



2021 Annual Shareholders' Meeting

Meeting Agenda (Translation)

May 25, 2021

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2021 Annual Shareholders' Meeting Procedures

- I. Meeting in section
- II. Chairman takes the seat
- III. Chairman's Message
- IV. Report Items
- V. Matters for Approval
- VI. Director Election
- VII. Proposed Resolutions
- VIII. Extempore motion
- IX. Meeting Adjourn



2021 Annual Shareholders' Meeting Agenda

I. Time: 9:00 a.m., May 25, 2021

II. Place: Faraday Hsinchu Headquarters

(No. 5, Li-Hsin Rd. III, Hsinchu Science Park, Hsinchu City, Taiwan)

III. Attendance: All shareholders and equity representatives

IV. Chairman: Chia-Tsung Hung, Chairman of the Board of Directors

V. Chairman's message

VI. Report Items:

- (I) 2020 business operations
- (II) Audit Committee's report of 2020 audited financial reports
- (III) 2020 distributable compensation for employees and directors

VII. Matters for Approval:

- (I) The Company's 2020 business report and financial statements
- (II) The Company's 2020 earnings distribution

VIII. Director Election:

To elect nine Directors for the Company's 11th term board members (including three Independent Directors)

IX. Proposed Resolutions:

- (I) To release the newly elected Directors from non-competition restrictions
- (II) To amend the Company's Rules for Election of Directors

X. Extempore Motion

XI. Meeting Adjourn

2.1 Report Items

Report I

Proposed by the Board of Directors

Cause of action: 2020 business operations

Explanation: Please refer to 3.1 Annex I on Page 10 ~ 12 of this Handbook for the business report.

Report II

Proposed by the Board of Directors

Cause of action: Audit Committee's report of 2020 audited financial reports

Explanation: Please refer to 3.2 Annex II on Page 13 of this Handbook for the Audit Committee's 2020 Review Report.

Report III

Proposed by the Board of Directors

Cause of action: 2020 distributable compensation for employees and directors

Explanation: The Board of Directors approved 2020 employees' and directors' remuneration according to the Articles of Incorporation in the Board Meeting. The employees' and directors' remuneration are to be distributed in cash. The total amount of cash remuneration for directors is NT\$248,087 and for employees is NT\$39,969,533.

2.2 Matters for Approval

Proposal I

Proposed by the Board of Directors

Cause of action: The Company's 2020 Business Report and Financial Statements

(including consolidated and parent company only)

Explanation: (I) The Company's 2020 Business Report and Financial Statements were approved in the 14th Board Meeting with the Company's 10th term Board members. The reports were submitted to the Audit Committee to issue and file.

(II) Please refer to 3.1 Annex I on pages 10 ~ 12 and 3.3 Annex III and 3.4 Annex IV on page 14 ~ 31 of this Handbook for the aforementioned Business report and Financial Statements.

Resolutions:

Proposal II

Proposed by the Board of Directors

Cause of action: The Company's 2020 earnings distribution

Explanation: (I) The Company's 2020 Earnings Distribution Proposal was approved in the 15th Board Meeting with the Company's 10th term Board members.

(II) Please refer to 3.5 Annex V on page 32 of this Handbook for the earnings distribution.

Resolutions:

2.3 Director Election

Proposed by the Board of Directors

Cause of action: To elect nine Directors for the Company's 11th term Board members (including three Independent Directors)

Explanation: (I) The Company Directors' tenth term ends on June 14, 2021. Nine seats are up for election of Directors for the eleventh term (including 3 seats for Independent Directors) to be held during the 2021 shareholders' meeting. The elected Directors will take office after the shareholders' meeting, beginning May 25, 2021 to May 24, 2024, a total of 3 years.

(II) The term of current Directors ends after the 2021 shareholders' meeting.

(III) The election of Company Directors follows a candidate nomination system. Shareholders must select from a list of Director Candidates. For information about the candidates' educational background, experience and other relevant data, please refer to 3.6 Annex VI on Page 33-36 of the agenda.

Election result:

2.4 Proposed Resolutions

Proposal I

Proposed by the Board of Directors

Cause of action: To release the newly elected Directors from non-competition restrictions

Explanation: (I) According to Article 209 of the Company Act, a Director who has a similar profession or trade in competition against another party shall disclose his duties to the shareholders and gain their approval.

(II) The Director of the Company, who invests or operates and serves as a Director at companies in similar profession, is requested to disclose all the information in the shareholders meetings to gain exemption from the non-competition restriction.

(III) The information of the Company's newly elected Directors that are seeking for exemption is as follows:

Title	Name	Current Positions at Other Companies
Representative of Corporate Director	United Microelectronics Corporation	Director, Novatek Microelectronics Corp. Director, ITE Tech. Inc. Director, Silicon Intergrated System Corporation Director, Unimicron Technology Corp.
Representative of Corporate Director	United Microelectronics Corporation Representative: Chia-Tsung Hung	Chairman & Chief Strategic Officer, United Microelectronics Corporation Chairman, Hong Cheng Venture Capital Chairman, Hong Ding Venture Capital Director, Triknight Capital Corporation Director, United Semiconductor (Shandong) Chairman, UMC Capital Corp. Director, United Microelectronics(Europe) B.V.
Representative of Corporate Director	Unimicron Technology Corp Representative: Tsai-Sheng Shen	Director, Uniflex Technology Inc. Director, UniSense Technology Co., Ltd Director, Tongyang Optoelectronics Chairman, Unifresh Farm Director, Unidisplay Holding Corp. Director, Unidisplay Trading Corp. Chairman, Unimicron Investment Corp.
Director	Kuo-Yung Wang	Chairman, Sheng Bang Investment Chairman, Chi Hong Investment

Title	Name	Current Positions at Other Companies
		Chairman, United Business Service Corporation (Chongqing) Chairman, Artery Technology Corporation, Ltd. (Chongqing) Chairman, Artery Technology Corporation, Ltd. Chairman, Artery Technology Corporation–Cayman
Director	Shih-Chin Lin	Chairman, Innopower Technology Chairman, Innopower Technology Corporation (Chongqing) Chairman, Faraday Technology (Shanghai) Chairman, Faraday Technology Japan Corp. Chairman, Faraday Technology Corp. (USA) Chairman, FaradayTek Solutions India Private Limited Director, Faraday Technology Microelectronics (Suzhou) Director, United Business Service Corporation (Chongqing)
Director	Wen-Ju Tseng	Chairman, Faraday Technology (Mauritius) Corp. Chairman, Faraday Technology Corporation – Samoa Chairman, Bright Capital Group Limited-Samoa Chairman, Faraday Technology- B.V.I. Director, ShiehYung Investment Corporation
Independent Director	Ning-Hai Jin	Chairman, Blueocean Optoelectronics Technology Chairman, Xingge Media Director, ChinaTrust Commercial Bank Insurance Director, Genesis Photonics Inc.
Independent Director	Bing-Kuan Luo	Chairman, Huashan Internation Consultant Chairman, Taiwan Independent Director Association Independent Director, Hua Nan Commercial Bank, Ltd.

Resolutions:

Proposal II

Proposed by the Board of Directors

Cause of action: To amend the Company's Rules for Election of Directors

Explanation: (I) The Financial Supervisory Commission amended the articles specified in the “Securities and Exchange Act” and “Company Act”. In order to comply with the decree, several sections of the articles specified in the Company's “Rules for Election of Directors” of the Company shall be amended.

(II) Please find below the table of comparison between the original article and the amended article of the “Rules for Election of Directors” of the Company:

Article Title	Original Article	Amended Article	Reason for Amendment
Article 11	<p>The motions below should be proposed to the Board of Directors of the Company for discussion:</p> <ol style="list-style-type: none">1. The operation plan of the Company2. Annual financial statements and <u>semi-annual financial statements, not limited to semi-annual financial statements that need not require an accounting audit according to the decree</u> <p>(The following is omitted)</p>	<p>The motions below should be proposed to the Board of Directors of the Company for discussion:</p> <ol style="list-style-type: none">1. The operation plan of the Company2. Annual financial reports and <u>second quarter financial report that require accounting</u> <p>(The following is omitted)</p>	In line with the amendment to Article 14, Provision 5 of the Securities and Exchange Act, Subparagraph 2 is likewise amended.
Article 14	<p>Regarding motions related to personal interests or the institution he/she represents, a Director must provide a valid explanation during the board meeting. In the event that the issue is prejudicial to company interests, he/she is not allowed to join the discussion or the voting, and must recuse himself/herself during the process and abstain from voting for other Directors.</p> <p>The Company's Board resolutions for the <u>aforementioned</u> Directors who are not allowed to vote, are based on Article 206, Paragraph 3 <i>mutatis mutandis</i>, and Article 180, Paragraph 2 of the Company Act.</p>	<p>Regarding motions related to personal interests or the institution he/she represents, a Director must provide a valid explanation during the board meeting. In the event that the issue is prejudicial to company interests, he/she is not allowed to join the discussion or the voting, and must recuse himself/herself during the process and abstain from voting for other Directors.</p> <p><u>Spouse and consanguineous or second-degree relatives, or stakeholders who have a control-subordinate relationship with Director in relation to meeting motions, are considered to have personal interests in the Director's business</u></p> <p>The Company's board resolution, i.e., prohibiting the aforementioned Directors from exercising their right to vote, in accordance with Article 206, Paragraph 4, <i>mutatis mutandis</i>, and Article 180, Paragraph 2 of the Company Act</p>	In line with Article 206, Paragraph 3 of the Company Act, added Paragraph 2, to change the original Paragraph 2 to Paragraph 3 and made editorial amendments

Resolutions:

2.5 Extempore Motion

Meeting Adjourn

3.1 Annex I: 2020 business operations

FARADAY TECHNOLOGY CORPORATION 2020 Business Operations

Dear shareholders,

The world went through ups and downs throughout 2020. Due to the impact of macroeconomic instability caused by the pandemic and currency fluctuations, consumer demand has become uncertain. Facing of all challenges in 2020, Faraday was able to develop strategies early in order to protect existing long-term clients. Aside from continuous growth of Faraday's overall revenue, the number of ASIC orders have also been stable, enabling the company to remain competitive and industry-leading. In recent years, the ASIC market has been thriving amid the China-US trade war and the emerging Internet of Things (IoT) trends. Not only has the order value of Faraday NRE been increasing for 6 consecutive years, the company's mass production revenue has also grown 2 years in a row. With the efforts of all employees, the annual collective revenue reached 5.5 billion NTD with basic earnings per share of 1.08 NTD.

The 2020 main operating results of Faraday are as follows:

- The annual mass production revenue increased 18% and reached 3.6 billion NTD, which indicates continuous growth for 2 consecutive years. The Company entered its next growth cycle as it saw a significant increase in its mass production. In 2020, there were new business opportunities on top of existing projects. The contribution of new businesses is expected to become the Company's driving force in 2021, contributing more than half of the revenue. These businesses are mostly niche applications that Faraday has worked on over the years, characterized by a long life cycle and not a boom and bust cycle, which is also the Company's long-term goal. In addition, better service for customers is expected in the future through supports from several major clients in hopes of achieving steady and better sales performance.
- The number of ASIC orders remains strong, while the order value of NRE reached a high level for 6 consecutive years. Despite the impact of the pandemic in 2020, Faraday has maintained an excellent order performance. The partnership between Faraday and its clients remains steady as they continue to grow together with the help of a complete self-developed intellectual property core (IP). There has been a continuous increase in the average revenue per order of Faraday's ASIC cases due to the upgrades in manufacturing process and design, which is a strong advantage when it comes to design service. ASIC orders have been growing in many rapidly-developed areas, including automation applications, audiovisual multimedia, artificial intelligence (AI), network communication and a multitude of niche products. Most of them are practical applications which Faraday focuses on.
- The ASIC and IP of Faraday complement each other. From its mainstream process to advanced process, Faraday consistently develops IP resolutions through different platforms, enabling it to manage the risk of ASIC design, as well as boost its competitiveness and establishment of IP. The Company utilizes vertical integration which also serves as its unique competitive advantage, through the self-developed ASIC IP mode that generates considerable synergy and return on investment. In 2020,

the revenue of IP was 840 million NTD, which remained strong.

- Faraday not only seeks perfection in terms of sales performance and technology, but also dedicated to fulfill its corporate social responsibility. In 2019, the Company established a Corporate Sustainability Commission in charge of developing sustainable corporate strategies and initiatives, with the purpose of strengthening corporate governance, protecting the environment and implementing social responsibility. The Company has been committed to “corporate governance, supply chain sustainability, environmental sustainability, employee-friendly workplace, social feedback” as its main goals, along with its vision of “human-orientation, co-existence with the environment, co-prosperity with the society”. It cooperates with stakeholders in order to achieve sustainable growth for both the company and the society. Faraday is also the first ASIC design service company in support of TCFD (Task Force on Climate-related Financial Disclosure), and one of the top 30 supporting companies listed on the official website of TCFD.

Faraday continues to innovate and invest in research and development. In 2020, its significant technological breakthroughs and achievements included:

- The Company’s ASIC design platform successfully created more than 10 AIoT designs, adopting the 28 nm to 55 nm process of United Microelectronics Corp. as well as edge computing devices with speech and image recognition, wearable devices, smart home appliances and many other AIoT applications.
- Successfully rolled out the programmable SerDes PHY of 28Gbps on the 28 nm HPC process platform of United Microelectronics Corp; it not only shortens the design cycle of chips significantly, but also assists in driving the development of fast Ethernet of 100G, PCIe 4.0, 5G and most xPON photonic network infrastructure.
- Successfully completed the IP verification of Gigabit Ethernet GPHY on the 40LP process platform of United Microelectronics Corp. and allowed authorized use for clients.
- Successfully released the latest development platform of SoCreative!V™ A500 SoC, adopting the 28 nm HPC process of United Microelectronics Corp. and integrating the quad-core microprocessor of ARM Cortex-A53 whose speed can reach 1.4GHz; it is equipped with several types of high speed IO transmission interface, providing an eclectic verification plan of platform development in 5G, network communication, AIoT, high-resolution projectors, multimedia and multi-function printers and many other high-efficiency applications.
- Successfully introduced the display IP interface into many novel monitors of ASIC; the chip applications include 4K/8K full HD projectors, Pico display devices of mini-projectors, car augmented reality head-up displays, etc.
- Rolled out the development platform of Ariel™ Internet SoC which adopted eFlash techniques of Infineon SONOS; compared to the previous generation 55nm Uranus+™ platform, the development platform of Ariel SoC is able to reduce 35% of the operating power consumption, which complements the low power consumption SoC design requirement of smart Internet of Things, AIoT, industrial

internet of things (IIoT), smart grid, wearable devices and portable devices.

- The 22 nm basic component IP has been used by several clients. The IC product applications include internet surveillance camera SoC, true wireless stereo headphone SoC, Internet of Things SoC and voice-activated artificial intelligence processor.
- The memory compiler of 28 nm embedded high voltage (eHV) process has been adopted by several large-scale chip companies selling mobile device OLED display drivers. Several projects are taped out one after another, offering the advantages of power consumption, function and area for related driving chips and accelerating the integrated design.

In the following year, despite the uncertainty over the industry and overall environment, Faraday aims to accelerate its revenue contribution through long-labored niche applications. The Company will continue to maintain demand for novel applications, and in the meantime, proceed to optimize its IP layout, commissioned design, product applications and client portfolio in order to drive the virtuous circle of company operations and continue creating competitive advantages and long-term value for the Company and its clients. In the end, we would like to thank you again for your long-term support for Faraday Technology. All staff members will continue to work hard so as to create maximum value for our shareholders.

Sincerely yours,

Wish you good health and happy life

Chairman: Chia-Tsung, Hung

General Manager: Kuo-Yung Wang

Accounting Officer: Wen-Ju Tseng

3.2 Annex II: Audit Committee Review Report

Audit Committee's Review Report

The board of directors had prepared and presented the Company's 2020 business report, financial statements (including consolidated and parent company only), and surplus earnings distribution proposals, of which, the financial statements (including consolidated and parent company only) were audited by Ernst & Young Global Limited with an independent auditor's report issued. The aforementioned business report, financial statements (including consolidated and parent company only), and the surplus earnings distribution proposal were reviewed by the Audit Committee and concluded to be in compliance with the Company Act and other relevant laws and regulations. The Audit Committee Review Report is hereby presented in accordance with Article 14 of the Securities Exchange Act and Article 219 of the Company Act for review and approval.

Sincerely yours,

FARADAY TECHNOLOGY CORPORATION

The 2021 Regular Shareholders Meeting

Audit Committee

Convener: Ning-Hai Jin

February 23, 2021

3.3 Annex III: 2020 Independent Auditors' Report (Consolidated Financial Statements)

Independent Auditors' Report Originally Issued in Chinese

To Faraday Technology Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Faraday Technology Corporation and its subsidiaries ("the Group") as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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 statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and their consolidated financial performance and cash flows for the years ended December 31, 2020 and 2019, 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 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 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

Net sales recognized by the Group amounted to NT\$5,495,307 thousand for the year ended December 31, 2020, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$3,597,175 thousand, NT\$1,438,969 thousand and NT\$459,163 thousand, constituting 65.46%, 26.18% and 8.36% of consolidated net sales, respectively. Revenue is the main operating activity of the Group. The sales includes application-specific integrated circuit (ASIC) products, and the services include non-recurring engineering (NRE) and silicon intellectual property license (IP). Revenue includes different sources such as sale of goods and services provided and judgement is exercised to determine the performance obligations and when those were satisfied. As a result, we determined the matter to be a key audit matter.

Our audit procedures included (but not limited to), assessing the appropriateness of the accounting policies of revenue recognition for sales of goods, rendering of services and silicon intellectual property license, testing the operating effectiveness of internal controls established by management for sale of goods, rendering of services and silicon intellectual property license, performing analytical procedures of gross margin by product, selecting samples to perform test of details including identification of performance obligations in contracts and verification of when performance obligations were satisfied, reviewing significant service agreements for terms of contracts, project milestones and relevant communication information with the Group's customers for service provided, and inspect evidence of client acceptance for deliverables and inspect shipping documents and invoices to verify proper cut-off of revenue, etc.. We also assessed the adequacy of accounting policy and disclosures of operating revenues. Please refer to Note 4 (17) and Note 6 (13).

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain subsidiaries, whose statements reflect total assets of NT\$636,588 thousand and NT\$580,370 thousand, constituting 7.76% and 7.54% of total consolidated assets as of December 31, 2020 and 2019, respectively, and total operating revenues of NT\$956,439 thousand and NT\$1,134,139 thousand, constituting 17.40% and 21.37% of consolidated operating revenues for the years ended December 31, 2020 and 2019, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. 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. These associates and joint ventures under equity method amounted to NT\$81,183 thousand, representing 1.05% of consolidated total assets as of December 31, 2019. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$(3,646) thousand, (0.87)% of the consolidated net income before tax for the year ended December 31, 2019, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$(661) thousand, representing, and (0.41)% of the consolidated other comprehensive income, for the year ended December 31, 2019.

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

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

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

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

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.

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 Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 2020 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 including an Other Matter Paragraph on the parent company only financial statements of Faraday Technology Corporation as of and for the years ended December 31, 2020 and 2019.

/s/Chiu, Wan-Ju

/s/Hsu, Hsin-Min

Ernst & Young, Taiwan
February 23, 2021

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2020 and December 31, 2019
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2020	December 31, 2019			December 31, 2020	December 31, 2019
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$ 3,048,331	\$ 2,776,055	Current financial liabilities at fair value through profit or loss	6(2)	\$ 1,504	\$ -
Financial assets at fair value through profit or loss, current	4, 6(2)	23,497	22,016	Contract liabilities, current	4, 6(13), 7	476,604	303,024
Contract assets, current	4, 6(13), 6(14)	137,475	517,367	Notes payable		3	4
Notes receivable, net	6(14)	1,360	4,440	Accounts payable		481,775	822,488
Accounts receivable, net	4, 6(4), 6(14)	559,524	682,192	Accounts payable - related parties	7	162,940	258,432
Accounts receivable from related parties, net	4, 6(4), 6(14), 7	130,254	170,925	Payables on equipment		-	3,565
Other receivables, net		113,986	52,019	Other payables	6(10)	392,146	567,625
Inventories, net	4, 6(5)	500,634	634,554	Current tax liabilities	4, 5, 6(19)	50,343	75,555
Other current assets	7	181,234	163,182	Lease liabilities-current	4, 6(15), 12	32,575	33,898
Costs to fulfil a contract, current	4, 6(13)	5,961	-	Other current liabilities		16,195	14,518
Total current assets		<u>4,702,256</u>	<u>5,022,750</u>	Total current liabilities		<u>1,614,085</u>	<u>2,079,109</u>
Non-current assets				Non-current liabilities			
Financial assets at fair value through other comprehensive income, noncurrent	4, 6(3)	2,245,962	1,135,270	Deferred tax liabilities	4, 5, 6(19)	6,810	5,460
Financial assets measured at amortized cost, noncurrent	8	16,433	31,766	Lease liabilities-noncurrent	4, 6(15), 12	209,836	231,443
Investments accounted for using equity method	4, 6(6)	-	81,183	Long-term payables	6(10)	16,321	96,901
Property, plant and equipment	4, 6(7)	539,322	576,808	Long-term deferred revenue		2,715	4,756
Right-of-use assets	4, 6(15)	234,275	254,498	Defined benefit liabilities, non-current	4, 5, 6(11)	8,395	21,619
Intangible assets	4, 6(8), 7	259,256	550,567	Total non-current liabilities		<u>244,077</u>	<u>360,179</u>
Deferred tax assets	4, 5, 6(19)	48,775	41,764	Total liabilities		<u>1,858,162</u>	<u>2,439,288</u>
Refundable deposits		11,430	7,422				
Other non-current assets		141,447	-	Equity attributable to the parent company			
Total non-current assets		<u>3,496,900</u>	<u>2,679,278</u>	Capital	6(12)		
				Common stock		2,485,503	2,485,503
				Additional paid-in capital	6(12)	724,574	724,895
				Retained earnings	6(12)		
				Legal reserve		1,510,216	1,473,678
				Special reserve		369,710	512,210
				Unappropriated earnings		491,085	377,139
				Other components of equity		712,849	(369,709)
				Equity attributable to the parent company	6(12)	<u>6,293,937</u>	<u>5,203,716</u>
				Non-controlling interests	6(12)	<u>47,057</u>	<u>59,024</u>
				Total equity		<u>6,340,994</u>	<u>5,262,740</u>
Total assets		<u>\$ 8,199,156</u>	<u>\$ 7,702,028</u>	Total liabilities and equity		<u>\$ 8,199,156</u>	<u>\$ 7,702,028</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	Note	For the years ended December 31,	
		2020	2019
Net sales	4, 6(13), 7	\$ 5,495,307	\$ 5,306,351
Operating costs	6(5), 6(16), 7	(2,895,681)	(2,506,809)
Gross profit		2,599,626	2,799,542
Operating expenses	6(8), 6(16), 7		
Selling expenses		(288,482)	(246,265)
Administrative expenses		(278,475)	(299,418)
Research and development expenses		(1,853,828)	(1,903,489)
Expected credit (loss) gains	6(14)	(29,729)	47,930
Total operating expenses		(2,450,514)	(2,401,242)
Operating income		149,112	398,300
Non-operating income and expenses			
Interest income	6(17)	10,818	14,323
Other income	6(17)	33,506	59,878
Other gains and losses	6(3), 6(17)	149,977	(44,450)
Finance costs	6(17)	(6,587)	(7,550)
Share of profit or loss of associates and joint ventures accounted for using equity method	6(6)	(23,591)	(3,646)
Total non-operating income and expenses		164,123	18,555
Income from continuing operations before income tax		313,235	416,855
Income tax expense	4, 5, 6(19)	(57,238)	(80,610)
Net income from continuing operations		255,997	336,245
Other comprehensive income	4, 5, 6(18)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		16,178	(4,146)
Unrealized gain from equity investment measured at fair value through other comprehensive income		1,110,692	195,900
Income tax relating to items that will not be reclassified to profit or loss		(3,235)	829
Item that may be reclassified subsequently to profit or loss:			
Exchange differences resulting from translating the financial statements of foreign operations		(28,242)	(32,424)
Share of the other comprehensive income of associates and joint ventures accounted for using equity method		-	(661)
Other comprehensive income (net of income tax)		1,095,393	159,498
Total comprehensive income		\$ 1,351,390	\$ 495,743
Net income attributable to:			
Stockholders of the parent	6(20)	\$ 268,446	\$ 347,877
Non-controlling interests	6(12)	(12,449)	(11,632)
		\$ 255,997	\$ 336,245
Comprehensive income (loss) attributable to:			
Stockholders of the parent		\$ 1,363,947	\$ 507,878
Non-controlling interests		(12,557)	(12,135)
		\$ 1,351,390	\$ 495,743
Earnings per share (NTD)	6(20)		
Earnings per share-basic		\$ 1.08	\$ 1.40
Earnings per share-diluted		\$ 1.08	\$ 1.40

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

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company								Non-Controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings			Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets Measured at Fair Value through Other Comprehensive Income	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings					
Balance as of January 1, 2019	\$ 2,485,503	\$ 626,596	\$ 1,596,485	\$ 860	\$ 599,145	\$ (52,955)	\$ (459,255)	\$ 4,796,379	\$ 14,982	\$ 4,811,361
Appropriation and distribution of 2018 retained earnings										
Legal reserve	-	-	26,323	-	(26,323)	-	-	-	-	-
Special reserve	-	-	-	511,350	(511,350)	-	-	-	-	-
Cash dividends	-	-	(149,130)	-	(49,710)	-	-	(198,840)	-	(198,840)
Net income in 2019	-	-	-	-	347,877	-	-	347,877	(11,632)	336,245
Other comprehensive income (loss) in 2019	-	-	-	-	(3,317)	(32,582)	195,900	160,001	(503)	159,498
Total comprehensive income (loss) in 2019	-	-	-	-	344,560	(32,582)	195,900	507,878	(12,135)	495,743
Change in subsidiaries' ownership	-	98,299	-	-	-	-	-	98,299	56,177	154,476
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	20,817	-	(20,817)	-	-	-
Balance as of December 31, 2019	<u>\$ 2,485,503</u>	<u>\$ 724,895</u>	<u>\$ 1,473,678</u>	<u>\$ 512,210</u>	<u>\$ 377,139</u>	<u>\$ (85,537)</u>	<u>\$ (284,172)</u>	<u>\$ 5,203,716</u>	<u>\$ 59,024</u>	<u>\$ 5,262,740</u>
Balance as of January 1, 2020	\$ 2,485,503	\$ 724,895	\$ 1,473,678	\$ 512,210	\$ 377,139	\$ (85,537)	\$ (284,172)	\$ 5,203,716	\$ 59,024	\$ 5,262,740
Appropriation and distribution of 2019 retained earnings										
Legal reserve	-	-	36,538	-	(36,538)	-	-	-	-	-
Cash dividends	-	-	-	-	(273,405)	-	-	(273,405)	-	(273,405)
Special reserved	-	-	-	(142,500)	142,500	-	-	-	-	-
Net income in 2020	-	-	-	-	268,446	-	-	268,446	(12,449)	255,997
Other comprehensive income (loss) in 2020	-	-	-	-	12,943	(28,134)	1,110,692	1,095,501	(108)	1,095,393
Total comprehensive income (loss) in 2020	-	-	-	-	281,389	(28,134)	1,110,692	1,363,947	(12,557)	1,351,390
Disposal of investments accounted for using equity method	-	(1,531)	-	-	-	-	-	(1,531)	-	(1,531)
Change in subsidiaries' ownership	-	1,210	-	-	-	-	-	1,210	590	1,800
Balance as of December 31, 2020	<u>\$ 2,485,503</u>	<u>\$ 724,574</u>	<u>\$ 1,510,216</u>	<u>\$ 369,710</u>	<u>\$ 491,085</u>	<u>\$ (113,671)</u>	<u>\$ 826,520</u>	<u>\$ 6,293,937</u>	<u>\$ 47,057</u>	<u>\$ 6,340,994</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2020	2019		2020	2019
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 313,235	\$ 416,855	Disposal of financial asset measured at fair value through other comprehensive income	\$ -	\$ 28,552
Adjustments for non-cash gain or loss:			Disposal of property, plant and equipment	60	-
Depreciation	101,499	95,102	Acquisition of financial assets measured at amortized cost	-	(14,994)
Amortization	332,344	342,926	Principal from maturity of financial assets measured at amortized cost	15,333	-
Expected credit loss (gain)	29,729	(47,930)	Disposal of investments accounted for using equity method	209,489	-
Loss on financial assets and liabilities at fair value through profit or loss	23	32,774	Acquisition of property, plant and equipment	(33,106)	(61,849)
Interest expense	6,587	7,550	Refundable deposits	(4,008)	(547)
Interest income	(10,818)	(14,323)	Acquisition of intangible assets	(277,554)	(303,363)
Share-based payment expenses	1,800	4,012	Net cash used in investing activities	(89,786)	(352,201)
Share of loss of associates and joint ventures accounted for using equity method	23,591	3,646			
Loss on disposal of property, plant and equipment	564	-	Cash flows from financing activities:		
Gain on disposal of investments	(172,487)	-	Cash payments for the principal portion of the lease liability	(34,812)	(28,661)
Others	(3,097)	1,791	Cash dividends paid	(273,405)	(198,840)
Changes in operating assets and liabilities:			Change in non-controlling interests (increase in subsidiary's capital by cash)	-	150,464
Contract assets	379,892	(150,109)	Net cash used in financing activities	(308,217)	(77,037)
Notes receivable	3,080	(2,882)	Effect of exchange rate changes on cash and cash equivalents	(30,420)	(35,849)
Accounts receivable	92,939	132,582			
Accounts receivable from related parties	40,671	(56,231)	Net increase in cash and cash equivalents	272,276	388,521
Other receivables	(36,658)	(5,746)	Cash and cash equivalents at beginning of period	2,776,055	2,387,534
Inventories	133,920	(38,537)	Cash and cash equivalents at end of period	\$ 3,048,331	\$ 2,776,055
Prepayments	(162,379)	(84,666)			
Other current assets	9,431	12,987			
Cost of fulfilling a contract	(5,961)	-			
Contract liabilities	173,580	2,616			
Notes payables	(1)	-			
Accounts payable	(340,713)	127,328			
Accounts payable - related parties	(95,492)	144,335			
Other payables	(24,185)	1,963			
Other current liabilities	(364)	(14,973)			
Defined benefit liabilities	(281)	2,402			
Other Operating liabilities	-	(2,275)			
Cash generated from operations	790,449	911,197			
Interest received	11,499	13,690			
Interest paid	(6,587)	(7,550)			
Income tax paid	(94,662)	(63,729)			
Net cash provided by operating activities	\$ 700,699	\$ 853,608			

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

3.4 Annex IV: 2020 Independent Auditors' Report (Parent Company Only Financial Statements)

Independent Auditors' Report Originally Issued in Chinese

To Faraday Technology Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Faraday Technology Corporation (the “Company”) as of December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, and its financial performance and cash flows for the years ended December 31, 2020 and 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 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

Net sales recognized by the Company amounted to NT\$4,925,300 thousand for the year ended December 31, 2020, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$3,433,120 thousand, NT\$1,068,993 thousand and NT\$423,187 thousand, constituting 69.70%, 21.70% and 8.60% of net sales, respectively. Revenue is the main operating activity of the Company. The sales include application-specific integrated circuit (ASIC) products, and the services include non-recurring engineering (NRE) and silicon intellectual property license (IP). Revenue includes different sources such as sale of goods and services provided and judgement is exercised to determine the performance obligations and when those were satisfied. As a result, we determined the matter to be a key audit matter.

Our audit procedures included (but not limited to), assessing the appropriateness of the accounting policies of revenue recognition for sales of goods, rendering of services and silicon intellectual property license, testing the operating effectiveness of internal controls established by management for sale of goods, rendering of services and silicon intellectual property license, performing analytical procedures of gross margin by product, selecting samples to perform test of details including identification of performance obligations in contracts and verification of when performance obligations were satisfied, reviewing significant service agreements for terms of contracts, project milestones and relevant communication information with the Company's customers for service provided, and inspect evidence of client acceptance for deliverables and inspect shipping documents and invoices to verify proper cut-off of revenue, etc.. We also assessed the adequacy of accounting policy and disclosures of operating revenues. Please refer to Note 4 (16) and Note 6 (13).

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. 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. These subsidiaries, associates and joint ventures under equity method amounted to NT\$495,153 thousand and NT\$521,789 thousand, representing 6.40% and 7.20% of total assets as of December 31, 2020 and 2019, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$16,261 thousand and NT\$39,281 thousand, represented 5.49% and 10.06% of the net income before tax for the years ended December 31, 2020 and 2019, respectively, and the related shares of other comprehensive income from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$(29,589) thousand and NT\$(12,216) thousand, representing (2.70)% and (7.63)% of the other comprehensive income, for the years ended December 31, 2020 and 2019, respectively.

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 and for such internal control as management determines is necessary to enable the preparation of 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 or supervisors, 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:

7. 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.
8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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.

11. 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.

12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2020 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.

/s/Chiu, Wan-Ju

/s/Hsu, Hsin-Min

Ernst & Young, Taiwan
February 23, 2021

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying parent company only 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
FARADAY TECHNOLOGY CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2020 and December 31, 2019
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2020	December 31, 2019			December 31, 2020	December 31, 2019
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$ 1,244,061	\$ 1,216,369	Financial liabilities at fair value through profit or loss, current	4, 6(2)	\$ 1,504	\$ -
Financial assets at fair value through profit or loss, current	4, 6(2)	-	204	Contract liabilities, current	4, 6(13), 7	100,939	107,956
Contract assets, current	4, 6(13), 6(14), 7	315,431	421,034	Accounts payable		524,377	817,405
Notes receivable, net	6(14)	1,360	1,746	Accounts payable - related parties	7	217,535	214,514
Accounts receivable, net	4, 6(4), 6(14)	291,649	281,516	Payables on equipment	7	5,644	3,565
Accounts receivable from related parties, net	4, 6(4), 6(17), 7	415,584	454,404	Other payables	6(10), 7	317,487	512,312
Other receivables, net	7	150,616	117,481	Current tax liabilities	4, 5, 6(19)	31,182	50,497
Inventories, net	4, 6(5)	457,603	617,595	Lease liabilities-current	4, 6(15), 12	5,432	6,572
Other current assets		132,365	109,529	Other current liabilities		11,428	7,010
Costs to fulfil a contract, current	6(13)	1,975	-	Total current liabilities		1,215,528	1,719,831
Total current assets		3,010,644	3,219,878				
Non-current assets				Non-current liabilities			
Financial assets at fair value through other comprehensive income, noncurrent	4, 6(3)	2,012,742	895,710	Deferred tax liabilities	4, 5, 6(19)	6,133	5,173
Financial assets measured at amortized cost, noncurrent	8	15,028	30,265	Lease liabilities-noncurrent	4, 6(15), 12	194,087	199,510
Investments accounted for using the equity method	4, 6(6)	1,560,664	1,781,336	Long-term payables	6(10)	16,321	96,901
Property, plant and equipment	4, 6(7)	521,190	561,903	Defined benefit liabilities, non-current	4, 5, 6(11)	8,395	21,619
Right-of-use assets	4, 6(15)	195,650	203,420	Total non-current liabilities		224,936	323,203
Intangible assets	4, 6(8)	233,937	518,209	Total liabilities		1,440,464	2,043,034
Deferred tax assets	4, 5, 6(19)	41,676	34,389				
Refundable deposits		1,423	1,640	Equity attributable to the parent company			
Other non-current assets		141,447	-	Capital	6(12)		
Total non-current assets		4,723,757	4,026,872	Common stock		2,485,503	2,485,503
				Additional paid-in capital	6(12)	724,574	724,895
				Retained earnings	6(12)		
				Legal reserve		1,510,216	1,473,678
				Special reserve		369,710	512,210
				Unappropriated earnings		491,085	377,139
				Other components of equity		712,849	(369,709)
				Equity attributable to the parent company		6,293,937	5,203,716
Total assets		\$ 7,734,401	\$ 7,246,750	Total liabilities and equity		\$ 7,734,401	\$ 7,246,750

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

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

FARADAY TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	Note	For the years ended December 31,	
		2020	2019
Net sales	4, 6(13), 7	\$ 4,925,300	\$ 4,646,362
Operating costs	6(5), 6(16), 7	(2,814,580)	(2,411,107)
Gross profit		2,110,720	2,235,255
Unrealized gross profit on sales		(3,772)	(611)
Gross profit, net		2,106,948	2,234,644
Operating expenses	6(8), 6(16), 7		
Selling expenses		(130,004)	(96,069)
Administrative expenses		(224,244)	(231,688)
Research and development expenses		(1,587,471)	(1,640,677)
Expected credit gain	6(14)	39,408	81,606
Total operating expenses		(1,902,311)	(1,886,828)
Operating income		204,637	347,816
Non-operating income and expenses			
Interest income	6(17)	3,679	6,109
Other income	6(17)	7,346	10,169
Other gains and losses	6(3), 6(17)	(18,747)	(5,119)
Finance costs	6(17)	(4,585)	(4,779)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	104,123	36,084
Total non-operating income and expenses		91,816	42,464
Income from continuing operations before income tax		296,453	390,280
Income tax expense	4, 5, 6(19)	(28,007)	(42,403)
Net income		\$ 268,446	\$ 347,877
Other comprehensive income	4, 5, 6(18)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		16,178	(4,146)
Unrealized gain from equity investment measured at fair value through other comprehensive income		1,117,032	190,313
Income tax relating to items that will not be reclassified to profit or loss		(3,235)	829
Item that may be reclassified subsequently to profit or loss:			
Exchange differences resulting from translating the financial statements of foreign operations		(28,134)	(31,920)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method which may be reclassified to profit or loss		(6,340)	4,925
Other comprehensive income (net of income tax)		1,095,501	160,001
Total comprehensive income		\$ 1,363,947	\$ 507,878
Earnings per share (NTD)	6(20)		
Earnings per share-basic			
Earnings per share-basic		\$ 1.08	\$ 1.40
Earnings per share-diluted			
Earnings per share-diluted		\$ 1.08	\$ 1.40

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

FARADAY TECHNOLOGY CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2020 and 2019
(Expressed in thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets Measured at Fair Value through Other Comprehensive Income	
Balance as of January 1, 2019	\$ 2,485,503	\$ 626,596	\$ 1,596,485	\$ 860	\$ 599,145	\$ (52,955)	\$ (459,255)	\$ 4,796,379
Appropriation and distribution of 2018 retained earnings								
Legal reserve	-	-	26,323	-	(26,323)	-	-	-
Special reserve	-	-	-	511,350	(511,350)	-	-	-
Cash dividends	-	-	(149,130)	-	(49,710)	-	-	(198,840)
Net income in 2019	-	-	-	-	347,877	-	-	347,877
Other comprehensive income (loss) in 2019	-	-	-	-	(3,317)	(32,582)	195,900	160,001
Total comprehensive income (loss) in 2019	-	-	-	-	344,560	(32,582)	195,900	507,878
Change in subsidiaries' ownership	-	98,299	-	-	-	-	-	98,299
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	20,817	-	(20,817)	-
Balance as of December 31, 2019	\$ 2,485,503	\$ 724,895	\$ 1,473,678	\$ 512,210	\$ 377,139	\$ (85,537)	\$ (284,172)	\$ 5,203,716
Balance as of January 1, 2020	\$ 2,485,503	\$ 724,895	\$ 1,473,678	\$ 512,210	\$ 377,139	\$ (85,537)	\$ (284,172)	\$ 5,203,716
Appropriation and distribution of 2019 retained earnings								
Legal reserve	-	-	36,538	-	(36,538)	-	-	-
Cash dividends	-	-	-	-	(273,405)	-	-	(273,405)
Special reserved	-	-	-	(142,500)	142,500	-	-	-
Net income in 2020	-	-	-	-	268,446	-	-	268,446
Other comprehensive income (loss) in 2020	-	-	-	-	12,943	(28,134)	1,110,692	1,095,501
Total comprehensive income (loss) in 2020	-	-	-	-	281,389	(28,134)	1,110,692	1,363,947
Change in subsidiaries' ownership	-	(321)	-	-	-	-	-	(321)
Balance as of December 31, 2020	\$ 2,485,503	\$ 724,574	\$ 1,510,216	\$ 369,710	\$ 491,085	\$ (113,671)	\$ 826,520	\$ 6,293,937

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

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

FARADAY TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2020	2019		2020	2019
Cash flows from operating activities:			Cash flows from investing activities:		
Net Income before tax	\$ 296,453	\$ 390,280	Acquisition of financial assets measured at amortized cost	\$ 15,237	\$ (15,029)
Adjustments for non-cash gain or loss:			Acquisition of investments accounted for using equity method	-	(9,287)
Depreciation	67,543	64,154	Proceeds from capital return of investments accounted for using the equity method	290,000	-
Amortization	317,467	331,695	Acquisition of property, plant and equipment	(16,981)	(59,494)
Expected credit gain	(39,408)	(81,606)	Refundable deposits	217	(527)
Loss on financial assets and liabilities at fair value through profit or loss	1,708	126	Acquisition of intangible assets	(269,686)	(268,076)
Interest expense	4,585	4,779	Net cash provide by (used in) investing activities	18,787	(352,413)
Interest income	(3,679)	(6,109)			
Share of gain of subsidiaries, associates and joint ventures accounted for using equity method	(104,123)	(36,084)	Cash flows form financing activities:		
Changes in operating assets and liabilities:			Cash payments for principal portion of the lease liabilities	(6,563)	(5,107)
Contract assets	105,603	(107,884)	Cash dividends paid	(273,405)	(198,840)
Notes receivable	386	(188)	Net cash used in financing activities	(279,968)	(203,947)
Accounts receivable	29,275	103,862	Effect of exchange rate changes on cash and cash equivalents	4,617	(4,263)
Accounts receivable from related parties	38,820	(234,078)			
Other receivables	(33,816)	(43,861)	Net increase (decrease) in cash and cash equivalents	27,692	(88,112)
Inventories	159,992	(29,898)	Cash and cash equivalents at beginning of period	1,216,369	1,304,481
Prepayment for purchases	(162,379)	(84,666)	Cash and cash equivalents at end of period	\$ 1,244,061	\$ 1,216,369
Other current assets	(1,904)	1,328			
Cost to fulfil a contract	(1,975)	-			
Contract liabilities	(7,017)	(253)			
Accounts payable	(293,028)	133,363			
Accounts payable - related parties	3,021	100,324			
Other payables	(43,531)	(13,631)			
Other current liabilities	4,418	519			
Defined benefit liabilities	(281)	2,402			
Cash generated from operations	338,130	494,574			
Interest received	4,360	5,476			
Interest paid	(4,585)	(4,779)			
Income tax paid	(53,649)	(22,760)			
Net cash provided by operating activities	\$ 284,256	\$ 472,511			

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

3.5 Annex V: Statement of Earnings Distribution
FARADAY TECHNOLOGY CORPORATION
Statement of Earnings Distribution
2020

Unit: NT\$

Item	Amount
Unappropriated earnings - beginning	209,696,437
Add: Re-measured amount of the defined benefit plan	12,942,161
Unappropriated earnings after adjustment	222,638,598
Net Income After Tax	268,446,746
Less: Appropriated legal reserve	(41,566,323)
Add: Reversed special surplus reserve	235,435,263
Add: Reversed special surplus reserve (designated legal surplus reserve)	134,274,326
Distributable Earning	819,228,610
Distributions:	
Cash dividend to shareholders (NT\$1/per share)	(248,550,313)
Unappropriated earnings - ending	570,678,297

1. According to the provisions of the Taiwan Finance and Taxation No. 871941343 Letter dated 4.30.1998 by the Ministry of Finance, the surplus earnings distribution should be recognized with the specific recognition method. The surplus earnings distribution principle of the Company is to distribute the surplus earnings accumulated after 1998 first, and the surplus earnings accumulated before 1998 will be distributed only if there is insufficient amount for distribution.
2. If the number of outstanding shares is affected by the repurchase of the Company's shares, the transfer, conversion, and cancellation of treasury shares, and employee stock warrants resulting in changes in the equity yield rate, the regular shareholders meeting will be requested to have the board of Directors authorized to handle it discretionarily.
3. The current cash dividend is calculated according to the distribution ratio and rounded up to the dollar, and the total amount of the odd share that is for less than NT\$1 is transferred to the Employee Welfare Committee of the Company.
4. The chairman of the Board may be authorized to determine the base date for cash dividend payment and the date for stock dividend payment.

3.6 Annex VI: Information for 11th Board Candidates

Title	Name	Education	Current Position at Faraday and Other Companies	Experience
Director	United Microelectronics Corporation Representative: Chia-Tsung Hung	Bachelor in Accounting, Tamkang University	Chairman & Chief Strategic Officer, United Microelectronics Corporation Chairman & Chief Strategic Officer, Faraday Technology Chairman, Hong Cheng Venture Capital Chairman, Hong Ding Venture Capital Director, Triknight Capital Corporation Director, United Semiconductor (Shandong) Chairman, UMC Capital Corp. Director, United Microelectronics (Europe) B.V.	Senior Vice President & Chief Financial Officer, United Microelectronics Corporation Chairman, ITE Tech. Inc. Chairman, Crystalwise Technology Inc. Director, EPSTAR Corporation
Director	United Microelectronics Corporation Representative: Ying-Sheng Shen	Bachelor in Electronic Engineering, Feng Chia University	Vice President, United Microelectronics Corporation Director, Faraday Technology	Associate Vice President, United Microelectronics Corporation

Title	Name	Education	Current Position at Faraday and Other Companies	Experience
Director	Unimicon Representative: Tsai-Sheng Shen	Bachelor of Business Administration, National Central University	President, Unimicon Technology Corp. President, Qun Hong Technology Inc. Director, Uniflex Technology Inc. Director, UniSense Technology Co., Ltd Supervisor, Unimicon JAPAN Co., Ltd Director, Tongyang Optoelectronics Chairman, Unifresh Farm Director, Unidisplay Holding Corp. Director, Unidisplay Trading Corp. Chairman, Unimicon Investment Corp. Supervisor, ShiehYung Investment Corporation	Vice President, Unimicon Technology Corp.
Director	Kuo-Yung Wang	Master of Industrial Engineering, National Tsing Hua University	President, Faraday Technology Director, Faraday Technology Chairman, Sheng Bang Investment Chairman, Chi Hong Investment Chairman, United Business Service Corporation Chairman, Artery Technology Corporation, Ltd. (Chongqing) Chairman, Artery Technology Corporation, Ltd. Chairman, Artery Technology Corporation Cayman	Vice President, United Microelectronics Corporation

Title	Name	Education	Current Position at Faraday and Other Companies	Experience
Director	Shih-Chin Lin	Master of Electrophysics, National Chiao Tung University	COO, Faraday Technology Director, Faraday Technology Chairman, Innopower Technology Chairman, Innopower Technology Corporation (Chongqing) Chairman, Faraday Technology (Shanghai) Chairman, Faraday Technology Japan Corp. Chairman, Faraday Technology Corp. (USA) Chairman, FaradayTek Solutions India Private Limited Director, Faraday Technology Microelectronics (Suzhou) Director, United Business Service Corporation (Chongqing)	Senior Director, United Microelectronics Corporation
Director	Wen-Ju Tseng	Bachelor of Business Administration, National Chengchi University	CFO, Faraday Technology Director, Faraday Technology Chairman, Faraday Technology (Mauritius) Corp. Chairman, Faraday Technology Corporation – Samoa Chairman, Bright Capital Group Limited-Samoa Chairman, Faraday Technology- B.V.I. Director, ShiehYung Investment Corporation	Financial Director, Faraday Technology
Independent Director	Ning-Hai Jin	Master of Engineering Science, University of Michigan	Chairman, Blueocean Optoelectronics Technology Chairman, Xingge Media Legal Representative Director, ChinaTrust	President, Aurora Group

Title	Name	Education	Current Position at Faraday and Other Companies	Experience
			Commercial Bank Insurance Legal Representative Director, Genesis Photonics Inc.	
Independent Director	Bing-Kuan Luo	PhD of Management, Shanghai Fudan University	Chairman, Huashan Internation Consultant Chairman, Taiwan Independent Director Association Independent Director, Hua Nan Commercial Bank, Ltd.	Director & Supervisor, GenDing Corporation Independent Director, Shandong Dadi Chinese Salt Industry Corp Consultant, Eastern Taiwan Joint Services Center, Executive Yuan Director, Mega International Investment Trust Co., Ltd Director, Mega Venture Capital Co., Ltd.
Independent Director	Woan-Fen Chow	Bachelor of International Trade, Tamkang University	Senior Financial Director, King Yuan ELECTRONICS CO., LTD.	CFO, Dawning Leading Technology Inc. Director, King Yuan ELECTRONICS CO., LTD. Deputy Manager, United Microelectronics Corporation

4.1 Appendix I

FARADAY TECHNOLOGY CORPORATION Rules of Procedure for Shareholder Meetings

- Article 1 The shareholder meetings of the Company are implemented in accordance with the “Rules of Procedure for Shareholder Meetings.”
- Article 2 Shareholders or their proxies are required to wear an attendance card and submit a sign-in card for sign-in. The number of shares is calculated based on the number of sign-in cards received plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 3 The chairman shall call the meeting to order when the attending shareholders do represent a majority of the total number of issued shares.
- Article 4 The shareholder meeting agenda is formulated by the board of directors. The meeting shall proceed in the order set by the agenda.
- Article 5 In addition to the proposals listed on the agenda, the other proposal submitted by the shareholders or the amendments or alternatives to the original proposals should be seconded by other shareholders. The equity of the proponent and the seconded party shall be up to 1% of the total number of issued common stock shares.
- Article 6 A matter other than a proposal will not be discussed or voted on. The chairman may have a discussion of proposal ended at an appropriate time or may announce the discussion of a proposal closed, if necessary.
- Article 7 Once the discussion of proposal is ended or closed, the chairman may call for a vote.
- Article 8 Except as otherwise provided in the Company Act; the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If the chairman consults all the attending shareholders without any objection raised, the proposal shall be deemed as passed, and its effect shall be the same as that of voting.
- Article 8-1 When the Company holds a shareholder meeting; it allows the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
- Article 9 Before speaking, an attending shareholder must specify on a speaker’s slip the attendance card number, shareholder name, and shareholding. The order in which shareholders speak will be set by the chairman.
- Article 10 A shareholder (including natural person and legal person) may not speak more than

3 minutes each time, but can be extended for one time with the consent of the chairman; also, each shareholder (including natural person and legal person) may not speak more than twice on the same proposal.

Article 11 If a shareholder attempts to speak beyond the time limit or outside the scope of the proposal at the shareholder meeting and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 12 When a meeting is in progress, the chairman may announce a break based on time considerations.

Article 13 If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continuing use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholder meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholder meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 14 The matters not addressed in these Rules should be handled in accordance with the Company Act and the Company's Articles of Association.

Article 15 These Rules and any amendments hereto shall be implemented after being resolved in the shareholder meetings.

Article 16 These Rules were enacted on July 16, 1998 with the 1st amendment made on June 9, 2015.

4.2 Appendix II

FARADAY TECHNOLOGY CORPORATION

Articles of Incorporation

Chapter 1 General Rules

Article 1: The Company is organized in accordance with the provisions of the Company Act. The name of the Company is “智原科技股份有限公司” in Chinese and “FARADAY TECHNOLOGY CORPORATION” in English.

Article 2: The Company’s business operation is as follows:

I. CC01080 Electronic component manufacturing business

II. I501010 Product Design business

III. F401010 International trade business

IV. I301020 Data processing services business

V. I301010 Information Software Service business

Research, development, design services, production, manufacturing, and sales of the following products:

I. Application-specific integrated circuit (ASIC) design

II. Application-specific integrated circuit (ASIC) design Intellectual Property and System Platform (IP & System Platform)

III. ASIC Electronic Design Automation Tools (ASIC EDA TOOLS)

Article 2-1: When the Company is a shareholder of unlimited liability in another company, the total amount of the Company’s investment in such other company is not subject to the requirement of not exceeding 40% of the amount of its own paid-in capital.

Article 3: The Company’s head office is located in Hsinchu Science Park. If necessary, the Company may establish branches domestically and abroad after the resolution of the board of directors and the approval of the competent authority.

Article 4: (Deleted)

Chapter 2 Shares

Article 5: The Company’s authorized capital is NT\$6 billion with 600 million shares issued at NT\$10 par; also, the board of directors is authorized to have the stock shares issued by installments. The issue price of each share is determined by the board of directors in accordance with the Company Act or securities-related law and regulations.

Within the total capital amount stated in the preceding paragraph, stock warrants can be issued for an amount of NT\$550 million or less with 55 million shares issued at NT\$10 par. The board of directors is authorized to have the stock shares issued by installments depending on the business operation.

Article 5-1: Employee stock warrants that are issued by the Company with a subscription price lower than the closing price of common stock shares issued by the Company on

the issuance date shall be issued with the consent of two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 6: The Company's stock shares are ordered, numbered, affixed with the signatures or personal seals of three or more directors, and should be duly certified or authenticated by the competent authority or its authorized issuance agency. The Company after having the stock shares issued may be exempted from printing any share certificate for the shares issued. When issues new shares, the certificate for the total number of shares issued currently may be printed collectively.

Article 7: The assignment/transfer, loss, pledge, and destruction of stocks, if any, shall be handled in accordance with the Company Act and relevant law and regulations.

Article 8: (Deleted)

Article 9: The entries of stock assignment/transfer in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholder meeting, or within 30 days prior to the convening date of a special shareholder meeting, or within 5 days prior to the base date fixed by the Company for distribution of dividends, bonus, or other benefits.

Chapter 3 Shareholder Meetings

Article 10: The Company's shareholder meetings include two types of meetings as follows:

I Regular shareholder meeting shall be held by the board of directors within six months after the end of each fiscal year.

II. Special shareholder meeting shall be convened according to law when necessary.

Article 11: The chairman of the board shall chair the shareholder meeting. If the chairman of the board asks for leave or is unable to exercise his/her powers, one of the directors should be appointed to act on his/her behalf. If the chairman of the board has not appointed a representative, the directors shall elect one person among them to act as the chairman.

Article 12: Shareholders should be informed of the date, place, and reason for a regular shareholders meeting to be convened 30 days in advance, and for a special shareholders meeting to be convened 15 days in advance.

Article 13: When the shareholders cannot attend the shareholder meeting for any reason, they shall provide the proxy form issued by the Company with the scope of authorization specified and then entrust a representative to attend the shareholder meeting. The procedures for attending a shareholder meeting by proxy shall be handled in accordance with Article 177 of the Company Act and the provisions of the "Regulations Governing the Use of Proxies for Attendance at Shareholder

Meetings of Public Companies” issued by the competent authority.

Article 14: Except in the circumstances otherwise provided for in Article 157, Paragraph 3 and Article 179 of the Company Act, the shareholders of the Company shall have one voting power in respect of each share in his/her/its possession.

Article 15: Resolutions at a shareholders meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Chapter 4 Board Directors, Audit Committee, and Managerial Officers

Article 16: The Company has seven to eleven directors for a term of three years who have the capacity to be elected in the shareholder meeting and are eligible for a second term. The shareholding ratio of all the directors is in accordance with the regulations of the securities competent authorities. The Company may purchase liability insurance for directors to reduce the risk of directors being sued by shareholders or other related parties for performing their duties according to law.

The Company’s independent directors among the number of directors specified in the preceding paragraph must be not less than three persons, and must be not less than one fifth of the number of directors. The board of directors is authorized to pay remuneration to the directors according to their level of participation in the operation of the Company and the value of their contribution, and with reference to the industry level. A candidate nomination system is adopted for the election of directors and independent directors, the shareholders are to elect the directors from the candidate list in the meeting. Regarding the independent directors’ professional qualifications, shareholdings, part-time restrictions, nomination and selection methods, and other matters to be complied with, it shall be handled in accordance with the relevant regulations of the securities competent authority.

Article 16-1: According to the provision of Article 14-4 of the Securities Exchange Act, the Company has an Audit Committee composed of by all independent directors, and at least one of whom shall have accounting or financial expertise. The resolution of the Audit Committee shall be agreed by the majority of all serving members.

Article 17: The board of directors is formed by directors with the powers illustrated as follows:

- I. Preparation of the business plan.
- II. The surplus earnings distribution or loss off-setting proposal
- III. Propose capital increase or decrease proposal.
- IV. Formulate important rules and contracts.
- V. Appoint and dismiss the General Manager of the Company.
- VI. The establishment and abolition of branches.
- VII. Prepare budgets and final accounts.
- VIII. Review of capital expenditures.
- IX. Other powers entrusted according to the Company Act or resolutions of the shareholder meetings.

Article 18: The chairman of the board shall be elected by a majority of the directors at a meeting attending by two thirds of the directors. The chairman represents the Company

externally. The board of directors, depending on operational needs, may have the vice chairman of the board elected by a majority of the directors at a meeting attending by two thirds of the directors.

Article 19 The board meeting of the Company, unless otherwise provided by the Company Act, should be convened by the chairman. Unless otherwise provided by the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. The board directors should be notified of the upcoming board meeting in writing, by email, or by fax.

Article 20: The chairman of the board shall preside the board meetings. When the chairman of the board is on leave or cannot exercise his/her powers for any reason, the vice chairman shall act in place of the chairman. If there is not a vice chairman elected or the vice chairman is also on leave or cannot exercise his/her powers for any reason, the chairman shall appoint one of the directors to act. If no such designation is made by the chairman, the directors shall select one person among themselves to serve as chairman. The directors shall attend the meeting in person, but may be represented by another director if they cannot attend the meeting in person for any reason. The representation stated in the preceding paragraph is limited to one proxy per director only.

Article 21: (Deleted).

Article 22: (Deleted).

Article 23: The Company has more than one general manager appointed. The appointment and dismissal of the general managers must be approved by a majority of the directors.

Article 24: The general managers shall manage the company's business operation in accordance with the resolution of the board of directors.

Chapter 5 Accounting

Article 25: The Company's fiscal year is from January 1 to December 31. The final statements must be prepared at the end of each fiscal year.

Article 26: The Company's board of directors shall, in accordance with the provisions of Article 228 of the Company Act, have the following books and reports prepared at the end of each fiscal year and shall present them in the shareholder meetings for resolutions.

1. Business report
2. Financial statements
3. Surplus earnings distribution and loss off-setting proposal

Article 27: If there are earnings in the Company's annual final account after making up for all previous losses, an amount no less than 10% of the earnings should be appropriated as employee remuneration and no more than 2% of the earnings should be appropriated as director remuneration. The distribution of employee remuneration can be paid in cash or with stock dividend. The individuals entitled to the stock dividends include the employees of subsidiaries that meet certain

conditions.

The Company's annual surplus earnings, if any, will be distributed in the following order.

I. Withheld taxes

II. Loss off-setting

III. Appropriated 10% of the earnings as legal reserve

IV. Appropriated or reversed special reserve lawfully.

V. The balance amount plus the unappropriated retained earnings is for the shareholder dividend. Except for the reserved amount is to be distributed in the future, the shareholder dividend is distributed according to the resolutions reached in the shareholder meeting.

The Company's dividend distribution policy depends on the Company's current and future investment environment, capital demand, domestic and foreign competition, capital budget, and other factors, taking into account the interests of shareholders, balancing dividends, and the Company's long-term financial planning. The board of directors is to submit the earnings distribution plan to the shareholder meeting for resolutions every year. The Company's current business development is in a growth stage; therefore, business expansion plans and capital demands in the future are inevitable. The dividend distributed in the current year must be with a cash dividend amount for not less than 10% of the total dividend.

Chapter 6 Supplemental Provisions

Article 28: The Company's charters and enforcements rules shall be formulated separately.

Article 29: Matters not specified in the Articles of Association shall be handled in accordance with the provisions of the Company Act.

Article 30: The initiators resolved in the "Initiator Meeting" to have the Company's Articles of Association established on May 25, 1993.

The 1st amendment was made on June 19, 1997

The 2nd amendment was made on December 15, 1997

The 3rd amendment was made on July 16, 1998

The 4th amendment was made on March 16, 1999

The 5th amendment was made on June 17, 2000

The 6th amendment was made on June 9, 2001

The 7th amendment was made on June 17, 2002

The 8th amendment was made on June 3, 2003

The 9th amendment was made on June 15, 2004

The 10th amendment was made on June 14, 2005

The 11th amendment was made on June 12, 2006

The 12th amendment was made on June 11, 2007

The 13th amendment was made on June 13, 2008

The 14th amendment was made on June 10, 2009

The 15th amendment was made on June 15, 2010

The 16th amendment was made on June 15, 2011

The 17th amendment was made on June 12, 2012

The 18th amendment was made on June 9, 2015

The 19th amendment was made on June 15, 2016

4.3 Appendix III

FARADAY TECHNOLOGY CORPORATION

Rules for Election of Directors

- Article 1 The election of directors of the Company shall be handled in accordance with these Regulations.
- Article 2 The election of directors of the Company shall be conducted at the shareholder meeting.
- Article 3 The order cumulative voting system is adopted for the election of directors of the Company. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or many be split for election of two or more candidates.
- Article 4 The ballots shall be prepared by the board of directors of the Company with the attendance card number and the number of voting rights clearly stated.
- Article 5 Before the election begins, the chairman shall appoint a number of persons (with shareholder status) to perform the respective duties of vote monitoring and counting personnel.
- Article 6 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number and number of votes in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the "candidate account name" column of the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative, if any. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 7 The ballots shall be casted jointly for the election of directors and independent directors; however, the voting rights will be separately calculated for independent and non-independent director positions.
- Article 8 The directors of the Company will be elected in the shareholder meeting among the competent shareholders according to the quota determined by the Articles of Association of the Company, according to the statistical results of the ballot papers, the candidates with more voting power represented by the votes obtained shall be successively elected as independent directors or directors. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.
- Article 9 Ballots are invalid under any of the following circumstances:
- I. The ballot was not prepared according to the provisions of Article 4 of these Regulations.
 - II. The ballots are not placed inside the ballot box.

- III. A blank ballot is placed in the ballot box.
- IV. The number of candidates filled on the ballot exceeds the prescribed quota.
- V. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and corporate tax number do not match.
- VI. Other words or marks are entered in addition to the candidate's account name or shareholder's account number, and the number of voting rights allotted.
- VII. Any of the candidate's account name (full name) or shareholder account number (corporate tax number), and the number of voting rights that have been filled in is altered.
- VIII. The writing is unclear and indecipherable.
- IX. The total votes casted by the voters exceed the total voting rights held by the voters.

Article 10 The ballot boxes for the election of directors shall be set up by the board of directors, which shall be examined by the scrutineers in public before voting.

Article 11 The chairman of the meeting shall declare the results of election on the spot with the account name and shareholder account name of the elected candidates announced; also, the Company shall mail the certificate of election to the elected candidates afterwards.

Article 12 The elected candidate who do not comply with the provisions of Paragraphs 3 and Paragraph 4 of Article 26-3 of the Securities Exchange Act shall be deemed invalid.

Article 13 These Regulations and any amendments hereto shall be implemented after being resolved in the shareholder meeting. These Regulations were formulated on June 17, 2002. The first amendment to the Regulations was made on June 11, 2007. The 2nd amendment to the Regulations was made on June 9, 2015.

Article 14 Matters not specified in these Regulations shall be handled in accordance with the Company Act and other relevant law and regulations, as well as the provisions of the Company's Articles of Association.

4.4 Appendix IV

FARADAY TECHNOLOGY CORPORATION Maximum and Minimum Shareholding of Board Directors

I. The statutory shareholdings of the directors of the 10th terms of the Company are as follows:

The number of common stock shares issued by the Company: 248,550,313 shares

The statutory shareholdings of all directors should be 12,000,000 shares.

II. As of March 27, 2021, the book closure date of the regular shareholder meeting, the shareholding of all directors is as follows:

Title	Name	Shareholding	%
Chairman	Representative of UMC: Chia-Tsung Hung	34,240,213	13.77
Director	Representative of UMC: Ying-Sheng Shen	34,240,213	13.77
Direcotr	Unimicron	120,000	0.05
Director	Kuo-Yung Wang	371,990	0.14
Director	Shih-Chin Lin	220,000	0.09
Director	Wen-Ju Tseng	112,915	0.04
Independent Director	Ling-Ling Wu	—	—
Independent Director	Ning-Hai Jin	—	—
Independent Director	Ping-Kuan Lo	—	—
Total shareholdings of all directors		35,065,118	14.09

Note: The Company has established an Audit Committee, so it is not subject to the requirements of statutory shareholdings.