



# **2023 Annual Shareholders' Meeting**

## **Meeting Minutes (Translation)**

**May 24, 2023**



## **2023 Annual Shareholders' Meeting Minutes**

**Time:** 9:00 a.m., May 24th, 2023

**Place:** No. 5, Li-Hsin Rd. III, Hsinchu Science Park, Hsinchu City, Taiwan (Faraday Hsinchu Headquarters)

**How to convene :** Physical shareholders' meetings

**Attendance:** All shareholders and their proxy holders, representing 176,276,328 shares (among them, 115,223,444 shares voted via electronic transmission), or 70.92% of the total 248,550,313 outstanding shares.

**Directors Present:** Shih-Chin Lin, Wen-Ju Tseng, Bing-Kuan Luo, Ning-Hai Jin

**Other Present:** CPA, Yu-Ni Yang , Lawyer, Yun-Shan, Lin

**Chairperson:** The Board of Directors, Kuo-Yung Wang (Proxy)

**Minute Recorder:** Wen-Ju Tsen

### **1 、Chairperson announced commencement.**

### **2 、Chairperson's Address (omitted)**

### **3 、Status Reports**

- (1) 2022 Business Report.  
Acknowledged.
- (2) Audit Committee's Review Report on the 2022 Financial Statements.  
Acknowledged.
- (3) 2022 Profit Distribution for employees and directors.  
Acknowledged.
- (4) Amendment to the "Sustainable Development Best Practice Principles".  
Acknowledged.

### **4 、Approval Items**

#### **Proposal I**

Cause of action: Faraday's 2022 Business Report and Financial Statements.

Explanation:

- (1) The financial statements of the company for 2022 have been audited and completed by accountants, Yu-Ni Yang and Hsin-Min Hsu, of Ernst & Young Public Accountant Firm.

Together with the business report, they have been approved in the 10<sup>th</sup> Board Meeting with the Company's 11<sup>th</sup> term Board members; and the reports were submitted to the Audit Committee to issue and file.

- (2) Please refer to Attachment 1 and Attachment 3~4 of Meeting Minutes for the aforementioned Business report and Financial Statements.
- (3) Submit for approval.

Resolutions: Approved and acknowledged as proposed by the Board of Directors.

Voting Result: 176,276,328 shares were represented at the time of voting (including 115,223,444 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 160,348,111 votes (including 99,334,227 shares voted via electronic transmission)	90.96%
Votes against : 28,215 votes (including 28,215 shares voted via electronic transmission)	0.01%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 15,900,002 votes (including 15,861,002 shares voted via electronic transmission)	9.01%

## Proposal II

Cause of action: Faraday's 2022 Profit Distribution.

Explanation:

- (1) The Company's 2022 Earnings Distribution Table was approved in the 10<sup>th</sup> Board Meeting with the Company's 11<sup>th</sup> term Board members, and had been reviewed and completed by the Audit Committee. Please refer to the Attachment 5 of Meeting Minute for more details.
- (2) For this earnings distribution, a cash dividend of NT\$1,242,751,565 will be allocated to shareholders, and about NT\$5 per share will be distributed. It is calculated according to the distribution ratio and rounded up to the dollar (all below NT dollars will be rounded off), and the total amount of the odd share that is less than NT\$1 will be transferred to the Employee Welfare Committee of the company.
- (3) It is proposed that the Chairman be authorized by the Board of Directors to resolve the Ex-Dividend date, the distribution date of cash dividends, and other relevant issues; if the number of outstanding common shares of the company changes and the payout ratio changes accordingly, the chairman is also authorized with full power to adjust it.

(4) Submit for approval.

Resolutions: Approved and acknowledged as proposed by the Board of Directors.

Voting Result: 176,276,328 shares were represented at the time of voting (including 115,223,444 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 160,431,395 votes (including 99,417,511 shares voted via electronic transmission)	91.01%
Votes against : 81,127 votes (including 81,127 shares voted via electronic transmission)	0.04%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 15,763,806 votes (including 15,724,806 shares voted via electronic transmission)	8.94%

## 5 、 Discussion Items

### Proposal I

Cause of action: Proposal of release the new prohibition on Directors from participation in competitive business.

Explanation:

- (1) According to the Company Act, Article 209, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
- (2) In order to diversify the business operations and improve operational performance, the newly-added concurrent positions for current directors are listed in the below table:

Position	Name	Newly-added concurrent company	Business content	Newly-added concurrent positions
Director	Kuo-Yung,Wang	Sinble Technology Pte. Ltd.	IC design service	Chairperson
Director	Wen-Ju,Tseng	Sinble Technology Pte. Ltd.	IC design service	Director

Independent Director	Wan-Feng,Zhou	Silicon Integrated Systems Corp.	Electronic parts and components manufacturing	Director
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- (3) The Directors of Faraday invest in or operate other companies with the same or similar business scope as Faraday and serve as directors; yet under the premise of not to harm Faraday's interests, it is proposed to submit to the Shareholders' Meeting for permission to release the newly-added prohibition on Directors of Faraday from participation in competitive business.
- (4) Submit for approval.

Resolutions: Approved and acknowledged as proposed by the Board of Directors.

Voting Result: 176,276,328 shares were represented at the time of voting (including 115,223,444 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 150,204,209 votes (including 89,190,325 shares voted via electronic transmission)	85.20%
Votes against : 717,395 votes (including 717,395 shares voted via electronic transmission)	0.40%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 25,354,724 votes (including 25,315,724 shares voted via electronic transmission)	14.38%

## Proposal II

Cause of action: To amend Faraday's "Articles of Incorporation".

Explanation:

- (1) In order to conform to the long-term financial planning and taking into account the interests of the shareholders, the company hereby proposes to amend the "Articles of Incorporation".
- (2) Please refer to the Attachment 7 of Meeting Minute for the comparison table for amended articles.
- (3) Submit for approval.

Resolutions: Approved and acknowledged as proposed by the Board of Directors.

Voting Result: 176,276,328 shares were represented at the time of voting (including 115,223,444 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 151,455,543 votes (including 90,441,659 shares voted via electronic transmission)	85.91%
Votes against : 9,047,797 votes (including 9,047,797 shares voted via electronic transmission)	5.13%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 15,772,988 votes (including 15,733,988 shares voted via electronic transmission)	8.94%

**6 、 Extraordinary Motions: None.**

**7 、 Meeting adjourn : Meeting ended at 09:39am.**

**There are no questions from shareholders at this shareholders meeting.**

## **Attachment 1: 2022 Business Reports**

### **FARADAY TECHNOLOGY CORPORATION 2022 Business Reports**

Dear shareholders,

Year of 2022 was full of challenges and opportunities for Faraday Technology. The turbulent geopolitical situation and global inflation brought uncertainties that acted as headwinds for the global economy. However, during the changes in supply and demand in the semiconductor industry, we cooperated closely with our supply chain and customers to stay informed of supply and demand changes and did our best to support our customers' growth. Internally, we focused on technological development and digitalization to improve operational efficiency by applying digital technology. By vertically and horizontally integrating the various valuable departments within the company, we generated a unique business model that accelerated overall operational growth. In 2022, Faraday had a fruitful year, achieving over NT\$10 billion in consolidated revenue, and setting new record-high revenues in Silicon Intellectual Property (IP), Non-Recurring Engineering (NRE), and Mass Production. Among the key three revenue categories, mass production revenue has grown continuously for four years and played a crucial role in operational growth. With the relentless efforts of all Faraday's global employees, we achieved a new milestone in 2022, setting historical highs in both consolidated revenues and profit. Consolidated revenue reached NT\$13.07 billion, a growth of 62% compared to the previous year, and the basic earnings per share grew by 112% to NT\$9.88.

The main operating results of Faraday in 2022 are as follows:

- Improvement in the penetration rate of key processes and a record high in Silicon Intellectual Properties (IP) revenue. Faraday is one of the few ASIC manufacturers with self-developed IPs, and its comprehensive database not only reduces design integration risks for customers but also generates revenue for the Company. In addition to investing in research and development of key process IP, Faraday also continues to develop advanced process IP platforms to meet customers' technical planning and process transfer needs. The impressive performance of the IP business is the result of the Company's long-term investment in IP technology development. In 2022, IP revenue grew 26% compared to the previous year, reaching a historical high of NT\$1.34 billion.
- ASIC business orders are stable along with Non-Recurring Engineering (NRE) revenue continuously reaching record highs. Faraday maintains close business relationship with customers, and with the support of a loyal customer base, the Company has consistently maintained a high level of design wins and order amounts throughout the year. In terms of applications, we primarily focus on niche applications with long product lifecycles, emphasizing the improvement of quality and efficiency. The main application areas cover four major fields: energy management, production efficiency, green energy, and quality of life, and the purposes and values of these applications are linked to sustainable development. In 2022, NRE revenue increased by 22%, reaching a new historical high of NT\$1.72 billion.
- The optimization of revenue structure has led to four consecutive years of growth in mass production. The business model of Faraday has resulted in a robust product application and customer base structure, enhancing the company's operational resilience and ability to withstand economic fluctuations. Mass production, as a regular source of revenue, has accounted for over 70% of the total revenue, strengthening the growth and predictability of revenue and enabling the company to achieve outstanding results against the odds. In 2022, the revenue from mass production increased significantly by 78% compared to the previous year, reaching a historical high of NT\$10 billion.

Faraday continues to innovate and invest in research and development resources. The technological breakthroughs and achievements of the company in the year 2022 include:

- Faraday Silicon Intellectual Property has obtained the ISO 26262 ASIL-D Ready certificate, the highest level of automotive safety, awarded by the German automotive testing and certification organization SGS-TÜV.
- Successfully launched the SoCreative!VI™ A600 SoC development platform using the Samsung 14 LPP FinFET process. This platform is suitable for applications such as AIoT, edge computing, multimedia, and communication, and this platform can help customers shorten their time to market effectively.
- Completed the silicon verification of Gigabit Ethernet PHY IP in the UMC 28 HPC Plus process. This can assist customers in developing network communication and industrial control related applications more efficiently.
- Launched the FPGA-Go-ASIC™ verification platform, which includes SoCreative!™ SoC verification platform and an additional FPGA prototype platform to help customers accelerate circuit design and system verification.
- Published a set of IP combinations for the Samsung 14LPP FinFET process, including LPDDR4/4X PHY, MIPI D-PHY, V-by-One, FPD-link, LVDS I/O, ONFI I/O, and Memory Compilers, currently all available on Samsung SAFE™ IP platform.
- Introduced chip design services that can support multiple foundries' FinFET processes, utilizing Faraday's ASIC design experience and resources to assist customers in rapidly launching their products.
- Collaborated with Infineon on the UMC's 40uLP process to launch the SONOS embedded flash memory (eFlash) platform.

Faraday not only focuses on its core business, but also places great emphasis on implementing sustainable development practices, which have been well received by external stakeholders. The Company has won the "Excellence in Corporate Social Responsibility" from the Common Wealth Magazine for the first time and has shown outstanding performance throughout the year of 2022. In terms of corporate governance, Faraday has been ranked among the top 6% to 20% in two consecutive years in corporate governance evaluations, and has been included in the "Taiwan Corporate Governance 100 Index", "Taiwan Mid-Cap 100 Index", "Taiwan High Compensation 100 Index", and Harvard Business Review's "Taiwan Top 100 Best Performing CEOs for 2022". Additionally, the Company's commitment to quality management has earned the highest level of the "Excellence in Management Quality Award" with three stars from the Chinese Society of Quality, making Faraday the first IC design company to receive such honor. The Company also values talent cultivation, using prospective layouts and systematic mechanisms to develop and nurture talents, which has led to us receiving the "2022 National Talent Development Award" in the large corporates category from the Ministry of Labor. This award represents the highest honor in the national human resources field.

Looking towards to the future, Faraday will uphold the vision of "Inside of every IC, Faraday's value is in sight" and the management philosophy of "synergy for excellence", while continuously strengthening the Company's fundamentals. Faraday will work together with customers, supply chain partners, and all employees to practice sustainable business operations and continue moving forward on the path of sustainable development. Finally, we would like to express our gratitude to all shareholders for their long-term support of Faraday. Our entire team will continue to work hard to create the greatest value for our shareholders.

Chairman: Chia-Tsung, Hung

President: Kuo-Yung Wang

Accounting Officer: Wen-Ju Tsen



## **Attachment 2: Audit Committee's Review Report**

### **Audit Committee's Review Report**

The board of directors had prepared and presented the Company's 2022 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.

FARADAY TECHNOLOGY CORPORATION

The 2023 Annual Shareholders' Meeting

**Audit Committee Convener: Bing-Kuan Luo**

February 21, 2023

## **Attachment 3: 2022 Consolidated Financial Statements with report of Independent Accountants**

### **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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed 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 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Revenue Recognition**

Operating revenues recognized by the Group amounted to NT\$13,065,155 thousand for the year ended December 31, 2022, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$10,002,490 thousand, NT\$2,110,618 thousand and NT\$952,047 thousand, constituting 76.56%, 16.15% and 7.29% of consolidated operating revenues, respectively. Revenue is the main operating activity of the Group. Revenue 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 related to client acceptance progress for service provided, and inspecting shipping documents and invoices to verify the accuracy of cut-off revenue time, etc. We also assessed the adequacy of accounting policy and disclosures of operating revenues. Please refer to Note 4(16) and Note 6(16).

### **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\$1,121,758 thousand and NT\$820,526 thousand, constituting 8.30% and 6.82% of total consolidated assets as of December 31, 2022 and 2021, respectively, and total operating revenues of NT\$2,864,327 thousand and NT\$1,520,178 thousand, constituting 21.92% and 18.80% of consolidated operating revenues for the years ended December 31, 2022 and 2021, 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.

## **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 and became effective 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 the Standards on Auditing of 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 the Standards on Auditing of 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 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

We have audited and expressed an unqualified opinion 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, 2022 and 2021.

/s/Yang, Yu-Ni

/s/Hsu, Hsin-Min

Ernst & Young, Taiwan

February 21, 2023

### **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**  
December 31, 2022 and December 31, 2021  
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2022	December 31, 2021			December 31, 2022	December 31, 2021
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	4, 6(1)	\$ 4,872,818	\$ 4,763,080	Short-term loans	6(11)	\$ 127,241	\$ -
Financial assets at fair value through profit or loss, current	4, 6(2)	21,889	26,296	Financial liabilities at fair value through profit or loss, current	4, 6(2)	1,896	-
Contract assets, current	4, 6(16), 6(17)	4,173	33,288	Contract liabilities, current	4, 6(16)	1,452,266	1,310,720
Notes receivable, net	6(17)	-	4,030	Notes payable		4	3
Accounts receivable, net	4, 6(4), 6(17)	1,163,789	780,987	Accounts payable		618,932	844,644
Accounts receivable - related parties, net	4, 6(4), 6(17), 7	189,927	153,567	Accounts payable - related parties	7	510,387	527,278
Other receivables		156,591	77,662	Payables on equipment		7,697	553
Inventories, net	4, 5, 6(5)	3,016,901	1,320,690	Other payables	6(12)	925,105	622,115
Other current assets	6(6), 7	204,786	191,142	Current tax liabilities	4, 6(22)	450,230	171,166
Costs to fulfil a contract, current	6(16)	123,358	41,412	Lease liabilities, current	4, 6(18), 12	49,862	18,353
Total current assets		9,754,232	7,392,154	Other current liabilities		12,257	10,851
				Total current liabilities		4,155,877	3,505,683
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	1,953,282	2,915,438	Deferred tax liabilities	4, 6(22)	22,125	8,594
Financial assets measured at amortized cost, non-current	4, 6(7), 8	69,752	189,382	Lease liabilities, non-current	4, 6(18), 12	217,379	200,594
Property, plant and equipment	4, 6(8)	514,367	517,870	Long-term payables	6(12)	148,827	161,247
Right-of-use assets	4, 6(18)	255,483	211,436	Defined benefit liabilities, non-current	4, 6(13)	-	5,088
Intangible assets	4, 6(9)	614,985	505,049	Total non-current liabilities		388,331	375,523
Deferred tax assets	4, 6(22)	47,345	26,305	<b>Total liabilities</b>		4,544,208	3,881,206
Refundable deposits		139,064	115,021				
Defined benefit assets, non-current	4, 6(13)	18,057	-	<b>Equity attributable to the parent company</b>			
Other non-current assets	6(10)	146,238	163,850	Capital	6(14)		
Total non-current assets		3,758,573	4,644,351	Common stock		2,485,503	2,485,503
				Additional paid-in capital	6(14)	705,700	705,700
				Retained earnings	6(14)		
				Legal reserve		1,667,419	1,551,782
				Unappropriated earnings		3,262,319	1,727,050
				Other components of equity		478,245	1,369,937
				Equity attributable to the parent company		8,599,186	7,839,972
				<b>Non-controlling interests</b>	6(14)	369,411	315,327
				<b>Total equity</b>		8,968,597	8,155,299
<b>Total assets</b>		<u>\$ 13,512,805</u>	<u>\$ 12,036,505</u>	<b>Total liabilities and equity</b>		<u>\$ 13,512,805</u>	<u>\$ 12,036,505</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, 2022 and 2021

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

	Note	For the years ended December 31,	
		2022	2021
Operating revenues	4, 6(16), 7	\$ 13,065,155	\$ 8,085,201
Operating costs	6(5), 6(19), 7	(6,689,746)	(3,995,272)
Gross profit		6,375,409	4,089,929
Operating expenses	6(9), 6(19), 7		
Selling expenses		(475,455)	(359,836)
Administrative expenses		(542,262)	(366,465)
Research and development expenses		(2,422,237)	(2,036,866)
Expected credit (losses) gains	6(17)	(14,041)	75,294
Total operating expenses		(3,453,995)	(2,687,873)
Operating income		2,921,414	1,402,056
Non-operating income and expenses			
Interest income	6(20)	33,175	12,618
Other income	6(20)	115,072	104,348
Other gains and losses	6(20)	(5,822)	(10,980)
Finance costs	6(20)	(6,367)	(5,863)
Total non-operating income and expenses		136,058	100,123
Income before income tax		3,057,472	1,502,179
Income tax expense	4, 6(22)	(547,004)	(212,131)
Net income		2,510,468	1,290,048
Other comprehensive income (loss)	4, 6(21)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		20,657	551
Unrealized (losses) gains from equity instruments investments measured at fair value through other comprehensive income		(962,156)	669,476
Income tax relating to items that will not be reclassified to profit or loss		(4,132)	(110)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		75,557	(11,664)
Other comprehensive income (loss) (net of income tax)		(870,074)	658,253
Total comprehensive income		\$ 1,640,394	\$ 1,948,301
Net income attributable to:			
Stockholders of the parent		\$ 2,454,597	\$ 1,155,930
Non-controlling interests		55,871	134,118
		\$ 2,510,468	\$ 1,290,048
Comprehensive income (loss) attributable to:			
Stockholders of the parent		\$ 1,579,430	\$ 1,813,459
Non-controlling interests		60,964	134,842
		\$ 1,640,394	\$ 1,948,301
Earnings per share (NT\$)	6(23)		
Earnings per share-basic		\$ 9.88	\$ 4.65
Earnings per share-diluted		\$ 9.77	\$ 4.64

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 CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

									Non-Controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings					Total		
			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, 2021	\$ 2,485,503	\$ 724,574	\$ 1,510,216	\$ 369,710	\$ 491,085	\$ (113,671)	\$ 826,520	\$ 6,293,937	\$ 47,057	\$ 6,340,994
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	41,566	-	(41,566)	-	-	-	-	-
Cash dividends	-	-	-	-	(248,550)	-	-	(248,550)	-	(248,550)
Reversal of special reserve	-	-	-	(369,710)	369,710	-	-	-	-	-
Net income in 2021	-	-	-	-	1,155,930	-	-	1,155,930	134,118	1,290,048
Other comprehensive income (loss) in 2021	-	-	-	-	441	(12,388)	669,476	657,529	724	658,253
Total comprehensive income (loss) in 2021	-	-	-	-	1,156,371	(12,388)	669,476	1,813,459	134,842	1,948,301
Change in subsidiaries' ownership	-	(18,874)	-	-	-	-	-	(18,874)	133,428	114,554
Balance as of December 31, 2021	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,551,782</u>	<u>\$ -</u>	<u>\$ 1,727,050</u>	<u>\$ (126,059)</u>	<u>\$ 1,495,996</u>	<u>\$ 7,839,972</u>	<u>\$ 315,327</u>	<u>\$ 8,155,299</u>
Balance as of January 1, 2022	\$ 2,485,503	\$ 705,700	\$ 1,551,782	\$ -	\$ 1,727,050	\$ (126,059)	\$ 1,495,996	\$ 7,839,972	\$ 315,327	\$ 8,155,299
Appropriation and distribution of 2021 retained earnings										
Legal reserve	-	-	115,637	-	(115,637)	-	-	-	-	-
Cash dividends	-	-	-	-	(820,216)	-	-	(820,216)	-	(820,216)
Net income in 2022	-	-	-	-	2,454,597	-	-	2,454,597	55,871	2,510,468
Other comprehensive income (loss) in 2022	-	-	-	-	16,525	70,464	(962,156)	(875,167)	5,093	(870,074)
Total comprehensive income (loss) in 2022	-	-	-	-	2,471,122	70,464	(962,156)	1,579,430	60,964	1,640,394
Non-controlling interests	-	-	-	-	-	-	-	-	(6,880)	(6,880)
Balance as of December 31, 2022	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,667,419</u>	<u>\$ -</u>	<u>\$ 3,262,319</u>	<u>\$ (55,595)</u>	<u>\$ 533,840</u>	<u>\$ 8,599,186</u>	<u>\$ 369,411</u>	<u>\$ 8,968,597</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, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2022	2021		2022	2021
<b>Cash flows from operating activities:</b>			<b>Cash flows from investing activities:</b>		
Net income before tax	\$ 3,057,472	\$ 1,502,179	Acquisition of financial assets measured at amortized cost	\$ (54,112)	\$ (173,822)
Adjustments for non-cash gain or loss:			Proceeds from principal of financial assets measured at amortized cost upon maturity	173,800	873
Depreciation	118,856	100,139	Proceeds from disposal of investments accounted for using equity method	-	24,203
Amortization	353,856	304,915	Acquisition of property, plant and equipment	(85,575)	(40,551)
Expected credit loss (gain)	14,041	(75,294)	Proceeds from disposal of property, plant and equipment	-	84
Loss (gain) on financial assets and liabilities at fair value through profit or loss	6,303	(4,303)	Increase in refundable deposits	(24,043)	(103,591)
Interest expense	6,367	5,863	Acquisition of intangible assets	(387,012)	(295,546)
Interest income	(33,175)	(12,618)	Net cash used in investing activities	(376,942)	(588,350)
Dividend income	(90,321)	(69,730)			
Share-based payment expenses	43,181	26,674	<b>Cash flows from financing activities:</b>		
Others	(1,663)	(16)	Increase in short-term loans	127,241	-
Changes in operating assets and liabilities:			Cash payments for the principal portion of the lease liabilities	(38,744)	(39,165)
Contract assets	29,115	98,124	Cash dividends	(820,216)	(248,550)
Notes receivable	4,030	(2,670)	Change in non-controlling interests	(50,061)	87,880
Accounts receivable	(396,843)	(140,106)	Net cash used in financing activities	(781,780)	(199,835)
Accounts receivable - related parties	(36,360)	(23,313)	Effect of exchange rate changes on cash and cash equivalents	68,780	(2,916)
Other receivables	(78,698)	12,274			
Inventories	(1,696,211)	(820,056)	Net increase in cash and cash equivalents	109,738	1,714,749
Prepayments	43,495	(59,642)	Cash and cash equivalents at beginning of period	4,763,080	3,048,331
Other current assets	(8,497)	19,825	Cash and cash equivalents at end of period	\$ 4,872,818	\$ 4,763,080
Costs to fulfil a contract	(81,946)	(35,451)			
Contract liabilities	141,546	834,116			
Notes payables	1	-			
Accounts payable	(225,712)	362,869			
Accounts payable - related parties	(16,891)	364,338			
Other payables	219,865	111,874			
Other current liabilities	1,406	(8,059)			
Defined benefit liabilities	(2,488)	(2,866)			
Cash generated from operations	1,370,729	2,489,066			
Interest received	32,944	12,465			
Dividend received	90,321	69,730			
Interest paid	(6,367)	(5,863)			
Income tax paid	(287,947)	(59,548)			
Net cash provided by operating activities	\$ 1,199,680	\$ 2,505,850			

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

## **Attachment 4 : Parent Company Only Financial Statements with report of Independent Accountants.**

### **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, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

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

#### **Basis for Opinion**

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

## **Key Audit Matters**

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

### **Revenue Recognition**

Operating revenues recognized by the Company amounted to NT\$11,466,455 thousand for the year ended December 31, 2022, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$8,833,559 thousand, NT\$1,706,867 thousand and NT\$926,029 thousand, constituting 77.04%, 14.88% and 8.08% of operating revenues, respectively. Revenue is the main operating activity of the Company. Revenue 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 related to client acceptance progress for service provided, and inspecting shipping documents and invoices to verify the accuracy of cut-off revenue time, etc. We also assessed the adequacy of accounting policy and disclosures of operating revenues. Please refer to Note 4(16) and Note 6(16).

### **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\$423,158 thousand and NT\$535,301 thousand, representing 3.57% and 5.01% of total assets as of December 31, 2022 and 2021, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to

NT\$131,340 thousand and NT\$57,321 thousand, representing 4.63% and 4.33% of the net income before tax for the years ended December 31, 2022 and 2021, respectively, and the related shares of other comprehensive income from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$52,660 thousand and NT\$(17,173) thousand, representing (6.02)% and (2.61)% of the other comprehensive income, for the years ended December 31, 2022 and 2021, 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 the Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

/s/Yang, Yu-Ni

/s/Hsu, Hsin-Min

Ernst & Young, Taiwan

February 21, 2023

#### 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  
December 31, 2022 and December 31, 2021  
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2022	December 31, 2021			December 31, 2022	December 31, 2021
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	4, 6(1)	\$ 2,244,993	\$ 1,885,398	Financial liabilities at fair value through profit or loss, current	4, 6(2)	\$ 1,896	\$ -
Financial assets at fair value through profit or loss, current	4, 6(2)	-	1,424	Contract liabilities, current	4, 6(16), 7	659,335	472,744
Contract assets, current	4, 6(16), 6(17), 7	40,546	75,630	Accounts payable		612,859	836,084
Notes receivable, net	6(17)	-	4,030	Accounts payable - related parties	7	432,172	487,166
Accounts receivable, net	4, 6(4), 6(17)	422,867	349,213	Payables on equipment		7,697	553
Accounts receivable - related parties, net	4, 6(4), 6(17), 7	1,126,534	635,549	Other payables	6(13), 7	807,790	524,795
Other receivables	7	153,948	71,415	Current tax liabilities	4, 6(22)	352,399	132,979
Inventories, net	4, 5, 6(5)	2,340,153	1,208,411	Lease liabilities, current	4, 6(18), 12	6,280	5,972
Other current assets	6(6), 7	210,137	168,232	Other current liabilities		7,921	8,112
Costs to fulfil a contract, current	6(16)	69,859	20,820	Total current liabilities		2,888,349	2,468,405
Total current assets		6,609,037	4,420,122				
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	1,861,071	2,775,807	Deferred tax liabilities	4, 6(22)	15,956	8,475
Financial assets measured at amortized cost, non-current	4, 6(7), 8	25,072	15,050	Lease liabilities, non-current	4, 6(18), 12	188,754	190,900
Investments accounted for using the equity method	4, 6(8)	1,820,242	2,089,256	Long-term payables	6(13)	148,827	161,247
Property, plant and equipment	4, 6(9)	476,181	494,527	Defined benefit liabilities, non-current	4, 6(14)	-	5,088
Right-of-use assets	4, 6(18)	187,717	191,222	Total non-current liabilities		353,537	365,710
Intangible assets	4, 6(10)	569,762	441,312	<b>Total liabilities</b>		3,241,886	2,834,115
Deferred tax assets	4, 6(22)	33,933	17,243	<b>Equity</b>			
Refundable deposits		95,370	67,034	Capital	6(15)		
Defined benefit assets, non-current	4, 6(14)	18,057	-	Common stock		2,485,503	2,485,503
Other non-current assets	6(11)	144,630	162,514	Additional paid-in capital	6(15)	705,700	705,700
Total non-current assets		5,232,035	6,253,965	Retained earnings	6(15)		
				Legal reserve		1,667,419	1,551,782
				Unappropriated earnings		3,262,319	1,727,050
				Other components of equity		478,245	1,369,937
				<b>Total equity</b>		8,599,186	7,839,972
<b>Total assets</b>		<b>\$ 11,841,072</b>	<b>\$ 10,674,087</b>	<b>Total liabilities and equity</b>		<b>\$ 11,841,072</b>	<b>\$ 10,674,087</b>

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



## FARADAY TECHNOLOGY CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

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

	Note	For the years ended December 31,	
		2022	2021
Operating revenues	4, 6(16), 7	\$ 11,466,455	\$ 6,710,159
Operating costs	6(5), 6(19), 7	(6,341,228)	(3,875,526)
Gross profit		5,125,227	2,834,633
Unrealized gross profit on sales		(52,486)	(994)
Gross profit, net		5,072,741	2,833,639
Operating expenses	6(10), 6(19), 7		
Selling expenses		(228,158)	(151,186)
Administrative expenses		(403,908)	(294,891)
Research and development expenses		(2,001,853)	(1,671,155)
Expected credit (losses) gains	6(17)	(4,927)	6,355
Total operating expenses		(2,638,846)	(2,110,877)
Operating income		2,433,895	722,762
Non-operating income and expenses			
Interest income	6(20)	7,259	2,824
Other income	6(20), 7	97,608	75,993
Other gains and losses	6(20)	(12,052)	(7,027)
Finance costs	6(20)	(4,285)	(4,496)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		315,094	532,382
Total non-operating income and expenses		403,624	599,676
Income before income tax		2,837,519	1,322,438
Income tax expense	4, 6(22)	(382,922)	(166,508)
Net income		\$ 2,454,597	\$ 1,155,930
Other comprehensive income (loss)	4, 6(21)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		20,657	551
Unrealized (losses) gains from equity instruments investment measured at fair value through other comprehensive income		(914,736)	763,065
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		(47,420)	(93,589)
Income tax relating to items that will not be reclassified to profit or loss		(4,132)	(110)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		53,847	(12,388)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		16,617	-
Other comprehensive income (loss) (net of income tax)		(875,167)	657,529
Total comprehensive income		\$ 1,579,430	\$ 1,813,459
Earnings per share (NT\$)	6(23)		
Earnings per share-basic		\$ 9.88	\$ 4.65
Earnings per share-diluted		\$ 9.77	\$ 4.64

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 CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	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, 2021	\$ 2,485,503	\$ 724,574	\$ 1,510,216	\$ 369,710	\$ 491,085	\$ (113,671)	\$ 826,520	\$ 6,293,937
Appropriation and distribution of 2020 retained earnings								
Legal reserve	-	-	41,566	-	(41,566)	-	-	-
Cash dividends	-	-	-	-	(248,550)	-	-	(248,550)
Reversal of special reserve	-	-	-	(369,710)	369,710	-	-	-
Net income in 2021	-	-	-	-	1,155,930	-	-	1,155,930
Other comprehensive income (loss) in 2021	-	-	-	-	441	(12,388)	669,476	657,529
Total comprehensive income (loss) in 2021	-	-	-	-	1,156,371	(12,388)	669,476	1,813,459
Change in subsidiaries' ownership	-	(18,874)	-	-	-	-	-	(18,874)
Balance as of December 31, 2021	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,551,782</u>	<u>\$ -</u>	<u>\$ 1,727,050</u>	<u>\$ (126,059)</u>	<u>\$ 1,495,996</u>	<u>\$ 7,839,972</u>
Balance as of January 1, 2022	\$ 2,485,503	\$ 705,700	\$ 1,551,782	\$ -	\$ 1,727,050	\$ (126,059)	\$ 1,495,996	\$ 7,839,972
Appropriation and distribution of 2021 retained earnings								
Legal reserve	-	-	115,637	-	(115,637)	-	-	-
Cash dividends	-	-	-	-	(820,216)	-	-	(820,216)
Net income in 2022	-	-	-	-	2,454,597	-	-	2,454,597
Other comprehensive income (loss) in 2022	-	-	-	-	16,525	70,464	(962,156)	(875,167)
Total comprehensive income (loss) in 2022	-	-	-	-	2,471,122	70,464	(962,156)	1,579,430
Balance as of December 31, 2022	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,667,419</u>	<u>\$ -</u>	<u>\$ 3,262,319</u>	<u>\$ (55,595)</u>	<u>\$ 533,840</u>	<u>\$ 8,599,186</u>

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, 2022 and 2021  
 (Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2022	2021		2022	2021
<b>Cash flows from operating activities:</b>			<b>Cash flows from investing activities:</b>		
Net income before tax	\$ 2,837,519	\$ 1,322,438	Acquisition of financial assets measured at amortized cost	\$ (10,022)	\$ (22)
Adjustments for non-cash gain or loss:			Acquisition of investments accounted for using equity method	-	(149,596)
Depreciation	60,849	63,174	Proceeds from capital return of investments accounted for using the equity method	266,183	-
Amortization	289,399	249,553	Acquisition of property, plant and equipment	(60,653)	(33,908)
Expected credit loss (gain)	4,927	(6,355)	Proceeds from disposal of property, plant and equipment	-	63
Loss (gain) on financial assets and liabilities at fair value through profit or loss	3,320	(2,928)	Increase in refundable deposits	(28,336)	(65,611)
Interest expense	4,285	4,496	Acquisition of intangible assets	(321,854)	(222,695)
Interest income	(7,259)	(2,824)	Net cash used in investing activities	(154,682)	(471,769)
Dividend income	(90,321)	(69,730)			
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(315,094)	(532,382)	<b>Cash flows form financing activities:</b>		
Unrealized gross profit on sales	52,486	994	Cash payments for principal portion of the lease liabilities	(6,109)	(5,976)
Changes in operating assets and liabilities:			Cash dividends	(820,216)	(248,550)
Contract assets	35,084	245,897	Net cash used in financing activities	(826,325)	(254,526)
Notes receivable	4,030	(2,670)	Effect of exchange rate changes on cash and cash equivalents	(5,013)	8,510
Accounts receivable	(78,581)	(57,305)			
Accounts receivable - related parties	(490,985)	(219,965)	Net increase in cash and cash equivalents	359,595	641,337
Other receivables	(82,302)	79,354	Cash and cash equivalents at beginning of period	1,885,398	1,244,061
Inventories	(1,131,742)	(750,808)	Cash and cash equivalents at end of period	\$ 2,244,993	\$ 1,885,398
Prepayment	52,565	(58,306)			
Other current assets	(43,516)	1,372			
Costs to fulfil a contract	(49,039)	(18,845)			
Contract liabilities	186,591	371,805			
Accounts payable	(223,225)	311,707			
Accounts payable - related parties	(54,994)	269,631			
Other payables	179,593	109,489			
Other current liabilities	(191)	1,567			
Defined benefit liabilities	(2,488)	(2,866)			
Cash generated from operations	1,140,911	1,306,493			
Interest received	7,028	2,671			
Dividend received	378,804	92,390			
Interest paid	(4,285)	(4,496)			
Income tax paid	(176,843)	(37,936)			
Net cash provided by operating activities	\$ 1,345,615	\$ 1,359,122			

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

## Attachment 5: Statement of Porfit Distribution

### FARADAY TECHNOLOGY CORPORATION 2022 Statement of Porfit Distribution

Unit : NT\$ dollars	
Item	Amount
Unappropriated earnings - beginning	791,196,245
Add: Re-measured amount of the defined benefit plan	16,525,534
Unappropriated earnings after adjustment	807,721,779
Net Income After Tax	2,454,597,030
Less: Appropriated legal reserve	(247,112,256)
Distributable Earning	3,015,206,553
Distributions:	
Cash dividend to shareholders (NT\$5.0/per share)	(1,242,751,565)
Unappropriated earnings - ending	1,772,454,988

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.

Chairman:  
Chia-Tsung Hung

President:  
Kuo-Yung Wang

Accounting Supervisor:  
Wen-Ju Tseng

## Attachment 6: Comparison Table for Amended Articles of “Sustainable Development Best Practice Principles ”

### Faraday Technology Corporation Comparison Table for Amended Articles of “Sustainable Development Best Practice Principles ”

Content of Article after Amendment	Content of Article before Amendment	Description
<u>Article 27-1</u> <u>The company should continue to pour resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.</u>	<u>Article added</u>	Add this article according to The Public Announcement No. Taiwan-Stock-Governance-1110024366 announced by TWSE, in order to encourage the corporate to support cultural and artistic activities and promote cultural sustainable development
Article 31 The principles should be implemented after the board of directors grants the approval. The same procedure should be followed when the principles have been amended. The principles are established on April 26, 2022. <u>The first amendment was made on April 25, 2023.</u>	Article 31 The principles should be implemented after the board of directors grants the approval. The same procedure should be followed when the principles have been amended. The principles are established on April 26, 2022.	Add amended date and times.

## Attachment 7: Comparison Table for Amended Articles of “Articles of Incorporation”

### Faraday Technology Corporation Comparison Table for Amended Articles of “Articles of Incorporation”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 27 The Company should appropriate no less than <u>1%</u> of the earnings as employee remuneration and no more than 2% of the earnings as director's remuneration based on the profit status of current year. However, if the Company still has previous losses, then the Company should make up for it.</p> <p>Paragraphs 2 ~ 5: Omitted</p> <p>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. <u>The Company shall take into consideration finance, business, business aspect, and other factors to distribute all distributable earnings of the current year. The distribution of shareholders can be paid in cash or with stock dividend.</u></p> <p>The dividend distributed of shareholders in the current year must be with a cash dividend amount for not less than 10% of the total dividend.</p>	<p>Article 27 The Company should appropriate no less than <u>10%</u> of the earnings as employee remuneration and no more than 2% of the earnings as director's remuneration based on the profit status of current year. However, if the Company still has previous losses, then the Company should make up for it.</p> <p>Paragraphs 2 ~ 5: Omitted</p> <p>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. <u>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 distribution amount of the Company shall be no less than 50% of the after-tax profit of the current year.</u></p> <p>The dividend distributed of shareholders in the current year must be with a cash dividend</p>	<p>Amend this article in response to long-term financial planning, and taking into account the interests of shareholders.</p>

	amount for not less than 10% of the total dividend.	
<p>Article 30</p> <p>The initiators resolved in the “Initiator Meeting” to have the Company’s Articles of Association established on May 25, 1993.</p> <p>The 1<sup>st</sup> amendment was made on June 19, 1997.</p> <p>The 2<sup>nd</sup> amendment was made on December 15, 1997.</p> <p>The 3<sup>rd</sup> amendment was made on July 16, 1998.</p> <p>The 4<sup>th</sup> amendment was made on March 16, 1999.</p> <p>The 5<sup>th</sup> amendment was made on June 17, 2000.</p> <p>The 6<sup>th</sup> amendment was made on June 9, 2001.</p> <p>The 7<sup>th</sup> amendment was made on June 17, 2002.</p> <p>The 8<sup>th</sup> amendment was made on June 3, 2003</p> <p>The 9<sup>th</sup> amendment was made on June 15, 2004</p> <p>The 10<sup>th</sup> amendment was made on June 14, 2005.</p> <p>The 11<sup>th</sup> amendment was made on June 12, 2006.</p> <p>The 12<sup>th</sup> amendment was made on June 11, 2007.</p> <p>The 13<sup>th</sup> amendment was made on June 13, 2008.</p> <p>The 14<sup>th</sup> amendment was made on June 10, 2009.</p> <p>The 15<sup>th</sup> amendment was made on June 15, 2010.</p> <p>The 16<sup>th</sup> amendment was made on June 15, 2011.</p> <p>The 17<sup>th</sup> amendment was made on June 12, 2012.</p> <p>The 18<sup>th</sup> amendment was made on June 9, 2015.</p> <p>The 19<sup>th</sup> amendment was made on June 15, 2016.</p> <p>The 20<sup>th</sup> amendment was made on May 24, 2022.</p>	<p>Article 30</p> <p>The initiators resolved in the “Initiator Meeting” to have the Company’s Articles of Association established on May 25, 1993.</p> <p>The 1<sup>st</sup> amendment was made on June 19, 1997.</p> <p>The 2<sup>nd</sup> amendment was made on December 15, 1997.</p> <p>The 3<sup>rd</sup> amendment was made on July 16, 1998.</p> <p>The 4<sup>th</sup> amendment was made on March 16, 1999.</p> <p>The 5<sup>th</sup> amendment was made on June 17, 2000.</p> <p>The 6<sup>th</sup> amendment was made on June 9, 2001.</p> <p>The 7<sup>th</sup> amendment was made on June 17, 2002.</p> <p>The 8<sup>th</sup> amendment was made on June 3, 2003.</p> <p>The 9<sup>th</sup> amendment was made on June 15, 2004.</p> <p>The 10<sup>th</sup> amendment was made on June 14, 2005.</p> <p>The 11<sup>th</sup> amendment was made on June 12, 2006.</p> <p>The 12<sup>th</sup> amendment was made on June 11, 2007.</p> <p>The 13<sup>th</sup> amendment was made on June 13, 2008.</p> <p>The 14<sup>th</sup> amendment was made on June 10, 2009.</p> <p>The 15<sup>th</sup> amendment was made on June 15, 2010.</p> <p>The 16<sup>th</sup> amendment was made on June 15, 2011.</p> <p>The 17<sup>th</sup> amendment was made on June 12, 2012.</p> <p>The 18<sup>th</sup> amendment was made on June 9, 2015.</p> <p>The 19<sup>th</sup> amendment was made on June 15, 2016.</p> <p>The 20<sup>th</sup> amendment was made on May 24, 2022.</p>	<p>Add revision date and the number of revisions</p>

<u>The 21<sup>th</sup> amendment was made on May 24, 2023.</u>		
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