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# Silicon Integrated Systems Corp. 2024 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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## Chapter 1 Letter to Shareholders

In 2024, the world entered a post-pandemic recovery phase. However, challenges such as a significant increase in supply from Mainland China, heightened geopolitical tensions, and weak consumer spending in the Chinese market collectively dampened the demand for consumer electronics. Additionally, excessive inventory buildup during the pandemic period further exacerbated the situation, leading to an extreme supply-demand imbalance within the overall consumer electronics supply chain, where supply significantly outpaced demand. As a fabless IC design company, the Company was adversely impacted by customers' ongoing inventory adjustments and subdued end-market demand, resulting in performance that fell short of expectations. Nevertheless, supported by an increase in non-operating income, the Company recorded a net income after tax of NT\$498 million for the year, with earnings per share (EPS) of NT\$0.81.

Looking ahead to 2025, we will strengthen our engineering support for projected capacitive multi-touch chipsets and capacitive active stylus chipsets, enabling customers to rapidly adopt new solutions powered by SiS chipsets. This is expected to significantly enhance our market share. In addition, we will accelerate the development of MEMS microphone chipsets and related solutions, leveraging UMC's manufacturing process to improve cost competitiveness. Following the integration of Hycon's product lines and team, we will optimize resource synergies to expand into new customers, new applications, and new products. These efforts are expected to further drive overall revenue growth.

### 2024 Business Performance

#### Results of the Business Plan

The Company has established a strong reputation in the consumer electronics, industrial control, and automotive touch controller sectors, leveraging its agile and responsive services to capture increasing customer demand. Our active stylus chips have been certified and adopted for mass production by leading global brands and top-tier OEMs, positioning us as a highly competitive player in the market.

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

#### Financial Condition

Consolidated Financial Statements

Unit: NT\$ thousand

Item	2024	2023	Increase (decrease) amount
Sales revenue	738,560	187,184	551,376
Gross profit	256,862	56,676	200,186
Operating loss	(335,292)	(451,166)	115,874
Net income	472,898	558,841	(85,943)

## Profitability

### IFRS Consolidated Financial Statement

Item		2024	2023
Return on assets (%)		2.79	3.22
Return on equity (%)		2.85	3.25
Ratio to paid-in capital (%)	Operating loss	(6.88)	(6.02)
	Profit before income tax	11.53	8.24
Net profit margin (%)		64.03	298.55
Earnings per share (NT\$)		0.81	0.76

## Research and development

- Continued to improve the performance and specifications of capacitive touch chipsets and active stylus chipsets and improve the existing business, education, industrial control markets.
- Expanded the market outreach by introducing the next generation of USI and MPP specification stylus pens and Bluetooth touch feedback for laptops, tablets, e-readers, and educational devices.
- Continued to develop various types of MEMS microphone-related products for AI applications.
- Continued to strengthen the competitive advantages and market share of our BMS, MSP, ASIC, and battery fuel gauge chipsets.

## Summary of 2025 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, promote new chipsets and services, 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 Directors, 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 2025.02.27		Spouse/Minor 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 50-60	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%

Note1. The shareholding ratio is calculated based on the total number of issued shares of the Company as of February 27, 2025, the date of the annual report's publication. As of that date, the Company had issued 514,988,161 shares, with 1 treasury share deducted, resulting in 514,988,160 outstanding shares. The shareholding ratio is calculated based on the number of outstanding shares, with the percentage truncated to two decimal places without rounding.

Note2. The age of directors/independent directors is presented in ranges.

Note3. Chairman Stan 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.

Note4. Currently, only one member of the Board of Directors concurrently serves as a managerial officer of the Company. 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.

Note5. 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.

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.	President of SIS Corp, Chairman of HuiTong intelligence Company Limited
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.

Note6. Note6. 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.

Note7. Note7. None of the directors of the Company has held the Company's shares in the names of others.

Note8. Note8. The directors of the Company do not have executives, directors who are spouses or within the second degree of kinship.

### Major Shareholder of Institutional Shareholder

Name of Institutional Shareholder	Major Shareholder of Institutional Shareholder	Shareholding %
United Microelectronics Corp.(Note 1)	JPMorgan Chase Bank, N.A. acting in its capacity as depository and representative to the holders of ADRs	4.85
	Hsun Chieh Investment Co., Ltd.	3.52
	CAPITAL TIP CUSTOMIZED TAIWAN SELECT HIGH DIVIDEND EXCHANGE TRADED FUND	2.48
	Silicon Integrated Systems Corp.	2.13
	Taiwan Life Insurance Co., Ltd.	1.76
	Yann Yuan Investment Co., Ltd.	1.54
	China Life Insurance Co., Ltd.	1.54
	New Labor Pension Fund	1.47
	Citigroup Taiwan Custody, Singapore Government Investment Account	1.21
	Yuanta/P-shares Taiwan Dividend Plus ETF	1.15
Liang Hsun Investment Co., Ltd.(Note 2)	Cai-Feng Hou	20

Note1. The shareholding base date of United Microelectronics's institutional shareholders is April 1, 2024, which is the closing date at the 2024 annual shareholders' meeting.

Note2. 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
Fubon Life Insurance Co., Ltd. (Note 1)	Fubon Financial Holding Co., Ltd. 100%
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%
China Life Insurance Co., Ltd. (Note 5)	KGI Financial Holding 100%

Note1. The shareholding of Fubon Life Insurance is based on the change registration form on September 23, 2024.

Note2. The shareholding of Hsun Chieh Investment is based on the change registration form on February 7, 2025.

Note3. The shareholding of Yann Yuan Investment is based on the change registration form on August 8, 2024.

Note4. The shareholding of Taiwan Life Insurance Co., Ltd. is based on the change registration form on December 30, 2024.

Note5. The shareholding of China Life Insurance Co., Ltd. (renamed KGI Life Insurance Co., Ltd.) is based on the change registration form on November 7, 2024.

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
Stan 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
Wan-Ling Cheng	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

Note1. The financial experts of the Company's Audit Committee are three independent directors: Ya -Ching Li, Jia-Wei Dai, and Qing-Liu Xiao. None of the directors are subject to any of the disqualifying conditions set forth in Article 30 of the Company Act. For detailed information on directors' industry experience, please refer to pages 3-4 of this annual report and the Company's official website: <https://www.sis.com/zh-tw/Investory/BoardDirectors>.

Note2. 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) IV. Capability of Crisis Management.
- (e) V. Industry Knowledge.
- (f) VI. International Market Perspective.
- (g) VII. Leadership Capabilities.
- (h) VIII. Decision-Making Ability.

(2) In accordance with the aforementioned principles, the 13th term of the Board of Directors consists of 9 members, including financial accounting and strategic management experts, as well as professionals with management experience in the semiconductor, electronics, and financial industries. In addition to meeting basic criteria and possessing professional knowledge and skills, the directors contribute to governance, environmental sustainability, corporate social responsibility, compliance with laws and regulations, and human rights protection through the operations of various functional committees. The board also includes representative individuals from industry and academia, ensuring complementary diversity. To implement the Company's diversity policy for the Board's composition, three female directors have been appointed, accounting for 33%. Additionally, two directors are employees, accounting for 22%, and three are independent directors, accounting for 33%. The details of the individual implementation of the Board diversity policy are as follows: All independent directors have served no more than three terms and comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," which limits

concurrent appointments. The number of other public company independent directorships held does not exceed three.

Diversity Item/Name of Director	Gender Age	Business Judgment	Accounting Financial Analysis	Operation Management	Crisis Management	Industry Knowledge	International Perspective	Leadership	Decision-making Ability
Stan 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	√		√	√	√	√	√	√
Wan-Ling Cheng Director	Female 40-50	√	√	√	√	√	√	√	√
Ya-Ching Li Independent Director	Female 50-60	√	√	√	√	√	√	√	√
Jia-Wei Dai Independent Director	Male 60-70	√	√	√	√	√	√	√	√
Qing-Liu Xiao Independent Director	Male 60-70	√	√	√	√	√	√	√	√

Note1. Mr. Stan Hung and Mr. Ya -Nan Mo serve as the legal representatives of United Microelectronics Corp.; Ms. Cai-Feng Hou serves as the legal representative of Liang Hsun Investment Co., Ltd.

## (II) Information of Managers

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 and Chief Strategy Officer R.O.C.	Stan Hung Male	2023.08.08	0	0.00%	332	0.00%
President R.O.C.	Le-Tien Jung Male	2023.08.09	0	0.00%	0	0.00%
Chief Financial officer/ Chief Corporate Governance Officer	Po-Wen Huang Male	2023.09.15	0	0.00%	0	0.00%
Associate Vice President R.O.C.	Geng-Nan Chen Male	2022.06.01	0	0.00%	0	0.00%
Associate Vice President R.O.C.	Min-Han Li Male	2022.06.01	0	0.00%	0	0.00%
Chief Accountant R.O.C.	Yuan-Kwei Chen Male	102.01.01	0	0.00%	0	0.00%

Note1. The shareholding ratio is calculated based on the total number of issued shares of the Company as of February 27, 2025, the date of the annual report's publication. As of that date, the Company had issued 514,988,161 shares, with 1 treasury share deducted, resulting in 514,988,160 outstanding shares. The shareholding ratio is calculated based on the number of outstanding shares, with the percentage truncated to two decimal places without rounding.

Note2. The shareholdings of managers are calculated based on the number of shares held on February 27, 2025.

Note3. Election and appointment date of the Company's managers.

Note4. Chairman Stan 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.

Note5. Mr. Min-Han Li resigned on August 31, 2024.

Note6. None of the managers has held the Company's shares in the names of others.

Note7. 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 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
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.
MsC in Industrial and Systems Engineering from the University of Missouri-Columbia Chief Financial Officer (CFO) of United Microelectronics Corp.	Director of HuiTong Intelligence, Director of Mars Investment, Executive Director of Shenzhen Bangtong, Director of Asia Pacific Microsystems
MA in Electrical Engineering, National Central University Director of Chip Development Office	None.
Master of Electronics and Computer Science, Syracuse University Director of Business Marketing Office	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)		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	The Company	All Companies in Consolidated Financial Statements		
Chairman	United Microelectronics Corp. Representative: Stan Hung (Note 4)	0	0	0	0	990	990	0	0	0.19%	0.19%
		0	0	0	0	0	0	630	630	0.12%	0.12%
		0	0	0	0	0	0	605	605	0.12%	0.12%
Former Director	Goaltop Technology Corporation Representative: Stan Hung (Note 4)	0	0	0	0	990	990	0	0	0.19%	0.19%
		0	0	0	0	0	0	15	15	0.00%	0.00%
Former Director	Hsun Chieh Investment Co., Ltd. Representative: Su-Chuan Chiu (Note 4)	0	0	0	0	990	990	0	0	0.19%	0.19%
		0	0	0	0	0	0	212	212	0.04%	0.04%
Director	Liang Hsun Investment Co., Ltd. Representative: Cai-Feng Hou	0	0	0	0	990	990	0	0	0.19%	0.19%
		0	0	0	0	0	0	600	600	0.12%	0.12%
Director	Ting-Yu Lin	0	0	0	0	0	0	383	383	0.07%	0.07%
Director	Le-Tien Jung	0	0	0	0	0	0	388	388	0.07%	0.07%
Director	Wan-Ling Cheng	0	0	0	0	0	0	388	388	0.07%	0.07%
Independent Director	Ya-Ching Li	0	0	0	0	990	990	650	650	0.32%	0.32%
Independent Director	Jia-Wei Dai	0	0	0	0	990	990	650	650	0.32%	0.32%
Independent Director	Qing-Liu Xiao	0	0	0	0	990	990	650	650	0.32%	0.32%

## (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	United Microelectronics, Hsun Chieh Investment, Stan Hung, Ya-Nan Mo, Su -Chuan Chiu, Liang Hsun Investment Co., Ltd., Cai-Feng Hou, Goaltop Technology Corporation, Ting-Yu Lin, Le-Tien Jung, Wan-Ling Cheng	United Microelectronics, Hsun Chieh Investment, Stan Hung, Ya-Nan Mo, Su -Chuan Chiu, Liang Hsun Investment Co., Ltd., Cai-Feng Hou, Goaltop Technology Corporation, Ting-Yu Lin, Le-Tien Jung, Wan-Ling Cheng	United Microelectronics, Hsun Chieh Investment, Ya-Nan Mo, Su -Chuan Chiu, Liang Hsun Investment Co., Ltd., Cai-Feng Hou, Goaltop Technology Corporation, Ting-Yu Lin, Wan-Ling Cheng	United Microelectronics, Hsun Chieh Investment, Ya-Nan Mo, Su -Chuan Chiu, Liang Hsun Investment Co., Ltd., Cai-Feng Hou, Goaltop Technology Corporation, Ting-Yu Lin, Wan-Ling Cheng
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao	Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao	Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao	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	14	14	14	14

Note1. General Directors: Chairman Stan Hung and Director Ya-Nan Mo as corporate representative directors of United Microelectronics, Director Su-Chuan Chiu as the legal representative of Hsun Chieh Investment, Director Cai-Feng Hou as the legal representative of Liangxun Investment, Director Ting-Yu Lin, Director Le-Tien Jung, and Director Wan-Ling Cheng. Independent Director: Ya -Ching Li, Jia-Wei Dai, Qing-Liu Xiao.

Currency Unit: NT\$'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	0.19%	0.19%	None.
4,620	4,620	0	0	3,000	0	3,000	0	1.65%	1.65%	
0	0	0	0	0	0	0	0	0.12%	0.12%	
0	0	0	0	0	0	0	0	0.19%	0.19%	None.
0	0	0	0	0	0	0	0	0.00%	0.00%	
0	0	0	0	0	0	0	0	0.19%	0.19%	None.
0	0	0	0	0	0	0	0	0.04%	0.04%	
0	0	0	0	0	0	0	0	0.19%	0.19%	None.
0	0	0	0	0	0	0	0	0.12%	0.12%	
0	0	0	0	0	0	0	0	0.07%	0.07%	None.
4,552	4,552	108	108	3,000	0	3,000	0	1.53%	1.53%	
0	0	0	0	0	0	0	0	0.07%	0.07%	None.
0	0	0	0	0	0	0	0	0.32%	0.32%	
0	0	0	0	0	0	0	0	0.32%	0.32%	None.
0	0	0	0	0	0	0	0	0.32%	0.32%	

Note1. The Company's directors of the 12th term resigned on May 27, 2024, and their director remuneration for the fiscal year 2023 was disbursed in the fiscal year 2024.

Note2. Directors of the 13th term were elected on May 27, 2024.

Note3. Information of director remuneration updated as of December 31, 2024.

Note4. Chairman Stan Hung, the legal representative of Goaltop Technology, assumed office on August 8, 2023. On May 27, 2024, during the 13th term Board of Directors' election, he was re-elected as a director alongside Ya-Nan Mo, the legal representative of UMC. On May 27, 2024, Su-Chuan Chiu, the legal representative of Hsun Chieh Investment, resigned from her position as a director.

Note5. In 2024, the consolidated net profit after tax attributable to the owners of the parent company was NT\$498,582 thousand.

Note6. The ratio is calculated by unconditionally rounding off two decimal places.

Note7. 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.

Note8. 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) Remuneration Paid to the President and Vice Presidents**

Currency Unit: NT\$'000

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)	
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements
Chief Strategy Officer (CFO)	Stan Hung	4,620	4,620	0	0	0	0
President	Le-Tien Jung	4,552	4,552	108	108	0	0

**(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\$3,000,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Stan Hung, Le-Tien Jung	Stan Hung, Le-Tien Jung
Total	2 people	2 people

**(V) Top Five Managers with the Highest Remuneration**

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)	
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements
Chief Strategy Officer (CFO)	Stan Hung	4,620	4,620	0	0	0	0
President	Le-Tien Jung	4,552	4,552	108	108	0	0
Associate Vice President	Geng-Nan Chen	3,024	3,024	108	108	789	789
Chief Financial officer	Po-Wen Huang	2,434	2,434	108	108	0	0
Associate Vice President	Min-Han Li	1,922	1,922	72	72	580	580

Note1. Mr. Min-Han Li resigned on August 31, 2024.

Currency Unit: NT\$'000

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
The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
Cash	Stock	Cash	Stock			
3,000	0	3,000	0	1.52%	1.52%	None.
3,000	0	3,000	0	1.53%	1.53%	None.

Note1. Information of President, Vice President and supervisors updated as of December 31, 2024.

Note2. In 2024, the consolidated net profit after tax attributable to the owners of the parent company was NT\$498,582 thousand.

Note3. The ratio is calculated by unconditionally rounding off two decimal places.

Currency Unit: NT\$'000

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
The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
Cash	Stock	Cash	Stock			
3,000	0	3,000	0	1.52%	1.52%	None.
3,000	0	3,000	0	1.53%	1.53%	None.
1,600	0	1,600	0	1.10%	1.10%	None.
1,800	0	1,800	0	0.87%	0.87%	None.
700	0	700	0	0.65%	0.65%	None.

Note1. Information of President, Vice President and supervisors updated as of December 31, 2024.

Note2. In 2024, the consolidated net profit after tax attributable to the owners of the parent company was NT\$498,582 thousand.

Note3. The ratio is calculated by unconditionally rounding off two decimal places.

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

December 31, 2024 Unit: NT\$'000

Position	Name	Stock	Cash	Total	Ratio of total remuneration to net profit after tax %
Chief Strategy Officer (CFO)	Stan Hung	0	10,571	10,571	2.12%
President	Le-Tien Jung				
Chief Financial officer/ Chief Corporate Governance Officer	Po-Wen Huang				
Associate Vice President	Geng-Nan Chen				
Associate Vice President	Min-Han Li				
Chief Accountant	Yuan-Kwei Chen				

Note1. Mr. Min-Han Li resigned on August 31, 2024.

## (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					
	2024			2023		
	Remuneration	Net profit after tax	Remuneration net profit after tax	Remuneration	Net profit after tax	Remuneration net profit after tax
Director	12,099	498,582	2.42%	14,795	571,261	2.58%
Manager	26,350		5.28%	34,027		5.95%

Note1. In 2024, the consolidated net profit after tax attributable to the owners of the parent company was NT\$498,582 thousand.

Note2. The ratio is calculated by unconditionally rounding off two decimal places.

### 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. In 2024, the 12th term of the Board of Directors held 3 meetings (2024.02.26, 2024.04.02, 2024.04.224). The attendance of the directors at these meetings is as follows:

Position	Name	Attendance in person	Attendance by proxy	Actual attendance	Remarks
Chairman	Representative of Goaltop Technology Corporation: Stan Hung	3	0	100%	
Director	Representative of United Microelectronics: Ya-Nan Mo	3	0	100%	
Director	Representative of Hsun Chieh Investment: Su-Chuan Chiu	2	0	66.67%	
Director	Representative of Liangxun Investment: Cai-Feng Hou	3	0	100%	
Independent Director	Ya-Ching Li	3	0	100%	
Independent Director	Jia-Wei Dai	3	0	100%	
Independent Director	Qing-Liu Xiao	3	0	100%	

B. As of the printing date in 2025, the Board of Directors held 7 meetings in 2024 (2024.05.27, 2024.06.14, 2024.07.29, 2024.08.06, 2024.10.21, 2024.12.10, 2025.02.27).

The attendance of the directors at these meetings 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	6	0	85.71%	
Director	Ting-Yu Lin	6	0	85.71%	
Director	Le-Tien Jung	7	0	100%	
Director	Wan-Ling Cheng	7	0	100%	
Independent Director	Ya-Ching Li	7	0	100%	
Independent Director	Jia-Wei Dai	7	0	100%	
Independent Director	Qing-Liu Xiao	7	0	100%	

Note1. Directors of the 13th term were elected on May 27, 2024.

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 which 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) On February 26, 2024, the nomination and review of the 13th Board of Directors were conducted. Mr. Stan Hung, the Chairman of the Board, Mr. Ya-Nan Mo, Mr. Su-Chuan Chiu, Mr. Cai-Feng Hou, and the independent directors, Ms. Ya-Ching Li, Mr. Jia-Wei Dai, and Mr. Qing-Liu Xiao abstained from voting on their own nomination qualifications and review.
  - (2) On April 2, 2024, a proposal was made to establish a Cayman subsidiary and a mainland China subsidiary to acquire the entire equity of UnitedDS Semiconductor (Shandong) Co., Ltd., Chairman Stan Hung (also the Chairman of United Microelectronics Corporation, the parent company of Hejian) and Director Ya-Nan Mo (the representative of United Microelectronics Corporation) have a vested interest in this matter, and therefore, both recused themselves from the discussion and did not participate in the voting.
  - (3) 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.
  - (4) On July 29, 2024, a proposal was made to allocate the Company's executive compensation for 2023. Director Stan Hung and Director Le -Tien Jung, due to their roles as executives, recused themselves from the discussion and did not participate in the voting.
  - (5) On October 21, 2024, proposals were made to approve the wafer foundry services agreement with United Microelectronics Corporation and the property lease agreement with Goaltop Technology Corporation, Chairman Stan Hung (also the Chairman of United Microelectronics Corporation and a former director of Goaltop Technology Corporation) and Director Ya-Nan Mo (the representative of United Microelectronics Corporation) have a vested interest in this matter, and therefore, both recused themselves from the discussion and did not participate in the voting.
  - (6) On October 21, 2024, the Company's related-party transaction proposal for 2024 was presented. Chairman Stan Hung (also the Chairman of United Microelectronics Corporation) and Director Ya-Nan Mo (the representative of United

Microelectronics Corporation) have a vested interest in this matter, and therefore, both recused themselves from the discussion and did not participate in the voting.

(7) On February 27, 2025, a proposal regarding the adjustment of the President's responsibilities was presented. Director Le -Tien Jung, having a vested interest in this matter, recused himself from the discussion and did not participate in the voting.

(8) 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.

- 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. Moving forward, a Nomination Committee will be established to support the Company's sustainable development, assist the Board in strengthening management mechanisms, and improve corporate governance.

### C. Evaluation of the Board of Director

Frequency	Once a year			
Period	January 1, 2024 - December 31, 2024			
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	5.00
		Improvement of the Board of Directors decision-making quality (12 items)	5.00	
		Composition and structure of the Board of Directors (7 items)	5.00	
		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)	5.00	
		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	5.00
		Understanding of the duties of the Remuneration Committee (5 items)	5.00	
		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).

### D. Results of Board of Directors Performance Evaluation

The selection of the Company's Board of Directors members considers the operational development needs, ensuring the effective functioning of the Board. The atmosphere of Board meetings is open, enabling directors to fulfill their guiding and supervisory roles. This facilitates the formulation of actionable medium- and long-term strategies, as well as annual plans, which contribute to the Company's sustainable operations. The Board places significant emphasis on corporate risk management. The corporate governance officers are dedicated to providing the necessary support to the directors, ensuring that Board members have timely access to sufficient information and resources to exercise their powers effectively.

E. Succession planning for Board members and important management

(1) Succession planning and operation of the Board members

The selection of the Company's Board of Directors is based on the "Articles of Incorporation," utilizing a candidate nomination system, with directors elected through a shareholder meeting vote, forming the Board. Each term of office lasts for three years. The selection of directors shall be conducted in accordance with the Company's "Board Election Guidelines," unless otherwise specified by laws or the Articles of Incorporation. Board members are required to have professional backgrounds (such as in law, accounting, industry, finance, marketing, or technology) and professional skills (such as operational judgment, accounting and financial analysis, management capabilities, crisis management ability, industry knowledge, international market perspective, leadership skills, 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.

In order to strengthen the functions of the board of directors and encourage them to continuously improve their abilities, the Company arranges at least 6 hours of director training courses per person every year to assist directors in acquiring new knowledge, keeping up with the times, and familiarizing themselves with their roles, functions, responsibilities, and obligations on the board of directors, effectively implementing the corporate governance system, and facilitating the continuation and optimization of the board of directors to achieve sustainable business operations; In addition, the members of the board of directors conduct annual performance evaluations, and the evaluation results serve as a reference for selecting or nominating directors, as well as for determining their individual salary and remuneration.

(2) Succession planning and operation of important management personnel

The Company regards employees at the managerial level and above as key management personnel. The evaluation criteria primarily focus on personality traits, performance, and future potential. Personality traits should include positive influence, a growth mindset, and teamwork. In addition to outstanding job performance, individuals must align with the Company's core values and mission. Since key management personnel represent various departments within the Company, they are considered

important talent for the Company's active development. Department heads have clear job responsibilities, receive training, and work in alignment with succession planning for management, undergoing internal training to develop their managerial capabilities. Additionally, the Company encourages key management personnel to pursue on-the-job education or participate in external training programs to enhance their comprehensive personal skills. The Company also conducts cross-departmental training for key talents in line with future development, aiming to cultivate diverse capabilities in potential successors to ensure the smooth implementation of future succession plans.

In response to the Company's future strategic direction and talent development priorities, annual training programs are planned for key management personnel, focusing on leadership skills, operational management, and other relevant areas to foster a broad vision and advanced comprehensive management capabilities. Employee performance evaluations are conducted annually, using daily observations and performance assessments to identify areas for improvement, individual development needs, and the Company's expectations. The results of these evaluations serve as a reference for future succession planning.

(II) Operations of the Audit Committee:

The Audit Committee primarily assists the Board of Directors in fulfilling its supervisory responsibilities and is responsible for tasks assigned by the Company Law, Securities and Exchange Act, and other relevant regulations. The Company's Audit Committee is composed entirely of independent directors. The Committee operates in accordance with the Company's Audit Committee Organizational Regulations.

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 Unicorn Semiconductor, Independent Director of IC PLUS Corp.
Jia-Wei Dai 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.
Qing-Liu Xiao 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. In 2024, the 2nd term of the Audit Committee held a total of 3 meetings (2024.02.26, 2024.04.02, 2024.04.22), and the attendance of the audit committee was as follows:

Position	Name	Attendance in person	Attendance by proxy	Actual attendance	Remarks
Independent Director (Convener)	Ya-Ching Li	3	0	100%	
Independent Director	Jia-Wei Dai	3	0	100%	
Independent Director	Qing-Liu Xiao	3	0	100%	

D. As of the printing date in 2025, the 3rd term of the Audit Committee held 7 meetings in 2024 (2024.05.27, 2024.07.26, 2024.07.29, 2024.08.06, 2024.10.21, 2024.12.10, 2025.02.27). The attendance of the Audit Committee at these meetings 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	Qing-Liu Xiao	7	0	100%	

Note1. The 2nd term of the Audit Committee members was from June 21, 2022, to May 27, 2024. The 3rd term of the Audit Committee members assumed office on May 27, 2024.

E. 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
2024.02.26 13th meeting of the 12th term	<ol style="list-style-type: none"> <li>1. 2023 Financial Statements</li> <li>2. Allocation of remuneration for directors, employees for the fiscal year 2023.</li> <li>3. 2023 Earnings Distribution Proposal.</li> <li>4. Proposal to implement a cash reduction and return of capital.</li> <li>5. Deliberation of the independence and competence evaluation results of the CPAs</li> <li>6. Non-assurance services provided by the accounting firm and its affiliated entities</li> <li>7. 2023 Internal Control System Statement</li> </ol>	Approved by all attending committee members	Approved by directors participated in the discussion
2024.04.02 14th meeting of the 12th term	Establishment of a Cayman subsidiary and a mainland China subsidiary to acquire 100% equity of the shares of UnitedDS Semiconductor (Shandong) Co., Ltd.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.04.22 15th meeting of the 12th term	<ol style="list-style-type: none"> <li>1. Financial statements for the first quarter of 2024</li> <li>2. Addition of the Company's internal control/internal audit system.</li> <li>3. Donated 100 computers to the "SiS Education Foundation" for public welfare purposes.</li> </ol>	Approved by all attending committee members	Approved by directors participated in the discussion
2024.05.27 1st meeting of the 13th term	Election of the Convenor and Meeting Chairperson of the Company's 3rd Audit Committee.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.07.29 3rd meeting of the 13th term	Financial statements for the second quarter of 2023	Approved by all attending committee members	Approved by directors participated in the discussion
2024.08.06 4th meeting of the 13th term	Capital increase and issuance of new shares through a share conversion method to acquire Hycon Technology.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.10.21 5th meeting of the 13th term	<ol style="list-style-type: none"> <li>1. 2025 Audit Plan</li> <li>2. Financial statements for the third quarter of 2024</li> <li>3. The wafer foundry service agreement with United Microelectronics Corporation and the property lease agreement with Goaltop Technology Corporation.</li> <li>4. Amendment to the Company's "Table of Authority and Responsibility."</li> <li>5. Established the "Regulations for the Management of Related Party Transactions."</li> <li>6. Related Party Transactions for Fiscal Year 2024.</li> </ol>	Approved by all attending committee members	Approved by directors participated in the discussion
2024.12.10 6th meeting of the 13th term	Addition of the Company's internal control/internal audit system.	Approved by all attending committee members	Approved by directors participated in the discussion
2025.02.27 7th meeting of the 13th term	<ol style="list-style-type: none"> <li>1. 2024 Financial Statements</li> <li>2. Allocation of remuneration for directors, employees for the fiscal year 2024.</li> <li>3. 2024 Earnings Distribution Proposal.</li> <li>4. Deliberation of the independence and competence evaluation results of the CPAs</li> <li>5. Non-assurance services provided by the accounting firm and its affiliated entities</li> <li>6. 2024 Internal Control System Statement</li> <li>7. Related Party Transactions for Fiscal Year 2025.</li> <li>8. Amendment to the Company's "Table of Authority and Responsibility."</li> </ol>	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.

F. 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.

G. 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
2024.02.26 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 2023	All attending independent directors have no opinion and no recommendation
2025.04.22 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
2024.07.29 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
2024.10.28 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
2025.02.27 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	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
2024.02.26 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 2023 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
2024.07.29 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
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 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

(5) The chief internal auditor, CPAs, and independent directors can communicate directly with each other as needed at any time, and the communication channel runs 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 sound corporate governance system, the Company has formulated its Corporate Governance Best Practice Principles with reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by the Taiwan Stock Exchange Corporation and the Taipei Exchange. These principles serve as a framework to build an effective corporate governance structure and ensure regulatory compliance. 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 <a href="https://www.sis.com">https://www.sis.com</a>.</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. To safeguard shareholders' rights and interests, the Company has designated dedicated personnel responsible for appropriately handling shareholder inquiries, suggestions, disputes, and other matters related to shareholder services.</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 mechanism to continuously monitor, through designated personnel, the list of major shareholders holding a significant percentage of shares and those who exercise actual control over the Company, including their ultimate beneficial owners. 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
<ul style="list-style-type: none"> <li>■ Does the Company establish and execute a risk management and firewall system with its affiliates</li> </ul>	<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>
<ul style="list-style-type: none"> <li>■ Does the Company establish internal rules against insiders using undisclosed information for securities trading</li> </ul>	<p>Yes/The Company has established a comprehensive internal control system in accordance with applicable laws, regulations, and guidelines, and ensures its effective implementation. 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>		
<ul style="list-style-type: none"> <li>■ Has the Board of Directors established diversified policies, specific management objectives and implementation for the composition of its members</li> </ul>	<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. They have 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 Board includes three independent directors, representing 33% of the Board, and three female directors, also accounting for 33%. Moreover, more than half of the directors do not hold managerial positions within the Company. For further details, please refer to page 6 of this Annual Report and the Company's website at <a href="https://www.sis.com">https://www.sis.com</a>.</p>	<p>None.</p>
<ul style="list-style-type: none"> <li>■ Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee required by the laws</li> </ul>	<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. To further strengthen Board functions and governance efficiency, the Company plans to establish a Nomination Committee in the future. Additional functional committees may be formed as needed, in accordance with applicable laws and the Company's operational requirements.</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 relevant evaluation procedures and methods for the Board of Directors, which are conducted annually through regular self/peer evaluations. The results of these evaluations are submitted to the Remuneration Committee and the Board of Directors, serving as the basis for future decisions on director remuneration and re-nomination. The evaluation criteria cover aspects such as the level of participation in the Company's operations, the 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. In 2024, the attendance rate of the Board of Directors exceeded 95%. For the overall performance evaluation, please refer to page 17 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 26, 2024, and February 27, 2025, respectively. The evaluation criteria include: the CPAs' independence statement; the audit or non-audit services provided by the CPAs are reviewed in advance by the Audit Committee to ensure that the non-audit services do not affect the audit results; the same CPA does not provide CPA services for more than seven consecutive years; and refer to Audit Quality Indicators (AQIs) to 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 31.</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 Company, on March 18, 2020, resolved through the Compensation and Remuneration Committee and the Board of Directors to establish the position of Corporate Governance Officer, who is required to have at least three years of experience in a supervisory role related to financial and shareholder services in publicly listed companies. The Corporate Governance Officer was appointed in the 10th meeting of 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>12th Board of Directors on September 15, 2023, with Mr. Bo-Wen Huang appointed to the position. For further details on training, please refer to Note 2 on page 31. The primary responsibilities of the Corporate Governance Officer include overseeing the shareholder services unit in handling the convening and procedural arrangements for Board of Directors and shareholders' meetings, preparing meeting minutes and information disclosures, providing necessary materials to the directors for business execution, assisting directors in complying with regulations, and supporting their appointment and ongoing professional development. Additionally, the Corporate Governance Officer communicates regularly with the independent directors on corporate governance matters. The status of the corporate governance initiatives for the year 2024 is outlined as follows:</p> <ul style="list-style-type: none"> <li>■ 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.</li> <li>■ 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.</li> <li>■ The independent directors meet regularly and as necessary with the accountants and auditors to implement internal audit and control systems.</li> <li>■ 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.</li> <li>■ 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.</li> <li>■ 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.</li> <li>■ 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.</li> </ul>	
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	

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	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"> <li>■ Does the Company have a website to disclose the financial operations and corporate governance information</li> </ul>	Yes/The Company's website is at <a href="https://www.sis.com">https://www.sis.com</a> , 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"> <li>■ Did the Company adopt other means of information disclosure</li> </ul>	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"> <li>■ 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</li> </ul>	Yes/The Financial Department's report for the year 2024 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"> <li>■ Employee benefits and care</li> </ul>	The Company complies with relevant labor laws to protect the legitimate rights and interests of its employees. It has established comprehensive and generous welfare measures for employees, including free health check-ups every 1-2 years and providing psychological counseling services to help	None.

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	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"> <li>■ Investor relations</li> </ul>	<p>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.</p>	None.
<ul style="list-style-type: none"> <li>■ Supplier relations</li> </ul>	<p>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 established a dedicated customer service department to handle issues raised by suppliers and customers, ensuring effective communication and coordination.</p>	None.
<ul style="list-style-type: none"> <li>■ Rights of stakeholder</li> </ul>	<p>The Company maintains smooth communication channels with banks, employees, consumers, suppliers, communities or stakeholders of the Company, and respects and protects their legitimate interests. When the legitimate rights and interests of stakeholders are violated, the Company handles the situation appropriately, adhering to the principle of integrity.</p>	None.
<ul style="list-style-type: none"> <li>■ Implementation of risk management policies and risk evaluation measures</li> </ul>	<p>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.</p>	None.
<ul style="list-style-type: none"> <li>■ Implementation of customer policy</li> </ul>	<p>The Company has a dedicated customer service department, which is responsible for providing customer consultation and assisting in handling customer-related issues, and responding to relevant contractors in a timely manner to provide the assistance required by the customers.</p>	None.

Item	Implementation Answer/Explanation	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
<ul style="list-style-type: none"> <li>■ Purchase of liability insurance for the directors and supervisors</li> </ul>	<p>To reduce and spread the unexpected risk arising from unexpected accidents or omissions of directors and independent director to the Company and its shareholders, the Company purchases liability insurance for its directors every year. In 2024 and 2025, the Company purchased "Directors, Supervisors, and Key Personnel Liability Insurance" with a coverage amount of US\$ 10 million from Cathay Century Insurance Co., Ltd.</p>	<p>None.</p>
<ul style="list-style-type: none"> <li>■ Continuous education of directors and managers</li> </ul>	<p>Related information Note 2 on Page 31.</p>	<p>None.</p>
<p>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</p>		
<p>Yes/Based on the results of the previous year's corporate governance evaluation, the Company has disclosed its company profile (including corporate history, product introduction, organizational structure, and management team), as well as the investor relations contact window and shareholder inquiry response function on the corporate website. Future priority improvement areas include the earlier disclosure of the shareholders meeting handbook and annual report, increasing the number of independent directors to meet diversity and gender policies, and providing more detailed company information in the annual report and on the corporate website. Future self-assessment reports or evaluation reports will be prepared in accordance with the Company's needs and regulatory requirements set by the competent authorities.</p>		<p>None.</p>

Note1. 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

Note2. Continuous education of directors 113

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
Chairman	Stan Hung	2024/06/12	2024/06/12	Taiwan Corporate Governance Association	Challenges and Opportunities of Climate Change	3
		2024/09/10	2024/09/10	Independent Director Association Taiwan	The Application and Challenges of Generative AI from the Perspective of ChatGPT	3
Corporate Representative Director	Ya-Nan Mo	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
Corporate Representative Director	Cai-Feng Hou	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/10/08	2024/10/08	Taiwan Stock Exchange	2024 WIW Forum: A Symposium on Digital Finance and Sustainable Finance in the AI Boom	3
Director	Ting-Yu Lin	2024/06/03	2024/06/03	Securities & Futures Institute	Institutional Investors' Perspectives Forum	3
		2024/09/26	2024/09/26	Taiwan Securities Association	Latest ESG Trends and the Framework for Preparing Sustainability Reports	3
Director	Le-Tien Jung	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/09/06	2024/09/06	Securities & Futures Institute	2024 Legal Compliance Briefing for Insider Stock Transactions	3
		2024/09/26	2024/09/26	Taiwan Securities Association	Latest ESG Trends and the Framework for Preparing Sustainability Reports	3
Director	Wan-Ling Cheng	2024/10/04	2024/10/04	Securities & Futures Institute	2024 Legal Compliance Briefing for Insider Stock Transactions	3
		2024/10/08	2024/10/08	Taiwan Stock Exchange	2024 WIW Forum: A Symposium on Digital Finance and Sustainable Finance in the AI Boom	3
Independent Director	Ya-Ching Li	2024/04/10	2024/04/10	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Management Seminar	3
		2024/06/03	2024/06/03	Securities & Futures Institute	Institutional Investors' Perspectives Forum	3
		2024/06/27	2024/06/27	Taiwan Securities Association	New Forms of Securities Crimes and Market Manipulation [Corporate Governance]	3
		2024/07/26	2024/07/26	Independent Director Association Taiwan	Obligations and Responsibilities of Companies and Directors/Supervisors under the Securities Exchange Act	3
		2024/08/29	2024/08/29	Securities & Futures Institute	Case Study and Practical Analysis of Insider Trading	3

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
Independent Director	Jia-Wei Dai	2024/06/03	2024/06/03	Securities & Futures Institute	Institutional Investors' Perspectives Forum	3
		2024/06/27	2024/06/27	Taiwan Securities Association	New Forms of Securities Crimes and Market Manipulation [Corporate Governance]	3
Independent Director	Qing-Liu Xiao	2023/04/13	2023/04/13	Taiwan Academy of Banking and Finance	Institutional Investors' Perspectives Forum	3
		2024/06/27	2024/06/27	Taiwan Securities Association	New Forms of Securities Crimes and Market Manipulation [Corporate Governance]	3

Continuous education of managers in 2024

Position	Name	Education Date (Republic of China)		Training Institution	Course Name	Training Hours
		From	To			
Chief Strategy Officer (CFO)	Stan Hung	2024/06/12	2024/06/12	Taiwan Corporate Governance Association	Challenges and Opportunities of Climate Change	3
		2024/09/10	2024/09/10	Independent Director Association Taiwan	The Application and Challenges of Generative AI from the Perspective of ChatGPT	3
President	Le-Tien Jung	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/09/06	2024/09/06	Securities & Futures Institute	2024 Legal Compliance Briefing for Insider Stock Transactions	3
		2024/09/26	2024/09/26	Taiwan Securities Association	Latest ESG Trends and the Framework for Preparing Sustainability Reports	3
Chief Financial officer/ Chief Corporate Governance Officer	Po-Wen Huang	2024/05/03	2024/05/03	Securities & Futures Institute	Sustainable Development Practices Advocacy Conference	3
		2024/06/27	2024/06/27	Taiwan Securities Association	New Forms of Securities Crimes and Market Manipulation [Corporate Governance]	3
		2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Chief Accountant	Yuan-Kwei Chen	2024/11/14	2024/11/15	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 duties include regularly reviewing the performance evaluation and remuneration policies and systems for directors and executives, as well as assessing and determining their remuneration.

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 analysis (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
Jia-Wei Dai 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.	Independence Criteria	2
Qing-Liu Xiao 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

Note1. Independence Status: All members of the Remuneration Committee meet the independence requirements. This includes, 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 providing of business, legal, financial and accounting services to the Company or its affiliates in the last two years.

Note2. The 6th Remuneration Committee was inaugurated on May 27, 2024.

D. In 2024, the 5th term of the Remuneration Committee held a total of one meeting (2024.02.26), and the attendance of Remuneration Committee members is as follows:

Position	Name	Attendance in person	Attendance by proxy	Actual attendance	Remarks
Convener	Ya-Ching Li	1	0	100%	
Committee Member	Jia-Wei Dai	1	0	100%	
Committee Member	Qing-Liu Xiao	1	0	100%	

E. From the beginning of 2024 up to the publication date, the 6th Remuneration Committee held a total of 5 meetings (2024.05.27, 2024.07.29, 2024.10.21, 2024.12.10, 2025.02.27), and the attendance of 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	Qing-Liu Xiao	5	0	100%	

Note1. The 6th Remuneration Committee was inaugurated 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.

F. Important resolutions of the Remuneration Committee from 2024 to the date of publication of this annual report

Remuneration Committee Date/Term	Major resolutions	Remuneration Committee resolution	The Company's response to the Remuneration Committee
2024.02.26 8th meeting of 5th session	Amendment to the director remuneration and director profit distribution proposal of the Company.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.05.27 1st meeting of the 6th term	Election of the Convenor and Meeting Chairperson of the 6th Remuneration Committee.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.07.29 2nd meeting of the 6th term	Remuneration plan for managerial officers in 2023.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.10.21 3rd meeting of the 6th term	Salary adjustment plan for managerial officers (including all employees) for 2025.	Approved by all attending committee members	Approved by directors participated in the discussion
2024.12.10 4th meeting of the 6th term	Adjustment of the Company's salary structure.	Approved by all attending committee members	Approved by directors participated in the discussion
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

G. 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	
■	Has the Company established proper environmental management systems based on the characteristics of the industries	Yes/The Environment, Health, and Safety (EHS) Department is responsible for the dedicated collection and assessment of sufficient and timely information regarding the impacts of operational activities on the natural environment. It establishes 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.
■	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.
■	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?	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.

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																									
<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.</p> <p>(1) The Company's office currently relies on electricity as the main source of carbon emissions. We regularly maintain related equipment and shorten the usage time of air conditioning and lighting equipment to reduce greenhouse gas emissions. The Company implements various energy-saving measures. In 2024, the total electricity consumption decreased by 10,608 kWh compared to 2023, representing a reduction in energy consumption of 0.22%.</p> <table border="1" data-bbox="595 898 1147 1093"> <thead> <tr> <th>Year</th> <th>Electricity Consumption Volume</th> <th>Difference in Increase or Decrease</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>4,866,800</td> <td rowspan="2">-0.22%</td> </tr> <tr> <td>2024</td> <td>4,856,192</td> </tr> </tbody> </table> <p>(2) Due to our company's involvement in the IC design industry, we do not operate any factories, and all water consumption and discharge are for domestic purposes. We have implemented various water-saving measures. In 2024, the total water usage decreased by 713 cubic meters compared to 2023, representing a reduction in water consumption of 1.5%.</p> <table border="1" data-bbox="601 1355 1173 1550"> <thead> <tr> <th>Year</th> <th>Water Consumption Volume</th> <th>Difference in Increase or Decrease</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>21,457</td> <td rowspan="2">-3.3%</td> </tr> <tr> <td>2024</td> <td>20,744</td> </tr> </tbody> </table> <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. In 2023 and 2024, the total volume of industrial waste amounted to 0.5 metric tons and 1.06 metric tons, respectively.</p> <p style="text-align: right;">(Unit: metric tons)</p> <table border="1" data-bbox="603 1850 1193 2007"> <thead> <tr> <th>Business Waste</th> <th>Total amount</th> <th>Per capita</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>0.5</td> <td>0.0034</td> </tr> <tr> <td>2024</td> <td>1.06</td> <td>0.0083</td> </tr> </tbody> </table>	Year	Electricity Consumption Volume	Difference in Increase or Decrease	2023	4,866,800	-0.22%	2024	4,856,192	Year	Water Consumption Volume	Difference in Increase or Decrease	2023	21,457	-3.3%	2024	20,744	Business Waste	Total amount	Per capita	2023	0.5	0.0034	2024	1.06	0.0083	<p>None.</p>
Year	Electricity Consumption Volume	Difference in Increase or Decrease																									
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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>The measures implemented by our company are as follows:</p> <p>(1) Greenhouse gas emissions: We have replaced lighting fixtures with LED tubes. Additionally, a solar power system was installed on the rooftop of our company building, which has been operational from August 2022 to FEB 2025. The total electricity generated is approximately 720 MWh, resulting in an accumulated reduction of about 160 metric tons of carbon emissions. This reduction is equivalent to powering 20-watt light bulbs for 50,700 months or saving the felling of 35,000 banyan trees. Additionally, the Company continues to actively implement various energy-saving measures to reduce overall electricity consumption. Furthermore, approximately 4,019 square meters of woodland have been planted behind the Company premises to help absorb carbon dioxide and contribute to 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 tea areas. Our facilities 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>The verification status and scope of each information are as follows: In 2024, our company did not experience any pollution leaks leading to production halts or significant fines. We will continue to improve and implement energy-saving and carbon reduction measures. The verification scope covers the Company's headquarters building.</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>	<p>None.</p>

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
<p>■ Does the Company formulate and implement reasonable employee benefit measures and appropriately reflect operating performance or results in employee compensation</p>	<p>Yes/For details on employee benefit measures and rights, please refer to page 85 of this annual report. Employee compensation is determined based on academic background, work experience, performance, and market conditions, without discrimination based on gender, race, religion, political affiliation, or marital status. The Company ensures the protection of employee rights in accordance with relevant laws and regulations. The Company conducts annual performance evaluations for all employees, which serve as the basis for promotions, employee training and development, and remuneration distribution.</p>	<p>None.</p>
<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 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>	<p>None.</p>
<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>	<p>None.</p>
<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 labeling of our products 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 places a strong emphasis on consumer rights, providing necessary consultation and after-sales services, as well as offering efficient and straightforward complaint channels to protect the best interests of consumers.</p>	<p>None.</p>
<p>■ Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues</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</p>	<p>None.</p>

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
such as environmental protection, occupational safety and health, or labor rights and the implementation	addition to the Company's rules and regulations, the Company requires suppliers to comply with the laws and regulations of the place where they operate.	
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?		
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.		None.
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		
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.		
VII. Important information to facilitate a better understanding of the Company's sustainable development practices		
<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.</p> <p><b>Implementing sustainable environment</b></p> <p>A solar power system was installed on the rooftop of our company building, which has been operational from August 2022 to February 2025. The total electricity generated is approximately 720 MWh, resulting in an accumulated reduction of about 160 metric tons of carbon emissions. This reduction is equivalent to powering 20-watt light bulbs for 50,700 months or saving the felling of 35,000 banyan trees. Additionally, the Company continues to actively implement various energy-saving measures to reduce overall electricity consumption. Furthermore, approximately 4,019 square meters of woodland have been planted behind the Company premises to help absorb carbon dioxide and contribute to urban greening efforts. The Company has made significant progress in reducing electricity consumption: in 2023, total electricity usage decreased by 534,400 kWh compared to 2022, a reduction of 9.8%. In 2024, total electricity usage further decreased by 10,608 kWh compared to 2023, with an energy reduction rate of 0.22%. The Company remains committed to reducing electricity consumption each year.</p> <p><b>Expand social participation</b></p> <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. The following is information about the Foundation's activities in 2024:</p> <ul style="list-style-type: none"> <li>■ In August 2024, the Foundation sponsored the Chinese Professional Management Association of Hsinchu with a donation of NT\$50,000.</li> </ul>		

Item	Implementation Answer/Explanation	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
<ul style="list-style-type: none"> <li>■ In August 2024, the Foundation sponsored the SMCT with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored the Hsinchu I-Link Community Care Association with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored TEACH FOR TAIWAN with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored the Hsinchu Ren'ai Children's Home Foundation with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored National Tsing Hua University with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored College of Semiconductor Research of National Tsing Hua University with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored National Yang Ming Chiao Tung University with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored Chi Po-lin Foundation with a donation of NT\$50,000.</li> <li>■ In August 2024, the Foundation sponsored the Mackay Memorial Hospital with a donation of NT\$50,000.</li> </ul>		

#### (VI) Implementation of Climate-Related Information

Item	Implementation status
<ul style="list-style-type: none"> <li>■ Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</li> </ul>	<p>The Company will actively plan and establish a risk management policy, with the Board of Directors serving as the highest guiding and supervisory body, responsible for promoting the policy and plans. 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"> <li>■ Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</li> </ul>	<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 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</p>

Item	Implementation status
	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.
<ul style="list-style-type: none"> <li>■ Describe the financial impact of extreme weather events and transformative actions.</li> </ul>	<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>
<ul style="list-style-type: none"> <li>■ Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</li> </ul>	<p>The Company will actively plan and establish a risk management policy and set up relevant risk management units to facilitate the monitoring of risk management operations. 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>
<ul style="list-style-type: none"> <li>■ 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.</li> </ul>	<p>The scenario analysis assessments have not been utilized.</p>
<ul style="list-style-type: none"> <li>■ 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.</li> </ul>	<p>The transition plan has not been formulated.</p>
<ul style="list-style-type: none"> <li>■ If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</li> </ul>	<p>The internal carbon pricing mechanism has not been established.</p>
<ul style="list-style-type: none"> <li>■ 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.</li> </ul>	<p>The climate-related targets have not been set.</p>
<ul style="list-style-type: none"> <li>■ Greenhouse Gas Inventory and Assurance Status.</li> </ul>	<p>Please refer to Note 1.</p>

Note1. Greenhouse Gas Inventory and Assurance Status

Greenhouse Gas Inventory and Assurance Status:

- (1) According to the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission in March 2022, our company falls into the category of companies with a paid-in capital of NT\$5 to 10 billion. As such, individual companies are required to undergo greenhouse gas inventory in the second phase (i.e., completion of inventory in 2025 and verification in 2027), based on the reference guidelines and relevant regulations issued by the competent authority, to continuously monitor the progress of greenhouse gas inventory and verification disclosure schedules.
- (2) Our company's schedule for greenhouse gas inventory and verification is planned as follows and is subject to review by the Board of Directors, with quarterly monitoring:

Items	Projected timeline for completion
Establish dedicated (part-time/full-time) positions, the number of personnel (part-time/full-time) in each position, and their job responsibilities	December 2025
Establish a greenhouse gas inventory plan	December 2025
Establish a greenhouse gas verification plan	December 2027

(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		
<ul style="list-style-type: none"> <li>■ 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</li> </ul>	<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>	None.
<ul style="list-style-type: none"> <li>■ Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the</li> </ul>	<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</p>	None.

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
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	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 to create fair, honest, trustworthy, and transparent business practices.	
<ul style="list-style-type: none"> <li>■ 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</li> </ul>	Yes/Dishonest conducts committed within the scope of business and activities of the Company involving 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.	None.
<b>II. Fulfillment of ethical corporate management</b>		
<ul style="list-style-type: none"> <li>■ Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties</li> </ul>	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.	None.
<ul style="list-style-type: none"> <li>■ 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 ethnic operation policies as well as precautionary</li> </ul>	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	None.

Item	Implementation Answer/Explanation	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
measures against unethical conduct and their implementation information	of dishonest conduct as a basis for monitoring.	
<ul style="list-style-type: none"> <li>■ Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement such policy properly</li> </ul>	<p>Yes/The Company has established a policy to prevent conflicts of interest, providing appropriate channels for individuals to disclose any potential conflicts of interest with companies within the Group. If a director has a vested interest in an agenda item presented to the Board of Directors, either personally or on behalf of a related legal entity, which could potentially harm the interests of the Group, the director is allowed to express their opinion and respond to inquiries but must abstain from participating in the discussion and voting. Furthermore, the director must recuse themselves and may not represent other directors in exercising their voting rights. Directors and executives of companies within the Group are prohibited from using their positions within the Group to grant improper benefits to their own relatives or any other parties.</p>	None.
<ul style="list-style-type: none"> <li>■ 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</li> </ul>	<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 whether the scope of the audit requires external auditors to perform relevant audits.</p>	None.
<ul style="list-style-type: none"> <li>■ Does the Company regularly conduct internal and external educational training on ethical corporate management</li> </ul>	<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 from time to time.</p>	None.
III. Operation of the whistle-blowing system		

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 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 legitimate channels for whistleblowing and ensures that the identity of the whistleblower and the content of the report are kept strictly 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. In the event of such incidents, the Company notifies the designated department to handle the matter, ensuring that any breaches of confidentiality are prevented.</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>
<p>IV. Enhanced disclosure of ethical corporate management information</p>		
<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 Public Information Observation Post System and the Company's website <a href="http://www.sis.com">http://www.sis.com</a>. 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 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.</p>	<p>None.</p>
<p>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</p>		
<p>The Company has established the "Ethical Corporate Management Best Practice Principles", the "Code of Ethical Conduct for Directors and Managers", and the "Code of</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
	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 <a href="https://www.sis.com">https://www.sis.com</a> .	
VI.	Important information to facilitate a better understanding of the Company's ethical corporate management practices	
	The Company is committed to conducting business 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>. Additionally, for information on the Company's corporate governance operations, please refer to the Corporate Governance section in this annual report (pages 23-32).

(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 27, 2025

Based on the self-assessment results, the Company issued the following statement with regard to its internal control system in 2024:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Company's Board of Directors and management. 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. However, the Company's internal control system includes a self-monitoring mechanism. Once any deficiencies are identified, the Company promptly takes corrective actions.
- III. The Company assesses the effectiveness of its internal control system based on the criteria outlined in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Guidelines"). The judgment of the design and implementation of the internal control system is made in accordance with the criteria set forth in the Guidelines. The internal control system evaluation criteria adopted by the Guidelines divide the internal control system into five components according to the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component includes several items. For detailed items, please refer to the provisions of the Guidelines.
- 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, 2024, 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 will become a key part of the Company's annual report and prospectus and will be made publicly available. 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. This statement was approved by the Board of Directors on February 27, 2025, and none of the nine directors in attendance objected to it and all consented to the content expressed in this statement.

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 Company's 2024 annual shareholders' meeting was held on May 27, 2024, at No. 180, Sec. 2, Gongdao 5th Rd., East Dist., Hsinchu City (Silicon Technology Building). Resolutions and implementation of the attending shareholders are as follows:

Resolution at the shareholders' meetings	Implementation
Ratified the Company's 2023 Business Report and Financial Statements	The Company 2023 Consolidated revenue of NT\$187,184 thousand Net profit after tax of NT\$558,841 thousand Earnings per share of NT\$0.76
Ratified the Company's 2023 Earnings Distribution	The Company 2023 Beginning retained earnings of NT\$1,583,075,207 Plus remeasurement of defined benefit plans of NT\$1,224,367 Plus Gain on sale - at fair value through other comprehensive income Measured investment in equity instruments of NT\$1,520,319,170 Beginning retained earnings after adjustment NT\$3,104,618,744 Profit after tax for the period of NT\$571,261,536 Less provision of legal reserve of NT\$209,280,507 Distributable earnings for the period of NT\$3,466,599,773 Less cash dividend of NT\$0.3/share NT\$224,876,805 Ending retained earnings of NT\$3,241,722,968
Election of the Company's 13th Board of Directors (9 seats).	Enforced as resolved
Approved the Company's cash capital reduction for the refund of share capital.	Enforced as resolved
Removal of the non-compete restrictions for the Company's newly appointed directors.	Enforced as resolved

- B. A summary of the material resolutions adopted by the Board of Directors of the Company from 2024 to the date of publication of this Annual Report are as follows.

Board of Directors Date/Term	Major resolutions	Resolution of Board of Directors	Implementation status
2024.02.26 13th meeting of the 12th term	Approved the 2023 financial statements, the 2023 remuneration for directors and employees, approved the 2023 Earnings Distribution Proposal, approved the proposal to carry out cash reduction of capital and refund of capital, the independence and competence evaluation results of the CPAs, non-assurance services provided by the accounting firm and its affiliated entities, approved the 2023 Internal Control System Statement, amendment to the director remuneration and director profit distribution proposal of the Company, amendments to "Rules and Procedures of Board Meetings" of the Company, amendments to the	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved

Board of Directors Date/Term	Major resolutions	Resolution of Board of Directors	Implementation status
	Audit Committee Charter of the Company, the early comprehensive re-election of the 13th Board of Directors of the Company, the nomination and review of the list of candidates for the comprehensive re-election of the 13th Board of Directors of the Company at the 2024 Annual General Meeting of Shareholders, the lifting of the non-compete restrictions for newly appointed directors of the Company, the proposal for convening 2024 regular shareholders' meeting of the Company, and the proposal period and location for accepting proposals from shareholders holding more than 1% of the shares at 2024 regular shareholders' meeting.		
2024.04.02 14th meeting of the 12th term	Approved the establishment of a Cayman subsidiary and a Mainland China subsidiary to acquire 100% equity of the shares of UnitedDS Semiconductor (Shandong) Co., Ltd.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2024.04.22 15th meeting of the 12th term	Approved the financial statements for the first quarter of 2024, addition of the Company's internal control/internally auditing system.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2024.05.27 1st meeting of the 13th term	Approved the election of the Company's 13th Chairman of the Board, appointment of members to the Company's 6th Compensation and Remuneration Committee.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2024.06.14 2nd meeting of the 13th term	Approved the setting of the ex-dividend date and payment date for cash dividends to be distributed to shareholders from the Company's earnings.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2024.07.29 3rd meeting of the 13th term	Approved the financial report for the second quarter of 2024, appointment of the Company's spokesperson, 2023 Sustainability Report, distribution of the Company's executive compensation for 2023.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2024.08.06 4th meeting of the 13th term	Approved the capital increase through the issuance of new shares for the purpose of acquiring 100% of the shares of Hycon Technology.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2024.10.21 5th meeting of the 13th term	Approved the salary adjustment for managers (including all employees) for 2025, performance evaluation criteria for year-end bonuses for managers (including all employees) for 2025, 2025 Compensation and Remuneration Committee work plan, 2025 audit plan, financial report for the third quarter of 2024, the wafer	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved

Board of Directors Date/Term	Major resolutions	Resolution of Board of Directors	Implementation status
	foundry services agreement with United Microelectronics Corporation, the property lease agreement with Goaltop Technology Corporation, revision of the Company's "Table of Authority and Responsibility", establishment of the Company's "Regulations for the Management of Related Party Transactions", Related Party Transactions for 2024.		
2024.12.10 6th meeting of the 13th term	Approved the budget for 2025, proposal to amend the Company's internal control/internally auditing system, adjustment of the Company's salary structure.	Independent directors attended have no opinion/all directors attended approved	Enforced as resolved
2025.02.27 7th meeting of the 13th term	Approved the Company's 2024 financial statements, the 2024 remuneration for directors and employees, approved the 2023 Earnings Distribution Proposal, the independence and competence evaluation results of the CPAs, non-assurance services provided by the accounting firm and its affiliated entities, approved the 2024 Internal Control System Statement, amendments to the Company's Articles of Incorporation, amendments to the Company's Rules and Procedures of Shareholders' Meetings, amendments to the Company's Table of Authority and Responsibility, adjustment of the President's authority and responsibilities, appointment of managers, promotion and appointment of Vice President, the lifting of the non-compete restrictions for directors of the Company, the proposal for convening 2025 regular shareholders' meeting of the Company, and the proposal period and location for accepting proposals from shareholders holding more than 1% of the shares at 2025 regular shareholders' meeting, related party transactions for 2025.	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	Shen-Jie Hu Hsin-Min Hsu	2024	2,710	1,725	4,435	

Note1. 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.

Note2. The non-audit fee refers to NT\$200,000 for tax certification and NT\$1,505 thousand for other services.

- (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 Replacement of CPA:

The certifying CPAs for the Company's financial statements were originally Eric Kuo and Hsin-Min Hsu of EY Taiwan. Pursuant to Article 68 of Statement of Auditing Standards No. 46 and Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, lead engagement partners are required to rotate after a specified period (generally not exceeding seven years). In accordance with internal personnel adjustments made by EY Taiwan in response to the competent authority's interpretation letter, the firm informed the Company on January 30, 2023, that the certifying CPAs for the Company's financial statements would be changed to Chris Hu and Hsin-Min Hsu. As the change of CPAs resulted from internal reallocation within the accounting firm, it does not fall under the scope of public announcement and reporting. This adjustment of the CPA team was approved by resolution of the 5th meeting of the 12th Board of Directors and took effect starting with the CPA certification of the Company's financial statements for the first quarter of 2023.

#### 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 The status of share transfers and changes in share pledges by directors, executive officers, and shareholders holding more than 10% of the Company's shares in recent years and up to the date of publication of the annual report shall be disclosed; 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	2024		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	(49,887,311)	-	-	-
		-	-	-	-
Director	United Microelectronics Corp. Legal representative: Ya-Nan Mo	(49,887,311)	-	-	-
		-	-	-	-
Director	Liang Hsun Investment Co., Ltd. Legal representative: Cai-Feng Hou	(549,649)	-	-	-
		(80,167)	-	-	-
Director	Lin Ting-Yu	-	-	-	-
Director	Le-Tien Jung	-	-	-	-
Director	Wan-Ling Cheng	-	-	-	-
Independent Director	Ya-Ching Li	-	-	-	-
Independent Director	Jia-Wei Dai	-	-	-	-
Independent Director	Qing-Liu Xiao	-	-	-	-
President	Le-Tien Jung	-	-	-	-
Chief Financial officer/ Chief Corporate Governance Officer	Po-Wen Huang	-	-	-	-
Associate Vice President	Geng-Nan Chen	-	-	-	-
Associate Vice President	Min-Han Li	-	-	-	-
Chief Accountant	Yuan-Kwei Chen	-	-	-	-

Note1. The record date for the Company's capital reduction and replacement of shares in cash is July 27, 2024.

(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	19.02 0.00	0 332	0 0	0 0	0 0	Hsun Chieh Investment -	Related party -	
Hsun Chieh Investment Co., Ltd. Chairman: Chun Kuan	11,868,481 0	2.44 0	0 0	0 0	0 0	0 0	United Microelectronics -	Related party -	
CMC Magnetics	6,303,050	1.29	0	0	0	0	None.	None.	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,556,083	1.14	0	0	0	0	None.	None.	
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	5,369,260	1.10	0	0	0	0	None.	None.	
J.P. MORGAN SECURITIES PLC	4,950,437	1.02	0	0	0	0	None.	None.	
Norges Bank	4,157,797	0.85	0	0	0	0	None.	None.	
iShares Core MSCI Emerging Markets ETF	3,272,750	0.67	0	0	0	0	None.	None.	
Chen Ling-Hsuan	3,055,000	0.63	0	0	0	0	None.	None.	
Vanguard Fiduciary Trust Company Institutional Stock Market Index Trust II	2,739,534	0.56	0	0	0	0	None.	None.	

Note1. Based on the record date of July 27, 2024, for the capital reduction and replacement of shares in cash.

Note2. On July 27, 2024, the number of shares outstanding was 487,233,080 after deducting 1 treasury share, and the shareholding ratio was calculated by unconditionally rounding off two decimal places.

**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 %
Goaltop Technology Corporation	5,600,000	30.21%	0	0.00%	5,600,000	30.21%
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%

Note1. The data is as of February 27, 2025, refers to the long-term investment by the Company using the equity method.

Note2. 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

Note1. Cancellation of treasury share of 30,000,000 shares, capital decrease of NT\$300,000,000.

Note2. Cancellation of treasury share of 14,198,000 shares, capital decrease of NT\$141,980,000.

Note3. Capital reduction to cover losses, decrease of 53,472,499 shares, capital decrease of NT\$534,724,990.

Note4. Cancellation of treasury share of 6,000,000 shares, capital decrease of NT\$60,000,000.

Note5. Issuance of new shares by capital increase from earnings, capital increase of NT\$769,049,960

Note6. Issuance of new shares by capital increase from earnings, capital increase of NT\$504,773,970

Note7. Issuance of new shares by capital increase from earnings, capital increase of NT\$681,444,860

Note8. Cash capital reduction, with a refund of NT\$2,623,562,750.

Note9. 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

Note1. 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.

Note2. The Company originally held 4 treasury shares, which were reduced due to a loss-based capital reduction in September 2009 following the issuance of Global Depositary Receipts (GDRs) in January 2003, resulting in fractional shares. On November 30, 2012, the depositary institution, Bank of New York Mellon, instructed the custodian bank, Mega International Commercial Bank, to transfer the shares to Silicon Technology's account. In October 2016, a further loss-based capital reduction reduced the treasury shares to 3. Following the cash capital reduction in July 2024, the number of treasury shares was further reduced to 1.

**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	19.02%
Hsun Chieh Investment Co., Ltd.	11,868,481	2.44%
CMC Magnetics	6,303,050	1.29%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	5,556,083	1.14%
VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	5,369,260	1.10%
J.P. MORGAN SECURITIES PLC	4,950,437	1.02%
Norges Bank	4,157,797	0.85%
iShares Core MSCI Emerging Markets ETF	3,272,750	0.67%
Chen Ling-Hsuan	3,055,000	0.63%
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	2,739,534	0.56%

Note1. Based on the record date of July 27, 2024, for the capital reduction and replacement of shares in cash.

Note2. On July 27, 2024, the number of shares outstanding was 487,233,080 after deducting 1 treasury share, and the shareholding ratio was calculated by unconditionally rounding off two decimal places.

### 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 first use its pre-tax profits for the year to offset accumulated losses, and then allocate the remaining balance for employee compensation and director remuneration. The allocation for employee compensation shall not be less than 5% of the remaining balance, and the allocation for director remuneration shall not exceed 2% of the remaining balance. Employee compensation may be issued in the form of stock or cash, while director remuneration shall be paid in cash. The method of issuance, total amount or number of shares of employee compensation, and the total amount of director remuneration shall be decided by the Board of Directors with a resolution passed by the attendance of at least two-thirds of the directors, with the consent of more than half of the attending directors, and reported to the shareholders' meeting. Employees eligible for employee compensation in stock or cash include employees of companies in which the Company holds more than 50% of the shares. If the Company has profits at the end of each fiscal year, it shall first deduct taxes and offset any losses. Then, 10% of the remaining balance shall be allocated to statutory surplus reserves. After setting aside or reversing special surplus reserves as required by laws and regulations, any remaining profits, together with accumulated undistributed profits from prior years, shall be proposed by the Board of Directors for distribution at the shareholders' meeting. If the Company's profits are insufficient, no such distribution shall be made.

B. Dividends Policy of the Company

The distribution of the Company's dividends is determined based on factors such as industry development trends, the Company's future revenue and profitability, capital expenditure plans, and working capital requirements. Therefore, dividends may be distributed in the form of cash dividends, stock dividends, or a combination of both. Cash dividends shall not be less than 20% of the total amount of dividends distributed to shareholders for the year.

(II) Proposed dividend distribution at the shareholders' meeting: The earnings distribution proposal for 2024 was approved by the Board of Directors on February 27, 2025 and is set to distribute a cash dividend of NT\$0.5 per share for ordinary shares. The total amount of the cash dividend is NT\$257,494,080. This proposal will be executed in accordance with relevant regulations upon approval by the Annual Shareholders' Meeting in 2025.

(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 such 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 first use its pre-tax profits for the year to offset accumulated losses, and then allocate the remaining balance for employee compensation and director remuneration. The allocation for employee compensation shall not be less than 5% of the remaining balance, and the allocation for director remuneration shall not exceed 2% of the remaining balance. Employee compensation may be issued in the form of stock or cash, while director remuneration shall be paid in cash. The method of issuance, total amount or number of shares of employee compensation, and the total amount of director remuneration shall be decided by the Board of Directors with a resolution passed by the attendance of at least two-thirds of the directors, with the consent of more than half of the attending directors, and reported to the shareholders' meeting. Employees eligible for employee compensation in stock or cash include 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 such distribution 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) On February 27, 2025, the Board of Directors resolved to distribute employees' compensation in the amount of NT\$51,124,841 and directors' remuneration in the amount of NT\$6,390,605, both 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 the Company's employee compensation and director remuneration for 2023 has been approved by the 13th meeting of the 12th Board of Directors in 2024: The distributed employees' compensation amounted to NT\$55,420,083 in cash; the distributed directors' remuneration amounted to NT\$6,927,510 in cash. The amounts resolved by the Board of Directors for distribution are consistent with the recognized 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 Technology Co., Ltd. (hereinafter referred to as "Silicon Technology" or "the Company") acquired all issued shares of Hycon Technology Co., Ltd. (hereinafter referred to as "Hycon Technology"), except for those held by Silicon Technology, through a share conversion to issue new shares in 2024. This acquisition was approved by the Taiwan Stock Exchange on October 23, 2024, under Tai-Zheng-Shang-Yi-Zi No. 1130019879. The share conversion was based on January 1, 2025, as the conversion date, and the new shares were successfully issued, with the change of registration completed on February 8, 2025, following approval from the Ministry of Economic Affairs. In accordance with Article 9, Paragraph 1, Item 8 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," Silicon Technology has requested its lead underwriter to provide an assessment regarding the impact of the share conversion on the Company's financials, business, and shareholder equity as of the first quarter of 2025.

### **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 Silicon Technology Co., Ltd. and Hycon Technology Co., Ltd. are primarily engaged in IC design, with many years of experience in the industry. This share conversion represents a horizontal integration between companies in the same IC design sector. Both parties operate in the same industry and share similar

sales models, while their product lines are complementary. By integrating resources and technologies, the product lines will be further enhanced. Additionally, the customer bases of the two companies have minimal overlap, as each has its own customer resources and sales channels. Following the share conversion, both companies have integrated their business teams and divided responsibilities, not only meeting the product needs of their existing customers but also jointly coordinating marketing and promotional activities. This collaboration enhances their business capabilities, increasing market exposure and market share. Furthermore, they have exchanged knowledge in areas such as research and development, production technology, and back-end packaging and testing process management, optimizing production capacity and product resource allocation. By complementing each other's technologies and products, they are accelerating the expansion of their product lines and procurement efficiency through resource integration. Overall, the share conversion between Silicon Technology and Hycon Technology positively contributes to the future business expansion and market competitiveness of Silicon Technology.

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?

Silicon Technology Co., Ltd. acquired all the issued shares of Hycon Technology Co., Ltd. except for those already held by Silicon Technology through the issuance of new shares. Hycon Technology was incorporated into the Group as a subsidiary in January 2025, and the issuance of new shares was approved by the Ministry of Economic Affairs on February 8, 2025, completing the registration change. Following the completion of the share conversion, both parties have gradually initiated collaborative projects. By fully integrating their resources, the Group will be able to expand its product applications and market share. This is expected to have a positive impact on the Company's financial

performance, business operations, and shareholder equity. The benefits of this share conversion have gradually materialized.

- (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) Touch panel application modules and solution design services
- (6) Active stylus controller chips
- (7) Microelectromechanical microphone chips and solutions
- (8) Mixed-signal microcontroller product line
- (9) Battery management chip product line
- (10) 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

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, as well as 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, meet the lithium battery customers' demand for energy efficiency, high precision, and power storage. Additionally, it supports BGM/CGM blood glucose monitoring.

## (II) Industry Overview

### A. Current Status and Development of the Industry

The Company has been developing projected capacitive touch chips and human-machine interface technologies, such as embedded (In-cell) touch chips, since 2011. Touch technology supports various touch sensors in the market, including GFF, G1F, OGS, GF2, GG (DITO), and GG (SITO). The applications of touch technology cover a wide range of products such as mobile phones, tablets, notebooks, PCs, and AIO (All-in-One computers). Touch functionality has become an essential technology, influencing various consumer products like ticketing and ordering systems, automotive touch panels, and ATMs, among others. These functions have replaced traditional button-based operations and have become integrated into daily life. The industrial production and medical equipment sectors have also adopted touch human-machine interfaces, making touch development an indispensable part of the electronics industry. After the pandemic, the trend of working and attending school from home continues, and the PC/NB market has experienced a surge due to Windows upgrades, further stimulating the entire PC industry. This has also driven the growth of the touch IC industry. As touch functionality is integrated into different applications, such as automotive touch screens for electric vehicles, the proliferation and diversification of portable devices will bring new growth momentum to the touch IC industry.

Since 2016, the consumer touch market has increasingly embraced the functionality of active pens, and the application of active pens in touch products has gradually become a trend. Various touch chip manufacturers have announced support for active pens based on their own proprietary specifications, with major players like Google's USI and Microsoft's MPP gradually becoming mainstream standards in the market. This trend of active pens has provided new opportunities for touch chip manufacturers, peripheral computer companies, OS developers, OEM manufacturers, and laptop brand companies. As a result, the touch and active pen industries have entered a new era, unlocking further potential for growth and innovation.

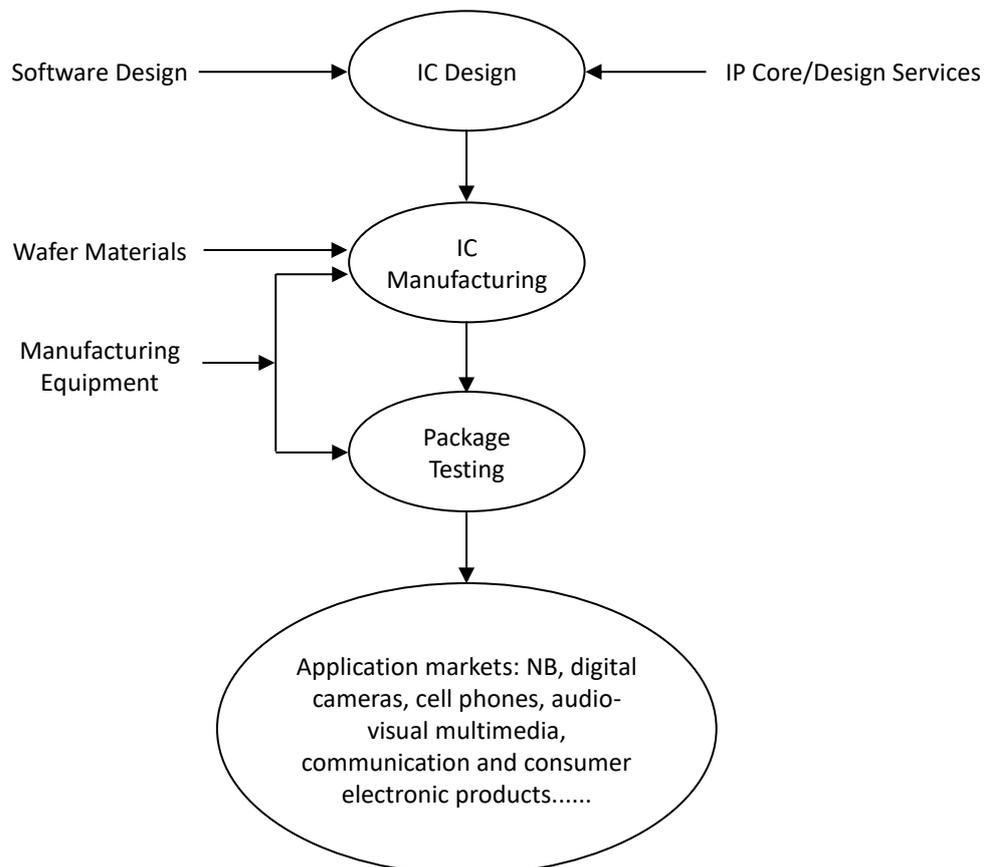
Looking back at 2024, AI applications continued to drive demand for related chips, while shipments of tech products such as smartphones, laptops/personal computers, and servers also rebounded, providing a boost to the global semiconductor industry. Although the semiconductor market in 2025 is filled with several positive factors, it is still essential to closely monitor potential disruptive variables such as inflation, geopolitical tensions, the Trump effect in the U.S., and overall economic conditions.

In 2025, driven by advancements in artificial intelligence (AI) and high-performance computing (HPC), strong growth momentum is expected to

continue, and the potential impact on Taiwan's IC design industry is also notable. Taiwanese IC design companies must maintain a competitive market share, ideally focusing on high-end products with room for upgrades. This strategy will enable them to benefit from future reductions in foundry costs, offsetting the potential negative impact of declining average selling prices (ASP).

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

The Company is positioned as an upstream player in the IC industry supply chain. Our primary business involves the design and sale of IC products or providing IC design services based on the specific requirements of end customers. IC design service companies purchase the necessary Intellectual Property (IP) from Silicon Intellectual Property (SIP) providers during the chip design process, and then integrate the functional blocks to create circuit diagrams. Midstream IC manufacturing companies transfer the circuit diagrams designed by IC design companies onto silicon wafers at semiconductor wafer fabrication plants. Afterward, the wafers are further processed by IC packaging and testing companies, where they are cut, packaged, tested, and assembled into the final IC products. The Company sells the final IC products through direct sales to electronic product manufacturers, through agents/distributors to end customers, or through sales to solution companies for further development before being sold to end customers. End customers then integrate our IC products with other electronic components to create final application products.



## C. Product Development Trends

### (1) Green Products

As the environmental protection wave continues to drive change, the integrated circuit (IC) industry has demonstrated a clear trend toward sustainability in product development. Firstly, the design of IC products has increasingly focused on energy efficiency and power conservation. Companies are continuously optimizing chip designs to strike a balance between low power consumption and high performance, in order to meet the demands of electronic products such as smartphones and Internet of Things (IoT) devices. At the same time, the application of IC technologies in energy management and intelligent control is expanding, offering innovative solutions for energy conservation and emission reduction. Secondly, the manufacturing of ICs is increasingly incorporating sustainability considerations into the design and production processes. The use of environmentally friendly materials, the reduction of harmful chemicals, and the optimization of production processes to lower energy consumption and waste emissions are key efforts in this regard. These initiatives not only help reduce production costs but also minimize the negative environmental impact. Moreover, IC technology is deepening its role in environmental monitoring and remediation. IC sensors and monitoring chips are widely used in environmental monitoring, air quality detection, and other related fields, enabling real-time monitoring and analysis of environmental data. This contributes to improving the efficiency and accuracy of environmental protection efforts, providing governments and businesses with more accurate data support.

(2) High-performance, low-power MCUs (Microcontroller Units) are the future trend of development. Although the hybrid signal MCU industry does not change as rapidly as the information technology industry, over the past decade, it has evolved towards more complex functionalities, improved measurement precision, longer battery life, and integrated System-on-Chip (SoC) solutions. In recent years, the growing awareness of energy conservation and environmental protection, combined with the rise of mobile communication, cloud computing technologies, the development of the Internet of Things (IoT), and the emergence of wearable devices, has led to a surge in demand for high-performance, low-power application processors. These processors have been integrated into a wide range of consumer electronics and portable smart products. Additionally, simple-function, low-power MCUs, with their straightforward hardware architecture and ultra-low costs, are being applied across various fields.

- (3) **Medical Electronic Products: Moving Towards Miniaturization and Portability**  
The Company's mixed-signal microcontroller end-use applications primarily focus on personal healthcare medical devices, such as blood pressure monitors, thermometers, body fat scales, glucose meters, pulse oximeters, and heart rate monitors. With the increasing proportion of an aging population and rising expenditures on chronic diseases, preventive healthcare practices have gradually emerged. Additionally, the advancements in communication and semiconductor technologies are driving the widespread adoption of decentralized and preventive healthcare approaches. Consequently, home care products, fitness devices, and other wearable health-related products are becoming more mobile and intelligent. As medical devices make their way into households, the development trends in medical electronics are evolving accordingly.
- (4) **The Trend of Replacing Nickel-Metal Hydride (NiMH) Batteries with Lithium Batteries in Consumer Products**  
The trend of replacing nickel-metal hydride (NiMH) batteries with lithium batteries in consumer electronic products is a clear shift, primarily driven by the superior energy density, lighter weight, and longer lifespan of lithium batteries. Firstly, compared to NiMH batteries, lithium batteries offer a higher energy density, meaning they can store more energy in a smaller volume, making devices more compact and portable. This is particularly important for mobility-dependent consumer electronics such as smartphones, tablets, and laptops. Lithium batteries also have a longer lifespan, typically capable of enduring more charge-discharge cycles, making them more suitable for long-term use in consumer electronic products. For consumers, this translates to fewer battery replacements and longer device lifespans, which ultimately results in lower long-term costs. Furthermore, lithium batteries have a lower self-discharge rate, meaning they can maintain a relatively stable charge even after extended periods of non-use, better catering to consumer needs.
- (5) **The Trend of Lithium Batteries Replacing Lead-Acid Batteries in Multi-Cell Applications and Energy Storage**  
Lithium batteries offer higher charging efficiency and faster charging speeds, enabling quicker recovery of device usage time and reducing the waiting time for charging. This makes the charging process more convenient and lessens the complexity of charging management. Additionally, with the continuous advancement of lithium battery technology, the cost is gradually decreasing, making them more prevalent and cost-effective in multi-cell applications and energy storage products. Although the initial investment may be higher, considering the long-term

performance, lifespan, safety, and improved user experience, consumers are willing to pay a premium.

- (6) The touch panel can be classified into two types based on its structure: external and embedded. In the embedded capacitive touch technology, there are two methods: on-cell and in-cell. The development of these technologies requires deep collaboration with LCD panel manufacturers and adjustments to TFT processing. Improving yield rates is highly challenging and requires technical advancements and the accumulation of experience. After several years of development, embedded capacitive touch technology has gradually become a key technology in the small to medium-sized touch application market, with a significant increase in market share. On the other hand, the maturity and significant cost reduction of out-cell TP technology have prevented in-cell touch technology from fully replacing out-cell solutions. Regarding the active stylus market trend, led by the active pen trend of Microsoft's Surface Pro and Apple's iPad, major OEMs began incorporating active pen functionality into their touch solutions in 2018, with the active pen initially being an optional feature. Following years of market promotion and development, along with the maturity of active pen applications and their convenience for consumers, active pens have become a major feature in the notebook market, particularly for tablet products, where active pens have become an indispensable function. The Company launched the first generation of MPP (Microsoft Pen Protocol) or USI (Universal Stylus Initiative) active pen control chips in early 2020. The same year, we completed the sampling and verification of the active pen control chips, and successfully introduced them to pen manufacturers, partnering with OEM notebook manufacturers for mass production. The new generation of active pen specifications was proposed in 2021 by both the USI association and Microsoft. The USI association introduced the new USI 2.0 specification, which added a variety of new features. Currently, USI active pens are widely used with Google Chromebook laptops, and the first-generation USI 1.0 active pens have been integrated into several Chromebook models. Additionally, Microsoft introduced the new MPP 2.6 active pen specification, which includes multiple new functions, such as compatibility with in-cell touch panels, Bluetooth seamless pairing, and handwriting interaction with tactile feedback. This allows consumers to avoid the traditional Bluetooth device pairing issues—by simply bringing the MPP 2.6 active pen into contact with a supported panel, the Bluetooth pairing between the active pen and the laptop is automatically completed. Furthermore, the Company developed related active pen control chips in

2022 and is currently conducting sampling and verification. We have successfully completed testing in collaboration with major LCD display manufacturers, specifically with in-cell panels, and obtained relevant certifications. This demonstrates that our active pen control chip technology has made significant progress. In response to the fierce competition in the touch market, we have also been designing and developing large-size touch products, such as smart whiteboards. We have integrated the functionality to identify different colored whiteboard pens and paired them with end-user software to create an integrated product for real-time meeting-sharing whiteboards.

#### D. Competition

##### (1) Touch and Active Pen Chips:

The demand for touch panels has been driven by mobile devices, prompting industry players to actively develop various specifications to meet different requirements. External projected capacitive technologies include GG (two-glass structure), GFF (Glass-Film-Film), G1F (single-glass single-layer structure), OGS (One Glass Solution, also known as TOL Touch on Lens), and GF2. Embedded technologies include In-cell and On-cell. Additionally, active pen solutions have become mainstream in the market over the past two years, representing a significant technological shift in the entire touch market and revitalizing the industry. The Company also introduced corresponding active pen touch main chips in 2020, with the active pen control chips gradually being integrated into customer designs and entering mass production, which will help increase market share year by year.

The Company has made significant advancements in the field of touch products for consumer electronics, industrial control, and automotive applications. In addition to offering an ultra-large size series of external capacitive touch products, we provide solutions featuring 40-point touch, high noise immunity, water resistance, and palm rejection, meeting the comprehensive touch demands of the market. Our touch solutions are applicable across a wide range of devices, including consumer handheld devices, tablets, laptops, All-in-One devices, industrial and business POS terminals, large-size Interactive White Boards (IWB), and touch solutions compliant with automotive standards such as AEC-Q100. The operating systems supported include Windows 7/8.1/10/11, Android, and Linux. Our touch chips support various touch sensor types in the market, such as GFF, G1F, OGS, GF2, GG(DITO), and GG(SITO), as well as different sensor materials, including ITO, Metal Mesh, AgNano, and Carbon Nanotubes. We are a leader in the ultra-large size capacitive touch market. In 2014, we

launched an 84-inch projected capacitive solution, establishing our company's mature technology in the large-size field, attracting multiple customers to collaborate with us for trial production, which successfully transitioned to mass production in Q1 2015. In Q1 2015, we also introduced a 100-inch projected capacitive touch solution, and by Q3 2015, we demonstrated a 134-inch multi-touch solution. In the industrial computer sector, the Company has enhanced algorithm technologies and developed firmware adaptation software tools to meet the small-volume, diverse needs of industrial computer clients, providing them with greater adaptability while significantly reducing support requirements and costs. In response to increasing demands for noise immunity in the industrial computer market, we have developed and launched new noise-resistant solutions, successfully securing projects and mass production in 2018, which enhanced the competitiveness of our ICs. Moreover, in the large-size Interactive Whiteboard (IWB) and Projected Whiteboard (PWB) market, the Company maintains a leadership position. Most smart whiteboard products in the market utilize infrared technology, whereas we employ capacitive touch technology to develop smart whiteboards. This not only enables more accurate handwriting recognition but also incorporates color differentiation functionality to enhance our competitive edge.

(2) Mixed-signal Microcontroller:

With the development of the Internet of Things (IoT), hybrid signal microcontrollers are capable of integrating both digital signal processing and analog signal processing functions, enabling efficient processing and analysis of various sensor signals. This, in turn, provides smarter and more reliable functionalities for IoT devices. For example, in the smart home sector, hybrid signal microcontrollers can process data obtained from temperature sensors, humidity sensors, and other sensors, and control devices such as air conditioners and home appliances as needed to achieve intelligent environmental control. Additionally, with the rise of electric vehicles, the demand for power management and energy optimization is continually increasing. Hybrid signal microcontrollers can precisely control the charging and discharging processes of batteries, improving the efficiency and lifespan of battery charging and discharging, thereby enabling the efficient utilization of energy.

Furthermore, hybrid signal microcontrollers have broad applications in fields such as healthcare, industrial automation, and telecommunications. In the healthcare sector, they can process and analyze biological signals, enabling the monitoring and diagnosis of patient health conditions. In industrial automation, they can control and optimize manufacturing

processes, enhancing production efficiency and quality. In the telecommunications sector, hybrid signal microcontrollers can process and modulate communication signals, improving the performance and reliability of communication systems.

Hybrid signal microcontrollers will play an increasingly important role in the future, becoming core components in intelligent devices and systems. They will enable the efficient processing and control of multiple signals, driving advancements in fields such as the Internet of Things (IoT), electric vehicles, and artificial intelligence (AI). As technology continues to evolve and application scenarios expand, the market prospects for hybrid signal microcontrollers will grow ever broader.

The Company's hybrid signal microcontroller products are based on a completely proprietary system architecture. Through continuous efforts in business promotion, we have gradually gained recognition in the market and currently hold a significant position in the mid-to-high-end market, achieving high market share in certain applications. However, in the high-end electronics market, foreign major players still dominate. In recent years, with advancements in product technology, we have introduced a series of new products. We expect to gradually enter the high-end market in the coming years.

(3) Battery management chip:

The battery management chip market will become increasingly diversified. In addition to traditional IC design companies, more and more emerging IC design companies are entering this field, intensifying market competition. These new entrants may challenge the position of established companies through technological innovation and flexible market strategies, further escalating the competitive landscape. Furthermore, as the demand for higher functionality and performance in battery management chips continues to rise, companies will need to consistently launch new products with higher performance, lower power consumption, and greater reliability and stability to meet market needs. As market competition intensifies, companies will seek ways to reduce production costs and improve production efficiency to maintain competitiveness. This could include optimizing production processes, adopting advanced manufacturing technologies, and increasing automation levels, among other measures.

Additionally, market positioning and customer service will become critical factors in competition. Companies need to develop corresponding market strategies based on different market and customer demands, offering personalized products and services to enhance their competitiveness. At the same time, building a strong brand image and fostering good customer

relationships will also help companies stand out in the competitive landscape.

Finally, changes in the global market landscape will also impact the competitive environment. As emerging markets rise and the international trade environment evolves, companies will face competition from different regions and countries. Therefore, businesses need to develop global market strategies and adapt flexibly to the competitive challenges in various markets.

In summary, the battery management chip market in 2025 will experience heightened competition, with technological innovation, cost control, market positioning, and customer service being key factors in business success. Only companies with advanced technologies, efficient production capabilities, high-quality services, and a global strategy will be able to stand out in the competition, gain market share, and earn 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) Touch panel application modules and solution design services
- (3) Active stylus controller chips
- (4) Microelectromechanical microphone chips and solutions
- (5) Mixed-Signal Microcontroller and Solutions
- (6) Battery Management Chip and Solutions
- (7) Communication-Related Chip and Solutions

A. R&D Expense

Currency Unit: NT\$'000

Item	As of February 27 (Note)	2024	2023
R&D expense	87,039	385,787	305,968
Net operating profit	275,907	738,560	187,184
R&D expense to Net operating profit (%)	321.55%	52.24%	163.46%

Note1. The information is based on IFRS consolidation data as of February 27, 2025, which is a preliminary figure.

B. R&D results

Touch Chip and Active Stylus Control Chip

Year	Product and Technology Name Items
2021	<ol style="list-style-type: none"> <li>1. SiS microelectromechanical microphone passed Modern Standby certification.</li> <li>2. SiS USI stylus pen IC supports color absorption function and transmits color information through the USI agreement, replacing Bluetooth transmission, providing differentiated specifications.</li> </ol>
2022	<ol style="list-style-type: none"> <li>1. SiS USI2.0 active stylus IC has been certified through USI2.0 protocol.</li> <li>2. SiS USI2.0 active stylus IC has passed the certification of USI2.0 In-cell panel from a well-known LCD display manufacturer.</li> <li>3. SiS USI2.0 active stylus IC has passed Google certification.</li> <li>4. SiS MPP2.6 active stylus IC has completed development and testing for in-cell panel support.</li> <li>5. SiS assisted its customer in completing and passing the USI2.0 certification for their active styluses.</li> </ol>
2023	<ol style="list-style-type: none"> <li>1. SiS assisted its first customer in completing and passing Microsoft HLK certification for MPP2.6 active styluses.</li> <li>2. SiS completed customer active stylus proprietary agreement certification and has commenced shipping.</li> <li>3. SiS assisted a total of four customers in completing and passing Microsoft HLK certification for MPP2.6 active styluses.</li> <li>4. SiS assisted customers in completing and passing USI2.0 certification for six models of active styluses.</li> </ol>
2024	<ol style="list-style-type: none"> <li>1. SiS dual-protocol active pen IC 9730 obtains Microsoft HLK and Google AVL Certifications</li> <li>2. SiS Touch IC STS2062/2084 Series supports active pen protocol, completes development verification, and commences shipment</li> </ol>

Mixed-signal Microcontroller and Battery Management Chip

Year	Product and Technology Name Items
2021	<ol style="list-style-type: none"> <li>1. Completed high-interference resistance 2-4 series lithium battery secondary protection chip.</li> <li>2. Completed the next-generation platform for digital infrared thermometer sensor measurement.</li> <li>3. Completed the 0.11<math>\mu</math>m next-generation small and medium-sized touch screen chip.</li> </ol>
2022	<ol style="list-style-type: none"> <li>1. Completed the next-generation lithium battery capacity estimation algorithm and ECC encryption functionality.</li> <li>2. Completed the development of a single-cell lithium battery positive terminal protection chip.</li> <li>3. Completed the LED display infrared thermometer microcontroller chip.</li> </ol>
2023	<ol style="list-style-type: none"> <li>1. Completed the development of single and dual-cell lithium battery protection chips based on an 8-inch wafer 0.18<math>\mu</math>m BCD process.</li> <li>2. Completed the development of a large-screen touch screen chip with high-voltage drive capability for multi-chip serial connection.</li> </ol>
2024	<ol style="list-style-type: none"> <li>1. Completed the development of an Ultra Low Power single and dual-cell lithium battery protection chip.</li> <li>2. Completed the development of a temperature-sensing single-cell lithium battery protection chip.</li> <li>3. Completed the next-generation temperature sensor measurement platform HY16F3874.</li> </ol>

(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 microelectromechanical systems (MEMS) microphone chip and solution market, we are actively promoting the newly developed digital output solutions, which have completed testing and verification, customer sampling, and preparation for mass production. The active pen IC has been introduced to globally renowned brands, and is being paired with the new touch IC for optimized performance and joint marketing efforts.
- (3) The next-generation lithium battery protection chip incorporates a new low-power design architecture and eFuse production calibration functionality, meeting the power-saving and high-precision requirements of leading customers.
- (4) Introduced the temperature-sensing single-cell lithium battery protection chip into branded customers' gaming controllers.
- (5) Applied the next-generation temperature sensor measurement platform HY16F3874 in design-in wearable devices.

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) Continuously enhance brand value by improving quality to meet automotive electronics standards, and develop 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 estimated R&D expenditure for the current year (2025) is expected to account for 10% to 15% of revenue.

## II Market, Production and Sales Overview

### (I) Market Analysis

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

Region/Item		2024		2023	
		Sales Amount	Ratio (%)	Sales Amount	Ratio (%)
Foreign Sales	Asia	59,821	80%	84,599	45%
	Others	0	0%	0	0
	Subtotal	590,821	80%	84,599	45%
Domestic Sales		147,739	20%	102,585	55%
Total		738,560	100%	187,184	100%

Note1. The above sales amounts are expressed in net amount/consolidated using IFRSs.

#### B. Market Share

The Company is a chip supplier focused on analog circuitry, specializing in the development of high-performance data converters. Currently, our main business revolves around touch ICs, mixed-signal controller ICs, and battery management ICs. Given the diverse and fragmented nature of the end products, the market share is calculated based on the value of the IC design industry. According to statistics from the Industrial Technology Research Institute (ITRI) IEK Industry Economics and Trend Research Center, the estimated value of Taiwan's overall IC design industry in 2024 is NT\$1.257 trillion. The Company's total revenue is NT\$738 million, representing a market share of 0.058% of the total IC design industry value in Taiwan, indicating significant growth potential for the Company.

NT\$ billion	2020	2020 Growth Rate	2021	2021 Growth Rate	2022	2022 Growth Rate	2023	2023 Growth Rate	2024(e)	2024(e) Growth Rate
IC Industry Output Value	32,222	20.9%	40,820	26.7%	48,370	18.5%	43,428	-10.2%	50,116	15.4%
IC design industry	8,529	23.1%	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,570	14.6%
IC Manufacturing Industry	18,203	23.7%	22,289	22.4%	29,203	31.0%	26,626	-8.8%	31,038	16.6%
Wafer Foundry	16,297	2.1%	19,410	19.1%	26,847	38.3%	24,925	-7.2%	29,060	16.6%
Memory and Other Manufacturing	1,906	19.4%	2,879	51.0%	2,356	-18.2%	1,701	-27.8%	1,987	16.3%
IC Packaging Industry	3,775	9.0%	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,362	11.0%
IC Testing Industry	1,715	11.1%	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,146	12.6%
IC Product Output Value	10,435	22.4%	15,026	44.0%	14,676	-2.3%	12,666	-10.2%	14,548	14.9%
Global Conductor Market (US\$ billion) and Growth Rate (%)	4,404	6.8%	5,559	26.2%	5,741	3.3%	5,268	-8.2%	5,958	13.1%

Source of Data: TSIA; ITRI Industrial Economics and Knowledge Center

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

- (1) In the Touch IC and Active Pen Control IC sectors: Touch ICs and Active Pen ICs are upstream components of the entire touch industry, with stable and growing market demand. Domestic suppliers include Silicon, FocalTech, ELAN Microelectronics, eGalax\_eMPIA Technology, Novatek, Ilitek, and WEIDA HI-TECH, while international manufacturers include Goodix, Himax, Synaptics, and Melfa. Touch ICs are widely used in various handheld mobile devices, notebooks (NB), all-in-one (AIO) systems, and human-machine interfaces that replace button operations with touch panels. Currently, smartphones and tablet computers rank as the top two products by shipment volume; however, their profit margins remain relatively low. The cost of large-size touch panels continues to decrease, and the demand for oversized touch panels has formed a new wave of growth momentum. In addition, the application of MPP active pens and USI active pens in the NB and AIO markets is growing, while the demand for small and medium-sized touch modules will be a key revenue driver for the company. In terms of growth potential, the demand for touch functionality has expanded from finger-based touch applications to active pen applications. The product types have also evolved, from laptops, AIOs, tablets, and handheld devices to large-size interactive whiteboard (IWB) systems for meetings. Major brand manufacturers continue to launch products supporting active pen functionality. For instance, Microsoft's Surface Pro tablet, Surface Studio AIO, and Surface Hub IWB meeting system all incorporate active pen features, stimulating market demand for touch functionality. Google continues to integrate active pen applications into its Chromebook laptops, while its existing IWB system (Google Jamboard) also supports active pen functionality. Apple is also expanding the use of active pens in its next-generation iPad products. The new generation of touch technology is no longer limited to finger-based touch; the convenience of active pen applications has been accepted by consumers, with many now using active pens to take notes in everyday life or in classrooms, storing them in the cloud. The widespread use of finger-based touch functionality, coupled with the increasingly mature technology of active pens and the growing adoption of active pen usage, will present another wave of significant growth opportunities for consumer touch products.
- (2) In Mixed-signal Microcontrollers:  
Mixed-signal chips with built-in circuit modules such as ADC, MCU, memory, display panels, USB, etc., have diverse applications in end markets. These range from the smallest hardware, such as tire pressure monitors, to household appliances like microwaves, ovens, induction cookers, and soy

milk machines. They are also used in home healthcare products such as weighing scales, body fat monitors, blood pressure monitors, ear thermometers, blood glucose meters, and heart rate monitors, as well as in large-scale automation equipment, industrial robots, and applications in the Internet of Things (IoT), various mobile devices, automotive electronic components, and modules. All these applications require integrated mixed-signal circuits to collect and process signals, while also performing further computations, processing, linking, and data transmission. Due to their combination of analog and digital chip features, and because most of our mixed-signal chips include MCU functionality, we will further elaborate on the supply and demand situation and growth potential within the MCU market.

The mixed-signal microcontroller market in 2025 is expected to exhibit several distinct trends. First, with the continuous development of fields such as the Internet of Things (IoT) and artificial intelligence (AI), the demand for mixed-signal microcontrollers will further increase, driving market expansion and the enhancement of technological capabilities. Second, the functionality and performance of mixed-signal microcontrollers in both digital signal processing and analog signal processing will continue to improve, meeting the demands of various application scenarios. For instance, requirements for low power consumption, high performance, and high reliability will become key areas of technological innovation. In addition to the traditional consumer electronics sector, mixed-signal microcontrollers will see widespread application in fields such as healthcare, industrial automation, smart homes, and artificial intelligence. These industries will have increasingly diverse and personalized demands for microcontrollers, driving continuous growth in market demand.

The mixed-signal microcontroller market in 2025 will face multiple trends, including growth in market demand, technological innovation, diversification of industry applications, enhanced security and reliability, and improvements in intelligence and automation levels. Companies that offer mixed-signal microcontrollers with advanced technology, flexibility, high security, and reliability will be able to stand out in the competitive market, gaining more market share and customer trust.

(3) In Battery Management Chips:

The downstream applications of lithium batteries primarily include power (electric transportation tools such as new energy vehicles, electric bicycles, etc.), 3C consumer electronics, and energy storage in the lithium-ion battery sector. In the 3C consumer electronics battery market, the demand

for batteries in smartphones, tablets, laptops, and related applications is the core driver of demand fluctuations in the 3C consumer electronics battery sector. With the advancement of mobile and Internet of Things (IoT) technologies, the transition from wired to wireless devices, along with the rise of emerging smart hardware products such as wearables, smart homes, smart mobility, and smart healthcare, has injected new vitality into the consumer electronics industry. The energy storage market is currently in its nascent stage, with new demand points emerging in white goods, such as the use of lithium iron phosphate batteries in robotic vacuum cleaners.

The outlook for the lithium battery market in 2025 is filled with hope and opportunities, with several key trends expected to emerge:

**Continued Growth in the Electric Vehicle Market:** As global attention on clean energy and environmentally friendly transportation increases, the electric vehicle market is expected to maintain strong growth. Lithium batteries, as the primary power source for electric vehicles, will continue to see widespread application. It is anticipated that electric vehicle manufacturers will further increase demand for lithium batteries with high energy density, fast charging capabilities, and long cycle life to meet consumer demands for performance and driving range.

**Enormous Potential in the Energy Storage Market:** With the rapid development and widespread adoption of renewable energy, energy storage systems are becoming increasingly important. Lithium batteries, as an efficient, lightweight, and high-energy-density storage technology, will play a crucial role in renewable energy systems such as solar and wind power. The expansion of the energy storage market is expected to further drive the growth in demand for lithium batteries.

**Steady Growth in the Market for Laptops, Tablets, Smartphones, and Portable Electronics:** The market for laptops, tablets, smartphones, and portable electronic products is expected to continue its steady growth, driving an increasing demand for high-performance, lightweight, and long-lasting lithium batteries. As 5G technology becomes more widespread and smartphone functionalities continue to advance, the demand for lithium batteries is anticipated to grow consistently.

**The Rise of Emerging Application Areas:** With continuous technological advancements, lithium batteries will play an increasingly important role in emerging application fields. For example, the development of drones, smart wearables, smart homes, and other sectors will further drive the growing 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 the field of home healthcare electronics, driven by the aging population and the economic growth in emerging countries, stable annual growth can be expected. In recent years, wearable devices, especially those focused on health and medical applications, have garnered significant market attention. These devices are expected to be a key area of future development, bringing numerous business opportunities for the company. Additionally, in the area of lithium battery management, alongside the continuous growth of the smart mobile device market, the demand for lithium batteries in electric vehicles and energy storage devices has begun to emerge, influenced by the trend towards environmental sustainability and green energy. These developments are anticipated to drive 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 characteristics of the end application market for mixed-signal microcontroller chip products, end customers require a long certification period and design solutions before adopting the chips. Once the chip is adopted by the customer, it is not easily replaced. As a result, the willingness of end customers to certify new IC suppliers is low. This is particularly true for home medical electronics products, which have a long lifecycle. Once the model specifications are determined, they are associated with fixed circuit board layouts and corresponding passive components. Changing component suppliers midway will increase the changeover costs for end customers. Therefore, the barriers to entry for developing new customers are very 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.

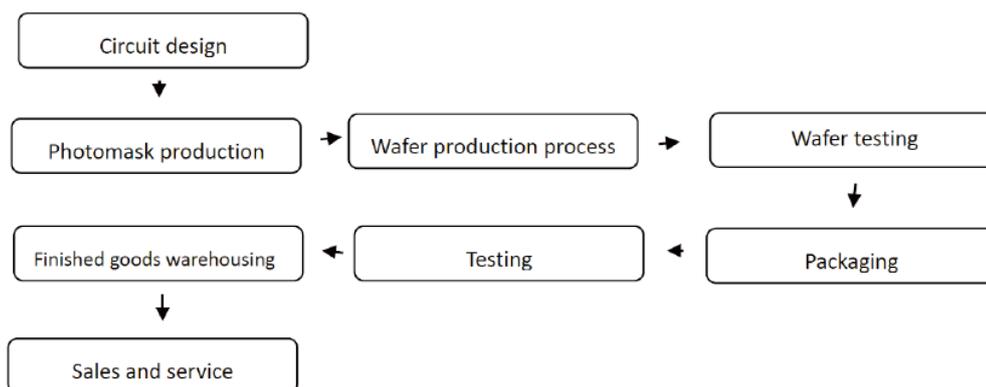
Strengthen marketing channels and actively expand into overseas markets.

(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	An intuitive user interface that replaces traditional mechanical buttons by allowing operation through direct finger or stylus contact with the screen. This technology is applicable to consumer electronic products such as smartphones, laptops, tablet computers, in-vehicle navigation systems, and interactive whiteboards, as well as human-machine interfaces (HMI) used in 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.

### (IV) 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.

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

#### A. Supplier Information

Currency Unit: NT\$'000

Item	2024				2023			
	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	Company C	170,441	38%	Note 2	Company A	15,000	22%	None.
2	United Microelectronics	167,502	20%	Note 2	Company B	7,530	11%	None.
3	Others	112,546	25%	None.	United Microelectronics	7,050	10%	Note 2
4				None.	Others	39,332	57%	None.
	Net purchase	450,489	100%		Net purchase	68,912	100%	

Note1. Adopted IFRS consolidated information.

Note2. Shareholders with over 10% shareholdings

## B. Information on Sales Customers

Currency Unit: NT\$'000

Item	2024				2023			
	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	Company D	83,464	11%	None.	Company C	43,444	23%	None.
2	Others	655,096	89%	None.	Company B	28,042	15%	Note 2
3					Company A	20,895	11%	None.
4					Others	94,803	51%	None.
	Net sales	738,560	100%		Net sales	187,184	100%	

Note1. Adopted IFRS consolidated information.

Note2. Investee companies accounted for using the equity method.

## III Employees

Year		As of February 27	2024	2023
Number of Employees	Technicians	0	0	0
	Engineers	168	171	176
	Employees	23	23	24
	Total	191	194	200
Average Age		42.9	42.6	42.8
Average Service Year		9.0	8.9	10.1
Academic Distribution Ratio %	PhD (%)	1.6	1.6	1.0
	Master Degree (%)	48.2	47.4	43.0
	Bachelor Degree (%)	50.2	51	54.5
	High School (%)	0	0	1.5

Note1. Adopted consolidated information.

Note2. The publication of this Annual Report is February 27, 2025.

## 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 various integrated circuits. We strictly adhere to applicable environmental regulations and relevant international standards, and are committed to protecting nature and promoting environmental sustainability in the course of our business operations. We are dedicated to providing an environmentally friendly, safe, and hygienic working

environment, and have established appropriate management systems to ensure that all employees can work with peace of mind and satisfaction. In line with our Environmental, Health, and Safety (EHS) policy and the philosophy of sustainable corporate development, we continuously implement control measures, preventive actions, and improvement initiatives related to environmental protection and green energy. Furthermore, we actively participate in activities organized by the Taiwan Semiconductor Industry Association and fully support various initiatives led by regulatory authorities, demonstrating our commitment to advancing the Environmental, Health, and Safety Management System.

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 resources policy is founded on the principle of respecting and safeguarding fundamental labor rights. Appropriate management methods and procedures have been established to uphold this principle. To protect the lawful rights and interests of employees, the Company has formulated the "Silicon Integrated Systems Corporation Work Rules" in accordance with the Labor Standards Act and other relevant labor regulations. In addition, the Company provides employees with information on applicable labor laws and regulations to ensure compliance and awareness. In the event of any doubts or disputes regarding the application of labor rights protections, such matters shall be reviewed and

discussed by the Labor-Management Committee. If a consensus cannot be reached, the issue will be submitted to the competent authority for interpretation.

- (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) Labor insurance and national health insurance: participate in labor insurance and national health insurance in accordance with the law.
- (2) Group Insurance: From the date of onboarding, all full-time employees are covered under a group insurance plan arranged by the Company, with premiums fully paid by the Company. In addition, the Company provides subsidies for dependents' group insurance coverage, offering employees and their families an added layer of protection and care.
- (3) Bonus system: provide bonuses (festivals, performance bonuses, intellectual property rights bonuses, awards for excellent performance and employees) and employee share options.
- (4) A staff cafeteria and coffee bar are available for lunch, dinner and beverage refreshments, as well as partial meal subsidies provided for lunch and dinner.
- (5) Leisure facilities: gymnasium, basketball court, snooker, badminton, pool, rhythmic yoga, newspaper and library, as well as outdoor walking paths, providing the best place for employees to dine, socialize and work out.
- (6) Social groups: provide a variety of community learning activities to enrich the leisure life of employees, and also to evoke the camaraderie among colleagues.

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

- (1) To enhance employee welfare, the Company has established an Employee Welfare Committee responsible for organizing various recreational and cultural activities, providing subsidies for holidays and special occasions, and supporting medical care, continuing education, and other related welfare initiatives. The charter governing the Employee Welfare Committee is separately formulated and submitted to the competent authority in accordance with relevant regulations.
- (2) The funding for employee welfare is allocated in accordance with the provisions of 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 operations. The Company actively promotes a learning organization and is dedicated to enhancing employee capabilities by nurturing high-quality talent required by the organization. An annual training plan is formulated based on the needs of employees. The Company offers a comprehensive range of training programs, including onboarding and in-service employee training, professional technical training, management skills development, self-motivation training, quality management training, and health and safety training. These programs aim to provide employees with both the professional skills development and self-growth opportunities necessary for their careers.

C. Retirement system:

The Company, in accordance with legal requirements, allocates retirement reserves for employees, which are managed by the Labor Retirement Reserve Supervision Committee. In compliance with the Labor Standards Act, the Company handles employee pension payments. Starting from July 1, 2005, employees who choose to participate in the Labor Pension Act retirement system have 6% of their monthly salary contributed to a retirement account managed by the Bureau of Labor Insurance, ensuring full protection of employees' retirement benefits.

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. The 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 maintains a well-organized workforce, and the Group's management philosophy and policies are clearly implemented. Additionally, the Group has an internal website that provides employees with timely information and features a suggestion box to gather a wide range of feedback from staff.

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:

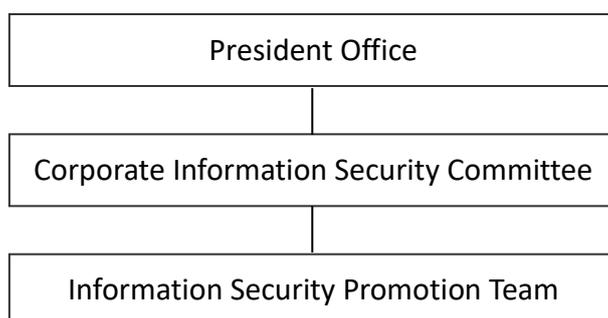
- (1) Occupational safety and health measures
- (2) Occupational safety and health management
- (3) Occupational safety and health training
- (4) Health management and health promotion

- (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 mitigate various cybersecurity threats and prevent the theft, alteration, or loss of company information, the Company has deployed advanced information security protection technologies. These measures strengthen information security management and internal antivirus protocols. In addition to adopting a multi-layered network architecture, mechanisms for preventing hacking and safeguarding against confidential information leaks have been implemented to enhance the overall security of the information environment. The Company enforces robust information security management measures to ensure the confidentiality, integrity, and availability of data, systems, equipment, and networks, thereby safeguarding the security of both software and hardware information.

- (I) Information Security Management Framework



- Corporate Information Security Committee: The Corporate Information Security Committee is the highest governing body for information security within the Company, reporting directly to the President's Office. It leads the development and implementation of the Company's information security policies and initiatives. The committee is chaired by a Chief Officer, who is responsible for driving and overseeing these efforts. Members of the committee include senior

department heads, who are responsible for decision-making and providing support on related matters.

- 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.

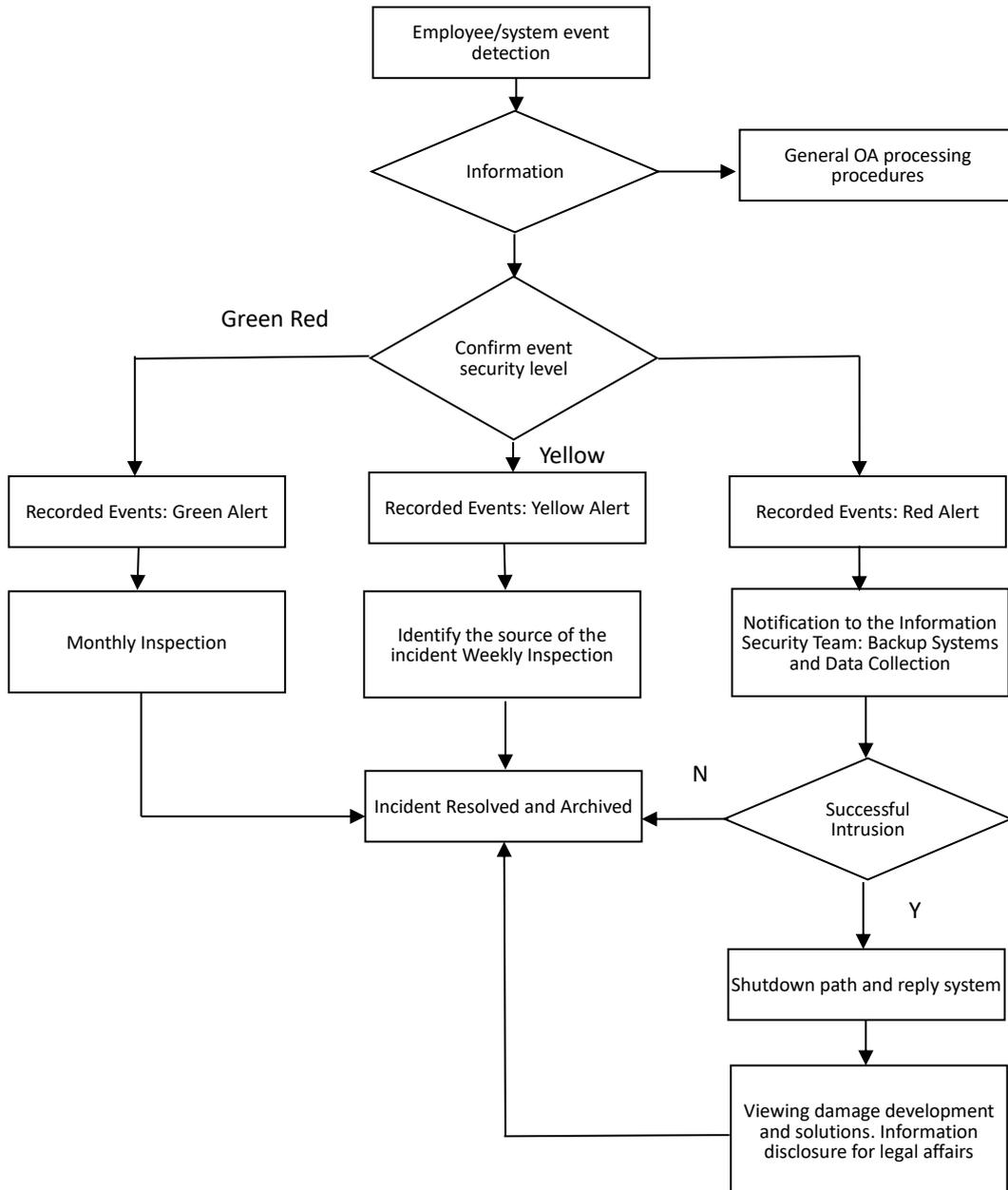
(II) Promoting information security policies: to effectively implement information security management, the Company has reviewed the applicability of information security policies and protection measures based on the management cycle of Plan-Do-Check-Act (PD) to strengthen information security management 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 bug 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 redundancy 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.

In September 2024, the Company 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.

In December 2024, the Company purchased a firewall equipped with intrusion prevention, URL filtering, and APT (Advanced Persistent Threat) protection mechanisms.

In December 2024, the Company conducted scans on personal computers to strengthen endpoint system security and implement measures such as anti-hacking operations.

In December 2024, the Information Security and Personal Data Management Committee convened one meeting.

■ Staff educational training

In February 2024, the Company conducted two sessions of information security policy training for all employees, with a total of 135 participants.

■ 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	2025-2026	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		2024	2023	Increase (decrease) amount	Change ratio %
Current assets		1,468,437	4,102,940	(2,634,503)	(64.21)
Property, plant and equipment		734,068	738,438	(4,370)	(0.59)
Intangible assets		2,556	3,046	(490)	(16.09)
Other Assets		12,102,206	14,275,558	(2,173,352)	(15.22)
Total Assets		14,307,267	19,119,982	(4,812,715)	(25.17)
Current liabilities	Before distribution	187,160	124,979	62,181	49.75
	After distribution	(Note)	62,631	-	-
Non-current liabilities		9,408	4,486	4,922	109.72
Total Liabilities	Before distribution	196,568	129,465	67,103	51.83
	After distribution	(Note)	67,117	-	-
Share capital		4,872,331	7,495,894	(2,623,563)	(35.00)
Capital surplus		106,980	83,210	23,770	28.57
Retained earnings	Before distribution	4,482,300	4,191,021	291,279	6.95
	After distribution	(Note)	3,966,144	-	-
Other equity interest		4,649,088	7,220,392	(2,571,304)	(35.61)
Total equity	Before distribution	14,110,699	18,990,517	(4,879,848)	(25.70)
	After distribution	(Note)	18,765,640	-	-

Note1. Subject to the approval at the 2025 annual shareholders' meeting

#### Differentiation analysis:

- A. The decrease in current assets was primarily attributable to a 35% capital reduction in cash.
- B. The decrease in other assets and other equity was mainly due to the decline in the fair value of financial assets measured at fair value through other comprehensive income (FVOCI).

## (II) IFRS Consolidated Financial Statements

Currency Unit: NT\$'000

Item/Year		2024	2023	Increase (decrease) amount	Change ratio %
Current assets		2,243,892	4,210,454	(1,966,562)	(46.71)
Property, plant and equipment		846,801	744,628	102,173	13.72
Intangible assets		12,939	7,566	5,373	71.02
Other Assets		11,642,728	14,214,358	(2,571,630)	(18.09)
Total Assets		14,746,360	19,177,006	(4,430,646)	(23.10)
Current liabilities	Before distribution	557,431	141,111	416,320	295.03
	After distribution	(Note)	78,763	-	-
Non-current liabilities		16,624	4,878	11,746	240.80
Total Liabilities	Before distribution	574,055	145,989	428,066	293.22
	After distribution	(Note)	83,641	-	-
Equity attributable to owners of the parent company		14,110,699	18,990,517	(4,879,818)	(25.70)
Share capital		4,872,331	7,495,894	(2,623,563)	(35.00)
Capital surplus		106,980	83,210	23,770	28.57
Retained earnings	Before distribution	4,482,300	4,191,021	291,279	6.95
	After distribution	(Note)	3,966,144	-	-
Other equity interest		4,649,088	7,220,392	(2,571,304)	(35.61)
Non-controlling interest		61,606	40,500	21,106	52.11
Total equity	Before distribution	14,746,360	19,031,017	(4,284,657)	(22.51)
	After distribution	(Note)	18,806,140	-	-

Note1. Subject to the approval at the 2025 annual shareholders' meeting

## Differentiation analysis:

- A. The decrease in current assets was primarily attributable to a 35% capital reduction in cash.
- B. The decrease in other assets and other equity was mainly due to the decline in the fair value of financial assets measured at fair value through other comprehensive income (FVOCI).

## II Financial Performance

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

Currency Unit: NT\$'000

Item/Year	2024	2023	Increase (decrease) amount	Change ratio %
Sales revenue	164,568	118,171	46,397	39.26
Gross profit	80,438	19,934	60,504	303.52
Operating loss	(344,525)	(422,738)	78,213	(18.50)
Non-operating income and expenses	925,494	1,053,141	(127,647)	(12.12)
Profit before income tax	580,969	630,403	(49,434)	(7.84)
Income from continuing operations	498,582	571,261	(72,679)	(12.72)
Net income	498,582	571,261	(72,679)	(12.72)
Other income (net amount after tax) for the period	(2,553,730)	3,810,487	(6,364,217)	(167.02)
Total comprehensive income for the period	(2,055,148)	4,381,748	(6,436,896)	(146.90)
Earnings per share	0.81	0.76	0.05	6.58

#### Differentiation analysis:

- A. The changes in operating revenues, operating costs and gross profit were mainly due to changes in customer portfolio.
- B. The net amount of non-operating income and expenses decreased, primarily due to a reduction in recognized dividend income.
- C. Other comprehensive income declined, mainly due to a decrease in the fair value of non-current financial assets measured at fair value through other comprehensive income (FVOCI).

The Company remains focused on supporting a wide range of touch sensor technologies, while continuously enhancing chip performance and reducing costs. In addition, the Company is actively expanding the application of related products across various fields. Going forward, as touch panel prices become more affordable, the development of touch applications is expected to accelerate, thereby contributing to the achievement of the Company's profitability goals.

## (II) IFRS Consolidated Financial Statements

Currency Unit: NT\$'000

Item/Year	2024	2023	Increase (decrease) amount	Change ratio %
Sales revenue	738,560	187,184	551,376	294.56
Gross profit	256,862	56,676	200,186	353.21
Operating loss	(335,292)	(451,166)	115,874	(25.68)
Non-operating income and expenses	897,111	1,069,171	(172,060)	(16.09)
Profit before income tax	561,819	618,005	(56,186)	(9.09)
Income from continuing operations	472,898	558,841	(85,943)	(15.38)
Net income	472,898	558,841	(85,943)	(15.38)
Other income (net amount after tax) for the period	(2,553,730)	3,810,487	(6,364,217)	(167.02)
Total comprehensive income for the period	(2,080,832)	4,369,328	(6,450,160)	(147.62)
Net income attributable to owners of the parent company	498,582	571,261	(72,679)	(12.72)
Net income attributable to non- controlling interests	(25,684)	(12,420)	(13,264)	106.80
Comprehensive income attributable to owners of the parent company	(2,055,148)	4,381,748	(6,436,896)	(146.90)
Comprehensive income attributable to non-controlling interests	(25,684)	(12,420)	(13,264)	106.80
Earnings per share	0.81	0.76	0.05	6.58

## Differentiation analysis:

- A. The changes in operating revenues, operating costs and gross profit were mainly due to changes in customer portfolio.
- B. The net amount of non-operating income and expenses decreased, primarily due to a reduction in recognized dividend income.
- C. Other comprehensive income declined, mainly due to a decrease in the fair value of non-current financial assets measured at fair value through other comprehensive income (FVOCI).

The Company remains focused on supporting a wide range of touch sensor technologies, while continuously enhancing chip performance and reducing costs. In addition, the Company is actively expanding the application of related products across various fields. Going forward, as touch panel prices become more affordable, the development of touch applications is expected to accelerate, thereby contributing to the achievement of the Company's profitability goals.

### III Cash flows

#### (I) Analysis and Improvement Plan of the Change in Cash Flow in 2024

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
3,758,872	(501,277)	(1,635,047)	1,624,235	-	-

- A. The net cash outflow from operating activities was NT\$501,277 thousand.
- B. The net cash inflow from investing activities was NT\$1,149,792 thousand.
- C. The net cash outflow from financing activities was NT\$2,784,839 thousand.
- D. The effect of exchange rate changes on cash and cash equivalents was NT\$1,687 thousand.
- E. There was no cash inadequacy and liquidity deficit for the year.
- F. 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
1,624,235	(323,282)	502,260	1,803,213	-	-

Note1. 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 response to the increasing complexity of global economic fluctuations and the challenges arising from the internationalization of business operations, the Company places strong emphasis on enterprise risk management to ensure sustainable development. The Company conducts risk assessments encompassing economic, environmental, and social issues, and has established the Risk Management Policy accordingly. The Board of Directors serves as the highest supervisory body for risk management, responsible for formulating overarching risk management strategies. Functional management levels and daily operational units are tasked with progressively identifying key risks that may impact business operations and formulating appropriate mitigation plans to reduce the likelihood of operational disruptions. The outcomes of risk management activities are consolidated and serve as a foundation for future strategic management, performance evaluation, and internal audit planning. The Company's risk management organizational structure 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 prepares 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, ensures that all operational risks are effectively controlled, and timely recommendations for improvement are made.
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. Interest Rate Fluctuations: The Company maintains sufficient operating capital and does not rely on bank borrowings. Therefore, an increase in interest rates would contribute positively to interest income. The Company's finance department closely monitors market interest rate movements to mitigate the potential impact of interest rate fluctuations on the Company's financial position.
  - B. Foreign Exchange Rate Fluctuations: The Company engages in derivative financial instruments, specifically forward foreign exchange contracts, primarily to hedge against foreign exchange risks arising from operations. To mitigate the foreign exchange risk associated with foreign currency-denominated accounts receivable, the Company uses

forward foreign exchange sales as its primary hedging tool. For the year 2024, the Company recognized an exchange gain of NT\$8,386 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.

To effectively manage finances and mitigate potential transaction risks, the Company has established various internal operating procedures and management policies in accordance with applicable laws and regulations prescribed by the competent authorities. These include the "Regulations Governing Loaning of Funds," "Regulations Governing Provision of Endorsements/Guarantees," and "Procedures for Derivative Transactions." As of the publication date of this annual report, the Company has not engaged in any high-risk or highly leveraged investment activities, such as lending of funds to other parties or providing endorsements or guarantees for others. The Company's engagement in derivative transactions is solely for the purpose of hedging foreign exchange risks arising from its business 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: the estimated R&D expenses for 2025 and 2026 are approximately NT\$500,000,000 per annum.

(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 continuously monitors the development of domestic and international technologies and industries, regularly reviewing and improving the impact of these advancements on the group's financial performance and operations. With exceptional research and development capabilities, the company continuously enhances relevant technologies and consistently develops innovative products. We provide comprehensive technical services and are committed to launching products that meet customer needs. At the same time, the Company improves service efficiency, strengthens interactions with customers, and stays fully attuned to the pulse and trends of the technology industry. As a result, technological advancements and industry changes have no significant impact on the Company's financial performance.

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

The Company has always placed great emphasis on corporate governance and its relationship with the community, effectively integrating and utilizing group resources to enhance overall operational performance. In recent years, the Company has also focused on promoting social welfare activities. For various unforeseen situations, dedicated plans and responses are in place to minimize the uncertainties in business operations.

- (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.

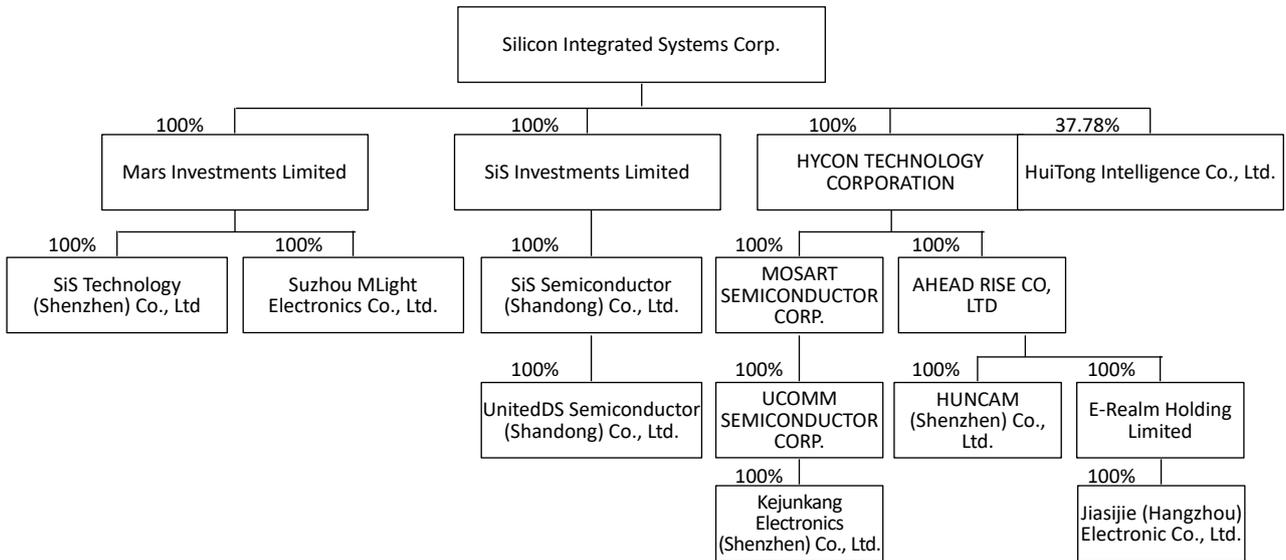
(XIII) As of the date of publication of the Annual Report, the Company has no other significant risks.

**VII Other Important Issues: None**

# Chapter 6 Special Disclosure

## I Information on Affiliates

### (I) Structure of affiliates



Note1. The data is as of February 27, 2025.

## (II) General information of affiliates

Name of Affiliates	Date of Incorporation	Location	Paid-in Capital	Main Business Activities
HuiTong Intelligence Co., Ltd.	September 2020	Taiwan	NT270,000,000	IC design industry
Mars Investments Limited	January 2013	Samoa	USD6,687,100	Investment business
SiS Technology (Shenzhen) Co., Ltd	October 2010	China Shenzhen	CNY2,000,000	Development, consulting and sales of electronic products and technology
Suzhou MLight Electronics Co., Ltd.	June 2014	China Suzhou	CNY31,850,000	Design, manufacture and sale of integrated circuits
SiS Investments Limited	June 2024	Cayman	USD17,976,725	Holding Company
SiS Semiconductor (Shandong) Co., Ltd.	June 2024	Shandong, Mainland China	CNY77,500,000	Sales of integrated circuit chips and products, as well as the import and export of technology and goods
UnitedDS Semiconductor (Shandong) Co., Ltd.	March 2014	Shandong, Mainland China	CNY30,000,000	Integrated circuit design services
HYCON TECHNOLOGY CORPORATION	July 2007	Taiwan	NT318,547,920	IC Design
AHEAD RISE CO.,LTD	October 2010	Mauritius	USD1,370,000	Holding Company
HYCON TECHNOLOGY (SHENZHEN) CO.,LTD.	October 2010	China Shenzhen	CNY1,400,00	Wholesale, import and export of electronic products, integrated circuits, and related supporting businesses
E-Realm Holding Limited	January 2009	Samoa	USD 150,000	Holding Company
Jiasijie (Hangzhou) Electronic Co., Ltd.	October 2009	Zhejiang, Mainland China	US\$150,000	Wholesale, import and export of electronic products, integrated circuits, and related supporting businesses
MOSART SEMICONDUCTOR CORP.	May 1993	Taiwan	NT\$223,800,000	Research, development, and design of digital integrated circuits and analog integrated circuits, sales and import/export trade, as well as the manufacturing of data storage and processing equipment and components
Ucomm Enterprise Corp.	April 2008	Seychelles	US\$2,800,000	Holding Company
Kejunkang Electronics (Shenzhen) Co., Ltd.	December 2008	China Shenzhen	US\$2,800,000	Application software development and provision of related technical consulting services

Note1. The data is as of February 27, 2025.

(III) Information on common shareholders of treated as controlled companies and affiliates:  
Not Applicable

(IV) Industry and relationship of the overall business of the affiliates

The Company and its affiliates engage in the design, sales and investment of IC products.

(V) Directors, Supervisors, and President of Affiliated Companies and Their Shareholding Status

Name of Affiliates	Position	Name or Representative	Shareholding	
			Number of Shares	Shareholdings
HuiTong Intelligence Co., Ltd.	Chairman Director	Le-Tien Jung Silicon Integrated Systems Corp.	0 10,200,000	0% 37.78%
Mars Investments Limited	Director	Representative of Silicon Integrated Systems Corp.: Po-Wen Huang	6,687,100	100%
SiS Technology (Shenzhen) Co., Ltd	Executive Director	Representative of Mars Investments Limited: Po-Wen Huang	0	100%
Suzhou MLight Electronics Co., Ltd.	Executive Director	Representative of Mars Investments Limited: Po-Wen Huang	0	100%
SiS Investments Limited	Director	Representative of Silicon Integrated Systems Corp.: Po-Wen Huang	0	100%
SiS Semiconductor (Shandong) Co., Ltd.	Executive Director	Representative of SiS Investments Limited: Stan Hung	0	100%
UnitedDS Semiconductor (Shandong) Co., Ltd.	Executive Director	Representative of SiS Semiconductor (Shandong) Co., Ltd.: Stan Hung	0	100%
HYCON TECHNOLOGY CORPORATION	Chairman Director Director	Representative of Silicon Integrated Systems Corp.: Chao Po-Yin Representative of Silicon Integrated Systems Corp.: Le-Tien Jung Representative of Silicon Integrated Systems Corp.: Po-Wen Huang	0 0 0	100%
AHEAD RISE CO.,LTD	Director	Representative of HYCON TECHNOLOGY CORPORATION: Chao Po-Yin	0	100%
HYCON TECHNOLOGY (SHENZHEN) CO.,LTD.	Director	Representative of AHEAD RISE CO., LTD: Chao Po-Yin	0	100%
E-Realm Holding Limited	Director	Representative of HYCON TECHNOLOGY CORPORATION: Chao Po-Yin	0	100%
Jiasijie (Hangzhou) Electronic Co., Ltd.	Director	Representative of E-Realm Holding Limited: Chao Po-Yin	0	100%
MOSART SEMICONDUCTOR CORP.	Director	Representative of HYCON TECHNOLOGY CORPORATION: Chao Po-Yin	0	49.98%
Ucomm Enterprise Corp.	Director	Representative of MosArt Semiconductor Corp.: Li Ming-Shan	0	100%
Kejunkang Electronics (Shenzhen) Co., Ltd.	Director	Representative of Ucomm Enterprise Corp.: Lu Li-Yun	0	100%

Note1. The data is as of February 27, 2025.

## (VI) Operation of affiliates

Currency Unit: NT\$'000, except for earnings (loss) per share

Name of Affiliates	Capital	Total Assets	Total Liabilities	Net Value	Operating Income for the Period	Operating Profit for the Period	Profit or Loss (After Tax) for the Period	Earnings per Share (After Tax)
HuiTong Intelligence Co., Ltd.	270,000	128,306	29,294	99,102	51,734	(53,752)	(53,640)	(0.20)
Mars Investments Limited	204,343	21,735	0	21,735	6,406	6,155	6,190	0.93
SiS Technology (Shenzhen) Co., Ltd	9,320	13,421	903	12,518	6,550	(473)	(415)	N/A
Suzhou MLight Electronics Co., Ltd.	148,975	9,378	904	8,834	1,035	9,451	6,822	N/A
SiS Investments Limited	348,196	412,590	436	412,154	64,653	63,734	63,775	N/A
SiS Semiconductor (Shandong) Co., Ltd.	346,603	411,439	0	411,439	65,186	64,651	64,653	N/A
UnitedDS Semiconductor (Shandong) Co., Ltd.	135,390	750,245	345,950	404,295	511,378	57,600	65,186	N/A

Note1. Information as of December 31, 2024, which is the parent company financial statements.

## (VII) Report of Affiliates

### A. Relationship overview between the subsidiaries and the holding company

Name of Holding Company	Reason of Holding	Shareholdings and Pledges of Holding Company			Directors, Supervisors, and Managers	
		Number of Shares Held	Shareholdings	Pledged Shares	Position	Name
HuiTong Intelligence Co., Ltd.	Director	10,200,000	37.78%	0	Chairman Director	Le-Tien Jung Po-Wen Huang
Mars Investments Limited	Director	6,687,100	100%	0	Director	Po-Wen Huang
SiS Technology (Shenzhen) Co., Ltd	Executive Director	-	100%	0	Executive Director	Po-Wen Huang
Suzhou MLight Electronics Co., Ltd.	Executive Director	-	100%	0	Executive Director	Po-Wen Huang
SiS Investments Limited	Executive Director	10,976,725	100%	0	Director	Po-Wen Huang
SiS Semiconductor (Shandong) Co., Ltd.	Executive Director	-	100%	0	Executive Director	Stan Hung
UnitedDS Semiconductor (Shandong) Co., Ltd.	Executive Director	-	100%	0	Executive Director	Stan Hung

Note1. Information as of December 31, 2024, which is the parent company financial statements.

### B. Transactions

- (1) Import and export transactions: NT\$9,846,000 products sold to Suzhou MLight Electronics Co., Ltd. but subsequently returned to SiS
- (2) Property transactions: None
- (3) Lease of assets: None
- (4) Other significant transactions: None

### C. Endorsements and guarantees: None

D. Derivative transactions: None

(VIII) Consolidated financial statements of affiliates

#### Statement of Declaration

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, the Company and subsidiaries do not prepare a separate set of consolidated financial statements.

Sincerely,

Silicon Integrated Systems Corp.

Person in charge: Stan Hung

February 27, 2025

- II In the past year and up to the date of publication of the Annual Report, the Company had no private placement of marketable securities.**
- III Other necessary supplementary information: None.**
- IV In the past year and up to the date of publication of the Annual Report, there were no events that had a significant impact on shareholders' equity or the securities price as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act.**

Silicon Integrated Systems Corp.

Chairman: Stan Hung



Silicon Integrated Systems Corp.

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