

Sino-American Silicon Products Inc.
2024 Performance of Ethical Corporate Management

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company formulated the ethical corporate management policy approved by the Board of Directors, and stated in the regulations and external documents the policies and practices of ethical corporate management, as well as the Board and senior management’s commitment to actively implement the management policy?	V		(I) The Company has the “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct”, “the Code of Ethical Conduct”, and “Measures for the Report on Illegal, Unethical and Dishonest Conducts” to pursue ethical operation. The Company’s standard contracts and external documents have informed the transaction counterparts to abide by the integrity management policy; the Board of Directors and senior management have signed a written statement to actively implement the commitment of the integrity management policy, and the Company has indeed implemented in internal management and business activities, including employment by specifying conditions to require employees to abide by the integrity management policy.	No significant difference
(II) Whether the Company has established an assessment mechanism for the risk of dishonesty, regularly analyzes and evaluates business activities with a high risk of dishonesty in the business scope, and accordingly formulates a plan to prevent dishonesty, and at least covers the “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” Article 7, paragraph 2 of the prevention measures?	V		(II) In the “Procedures for Ethical Management and Guidelines for Conduct”, the Company has established a risk assessment mechanism for unethical conducts that are prescribed in Article 7, Paragraph 2 of the “the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”. This mechanism involves collecting data by using departmental compliance checklist, qualitative interviews, and tracking of emails by the IT department, to regularly analyze, assess, and identify high-risk individuals, and conducting individual investigation if required, with the assistance of internal audit unit. Based on these results, prevention programs are established, including preventive measures against offering and acceptance of bribes, illegal political donations, improper benefits, infringement of intellectual property rights, and engaging in unfair competitive practices, among other unethical conducts, to ensure a corporate culture of ethical management. Within the scope of business activities, all employees are obliged to cooperate with the compliance office for the investigation related to the said unethical conducts.	No significant difference
(III) Whether the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		(III) The Company’s plan for preventing dishonesty in accordance with “the Ethical Corporate Management Best-Practice Principle” includes “Codes of Ethical Conduct”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Measures for the Report on Illegal, Unethical or Dishonest Conducts”	No significant difference

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			which clearly regulate no acceptance to any unrightful benefits, or to commit behaviors that violate integrity, and to encourage the reporting of any illegal or ethical conduct violations, the Company also stipulates the importance of integrity should be regularly announced to directors and employees. The above plan regularly reviews the appropriateness and effectiveness of the prevention plan according to the method set by the risk assessment mechanism of dishonesty behavior, and makes appropriate adjustments or amendments. In 2024, in alignment with the RBA Code of Conduct 8.0 adopted by the electronics industry, the Company amended its “Procedures for Ethical Management and Guidelines for Conduct.” The revision introduced specific regulations governing the cost and frequency of giving or receiving gifts from suppliers or customers.	
II. Fulfill operations integrity policy (I) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(I) The Company’s “Ethical Corporate Management Best-Practice Principles” has clearly stated that before business transactions, the legality of business transactions and whether there is dishonesty should be considered. Transactions with parties suspected of engaging in dishonesty should be avoided. In addition, according to the Company’s “Procedures for Ethical Management and Guidelines for Conducts”, it is necessary to undergo an integrity operation evaluation before establishing a business relationship with others. The customers evaluation (and its distributors/agents) is conducted by sales department; The suppliers’ evaluation (and its distributors/agents) is conducted by purchase department. The integrity management evaluation form is written and quantified; the contract signed with the business transaction partners should specify the integrity management clauses to ensure that the counterparty abides by the company’s integrity management policy.	No significant difference
(II) Does the Company set up a special unit for promoting corporate integrity management under the Board of Directors, and regularly (at least once a year) report to the Board of Directors on its integrity management policies and plans to prevent dishonesty, and monitor implementation?	V		(II) The Company has established a Legal Compliance Division in the Legal Department. The division is responsible for overseeing the promotion of ethical management policies and development and supervision of unethical conduct prevention programs. The Compliance Officer reports implementation status to the Board of Directors once a year, with the most recent report given on November 8, 2024. Auditors also supervise the progress of daily audits, and report to the Board of Directors at any time if any irregularities are found. Implementation Status of Current Year: A. Establishing and reviewing policies related to ethical corporate management. The Company has set up the “Ethical Corporate Management Best-Practice Principles”, “Code of Ethical Conduct”, “Procedures for Ethical	No significant difference

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			<p>Management and Guidelines for Conduct” and “Measures for the Report on Illegal, Unethical or Dishonest Conducts”, which clearly stipulates no acceptance to unrightful benefit, or violate integrity or dishonesty; the above internal regulations are examined by the legal compliance department with reference of changes in external regulations and the internal implementation, and are adjusted and revised from time to time. In 2024, in alignment with the RBA Code of Conduct 8.0 adopted by the electronics industry, the Company amended its “Procedures for Ethical Management and Guidelines for Conducts” The revision introduced specific regulations governing the cost and frequency of giving or receiving gifts from suppliers or customers.</p> <p>B. Internal and external advocacy of Company policies Relevant important internal regulations such as the “Ethical Corporate Management Best-Practice Principles”, “Code of Ethical Conduct”, “Procedures for Ethical Management and Guidelines for Conducts” and “Measures for Report on Illegal, Unethical and Dishonest Conduct” have been announced on the Company’s official website and internal websites for inquiries from external and parties. In addition, the company requires suppliers to sign the “Supplier Code of Conduct and Supplier Declaration” which request suppliers to act in compliance with legal, ethical, environmental and quality standards, and the content of the standard contract signed with business partners also includes the relevant provisions for compliance with honest business practices.</p> <p>C. Reporting channel and whistleblower protection The company has set up the “Measures for Report on Illegal, Unethical and Dishonest Conduct”, established a disciplinary and appeal system for violations of the integrity management regulations, and set up and announced employee suggestion boxes, electronic mailboxes and complaint hotline to encourage internal and external personnel to report dishonesty or misconduct. The company allows anonymous reports. The identity and content of the reporter will be kept confidential, and the human resource department will be responsible for verification and handling. Anyone who violates the integrity management regulations will be punished based on the seriousness of the circumstances, and if necessary, the matter shall be reported to the competent authority or transferred to the judicial bureaus for investigation.</p> <p>D. Education and training The Company formulates and conducts training regularly. The attendees and hours of trainings in 2024 are listed as the following:</p>	

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(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>1. A 1-hour “Insider Education and Training” session was held for all new recruits. The content covered insider trading law analysis (constitutive elements, methods and timing of material information disclosure, judicial interpretations) and insider equity transfer law analysis (pre-/post-event filing obligations and minimum shareholding requirements for directors and supervisors). A total of 18 participants attended the session.</p> <p>2. A 1.5-hour “Ethical Management Training” session was held for all new recruits. The content covered trade secret protection, competition law, anti-corruption, conflict of interest prevention, export control, and other material legal compliance issues closely related to the technology industries. A total of 18 participants attended the session.</p> <p>(III) In our Code of Ethical Conduct, the Company stipulates that employees shall perform their duties in an objective and efficient manner, avoid taking advantage of their position in the company to obtain improper benefits for themselves, others, or other companies. Our “Procedures for Ethical Management and Guidelines for Conduct” also state that stakeholders attending or present at a board meeting shall recuse themselves from any discussion and voting when there is a conflict of interest. In addition, the conflict of interest channels provided by the company are different according to the subjects as follows: Directors or Independent Directors should do so to the president’s office or the chief of corporate governance; managers should do so to the legal compliance department; other employees shall report to the line manager and compliance, and follow the line manager’s proper instruction. In 2024, the Company introduced the “Employee Conflict of Interest Awareness and Confirmation Letter”, which is distributed to all new recruits for signing upon onboarding. This initiative aims to communicate key points regarding conflicts of interest and related management measures, confirm that employees are free from any conflicts of interest, and reinforce employees’ understanding of their obligation to report any such situations.</p>	No significant difference
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit has formulated relevant audit plans based on the results of the assessment of the risk of dishonesty, and checked the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	V		<p>(IV) The Company has established an accounting system and internal control system, and implements both systems accordingly. Internal auditors draw up an audit plan including the subject, scope, items, and frequency of audit based on the assessment results of risks of unethical conducts, so as to inspect compliance with the prevention programs. The results shall be notified to the senior management team and the responsible department of ethical operation and be submitted to the Board of Directors in the form of audit report. In addition, the Company conducts inspections and revisions every year to ensure the effectiveness on the design and implementation of the system, and establish good corporate governance and risk management control</p>	No significant difference

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(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		<p>mechanisms to serve as the basis on evaluating the overall efficacy of all internal control systems and for producing Internal Control System Statements.</p> <p>(V) The Company regularly formulate and conduct trainings, including laws and regulations related to corporate governance, ethical management, and business conducts. For “ethical management” and “prevention of insider trading” courses, the current directors, managerial officers, or other employees deemed in need of such trainings shall attend at least every two years. New directors and managerial officers shall attend within three months upon taking positions. New recruits shall attend in the consolidated orientation prepared by the human resources. In addition, pursuant to the “Procedures for Ethical Management and Guidelines for Conducts,” the Chairperson and the corporate governance supervisors are arranged to communicate the importance of ethic to directors, managerial officers, and supervisors in the Board meetings or supervisors’ meetings. The relevant training courses offered in 2024 included “Insider Education and Training” and “Ethical Management Education and Training.” For concrete content of the courses, please refer to the description in (II)(4) above. The cumulative number of participants was 36.</p>	No significant difference
III. Operation of the integrity channel (I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		<p>(I) The Company has established the “Measures for the Report on Illegal, Unethical and Dishonest Conduct”, set up an employee suggestion box and email, complaint hotline, principles in handling such matter and channel for external whistleblowing in order to fulfill good faith practice. Whistleblower cases are handled by the company’s spokesperson, HR manager, legal officers, or independent directors, and forwarded to relevant departments for investigation and processing in accordance with the Company’s “Measures for the Report on Illegal, Unethical and Dishonest Conduct”. Appropriate rewards will be given to whistleblowers depending on the severity of the case.</p>	No significant difference
(II) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		<p>(II) The Company stipulates “Measures for the Report on Illegal, Unethical and Dishonest Conduct” and specifies different investigation, procedure based on different cases and the accused. Handlers shall recuse themselves if they have conflict of interest in a case and its investigation process. The whistleblowing case will be processed in the principles of confidentiality, full protection of the whistleblower, offering defense chance for the accused, etc to secure the rights of both whistleblowers and the accused. If the whistleblowing case is verified to be true, the whistleblower will be immediately required to stop and impose appropriate countermeasures, and instruct the relevant departments to review and propose improvement measures to prevent the same behavior from happening</p>	No significant difference

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(III) Does the Company provide proper whistleblower protection?	V		again; the legal department will separately report the whistleblowing case, handling and follow-up to the board of directors. (III) The Company handles whistle-blowing cases in a confidential manner in accordance with the “Measures for the Report on Illegal, Unethical and Dishonest Conduct”, and offers full protection to the whistleblowers. Their identity will be kept absolutely confidential and will not face mistreatment due to the whistleblowing. Case handlers shall also indicate in writing that whistleblower’s identity and any details of the report will be kept confidential.	No significant difference
IV. Enhanced information disclosure (I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		(I) The Company has an official website that disclose relevant information such as corporate culture, business policies and the “Ethical Corporate Management Best-Practice Principles”, “Code of Ethical Conduct”, “Procedures for Ethical Management and Guidelines for Conduct”, “Measures for the Report on Illegal, Unethical and Dishonest Conduct” and the Company’s implementation on good faith management.	No significant difference
V. If the company has established the ethical corporate management policies based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the policies and their implementation: The Company has established the “Ethical Corporate Management Best-Practice Principles” which clearly regulates the matters to be followed by the Company’s staff. Other accusation cases and penalties are also clearly set out in relevant measures. There is no significant difference between the policies and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”				
VI. Other important information to facilitate a better understanding of the company’s ethical corporate management policies: (Such as reviewing and revising its ethical business codes, etc.)				
<ol style="list-style-type: none"> 1. The Company complies with Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest as well as relevant regulations for the listed companies or other business entities as basic premise for fulfilling good faith management. The Company also fully dedicates in environmental and quality policies by adopting high standards. 2. The Company has set up the “Regulations Governing the Prevention of Insider Trading” which stipulated that directors, supervisors, managers and employees must not disclose any material information to others. They must not inquire or collect undisclosed material information within the Company that are not related to personal duties, and shall not disclose to others any undisclosed material insider information that is not obtained from the execution of business activities during discussion and voting on that item and may not act as another director’s proxy to exercise voting rights on that matter. 3. The Company has set up the “Regulations Governing the Prevention of Insider Trading” which stipulates that upon actually knowing of any material information, the insiders, quasi-insiders and tippees shall not purchase or sell shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure in case accidentally violate insider trading because they are not familiar with the regulations. In addition, the “Procedure for Insider Trading Prevention” stipulates that directors, managerial officers, and natural persons designated as their proxy specified in Paragraph 1, Article 27 of the Company Act, shall not trade their shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. The Company requested the President Office to inform the persons subject to the provisions the lock period forbidding trading after arranging dates of board meetings; the President Office also review the compliance of the concerned persons when reporting the equity every month. 4. The Company stipulates “Procedures for Handling Material Inside Information” to establish sound mechanisms for the handling and disclosure of material inside information in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public. The procedure regulates that no director, supervisor, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others, nor inquire about or collect any non-public material inside information of this Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties. 				

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5. On August 9, 2024, the Company’s Board of Directors approved the fifth amendment to the “Procedures for Ethical Management Guidelines for Conduct.” In line with the responsibility of the RBA Code of Conduct 8.0 adopted by electronic industry, the revision introduced specific regulations governing the cost and frequency of giving or receiving gifts from suppliers or customers. Gifts given or received must be based on business needs and should conform to local courtesy, custom, or practice during domestic and foreign visits, reception of guests, promotion of business, communication, and coordination activities. The market value of a single gift is capped at NT\$800, and the total value of benefits received from the same party is limited to NT\$2,000 per year.				