang Chien-ying	-	-	-	-
Chief Accountant	Yuan-Kwei Chen	-	-	-	-

(II) Equity transfer information (where the counterparty is a related party): None

(III) Equity pledge information (where the counterparty is a related party): None.

VIII Information of the Top Ten Shareholders who are Related Parties or have a Spousal or Familial Relationship within the Second Degree of Kinship:

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding in the Names of Others		Among ten largest shareholders, name and relationship with any one who is a related party or a relative within the second degree of kinship		Remarks
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	Name	Relationship	
United Microelectronics Corp. Chairman: Stan Hung	92,647,863 0	17.99 0.00	0 332	0 0	0 0	0 0	Hsun Chieh Investment After Distribution	Related party After Distribution	
Hsun Chieh Investment Co., Ltd. Chairman: Chun Kuan	11,943,545 0	2.32 0	0 0	0 0	0 0	0 0	United Microelectronics After Distribution	Related party After Distribution	
CHC International Investment Corporation	5,187,500	1.01	0	0	0	0	None	None	
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	2,976,534	0.58	0	0	0	0	None	None	
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,954,083	0.57	0	0	0	0	None	None	
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	2,600,260	0.50	0	0	0	0	None	None	
Yann Yuan Investment Co., Ltd.	2,080,664	0.40	0	0	0	0	None	None	
Emerging Markets Small Capitalization Equity Index NonLendable Fund	1,678,150	0.33	0	0	0	0	None	None	
Tzu Chi Foundation	1,320,811	0.26	0	0	0	0	None	None	
State Street Global Advisors Trust Company	1,280,000	0.25	0	0	0	0	None	None	

Note.1 Based on the shareholding record date of August 5, 2025.

Note.2 Deducting 1 treasury share as of August 5, 2025, the number of outstanding shares was 514,988,160. The shareholding ratio is calculated to two decimal places, rounding down.

IX Share Ownership in Affiliated Companies by the Company and its Directors, Managers, as well as Entities Controlled Directly and Indirectly by the Company, as well as the Consolidated Shareholding

Unit: shares

Investee business	Ownership by the Company		Investment by Directors, Managers and by Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %
NextHID Inc.	-	38.57%	0	0.00%	0	38.57%
HuiTong intelligence Co., Ltd.	10,200,000	37.78%	10,000	0.03%	10,210,000	37.81%
HYCON TECHNOLOGY CORPORATION	31,854,792	100%	0	0.00%	31,854,792	100%

Note.1 The data cutoff date is February 23, 2026. Refers to the long-term investment by the Company using the equity method.

Note.2 The ratio is calculated by unconditionally rounding off two decimal places

Chapter 3. Fund Raising

I Source of Capital

Currency Unit: NT\$/000/thousand shares

Month/Year	Issue Price	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2012.03.28	10	1,800,000	18,000,000	627,733	6,277,330	Cancellation of Treasury Shares of 30,000,000 shares	-	Note 1
2013.08.09	10	1,800,000	18,000,000	613,535	6,135,350	Cancellation of Treasury Shares of 14,198,000 shares	-	Note 2
2016.10.05	10	1,800,000	18,000,000	560,062	5,600,625	Cancellation of Treasury Shares of 53,473,000 shares	-	Note 3
2019.06.21	10	1,800,000	18,000,000	554,062	5,540,625	Cancellation of Treasury Shares of 6,000,000 shares	-	Note 4
2020.10.11	10	1,800,000	18,000,000	630,967	6,309,675	Capital Increase from Earnings of 76,905,000 shares	-	Note 5
2021.09.15	10	1,800,000	18,000,000	681,445	6,814,449	Capital Increase from Earnings of 50,478,000 shares	-	Note 6
2022.09.14	10	1,800,000	18,000,000	749,589	7,495,894	Capital Increase from Earnings of 68,144,000 shares	-	Note 7
2024.07.02	10	1,800,000	18,000,000	487,233	4,872,331	Refund of share capital, resulting in a reduction of 262,356 thousand shares.		Note 8
2025.02.08	10	1,800,000	18,000,000	514,988	5,149,882	Increase of 27,755 thousand shares due to share conversion.		Note 9

Note.1 Cancellation of treasury share of 30,000,000 shares, capital decrease of NT\$300,000,000.

Note.2 Cancellation of treasury share of 14,198,000 shares, capital decrease of NT\$141,980,000.

Note.3 Capital reduction to cover losses, decrease of 53,472,499 shares, capital decrease of NT\$534,724,990.

Note.4 Cancellation of treasury share of 6,000,000 shares, capital decrease of NT\$60,000,000.

Note.5 Issuance of new shares by capital increase from earnings, capital increase of NT\$769,049,960

Note.6 Issuance of new shares by capital increase from earnings, capital increase of NT\$504,773,970

Note.7 Issuance of new shares by capital increase from earnings, capital increase of NT\$681,444,860

Note.8 Cash capital reduction, with a refund of NT\$2,623,562,750.

Note.9 Issuance of new shares through share conversion, with a capital increase of NT\$277,550,800.

Share Type	Authorized Capital			Amount of Stock Warrants (Unit)
	Outstanding Shares (Note)	Unissued Shares	Total Shares	
Registered Common Shares	514,988,161	1,285,011,839	1,800,000,000	200,000,000

Note.1 As of the date of publication of the Annual Report, the outstanding shares are based on the Company's issued ordinary shares less 1 share of the Company's treasury share, total 514,988,160 shares.

Note.2 The original 4 shares of treasury shares were deficient due to the capital reduction in September 2009 as a result of the issuance of overseas depositary receipts in January 2003. On November 30, 2012, the depositary institution, Bank of New York, USA, instructed the custodian bank, Mega International Commercial Bank, to remit the shares to SiS's account. The capital reduction to cover accumulated deficits in October 2016 reduced the number of treasury shares to 3. Following a cash capital reduction to refund share payments in July 2024, the number was further reduced to 1 share.

Information About Shelf Registration System: Not Applicable

Preferred shares: Not Applicable

II List of Major Shareholders

Names of major shareholders	Number of Shares Held	% of Shareholding
United Microelectronics Corp.	92,647,863	17.99%
Hsun Chieh Investment Co., Ltd.	11,943,545	2.32%
Zhongjia International Investment Co., Ltd.	5,187,500	1.01%
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	2,976,534	0.58%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,954,083	0.57%
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	2,600,260	0.50%
Yann Yuan Investment Co., Ltd.	2,080,664	0.40%
Emerging Markets Small Capitalization Equity Index NonLendable Fund	1,678,150	0.33%
The Tzu Chi Foundation, a non-profit organization in the Republic of China.	1,320,811	0.26%
State Street Global Advisors Trust Company	1,280,000	0.25%

Note.1 Based on the shareholding record date of August 5, 2025.

Note.2 Deducting 1 treasury share as of August 5, 2025, the number of outstanding shares was 514,988,160. The shareholding ratio is calculated to two decimal places, rounding down.

III The Company's dividend policy and implementation

(I) The Company's dividend policy is as follows:

A. Dividend policy prescribed in the Articles of Incorporation

The Company shall allocate the remaining amount from the profit before tax after offsetting the accumulated loss to the employee compensation and director compensation. The percentage of employee compensation shall be no less than 5% of the aforementioned balance, of which not less than 1% shall be allocated as compensation for rank-and-file employees. The appropriation for directors' compensation shall not exceed 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, amount, or shares to be distributed of the employee compensation, as well as the amount to be distributed of the director compensation shall be approved by a majority of the attending directors at a Board meeting attended by over two-thirds of the directors, and then reported at the shareholders' meeting. 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.

B. Dividends Policy of the Company

The distribution of the Company's dividends is determined with reference to industry trends, future revenue and profitability, capital expenditure estimates, and working capital requirements. Dividends may be distributed as cash dividends or share dividends, either individually or in aggregation. Cash dividends shall not be less than 20% of the total amount of dividends distributed to shareholders for the year.

(II) Proposed dividend distribution status at the Shareholders' Meeting this year: The Board of Directors approved the earnings distribution proposal for 2025 by resolution on February 23, 2026. The Company proposes to distribute cash dividends on ordinary shares (NT\$0.6 per share), totaling NT\$308,992,896. The Company will process this proposal in accordance with related regulations after the 2026 Shareholders' Meeting approves it by resolution.

(III) Explanation for an anticipated material change in dividend policy: there is no material changes in the Company's dividend policy.

IV Impact of the proposed stock dividend payment by the shareholders' meeting on the business performance and earnings per share of the Company: not applicable as no compensation is distributed this year.

V Employee and Director Compensation

- (I) Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation

In accordance with the Company's Articles of Incorporation:

The Company shall compensate the accumulated deficit amount with the pre-tax profit of the current year, and appropriate employee remuneration and Directors' remuneration from the remaining balance. The appropriation ratio for the aforementioned employee remuneration shall not be less than 5% of the aforementioned balance. From the employee remuneration amount, no less than 1% shall be appropriated and distributed as remuneration for rank-and-file employees. The appropriation ratio for Directors' remuneration shall not be higher than 2% of the aforementioned balance. Employees' compensation may be distributed in the form of shares or cash, while directors' compensation shall be distributed in the form of cash. The distribution method, amount, or shares to be distributed of the employee compensation, as well as the amount to be distributed of the director compensation shall be approved by a majority of the attending directors at a Board meeting attended by over two-thirds of the directors, and then reported at the shareholders' meeting. Employees' compensation in stock or cash includes employees of companies in which the Company holds more than 50% of the shares.

- (II) The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: not applicable as no compensation is distributed this year.

- (III) Information on any approval by the Board of Directors of distribution of compensation:

A. Employee compensation and director compensation distributed in cash or shares:

- (1) The Board of Directors of the Company approved the distribution of employee remuneration of NT\$70,182,247 and Directors' remuneration of NT\$8,772,781 by resolution on February 23, 2026, both distributed in cash.
- (2) Difference between expense recognition and estimated amount: None.
- (3) Reason for difference: None.
- (4) Handling: None.

- B. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the net profit after tax stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: not applicable as no such compensation is distributed this year.
- (IV) Distribution of employee's compensation and director compensation for the previous year:

The distribution of employee remuneration and Directors' remuneration of the Company for 2024 was approved by the 7th Meeting of the 13th Board of Directors in 2025: The Company distributed employee remuneration of NT\$51,124,841 in cash and Directors' remuneration of NT\$6,390,605 in cash. There is no difference between the distributed amount resolved by the Board of Directors and the booked expenses.

VI Share repurchase by the Company: None

- (I) Completed: None
- (II) Undergoing: None

VII Corporate Bonds

- (I) Corporate Bonds: None
- (II) Convertible Corporate Bonds: None
- (III) Exchangeable Corporate Bonds: None
- (IV) Issuance of Corporate Bonds by Shelf Registration: None
- (V) Information on Bonds with Warrants: None

VIII Preferred Shares

- (I) Preferred Shares: None
- (II) Information on Preferred Shares with Warrants: None

IX Global Depository Receipts: None

X Employee Stock Options

- (I) Unexpired employee stock options issued by the Company in existence as of the date of publication of the annual report, and the effect of such options upon shareholders' equity: None
- (II) Name of manager who acquired employee stock options as of the date of publication of the annual report, and the acquisition and subscription: None
- (III) Names of the top ten employees who have acquired employee stock options as of the date of publication of the annual report, and the acquisition and subscription: None

XI New Restricted Employee Shares: None

XII New Shares Issuance in Connection with Mergers and Acquisitions

(I) The Company acquired or transferred shares of other companies and issued new shares in the most recent year and as of the date of publication of the Annual Report: Silicon Integrated Systems Corp. (hereinafter referred to as SiS or the Company) acquired all Hycon Technology Corp. (hereinafter referred to as Hycon Technology) issued shares except for those held by SiS by issuing new shares through a share swap in 2024. Taiwan Stock Exchange Corporation approved this via Letter Tai-Zheng-Shang-Yi-Zi No. 1130019879 on October 23, 2024. The share swap record date was January 1, 2025. Furthermore, the Ministry of Economic Affairs approved the issuance of new shares and completed the change registration on February 8, 2025. In accordance with the provisions of Subparagraph 8, Paragraph 1, Article 9 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," SiS requested the lead underwriter to issue an evaluation opinion on the impacts on the finance, business, and shareholders' equity of SiS as of the fourth quarter of 2025, following its share swap with Hycon Technology via a capital increase through the issuance of new shares.

A. Impact on Financials

Silicon Technology Co., Ltd. issued 27,755,080 new shares and acquired all issued shares of Hycon Technology Co., Ltd. (except for those held by Silicon Technology) through a share conversion. No cash payment was made as consideration, and this transaction does not affect the Company's existing capital allocation and financial operations. Following the share conversion, Hycon Technology became a subsidiary of Silicon Technology as of January 2025. To meet the reporting deadlines for listed companies' revenue and financial statements, both parties have reviewed and adjusted the relevant internal financial documents and processes, ensuring alignment in their financial and accounting systems and operations. Going forward, the companies plan to optimize production scheduling and allocation, compare procurement prices for similar-specification components, negotiate with suppliers, and engage in joint procurement, which will help reduce redundant capital expenditures, improve asset utilization efficiency, and lower operating costs. Additionally, by fully integrating the resources of both parties, the Group's operational performance and market competitiveness are expected to improve, thus having a positive impact on the financial condition of both companies.

B. Impact on Business Operations

Both SiS and Hycon Technology primarily engage in IC design and have deeply cultivated the IC design industry for many years. This share swap represents horizontal integration between companies in the same IC design industry. The two

parties belong to the same industry and possess similar sales patterns. Coupled with complementary product lines, the integration of resources and technologies will make the product lines more comprehensive. Furthermore, the overlap of customers between the two parties is not high, and both possess their own customer resources and sales channels. Following the share swap, the Company has integrated and divided the work of the business teams. Besides satisfying more product demands from each other's existing customers, the Company also jointly coordinates marketing and promotion activities. This prompts business capabilities to achieve a multiplier effect, thereby increasing market exposure and share. Through exchanges in R&D, production technologies, and backend packaging and testing process management, the Company optimizes the capacity allocation efficiency and product resources of both parties. By complementing each other's technologies and products, the Company integrates resources to accelerate the expansion of product lines and procurement benefits. Overall, the share swap between SiS and Hycon Technology will have positive benefits for SiS's future business expansion and market competitiveness enhancement.

C. Impact on Shareholder Equity

Silicon Technology Co., Ltd. issued 27,755,080 new shares through a share conversion to acquire all the issued shares of Hycon Technology Co., Ltd., except for those already held by Silicon Technology. The newly issued shares represent 5.39% of Silicon Technology's total outstanding shares after the conversion, which amounts to 514,988,161 shares. Although this share conversion increases the number of Silicon Technology's publicly traded common shares, it enables the company to acquire 100% ownership of Hycon Technology, making it a subsidiary of the Silicon Technology Group. Through the reorganization of corporate resources, the Group's market competitiveness will be strengthened, operational scale expanded, and operational costs reduced. As the benefits of the share conversion gradually materialize and resources are effectively utilized, Silicon Technology's profitability is expected to improve. Therefore, this share conversion should have a positive impact on shareholder equity.

D. Has the benefit of the share conversion been realized?

SiS acquired all issued shares of Hycon Technology except for those held by SiS by issuing new shares. SiS incorporated Hycon Technology as a subsidiary of the Group in January 2025. Furthermore, the Ministry of Economic Affairs approved the issuance of new shares and completed the change registration on February 8, 2025. Following the completion of the share swap, the two parties have gradually launched cooperation plans. By comprehensively integrating the resources of both parties, the Company can expand the application fields and market share of the Group's products. This should have positive benefits for the Company's finance,

business, and shareholders' equity. The benefits of this share swap have gradually emerged.

- (II) The Company's Board of Directors resolved to issue new shares through merger or acquisition of shares of other companies in the most recent year and up to the date of publication of the Annual Report: None.

XIII Implementation of capital utilization plan: None.

Chapter 4. Operational Highlights

I Business Activities

(I) Scope of Business

A. Principal Business Activities of the Group

Research, development, production, manufacture and sales of the following products:

- (1) Integrated circuits
- (2) Products and components listed above, system products, design of integrated circuits, testing services
- (3) Trading business related to side business
- (4) Touch chip control circuit boards
- (5) Active stylus controller chips
- (6) Microelectromechanical microphone chips and solutions
- (7) Mixed-signal microcontroller product line
- (8) Battery management chip product line
- (9) Communication-related chip product line

B. Group's Business Focus

The Group's main businesses are research and development, production and manufacturing, and sales of integrated circuits, which accounted for approximately 100% of the business.

C. Current products and services of the Group

Projected capacitive touch chips, touch chip control circuit boards, SoC integration and design services, touch panel application modules and solution design services, active stylus controller chips, microelectromechanical microphone chips, mixed-signal microcontrollers, battery management chips and solutions, etc.

D. Development of new products and services

These include the new generation of projected capacitive multi-touch chips, capacitive active pen touch chips, touch panel modules, touch panel application modules and solution design services, microelectromechanical system microphone chips and solutions, the new generation of lithium battery protection chips, incorporating new low-power design architectures and AFE (Analog Front-End) for multi-series power batteries, meeting the lithium battery customers' demand for energy efficiency, high precision, and power storage, and supporting BGM/CGM blood glucose monitoring.

(II) Industry Overview

A. Current Status and Development of the Industry

The Company began developing projected capacitive touch chips in 2011 and selected touch chips such as in-cell touch chips related to human-machine interface technologies as the main axis for future development. Touch technologies can support various touch sensors in the market, such as GFF, G1F, OGS, GF2, GG (DITO), and GG (SITO). The applications of the touch industry cover smartphones, tablet computers, notebooks, PCs, and AIOs (All-in-One PCs). Touch functions have become a prominent trend, affecting various consumer goods, such as ticketing and ordering systems, automotive touch panels, and bank ATMs. These functions replaced traditional button methods and have integrated into daily life. Industrial production and medical equipment have also introduced touch-function human-machine operation interfaces, making touch development an indispensable electronic industry. The post-pandemic trend of changing lifestyles to working and studying from home continues to maintain. Coupled with the PC/notebook replacement wave brought about by Windows upgrades, this concurrently drove the prosperity of the entire PC industry and also drove the entire touch IC industry. As touch functions are introduced into different applications, such as automotive touch in electric vehicles, the popularization and diversification of portable devices will also bring new growth momentum to the touch IC industry.

Starting in 2016, the consumer touch market integrated the functions of active pens, and the application of active pens in touch products has gradually become a trend. Various touch chip manufacturers successively announced support for active pens with their own defined specifications, as well as the Universal Stylus Initiative (USI) from major manufacturer Google. Microsoft's MPP has gradually become the market mainstream. The trend of active pens has enabled touch chip manufacturers, computer peripheral manufacturers, major OS manufacturers, OEM manufacturers, and notebook brand manufacturers to find a new opportunity. This also brings the touch and active pen industries into another new era.

Looking back at 2025, AI applications continued to drive demand for related chips, while shipments of tech products such as smartphones, laptops/personal computers, and servers also rebounded, providing a boost to the global semiconductor industry. Although the semiconductor market is filled with multiple positive factors in 2026, close attention must still be paid to potential interference variables such as inflation, geopolitics, the US Trump effect, and the macroeconomic environment.

Driven by artificial intelligence (AI), high-performance computing (HPC), and AI edge computing in 2026, strong growth momentum is expected to continue. The potential impacts on Taiwan's IC design companies also exist. Taiwan's IC design companies must possess a certain degree of competitiveness in market share, ideally belonging to high-end products, and the products require room for upgrades. Only then can they enjoy cheaper foundry prices in the future, offsetting the negative factor of a potential decline in average selling prices (ASP).

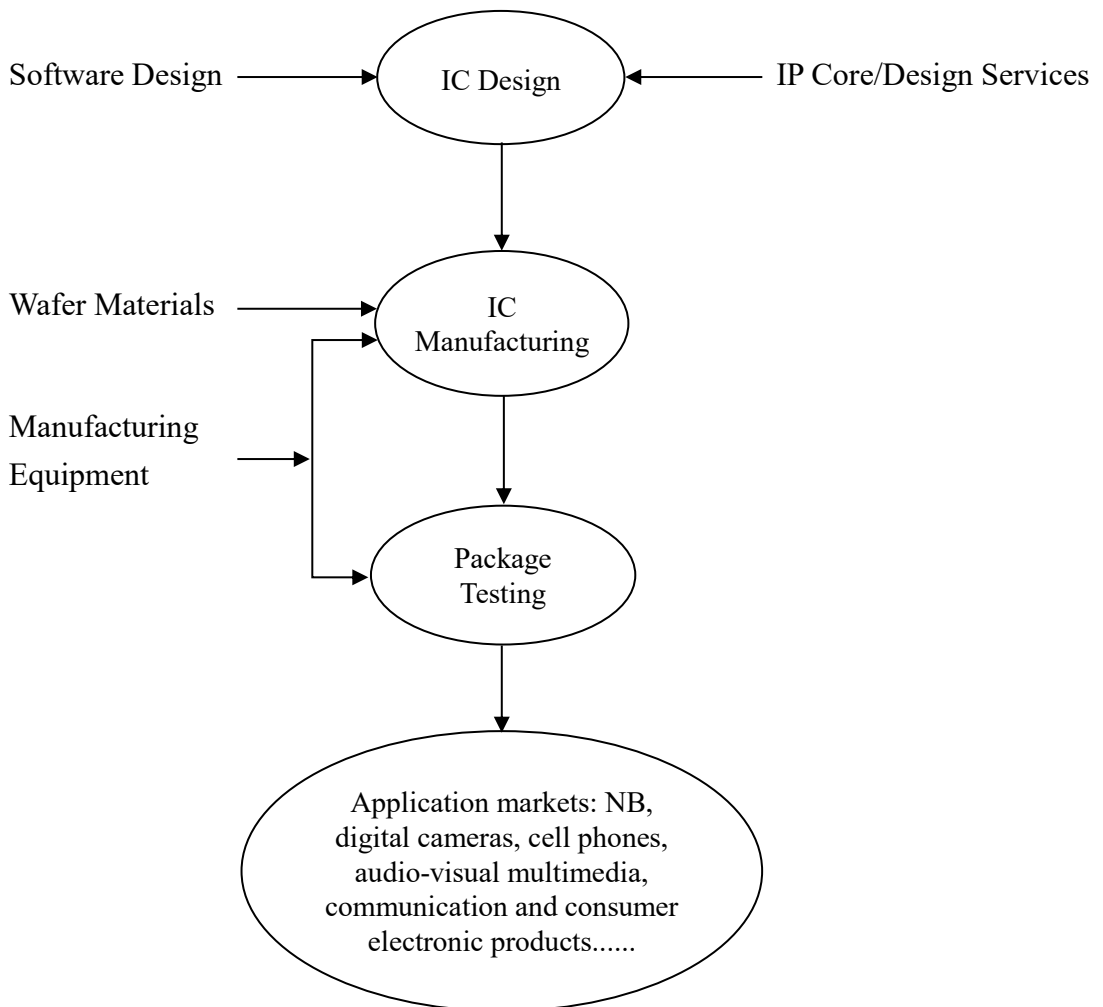
Reviewing 2024 to 2025, the health and medical monitoring field still mostly focused on "point-of-care diagnostics" and "single data capture." Users were accustomed to measuring blood pressure or blood glucose at specific points in time. However, stepping into 2026, the core of the industry has thoroughly shifted toward "full-time continuous monitoring" and "preventive health management." As the global population of chronic disease patients climbs and the emphasis on metabolic health elevates, medical devices are evolving from bulky professional equipment into lightweight, high-precision wearable components. Under this trend, the market has raised stringent requirements for the capability to capture and process weak physiological signals. The Company targets this transformation opportunity by combining leading mixed-signal processing (MSP) technology with high-bit analog-to-digital conversion (ADC) capabilities. Not only can it achieve continuous monitoring with ultra-low power consumption, but it can also maintain signal purity and stability in complex dynamic environments. This enables medical monitoring equipment to break through field restrictions, achieving the new industry standard of 24-hour seamless tracking.

As medical service fields accelerate their extension from hospitals to homes, health monitoring equipment in 2026 is experiencing an unprecedented "decentralization" revolution. Future home medical instruments will no longer be merely cold detection tools, but smart nodes integrating intuitive human-machine interaction, long-lasting energy management, and edge computing. Following the merger with Hycon Technology, the Company successfully conducted deep integration between high-performance touch panel controller ICs (TPIC) and precision sensing technologies, endowing next-generation medical equipment with intuitive operational experiences akin to smartphones. Simultaneously, targeting the extremely high requirements for battery life in portable devices, the Company resolved the contradiction between high performance and long battery life through optimized power management and system-on-chip (SoC) designs. Facing the future, the Company will continue to deepen its R&D layouts in the fields of blood glucose monitoring, blood pressure tracking, and diverse physiological sensing. The Company utilizes highly integrated chip solutions to lower the development thresholds for customers, leading home medical equipment to advance toward more precise, aesthetically pleasing, and smartly interactive directions.

B. Relationship Amongst the Upstream, Midstream, and Downstream Industry

The Company sits upstream in the IC industry supply chain. The main business involves designing and selling IC products independently, or providing IC design services based on the demands of end customers. IC design service companies purchase required IPs from Silicon Intellectual Property (SIP, referred to as IP) suppliers during the chip design process, and then integrate functional blocks to design circuit diagrams. Midstream IC manufacturing companies transplant the circuit diagrams designed by IC design companies onto the wafers of silicon wafer manufacturing companies. The

completed wafers are then further cut, packaged, tested, and packaged by IC packaging and testing plants to complete the final finished IC products. The Company's sales methods for final finished IC products include direct sales to electronic product manufacturers, sales to end customers through agents/distributors, or sales to solution companies for secondary development before selling to end customers. End customers then integrate the Company's finished IC products with other electronic components into final application products.



C. Product Development Trends

(1) Green Products

As the environmental protection wave continues to push forward, the integrated circuit (IC) industry exhibits an obvious environmental protection trend in product development. First, the design of IC products places greater emphasis on energy conservation and energy efficiency. The Company must continuously optimize chip designs to achieve a balance between low power consumption and high performance, thereby satisfying the demands of electronic products such as smartphones and Internet of Things (IoT) equipment. Simultaneously, the application of IC technologies in energy management and smart control continues to expand, providing innovative solutions for energy conservation and emission reduction. Second, IC manufacturing will continuously incorporate sustainability into the product design and manufacturing processes. IC manufacturing adopts more environmentally friendly materials, reduces the use of harmful chemicals, and optimizes production processes to lower energy consumption and waste emissions. Such efforts not only help lower production costs but also reduce negative impacts on the environment. The application of IC technologies in the fields of environmental protection monitoring and governance continues to deepen. IC sensors and monitoring chips are widely applied in fields such as environmental monitoring and air quality detection, achieving real-time monitoring and analysis of environmental data. This helps elevate the efficiency and precision of environmental protection, providing more accurate data support for the government and enterprises.

(2) High-performance, low-power consumption MCUs are the future development trend.

Although industrial changes for mixed-signal microcontrollers are not as rapid as the information industry, they have evolved over the past decade toward functional complexity, enhanced measurement precision, longer battery life, and integrated SoC solutions. In recent years, the awareness of energy conservation and environmental protection has risen. Coupled with the popularity of mobile communication and cloud computing technologies, the development of the Internet of Things, and the rise of wearable devices, application processors emphasizing high performance and low power consumption have successively entered various consumer electronics and portable smart products. Furthermore, MCUs with simple functions and low power consumption are applied in various different fields with simple hardware architectures and ultra-low costs.

(1) Medical Electronic Products: Moving Towards Miniaturization and Portability

The Company's end-application products for mixed-signal microcontrollers primarily consist of personal health and medical devices, such as medical electronic products including blood pressure monitors, thermometers, body fat

scales, blood glucose meters, oximeters, and heart rate monitors. As the proportion of the aging population rises and expenditure costs for chronic diseases increase, preventive health and medical behaviors successively appear. Coupled with the evolution of communication and semiconductor-related technologies, this drives the gradual prevalence of decentralized, preventive medical behaviors. Some home care products, sports and fitness products, or devices are also beginning to trend toward mobilization and smartization. When medical equipment enters homes, medical electronics also experience different development trends.

(2) The Green Digital Transformation Led by the EU Battery Regulation — "Battery Passports" and the Circular Economy

As the EU Battery Regulation comprehensively enters its implementation phase in 2026, the global battery industry is experiencing a major transformation from one-way consumption to circular regeneration. The regulation not only requires that batteries sold from 2026 onward must feature carbon footprint labels and structures easy to repair and replace, but also compulsorily promotes "Digital Battery Passports." It requires that BMS systems must accurately record the state of health (SOH) and state of life (SOL) of batteries. Facing this trend, the Company relies on high-precision mixed-signal processing technologies to provide BMS solutions featuring accurate fuel gauges and aging algorithms, which can monitor and record every key piece of data in the battery life cycle in real time. This not only assists medical and personal transportation customers in easily complying with the EU's stringent requirements for data transparency and traceability, but also extends the service life of batteries through optimized energy efficiency management, implementing the enterprise's commitment to sustainable development. The Trend of Lithium Batteries Replacing Lead-Acid Batteries in Multi-Cell Applications and Energy Storage

Lithium batteries possess higher charging efficiency and faster charging speeds, enabling the faster restoration of equipment usage time and reducing waiting time for charging. This makes the charging process relatively simpler and also reduces the complexity of charging management. In addition, as lithium battery technologies continuously develop, their costs are gradually lowering, making them more common and economically affordable in multi-cell applications and energy storage products. Although initial investments may be higher, consumers are willing to pay higher prices considering the long-term performance, lifespan, and safety of lithium batteries, as well as the enhancement in user experience.

(3) China's New National Standards for Power Banks and 3C Compulsory Certification — Safety Compliance and High Integration Challenges

Between the end of 2025 and 2026, safety supervision over power banks and lithium battery packs in the China market reached historic highs. With the compulsory implementation of new standards such as GB 31241-2022 and the

strict execution of the China Compulsory Certification (CCC), products failing to pass extremely stringent overcharge protection, thermal runaway monitoring, and short-circuit tests will face sales bans and air transportation restrictions. The Company (SiS) integrated Hycon Technology's profound accumulation in the field of precision analog design to launch highly integrated safety protection solutions targeting this market change. The Company's BMS chips possess multiple sensing protection mechanisms at the hardware level. They can block abnormal currents at microsecond-level reaction speeds, ensuring products maintain safe operations in various extreme environments. By providing one-stop solutions that have passed pre-tests for various international standards, the Company assists customers in shortening development cycles while seamlessly connecting to the compliance thresholds of China and global markets, achieving the optimal balance between safety and performance.

- (4) Touch panels can be divided into two types based on their structure: external and embedded. The embedded technology of projected capacitive input can be divided into on cell and in cell technologies. Development requires deep cooperation with LCD panel manufacturers and coordination with TFT process adjustments. Improving yield is a challenge that requires technological refinement and accumulation of experience. After several years of development, it has gradually become one of the important technologies in the market for small and medium-sized touch applications, and the market share has also increased significantly. On the other hand, the maturity of out cell TP technology and significant cost reduction have made it impossible for embedded touch technology to completely replace out cell. In terms of the trend of the active stylus market, led by the trend of active styluses from Microsoft Surface Pro and Apple iPad, OEM manufacturers began adding touch control solutions with active stylus functions in 2018. Initially, active styluses were still only an optional item. To cope with the fierce competition in the touchscreen market, we have also designed and developed large-sized touchscreen products. In the application development of smart whiteboards, we developed a feature that recognizes different color whiteboard pens and integrates with end applications to achieve real-time meeting sharing of whiteboards.
- (5) After the market promotion and development in recent years, and with the maturity and ease of use of the active stylus application being accepted by consumers, the active stylus application has become one of the main functions of the notebook market, especially in tablet products, the active stylus is one of the indispensable functions in product specifications. The Company has launched the first generation MPP or USI active stylus controller chips in early 2020, and completed the sampling and verification of the active stylus controller chips in the same year. At the same time, we successfully imported the chips into the pen manufacturers and cooperated with NB OEM factories for mass production. The specifications

for next-generation active pens were also proposed by the USI and Microsoft Corporation respectively in 2021. The USI proposed the next-generation USI 2.0 specifications, primarily adding various new functions. Currently, USI active styluses are mostly paired with Google Chromebook laptops in the market, and USI1.0 active styluses of the first generation have also been integrated into multiple Chromebook models. In addition, Microsoft has also proposed a new generation of MPP2.6 active stylus specifications. The main new features include the function of pairing an active stylus with an in cell touch panel, support for seamless Bluetooth pairing, and handwriting interaction and haptic feedback functions, etc. Consumers no longer need to worry about traditional Bluetooth device pairing issues when using the MPP2.6 active styluses. Simply touch the stylus on a compatible panel to complete the Bluetooth pairing between the active stylus and the laptop. Moreover, the Company has developed the relevant active stylus controller chips in 2022, and is currently undergoing sampling and verification. We have completed cooperation testing with a well-known LCD display panel manufacturer for in-cell panels, and have successfully obtained relevant certifications. This indicates that the Company's active stylus controller chip technology has taken a significant step forward.

(6) The Intersection of Acoustic Sensing and Edge Computing — High-Fidelity and Smartization Trends of MEMS Microphone ASICs

As artificial intelligence voice interaction, active noise cancellation (ANC), and wearable medical auscultation equipment become popular, global demand for MEMS microphones in 2026 has evolved from simple sound recording to pursuing professional levels of "extreme signal-to-noise ratio (SNR)" and "high acoustic overload point (AOP)." Particularly in complex outdoor environments or high-decibel medical fields, ensuring sound is not distorted and accurately filtering background noise has become the core challenge in chip design.

Relying on its technological advantages in the mixed-signal processing (MSP) field, the MEMS microphone ASIC solutions developed by the Company not only provide high dynamic range audio conversion capabilities but also achieve extremely low standby power consumption through advanced circuit designs. This characteristic is crucial for smartphones, smart earphones, and physiological sound monitoring equipment that require "Always-on" voice wake-up functions. Combined with the Company's profound accumulation in analog-to-digital conversion (ADC) technology, the Company's ASIC solutions can convert subtle acoustic vibrations into clear digital signals. This assists customers in achieving sound quality performance comparable to professional recording equipment within miniaturized volumes, further consolidating the Company's strategic position in the high-performance acoustic sensing market.

D. Competition

(1) Touch and Active Pen Chips:

Mobile devices drive the demand for touch panels, prompting industry players to actively develop various specifications to respond to different demands. Add-on projected capacitive technologies include GG (two-layer glass), GFF (double-layer film structure, Glass-Film-Film), G1F (single-layer glass and single-layer film structure), OGS (One Glass Solution, also known as TOL Touch on Lens), and GF2. Embedded technologies include in-cell and on-cell. In the past two years, stylus pen solutions have become the mainstream of the market; this is a huge technological change for the whole touch market and makes the touch market active. The Company also launched corresponding active pen touch main chips in 2020. Furthermore, active pen control chips have successively begun design-in for customers and mass production, and will begin increasing market share year by year.

In the consumer electronics, industrial and automotive touch products sector, the Company has launched a series of ultra-large products in the external capacitive touch sector, featuring 40-finger touch, high interruption resistance, spill resistance, and false triggering by palms; these can meet the demand of the touch market in all aspects, such as consumer handheld devices, tablet, notebook, as well as all-in-one devices, industrial and business POS, ultra-large interactive whiteboard (IWB), and touch solutions that are in compliance with the AEC-Q100 regulation. The operating systems support Windows 7/8.1/10/11, Android, and Linux. The touch chip supports various touch sensor types in the market, such as GFF, G1F, OGS, GF2, GG(DITO), GG(SITO), and various sensor materials, such as ITO, Metal Mesh, AgNano, and Carbon Nano, etc. The Company is the leader in the ultra-large capacitive touch market. The Company launched 84" projected capacitive solution early in 2014, and this has secured our mature technology in the ultra-large size sector. This solution attracted many customers to cooperate with us for trial production, and was successfully put into mass production in Q1 2015. The Company launched the 100" projected capacitive touch solution in Q1 2015 and also showcased the 134" multi-finger touch demo in Q3 2015. In the industrial computer sector, the Company has developed firmware adaptation software tools and improved algorithm technology to meet the diverse needs of a small number of customers in the industrial computer field; this gives industrial computer customers more autonomy in adaptation and significantly reducing support requirements and costs. In the industrial computer market, customers' requirements for noise immunity capabilities have elevated. The Company has also responded to demands to develop and enhance new solutions for noise immunity capabilities, successfully initiating projects and mass production successively in 2018, thereby elevating the competitiveness of the Company's ICs. In addition, in large-size interactive whiteboards (IWB) and projection touch

whiteboards (PWB), the Company has also consistently maintained a leading position. Currently, most smart whiteboard products on the market utilize infrared technology for implementation. The Company utilizes capacitive touch technology to develop smart whiteboards. Besides offering handwriting recognition that is closer to reality, the Company also provides a color differentiation function to increase competitiveness.

(2) Mixed-signal Microcontroller:

With the development of the Internet of Things (IoT), mixed-signal microcontrollers can combine the functions of digital signal processing and analog signal processing to achieve the highly efficient processing and analysis of various sensor signals, thereby providing smarter and more reliable functions for IoT equipment. For example, in the smart home field, mixed-signal microcontrollers can process data acquired from sensors such as temperature sensors and humidity sensors, and control equipment such as air conditioners and home appliances based on needs, achieving smart environmental control. Second, with the rise of electric vehicles, the demands for power management and energy optimization are also continuously increasing. Mixed-signal microcontrollers can achieve precise control over the battery charging and discharging process, improving battery charging and discharging efficiency and service life, thereby achieving highly efficient energy utilization.

In addition, mixed-signal microcontrollers possess broad applications in fields such as medical, industrial automation, and communication. In the medical field, it can achieve the processing and analysis of biological signals, thereby realizing the monitoring and diagnosis of patient health conditions; in the industrial automation field, it can achieve the control and optimization of industrial production processes, improving production efficiency and quality; in the communication field, it can achieve the processing and modulation/demodulation of communication signals, improving the performance and reliability of communication systems.

Mixed-signal microcontrollers will play an increasingly important role in the future. They will become core components in smart equipment and systems, achieving the highly efficient processing and control of multiple signals, and driving the development of fields such as IoT, electric vehicles, and AI. As technologies continuously advance and application scenarios continuously expand, the market prospects for mixed-signal microcontrollers will become increasingly broad.

The Company's mixed-signal microcontroller products feature an entirely original system architecture. Through the diligent promotion of the business, they have successively gained market recognition. Currently, they occupy a place in mid-to-high-end markets and have achieved a high market share in some applications.

However, in the high-end electronics market, major foreign manufacturers currently remain dominant. In recent years, driven by enhancements in product technology, the Company has also launched a series of new products. It is expected to successfully penetrate high-end markets in the coming years.

(3) Battery management chip:

Market competition for battery management chips will become more diversified. Besides traditional IC design companies, an increasing number of emerging IC design companies are entering this field, pushing the intensity of market competition. These emerging enterprises may challenge the status of traditional companies through technological innovation and flexible market strategies, exacerbating the degree of market competition. Second, under the continuously elevating demands for the functions and performance of battery management chips, enterprises must continuously launch new products with higher performance, lower power consumption, and greater reliability and stability to satisfy market demands. As market competition intensifies, enterprises will seek methods to lower production costs and improve production efficiency to maintain competitiveness. This may include measures such as optimizing production processes, adopting advanced manufacturing technologies, and increasing the degree of automation.

In addition, market positioning and customer service will also become important competitive factors. Enterprises need to formulate corresponding market strategies based on different market demands and customer needs, and provide personalized products and services to elevate competitiveness. Simultaneously, establishing a good brand image and customer relationships will also help enterprises stand out in the competition.

Finally, changes in the global market landscape will also affect the competitive landscape. With the rise of emerging markets and changes in the international trade environment, enterprises will face competitors from different regions and countries. Therefore, enterprises need to formulate globalized market strategies to flexibly respond to the competitive challenges of different markets.

In summary, market competition for battery management chips will become more intense in 2026. Technological innovation, cost control, market positioning, and customer service will be the key factors for enterprise competition. Only enterprises possessing advanced technologies, highly efficient production capabilities, high-quality services, and globalized strategies can stand out in the competition, winning market share and customer trust.

(III) Technology, Research and Development Overview

The Company has achieved maturity in the following product lines, and the development costs and results are detailed as follows.

- (1) Touch chip control circuit boards
- (2) Active stylus controller chips
- (3) Microelectromechanical microphone chips and solutions
- (4) Mixed-Signal Microcontroller and Solutions
- (5) Battery Management Chip and Solutions
- (6) Communication-Related Chip and Solutions

A. R&D Expense

Currency Unit: NT\$'000

Item	The Current Year up to February 23 (Note)	2025	2024
R&D expense	81,004	534,056	385,787
Net operating profit	796,377	2,821,137	738,560
R&D expense to Net operating profit (%)	10.17%	18.93%	52.24%

Note: This data adopts IFRS consolidated data. The data is as of February 23, 2026, and represents self-assessed figures.

B. R&D results

Touch Chip and Active Stylus Control Chip

Year	Product and Technology Name Items
2021	<ol style="list-style-type: none">1. SiS microelectromechanical microphone passed Modern Standby certification.2. SiS USI active pen ICs support the color-picking function, transmitting color information through the USI protocol to replace Bluetooth transmission, thereby providing differentiated specifications.
2022	<ol style="list-style-type: none">1. SiS USI2.0 active stylus IC has been certified through USI2.0 protocol.2. SiS USI2.0 active stylus IC has passed the certification of USI2.0 In-cell panel from a well-known LCD display manufacturer.3. SiS USI2.0 active stylus IC has passed Google certification.4. SiS MPP2.6 active stylus IC has completed development and testing for in-cell panel support.5. SiS assisted its customer in completing and passing the USI2.0 certification for their active styluses.
2023	<ol style="list-style-type: none">1. SiS assisted its first customer in completing and passing Microsoft HLK certification for MPP2.6 active styluses.2. SiS completed customer active stylus proprietary agreement certification and has commenced shipping.3. SiS assisted a total of four customers in completing and passing Microsoft HLK certification for MPP2.6 active styluses.4. SiS assisted customers in completing and passing USI2.0 certification for six models of active styluses.

Year	Product and Technology Name Items
2024	<ol style="list-style-type: none"> 1. SiS dual-protocol active pen IC 9730 obtains Microsoft HLK and Google AVL Certifications 2. SiS Touch IC STS2062/2084 Series supports active pen protocol, completes development verification, and commences shipment
2025	<ol style="list-style-type: none"> 1. SiS dual-protocol active pen IC 9730M passed Microsoft HLK and Google AVL tests. 2. SiS completed customer active stylus proprietary agreement certification and has commenced shipping.

Mixed-signal Microcontroller and Battery Management Chip

Year	Product and Technology Name Items
2021	<ol style="list-style-type: none"> 1. Completed high-interference resistance 2-4 series lithium battery secondary protection chip. 2. Completed the next-generation platform for digital infrared thermometer sensor measurement. 3. Completed the 0.11μm next-generation small and medium-sized touch screen chip.
2022	<ol style="list-style-type: none"> 1. Completed the next-generation lithium battery capacity estimation algorithm and ECC encryption functionality. 2. Completed the development of a single-cell lithium battery positive terminal protection chip. 3. Completed the LED display infrared temperature measurement microcontroller chip.
2023	<ol style="list-style-type: none"> 1. Completed the development of single and dual-cell lithium battery protection chips based on an 8-inch wafer 0.18μm BCD process. 2. Completed the large touch screen chip capable of multi-chip cascade high-voltage driving.
2024	<ol style="list-style-type: none"> 1. Completed the development of an Ultra Low Power single and dual-cell lithium battery protection chip. 2. Completed the development of a temperature-sensing single-cell lithium battery protection chip. 3. Completed the new generation temperature sensor measurement platform HY16F3874.
2025	<ol style="list-style-type: none"> 1. Completed the ultra-low power consumption (1μA) P-IC, successfully penetrating the smartphone and wearable device markets. 2. Launched the high-specification Gas Gauge, successfully introducing it into systems such as e-readers and POS machines. 3. Launched the new generation temperature and humidity sensor measurement platform, introducing it to the industrial control market.

(IV) Long and Short-Term Business Development Plans

A. Short-Term Business Development Plans

- (1) The touch IC supporting the active pen protocol has expanded its business to major laptop manufacturers, while also extending its promotion to the top five global laptop brands and tablet manufacturers.

- (2) In the MEMS microphone chip and solution market, the Company actively promoted the newly developed digital output solution to complete test verification, customer sampling, and preparation for mass production introduction.
- (3) The new generation lithium battery protection chip introduced a new low-power design architecture and the production calibration function of eFuse. Satisfied the demands of tier-one customers for power saving and high precision.
- (4) Introduced the temperature-sensing single-cell lithium battery protection chip into branded customers' game controllers.

B. Medium- to Long-Term Business Development Plan

- (1) Strengthen the design capabilities for industrial products and automotive peripheral ICs, expanding the application scope of the products.
- (2) Expand the efforts in hardware and software development to provide the most competitive solutions in touch ICs, active pen control ICs, lithium battery measurement ICs, and mixed-signal microcontroller ICs.
- (3) The Company continuously elevated brand value and continuously refined quality to achieve the level of automotive electronics. Furthermore, the Company developed high value-added products to strengthen market competitiveness.
- (4) In the market of microelectromechanical microphone chips and solutions, the Company continues to develop business in different application markets, such as TWS active noise-canceling earbuds, the Artificial Intelligence of Things (AIoT), OTC hearing aid devices, and automotive market.
- (5) The Company expanded overseas business, cultivated brand customers in Europe, the US, Japan, and South Korea, and provided complete solutions to increase customer cohesion.

II Market, Production and Sales Overview

(I) Market Analysis

A. Analysis of Market Sales of the Company's Products Unit: NT\$

Region/Item		2025		2024	
		Sales Amount	Ratio (%)	Sales Amount	Ratio (%)
Foreign Sales	Asia	2,540,221	90%	59,821	80%
	Others	1,724	0	0	0%
	Subtotal	2,541,779	90%	590,821	80%
Domestic Sales		279,192	10%	147,739	20%
Total		2,821,137	100%	738,560	100%

Note: The above sales amounts are expressed in net amount/consolidated using IFRSs.

B. Market Share

Global Analog IC Market Trends: Moving from General Expansion to Deep Integration of "High Performance and Specific Applications"

Entering 2026, the global analog IC market has officially shaken off the inventory digestion cycle and entered a new growth cycle driven by the dual engines of "energy transition" and "smart sensing." According to data from research institutions, the global analog IC market size is expected to exceed US\$90 billion in 2026, maintaining a compound annual growth rate between 8% and 10%. The market structure is undergoing fundamental changes. The demand for traditional general-purpose amplifiers and comparators has stabilized, while Application-Specific Standard Products (ASSPs) centered on "high precision, low power consumption, and high voltage" demonstrate strong momentum. Particularly in the three major fields of electric vehicle energy management, Industry 4.0 monitoring, and smart home healthcare, their revenue contribution has accounted for over 60% of the overall analog market.

Regarding technological trends, with the popularization of Edge AI, analog ICs are no longer merely responsible for signal conversion; instead, they have evolved into mixed-signal systems possessing preprocessing capabilities. To respond to the extreme battery life requirements of mobile devices and wearable medical equipment, low quiescent current (Low Iq) and highly integrated SoCs have become the watershed of industry competition. The Company (SiS) astutely perceived this market shift. By integrating Hycon Technology's patent advantages in the precision analog field, the Company precisely targets the high value-added medical-grade sensing and energy protection markets. This strategy of transforming from "general analog" to "high-performance specific fields" enabled the Company to successfully avoid red ocean competition in the global analog supply chain. Furthermore, the Company continuously expands brand influence and market share in niche markets pursuing extreme precision and compliance safety. With the global emphasis on chronic disease prevention, the market size for home blood pressure monitors and blood glucose monitoring is estimated to

reach US\$25 billion in 2026. In the blood pressure monitor market, products are experiencing an upgrade and transformation from "home single measurement" to "wearable continuous tracking." Relying on high-resolution ADCs and precision mixed-signal processing technologies, the Company can significantly enhance the noise immunity capabilities of pressure sensing. Currently, the Company's market share in Asian home blood pressure monitor control chips steadily ranks in the top tier. Furthermore, in high-end models possessing Bluetooth networking functions, the shipment volume growth rate is 15% higher than the industry average. This not only demonstrates the Company's hard power in analog technology but also reflects customers' high degree of trust in the advantages of the Company's solutions regarding high precision and low-cost development (Time-to-market).

In the blood glucose monitoring field, the market is in a critical period of transitioning from traditional blood glucose monitoring (BGM) to continuous glucose monitoring (CGM), with the CGM market's compound annual growth rate (CAGR) reaching over 20%. The Company utilized the ultra-low power consumption technology following the integration with Hycon Technology to successfully research and develop a sensing chip capable of capturing weak signals at the picoampere (pA) level, effectively resolving the pain points of CGM device volume and battery life. Currently, the Company has successfully penetrated key links in the supply chains of the world's top five medical device companies. By providing SoC solutions with lower power consumption and smaller packaging than peers, the Company's penetration rate in the professional blood glucose monitoring market is climbing year by year. It is expected that within the next three years, as customers mass-produce new models, the Company will further enhance its influence in the global digital health market.

In the field of battery protection ICs, Primary Protection and Secondary Protection represent different safety levels and technological thresholds. For SiS, after merging with Hycon, the data from these two markets can precisely demonstrate the Company's strength in leaping from "consumer grade" to "industrial/automotive grade."

The Dual Fortress of Battery Safety Protection — Market Leading Position of Primary and Secondary Protection ICs

As global safety requirements for lithium batteries become more stringent, Battery Management Systems (BMS) are comprehensively transforming from a single-level protection architecture to a "dual protection" architecture. As the first line of defense for batteries, primary protection ICs are responsible for precisely monitoring charge and discharge voltages and currents. Its market demand steadily grows with the popularization of handheld devices and medical equipment. Relying on years of technological accumulation deeply cultivated in the primary protection field, the Company's products have widely penetrated the supply chains of mainstream global wearable devices and smartphones, with shipment volumes in the Asian market steadily ranking in the leading echelon. Facing the comprehensive implementation of China's

3C Compulsory Certification (CCC) and the new national standard GB 31241 in 2026, the Company's primary protection solutions, possessing extremely high integration and precision, assisted customers in significantly reducing the product testing failure rate from the industry average of 44% to below 5%. This enabled the Company to further expand its share in the safety compliance market.

In the field of Secondary Overvoltage Protection ICs, which has a higher technological threshold, the market is expected to reach a scale of US\$1.6 billion in 2026. As the last line of defense, secondary protection is primarily applied in high-power scenarios such as notebook computers, power tools, and data centers, requiring chips to possess extremely high reliability and independence. Following the merger with Hycon Technology, the Company successfully integrated high-voltage processes and precision analog technologies. The launched secondary protection solutions have been successfully introduced to multiple major global notebook manufacturers. In the secondary protection market pursuing "zero mistakes," the market penetration rate of the Company's products increased by approximately 25% compared to the same period last year. In the future, the Company will continuously strengthen the one-stop chipset layout of Dual Protection. Utilizing the advantages of complementary technologies, the goal is to become one of the top three global high-performance battery protection chip suppliers in 2028.

As hybrid working and digital learning become the norm, the global touch display market in 2026 is transforming from simple "touch" to cross-dimensional competition involving "precision pressure sensing and low-latency writing." Particularly in the field of tablet computers over 11 inches and smart interactive whiteboards, market requirements for touch panel controller ICs (TPIC) have reached a report rate of over 240Hz and an extremely high signal-to-noise ratio to combat increasingly complex environmental electromagnetic interference.

Having deeply cultivated the touch field for many years, the Company relies on advanced noise-cancellation algorithms and high-performance architectures. The developed TPIC solutions ensure a smooth, blind-spot-free operational experience even on large-sized panels. Particularly in the supporting technologies for active pens (Stylus,) the Company's solutions support the latest low-energy Bluetooth and multi-level pressure sensing standards, achieving "zero-perceived latency" writing comparable to real pen and paper. Currently, the Company's shipment volume in the 2-in-1 notebook computer and high-end tablet markets grows steadily, and its market share in the Asian education and business tablet markets ranks among the top three. Through deep strategic cooperation with leading international notebook brands, the Company not only achieved a leading position in System-on-Chip (SoC) integration technology, but the penetration rate of next-generation touch solutions supporting active pen functions also grew by 35% compared to the same period last year. This

successfully established the Company's leading position in the high-end human-machine interface market.

C. Supply, Demand and Growth of the Market in the Future

(1) Market Supply and Demand Dynamics: Shifting from "Standardized Expansion" to "Deep Cultivation of Customization"

Currently, the global semiconductor market has returned to normal from the past supply and demand imbalance. However, in the field of high-performance analog and mixed-signal ICs, the market is presenting a significant structural mismatch in supply and demand. As the demands of medical-grade wearable devices, smart energy management, and high-end human-machine interfaces for "extreme precision" and "extremely low power consumption" surge, traditional general-purpose chips can no longer satisfy the stringent requirements of end applications for space and performance.

The MSPs (Mixed-Signal Microprocessors) and BMS (Battery Management Chips) focused on by the Company are currently in this growth cycle where "Application-Specific Chips (ASIC/ASSP)" are in short supply. Because the technological threshold for high-precision sensing is extremely high, suppliers possessing stable production capabilities and high yields are limited. Relying on stable cooperative relationships within the foundry system and profound circuit design foundations, the Company demonstrated strong supply resilience in the market, effectively taking on the import substitution demands transferred from major European and American manufacturers.

(2) Growth Forecasts for Core Products

(a) Medical Monitoring and Precision Sensing: The Digital Dividend of Chronic Disease Management

As global aging drives the expansion of the blood pressure monitor and blood glucose monitoring markets at a compound annual growth rate of 10% to 15%, the Company's high-resolution ADC and MSP solutions have become the core engines driving the "miniaturization" of medical equipment. Particularly in the fields of continuous glucose monitoring (CGM) and smart wearable blood pressure detection, the Company's products rely on extremely low standby power consumption and medical-grade precision. As customers' products are promoted from Asia to the global market, it is expected that shipment volumes will exhibit step-by-step growth over the next three years.

(b) Battery Protection and Energy Management: Compulsory Demand Driven by Regulations

Benefiting from the dual thrust of the EU Battery Regulation and China's 3C safety certification, the market has seen explosive growth for primary protection and secondary protection ICs possessing "high safety and high recording capabilities." By integrating Hycon Technology's advantages in

precision voltage detection, the Company successfully penetrated the key supply chains of notebook computers and energy storage equipment. Against the backdrop of clear regulatory trends, the Company's BMS products transitioned from optional features to "rigid demands," making growth momentum highly predictable.

(c) Integration of Touch and Acoustics: The New Wave of AI Tablets and Writing Collaboration

In the segments of TPICs and active pens, benefiting from the pursuit of "large-sized tablets" and "realistic writing" in the education and business markets, coupled with human-machine interface upgrades driven by the AI PC trend, the Company demonstrated strong premium pricing capabilities in touch technologies possessing the advantages of high sampling rates and low latency. In the MEMS MIC field, as voice assistants and ANC noise-cancellation technologies become standard features, the high acoustic overload point (AOP) characteristic of the Company's ASIC solutions is becoming the new growth momentum for the Company to penetrate the high-end consumer electronics market.

- (3) Regarding touch chips and active pen control chips: Touch ICs and active pen ICs are upstream in the entire touch industry, with market demand growing steadily. Domestic suppliers include SiS, FocalTech, Elan Microelectronics, eGalax_eMPIA Technology, Novatek, ILI Technology, and Waltop. Foreign manufacturers include Goodix, Himax, Synaptics, and Melfa. Touch ICs are widely used in handheld mobile devices, NB, AIO, and other human-machine interfaces that can replace button control with touch panels. Currently, cell phones and tablet PC are the top two in terms of production volume, but the gross margin is relatively low. The cost of ultra-large touch panels continues to decrease and the demand of the ultra-large touch panel market has formed another wave of growth momentum. In addition, MPP stylus pen and USI stylus pen applications are growing in NB and AIO markets. Small to medium-sized touch panels will be an important profit direction for the Company. In terms of growth, the demand for touch functions has extended from finger touch applications to active pen applications. Product types range from laptops, all-in-one (AIO) computers, tablets, handheld devices, to large-sized interactive whiteboard (IWB) conference systems. Major brand manufacturers continue to launch products that support active styluses, such as Microsoft's Surface Pro tablet(Surface Pro), Microsoft's All-in-One computer (Surface Studio), and Microsoft's conference room interactive whiteboard (IWB) system (Surface Hub), all of which have integrated active stylus functions, while also stimulating demand for touch functionality in the market. Google continues to incorporate active stylus applications into Chromebook laptops, and the already launched conference room IWB system

(Google Jambo) also supports active stylus applications. Apple also continues to expand the use of active styluses in its iPad products of new generation. Next-generation touch technologies are no longer limited to finger touch. Consumers have accepted the convenience of active pen applications, such as utilizing active pens to record daily events or class notes and saving them to the cloud.

The widespread use of touch functions and applications with fingers, as well as the increasing maturity of active stylus technology and the cultivation of usage habits, will bring another wave of significant growth opportunities for consumer touch products.

The rise of emerging application fields: As technologies continuously advance, lithium batteries will play a more important role in emerging application fields. For example, developments in fields such as drones, smart wearable devices, and smart homes will further drive the growth in demand for lithium batteries.

D. Competitive Niche, Advantages and Adverse Factors of Development Prospects and Countermeasures

(1) Steady business operations:

The Company's management team is focused on core operations, adhering to the principles of integrity, quality, professionalism, and service. This approach enables the Company to maintain growth and operational stability amidst intense competition.

(2) Provide innovative product solutions:

The Company focuses on developing high-precision mixed-signal chips, not only surpassing competitors in chip performance but also offering the most competitive solutions. Furthermore, we are dedicated to enhancing product specifications and introducing new features for our customers.

(3) Excellent quality and brand:

The Company has always adhered to providing customers with products of excellent quality, accurate delivery schedules, reasonable prices, and a commitment to fulfilling promises. This dedication has helped establish a solid reputation and strong business goodwill.

E. Favorable and Unfavorable Factors for Development Vision and Countermeasures
Favorable Factors

■ Complete Professional Division of the Upstream and Downstream IC Industry, Providing Competitive Advantages

Taiwan's semiconductor industry has a well-structured division of labor, and in the face of rapidly changing industry competition and expanding capital equipment investments, the country has concentrated its resources within specific industry sectors. This, coupled with a vertically integrated business model across the upstream, midstream, and downstream sectors, has led to the development of specialized manufacturing capabilities in wafer foundries, packaging, and testing

plants. Furthermore, the economies of scale achieved in these sectors meet the growing demands of the industry. Driven by a commitment to providing high-quality services that are internationally competitive, this structure enables IC design companies to effectively manage new product development and market launch timing. It allows them to quickly respond to customer needs and secure a competitive advantage in the market.

■ **Taiwan and Mainland China as Major Hubs for Consumer Electronics and Home Appliance Production**

Since the 1980s, Taiwan's information industry has fully invested in production and manufacturing activities. With a high degree of mobility, a well-established supply chain for raw materials and components, and outstanding management talent and cost control capabilities, Taiwan has risen to become a major global hub for electronic product manufacturing. In recent years, Mainland China, leveraging its abundant human resources and land, along with the transplantation of Taiwan's management experience, has grown increasingly important in production. Nearly 70% of the global value of consumer electronics and home appliances is concentrated in Taiwan and Mainland China. Due to cost advantages and geographical proximity, the procurement of related components is also concentrated in Taiwan, offering ample growth opportunities for the local component industry. Our company, with Taiwan as the core base for technological research and development, provides specialized high-precision analog ICs. By working with local agents in Mainland China for business promotion, we can serve customers nearby and lead the industry in capturing market opportunities.

■ **Growth in End-Product Market Demand**

In home medical electronics, aside from maintaining stable annual growth driven by an aging population and the economic growth of emerging countries, wearable devices have received market attention in recent years. Wearable devices focused on health and medical care will be the primary development direction in the future and will also bring many business opportunities to the Company. Furthermore, in lithium battery management, aside from the continuously increasing market size for smart mobile devices, the market demand for lithium batteries applied in electric vehicles and energy storage devices has also begun to sprout under the influence of environmental protection and green energy trends. This is expected to drive demand growth in the battery management chip market.

Unfavorable Factors:

■ **Long Development Period for End Customers, Difficulty in Introducing Products to New Customers**

Due to the end-application market characteristics of mixed-signal microcontroller chip products, end customers must undergo long-term certification and design solutions before adopting them. Once chips are adopted by customers, they are not

easily replaced. Therefore, the willingness of end customers to certify ICs from new manufacturers is not high. Particularly, home medical electronic products have long life cycles. Once models and specifications are determined, there are fixed layouts of circuit boards and corresponding specifications of passive components. Changing component suppliers during the process will impact end customers by increasing transition costs. Consequently, the entry barrier for developing new customers is extremely high.

Countermeasures:

The product planning and performance need to possess originality and superiority to attract customer attention and encourage them to invest resources in product development.

By leveraging agents or solution providers to penetrate different application areas, sales risks can be reduced.

Maintaining high product quality and accumulating a strong market reputation is essential for strengthening customer confidence in product usage.

■ Competitive Erosion by Simple, Low-Cost Products with Limited Features

Countermeasures:

Continuously seek methods to reduce costs.

Maintain high product quality and excellent customer service.

Continuously upgrade products to enhance added value.

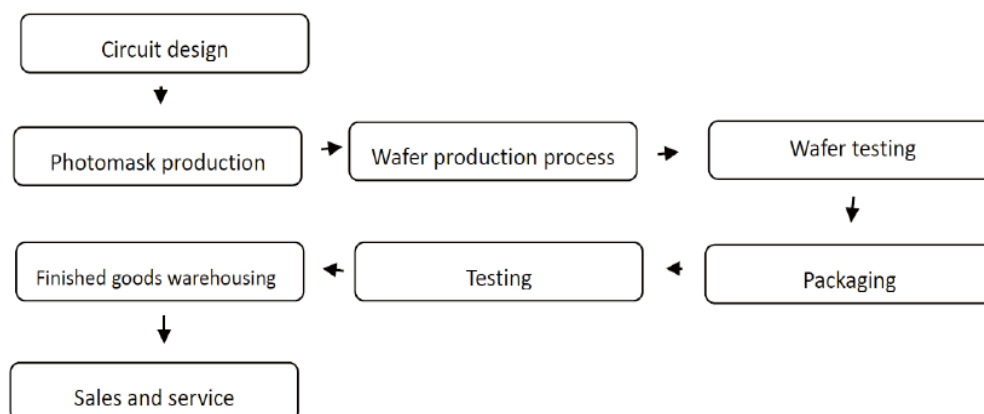
Strengthen marketing channels and actively expand into overseas markets.

(II) Key Functions and Manufacturing Process of Core Products

A. Key Applications of the Products

Main Products	Important Applications
Touch Chip and Active Stylus Control Chip	Instead of using the traditional mechanical buttons, the intuitive user interface allows users to operate by touching the screen with fingers or the pen tip. It can be used in consumer electronic products such as cell phones, notebooks, tablets, road navigation systems, interactive whiteboards, and human-machine interface for industrial computers.
Mixed-signal microcontroller product line	Applications include health management devices (such as digital body weight scales, body fat scales, and nutritional scales), home healthcare electronics (such as digital thermometers, ear thermometers, blood glucose meters, and blood pressure monitors), digital multimeters, pricing scales, tire pressure gauges, MEMS sensors, and home security monitoring systems.
Battery management chip product line	Applied in lithium battery protection ICs and battery fuel gauge ICs for devices such as Bluetooth headsets, smartphones, feature phones, tablet computers, notebook computers, energy storage systems, power banks, digital cameras, digital-to-analog converters, power tools, robotic vacuum cleaners, and fascia massage guns.
Other product lines	Contracted development, design, and technical services

B. Production process



(III) Supply of Major Raw Materials

United Microelectronics Corp. is the primary raw material supplier for the chips of the Company and has a stable source of supply.

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(V) Information on Manufacturers and Customers that Account for over 10% of Sales and Purchases

A. Supplier Information

Currency Unit: NT\$'000

Item	2025				2024			
	Name	Amount	Percent to the Annual Net Purchase Amount (%)	Relationship with the Issuer	Name	Amount	Percent to the Annual Net Purchase Amount (%)	Relationship with the Issuer
1	United Microelectronics	883,348	44%	Note 2	Company C	170,441	38%	Note 2
2	Company C	386,737	19%	Note 2	United Microelectronics	167,502	37%	Note 2
3	Others	746,020	37%	None	Others	112,546	25%	None
4	Net purchase	2,016,105	100%		Net purchase	450,489	100%	

Note.1 Adopted IFRS consolidated information.

Note.2 Shareholders holding 10% or more of shares or other subsidiaries.

B. Information on Sales Customers

Currency Unit: NT\$'000

Item	2025				2024			
	Name	Amount	Percent to the Annual Net Sales Amount (%)	Relationship with the Issuer	Name	Amount	Percent to the Annual Net Sales Amount (%)	Relationship with the Issuer
1	Others	2,821,137	100%	None	Company D	83,464	11%	None
2	-	-	-	-	Others	655,096	89%	None
	Net sales	2,821,137	100%		Net sales	738,560	100%	

Note.1 Adopted IFRS consolidated information.

Note.2 Investee companies accounted for using the equity method.

III Employees

Year		The Current Year up to February 23	2025	2024
Number of Employees	Technicians	0	0	0
	Engineers	150	150	171
	Employees	38	38	23
	Total	188	188	194
Average Age		45.1	44.9	42.8
Average Service Year		10.4	10.3	10.1
Academic Distribution Ratio %	PhD (%)	1.6	1.6	1.6
	Master Degree (%)	42.6	42.6	47.4
	Bachelor Degree (%)	54.3	54.3	51
	High School (%)	1.5	1.5	0

Note.1 Adopted consolidated information.

Note.2 The printing date of this annual report is February 23, 2026.

IV Environmental Expenses

- (I) Total losses (including compensation) and penalties arising from environmental pollutions in the past year and up to the date of publication of the Annual Report: None
- (II) Countermeasures in the future, including improvement measures and possible expenditures:

The Company is primarily engaged in the design, testing, and sales of integrated circuits and complies with environmental regulations and relevant international standards and norms. In the course of business activities, the Company also aims to protect the nature and strive for environment-friendly and sustainable management. Provide a working environment that is environmentally friendly, safe and hygienic, and establish an appropriate management system so that all employees can work

with peace of mind and happiness. In accordance with the environmental, safety and health policy, adhering to the concept of sustainable management, the Company continues to control, prevent and improve environmental protection and green energy. At the same time, the Company participates in activities such as the Taiwan Semiconductor Industry Association and is committed to promoting the environmental, safety and health management system by responding to the activities organized by the competent authorities.

In response to global warming and the sustainable development of our business, we are actively working to save electricity, reduce carbon, improve the high efficiency of our machinery and equipment, and build solar power generation equipment on the roof of our building to develop green energy, of which NT\$15 million has been invested in 2022.

Engage in R&D, production and service in accordance with the following principles to reduce the impact of the Group's operations on the natural environment:

- A. Comply with and implement domestic regulations and other related requirements on environmental, safety and health.
- B. Reduce the resource and energy consumption of products and services.
- C. Increase the durability of products and maximize the lifecycle of renewable resources.
- D. Increase the efficiency of products and services, and improve the recyclability and reuse of raw materials or products.
- E. Establish an environmental, safety and health management system, and continuously prevent and improve pollution.
- F. Regularly review the operation of the environmental, safety and health policy and management system through management and review.
- G. Conduct environmental training courses for management and employees, and regularly review environmental sustainability goals and progress.

V Labor Relations

The Company's human resource policy respects and guarantees basic labor human rights principles, and establish appropriate management methods and procedures. In order to protect the legal interests of employees, the Company has established the "Work Rules of Silicon Integrated Systems Corporation" in accordance with the Labor Standards Act and related laws and regulations. The Company also provides employees with information on labor laws and regulations for employees to comply with. If the employees have any doubts about the labor human rights protection policy, the Company will appoint a labor-management meeting to discuss the matter. If the discussion fails to reach a consensus, it will be submitted to the competent authority.

- (I) The implementation of employee welfare measures, further education, training, retirement systems and implementation, as well as agreements between employers and employees and measures to protect the rights and interests of employees

A. Employee Benefits and Measures

The main welfare items of the Company are as follows:

(1) Remuneration and Reward System

The Company provides market-competitive salary levels and established a comprehensive and diverse reward mechanism to give colleagues substantial feedback:

Bonuses for the three major festivals: Dragon Boat Festival, Mid-Autumn Festival, and Year-End.

Generous performance bonus system closely linking performance with returns.

Employee profit-sharing system to share the results of corporate growth.

Diverse incentive bonuses and an outstanding employee recognition system to affirm every contribution.

Encouraging innovation, the Company established rewards for R&D innovation and intellectual property development.

(2) Career Development and Growth Opportunities

The Company values the long-term development of employees and creates a continuously growing work environment:

Comprehensive career development planning to assist in clarifying future directions.

Diverse high-quality training courses and external training subsidies.

Encouraging learning and self-improvement to continuously enhance professional competitiveness.

(3) Comprehensive Protection System

The Company provides all-around protection, allowing colleagues to work with peace of mind without worries:

Labor insurance and national health insurance: participate in labor insurance and national health insurance in accordance with the law.

From the date of reporting for duty, official employees enjoy group insurance insured by the Company on their behalf. The Company fully bears the premiums and provides subsidies for dependent group insurance, adding multiple layers of protection and care.

The Company appropriates pensions in accordance with the law to guarantee long-term livelihoods.

A leave system superior to the Labor Standards Act, providing 7 days of half-paid personal leave annually.

(4) Employee Welfare and a Healthy, Friendly Workplace

The Company cares about the quality of life of colleagues, providing diverse and considerate welfare to create a work environment that balances physical and mental health:

Subsidies for domestic and foreign employee travel to promote interaction and relaxation.

Providing meal subsidies, marriage/funeral/celebration subsidies, and gift vouchers for the three major festivals / Labor Day / birthdays.

Free afternoon tea, adding small joys to work.

Irregular departmental gatherings and diverse activities and seminars.

Regular health checkups and the establishment of a health center in the plant area.

Outdoor trails, indoor gymnasiums, and club activities to encourage healthy living.

Four levels of underground free flat parking lots, making commuting safe and convenient.

Establishment of a library and advanced audio-visual music leisure facilities.

Elegant and clean restaurants and cafes, providing nutritious meals daily.

The main welfare items handled by the Employee Welfare Committee are as follows:

- (1) In order to enhance employee welfare, the Company has established the Employee Welfare Committee to provide employees with recreational activities, annual celebration subsidies, medical treatment, and further education and other related benefits. The Employee Welfare Committee Charter shall be formulated and reported to the competent authorities in accordance with the regulations.
- (2) The source of employee benefits shall be appropriated in accordance with the "Employee Welfare Fund Act. "A monthly contribution of 0.1% of total operating revenues, 0.5% of employees' salaries and allowances, and 20% of the scrap sales proceeds are set aside as employee benefits.
- (3) Employees are entitled to childbirth gratuity, wedding gratuity, funeral money, birthday, Labor Day and three festivals gift certificates (Dragon Boat Festival, Mid-Autumn Festival and Chinese New Year.)
- (4) Organize various activities.

B. Staff training and education

Talent is the cornerstone of sustainable business. Our company actively promotes a learning organization, strives to refine employees' abilities and cultivate the quality talents needed by the organization, and draws up annual training plans to address the needs of our employees. The Company offers new employee training and in-service employee training, professional and technical training, management training, self-initiative training, quality management training, safety and health, to provide employees with comprehensive professional skill development and self-growth courses required for their careers.

C. Retirement system:

The Company contributes labor retirement fund to the Labor Retirement Fund Supervisory Committee in accordance with the law, and handles employee pension payments in accordance with the Labor Standards Act. Starting from July 1, 2005, for those who choose the Labor Pension Act retirement system, the Company shall pay 6% of their monthly salaries to the retirement account under the Bureau of Labor Insurance in order to fully protect the rights and interests of employees.

D. Employees Code of Conduct

To ensure the conduct of the Company's employees in compliance with the Code of Conduct and to provide a basis for rewards and punishments, and to provide a better understanding for the Company's stakeholders to the ethical standards and code of conduct that the Company's employees should follow in performing their duties, the Company has established the Employee Code of Conduct and a rewards and punishments system. Its main contents are as follows:

- (1) Ethics and integrity
- (2) Respect individuals and customers
- (3) Avoid conflicts of interest
- (4) Gifts and entertainment
- (5) Complete, fair, accurate, timely and understandable disclosure
- (6) Implementation of Code of Ethics and fraud prevention and protection against whistle-blowing and retaliation

E. Labor-management agreements in recent years

In accordance with the implementation rules of the labor-management meeting promulgated by the government, the Company elects the representatives of the labor and the representatives of the management are sent by the Company to participate in the meeting. The labor-management meeting is held once every three months to coordinate labor-management relations, promote labor management cooperation, and prevent various labor problems before they occur. The meeting is held once every three months to coordinate labor-management relations, promote labor-management cooperation, and prevent various labor problems. The meeting is held to discuss and negotiate on labor welfare issues, labor safety and health, efficiency improvement, annual calendar, etc., and to reach a consensus for implementation so that both employers and employees can benefit from each other.

F. Measures for preserving employees' rights and interests in recent years

The Company's employees are well qualified and the Group's management philosophy and policies are implemented. In addition, the Group has an internal website to provide employees with up-to-date information and an employee suggestion box to receive different voices.

G. Work environment and employee safety protection measures

To protect the safety and health of workers, the Company has set up occupational safety and health management units, personnel, and labor health care staff to carry out occupational safety and health management in accordance with the requirements of the occupational safety and health related laws and regulations. In addition, according to the structure of the occupational safety and health management system, the Company continuously optimizes the occupational safety and health management and identify the possible hazards and risks in the system, environment and operation in the workplace with the concept of risk prevention. The Company determines the risk level and set

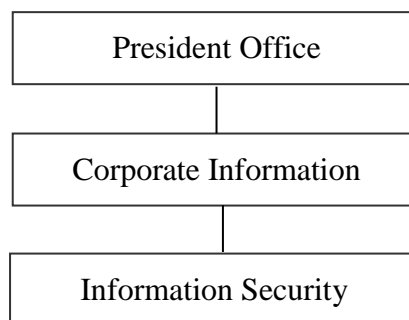
improvement measures to eliminate and replace unsafe and unhealthy machines, equipment, and operations, to enhance education and training, and to strengthen compliance with laws and regulations by promoting employee health, and the main work environment and personal safety protection measures are as follows:

- (1) Occupational safety and health measures
 - (2) Occupational safety and health management
 - (3) Occupational safety and health training
 - (4) Health management and health promotion
- (II) For the most recent year and as of the date of publication of the Annual Report, the losses suffered as a result of labor disputes, and disclose the estimated amount of current and potential future losses and responses:
- A. The Company did not incur any loss from labor disputes in the past year and up to the date of publication of the Annual Report.
 - B. The Company values labor relations and is currently maintaining a positive interaction mechanism between the two parties through various communication channels to achieve the goal of taking care of employee welfare and enhancing a quality working environment, and to eliminate disputes that may arise from unnecessary labor disputes by enhancing employee satisfaction in a comprehensive manner. In view of this, under this mechanism of joint participation and adequate communication between employers and employees, it is expected that there will be no labor disputes in the future.

VI Information Security Management

To prevent various information security threats and prevent theft, tampering or loss of company information, the Company has deployed information security protection technologies to strengthen information security management and internal anti-virus. In addition to adopting a multi-layer network architecture design, the Company has also incorporated anti-hacking and anti-leakage mechanisms to enhance the security of the overall information environment and implement personnel information security management measures. the Company has ensured the security of software and hardware information such as data, systems, equipment and networks, and protected the confidentiality, integrity and availability of information.

(I) Information Security Management Framework



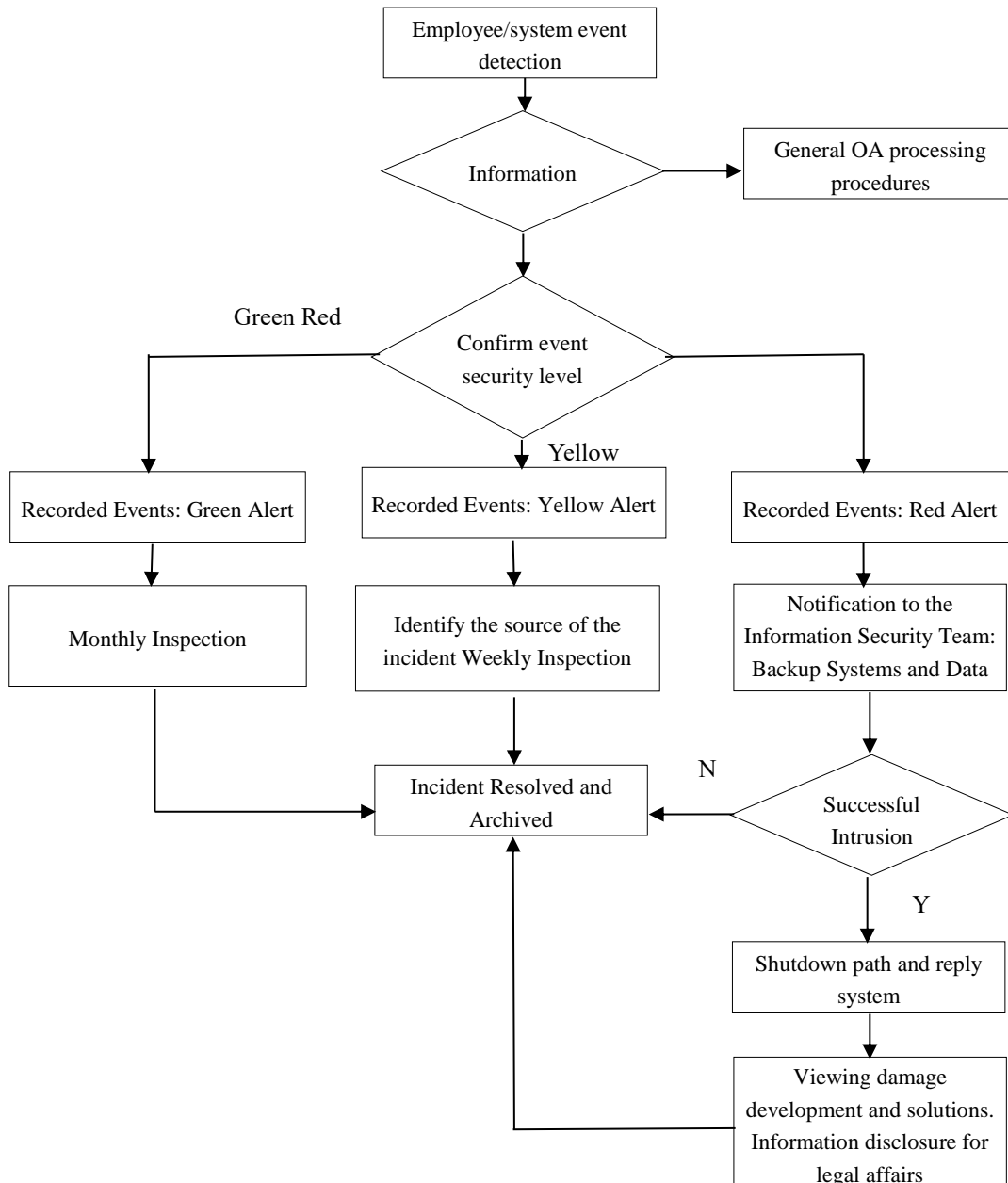
- Corporate Information Security Committee: it is the highest directing organization for information security in the company and is directly under the President's Office, leading the promotion of company-wide information security policies and plans. There is a chief committee member who is responsible for driving and supervising. The Corporate Information Security Committee is composed of the relevant first-level executives of the department and is responsible for resolution and support.
 - Information Security Promotion Team: to effectively promote information security business, the company has an information security promotion team, which consists of various information security experts, responsible for developing information security plans.
- (II) Promoting information security policies: to effectively implement information security management, the Company has reviewed the applicability of information security policies and protection measures based on the management cycle of Plan-Do-Check-Act (PD) to strengthen information security management and prevent unauthorized access, use, control, leakage, destruction, tampering, destruction or other violations of the company's data systems, equipment and networks to ensure their Confidentiality, integrity and availability.

(III) Specific Management Solutions

Security protection	Control measures
Network security	Strengthen the network firewall network control, blocking network attacks
System security	Regular system vulnerability fixing System virtualization and creation of redundancy on different hosts Regular backup of important information Account passwords must be upgraded to a certain level of complexity and must be updated regularly Build a backup system in off-site company
Personal system security	Use system update service with software system factory security update Centralized anti-virus system with virus code update, regular scanning, virus event monitoring and event troubleshooting
Enterprise application system	Regularly review user privileges Rigorous procedures for program modification
Information security awareness	Occasional information security concept promotion and education training

(IV) Response and countermeasure to information security incidents

- A. The notification and handling of information security incidents are carried out in accordance with the norms of this procedure, and are classified into red, amber, and green alerts according to the severity of the incident: high, medium, and low, and are handled in various ways, and efforts are made to reduce the loss of information, theft, and interruption of important computer services.
- B. Emergency procedures for handling information security incidents:



- (V) Input resources for information security management
- Strengthen the information and communication security framework
 - Establish information security manpower: one information security manager and one information security personnel.
 - Conduct annual disaster recovery (DR) mechanism simulation exercises for off-site backup and restoration testing.
 - Conduct internal audits and accountant audits of the information cycle annually.
 - Joined the Cybersecurity Leaders' Networking Association organized by the Software Association, to stay updated on trends, response strategies, and to acquire and exchange cybersecurity information.
 - Purchased firewalls possessing mechanisms for intrusion prevention, URL filtering, and APT attack protection.
 - Regularly scans the Company's personal computers to strengthen client-side system security, anti-hacking, and other operations.
 - The Information Security and Personal Data Management Committee convened one meeting regularly.
 - Staff educational training
 - Regularly conducts information security education policy training targeting all Company colleagues.
 - Conduct information security awareness campaigns
 - Regularly conduct awareness campaigns for all employees to strengthen information security awareness.
- (VI) Losses suffered as a result of significant information security incidents, possible impact and countermeasures for the most recent year and up to the date of publication of the annual report: None

VII Material Contracts:

Contract Nature	Parties Involved	Contract Duration (Start and End Dates)	Key Terms and Conditions	Restrictive Covenants
Investment Agreement	HYCON TECHNOLOGY CORPORATION	2024-2025	A share exchange was executed between both parties	None

Chapter 5. Review and Analysis of Financial Condition and Financial Performance

I Financial Condition

(I) IFRS Parent Company Only Financial Statements

Currency Unit: NT\$'000

Item/Year		2025	2024	Increase (decrease) in amount	Change ratio %
Current assets		1,649,890	1,468,437	181,453	12.36
Property, plant and equipment		738,802	734,068	4,734	0.64
Intangible assets		1,735	2,556	(821)	(32.12)
Other Assets		16,143,288	12,102,206	4,041,082	33.39
Total Assets		18,533,715	14,307,267	4,226,048	29.54
Current liabilities	Before distribution	223,760	187,160	36,600	19.56
	After distribution	(Note)	129,644	-	-
Non-current liabilities		13,600	9,408	4,192	44.56
Total Liabilities	Before distribution	237,360	196,568	40,792	20.75
	After distribution	(Note)	139,052	-	-
Share capital		5,149,882	4,872,331	277,551	5.70
Capital surplus		1,805,591	106,980	1,698,611	1,587.78
Retained earnings	Before distribution	5,021,959	4,482,300	539,659	12.04
	After distribution	(Note)	4,224,806	-	-
Other equity interest		6,318,923	4,649,088	1,669,835	35.92
Total equity	Before distribution	18,296,355	14,110,699	4,185,656	29.66
	After distribution	(Note)	13,853,205	-	-

Note: Subject to the approval at the 2026 annual shareholders' meeting

Differentiation analysis:

1. The increase in other assets and other equity is primarily attributed to the fair value of financial assets measured at fair value through other comprehensive income and investments accounted for using the equity method.
2. The increase in share capital and capital surplus is primarily attributed to the share premium of ordinary shares issued through a capital increase to acquire 100% equity of Hycon Technology Corp.

(II) IFRS Consolidated Financial Statements

Currency Unit: NT\$'000

Item/Year		2025	2024	Increase (decrease) in amount	Change ratio %
Current assets		4,604,660	2,243,892	2,360,768	105.21
Property, plant and equipment		1,039,914	846,801	193,113	22.81
Intangible assets		1,390,089	12,939	1,377,150	10,643.40
Other Assets		13,417,264	11,642,728	1,774,536	15.24
Total Assets		20,451,927	14,746,360	5,705,567	38.69
Current liabilities	Before distribution	1,386,634	557,431	829,203	148.75
	After distribution	(Note)	499,915	-	-
Non-current liabilities		652,524	16,624	635,900	3,825.19
Total Liabilities	Before distribution	2,039,158	574,055	1,465,103	255.22
	After distribution	(Note)	516,539	-	-
Equity attributable to owners of the parent company		18,296,355	14,110,699	4,185,656	29.66
Share capital		5,149,882	4,872,331	277,551	5.70
Capital surplus		1,805,591	106,980	1,698,611	1,587.78
Retained earnings	Before distribution	5,021,959	4,482,300	539,659	12.04
	After distribution	(Note)	4,224,806	-	-
Other equity interest		6,318,923	4,649,088	1,669,835	35.92
Non-controlling interest		116,414	61,606	54,808	88.97
Total equity	Before distribution	18,412,769	14,172,305	4,240,464	29.92
	After distribution	(Note)	13,914,811	-	-

Note: Subject to the approval at the 2024 annual shareholders' meeting

Differentiation analysis:

1. The increase in current assets and intangible assets is primarily attributed to acquiring 100% equity of Hycon Technology Corp.
2. The increase in other assets and other equity was mainly due to the increase in the fair value of financial assets measured at fair value through other comprehensive income.
3. The increase in current liabilities and non-current liabilities is primarily attributed to the increase in contract liabilities and long-term borrowings.
4. The increase in share capital and capital surplus is primarily due to the capital increase from the issuance of new shares to acquire 100% of the common stock of Hycon Technology Corp. at a premium.

II Financial Performance

(I) IFRS Parent Company Only Financial Statements

Currency Unit: NT\$'000

Item/Year	2025	2024	Increase (decrease) in amount	Change ratio %
Sales revenue	280,876	164,568	116,308	70.67
Gross profit	107,548	80,438	27,110	33.70
Operating loss	(400,425)	(344,525)	(55,900)	16.23
Non-operating income and expenses	1,198,748	925,494	273,254	29.53
Profit before income tax	798,323	580,969	217,354	37.41
Income from continuing operations	788,226	498,582	289,644	58.09
Net income	788,226	498,582	289,644	58.09
Other income (net amount after tax) for the period	1,678,762	(2,553,730)	4,232,492	(165.74)
Total comprehensive income for the period	2,466,988	(2,055,148)	4,522,136	(220.04)
Earnings per Share	1.53	0.81	0.72	88.89

Differentiation analysis:

1. The changes in operating revenues, operating costs and gross profit were mainly due to changes in customer portfolio.
2. The increase in non-operating income and expenses was mainly due to the decrease in dividend income booked.
3. The increase in other comprehensive income is primarily attributed to the fair value increase in financial assets measured at fair value through other comprehensive income - non-current.

(II) IFRS Consolidated Financial Statements

Currency Unit: NT\$'000

Item/Year	2025	2024	Increase (decrease) in amount	Change ratio %
Sales revenue	2,821,137	738,560	2,082,577	281.98
Gross profit	877,825	256,862	620,963	241.75
Operating loss	(95,137)	(335,292)	240,155	(71.63)
Non-operating income and expenses	927,991	897,111	30,880	3.44
Profit before income tax	832,854	561,819	271,035	48.24
Income from continuing operations	755,451	472,898	282,553	59.75
Net income	755,451	472,898	282,553	59.75
Other income (net amount after tax) for the period	1,678,796	(2,553,730)	4,232,526	(165.74)
Total comprehensive income for the period	2,434,247	(2,080,832)	4,515,079	(216.98)
Net income attributable to owners of the parent company	788,226	498,582	289,644	58.09
Net income attributable to non- controlling interests	(32,775)	(25,684)	(7,091)	27.61
Comprehensive income attributable to owners of the parent company	2,466,988	(2,055,148)	4,522,136	(220.04)
Comprehensive income attributable to non-controlling interests	(32,741)	(25,684)	(7,057)	27.48
Earnings per Share	1.53	0.81	0.72	88.89

Differentiation analysis:

1. The changes in operating revenues, operating costs and gross profit were mainly due to changes in customer portfolio.
2. The increase in non-operating income and expenses was mainly due to the decrease in dividend income booked.
3. The increase in other comprehensive income was mainly due to the increase in fair value of financial assets - non-current measured at fair value through other comprehensive income.

III Cash flows

(I) Analytical Explanation of Cash Flow Changes in 2025 and its Improvement Plans

Currency Unit: NT\$'000

Beginning Cash Balance	Net cash flows from operating activities	Net cash flows from investing and financing activities	Cash surplus	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
1,624,235	654,560	425,943	2,704,738	-	-

1. Net cash inflows from operating activities were NT\$654,560 thousand.
2. Net cash inflows from investing activities were NT\$41,105 thousand.
3. Net cash inflows from financing activities were NT\$376,442 thousand.
4. The impact of exchange rate fluctuations on cash and cash equivalents was NT\$8,396 thousand.
5. There was no cash inadequacy and liquidity deficit for the year.
6. Adopted IFRS consolidated information.

(II) Cash flow analysis for the coming year

Currency Unit: NT\$'000

Beginning Cash Balance	Expected net cash flows from operating activities	Expected net cash flows from investing and financing activities	Expected cash surplus	Remedial measures for expected cash inadequacy	
				Investment plan	Financial plan
2,704,738	860,724	273,266	3,838,728	-	-

Note: Adopted IFRS consolidated information

IV There were no significant capital expenditures in the recent year, so there was no impact on financial operations.

V Investment policy for the recent year, main reasons for profit or loss, improvement plan and investment plan for the coming year

- (I) The main reasons for the profit or loss of the investment policy: None.
- (II) Improvement plans: None.
- (III) Investment plans for the coming year: No significant investment plans.

VI Risk Issues

In view of the internationalization of operations and the increasingly complex impact and challenges posed by changes in the global economic environment, the Company is focusing on the management of corporate risks. In order to ensure the sustainable development of the Company, the Company focuses on the management of corporate risks and conducts risk assessment of economic, environmental and social issues. The Board of Directors will be the highest supervisory unit for risk management and will formulate relevant risk management strategies to identify key risks that may affect the Company's operations and risk response plans from each functional management level to the daily operation management unit, in order to reduce the possible risk of business interruption. The results of risk management activities are summarized and used as the basis for future strategy management, performance measurement and audit plans. The risk management organization of the Company is as follows:

Name of the organization	Duties
Audit Committee and Board of Directors	The Audit Committee evaluates the effectiveness of the Company's internal control system, ensures the effective implementation of internal controls and oversees the control of risks that exist or are potentially present in the Company. The Board of Directors is the highest decision-making body for risk management, approves the risk management policy and structure, and oversees the effective operation of the risk management mechanism.
Audit Unit	In accordance with the risk management policy and risk assessment results, the audit unit prepare an annual audit plan and perform various job audits in accordance with the plan to assist the board of directors in monitoring and controlling the potential risks in the execution of decisions, ensure that all operational risks are effectively controlled, and make timely recommendations for improvement.
Responsible department	The staff of each department shall take the responsibility of first-line risk management in daily operation, analyze, monitor and prevent the related risks within the responsibility of their respective departments, and ensure that the risk control mechanism and procedures can be effectively implemented.

- (I) Impact of interest rate, exchange rate changes and inflation on the Company's profit or loss and future countermeasures
- A. Changes in interest rates: The Company has sufficient working capital and no bank borrowings. An increase in interest rates would result in an increase in interest income. The Company's financial department closely monitors changes in market interest rates to reduce the impact of interest rate changes on the Company's financial condition.
- B. Changes in exchange rates: The Company engages in derivatives transactions using forward exchange contracts for the purpose of hedging the exchange rate risk arising from its operations. To avoid the exchange rate risk arising from the receivables denominated in foreign currencies held, the sales of forward foreign exchange contracts are the primary instrument for hedging. The Company's foreign exchange loss in 2025 was NT\$10,794 thousand.

C. Inflation: Inflation has no significant impact on the Company.

(II) The Company's policy on high-risk, highly leveraged investments, loaning of funds, endorsement and guarantee, and derivatives transactions, the main reasons for profit or loss, and future countermeasures:

The Company has established a sound financial, business, and accounting management system in accordance with relevant laws and regulations, and shall properly conduct comprehensive risk assessments with its related companies on correspondent banks, customers and suppliers, and implement necessary control mechanisms to reduce credit risks.

In order to effectively manage financial affairs and avoid potential trading risks, the Company has established various internal procedures and management practices in accordance with the relevant laws and regulations of the competent authorities, including "Regulations Governing Loaning of Funds," "Regulations Governing Provision of Endorsements/Guarantees," and "Procedures for Derivative Transactions." As of the date of publication of this Annual Report, the Company has not engaged in any high-risk and high-leverage investment activities related to the loaning of funds and the provision of endorsement and guarantee. The Company engages in derivative transactions mainly for the purpose of hedging the exchange rate risk arising from its operations.

(III) Future R&D plans and expected R&D expenses:

A. Future R&D plans: Multi-point projected capacitive touch chips, in-cell embedded touch chips, and system-level applications.

B. Estimated R&D expenses to be invested: The estimated R&D expenses for 2026 and 2027 are approximately NT\$567,000 thousand annually.

(IV) Impact of recent changes in domestic and international policies and regulations on the Company's financial operations and countermeasures:

The Company complies with national policies and laws. The finance and legal departments keep track of important changes in domestic and international policies and laws, and make timely adjustments to the Group's internal systems and business activities in accordance with the latest changes in laws and regulations to ensure smooth operation of the Group.

(V) Impact of technological changes and industry changes on the Company's financial and business operations and countermeasures:

The Company keeps an eye on domestic and international technological and industrial developments to review and improve their impact on the Group's financial and business conditions. With excellent research and development capabilities, the Company continues to upgrade relevant technologies, develop new products, and provide comprehensive technical services to release products that meet customers'

needs. At the same time, the Company has enhanced its service efficiency, strengthened interaction with customers, and had a deep understanding of the pulse and trend of the technology industry. Therefore, technological changes and industry changes have no significant impact on the Company's financial condition.

- (VI) Impact of changes in corporate image change on corporate crisis management and countermeasures:

The Company has always attached importance to corporate governance and community relations, and has been able to fully and effectively integrate and utilize the Group's resources to enhance the overall operational performance. In recent years, the Company has been committed to holding social welfare activities. The Company has plans and measures for all kinds of emergencies to minimize the uncertainty of business operation.

- (VII) Expected benefits, potential risks, and countermeasures of mergers and acquisitions: as of the date of publication of the Annual Report, the Company does not have any merger and acquisition plans.

- (VIII) Expected benefits, potential risks, and countermeasures of plant expansion: the Company currently has no plans to expand its plants.

- (IX) Risks and countermeasures of concentrated imports or sales:

A. The concentration of imports is due to the characteristics of the industry and the supply and demand of the market.

B. The Company's customers are diversified and there is no risk of concentrated sales.

- (X) As of the date of publication of the Annual Report, there was no significant transfer of equity by the Company's directors or substantial shareholders holding more than 10% of the shares.

- (XI) As of the date of publication of the Annual Report, there was no change in the Company's ownership.

- (XII) For litigation or non-litigation events, the Company shall include the litigation, non-litigation or administrative disputes that have been determined or are still pending against the Company, its directors, president, persons in charge, substantial shareholders holding more than 10% of the shares, and subsidiaries, whose outcome may have a significant impact on shareholders' equity or stock prices: None.

- (XIII) As of the date of publication of the Annual Report, the Company has no other significant risks.

VII Other Important Issues: None

Chapter 6. Special Disclosure

I Information on Affiliates

Please go to Market Observation Post System > Single Company > Electronic File Download > Affiliated Enterprises

Three Reports Section to query at https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

II Status of privately placed securities: None.

III Occurrences of matters with a major impact on shareholders' equity or securities prices as stipulated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

IV Other necessary supplementary explanation matters: None.

Silicon Integrated Systems Corp.

Chairman: Stan Hung



Silicon Integrated Systems Corp.

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