

Stock Code: 2363

The Form of Shareholders' Meeting: Physical



Silicon Integrated Systems Corp.

2023 Annual Shareholders' Meeting Meeting Handbook



June 6, 2023

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THIS IS A TRANSLATION OF 2023 ANNUAL SHAREHOLDERS' MEETING HANDBOOK ("THE HANDBOOK") OF SILICON INTEGRATED SYSTEMS CORPORATION ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Silicon Integrated Systems Corp.

Meeting Procedures of the 2023 Annual General Meeting

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

Silicon Integrated Systems Corp.

Agenda of the 2023 Annual General Meeting

Time: June 6, 2023, 9:00 am

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

The Form of Shareholders' Meeting: Physical

Attendants: All shareholders and their proxies

Chairman: Cheng-Chien Chien

I. Meeting Called to Order

II. Chairman's Speech

III. Report Items

Proposal 1: 2022 Business Report

Proposal 2: Audit Committee's Review Report on the 2022 Financial Statements

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

Proposal 4: Report on 2022 employees' and directors' compensation

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

IV. Proposed Resolutions

Proposal 1: Ratification of the 2022 Business Report and Financial Statements

Proposal 2: Ratification of the 2022 Earnings Distribution Proposal

V. Agenda Items

Proposal 1: Amendment to the Articles of Incorporation

Proposal 2: Amendments to the "Procedures of Acquisition and Disposal of Assets"

VI. Extraordinary Motions

VII. Adjournment

Report Items:

Report 1

Proposal: 2022 Business Report

Description: Please refer to Attachment I on page 6~7 concerning 2022 Business Report.

Report 2

Proposal: Audit Committee's Review Report on the 2022 Financial Statements.

Description: Please refer to Attachment II on page 8 and Attachment III on page 9~16 of this Handbook concerning the Audit Committee's Review Report and Independent Auditors' Report.

Report 3

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

Description:

1. In compliance with Article 172-1 of the Company Act.
2. The Company did not receive any shareholders' proposals during the period from March 31, 2023 to April 10, 2023.

Report 4

Proposal: Report on the distribution of 2022 employees' and directors' compensation

Description:

1. In accordance with Article 32 of the Company's Articles of Incorporation: the Company shall contribute the remaining balance of profit before tax after offsetting the accumulated loss to employees' and directors' compensation. The percentage of employees' compensation shall be no less than 5% of the aforementioned balance and the percentage of directors' compensation shall be no more than 2% of the aforementioned balance. Employees' compensation shall be distributed in the form of shares or cash, while directors' compensation shall be distributed in the form of cash.
2. The Company proposed to distribute NT\$ 28,948,024 in cash for employees' compensation and NT\$11,579,208 in cash for directors' compensation.

Report 5

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

Description:

1. Handled in accordance with "Regulations Governing Procedure for Board of Directors Meetings for Public Companies" as amended by Financial Supervisory Commission's Financial-Supervisory-Securities-Corporate 1110383263 dated August 5, 2022.
2. Concerning the comparison table of revised provisions of "Regulations Governing Procedure for Board of Directors", please refer to pages 29~30 [Attachment VI] of this Handbook.

Proposed Resolution:

Proposal 1 (Proposed by the Board of Directors)

Proposal: Ratification of the 2022 Business Report and Financial Statements.

Description:

1. The 2022 Business Report and Financial Statements have been approved by Board of Directors at the 5th Meeting of the 12th Board of Directors, reviewed by Audit Committee which has issued a written review report, and submitted to the shareholders' meeting for ratification in accordance with the laws and regulations. Please refer to Attachment II on page 8 of this Handbook.
2. Concerning the attached Business Report, please refer to Attachment I on page 6 to page 7 of this Handbook. Concerning Independent Auditors' Report and the above financial statements, please refer to Attachments III to V on page 9 to page 28 of this Handbook.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification of the 2022 Earnings Distribution Proposal

Description:

1. With the Company's earnings after tax for 2022 of NT\$483,656,432, plus the undistributed earnings at the beginning of 2022 of NT\$1,558,715,514, the remeasurement of the defined benefit plan of NT\$14,866,041, and the gain on sale - equity instrument investment at fair value through other comprehensive income of NT\$361,420,911, while less the legal reserve of NT\$(85,994,338), the distributable earnings for the period is NT\$2,332,664,560. The Company proposed to distribute cash dividends of \$749,589,353, or NT\$1.0 per share.
2. Please refer to the following 2022 Earnings Distribution Table

Silicon Integrated Systems Corp.

2022 Earnings Distribution Table

Unit: NT\$

No.	Amount
Undistributed earnings at the beginning of the period	1,558,715,514
Plus: Remeasurement of defined benefit plans	14,866,041
Plus: Gain on sale - investments in equity instruments at fair value through other comprehensive income	361,420,911
Undistributed earnings at the beginning of the period after adjustment	1,935,002,466
Earnings after tax for the period	483,656,432
Less: Provision of legal reserve	(85,994,338)
Distributable earnings for the period	2,332,664,560
Less: Cash dividend NT\$1.0/share	(749,589,353)
Undistributed earnings at the end of the period	1,583,075,207

Chairman: Cheng-Chien Chien Manager: Shur-Jung Shyi Chief Accountant: Yuan-Kwei Chen

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

Resolution:

Discussion Items:

Discussion 1 (Proposed by the Board of Directors)

Proposal: Amendment to the Articles of Incorporation

Description:

1. Handled in accordance with President Order Hua-Tsung (1)-Jing-Tzu No.11000115851 on December 29, 2021.
2. Please refer to page 31 [Attachment VII] of this Handbook for the comparison table of the amendment on provisions of the Company's "Articles of Incorporation".

Resolution:

Discussion 2 (Proposed by the Board of Directors)

Proposal: Amendments to "Procedures of Acquisition and Disposal of Assets"

Description:

1. Handled in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as amended by Financial Supervisory Commission's Financial-Supervisory-Securities-Corporate 1110380465 dated January 28, 2022.
2. Please refer to pages 32 ~ 37 [Attachment VIII] of this Handbook for the comparison table of the amendment on provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets".

Resolution:

Extraordinary Motions:

Adjournment

【Attachments I】

Silicon Integrated Systems Corp.

Business Report

Although the global pandemic has gradually slowed down in 2022, the willingness to purchase consumer electronics products has been greatly reduced due to factors such as inflation and interest rate hikes. In addition, excessive stocking during the pandemic has resulted in high inventory levels, which created an extreme imbalance where supply far exceeds demand in the overall consumer electronics supply chain. The Company's IC design business failed to achieve the expected performance targets due to the impact of inventory depletion on the customer side and sluggish consumer demand. However, with the significant growth in non-operating income, the profit and loss for 2022 reached NT\$519 million before tax and NT\$0.65 per share.

Looking forward to 2023, we are launching a new generation of active pen ICs and touch ICs with improved functional integration and reduced power consumption, as well as support for multiple active pen protocols. In addition, we rolled out the first-generation 3 immersive live streaming products, integrated with software, hardware, and algorithms, to provide a cost-effective 3 immersive live streaming experience which contributes to the growth of the overall revenue.

2022 Business Performance

Results of the Business Plan

We continued to devote time and effort to develop large-capacity capacitive touch chips and chips for active stylus pens within the touchscreen sector to be used in markets such as laptops and smart interactive white boards for various commercial, business, education, industrial control, and automotive applications. At the same time, we continue to improve and enhance the performance of smart white boards combined with wireless transmission and cloud technology for intelligent presentation products, which can be applied to office business presentations, teaching at schools, and other applications. In addition, we also launched the first-generation 3D immersive live streaming products, integrated with software, hardware, and algorithms, to achieve an easy-to-operate and cost-effective 3D immersive live streaming experience, which can be widely used in business live streaming promotion, distance learning and self-media education, online entertainment and theater performances, as well as other applications.

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

Financial Condition

(I) Parent Company Only Financial Statements Unit: NT\$'000

Item	2022	2021	Increase (decrease) amount
Revenue	143,354	237,235	(93,881)
Gross profit	(9,558)	78,255	(87,813)
Operating loss	(404,595)	(285,299)	(119,296)
Net income for the period	483,657	198,311	285,346

(II) Consolidated Financial Statements Unit: NT\$'000

Item	2022	2021	Increase (decrease) amount
Revenue	182,202	252,153	(69,951)
Gross profit	4,640	84,487	(79,847)
Operating loss	(463,840)	(355,457)	(108,383)
Net income for the period	463,903	184,678	279,225

Profitability

(I) Parent Company Only Financial Statements

Item	2022	2021	
Return on assets (%)	2.49	0.97	
Return on equity (%)	2.51	0.97	
Ratio to paid-in capital (%)	Net operating loss	(5.40)	(4.19)
	Profit before income tax	7.18	3.07
Net profit margin (%)	337.39	83.59	
Earnings per share (NTD)	0.65	0.26	

(II) Consolidated Financial Statements

Item	2022	2021	
Return on assets (%)	2.39	0.90	
Return on equity (%)	2.40	0.91	
Ratio to paid-in capital (%)	Net operating loss	(6.19)	(5.22)
	Profit before income tax	6.92	2.88
Net profit margin (%)	254.61	73.24	
Earnings per share (NTD)	0.65	0.26	

Research and development

- Continued to improve touch chip performance and improve the existing business, education, industrial control, and smart white board markets. Develop highly cost-effective touch screens in various sizes and smart (cloud) white board touch modules.
- Introduced the next generation of USI and MPP specification stylus pens and Bluetooth touch feedback for laptops and tablets.
- Continued to develop microelectromechanical sound control products for AI applications.
- Continued to develop a 3D live streaming product integrated with software, hardware, and algorithm with added motion detecting functions to cater to the new online and self media streaming applications.

Summary of 2023 Business Plan

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

Sincerely,

We wish you all health and good fortune.

Chairman: Cheng-Chien Chien Manager: Shur-Jung Shyi Chief Accountant: Yuan-Kwei Chen

【Attachments II】

Silicon Integrated Systems Corp.
Audit Committee's Report

The 2022 financial statements and consolidated financial statements of the Company prepared and delivered by the Board of Directors had been jointly audited by CPA Shao-Pin Kuo and Hsin-Min Hsu from EY, who are of opinion that such financial statements are sufficient to present the financial condition, operating results and cash flow of the Company. The Business Report and earnings distribution have been reviewed by the Audit Committee, which has not found any inconsistencies. Therefore, the Audit Committee hereby issues this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

2023 Annual Shareholders' Meeting of Silicon Integrated Systems Corp.

Convener of the Audit Committee: Ya-Ching Li

March 2, 2023

【Attachments III】

Independent Auditors' Report

To Silicon Integrated Systems Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Silicon Integrated Systems Corporation (“the Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The Company recognized NT\$ 143,354 thousand as net sales for the year ended December 31, 2022. Sales of products is the main operating activity of the Company. Its sale regions include not only Taiwan but also Asia and other regions. Trade terms of sales of products under each sale order may be different. It is necessary for the Company to judge and determine the performance obligations and the timing of its satisfaction under each sale order. As a result, we determined the matter to be a key audit matter.

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

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain investee companies, which were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The investment in these investee companies under equity method amounted to NT\$119,839 thousand and NT\$134,901 thousand, accounting for 1% and 1% of total assets as of December 31, 2022 and 2021, respectively. The related shares of losses recognized from these subsidiaries, associates and joint ventures under the equity method amounted to NT\$43,633 thousand and NT\$52,720 thousand, accounting for (8)% and (25)% of the net income before tax for the years ended December 31, 2022 and 2021, respectively.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kuo, Shao-Pin

Hsu, Hsin-Min

Ernst & Young, Taiwan

March 2, 2023

Notice to Readers

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

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

Independent Auditors' Report

To Silicon Integrated Systems Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Silicon Integrated Systems Corporation and its subsidiaries (“the Company”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the consolidated financial position of the Company as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The Company recognized NT\$182,202 thousand as net sales for the year ended December 31, 2022. Sales of products is the main operating activity of the Company. Its sale regions include not only Taiwan but also Asia and other regions. Trade terms of sales of products under each sale order may be different. It is necessary for the Company to judge and determine the performance obligations and the timing of its satisfaction under each sale order. As a result, we determined the matter to be a key audit matter.

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

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain consolidated subsidiaries, whose statements reflected total assets in the amount of NT\$86,792 thousand, constituting 1% of the consolidated total assets as of December 31, 2022; and total operating revenue in the amount of NT\$17,589 thousand, constituting 10% of the consolidated operating revenue for the year ended December 31, 2022. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

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We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. The investment in these associates and joint ventures under equity method amounted to NT\$82,638 thousand and NT\$101,275 thousand, representing 1% and 1% of the consolidated total assets as of December 31, 2022 and 2021, respectively. The related shares of losses from the associates and joint ventures under the equity method amounted to NT\$18,970 thousand and NT\$22,214 thousand, representing (4)% and (11)% of the consolidated net income before tax for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of Silicon Integrated Systems Corporation as of and for the years ended December 31, 2022 and 2021.

Kuo, Shao-Pin

Hsu, Hsin-Min

Ernst & Young, Taiwan

March 2, 2023

Notice to Readers

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

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

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

SILICON INTEGRATED SYSTEMS CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

【Attachments IV】

ASSETS	Notes	December 31, 2022	%	December 31, 2021	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 1,391,733	9	\$ 578,548	2
Financial assets measured at amortized cost-current	4, 6(3), 12	9,641	-	9,624	-
Trade receivables, net	4, 6(4), 6(12), 12	12,528	-	15,165	-
Trade receivables-related parties, net	4, 6(4), 6(12), 7, 12	2,460	-	35,015	-
Other receivables	12	63,916	-	50,669	-
Other receivables-related parties	12	-	-	5	-
Inventories, net	4, 5, 6(5)	89,238	1	97,798	1
Prepayments		3,278	-	5,172	-
Other current assets		12,981	-	16,217	-
Total current assets		<u>1,585,775</u>	<u>10</u>	<u>808,213</u>	<u>3</u>
Non-current assets					
Financial assets at fair value through other comprehensive income-noncurrent	4, 6(2), 12	12,904,748	84	21,568,706	93
Investments accounted for using the equity method	4, 6(6)	149,115	1	152,154	1
Property, plant and equipment	4, 5, 6(7)	733,251	5	734,499	3
Right-of-use assets	4, 6(13)	533	-	99	-
Intangible assets	4, 6(8)	3,837	-	4,628	-
Deferred tax assets	4, 5, 6(17)	125	-	-	-
Prepayment for equipment		175	-	2,883	-
Refundable deposits	12	247	-	162	-
Net defined benefit assets-noncurrent	4, 6(9)	74,078	-	59,171	-
Total non-current assets		<u>13,866,109</u>	<u>90</u>	<u>22,522,302</u>	<u>97</u>
Total assets		<u>\$ 15,451,884</u>	<u>100</u>	<u>\$ 23,330,515</u>	<u>100</u>

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

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

SILICON INTEGRATED SYSTEMS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2022	%	December 31, 2021	%
Current liabilities					
Contract liabilities-current	6(11)	1,192	-	304	-
Accounts payable	12	1,850	-	15,437	-
Accounts payable-related parties	7, 12	158	-	8,669	-
Other payables	12	71,746	1	52,329	-
Other payables-related parties	7, 12	897	-	2,639	-
Payables on equipment		2,058	-	1,943	-
Lease liabilities-current	4, 6(13), 12	160	-	102	-
Other current liabilities		2,931	-	3,128	-
Refund liabilities		3,621	-	3,492	-
Total current liabilities		84,613	1	88,043	-
Non-current liabilities					
Deferred tax liabilities	4, 5, 6(17)	2,612	-	2,487	-
Lease liabilities-noncurrent	4, 6(13), 12	378	-	-	-
Guarantee deposits	12	3,830	-	3,772	-
Total non-current liabilities		6,820	-	6,259	-
Total liabilities		91,433	1	94,302	-
Equity					
Share capital	6(10)				
Common stock		7,495,894	48	6,814,449	29
Capital surplus	4, 6(10)	85,303	1	81,798	1
Retained earnings	6(10)				
Legal reserve		429,146	3	402,492	2
Unappropriated earnings		2,418,660	15	2,811,971	12
Other equity		4,931,448	32	13,125,503	56
Total equity		15,360,451	99	23,236,213	100
Total liabilities and equity		\$ 15,451,884	100	\$ 23,330,515	100

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

English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese
SILICON INTEGRATED SYSTEMS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Notes	For the years ended December 31		
		2022	2021	%
Net sales	4, 6(11), 7	\$ 143,354	\$ 237,235	100
Operating costs	6(5), 6(13), 6(14), 7	(152,912)	(158,980)	(67)
Gross profit		(9,558)	78,255	33
Operating expenses	6(12), 6(13), 6(14), 7			
Selling expenses		(52,008)	(47,096)	(20)
General and administrative expenses		(107,946)	(96,655)	(41)
Research and development expenses		(235,053)	(219,813)	(92)
Expected credit losses		(30)	10	-
Total operating expenses		(395,037)	(363,554)	(153)
Operating loss		(404,595)	(285,299)	(120)
Non-operating income and expenses	4, 6(6), 6(15)			
Interest income		4,463	2,378	1
Other income		994,905	565,171	238
Other gains and losses		4,195	5,570	2
Finance costs		(13)	(6)	-
Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using equity method		(60,521)	(78,288)	(33)
Total non-operating income and expenses		943,029	494,825	208
Income before income tax		538,434	209,526	88
Income tax expense	4, 5, 6(17)	(54,777)	(11,215)	(4)
Net income	6(16)	483,657	198,311	84
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit pension plans	6(9)	14,866	1,773	-
Unrealized gains or losses from equity instrument investments measured at fair value through other comprehensive income		(7,832,837)	6,047,183	2,549
Items that may be reclassified subsequently to profit or loss				
Exchange differences resulting from translating the financial statements of foreign operations		203	(468)	-
Other comprehensive income, net of tax		(7,817,768)	6,048,488	2,549
Total comprehensive income		(7,334,111)	6,246,799	2,633
Earnings per share (NTD)				
Basic Earnings Per Share (in New Taiwan Dollars)	6(18)	\$ 0.65	\$ 0.26	
Diluted Earnings Per Share (in New Taiwan Dollars)		\$ 0.64	\$ 0.26	

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

English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese
SILICON INTEGRATED SYSTEMS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	Retained earnings			Other equity			Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	
Balance as of January 1, 2021	\$ 6,309,675	\$ 85,807	\$ 143,742	\$ 2,878,280	\$ 935,441	\$ (4,591)	\$ 7,149,843
Appropriation and distribution of 2021 retained earnings	-	-	258,750	-	(258,750)	-	-
Legal reserve	-	-	-	-	(504,774)	-	(504,774)
Cash dividends	504,774	-	-	-	(504,774)	-	-
Share dividends	-	-	-	(2,878,280)	2,878,280	-	-
Special reserve reversed	-	-	-	-	-	-	-
Other changes in capital surplus	-	(10,889)	-	-	-	-	(10,889)
Share of changes in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	198,311	-	198,311
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,773	(468)	6,048,488
Total comprehensive income (loss)	-	-	-	-	200,084	(468)	6,246,799
Changes in subsidiaries' ownership	-	6,620	-	-	-	-	6,620
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	66,464	-	(66,464)
Others	-	260	-	-	-	-	260
Balance as of December 31, 2021	\$ 6,814,449	\$ 81,798	\$ 402,492	\$ -	\$ 2,811,971	\$ (5,059)	\$ 23,236,213
Balance as of January 1, 2022	\$ 6,814,449	\$ 81,798	\$ 402,492	\$ -	\$ 2,811,971	\$ (5,059)	\$ 23,236,213
Appropriation and distribution of 2022 retained earnings	-	-	26,654	-	(26,654)	-	-
Legal reserve	-	-	-	-	(545,156)	-	(545,156)
Cash dividends	681,445	-	-	-	(681,445)	-	-
Share dividends	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	483,657	-	483,657
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	14,866	203	(7,832,837)
Total comprehensive income (loss)	-	-	-	-	498,523	203	(7,334,111)
Changes in subsidiaries' ownership	-	3,238	-	-	-	-	3,238
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	361,421	-	(361,421)
Others	-	267	-	-	-	-	267
Balance as of December 31, 2022	\$ 7,495,894	\$ 85,303	\$ 429,146	\$ -	\$ 2,418,660	\$ (4,856)	\$ 15,360,451

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

English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese
SILICON INTEGRATED SYSTEMS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31	
	2022	2021
Cash flows from operating activities :		
Net income before tax	\$ 538,434	\$ 209,526
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	14,654	14,683
Amortization	1,486	1,677
Expected credit gains	30	(10)
Interest expenses	13	6
Interest income	(4,463)	(2,378)
Dividend income	(955,802)	(532,886)
Share of loss of subsidiaries and joint ventures accounted for using the equity method	60,521	78,288
Losses on disposal of property, plant and equipment	14	-
(Gains) losses on disposal of investments	-	(6,922)
Changes in operating assets and liabilities:		
Trade receivables	2,607	1,568
Trade receivables-related parties	32,555	(23,427)
Other receivables	(1,874)	907
Other receivables-related parties	5	(5)
Inventories	8,560	(39,992)
Prepayments	1,894	(2,806)
Other current assets	3,236	(12,590)
Other operating assets	(41)	(34)
Contract liabilities	888	25
Accounts payable	(13,587)	5,167
Accounts payable-related parties	(8,511)	2,539
Other payables	19,417	16,359
Other payables-related parties	(1,742)	2,639
Other current liabilities	(68)	940
Cash generated from operating activities	<u>(301,774)</u>	<u>(286,726)</u>
Interest received	3,972	2,390
Income tax paid	<u>(65,659)</u>	<u>(41,020)</u>
Net cash used in operating activities	<u>(363,461)</u>	<u>(325,356)</u>
Cash flows from investing activities :		
Proceeds from disposal of financial assets at fair value through other comprehensive income	831,121	183,122
Acquisition of financial assets measured at amortized cost	(17)	(19)
Acquisition of investments accounted for using the equity method	(54,041)	(52,803)
Acquisition of property, plant and equipment	(13,058)	(4,127)
Proceeds from disposal of property, plant and equipment	10	-
Increase in refundable deposits	(85)	-
Acquisition of intangible assets	(695)	(541)
Decrease (increase) in prepayment for equipment	2,708	(2,883)
Dividends received	955,802	534,902
Net cash provided by investing activities	<u>1,721,745</u>	<u>657,651</u>
Cash flows from financing activities :		
Increase in guarantee deposits	58	367
Cash payment for the principle portion of lease liabilities	(268)	(262)
Cash dividends	(545,156)	(504,774)
Others	267	260
Net cash used in financing activities	<u>(545,099)</u>	<u>(504,409)</u>
Net increase (decrease) in cash and cash equivalents	813,185	(172,114)
Cash and cash equivalents at the beginning of the year	578,548	750,662
Cash and cash equivalents at the end of the year	<u>\$ 1,391,733</u>	<u>\$ 578,548</u>

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

【Attachments V】

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2022	%	December 31, 2021	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 1,475,986	10	\$ 654,921	3
Financial assets measured at amortized cost-current	4, 6(3), 12	9,641	-	9,624	-
Trade receivables, net	4, 6(4), 6(12), 12	15,315	-	17,530	-
Trade receivables-related parties, net	4, 6(4), 6(12), 7, 12	919	-	705	-
Other receivables	12	63,934	-	50,680	-
Inventories, net	4, 5, 6(5)	100,525	1	118,978	1
Prepayments		3,463	-	5,860	-
Other current assets		15,485	-	20,282	-
Total current assets		1,685,268	11	878,580	4
Non-current assets					
Financial assets at fair value through other comprehensive income-noncurrent	4, 6(2), 12	12,904,748	83	21,568,706	92
Investments accounted for using the equity method	4, 6(6)	82,638	1	101,275	1
Property, plant and equipment	4, 5, 6(7)	742,521	5	747,713	3
Right-of-use assets	4, 6(13)	7,954	-	7,721	-
Intangible assets	4, 6(8)	4,958	-	6,507	-
Deferred tax assets	4, 5, 6(17)	125	-	-	-
Prepayment for equipment		175	-	2,902	-
Refundable deposits	12	1,929	-	2,448	-
Net defined benefit assets-noncurrent	4, 6(9)	74,078	-	59,171	-
Total non-current assets		13,819,126	89	22,496,443	96
Total assets		\$ 15,504,394	100	\$ 23,375,023	100

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese

SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2022	%	December 31, 2021	%
Current liabilities		\$	-	\$	-
Contract liabilities-current	6(11)	2,992	-	543	-
Accounts payable	12	1,863	-	15,443	-
Accounts payable-related parties	7, 12	158	-	8,669	-
Other payables	12	80,759	1	60,044	-
Other payables-related parties	7, 12	897	-	2,639	-
Payables on equipment		2,058	-	1,943	-
Lease liabilities-current	4, 6(13), 12	4,676	-	7,626	-
Other current liabilities		3,099	-	5,277	-
Refund liabilities		3,621	-	3,492	-
Total current liabilities		100,123	1	105,676	-
Non-current liabilities					
Deferred tax liabilities	4, 5, 6(17)	2,612	-	2,487	-
Lease liabilities-noncurrent	4, 6(13), 12	3,303	-	250	-
Guarantee deposits	12	3,772	-	3,772	-
Total non-current liabilities		9,687	-	6,509	-
Total liabilities		109,810	1	112,185	-
Equity					
Share capital	6(10)				
Common stock		7,495,894	48	6,814,449	29
Capital surplus	4, 6(10)	85,303	1	81,798	1
Retained earnings	6(10)				
Legal reserve		429,146	3	402,492	2
Unappropriated earnings		2,418,660	15	2,811,971	12
Other equity		4,931,448	32	13,125,503	56
Equity attributable to owners of the parent		15,360,451	99	23,236,213	100
Non-controlling interests	4	34,133	-	26,625	-
Total equity		15,394,584	99	23,262,838	100
Total liabilities and equity		\$ 15,504,394	100	\$ 23,375,023	100

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent										Non-controlling interests	Total equity		
	Common stock			Capital surplus			Retained earnings			Other equity				
	Legal reserve	Special reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains or losses from financial assets measured at fair value through other comprehensive income	Equity attributable to owners of the parent								
Balance as of January 1, 2021	\$ 6,309,675	\$ 85,807	\$ 143,742	\$ 2,878,280	\$ 935,441	\$ (4,591)	\$ 7,149,843	\$ 17,498,197	\$ 9,378	\$ 17,507,575				
Appropriation and distribution of 2021 retained earnings	-	-	258,750	-	(258,750)	-	-	-	-	-	-			
Legal reserve	-	-	-	-	(504,774)	-	-	(504,774)	-	(504,774)	-			
Cash dividends	-	-	-	-	(504,774)	-	-	(504,774)	-	(504,774)	-			
Share dividends	504,774	-	-	(2,878,280)	2,878,280	-	-	-	-	-	-			
Special reserve reversed	-	-	-	-	-	-	-	-	-	-	-			
Other changes in capital surplus	-	(10,889)	-	-	-	-	-	(10,889)	-	(10,889)	-			
Share of changes in associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-			
Net income for the year ended December 31, 2021	-	-	-	-	198,311	-	-	198,311	(13,633)	184,678	(13,633)			
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,773	(468)	6,047,183	6,048,488	-	6,048,488	-			
Total comprehensive income (loss)	-	-	-	-	200,084	(468)	6,047,183	6,246,799	(13,633)	6,233,166	(13,633)			
Changes in subsidiaries' ownership	-	6,620	-	-	-	-	-	6,620	(6,620)	-	(6,620)			
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	66,464	-	(66,464)	-	-	-	-			
Others	-	260	-	-	-	-	-	260	-	260	-			
Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-			
Balance as of December 31, 2021	\$ 6,814,449	\$ 81,798	\$ 402,492	\$ -	\$ 2,811,971	\$ (5,059)	\$ 13,130,562	\$ 23,236,213	\$ 26,625	\$ 23,262,838	\$ 37,500			
Balance as of January 1, 2022	\$ 6,814,449	\$ 81,798	\$ 402,492	\$ -	\$ 2,811,971	\$ (5,059)	\$ 13,130,562	\$ 23,236,213	\$ 26,625	\$ 23,262,838	\$ 26,625			
Appropriation and distribution of 2022 retained earnings	-	-	26,654	-	(26,654)	-	-	-	-	-	-			
Legal reserve	-	-	-	-	(545,156)	-	-	(545,156)	-	(545,156)	-			
Cash dividends	-	-	-	-	(681,445)	-	-	(681,445)	-	(681,445)	-			
Share dividends	681,445	-	-	-	483,657	-	-	483,657	(19,754)	463,903	(19,754)			
Net income for the year ended December 31, 2022	-	-	-	-	14,866	203	(7,832,837)	(7,817,768)	-	(7,817,768)	-			
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	498,523	203	(7,832,837)	(7,334,111)	(19,754)	(7,353,865)	(19,754)			
Total comprehensive income (loss)	-	-	-	-	498,523	203	(7,832,837)	(7,334,111)	(19,754)	(7,353,865)	(19,754)			
Changes in subsidiaries' ownership	-	3,238	-	-	-	-	-	3,238	(3,238)	-	(3,238)			
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	361,421	-	(361,421)	-	-	-	-			
Others	-	267	-	-	-	-	-	267	-	267	-			
Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-			
Balance as of December 31, 2022	\$ 7,495,894	\$ 85,303	\$ 429,146	\$ -	\$ 2,418,660	\$ (4,856)	\$ 4,936,304	\$ 15,360,451	\$ 34,133	\$ 15,394,584	\$ 30,500			

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
SILICON INTEGRATED SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31	
	2022	2021
Cash flows from operating activities :		
Net income before tax	\$ 518,684	\$ 195,921
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation	26,245	26,566
Amortization	2,248	2,631
Expected credit losses (gains)	30	(3,119)
Interest expenses	191	425
Interest income	(4,645)	(2,506)
Dividend income	(955,802)	(532,886)
Share of loss of subsidiaries and joint ventures accounted for using the equity method	18,970	22,214
Losses (gains) on disposal of property, plant and equipment	238	(5)
Gains on disposal of investments	-	(6,922)
Others	(18)	-
Changes in operating assets and liabilities:		
Trade receivables	2,130	6,951
Trade receivables-related parties	(214)	1,926
Other receivables	(1,881)	1,178
Inventories	18,453	(45,851)
Prepayments	2,397	(1,277)
Other current assets	4,797	(15,515)
Other operating assets	(41)	(34)
Contract liabilities	2,449	115
Accounts payable	(13,580)	5,173
Accounts payable-related parties	(8,511)	2,539
Other payables	20,715	18,786
Other payables-related parties	(1,742)	2,639
Other current liabilities	(2,049)	2,995
Cash generated from operating activities	<u>(370,936)</u>	<u>(318,056)</u>
Interest received	4,155	2,518
Income tax paid	(65,664)	(41,047)
Net cash used in operating activities	<u>(432,445)</u>	<u>(356,585)</u>
Cash flows from investing activities :		
Proceeds from disposal of financial assets at fair value through other comprehensive income	831,121	183,122
Acquisition of financial assets measured at amortized cost	(17)	(19)
Acquisition of investments accounted for using the equity method	-	(30,000)
Acquisition of property, plant and equipment	(13,446)	(15,778)
Proceeds from disposal of property, plant and equipment	355	64
Decrease in refundable deposits	519	211
Acquisition of intangible assets	(695)	(2,091)
Decrease (increase) in prepayment for equipment	2,727	(2,197)
Dividends received	955,802	534,902
Net cash provided by investing activities	<u>1,776,366</u>	<u>668,214</u>
Cash flows from financing activities :		
Increase in guarantee deposits	-	367
Cash payment for the principle portion of lease liabilities	(8,365)	(9,119)
Cash dividends	(545,156)	(504,774)
Change in non-controlling interests	30,500	37,500
Others	267	260
Net cash used in financing activities	<u>(522,754)</u>	<u>(475,766)</u>
Effect of changes in exchange rate on cash and cash equivalents	(102)	(302)
Net increase (decrease) in cash and cash equivalents	821,065	(164,439)
Cash and cash equivalents at the beginning of the year	654,921	819,360
Cash and cash equivalents at the end of the year	<u>\$ 1,475,986</u>	<u>\$ 654,921</u>

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

【Attachments VI】

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

Provisions	Before amendment	After amendment	Description
Article 3.	<p>The Board meeting shall be convened at least once a quarter. Notice shall be made 7 days in advance to the directors for the reasons of convening Board meetings, the date, and venue in writing, by e-mail, or fax. Unless there is a sudden emergency or justifiable reason, the matters in Article 7, Paragraph 1 shall be listed in the reasons for convening the meeting, and shall not be raised by a temporary motion.</p>	<p>The Board meeting shall be convened at least once a quarter. Notice shall be made 7 days in advance to the directors for the reasons of convening Board meetings, the date, and venue in writing, by e-mail, or fax..... °</p> <p>The matters in Article 7, Paragraph 1 shall be listed in the reasons for convening the meeting, and shall not be raised by a temporary motion.</p>	Amendments in accordance with the law
Article 7.	<p>The following matters should be brought to the Board of Directors for discussion:</p> <ul style="list-style-type: none"> I. The Company's operating plan II. Annual Financial Report and Semi-Annual Financial Report III. Establish or amend internal control in accordance with Article 14-1 of the Securities and Exchange Act.... IV. Establish or amended in accordance with Article 36-1 of the Securities and Exchange Act... V. The offering, issuance, or private placement of any equity-type securities. VI. The appointment or discharge of a financial, accounting, or internal auditing officer. VII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority. VIII. A donation to a related party or a major donation to a non-related party. A public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. IX. A matter bearing on the personal interest of a director. X. A material asset or derivatives transaction. XI. A material monetary loan, endorsement, or provision of guarantee. XII. The hiring or dismissal of an auditing CPA, or the compensation given thereto. 	<p>The following matters should be brought to the Board of Directors for discussion:</p> <ul style="list-style-type: none"> I. The Company's operating plan II. Annual Financial Report and Semi-Annual Financial Report III. Establish or amend internal control in accordance with Article 14-1 of the Securities and Exchange Act... IV. Establish or amended in accordance with Article 36-1 of the Securities and Exchange Act... V. The offering, issuance, or private placement of any equity-type securities. VI. <u>Election or Dismissal of the Chairman</u> <u>VII.</u> The appointment or discharge of a financial, accounting, or internal auditing officer. <u>VIII.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority. <u>IX.</u> A donation to a related party or a major donation to a non-related party. A public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. <u>X.</u> A matter bearing on the personal interest of a director. <u>XI.</u> A material asset or derivatives transaction. <u>XII.</u> A material monetary loan, endorsement, or provision of guarantee. <u>XIII.</u> The hiring or dismissal of an auditing CPA, or the compensation given thereto. 	Amendments in accordance with the law

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

Provisions	Before amendment	After amendment	Description
<p>Article 10.</p>	<p>Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.</p> <p>When the chairperson of the board is on leave or for any reason is unable to exercise the powers shall be of the chairperson, a director designated thereby, or, if the chairperson does not make such a designation, the directors shall, among themselves, choose one as the designation.</p>	<p>Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be <u>chaired by the chairperson</u>. However where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves</p> <p><u>Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u></p> <p>When the chairperson of the board is on leave or for any reason is unable to exercise the powers shall be of the chairperson, a director designated thereby, or, if the chairperson does not make such a designation, the directors shall, among themselves, choose one as the designation.</p>	<p>Amendments made in accordance with the law</p>
<p>Article 16.</p>	<p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights.</p>	<p>If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p>The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraph from exercising voting rights.</p>	<p>Amendments made in accordance with the law</p>

【Attachments VII】

Comparison Table of amendments to certain provisions of the "Articles of Incorporation"

Provisions	Before amendment	After amendment	Description
Article 8	<p>Share issuance of the Company is subject to the signatures and seals from, at least, three directors; the stock shall contain serial numbers and items stipulated in Article 162 of the Company Act. New shares issued by the Company may be printed for the total number of shares issued or exempted from printing share certificates for the shares issued. According to the previous paragraph, the depository of the printed share certificates or the registration of the shares which are exempted from printing share certificates shall be handled by a centralized securities depository agency of the Company. Such shares may also be combined and replaced by new certificates of larger nominal values as requested by the centralized securities depository agency.</p>	<p><u>The Company's shares are registered. The issuing company may be exempted from printing any share certificate for the shares issued. The shares are delivered to the shareholders and registered with a centralized securities depository enterprise, and shall be handled by way of book-entry transfer in accordance to regulations.</u></p>	Amendments made in accordance with the law
Article 36.	<p>The Company's Articles of Incorporation was established on August 8, 1987.. The twenty-eighth amendment was made on June 21, 2018, and the twenty-ninth amendment was made on June 21, 2022, effective upon the resolution of the stockholders' meeting, as amended.</p>	<p>The Company's Articles of Incorporation was established on August 8, 1987.. The twenty-eighth amendment was made on June 21, 2018, the twenty-ninth amendment was made on June 21, 2022, and <u>the thirtieth amendment will be made on June 6, 2023,</u> effective upon the resolution of the stockholders' meeting, as amended.</p>	Addendum Date

【Attachments VIII】

Comparison table for the amendments to the [Procedures of Acquisition and Disposal of Assets]

Provisions	Before amendment	After amendment	Description
Article 3	<p>The price determination method and reference basis should depend on the nature of the individual assets. In principle, if market prices are available for reference....</p> <ol style="list-style-type: none"> I. Acquisition and disposal in a centralized... II. Acquisition and disposal not in a centralized... III. Acquisition and disposal of real estate... IV. Acquisition and disposal of fixed... V. Acquisition and disposal of membership... VI. Acquisition and disposal of intangible assets... VII. Acquisition and disposal of derivative finances. VIII. Acquisition or disposal of assets in accordance with legal mergers, divisions, acquisitions, or share transfers shall be handled in accordance with the relevant provisions of the regulations. 	<p>The price determination method and reference basis should depend on the nature of the individual assets. In principle, if market prices are available for reference....</p> <ol style="list-style-type: none"> I. Acquisition and disposal in a centralized... II. Acquisition and disposal not in a centralized... III. Acquisition and disposal of real estate... IV. Acquisition and disposal of fixed... V. Acquisition and disposal of membership... VI. Acquisition and disposal of intangible assets... VII. Acquisition and disposal of derivative finances. VIII. Acquisition or disposal of assets in accordance with legal mergers, divisions, acquisitions, or share transfers shall be handled in accordance with the relevant provisions of the regulations. <p><u>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</u></p> <ol style="list-style-type: none"> I. <u>Shall not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u> II. <u>Shall not be a related party or de facto related party of any party to the transaction.</u> III. <u>If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u> 	<p>Amendments made in accordance with the law</p>

Comparison table for the amendments to the Company’s [Procedures of Acquisition and Disposal of Assets]

Provisions	Before amendment	After amendment	Description
Article 3		<p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</u></p> <ol style="list-style-type: none"> I. <u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u> II. <u>When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures data collected, and conclusion shall be fully and accurately specified in the case working papers.</u> III. <u>They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources o data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u> <p><u>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</u></p>	Amendments made in accordance with the law
Article 4	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof</p> <ol style="list-style-type: none"> I. due to special..... II. Transaction amount..... III. Where any one of the following circumstances applies with respect to the professional appraiser’s appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be contacted in accordance with Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation, and be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof</p> <ol style="list-style-type: none"> I. due to special..... II. Transaction amount..... III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 	Amendments made in accordance with the law

【Attachments VIII】

Comparison table for the amendments to the [Procedures of Acquisition and Disposal of Assets]

Provisions	Before amendment	After amendment	Description
Article 5	<p>When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, and the SiS used as reference in appraising the transaction price.</p> <p>If the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPAs need professional reports, they shall act in accordance with provisions in Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, and the SiS used as reference in appraising the transaction price.</p> <p>If the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	Amendments made in accordance with the law
Article 6	<p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price, and the CPA acts. in accordance with provisions in Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</p>	<p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price, and the CPA acts.</p>	Amendments made in accordance with the law

【Attachments VIII】

Comparison table for the amendments to the [Procedures of Acquisition and Disposal of Assets]

Provisions	Before amendment	After amendment	Description
<p>Article 7</p>	<p>The Company acquires or disposes of real property, or right-of-use assets thereof...amount: I. The purpose of the acquisition or disposal of assets II. The reason for choosing... III. From a related party... IV. Related party... V. Forecast... VI. According to regulations... VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with Article 12, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Parts that have been approved by the audit committee and submitted to the board of directors for approval in accordance with the provisions of this regulation need not be counted toward the transaction amount. When to be conducted between the Company and its parent or subsidiaries, or in which it directly or indirectly holds 100 percent of the issued shares or authorized capital...submitted and ratified. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. The matters for which paragraph 1 shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p>	<p>The Company acquires or disposes of real property, or right-of-use assets thereof...amount: I. The purpose of the acquisition or disposal of assets II. The reason for choosing... III. From a related party... IV. Related party... V. Forecast... VI. According to regulations... VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>Where the Company or a subsidiary thereof that is not a domestic public company has a transaction set out in paragraph 1 and the transaction amount reaches 10 percent or more of the public company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract being entered into and any payment made. However, this restriction does not apply to transactions between the Company and subsidiaries or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in Article 1 and preceding articles shall be done in accordance with Article 12, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Parts that have been approved by the audit committee and submitted to the <u>Shareholders' Meeting</u>, board of directors for approval in accordance with the provisions of this regulation need not be counted toward the transaction amount. When to be conducted between the Company and its parent or subsidiaries, or in which it directly or indirectly holds 100 percent of the issued shares or authorized capital...submitted and ratified. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. The matters for which paragraph 1 shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p>	<p>Added and amended according to laws and regulations</p>

【Attachments VIII】

Comparison table for the amendments to the [Procedures of Acquisition and Disposal of Assets]

Provisions	Before amendment	After amendment	Description
Article 8	<p>The Company's acquisition of real property or right-of-use assets thereof from a related party... Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraphs 1 and 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 5, and the preceding three paragraphs do not apply:</p>	<p>The Company's acquisition of real property or right-of-use assets thereof from a related party... Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>The Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraphs 1 and 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding preceding paragraph, and the preceding three paragraphs do not apply:</p>	Article Revisions
Article 11	<p>When the Company conducts a merger, demerger, acquisition, or transfer of shares, shall engage a CPA...</p> <p>When the Company resolves a merge demerger, acquisition, or resolution of shares...</p> <p>The Company and other companies that are participating in a transfer of shares, unless...</p> <p>The Company's participation in a merger, demerger, acquisition, or transfer of another company's shares shall be effective on the date of the Board of Directors' resolution</p> <p>Where any the company participating in a merger, demerger, acquisition, or transfer of another company's shares that are neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and abide by the provisions of paragraphs 4 and 5.</p>	<p>When the Company conducts a merger, demerger, acquisition, or transfer of shares, shall engage a CPA...</p> <p>When the Company resolves a merger, demerger, acquisition, or resolution of shares...</p> <p>The Company and other companies that are participating in a transfer of shares, unless...</p> <p>The Company's participation in a merger, demerger, acquisition, or transfer of another company's shares shall be effective on the date of the Board of Directors' resolution</p> <p>Where any the company participating in a merger, demerger, acquisition, or transfer of another company's shares there are neither listed on an exchange nor has its shares traded on an OTC market, the Company so listed or traded shall sign an agreement with such company and abide by the provisions of <u>preceding two paragraphs</u>.</p>	Revisions

【Attachments VIII】

Comparison table for the amendments to the [Procedures of Acquisition and Disposal of Assets]

Provisions	Before amendment	After amendment	Description
Article 12	<p>Under any of the following circumstances, when the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. From a related party...</p> <p>II. Acquisitions conducted...</p> <p>III. Engage in derivatives...</p> <p>IV. Acquisition...</p> <p>V. Where land is acquired to build on the company's own land</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds or foreign government bonds.</p> <p>(II) Where done by professional investors—securities trading on both domestic and overseas securities exchanges or OTC markets, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(III) Trading of bonds...</p>	<p>Under any of the following circumstances, when the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. From a related party...</p> <p>II. Acquisitions conducted...</p> <p>III. Engage in derivatives...</p> <p>IV. Acquisition...</p> <p>V. Where land is acquired to build on the company's own land</p> <p>VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(II) Where done by professional investors—securities trading on both domestic and overseas securities exchanges or OTC markets, or <u>subscription of foreign government bonds</u>, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(III) Trading of bonds...</p>	<p>Amendments made in accordance with the law</p>

【Appendix I】

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

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

- I. Unless otherwise required by the law, the shareholders' meeting of the Company shall be conducted in accordance with the Rules.
- II. The Company shall provide an attendance register for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised in writing or electronically.
- III. The participation and voting of the shareholders' meeting shall be calculated based on the number of shares.
- IV. The shareholders' meeting shall be held in a place where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting. The meeting shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.
- V. If a shareholders' meeting is convened by the Board of Directors, the Chairman shall preside at such meeting. If the Chairman is on leave or unable to exercise his powers and duties for any reason, the Vice Chairman shall preside at such meeting. The Chairman shall designate a managing director to preside as the chairman if the Vice Chairman is not appointed, or if the Vice Chairman is on leave or unable to exercise his powers and duties for any reason. If no managing director of the Company is appointed, the Chairman shall designate a director to preside as the chairperson. If the Chairman fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting. If the shareholders' meeting is convened by a person, other than the Board of Directors, with the authority to convene a meeting, such person shall act as the chairperson at that meeting.
- VI. The attorneys, Certified Public Accountants, or relevant personnel appointed by the Company may participate in a shareholder' meeting. Staff at the shareholders' meetings shall wear ID badges or arm badges.
- VII. The Company shall conduct sound or video recording of the entire process of the shareholders' meeting and keep it for at least one year.
- VIII. The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, which shall not exceed two times in total and the total postponed time shall not exceed one hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with Article 175 of the Company Act.
In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholders' meeting anew to be duly resolved in accordance with Article 174 of the Company Act.

- IX. The agenda for the shareholders' meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.
- The aforementioned shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. The chairman may not, without a resolution, unilaterally announce the adjournment of the meeting before all of the scheduled agenda (including extraordinary motions) have been resolved.
- After the adjournment of the meeting, shareholders may not nominate another chairperson to continue the meeting at the original venue or another venue. In the event that the chairperson announces adjournment of the meeting against the Rules Governing the Proceedings of Shareholder Meetings, however, another chairperson may be elected by a majority of the present shareholders to continue the meeting.
- X. Prior to speaking at the meeting, an attending shareholder shall submit a slip of paper summarizing his/her/its comments and/or questions and specifying his/her/its shareholder account number (or the attendance ID number) and the account name of the shareholder, in order for the chairperson to determine the speaking order.
- An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of the shareholder's speech and those recorded on the slip, the contents of the shareholder's speech shall prevail.
- XI. When an attending shareholder is speaking at the meeting, other shareholders shall not interrupt the speaking shareholder unless permitted by the chairperson and such speaking shareholder. The chairperson shall stop any such violations.
- When a shareholder proposes other agendas or an amendment or an alternative to the original proposal, such proposal shall be seconded by other shareholders, provided that the number of shares represented by the proposer and the seconder shall reach 0.1% of the total number of issued ordinary shares.
- XII. Unless otherwise permitted by the chairperson, a shareholder may only speak up to two times on a single proposal, each of which shall not exceed five minutes. The chairperson may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.
- XIII. If a juristic person is entrusted to attend the shareholders' meeting, such juristic person may only appoint one person to be its representative at the meeting. In the event that a juristic shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.
- XIV. After the speech is given by an attending shareholder, the chairperson may personally respond or designate relevant personnel to respond.
- XV. If the chairperson believes that the discussion for a proposal has reached a level where a vote may be called, the chairperson may announce to end such discussion and call for a vote.
- XVI. The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder. The voting results shall be announced at the meeting and recorded in writing.
- XVII. During the process of the meeting, the chairperson may announce a recess at an appropriate time.
- XVIII. Except otherwise provided under the Company Act and the Company's Articles of

Incorporation, a resolution shall be adopted with the approval of a majority of the attending shareholders. If, in the course of the vote, no objections are made by the shareholders present after an inquiry by the chairperson, such proposal is deemed to be adopted with the same effect as if it had been adopted through a voting process.

- XIX. In the event there is an amendment or an alternative for the same proposal, the chairperson shall set the voting order together with the original proposal. When one of them is resolved, other proposal(s) is (are) deemed to have been rejected and no voting is required. A shareholder who exercises his/her voting rights by mail or electronically is deemed to have forfeited his/her voting rights on any extraordinary motions and amendments to the original proposals at such shareholders' meeting.
- XX. The chairperson may instruct the person responsible for maintaining order (or security) to assist in maintaining the order of the meeting. Such person (or security) shall wear arm badges marked "Security" while assisting in maintaining the order of the meeting.
- XXI. These Rules and any amendments thereof shall be effective upon approval at the shareholders' meeting.

【Appendix II】

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

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

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

- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.
- IV. These regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act, including procedures of establishment or amendment for acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- V. Raising, issuing or private placement of equity securities.
- VI. Appointment and removal of the head of finance, accounting or internal auditing.
- VII. According to Article 14-3 of the Securities and Exchange Act, other matters that should be resolved by the shareholders' meeting or the board of directors in accordance with laws and regulations or the articles of association, or major matters stipulated by the competent authority.
- VIII. Donations to related parties or major donations to unrelated parties. However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next Board of Directors for ratification.
- IX. Matters involving the directors' own interests.
- X. Material properties, derivatives transactions
- XI. The Company has provided significant loans, endorsements, or guarantees of funds.

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

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

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

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

Except for matters that must be submitted to the board of directors for discussion under article 7 paragraph 1, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles

Article 8

of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

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

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

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

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

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

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

Article 12 When the time of a meeting has arrived and one-half all board directors are present, the meeting chair may call the meeting to order immediately.

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, which shall not exceed two times in total and the total postponed time shall not exceed one hour. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

Article 13 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting regarding the the contents of the agenda items and extraordinary motion.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting,

then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 12 paragraph 2 shall apply mutatis mutandis.

Article 14 When the chair at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved.

In order to facilitate the progress of the proposal, the chairman may stipulate the number of speeches per person and time of each speech during the same proposal. If necessary, it shall be agreed by all directors present for compliance. After the speech is given by an attending shareholder, the chairperson may personally respond or designate relevant personnel to respond to provide the necessary information.

The method of voting on matters at board of directors meetings shall be specified in the rules of procedure. Except for the case of unanimous consent of all directors present at the meeting upon inquiry, the methods of vote monitoring and counting shall also be specified.

Article 15 Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

In the event there is an amendment or an alternative for the same proposal, the chairperson shall set the voting order together with the original proposal. When one of them is resolved, other proposal(s) is (are) deemed to have been rejected and no voting is required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. The voting results shall be announced at the meeting and recorded in writing.

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

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

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

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

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

VIII. Extraordinary Motions:

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

IX. Other matters required to be recorded:

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

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

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

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

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

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

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

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

【Appendix III】

Silicon Integrated Systems Corp.

Articles of Incorporation

Chapter 1 General Provisions

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

Chapter 2 Shares

- Article 7 The total capital of the Company is eighteen billion New Taiwan Dollars (NT\$18,000,000,000), which is divided into one thousand eight hundred million (1,800,000,000) shares with a par value of ten New Taiwan Dollars (NT\$10) per share. The Board of Directors is authorized to issue outstanding shares in installments as required. For the total capital referred to in the previous paragraph, NT\$2 billion of which may be used to issue stock option warrants, preferred shares with attached warrants, or corporate bonds with attached warrants, with a total of 200 million shares and a par value of NT\$10 per share. The Board of Directors is authorized to issue such shares in installments as required.
- If the Company intends to issue employee stock options at a price lower than the market price or transfer treasury shares to employees at a price lower than the average purchase price of the shares, the issuance is subject to the resolution of the shareholders' meeting.
- Article 8 Share issuance of the Company is subject to the signatures and seals from, at least , three directors; the stock shall contain serial numbers and items stipulated in Article 162 of the Company Act. New shares issued by the Company may be printed for the total number of shares issued or exempted from printing share certificates for the shares issued. According to the previous paragraph, the depository of the printed share certificates or the registration of the shares which are exempted from printing share certificates shall be handled by a centralized securities depository agency of the Company. Such shares may also be combined and replaced by new certificates of larger nominal values as requested by the centralized securities depository agency.

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

Chapter 3 Shareholders' Meeting

- Article 12 The Company's shareholders' meetings are classified into two types: annual shareholders' meetings and extraordinary meetings. Annual shareholders' meetings are convened once a year, and shall be convened within six months after the end of each fiscal year starting from the previous meeting according to laws and regulations, unless otherwise approved by the competent authority for good cause shown. Extraordinary meetings may be convened according to laws and regulations whenever the Company deems necessary.
The Company's shareholders' meeting may be convened by video conference or in other methods as announced by the central competent authority.
- Article 13 Shareholders shall be notified thirty days before the date of an annual shareholders' meeting. Shareholders shall be notified fifteen days before the date of an extraordinary meeting. The notice or announcement shall specify the reasons for convening meetings.
- Article 14 Each share of the shareholders of the Company is entitled to one voting right. However, the shares of shareholders are not entitled to any voting right under the circumstances described in Article 179 of the Company Act.
- Article 15 The voting at the shareholders' meeting may be exercised in writing or electronically. Unless as otherwise provided by the Company Act, the shareholders' resolutions shall be adopted upon the approval of a majority of the attending shareholders at a meeting attended by a majority of the total issued shares.
- Article 16 A shareholder who is unable to attend the shareholders' meeting may appoint a proxy to attend the meeting on his/her behalf by submitting a proxy form provided by the Company, which sets forth the scope of the authorization. Proxies attending the meeting are governed by the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" prescribed by the competent authority.
- Article 17 The shareholders' meetings shall be presided by the Chairman. If the Chairman is absent, the Chairman shall designate a director as the proxy. If a director is not designated by the Chairman, the directors shall elect a chairperson among themselves. If the meeting is convened by a person, other than the Board of Directors, with the authority to convene a meeting, such person shall act as the chairperson at that meeting. If there is more than one person with the authority to

convene a meeting, they shall elect a chairperson among themselves.

Article 18 Resolutions at the shareholders' meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairperson. A copy of which shall be distributed to each shareholder within twenty days after the conclusion of the meeting. The preparation and distribution of the meeting minutes may be conducted by way of public announcement.

Chapter 4 Board of Directors and Committees

Article 19 The Company shall have seven to nine directors and adopt a candidates nomination system. The directors shall be elected from the list of candidates at the shareholders' meeting for a term of three years and are subject to re-election. The Company may purchase liability insurance for directors to protect them against liabilities arising from exercising their duties during their tenure.

Article 20 The number of independent directors shall be no less than two and represent no less than one-fifth of all directors. Independent directors and non-independent directors shall be elected separately based on the number of votes they receive respectively. The professional qualifications, restrictions on shareholding and concurrent positions held, assessment of independence, the nomination method and other related matters of the independent directors shall comply with the laws and regulations prescribed by the competent authority.

Article 21 The Company shall establish the Auditing Committee according to the laws and regulations. The Audit Committee shall be consisted of all independent directors and act as supervisors pursuant to the Company Act, Securities and Exchange Act, and other related laws and regulations. The number of Audit Committee members, their term of office, duties, meeting rules, and the resources to be provided by the Company when exercising their duties shall be governed by the Audit Committee Charter.

Article 22 The Board meeting shall be convened at least once a quarter. Board meetings shall be convened by the Chairman. The procedures of convening Board meetings shall be governed by Article 203 of the Company Act. Notice shall be made to the directors for the reasons of convening Board meetings, the date, and venue in writing, by e-mail, or fax. In case of an emergency, the notice for convening Board meetings may be made in writing, by e-mail, or fax.

Article 23 A chairperson shall be elected among the directors with the approval of the majority of the directors present at a meeting attended by over two-thirds of all directors. the Chairman is the chairperson of the Board meeting and represents the Company. If the Chairman is unable to perform his/her duties for any reason, the Chairman shall designate a director to preside as the chairperson. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as the chairperson.

Article 24 The Board of Directors is authorized to distribute the remuneration of all directors, taking into account their participation in and contribution to the Company's operation, as well as the general industry standard.

Article 25 The Board of Directors shall have the following powers and duties:

1. Review of operational policy and medium and long-term development plans.
2. Approve the review and supervision of the business plan.
3. Review the budget and financial statements.
4. Appointment and dismissal of President and Vice President

5. Proposal for earnings distribution or deficit compensation of the Company.
6. Approval of capital increase or reduction.
7. Approval of establishment, reforms, or cancellation of subsidiaries.
8. Approval of material capital expenditure plans.
9. Approval of the purchase and disposal of material properties of the Company.
10. Approval of organizational procedures and material business principles.
11. Approval of the amendments to the Articles of Incorporation.
12. Execution of resolutions approved at the shareholders' meetings.
13. Convening shareholders' meetings and business report.
14. Other powers and duties conferred by the Company Act or by the shareholders' meeting.

Article 26 The directors shall attend Board meetings in person. Directors who are unable to attend may appoint other directors in writing to attend on their behalf. However, each director may only represent one director who is unable to attend. If a Board meeting is conducted by means of video conferencing, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

Chapter 5 Managers

Article 27 The Board of Directors may recruit a secretary to handle affairs of the Board of Directors at its direction.

Article 28 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act and internal organization procedures.

Article 29 The president shall be nominated by the Chairman and appointed by the Board of Directors. The dismissal of the President is also performed by the Board of Directors. Other managers shall be nominated by the President and appointed and dismissed by the Board of Directors.

Chapter 6 Accounting

Article 30 The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. At the end of the fiscal year, the accounts of the Company shall be finalized. The Company shall prepare and submit the financial statements to the Audit Committee for auditing 30 days prior to the annual shareholders' meeting. The Audit Committee shall submit a report to the shareholders' meeting for ratification after auditing or after the auditing of an appointed lawyer, accountant, or other professionals. Including:

1. Business report.
2. Financial statements.
3. Proposal for earnings distribution or deficit compensation.

Article 31 After the annual general meeting, the Board of Directors shall distribute to each shareholder the copies of ratified financial statements and the proposal for earnings distribution or deficit compensation. The abovementioned financial statements and earnings distribution or deficit compensation may be distributed by way of a public announcement (including electronic).

Article 32 The Company shall contribute the remaining balance of profit before tax after offsetting the accumulated loss to employees' and directors' compensation. The percentage of employees' compensation shall be no less than 5% of the

aforementioned balance and the percentage of directors' compensation shall be no more than 2% of the aforementioned balance. Employees' compensation may be distributed in the form of shares or cash, while directors' compensation may be distributed in the form of cash. The distribution method, total amount, or the number of shares of employees' compensation, as well as the total amount of directors' compensation shall be approved by the majority of the directors present at a meeting attended by over two-thirds of all directors. Employees' compensation in stock or cash includes employees of companies in which the Company holds more than 50% of the shares.

If the Company has earnings for the fiscal year after the accounts are closed, the Company shall first offset the tax and losses of previous years, and set aside 10% of the balance as the legal reserve, and shall, pursuant to applicable laws and regulations, set aside provision or reversal of special reserve. If there are any earnings, together with the retained earnings of the previous years, the Board of Directors may propose an earnings distribution plan for approval at the shareholders' meeting. If the Company's earnings are insufficient, the Company may not use its capital as interest payment.

Article 33 The Company's dividends are determined with reference to industry trends, future revenue and profitability, capital expenditure estimates, and working capital requirements. Therefore, dividends may be distributed by way of cash dividends or share dividends. Cash dividends shall be no less than 20% of the total dividends distributed in the fiscal year.

Chapter 7 Miscellaneous

Article 34 The Company's organizational procedures shall be established by the Board of Directors.

Article 35 Matters not prescribed herein shall comply with the Company Act and other related laws and regulations.

Article 36 The Company's Articles of Incorporation was established on August 8, 1987. The 1st amendment was made on May 27, 1989. The 2nd amendment was made on May 26, 1990. The 3rd amendment was made on June 22, 1991. The 4th amendment was made on May 23, 1992. The 5th amendment was made on September 9, 1994. The 6th amendment was made on June 8, 1995. The 7th amendment was made on May 4, 1996. The 8th amendment was made on June 27, 1996. The 9th amendment was made on April 15, 1997. The 10th amendment was made on May 15, 1998. The 11th amendment was made on June 23, 1999. The 12th amendment was made on May 25, 2000. The 13th amendment was made on May 22, 2001. The 14th amendment was made on December 4, 2001. The 15th amendment was made on June 26, 2002. The 16th amendment was made on June 27, 2003. The 17th amendment was made on June 1, 2004. The 18th amendment was made on June 13, 2005. The 19th amendment was made on June 12, 2006. The 20th amendment was made on June 11, 2007. The 21st amendment was made on June 16, 2009. The 22nd amendment was made on June 17, 2010. The 23rd amendment was made on June 15, 2011. The 24th amendment was made on June 28, 2013. The 25th amendment was made on June 15, 2015. The 26th amendment was made on June 21, 2016. The 27th amendment was made on June 8, 2018. The 28th amendment was made on June 21, 2019. The 29th amendment was made on June 21, 2022. The amendments thereto are effective upon approval at the shareholders' meeting.

Silicon Integrated Systems Corp. Acquisition or Disposal of Assets Procedure

Established on June 27,2003
Amended on June 11,2007
Amended on June 15,2012
Amended on June 28,2013
Amended on May 30,2014
Amended on June 25,2015
Amended on June 28,2017
Amended on June 21,2019

Article 1 The Company's procedures for the acquisition or disposal of assets are prescribed in accordance with the Securities and Exchange Act and the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" (the "Regulations") issued by the Financial Supervisory Commission, Executive Yuan (the "FSC").

The scope of application of the assets referred to in this procedure refers to:

- I. Investments in stocks, bonds, corporate bonds, financial debentures, marketable securities of recognized funds, depositary receipts, warrants, beneficiary securities and asset-based securities.
- II. Real property (including land, houses and buildings, investment property) and equipment
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

When engaging in derivatives trading, they shall do so in accordance with the provisions of this Regulation as well as the "Procedures for Engaging in Derivative Trading".

Article 2 The Company's assets shall be acquired or disposed of in accordance with the following limits and procedures:

- I. For the acquisition or disposal of long-term investments in securities, if the transaction amount is less than NT\$100 million (inclusive), the Finance Department shall submit the transaction to the President and chairman of the board of directors for approval. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by the board of directors before execution.
- II. For the acquisition or disposal of long-term investments in securities, if the transaction amount is less than NT\$100 million (inclusive), the Finance Department shall submit the transaction to the President and chairman of the board of directors for approval. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by the board of directors before execution.
- III. For the acquisition or disposal of investments in real property, if the transaction amount is less than NT\$100 million (inclusive), the relevant business department shall submit the transaction to the president and chairman for

- approval before proceeding. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by the board of directors before execution.
- IV. For the acquisition or disposal of other fixed assets, if the transaction amount is less than NT\$100 million (inclusive), the executive unit shall proceed following the relevant internal regulations of the Company. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by the board of directors before execution.
 - V. For the acquisition or disposal of memberships or intangible assets, if the transaction amount is less than NT\$100 million (inclusive), the relevant business department shall submit the transaction to the president and chairman of the board of directors for approval. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by the board of directors before execution.
 - VI. The acquisition or disposal of derivatives is subject to the Company's regulations for handling derivatives transactions.
 - VII. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-8 of the Company Act.

Article 3

- The price determination method and reference basis should be determined according to the nature of individual assets. In principle, if there is a market price for reference, the market price should be used as the main reference basis; if not, price inquiry, price comparison, negotiation, public bidding or other reasonable methods should be used. The appraisal report from the professional appraiser shall be referred to if the declaration criteria stipulated in this regulations are met,
- I. The acquisition or disposal of marketable securities traded on the central stock exchange or at the Taipei Exchange is determined by the prevailing price of the stocks or bonds.
 - II. The acquisition or disposal of marketable securities that were not traded on a centralized exchange market or at a OTC venue shall be determined by reference to the net worth per share, profitability, potential for development and the prevailing trading price, or by reference to the prevailing market interest rate, bond coupon rate, and the debtor's credit, etc.
 - III. The acquisition or disposal price of assets should be determined with reference to the announced present value, appraised value, and the actual transaction price of the nearby real estate.
 - IV. The acquisition or disposal price of other fixed assets should be determined by parity, negotiation, or tender.
 - V. The acquisition or disposal price of memberships should be determined by parity or negotiation.
 - VI. The acquisition or disposal of intangible assets or their right-of-use assets shall be carried out in accordance with relevant laws and regulations and contractual provisions.
 - VII. The acquisition or disposal of derivatives is subject to the provisions of the Company's Procedures for Engaging in Derivative Trading.

VIII. Acquisition or disposal of assets in accordance with legal mergers, divisions, acquisitions, or share transfers shall be handled in accordance with the relevant provisions of the regulations.

Article 4

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged in accordance with Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation, and be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 5

When the Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price.

if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPAs need professional reports, CPA shall act in accordance with provisions in Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

- Article 6 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price in accordance with provisions in Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.
- Article 6-1 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 30, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
- Article 6-2 When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with provisions in Section 2 of the Regulations. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 6-1 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
- Article 7 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and board of directors :
- I. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - II. The reason for choosing the related party as a transaction counterparty.
 - III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 8 and Article 9.
 - IV. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
 - V. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 13.
 - VII. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with Article 12, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Parts that have been approved by the audit committee and submitted to the board of directors for approval in accordance with the provisions of this regulation need not be counted toward the transaction amount.

When acquisition or disposal of equipment or right-of-use assets for business use or real estate right-of-use asset was to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 2, paragraph 4, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.

Where the position of independent director has been created in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions.

The matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

Article 8

When the Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

- I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraphs 1 and 2 shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be

conducted in accordance with Article 5, and the preceding three paragraphs do not apply:

- I. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- II. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
- IV. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 9

When the results of the Company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 10. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (I) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (II) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (III) Completed renting by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land after calculation of reasonable price discrepancies in floor prices in accordance with standard property market sale or leasing practices.
- II. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 10 Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

- I. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- II. The Audit Committee shall comply with Article 218 of the Company Act.
- III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 11 The Company when conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

When the Company participates in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the

transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.

The Company and other companies participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

- I. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company and company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 4 and 5.

Article 12 Under any of the following circumstances, when the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more. This shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party and the transaction amount reaches NT\$500 million or more.

- V. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- VI. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. This shall not apply to the following circumstances:
 - (I) Trading of domestic government bonds or foreign government bonds.
 - (II) Where done by professional investors—securities trading on both domestic and overseas securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - (III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

The Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct

it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article 13 Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

Article 14 The Company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with these "Regulations". Information required to be publicly announced and reported in accordance with the provisions of Article 12 of the Regulations on acquisitions and disposals of assets by a public company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, and shall be calculated according to the financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 15

- I. Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities, the limits are as follows:
 - (I) Total amounts of real property and right-of-use assets acquired not for business use shall not exceed 40% of the Company's shareholders' equity and long-term liabilities as audited and certified by the certified public accountants.
 - (II) Total amount of investment in securities shall not exceed the total of the Company's shareholders equity as audited and certified by certified public accountant.
 - (III) Total amount of investment in individual securities shall not exceed 40% of the Company's shareholders' equity as audited and certified by certified public accountant.
- II. The total amount of the non-operating real property, right-of-use assets, or securities acquired by the Company and its subsidiaries; also, the limits are as follows:
 - (I) No acquiring of the non-operating real property or right-of-use assets.
 - (II) Total amount of investment in securities shall not exceed 40% of the Company's shareholders' equity as audited and certified by certified public accountant.

- (iii) Total amount of investment in individual securities shall not exceed 20% of the Company's shareholders' equity as audited and certified by certified public accountant.

Article 16 When the Company acquires or disposes of the assets referred to in these Regulations, the entity responsible for the acquisition or disposal shall follow the approval authority and the relevant management regulations of the Company, etc. Penalties may be imposed for personnel violating these Regulations or the procedures for the acquisition or disposal of assets.

Article 17 This procedure is governed by Article 36-1 of the Securities and Exchange Act. The provisions of the Regulations shall be implemented after receiving approval from the Audit Committee and the board of directors, then submitted to the shareholders' meeting for approval, the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the Audit Committee. The matters that are not properly addressed in the Guidelines shall be processed in accordance with the relevant laws and regulations. If other laws provide otherwise, the provisions shall prevail.

【Appendix V】

Silicon Integrated Systems Corp.

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

- I. The statutory number of shares owned by the Company's 12th directors are as follows:
 The number of ordinary shares issued by the Company: 749,589,356 shares
 (including treasury shares: 3 shares)
 The statutory number of shares owned by all directors is 23,986,859 shares.
- II. The shareholdings of all directors as of the date of closure of the share register at the shareholders' meeting on April 8, 2023 are as follows:

Position	Name	Types of shares	Number of Shares	Shareholding (%)
Chairman	Cheng-Chien Chien	Ordinary share	2,074,800	0.27%
Director	United Microelectronics Corp.	Ordinary share	142,535,174	19.01%
Director	Hsun Chieh Investment Co., Ltd.	Ordinary share	35,987,416	4.80%
Director	Liang Hsun Investment Co., Ltd.	Ordinary share	1,650,424	0.22%
Director	Goaltop Technology Corporation	Ordinary share	11,880	0.00%
Director	Wan-Fen Chou	Ordinary share	0	0.00%
Total shareholding of directors (Note)		Ordinary share	182,259,694	24.31%
Independent Director	Ya-Ching Li	Ordinary share	0	0.00%
Independent Director	Chia-Wei Tai	Ordinary share	0	0.00%
Independent Director	Ching-Liu Hsiao	Ordinary share	0	0.00%
Note: The shareholding of independent directors are not included in the shareholding of directors				

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



sis®

The image features a stylized logo for 'sis' in a light teal color. The 's' is a simple, rounded letter. The 'i' has a dot that is a small circle filled with a grid of dots. The 's' is filled with horizontal lines. A registered trademark symbol (®) is located to the upper right of the second 's'. The background is a gradient of teal with abstract, glowing lines and patterns, suggesting a digital or technological theme.