



2024 Annual Shareholders' Meeting

Meeting Minutes (Translation)

May 29, 2024



2024 Annual Shareholders' Meeting Minutes

Time: 9:00 a.m., May 29th, 2024 (Wednesday)

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

How to convene: Physical Shareholders' Meeting

Attendance: All shareholders and their proxy holders, representing 190,242,021 shares (among them, 109,420,564 shares voted via electronic transmission), or 73.01% of the total 260,550,313 outstanding shares.

Directors Present: Director Kuo-Yung Wang, Director Shih-Chin Lin, Director Wen-Ju Tseng, Director Cheng-Li Huang, Independent Director Bing-Kuan Luo (Audit Committee Convener), Independent Director Wan-Fen Zhou

Other Present: CPA Shen-Chieh Hu, Lawyer Yun-Shan Lin

Chairperson: Director, Kuo-Yung Wang (Proxy)

Minute Recorder: Wen-Ju Tsen

1 、Chairperson announced commencement.

2 、Chairperson's Address (omitted)

3 、Company Reports

- (1) 2023 Business Report.
Acknowledged.
- (2) Audit Committee's Review Report on the 2023 Financial Statements.
Acknowledged.
- (3) 2023 Profit Distribution for employees and directors.
Acknowledged.
- (4) Report on 2023 Remuneration of Directors
Acknowledged.
- (5) Amendment to the "Corporate Governance Best-Practice Principles".
Acknowledged.
- (6) Amendment to the "Procedures for Ethical Management and Guidelines for Conduct".
Acknowledged.

4 、Proposals

Proposal I

Cause of action: Faraday's 2023 Business Report and Financial Statements.

Explanation:

- (1) The Financial Statements of Faraday in 2023 have been audited and completed by independent auditors, Hu, Shen-Jie and Yang, Yu-Ni, of Ernst & Young, Taiwan. Also Business Report and Financial Statements were approved by the 16th Board Meeting with 11th term Board of Directors and examined by the Audit Committee of Faraday.
- (2) Please refer to Attachment 1 and Attachment 4~5 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: 190,242,021 shares were represented at the time of voting (including 109,420,564 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 166,159,757 votes (including 85,338,300 shares voted via electronic transmission)	87.34%
Votes against : 74,923 votes (including 74,923 shares voted via electronic transmission)	0.03%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 24,007,341 votes (including 24,007,341 shares voted via electronic transmission)	12.61%

Proposal II

Cause of action: Faraday's 2023 Profit Distribution.

Explanation:

- (1) Faraday's 2023 Earnings Distribution Table was approved by the 16th Board Meeting with Faraday's 11th term Board of Directors, and had been reviewed and completed by the Audit Committee. Please refer to the Attachment 6 of Meeting Minute for details.
- (2) For this earnings distribution, a cash dividend of NT\$1,118,476,409 will be allocated to shareholders, and about NT\$4.5 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. The proposed profit distribution is affected by the repurchase of the Company's shares, treasury shares are transferred or canceled or cash capital increase, the number of outstanding common shares of the company will be affected and the payout ratio changes accordingly, it is proposed that the Chairman be authorized with full power to adjust it.
- (4) Submit for approval.

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

Voting Result: 190,242,021 shares were represented at the time of voting (including 109,420,564 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 166,046,414 votes (including 85,224,957 shares voted via electronic transmission)	87.28%
Votes against : 289,114 votes (including 289,114 shares voted via electronic transmission)	0.15%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 23,906,493 votes (including 23,906,493 shares voted via electronic transmission)	12.56%

5 、 Elections

Proposal I

Cause of action: The 12th Election of Nine Directors (including three Independent Directors).

Explanation:

- (1) The 11th term of Directors (including independent directors) of the Board will be end on July 6th, 2024. The company proposes to duly elect new Board members at this year's Annual Shareholders' Meeting according to Article 195 of the Company Act.
- (2) According to the Articles of Incorporation, the Board of Directors resolved to elect nine Directors (including three Independent Directors) this time. The term of new directors (including independent directors) is three years, and they are scheduled to take office immediately after the re-election. Their three-year term will start from May 29th, 2024 and conclude on May 28th, 2027.
- (3) Elections of Directors (including Independent Directors) shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act. Shareholders should select Directors (including Independent Directors) from the list of candidates. Their education, experience and other relevant information, please refer to

Attachment 9 of Meeting Minutes.

(4) Submit for approval.

Voting Results: The list of the newly elected Directors are as follows:

Title	Name	Elected Number of Votes
Director	United Microelectronics Corporation (Representative: Chia-Tsung Hung)	173,874,866
Director	United Microelectronics Corporation (Representative: Ying-Sheng Shen)	146,756,540
Director	Unimicron Technology Corporation (Representative: Zhen-Li Huang)	145,853,693
Director	Kuo-Yung Wang	151,587,772
Director	Shih-Chin Lin	142,868,438
Director	Wen-Ju Tseng	142,373,246
Independent Director	Bing-Kuan Luo	139,849,036
Independent Director	Wan-Fen Zhou	138,569,638
Independent Director	Li-Ying Yeh	136,390,240

6 、 Other Matters

Proposal I

Cause of action: Proposal for Release the Prohibition on new Directors (including Independent Directors) and their representatives 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) The Directors of the Company have invested in or operated other companies with the same or similar business scope as the Company and served as Directors; on the premise that the interests of the Company will not be harmed, it is proposed to submit to the Annual Shareholders’ Meeting for permission to lift the non-competition restrictions on the Company's new Directors (including Independent Directors) and their representatives, as listed in the following table:

Title	Name	Concurrent Company	Business Content	Concurrent Position
Juristic-Person Director	United Microelectronics Corporation	Novatek Microelectronics Corporation	Electronic parts and components manufacturing	Director
		ITE Tech Inc.	Electronic parts and components manufacturing	Director

Title	Name	Concurrent Company	Business Content	Concurrent Position
		Silicon Integrated Systems Corporation	Electronic parts and components manufacturing	Director
		Unimicron Technology Corporation	Electronic parts and components manufacturing	Director
		Hipbond Technology Corporation	Electronic parts and components manufacturing	Director
		Hsun Chieh Capital Corporation	General investment	Director
		TriKnight Capital Corporation	General investment	Director
		Yann Yuan Capital Corporation	General investment	Director
Representative of Juristic-Person Director	Chia-Tsung Hung	United Microelectronics Corporation	Electronic parts and components manufacturing	Chairman
		Silicon Integrated Systems Corporation	Electronic parts and components manufacturing	Chairman
		UMC Capital Corporation	General investment	Chairman
		TLC Capital Corporation	General investment	Chairman
		TriKnight Capital Corporation	General investment	Director
		UnitedVision Semiconductor Corporation (Shandong)	IC design service	Executive Director
		UMC Capital Corp.	General investment	Chairman
		United Microelectronics (Europe) B.V	Marketing support	Director
Juristic-Person Director	Unimicron Technology Corporation	Emax Tech Corporation	Wholesale of computers and Computer peripherals	Director
Director	Kuo-Yung Wang	Sheng Bang Investment Corporation	General investment	Chairman
		Chih Hung Investment Corporation	General investment	Chairman
		Yuan Ching Technology (Chongqing)	Sales and after-sales service of IC design products	Chairman

Title	Name	Concurrent Company	Business Content	Concurrent Position
		Artery Technology Corporation, Ltd. (Chongqing)	Sales and after-sales service of IC design products	Chairman
		Artery Technology Company	Sales and after-sales service of IC design products	Chairman
		Artery Technology Corp.	General investment	Chairman
		Sinble Technology Pte. Ltd.	IC design service	Chairman
Director	Shih-Chin Lin	Innopower Technology Corporation	Silicon Intellectual Property Design Services	Chairman
		Innopower Technology Corporation (Chongqing)	Sales and after-sales service of IC design products	Chairman
		Faraday Technology China Corporation	Sales and after-sales service of IC design products	Chairman
		Faraday Technology Japan Corp.	Product sales base	Chairman
		FaradayTek Solutions India Private Limited	IC design service	Chairman
		Faraday Technology Corporation (Suzhou)	Sales and after-sales service of IC design products	Director
		United Business Service Corporation (Chongqing)	Sales and after-sales service of IC design products	Director
		Sinble Technology Pte. Ltd.	IC design service	Director
Director	Wen-Ju Tseng	Faraday Technology (Mauritius) Corp.	General investment	Chairman
		Faraday Technology (Samoa) Corp.	General investment	Chairman
		Bright Capital Group Limited (BCGL)	General investment	Chairman
		Faraday Technology Corp. (BVI)	Buying, selling, and investment	Chairman
		Artery Technology Corp.	General investment	Director
		Sinble Technology Pte. Ltd.	IC design service	Director
		Hsieh Yong Capital Corporation	General investment	Director

Title	Name	Concurrent Company	Business Content	Concurrent Position
		Artery Technology Company	Sales and after-sales service of IC design products	Director
		Artery Technology Corporation, Ltd. (Chongqing)	Sales and after-sales service of IC design products	Director
Independent Director	Bing-Kuan Luo	DFI Inc.	Computer and Peripheral Equipment Manufacturing	Independent Director
		Hua-Nan Commercial Bank (Ltd.)	Banking	Independent Director
		HuaXuan International Consulting Corporation	Management consulting	Chairman
		Taiwan Independent Director Association	Nonprofit organization (NPO)	Chairman
		Taiwan M&A and Private Equity Council	Nonprofit organization (NPO)	Vice Chairman
		Monte Jade Science and Technology Association	Nonprofit organization (NPO)	Director
Independent Director	Li-Ying Yeh	Quanxin Logistics CO., Ltd	Logistics and transportation industry	Chairman
		Meng & Yume Innovate Pte. Ltd.	Software service industry	Director
		Trust Capital Alternative Pte. Ltd.	Fund management industry	Director
		Private Alternative VCC	Fund management industry	Director

(3) Submit for approval.

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

Voting Result: 190,242,021 shares were represented at the time of voting (including 109,420,564 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 155,671,092 votes (including 74,849,635 shares voted via electronic transmission)	81.82%
Votes against : 95,940 votes (including 95,940 shares voted via electronic transmission)	0.05%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 34,474,989 votes	18.12%

(including 34,474,989 shares voted via electronic transmission)	
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There are no questions from shareholders at this shareholders meeting.

7、 Extraordinary Motions: None.

8、 Meeting adjourn : Meeting ended at 09:48am.

Attachment 1: 2023 Business Reports

FARADAY TECHNOLOGY CORPORATION 2023 Business Reports

Dear shareholders,

Year of 2023 marked a significant milestone for Faraday as the company enters its 30th year since establishment. Not only did we achieve No. 1 in the Top 50 Best Companies in Operational Performance by Common Wealth Magazine, we also successfully expanded our expertise from mature process to the new technological domains of advanced processes and advanced packaging, setting a new paradigm for the company. Technology innovation and advancement are the fundamental elements for sustainable business operation. We have not only developed silicon intellectual property in advanced processes, but have also accumulated design experience in advanced processes through a flexible business model. Simultaneously, we have expanded into the advanced packaging market, and such strategic positioning enables us to seize opportunities in related applications such as artificial intelligence and high-speed computing. Additionally, we have successfully secured numerous advanced process and advanced packaging projects from international clients, injecting a new wave of momentum into the company's future operational development.

Amidst global inflation and geopolitical uncertainties last year, the semiconductor industry witnessed a slowdown in annual growth due to weakening demand in end markets. In response to these industry shifts, our company faced challenges of declining customer demand and inventory adjustments. Internally, we actively managed inventory, while externally, we closely collaborated with customers and partners across the supply chain to navigate market challenges together. Despite short-term headwinds in the industry with the impact of customer inventory and a high revenue base from the previous year, our silicon intellectual property (IP) and ASIC business continued to show positive long-term development. Driven by diverse applications, revenue from IP and non-recurring engineering (NRE) continued to reach new record highs, marking a three-year consecutive growth milestone. With relentless efforts from Faraday's global workforce, combined revenue exceeded NT\$10 billion, reaching NT\$12 billion, with basic EPS of NT\$6.39.

Faraday's main operational achievements include:

- Continuous growth in silicon intellectual property (IP) revenue for three consecutive years. Despite geopolitical challenges and market differentiation globally, Faraday, as one of the few ASIC manufacturers with IP development capabilities, not only deepened its penetration in existing key processes but also expanded new cooperation opportunities. IP revenue saw a significant increase, reaching NT\$1.4 billion driven by licensing fees.
- Advanced process and advanced packaging greatly contributed to NRE. In the face of diverse production demands from global customers, Faraday's unwavering goal has been to strengthen sustainable operations. We continuously enhance operational quality and collaborate with supply chain partners to provide ASIC cross-geographical production support services, thereby mitigating manufacturing risks arising from economic, geopolitical, and other factors, and earning recognition from customers worldwide. Our focus remains on the fundamentals of the company. Over the past few years, we have bolstered our research and development

capabilities and dedicated ourselves to technological advancement. Not only have we development proprietary IP in advanced processes, but we have also elevated our design capabilities through flexible operational models and strategic collaborations. These enhancements and initiatives have enhanced our competitiveness and earned us customer recognition, leading to successful design win of 14nm AI SoC ASIC. Additionally, Faraday stands out as one of the few ASIC manufacturers with both design and management capabilities in the advanced packaging market. As a neutral service provider, the company offers “Faraday’s Total Advanced Packing” solutions, leveraging SoC design expertise, flexible operational models, and experience in sustainable supply chain management, successfully securing multiple design wins. We are optimistic about the demand from emerging technological domains, which is expected to bring abundant business opportunities to Faraday. NRE revenue reached new record high, amounting to NT\$1.72 billion.

- Mass production revenue decreased due to impact from macroeconomic conditions, but the long-term structural demand growth trajectory remains unchanged. Due to weakened demand in end markets and inventory adjustments, mass production revenue decreased by 12% from the previous year to NT\$8.8 billion. However, the company’s accumulation of hundreds of design win projects over the years has laid a robust foundation for growth, and the accelerating volume of projects preparing for mass production serves as an indicator for future mass production performance. As the ASIC industry enters the era of advanced process and advanced packaging, Faraday will continue to consolidate its position in mature process with niche applications while venturing into new technological fields. Leveraging Faraday’s thirty years of technical expertise, increased investment in technology research and R&D resource, and strategic collaborations through various business models, the Company aims to enhance and transform its value in this new era, translating this to valuable revenue.

Faraday continues to innovate and invest in research and development. The company’s technological breakthroughs and achievements include:

- Introduction of the 28nm SerDes IP advanced technology service solution. The SerDes IP, integrated with Faraday’s PCIe Gen-4 PCS and EP controllers, successfully obtained certification through PCI-SIG testing.
- Collaboration with Infineon on the development of SONOS embedded flash memory (eFlash) subsystem solutions using UMC’s 40nm uLP process. These solutions have passed rigorous quality and reliability verification, assisting customers in meeting the cost, power, and performance requirements of SoC designs for IoT applications.
- Launch of the 2.5D/3D advanced packaging service integrating chiplets. This service utilizes exclusive interposer manufacturing to connect small chips and works closely with foundries and testing packaging suppliers to ensure production quality that meets the stringent requirements of the advanced packaging market.
- Introduction of a new generation of 4-port Gigabit Ethernet PHY on UMC’s 28nm HPC+ platform. This GPHY incorporates SAR ADC technology, resulting in a significant 33% reduction in power consumption per port compared to the previous generation, enabling customers to develop lower power and higher performance Ethernet devices and systems.
- Participation in ARM’s Total Design ecosystem as the first design service partner in Taiwan. Faraday will provide comprehensive ASIC services based on the ARM Neoverse CSS, including subsystem integration and hardening solutions. Additionally, flexible business models such as design implementation services (DIS) and advanced packaging services will be offered, providing a faster and lower-risk development path for ASICs used in next-generation computing infrastructure.

Faraday has been recognized and commended both domestically and internationally for its operational performance, corporate governance, business quality, workplace friendliness, and sustainable development. Faraday ranked No. 1 in the Top 50 Best Companies in Operational Performance by Common Wealth Magazine. In terms of corporate governance, Taiwan Stock Exchange has consistently acknowledged the company for three consecutive years, ranking in the top 6% to 20% in corporate governance evaluations. Faraday has also been included in various indices such as "Taiwan Corporate Governance 100 Index", "Taiwan Mid-Cap 100 Index", "Taiwan High Compensation 100 Index", and "TIP Customized Taiwan IC Design Total Return Index". Regarding business quality, ANQ Recognition awarded Faraday "The Excellence in Quality Practice in 2023", and Faraday was also awarded "Green Leadership and Corporate Sustainability Reporting in 2023" by The Asia Responsible Enterprise Award. In terms of workplace friendliness, Faraday firmly believes that talent is a crucial asset and the foundation for sustainable corporate development. The company has been awarded the "Promotion of Workplace Gender Equality Special Excellence Award", and certifications such as the "Accredited Healthy Workplace Badge" and "iSports Enterprise Certificate" for fostering a healthy and inclusive work environment.

Faraday actively implements ESG policies and a sustainable execution framework, with the sustainable vision of "creating progress for humanity through technology". Upholding the three missions and values of environmental protections, which are society, integrity, and compliance, the company deeply cultivates ESG in three major dimensions. Through six sustainable axes and five sustainable execution aspects, Faraday continues to advance on the path of corporate sustainability. The company has committed to significant goals, including a 50% reduction in carbon emissions by 2030 and achieving net-zero greenhouse gas emissions by 2050. We plan to progressively reduce greenhouse gas emissions and collaborate with the supply chain to implement low-carbon management, demonstrating our commitment to green initiatives. Faraday has also been included in international sustainability indices, including MSCI ESG ratings, FTSE Russell ESG ratings, and S&P Global ESG ratings, indicating recognition from investors for our efforts in corporate sustainability. In terms of information security commitments, the company has obtained ISO/IEC 27001:2022 Information Security Certification, making Faraday one of the first enterprises to receive certification under this new version of standard. In managing intellectual property rights, Faraday continues to strengthen the creation, protection, and operation of intellectual property rights through the TIPS certification mechanism.

Looking ahead, Faraday will continue to invest in new technological fields and research resources to enhance competitiveness with our positioning at the core of the industry. Additionally we will strengthen technical capabilities and business expansion through strategic partnerships while actively recruiting global talents to capitalize on the immense opportunities in industry growth trends. Faraday will continue to fulfill corporate social responsibility, balancing sustainable operations and profitability while addressing the impacts on environmental, social, and governance aspects, thereby enhancing sustainability performance. Lastly, we express our gratitude to all shareholders for their long-term support. Our entire staff will continue to strive for excellence and look forward to creating greater value together with 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 2023 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 2024 Annual Shareholders' Meeting

Audit Committee Convener: Bing-Kuan Luo

February 20, 2024

Attachment 3: General Remuneration of Directors (Including Independent Directors) in 2023

December 31st, 2023

Unit: thousand dollars/thousand shares

Unit: thousand dollars/ thousand shares																						
Title	Name	Directors' remuneration								The total amount of (A + B + C + D) and proportion of net income after tax		Relevant remuneration received by part-time employee								The total amount of (A +B + C + D + E + F +G) and proportion of net income after tax		Receive r emunerati on from r einvestme nt outside subsidiar y or pare nt compa ny
		Remuneration (A)		Retirement pension (B)		Director's emoluments (C)		Business execution expense (D)				Salary, bonus and special expense (E)		Retirement pension (F)		Employee compensation (G)						
		The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company	All companies in financial statements	The Company		All companies in financial statements		The Company	All companies in financial statements			
Chairman	Representative of UMC: Chia-Tsung Hung(Note 2)	720	720	-	-	882	882	150	150	7,902 (0.50%)	7,902 (0.50%)	63,017	63,017	-	-	5,485	-	5,485	-	76,404 (4.81%)	76,404 (4.81%)	None
Director	Representative of UMC: Ying-Sheng Shen (Note 2)	720	720	-	-	882	882	150	150													
Director	Representative of UNIMICRON: Cheng-Li Huang	720	720	-	-	882	882	150	150													
Director	Kuo-Yung Wang	720	720	-	-	12	12	150	150													
Director	Shih-Chin Lin	720	720	-	-	12	12	150	150													
Director	Wen-Ju Tseng	720	720	-	-	12	12	150	150													
Indepentent Director	Ning-Hai Jin	960	960	-	-	-	-	150	150	3,330 (0.21%)	3,330 (0.21%)	-	-	-	-	-	-	-	-	3,330 (0.21%)	3,330 (0.21%)	None
Indepentent Director	Bing-Kuan Luo	960	960	-	-	-	-	150	150													
Indepentent Director	Wan-fen Zhou	960	960	-	-	-	-	150	150													

- Please specify the payment policy, system, standard and structure of independent directors' remuneration; and state the relevance of payment remuneration amount according to the factors of responsibilities, risks, and time invested. (Note 1)
- Except disclosed in the above table, the received remuneration in the most recent year from the service provided from directors of board (such as serving as consultant of parent company, all companies inside financial statements, non-employee of reinvestment business): None

Note 1 : Remuneration policies, procedures, standards, and structure, and its linkage to responsibilities, risks, and time spent:

1. Remuneration policies, procedures, standards, and structure

(1) The salary of the Company's directors is in accordance with Article 16 of the Articles of Incorporation, that the Board of Directors is authorized to determine the salary for directors, and the extent and value of the services provided for the management of the Company and the standards of the industry. In case of profit generated for the year, it shall set aside no more than 2% for remuneration of directors as stipulated in Article 27 of the Articles of Incorporation. Independent directors are not included in the

remuneration of directors. The Company evaluates the remuneration of the Board in accordance with the “Board Performance Evaluation Measures” regularly. Performance and salary rationality are reviewed by the Audit Committee and the Board of Directors.

- (2) Various allowances and bonuses are established in accordance with the salary regulations as managers’ remuneration in order to show solicitude and encouragement for employees’ hard work. Bonus is distributed based on the Company’s annual performance, financial status, operation status, personal work performance, and sustainable development goals (environmental, social, and corporate governance aspects). In case of profit generated for the year, it shall set aside no less than 10% for remuneration of employees as stipulated in Article 27 of the Articles of Incorporation.
- (3) The Company’s remuneration packages are in accordance with the Remuneration Committee Charter. The scope is consistent with the remuneration paid to directors and managers listed in the “Regulations Governing Information to be published in Annual Reports of Public Companies”.

2. The Linkage with remuneration amount

- (1) The review on the distribution standard and system of the Company’s remuneration policy is mainly based on the overall operation status. The distribution standard is determined by performance achievement rate and contribution in order to improve the overall organizational performance of the Board of Directors and the management team. In addition, general pay levels in the industry are regularly referred to, while reflecting to the performance of individual and the team.
- (2) Any important decision of the management is made after evaluating relevant risk factors. The performance of the decision is reflected on company profit; therefore, the performance of risk control is relevant with the management’s remuneration.
- (3) The directors’ and managers’ performance and salary rationality are evaluated and reviewed by the Audit Committee and the Board of Directors regularly. In addition to performance achievement rate and contribution, it also refers to the overall operating performance, future risk and development trend of the industry, and operating status and relevant regulations to timely review the remuneration system. Reasonable remuneration is distributed after considering current sustainable development goals (environmental, social, and corporate governance aspects) in order to strike a balance between sustainable operation and risk control. The actual distribution amount of the directors and managers’ remuneration in 2023 is reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.

Note 2: As to the remuneration of juristic person director and its representative, the remuneration and business execution expense are given to the individual, and the director’s emoluments are given to juristic person.

Attachment 4: 2023 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, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other 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, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 the 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 2023 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\$11,965,574 thousand for the year ended December 31, 2023, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$8,839,413 thousand, NT\$1,724,577 thousand and NT\$1,401,584 thousand, constituting 73.88%, 14.41% and 11.71% 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 of transactions 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 inspecting evidence of client acceptance for deliverables, 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 Other Auditors

We did not audit the financial statements of certain subsidiaries, whose statements reflect total assets of NT\$981,160 thousand and NT\$1,121,758 thousand, constituting 7.31% and 8.30% of total consolidated assets as of December 31, 2023 and 2022, respectively, and total operating revenues of NT\$2,716,671 thousand and NT\$2,864,327 thousand, constituting 22.70% and 21.92% of consolidated operating revenues for the years ended December 31, 2023 and 2022, 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 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, are responsible for overseeing the financial reporting process of the Group.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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, 2023 and 2022.

/s/Hu, Shen-Chieh

/s/Yang, Yu-Ni

Ernst & Young, Taiwan

February 20, 2024

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, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2023	December 31, 2022			December 31, 2023	December 31, 2022
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$ 5,714,806	\$ 4,872,818	Short-term loans	6(11), 12	\$ 94,872	\$ 127,241
Financial assets at fair value through profit or loss, current	4, 6(2)	29,590	21,889	Financial liabilities at fair value through profit or loss, current	4, 6(2)	-	1,896
Contract assets, current	4, 6(16), 6(17)	2,961	4,173	Contract liabilities, current	4, 6(16)	787,110	1,452,266
Accounts receivable, net	4, 6(4), 6(17)	1,282,393	1,163,789	Notes payable		4	4
Accounts receivable - related parties, net	4, 6(4), 6(17), 7	277,008	189,927	Accounts payable		646,568	618,932
Other receivables		80,145	156,591	Accounts payable - related parties	7	352,220	510,387
Inventories, net	4, 5, 6(5)	1,187,210	3,016,901	Payables on equipment		35,371	7,697
Other current assets	6(6), 7	188,560	204,786	Other payables	6(12), 7	833,571	925,105
Costs to fulfil a contract, current	6(16)	110,758	123,358	Current tax liabilities	4, 6(22)	433,648	450,230
Total current assets		8,873,431	9,754,232	Lease liabilities, current	4, 6(18), 12	29,246	49,862
				Other current liabilities		23,212	12,257
Non-current assets				Total current liabilities		3,235,822	4,155,877
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	2,574,066	1,953,282	Non-current liabilities			
Financial assets measured at amortized cost, non-current	4, 6(7), 8	119,075	69,752	Deferred tax liabilities	4, 6(22)	35,371	22,125
Property, plant and equipment	4, 6(8)	552,569	514,367	Lease liabilities, non-current	4, 6(18), 12	199,673	217,379
Right-of-use assets	4, 6(18)	311,269	255,483	Long-term payables	6(12)	92,645	148,827
Intangible assets	4, 6(9), 7	683,280	614,985	Total non-current liabilities		327,689	388,331
Deferred tax assets	4, 6(22)	108,699	47,345	Total liabilities		3,563,511	4,544,208
Refundable deposits	7	126,756	139,064				
Net defined benefit assets, non-current	4, 6(13)	16,910	18,057	Equity attributable to the parent company			
Other non-current assets	6(10)	52,006	146,238	Capital	6(14)		
Total non-current assets		4,544,630	3,758,573	Common stock		2,485,503	2,485,503
				Additional paid-in capital	6(14)	705,700	705,700
				Retained earnings	6(14)		
				Legal reserve		1,914,531	1,667,419
				Unappropriated earnings		3,361,010	3,262,319
				Other components of equity		1,066,647	478,245
				Total equity attributable to the parent company		9,533,391	8,599,186
				Non-controlling interests	6(14)	321,159	369,411
				Total equity		9,854,550	8,968,597
Total assets		\$ 13,418,061	\$ 13,512,805	Total liabilities and equity		\$ 13,418,061	\$ 13,512,805

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, 2023 and 2022

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

	Note	For the years ended December 31	
		2023	2022
Operating revenues	4, 6(16), 7	\$ 11,965,574	\$ 13,065,155
Operating costs	6(5), 6(9), 6(19), 7	(6,658,432)	(6,689,746)
Gross profit		5,307,142	6,375,409
Operating expenses	6(9), 6(19), 7		
Selling expenses		(451,535)	(475,455)
Administrative expenses		(531,282)	(542,262)
Research and development expenses		(2,362,449)	(2,422,237)
Expected credit losses	6(17)	(6,116)	(14,041)
Total operating expenses		(3,351,382)	(3,453,995)
Operating income		1,955,760	2,921,414
Non-operating income and expenses			
Interest income	6(20)	65,224	33,175
Other income	6(20)	104,629	115,072
Other gains and losses	6(20)	(41,962)	(5,822)
Finance costs	6(20)	(13,307)	(6,367)
Total non-operating income and expenses		114,584	136,058
Income before income tax		2,070,344	3,057,472
Income tax expense	4, 6(22)	(509,060)	(547,004)
Net income		1,561,284	2,510,468
Other comprehensive income (loss)	4, 6(21)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		(1,146)	20,657
Unrealized gains (loss) from equity instruments investments measured at fair value through other comprehensive income		620,784	(962,156)
Income tax relating to items that will not be reclassified to profit or loss		229	(4,132)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(44,849)	75,557
Income tax relating to items that may be reclassified to profit or loss		8,096	-
Other comprehensive income (loss) (net of income tax)		583,114	(870,074)
Total comprehensive income		\$ 2,144,398	\$ 1,640,394
Net income attributable to:			
Stockholders of the parent		\$ 1,589,472	\$ 2,454,597
Non-controlling interests		(28,188)	55,871
		\$ 1,561,284	\$ 2,510,468
Comprehensive income (loss) attributable to:			
Stockholders of the parent		\$ 2,176,957	\$ 1,579,430
Non-controlling interests		(32,559)	60,964
		\$ 2,144,398	\$ 1,640,394
Earnings per share (NT\$)	6(23)		
Earnings per share-basic		\$ 6.39	\$ 9.88
Earnings per share-diluted		\$ 6.37	\$ 9.77

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, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	Equity Attributable to the Parent							Non-Controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings		Other Equity		Total		
			Legal 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, 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>\$ 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>
Balance as of January 1, 2023	\$ 2,485,503	\$ 705,700	\$ 1,667,419	\$ 3,262,319	\$ (55,595)	\$ 533,840	\$ 8,599,186	\$ 369,411	\$ 8,968,597
Appropriation and distribution of 2022 retained earnings									
Legal reserve	-	-	247,112	(247,112)	-	-	-	-	-
Cash dividends	-	-	-	(1,242,752)	-	-	(1,242,752)	-	(1,242,752)
Net income (loss) in 2023	-	-	-	1,589,472	-	-	1,589,472	(28,188)	1,561,284
Other comprehensive income (loss) in 2023	-	-	-	(917)	(32,382)	620,784	587,485	(4,371)	583,114
Total comprehensive income (loss) in 2023	-	-	-	1,588,555	(32,382)	620,784	2,176,957	(32,559)	2,144,398
Non-controlling interests	-	-	-	-	-	-	-	(15,693)	(15,693)
Balance as of December 31, 2023	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,914,531</u>	<u>\$ 3,361,010</u>	<u>\$ (87,977)</u>	<u>\$ 1,154,624</u>	<u>\$ 9,533,391</u>	<u>\$ 321,159</u>	<u>\$ 9,854,550</u>

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

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 2,070,344	\$ 3,057,472	Acquisition of financial assets measured at amortized cost	\$ (50,000)	\$ (54,112)
Adjustments for non-cash gain or loss:			Proceeds from principal of financial assets measured at amortized cost upon maturity	-	173,800
Depreciation	123,123	118,856	Acquisition of property, plant and equipment	(49,312)	(85,575)
Amortization	378,583	353,856	Proceeds from disposal of property, plant and equipment	36	-
Expected credit loss	6,116	14,041	Decrease (increase) in refundable deposits	12,308	(24,043)
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(5,022)	6,303	Acquisition of intangible assets	(616,775)	(387,012)
Interest expense	13,307	6,367	Net cash used in investing activities	(703,743)	(376,942)
Interest income	(65,224)	(33,175)			
Dividend income	(72,163)	(90,321)	Cash flows from financing activities:		
Share-based payment expenses	(15,693)	43,181	(Decrease) increase in short-term loans	(30,083)	127,241
Others	(1,366)	(1,663)	Cash payments for the principal portion of the lease liabilities	(148,446)	(38,744)
Changes in operating assets and liabilities:			Cash dividends	(1,242,752)	(820,216)
Contract assets	1,212	29,115	Change in non-controlling interests	-	(50,061)
Notes receivable	-	4,030	Net cash used in financing activities	(1,421,281)	(781,780)
Accounts receivable	(124,720)	(396,843)	Effect of exchange rate changes on cash and cash equivalents	(40,145)	68,780
Accounts receivable - related parties	(87,081)	(36,360)			
Other receivables	78,881	(78,698)	Net increase in cash and cash equivalents	841,988	109,738
Inventories	1,829,691	(1,696,211)	Cash and cash equivalents at beginning of the year	4,872,818	4,763,080
Prepayments	79,119	43,495	Cash and cash equivalents at end of the year	\$ 5,714,806	\$ 4,872,818
Other current assets	(22,071)	(8,497)			
Costs to fulfil a contract	12,600	(81,946)			
Other operating assets	1,481	-			
Financial liabilities held for trading	(4,575)	-			
Contract liabilities	(665,156)	141,546			
Notes payables	-	1			
Accounts payable	27,636	(225,712)			
Accounts payable - related parties	(158,167)	(16,891)			
Other payables	28,363	219,865			
Other current liabilities	10,956	1,406			
Defined benefit liabilities	-	(2,488)			
Cash generated from operations	3,440,174	1,370,729			
Interest received	62,789	32,944			
Dividend received	72,163	90,321			
Interest paid	(13,307)	(6,367)			
Income tax paid	(554,662)	(287,947)			
Net cash provided by operating activities	3,007,157	1,199,680			

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

Attachment 5: 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, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other 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, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 the 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 2023 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\$10,334,478 thousand for the year ended December 31, 2023, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$7,701,979 thousand, NT\$1,356,630 thousand and NT\$1,275,869 thousand, constituting 74.53%, 13.13% and 12.34% 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 with the Company's customers for service provided, and inspecting evidence of client acceptance for deliverables, 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 Other 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\$459,592 thousand and NT\$423,158 thousand, representing 3.73% and 3.57% of total assets as of December 31, 2023 and 2022, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$113,648 thousand and NT\$131,340 thousand, representing 5.83% and 4.63% of the net income before tax for the years ended December 31, 2023 and 2022, respectively, and the related shares of other comprehensive income from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$(10,182) thousand and NT\$52,660 thousand, representing (1.73)% and

(6.02)% of the other comprehensive income, for the years ended December 31, 2023 and 2022, 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, are responsible for overseeing the financial reporting process of the Company.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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/ Hu, Shen-Chieh

/s/ Yang, Yu-Ni

Ernst & Young, Taiwan

February 20, 2024

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, 2023 and December 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2023	December 31, 2022			December 31, 2023	December 31, 2022
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$ 3,354,646	\$ 2,244,993	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)	7,294	-	Contract liabilities, current	4, 6(16), 7	374,378	659,335
Contract assets, current	4, 6(16), 6(17), 7	26,531	40,546	Accounts payable		628,176	612,859
Accounts receivable, net	4, 6(4), 6(17)	362,904	422,867	Accounts payable - related parties	7	310,069	432,172
Accounts receivable - related parties, net	4, 6(4), 6(17), 7	1,167,399	1,126,534	Payables on equipment		34,790	7,697
Other receivables	7	106,297	153,948	Other payables	6(13), 7	727,079	807,790
Inventories, net	4, 5, 6(5)	701,481	2,340,153	Current tax liabilities	4, 6(22)	386,126	352,399
Other current assets	6(6), 7	145,179	210,137	Lease liabilities, current	4, 6(18), 12	5,475	6,280
Costs to fulfil a contract, current	6(16)	92,222	69,859	Other current liabilities		12,620	7,921
Total current assets		5,963,953	6,609,037	Total current liabilities		2,478,713	2,888,349
Non-current assets				Non-current liabilities			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3), 12	2,464,586	1,861,071	Deferred tax liabilities	4, 6(22)	34,353	15,956
Financial assets measured at amortized cost, non-current	4, 6(7), 8, 12	75,195	25,072	Lease liabilities, non-current	4, 6(18), 12	171,046	188,754
Investments accounted for using the equity method	4, 6(8)	2,219,700	1,820,242	Long-term payables	6(13)	92,645	148,827
Property, plant and equipment	4, 6(9)	527,472	476,181	Total non-current liabilities		298,044	353,537
Right-of-use assets	4, 6(18)	167,786	187,717	Total liabilities		2,776,757	3,241,886
Intangible assets	4, 6(10)	643,678	569,762	Equity			
Deferred tax assets	4, 6(22)	99,199	33,933	Capital	6(15)		
Refundable deposits		79,790	95,370	Common stock		2,485,503	2,485,503
Defined benefit assets, non-current	4, 6(14)	16,910	18,057	Additional paid-in capital	6(15)	705,700	705,700
Other non-current assets	6(11)	51,879	144,630	Retained earnings	6(15)		
Total non-current assets		6,346,195	5,232,035	Legal reserve		1,914,531	1,667,419
				Unappropriated earnings		3,361,010	3,262,319
				Other components of equity		1,066,647	478,245
				Total equity		9,533,391	8,599,186
Total assets		\$ 12,310,148	\$ 11,841,072	Total liabilities and equity		\$ 12,310,148	\$ 11,841,072

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, 2023 and 2022

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

	Note	For the years ended December 31	
		2023	2022
Operating revenues, net	4, 6(16), 7	\$ 10,334,478	\$ 11,466,455
Operating costs	6(5), 6(19), 7	(6,026,492)	(6,341,228)
Gross profit		4,307,986	5,125,227
Unrealized gross profit on sales		(19,062)	(52,486)
Gross profit, net		4,288,924	5,072,741
Operating expenses	6(10), 6(19), 7		
Selling expenses		(214,263)	(228,158)
Administrative expenses		(356,913)	(403,908)
Research and development expenses		(2,047,249)	(2,001,853)
Expected credit loss	6(17)	(3,854)	(4,927)
Total operating expenses		(2,622,279)	(2,638,846)
Operating income		1,666,645	2,433,895
Non-operating income and expenses			
Interest income	6(20)	28,854	7,259
Other income	6(20)	78,033	97,608
Other gains and losses	6(20)	(39,138)	(12,052)
Financial costs	6(20)	(4,026)	(4,285)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		218,567	315,094
Total non-operating income and expenses		282,290	403,624
Income before income tax		1,948,935	2,837,519
Income tax expense	4, 6(22)	(359,463)	(382,922)
Net income		\$ 1,589,472	\$ 2,454,597
Other comprehensive income (loss)	4, 6(21)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		(1,146)	20,657
Unrealized gain (loss) from equity instruments investment measured at fair value through other comprehensive income		603,515	(914,736)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		17,269	(47,420)
Income tax relating to items that will not be reclassified to profit or loss		229	(4,132)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(19,736)	53,847
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		(20,742)	16,617
Income tax relating to items that may be reclassified to profit or loss		8,096	-
Other comprehensive income (loss) (net of income tax)		587,485	(875,167)
Total comprehensive income		\$ 2,176,957	\$ 1,579,430
Earnings per share (NT\$)	6(23)		
Earnings per share-basic		\$ 6.39	\$ 9.88
Earnings per share-diluted		\$ 6.37	\$ 9.77

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, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	Retained Earnings		Other Equity		Total Equity
			Legal 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, 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>\$ 3,262,319</u>	<u>\$ (55,595)</u>	<u>\$ 533,840</u>	<u>\$ 8,599,186</u>
Balance as of January 1, 2023	\$ 2,485,503	\$ 705,700	\$ 1,667,419	\$ 3,262,319	\$ (55,595)	\$ 533,840	\$ 8,599,186
Appropriation and distribution of 2022 retained earnings							
Legal reserve	-	-	247,112	(247,112)	-	-	-
Cash dividends	-	-	-	(1,242,752)	-	-	(1,242,752)
Net income in 2023	-	-	-	1,589,472	-	-	1,589,472
Other comprehensive income (loss) in 2023	-	-	-	(917)	(32,382)	620,784	587,485
Total comprehensive income (loss) in 2023	-	-	-	1,588,555	(32,382)	620,784	2,176,957
Balance as of December 31, 2023	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,914,531</u>	<u>\$ 3,361,010</u>	<u>\$ (87,977)</u>	<u>\$ 1,154,624</u>	<u>\$ 9,533,391</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, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 1,948,935	\$ 2,837,519	Acquisition of financial assets measured at amortized cost	\$ (50,000)	\$ (10,022)
Adjustments for non-cash gain or loss:			Acquisition of investments accounted for using equity method	(334,505)	-
Depreciation	59,912	60,849	Proceeds from capital return of investments accounted for using the equity method	-	266,183
Amortization	351,532	289,399	Acquisition of property, plant and equipment	(43,360)	(60,653)
Expected credit loss	3,854	4,927	Decrease (increase) in refundable deposits	15,580	(28,336)
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(4,616)	3,320	Acquisition of intangible assets	(601,527)	(321,854)
Interest expense	4,026	4,285	Net cash used in investing activities	(1,013,812)	(154,682)
Interest income	(28,854)	(7,259)			
Dividend income	(72,163)	(90,321)			
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(218,567)	(315,094)	Cash flows form financing activities:		
Unrealized gross profit on sales	19,062	52,486	Cash payments for principal portion of the lease liabilities	(6,253)	(6,109)
Others	(9)	-	Cash dividends	(1,242,752)	(820,216)
Changes in operating assets and liabilities:			Net cash used in financing activities	(1,249,005)	(826,325)
Contract assets	14,015	35,084	Effect of exchange rate changes on cash and cash equivalents	-	(5,013)
Notes receivable	-	4,030			
Accounts receivable	56,109	(78,581)	Net increase in cash and cash equivalents	1,109,653	359,595
Accounts receivable - related parties	(40,865)	(490,985)	Cash and cash equivalents at beginning of the year	2,244,993	1,885,398
Other receivables	49,675	(82,302)	Cash and cash equivalents at end of the year	\$ 3,354,646	\$ 2,244,993
Inventories	1,638,672	(1,131,742)			
Prepayment	79,119	52,565			
Other current assets	45,520	(43,516)			
Costs to fulfil a contract	(22,363)	(49,039)			
Financial liabilities held for trading	(4,574)	-			
Contract liabilities	(284,957)	186,591			
Accounts payable	15,317	(223,225)			
Accounts payable - related parties	(122,103)	(54,994)			
Other payables	39,187	179,593			
Other current liabilities	4,699	(191)			
Defined benefit liabilities	-	(2,488)			
Cash generated from operations	3,530,563	1,140,911			
Interest received	26,707	7,028			
Dividend received	183,506	378,804			
Interest paid	(4,026)	(4,285)			
Income tax paid	(364,280)	(176,843)			
Net cash provided by operating activities	3,372,470	1,345,615			

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

Attachment 6: Statement of Porfit Distribution

FARADAY TECHNOLOGY CORPORATION 2023 Statement of Porfit Distribution

Unit : NT\$ dollars	
Item	Amount
Unappropriated earnings - beginning	1,772,454,988
Add: Re-measured amount of the defined benefit plan	(917,194)
Unappropriated earnings after adjustment	1,771,537,794
Net Income After Tax	1,589,472,307
Less: Appropriated legal reserve	(158,855,511)
Distributable Earning	3,202,154,590
Distributions:	
Cash dividend to shareholders (NT\$4.5/per share)	(1,118,476,409)
Unappropriated earnings - ending	2,083,678,181

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, employee stock warrants and cash capital increase resulting in changes in the equity yield rate, the Chairman will be authorized to handle it fully.
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.
5. It was approved in the Board Meeting by 12th, December, 2023. It is proposed that the Chairman be authorized by the Board of Directors to resolve the base date of cash capital increase, the distribution date, and other relevant issues; if the number of outstanding common shares of Faraday's changes and the payout ratio changes accordingly, the chairman is also authorized with full power to adjust it.

Chairman:
Chia-Tsung Hung

President:
Kuo-Yung Wang

Accounting Supervisor:
Wen-Ju Tseng

Attachment 7: Comparison Table for Amended Articles of “Corporate Governance Best-Practice Principles”

Faraday Technology Corporation Comparison Table for Amended Articles of “Corporate Governance Best-Practice Principles”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 3-1 The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE, a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> (1) Handling matters relating to board meetings and shareholders’ meetings according to laws. (2) Producing minutes of board meetings and shareholders’ meetings. (3) Assisting in onboarding and continuous development of directors and supervisors. (4) Furnishing information 	<p>Article 3-1 The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE, a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> (1) Handling matters relating to board meetings and shareholders’ meetings according to laws. (2) Producing minutes of board meetings and shareholders’ meetings. (3) Assisting in onboarding and continuous development of directors and supervisors. (4) Furnishing information 	<p>According to Reference No. 1100024981 announced by Taiwan Stock Exchange Corporation, in compliance with the Corporate Governance 3.0 - Sustainable Development Roadmap, the qualifications of independent directors will be included in the corporate governance supervisory function; in addition, to strengthen the corporate governance supervisory function, the changes of the directors will be included, and Subparagraph 6 and 7 are added, respectively.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>required for business execution by directors and supervisors.</p> <p>(5) Assisting directors and supervisors with legal Compliance.</p> <p>(6) <u>Report to the board of directors the review results on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure.</u></p> <p>(7) <u>Handle matters relating to change of directors.</u></p> <p>(8) Other matters set out in the articles or corporation or contracts.</p>	<p>required for business execution by directors and supervisors.</p> <p>(5) Assisting directors and supervisors with legal compliance.</p> <p>(6) Other matters set out in the articles or corporation or contracts.</p>	
Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Persons.	Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises.	Revised the name of this section according to Reference No. 1110024366 announced by Taiwan Stock Exchange Corporation.
Article 17 When the Company and its affiliated <u>persons and shareholders</u> enter into inter-company business transactions or <u>dealings</u> , a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and <u>improper channeling of profits</u> shall be prohibited.	Article 17 When the Company and its affiliated <u>enterprises</u> enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited. <u>All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and the channeling of profits is strictly</u>	<p>(1) According to Reference No. 1110024366 announced by Taiwan Stock Exchange Corporation, to strengthen the management of the Company's affiliated persons, a written agreement governing the transactions between the Company and its affiliated persons and shareholders shall also be made; moreover, the scope of the affiliated persons originally include its affiliated enterprises. Therefore, merge the current Paragraph 2 into Paragraph 1 and amend the wording.</p> <p>(2) Added Paragraph 2 to stipulate that the written</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>The written specification in the preceding paragraph shall include the management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, capital lending, and endorsement guarantees, and relevant major transactions shall be submitted to the board of directors for resolution and approval, and to the shareholders' meeting for approval or report.</u></p>	<p><u>prohibited.</u></p> <p><u>Paragraph added</u></p>	<p>specifications in the preceding paragraph shall include management procedures for relevant transactions, and relevant major transactions shall be submitted to the board of directors for resolutions and approval, and to the shareholders' meeting for approval or report.</p>
<p>Article 29</p> <p>Paragraph 1 ~ 4: Omitted</p> <p>The Company shall periodically (at least once a year) <u>refer to Audit Quality Indicators (AQIs)</u> and evaluate the independence and suitability of the CPA engaged by the Company. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.</p>	<p>Article 29</p> <p>Paragraph 1 ~ 4: Omitted</p> <p>The Company shall periodically (at least once a year) evaluate the independence and suitability of the CPA engaged by the Company. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.</p>	<p>According to Reference No. 1110024366 announced by Taiwan Stock Exchange Corporation, in order to improve the transparency of audit quality, the audit committee may refer to the AQIs information provided by the CPA firm when evaluating the change of CPA firms.</p>

Attachment 8: Comparison Table for Amended Articles of “Procedures for Ethical Management and Guidelines for Conduct”

Faraday Technology Corporation Comparison Table for Amended Articles of “Procedures for Ethical Management and Guidelines for Conduct”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 1</p> <p>Paragraph 1: Omitted</p> <p>The application scope of these Procedures and Guidelines includes the subsidiaries of the Company <u>and other institutions or juridical persons which are substantially controlled by such company.</u></p>	<p>Article 1</p> <p>Paragraph 1: Omitted</p> <p>The application scope of these Procedures and Guidelines includes the subsidiaries of the Company.</p>	<p>To stipulate the application scope of these Procedures and Guidelines.</p>
<p>Article 2</p> <p>The <u>so called</u> personnel of the Company in these Procedures and Guidelines <u>are referred to</u> director, managerial officer, employee, mandatary or person having substantial control, of the Company and <u>business group and organizations.</u></p> <p>Omitted below.</p>	<p>Article 2</p> <p>These Procedures and Guidelines are <u>applicable for all</u> personnel of the Company, <u>including</u> director, managerial officer, employee, mandatary or person having substantial control, of the Company or <u>its subsidiaries.</u></p> <p>Omitted below.</p>	<p>To stipulate the scope of “personnel of the Company” in these Procedures and Guidelines</p>
<p>Article 5</p> <p>The Company shall designate ethical management team as the solely responsible unit (hereinafter, “responsible unit”) <u>and allocate sufficient resource and competent personnel</u> to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and <u>shall</u> submit regular <u>(at least</u></p>	<p>Article 5</p> <p>The Company shall designate ethical management team as the solely responsible unit (hereinafter, “responsible unit”) to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:</p> <p>(1) Assisting in incorporating</p>	<p>(1) According to Reference No. 1090002299 announced for amendment by Taiwan Stock Exchange Corporation, in compliance with Article 17 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”, providing sufficient resources and qualified personnel</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>once a year</u>) reports to the board of directors:</p> <p>(1) Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>(2) <u>Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly</u> to adopt programs to prevent unethical conduct <u>as well as</u> setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</p> <p>(3) Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>(4) Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>(5) Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>(6) Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the</p>	<p>ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</p> <p>(2) Adopting programs to prevent unethical conduct <u>and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</u></p> <p>(3) Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</p> <p>(4) Promoting and coordinating awareness and educational activities with respect to ethics policy.</p> <p>(5) Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>(6) Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating</p>	<p>for the responsible unit, and report to the board of directors at least once per year, and amend the preamble of this article.</p> <p>(2) In compliance with Article 17 of the "Ethical Corporate</p> <p>(3) Management Best Practice Principles for TWSE/TPEX Listed Companies", the main matters handled by the responsible unit include periodic analysis and evaluation of the risks of unethical conduct within the business scope, and the amendments have been revised and moved to the current Paragraph 2.</p> <p>(4) In compliance with Article 8 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", documented information shall be prepared and properly kept regarding ethical management policies, statements, commitments and implementation; and Paragraph 7 is added.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>(7) <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</u></p>	<p>procedures.</p> <p><u>Paragraph added.</u></p>	
<p>Article 11 When a director, officer, or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake <u>in a matter under discussion</u> in the meeting, that director, officer, or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling</u></p>	<p>Article 11 When a director, officer, or other stakeholder of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake <u>in the listed proposal</u>, that director, officer, or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Paragraph added.</u></p>	<p>(1) According to amendment of Reference No. 1090002299 announced by Taiwan Stock Exchange Corporation, in compliance with Article 16, Paragraph 1 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and amend wording for Paragraph 1 of this Article.</p> <p>(2) In compliance with Article 206, Paragraph 3 of the Company Act, adding Paragraph 2 of this Article to clearly specify that the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p>Omitted below.</p>	<p>Omitted below.</p>	<p>interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</p> <p>(3) Move current Paragraph 2 to Paragraph 3, and the content is not revised; move current Paragraph 3 to Paragraph 4, and the content is not revised.</p>
<p>Article 12</p> <p>Paragraph 1: Omitted.</p> <p><u>All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.</u></p>	<p>Article 12</p> <p>Paragraph 1: Omitted.</p> <p><u>Paragraph added.</u></p>	<p>According to amendment of Reference No. 1040001716 announced by Taiwan Stock Exchange Corporation, merge the content of the original Article 13 and amend wording.</p>
<p>Article 13</p> <p><u>The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating</u></p>	<p>Article 13</p> <p><u>All personnel of the Company shall faithfully follow the operational directions of the Company's trade secret, and may not disclose to any other party any trade secrets of the Company of which they have learned, nor may they inquire about or collect any trade secrets of the Company unrelated to their</u></p>	<p>According to amendment of Reference No. 1040001716 announced by Taiwan Stock Exchange Corporation, merge the content of the original Article 13 to Paragraph 1 of Article 12 and amend wording; in addition, amend content of this article in</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<u>customers, suppliers, territories, or lines of commerce.</u>	<u>individual duties.</u>	compliance with Article 15 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” regarding the prohibition against unfair competition.

Attachment 9: List of 12th Directors (including Independent Directors) Candidates

Title	Name	Shares	Education, Experience and Current position
Director	United Microelectronics Corporation	35,962,705	N/A
	Representative: Chia-Tsung Hung	—	<p><u>Education</u> Honorary Doctorate of National Tsing Hua University</p> <p><u>Experience</u> CFO & SVP, United Microelectronics Corporation Chairman, ITE Tech Inc. Chairman, Crystalwise Technology Inc. Director, EPISTAR Corporation</p> <p><u>Current position</u> Chairman & Chief Strategic Officer, United Microelectronics Corporation Chairman & Chief Strategic Officer, Faraday Technology Corporation Chairman & Chief Strategic Officer, Silicon Integrated Systems Corporation Chairman, Hong Cheng Venture Capital Chairman, Hong Ding Venture Capital Director, Triknight Capital Corporation. Executive Director, United Semiconductor (Shandong) Chairman, UMC Capital Corp. Director, United Microelectronics (Europe) B.V.</p>
Director	United Microelectronics Corporation	35,962,705	N/A
	Representative: Ying-Sheng Shen	—	<p><u>Education</u> EMBA Master of Business Administration, National Taiwan University</p> <p><u>Experience</u> SAVP, United Microelectronics Corporation</p> <p><u>Current position</u> VP, United Microelectronics Corporation Director, Faraday Technology Corporation</p>
Director	Unimicron Technology Corp.	124,634	N/A
	Representative: Zhen-Li Huang	—	<p><u>Education</u> Ph.D. of Accounting , University of Warwick</p>

Title	Name	Shares	Education, Experience and Current position
			<u>Experience</u> CPA, Zheng Ji Accounting Firm Independent Director, United Microelectronics Corporation <u>Current position</u> Professor of Accounting, Tamkang University Director, Faraday Technology Corporation
Director	Kuo-Yung Wang	401,783	<u>Education</u> Master of Industrial Engineering, National Tsing Hua University <u>Experience</u> VP, United Microelectronics Corporation <u>Current position</u> President, Faraday Technology Corporation Director, Faraday Technology Corporation Chairman, Sheng Bang Investment Corporation Chairman, Chih Hung Investment Corporation Chairman, United Business Service Corporation (Chongqing) Chairman, Artery Technology Corporation, Ltd. (Chongqing) Chairman, Artery Technology Company Chairman, Artery Technology Corporation-Cayman Chairman, Sinble Technology Pte. Ltd.
Director	Shih-Chin Lin	212,786	<u>Education</u> Master of Electrophysics, National Chiao Tung University <u>Experience</u> Senior Director, United Microelectronics Corporation <u>Current position</u> COO, Faraday Technology Corporation Chairman, Innopower Technology Corporation Chairman, Innopower Technology Corporation (Chongqing) Chairman, Faraday Technology China Corporation Chairman, Faraday Technology Japan Corp. Chairman, FaradayTek Solutions India Private Limited Director, Faraday Technology Corporation (Suzhou) Director, United Business Service Corporation (Chongqing) Director, Sinble Technology Pte. Ltd.

Title	Name	Shares	Education, Experience and Current position
Director	Wen-Ju Tseng	71,383	<p><u>Education</u> Master degree from College of Management, National Yang Ming Chiao Tung University</p> <p><u>Experience</u> SAVP, Faraday Technology Corporation</p> <p><u>Current position</u> CFO&VP, Faraday Technology Corporation Chairman, Faraday Technology (Mauritius) Corp. Chairman, Faraday Technology (Samoa) Corp. Chairman, Bright Capital Group Limited (BCGL) Chairman, Faraday Technology Corp. (B.V.I.) Director, Artery Technology Corporation Director, Artery Technology Corporation, Ltd. (Chongqing) Director , Artery Technology Company Director, ShiehYung Investment Corporation Director, Sinble Technology Pte. Ltd. Supervisor, Faraday Technology China Corporation Supervisor, Faraday Technology Corporation (Suzhou) Supervisor, United Business Service Corporation (Chongqing) Supervisor, Innopower Technology Corporation (Chongqing) Supervisor, United Creative Solution Corporation (Shanghai) Supervisor, Grain Media Inc. Supervisor, Faraday Technology Japan Corp.</p>
Independent Director	Bing-Kuan Luo	—	<p><u>Education</u> PhD of Management, Shanghai Fudan University</p> <p><u>Experience</u> Independent Director, Shandong Dadi Chinese Salt Industry Corp Director, GenDing Corporation Supervisor, GenDing Corporation Consultant, Ministry of Economic Affairs Consultant, Eastern Taiwan Joint Services Center, Executive Yuan Director, Mega International Investment Trust Co., Ltd Director, Mega Venture Capital Co., Ltd. Chief Investment Officer, Cassida International Capital China Certified M&A Dealmaker</p>

Title	Name	Shares	Education, Experience and Current position
			<u>Current position</u> Chairman, Huashan Internation Consultant Chairman, Taiwan Independent Director Association CEO, Cassida International Capital Independent Director, Faraday Technology Corporation Independent Director, Hua Nan Commercial Bank Ltd. Independent Director, DFI Inc. Vice Chairman, Taiwan M&A and Private Equity Council (MAPECT) Director, Monte Jade Science & Technology Association of Taiwan
Independent Director	Wan-Fen Zhou	—	<u>Education</u> Executive Master of Business Administration , National Tsing Hua University <u>Experience</u> CFO, Dawning Leading Technology Inc. Deputy Manager, United Microelectronics Corporation Senior Director, King Yuan Electronics Co., Ltd. Supervisor, ShiehYung Investment Corporation Director, Silicon Integrated Systems Corporation <u>Current position</u> AVP, King Yuan Electronics Co., Ltd. Independent Director, Faraday Technology Corporation Supervisor, Hsun Chieh Investment Co., Ltd.
Independent Director	Li-Ying Yeh	—	<u>Education</u> Master of College of Business and Administration, Drexel University <u>Experience</u> Managing Director, Everglory Group Pte. Ltd. Operating officer of Business Finance, Citibank Taiwan Limited SVP of Business Finance, CTBC Bank Co., Ltd. Manager of Customer Relationship, Citibank, Taipei Branch Director of Sales, Comdisco Trade Inc. Taiwan Executive Director, Canadian Imperial Bank of Commerce, Taiwan Branch Assistant Financial Executive, Chase Manhattan Bank, Taiwan Branch <u>Current position</u> Chief Executive, Trust Capital Alternative Pte. Ltd.

Title	Name	Shares	Education, Experience and Current position
			Chairman, Quaxin Logistics CO., Ltd. Director, Trust Capital Alternative Pte. Ltd. Director, Meng & Yume Innovate Pte. Ltd. Director, Private Alternative VCC