



2025 Annual Shareholders' Meeting

Meeting Minutes (Translation)

May 23, 2025



2025 Annual Shareholders' Meeting Minutes

Time: 9:00 a.m., May 23th, 2025 (Friday)

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 150,304,963 shares (among them, 105,051,437 shares voted via electronic transmission), or 57.68% 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 Wan-Fen Zhou (Audit Committee Convener), Independent Director Bing-Kuan Luo.

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

Chairperson: Director, Kuo-Yung Wang (Proxy)

Minute Recorder: Wen-Ju Tsen

1. Meeting Called to Order

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairperson called the meeting to order.

2. Chairperson's Address: (Omitted)

3. Report Items

(1) 2024 Business Report.

Acknowledged.

(2) Audit Committee's Review Report on the 2024 Financial Statements.

Acknowledged.

(3) 2024 Profit Distribution for Employees and Directors.

Acknowledged.

(4) Report on 2024 Remuneration of Directors.

Acknowledged.

4. Proposals

Proposal I: 2024 Business Report and Financial Statements.

Explanation:

- (1) The Financial Statements of Faraday in 2024 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 6th Board Meeting with 12th 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) Submitted for approval.

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

Voting Result: 150,304,963 shares were represented at the time of voting. (Including 105,051,437 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 143,013,922 votes (including 97,781,548 shares voted via electronic transmission)	95.14%
Votes against : 78,686 votes (including 78,686 shares voted via electronic transmission)	0.05%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 7,212,355 votes (including 7,191,203 shares voted via electronic transmission)	4.79%

Proposal II: Proposal for Distribution of 2024 Profits.

Explanation:

- (1) Faraday's 2024 Earnings Distribution Table was approved by the 6th Board Meeting with Faraday's 12th 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\$781,650,939 will be allocated to shareholders, and about NT\$3.0 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) Submitted for approval.

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

Voting Result: 150,304,963 shares were represented at the time of voting. (Including 105,051,437 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 143,049,892 votes (including 97,817,518 shares voted via electronic transmission)	95.17%
Votes against : 85,778 votes (including 85,778 shares voted via electronic transmission)	0.05%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 7,169,293 votes (including 7,148,141 shares voted via electronic transmission)	4.76%

5. Discussion

Proposal I: Amendment to the “Articles of Incorporation.”

Explanation:

- (1) In order to conform to the provisions of FSC order No.11303854422 issued on November 8, 2024, the Company hereby proposes to amend certain articles of the “Articles of Incorporation”.
- (2) Please refer to Attachments 7 for the comparison table for amended articles.
- (3) Please proceed to discuss.

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

Voting Result: 150,304,963 shares were represented at the time of voting. (Including 105,051,437 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 142,892,198 votes (including 97,659,824 shares voted via electronic transmission)	95.06%
Votes against : 86,644 votes (including 86,644 shares voted via electronic transmission)	0.05%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 7,326,121 votes (including 7,304,969 shares voted via electronic transmission)	4.87%

Proposal II: Proposal of Release the new Prohibition on Directors from Participation in Competitive Business.

Explanation:

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

Title	Name	Concurrent Company	Business Content	Concurrent Position
Director	Kuo-Yung Wang	Artery Technology Corporation	General Investment	Chief Strategy Officer
Director	Shih-Chin Lin	CoAsia SEMI Korea Corporation	IC Design Service	Director
Director	Wen-Ju Tseng	Uniflex Technology Inc.	Electronic Parts and Components	Independent Director
Independent Director	Li-Ying Yeh	Aker Technology Co., Ltd	Electronic Parts and Components	Independent Director

- (3) Directors of the Company have invested, managed or have been a Director for companies of which business scope is similar to that of the Company, it will be proposed to release the prohibition on Directors from participation in competition business provided there will be no damage to the interest of the Company.
- (4) Please proceed to discuss.

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

Voting Result: 150,304,963 shares were represented at the time of voting. (Including 105,051,437 shares voted via electronic transmission)

Voting Result	% of the total represented share present
Votes in favor : 138,144,082 votes (including 92,911,708 shares voted via electronic transmission)	91.90%
Votes against : 129,411 votes (including 129,411 shares voted via electronic transmission)	0.08%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%
Votes abstained : 12,031,470 votes (including 12,010,318 shares voted via electronic transmission)	8.00%

No question was raised by Shareholder in Report Items, Proposals and Discussion at the Meeting.

6. Extraordinary Motions: None.

7. Meeting Adjourn: Meeting ended at 09:42 AM.

Attachment 1: 2024 Business Reports

FARADAY TECHNOLOGY CORPORATION 2024 Business Reports

Dear shareholders,

In the year of 2024, Faraday faced a critical turning point. Amidst shifting global dynamics, international political factors began shaping global trade and supply chains into a “one world, two systems” framework. To navigate the risks brought by these industry changes, Faraday has embraced “diversification” as a core cultural value, enhancing operational flexibility and resilience. By maintaining a diverse customer base and a broad range of product applications, the company has effectively mitigated the impact of single market fluctuations and established a robust revenue structure.

Faraday has established R&D and business operation centers in Taiwan, China, Vietnam, India, United States, Japan, and Singapore. Through strategic partnerships with foundries and OSAT vendors, the company has built a globally multi-site manufacturing network, enabling agile adjustments in R&D and manufacturing supply. In the same year, Faraday further refined its Business 2.0 strategy, centered on a diversified business approach. This new framework consolidates six key business areas, including its established IP and mainstream technologies, alongside newly introduced services such as Design Implementation Service, advanced process technologies, and 2.5D and 3D advanced packaging. These areas collectively serve as key drivers for future growth.

Despite economic headwinds and customer inventory adjustments leading to softer revenue from mainstream mass production in 2024, Faraday’s strategic Business Model 2.0 framework provided stability amid uncertainties and reinforced its long-term growth trajectory. Notably, the four newly introduced business areas contributed 15% of total revenue in the first year of transformation.

Faraday Business Model 2.0

Faraday’s Business Model 2.0 encompasses six key areas, which can be categorized into three main pillars: Service, Process, and Package. The Service pillar includes the existing IP business along with the addition of Design Implementation Service. The Process pillar extends beyond the mainstream technology platform to advanced process solutions. Additionally, Faraday has expanded into the field of advanced packaging, focusing on 2.5D and 3D packaging technologies.

- **Design Implementation Service (DIS)**

With the progression of advanced process technologies, the manpower required for each chip design has increased significantly, making the establishment of precise and efficient R&D teams a key challenge. Recognizing this industry pain point, Faraday provides Design Implementation Service to offer well-trained R&D personnel as a flexible and readily available resource for clients. Since 2021, Faraday has accumulated extensive experience in this field, building strong relationships of trust with clients while steadily expanding its workforce. This has successfully met the growing market demand for design talent and contributed to improved operating margins.

- **Advanced Process Technologies**

In the field of advanced process technologies, Faraday has adopted an exclusive multi-foundry strategy, establishing strong partnerships with foundry partners. Faraday has developed a comprehensive portfolio of in-house IP on UMC’s 14nm process platform, enabling competitive

process solutions in the market. Additionally, Faraday is the key ASIC design partner for both Samsung and Intel Foundry, offering tailored process solutions across Samsung foundry's 14nm, 8nm, 5nm, and 4nm nodes, as well as Intel 18A technology, based on customer requirements. This year marks a critical milestone for Faraday's expansion into advanced process technologies, with a rapid increase in design win projects driving significant NRE revenue growth.

- **2.5D Advanced Packaging**

While demand for advanced packaging in the semiconductor industry is rapidly growing, significant entry barriers remain. The three major challenges include stable HBM supply, interposer capacity, and OSAT engineering resources. Faraday has been an early mover in this field, establishing a unique consolidated platform to assist customers in combining key devices such as chiplets, interposers, and HBM, and provides three key services including design, manufacturing, and packaging, thereby enabling customers to accelerate to mass production. This year, Faraday successfully completed its first 2.5D project, validating the feasibility and effectiveness of the 2.5D advanced packaging platform.

- **3D Advanced Packaging**

Over the past two years, Faraday has actively expanded into the 3D packaging sector, leveraging resources from Winbond and UMC. Through Wafer-on-Wafer (WoW) technology, Faraday has jointly developed a Customized Ultra-Bandwidth Elements (CUBE) to meet the demand of the edge AI and AR/VR markets. In addition to offering a one-stop integration platform, Faraday also provides IP solutions to help customers accelerate their product development.

Overall, Faraday's Business Model 2.0 expands market opportunities and enhances long-term growth potential through its three pillars and six key areas. This strategic framework is a crucial foundation for the company's growth over the next decade. Therefore, this dedicated section has been added to provide shareholders with a detailed explanation.

Highlights of Faraday's accomplishments in 2024

In 2024, Faraday's consolidated revenue reached NT\$11.06 billion, an 8% decline compared to the previous year, with a basic EPS of NT\$4.04. Among Faraday's three main product categories, IP and NRE revenue both hit record highs. IP revenue grew for the fourth consecutive year, reaching NT\$1.56 billion, an 11% increase from the previous year. NRE surged to NT\$2.25 billion, a 30% increase from the previous year, primarily driven by strong growth in advanced process technologies. Mass production revenue however declined 18% from the previous year reaching NT\$7.25 billion mainly due to weakened demand in the mainstream market and inventory adjustments. Overall, Faraday's transformation under Business Model 2.0 has demonstrated strong operational performance and promising future growth.

- **Strategic Investments and Partnerships**

- Completed cash capital increase and collected NT\$3.72 billion to support future business expansion and investment plans, injecting new momentum for long-term growth.
- Expanded operations in Can Tho, Vietnam, accelerating the growth of Design Implementation Service workforce.
- Acquired Aragio Solutions, an IP vendor specializes in design solutions for I/O libraries, strengthening Faraday's core competitiveness with IP offerings ranging from 65nm to 3nm technologies.
- Strategic investment in CoAsia SEMI Korea Corporation, solidifying Faraday's position as Samsung DSP's largest ASIC partner. This partnership enables the Company to provide comprehensive front-end and back-end design solutions, while also securing key HBM supply resources, creating synergies in advanced packaging business.

- **Advanced Technologies**

- Advanced Process Technologies: Centered on diversification as core strategy, Faraday adopts a multi foundry strategy, partnering with UMC, Samsung, and Intel to provide FinFET process solutions ranging from 14nm to 2nm.
- Advanced Packaging: In the first year of launching, Faraday’ s pioneering 2.5D integration platform successfully secured four ASIC design win projects, demonstrating both market demand and the value Faraday brings to this sector.

- **Sustainability Achievements**

Faraday actively promotes ESG policies and sustainability execution framework, earning numerous recognitions:

- Evaluation of Corporate Governance: Ranked in top 6%~20% among listed companies by TWSE for four consecutive years.
- National Sustainable Development Awards: Awarded by Taiwan’s National Development Council, the highest honor for sustainability performance in the country.
- Corporate Sustainability Report Awards: Awarded Gold Medal in Corporate Sustainability Report Awards by TAISE.
- Top 100 in Carbon Competitiveness: Recognized by Business Weekly as one of the Top 100 Carbon Competitiveness Enterprises, standing out among nearly 1,000 listed companies for its concrete data and commitment to achieving net-zero emissions.
- Asia Pacific Enterprise Awards: Awarded “Corporate Excellence Award” at Asia Pacific Enterprise Awards (APEA) by Enterprise Asia in 2024, becoming the first company in the industry to receive this honor upon its first participation.
- Top Business Leaders Ranking: Awarded “Taiwan Top 100 Best-performing Business Leaders” by Harvard Business Review in 2022 and 2024.

Future Outlook

This year, Faraday successfully transitioned to Business model 2.0, leveraging strategic investments and partnerships to achieve a diversified business layout. The transformation has further strengthened the company’s market position and laid a solid foundation for sustainable growth. Guided by the vision of “Improve human welfare with technology innovation”, Faraday integrates corporate social responsibility into its operations and remains committed to enhancing sustainability performance. We sincerely appreciate the continuous support of our shareholders. Faraday will continue to strive for excellence, and we look forward to working together to create even greater value in the future.

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 2024 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 2025 Annual Shareholders' Meeting

Audit Committee Convener: Wan-Fen, Zhou

February 21, 2025

Attachment 3: General Remuneration of Directors (Including Independent Directors) in 2024

December 31, 2024

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			
														Cash amount	Stock amount	Cash amount	Stock amount					
Chairman	Representative of UMC: Chia-Tsung Hung(Note 2)	720	720	-	-	579	579	240	240	7,496 (0.72%)	7,496 (0.72%)	58,908	58,908	-	-	3,293	-	3,293	-	69,696 (6.69%)	69,696 (6.69%)	None
Director	Representative of UMC: Ying-Sheng Shen (Note 2)	720	720	-	-	579	579	240	240													
Director	Representative of UNIMICRON: Cheng-Li Huang (Note 2)	720	720	-	-	579	579	240	240													
Director	Kuo-Yung Wang	720	720	-	-	-	-	240	240													
Director	Shih-Chin Lin	720	720	-	-	-	-	240	240													
Director	Wen-Ju Tseng	720	720	-	-	-	-	240	240													
Indepentent Director	Ning-Hai Jin	395	395	-	-	-	-	90	90	3,603 (0.35%)	3,603 (0.35%)	-	-	-	-	-	-	-	-	3,603 (0.35%)	3,603 (0.35%)	None
Indepentent Director	Bing-Kuan Luo	960	960	-	-	-	-	240	240													
Indepentent Director	Wan-fen Zhou	960	960	-	-	-	-	240	240													
Indepentent Director	Li-Ying Yeh	568	568	-	-	-	-	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:

- 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. 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 relevant performance evaluation and reasonableness of remuneration of the Company's Directors and Managers shall all be regularly reviewed and approved by the Compensation and Remuneration Committee and the Board of Directors every year. Except reference of the performance achievement rate and contribution, the overall business performance of the Company, future risk of the industry and development trends shall also be considered, timely review the remuneration system depending on actual business conditions and relevant laws and regulations at any time. In addition, reasonable remuneration is given after comprehensive consideration of current trends in Corporate Governance, to seek the balance between corporate sustainable development and risk control. The actual distributed remuneration amount of directors and managers in 2024 are all reviewed and approved by the Compensation and 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 its representative, and the Director's emoluments are given to Juristic-person Director.

Attachment 4: 2024 Consolidated Financial Statements with report of Independent Accountants.

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2024 and for the year then ended prepared under the International Financial Reporting Standards No.10 “Consolidated Financial Statement” (referred to as “Consolidated Financial Statements”) are the same as the entities to be included in the combined financial statements of the Company, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

FARADAY TECHNOLOGY CORPORATION

Chairman: Stan Hung

February 21, 2025

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, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, 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 2024 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\$11,064,852 thousand for the year ended December 31, 2024, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$7,254,974 thousand, NT\$2,250,312 thousand and NT\$1,559,566 thousand, constituting 65.57%, 20.34% and 14.09% 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(17).

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\$1,560,212 thousand and NT\$981,160 thousand, constituting 8.51% and 7.31% of total consolidated assets as of December 31, 2024 and 2023, respectively, and total operating revenues of NT\$2,135,406 thousand and NT\$2,716,671 thousand, constituting 19.30% and 22.70% of consolidated operating revenues for the years ended December 31, 2024 and 2023, 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 2024 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, 2024 and 2023.

/s/Hu, Shen-Chieh

/s/Yang, Yu-Ni

Ernst & Young, Taiwan

February 21, 2025

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, 2024 and December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2024	December 31, 2023			December 31, 2024	December 31, 2023
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$ 8,310,879	\$ 5,714,806	Short-term loans	6(12), 12	\$ 25,000	\$ 94,872
Financial assets at fair value through profit or loss, current	4, 6(2)	23,307	29,590	Financial liabilities at fair value through profit or loss, current	4, 6(2), 6(25)	65,497	-
Contract assets, current	4, 6(17), 6(18)	1,799	2,961	Contract liabilities, current	4, 6(17)	683,073	787,110
Notes Receivable, net	4, 6(4), 6(18)	22,395	-	Notes payable		4	4
Accounts receivable, net	4, 6(5), 6(18)	796,594	1,282,393	Accounts payable		1,071,241	646,568
Accounts receivable - related parties, net	4, 6(5), 6(18), 7	234,760	277,008	Accounts payable - related parties	7	603,360	352,220
Other receivables		199,617	80,145	Payables on equipment		1,934	35,371
Current tax assets	4	7,018	-	Other payables	6(13), 7	1,152,437	833,571
Inventories, net	4, 5, 6(6)	1,073,517	1,187,210	Current tax liabilities	4, 6(23)	213,426	433,648
Other current assets	6(7)	277,713	188,560	Lease liabilities, current	4, 6(19), 12	36,918	29,246
Costs to fulfil a contract, current	6(17)	76,544	110,758	Other current liabilities		19,387	23,212
Total current assets		11,024,143	8,873,431	Total current liabilities		3,872,277	3,235,822
Non-current assets				Non-current liabilities			
Financial assets at fair value through profit or loss, non-Current	4, 6(2)	1,024,515	-	Financial liabilities at fair value through profit or loss, non-current	4, 6(2), 6(25)	91,432	-
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	2,459,636	2,574,066	Deferred tax liabilities	4, 6(23)	153,689	35,371
Financial assets measured at amortized cost, non-current	4, 6(8), 8	125,992	119,075	Lease liabilities, non-current	4, 6(19), 12	301,042	199,673
Property, plant and equipment	4, 6(9)	581,509	552,569	Other non-current liabilities	6(13)	438,229	92,645
Right-of-use assets	4, 6(18)	719,480	311,269	Total non-current liabilities		984,392	327,689
Intangible assets	4, 6(10), 7	2,114,900	683,280	Total liabilities		4,856,669	3,563,511
Deferred tax assets	4, 6(23)	89,898	108,699				
Refundable deposits	7	103,486	126,756	Equity attributable to the parent company			
Defined benefit assets, non-current	4, 6(14)	28,427	16,910	Capital	6(15)		
Other non-current assets	6(11)	58,015	52,006	Common stock		2,605,503	2,485,503
Total non-current assets		7,305,858	4,544,630	Additional paid-in capital	6(15)	4,325,263	705,700
				Retained earnings	6(15)		
				Legal reserve		2,073,387	1,914,531
				Unappropriated earnings		3,134,356	3,361,010
				Other components of equity		936,176	1,066,647
				Equity attributable to the parent company		13,074,685	9,533,391
				Non-controlling interests	6(15)	398,647	321,159
				Total equity		13,473,332	9,854,550
Total assets		\$ 18,330,001	\$ 13,418,061	Total liabilities and equity		\$ 18,330,001	\$ 13,418,061

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

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023

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

	Note	For the years ended December 31	
		2024	2023
Operating revenues	4, 6(17), 7	\$ 11,064,852	\$ 11,965,574
Operating costs	6(6), 6(10), 6(20), 7	(6,013,493)	(6,658,432)
Gross profit		5,051,359	5,307,142
Operating expenses	6(10), 6(20), 7		
Selling expenses		(451,979)	(451,535)
Administrative expenses		(537,273)	(531,282)
Research and development expenses		(2,956,912)	(2,362,449)
Expected credit losses	6(18)	(34,518)	(6,116)
Total operating expenses		(3,980,682)	(3,351,382)
Operating income		1,070,677	1,955,760
Non-operating income and expenses			
Interest income	6(21)	110,938	65,224
Other income	6(21)	120,954	104,629
Other gains and losses	6(21)	51,756	(41,962)
Finance costs	6(21)	(11,271)	(13,307)
Total non-operating income and expenses		272,377	114,584
Income before income tax		1,343,054	2,070,344
Income tax expense	4, 6(23)	(271,162)	(509,060)
Net income		1,071,892	1,561,284
Other comprehensive income (loss)	4, 6(22)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		11,516	(1,146)
Unrealized (loss) gains from equity instruments investments measured at fair value through other comprehensive income		(210,230)	620,784
Income tax relating to items that will not be reclassified to profit or loss		3,147	229
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		87,295	(44,849)
Income tax relating to items that may be reclassified to profit or loss		(4,679)	8,096
Other comprehensive (loss) income (net of income tax)		(112,951)	583,114
Total comprehensive income		\$ 958,941	\$ 2,144,398
Net income attributable to:			
Stockholders of the parent		\$ 1,041,465	\$ 1,589,472
Non-controlling interests		30,427	(28,188)
		\$ 1,071,892	\$ 1,561,284
Comprehensive income attributable to:			
Stockholders of the parent		\$ 920,207	\$ 2,176,957
Non-controlling interests		38,734	(32,559)
		\$ 958,941	\$ 2,144,398
Earnings per share (NT\$)	6(24)		
Earnings per share-basic		\$ 4.04	\$ 6.39
Earnings per share-diluted		\$ 4.04	\$ 6.37

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, 2024 and 2023

(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, 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>
Balance as of January 1, 2024	\$ 2,485,503	\$ 705,700	\$ 1,914,531	\$ 3,361,010	\$ (87,977)	\$ 1,154,624	\$ 9,533,391	\$ 321,159	\$ 9,854,550
Appropriation and distribution of 2023 retained earnings									
Legal reserve	-	-	158,856	(158,856)	-	-	-	-	-
Cash dividends	-	-	-	(1,118,476)	-	-	(1,118,476)	-	(1,118,476)
Net income in 2024	-	-	-	1,041,465	-	-	1,041,465	30,427	1,071,892
Other comprehensive income (loss) in 2024	-	-	-	9,213	74,309	(204,780)	(121,258)	8,307	(112,951)
Total comprehensive income (loss) in 2024	-	-	-	1,050,678	74,309	(204,780)	920,207	38,734	958,941
Issuance of shares	120,000	3,619,563					3,739,563		3,739,563
Non-controlling interests	-	-	-	-	-	-	-	38,754	38,754
Balance as of December 31, 2024	<u>\$ 2,605,503</u>	<u>\$ 4,325,263</u>	<u>\$ 2,073,387</u>	<u>\$ 3,134,356</u>	<u>\$ (13,668)</u>	<u>\$ 949,844</u>	<u>\$ 13,074,685</u>	<u>\$ 398,647</u>	<u>\$ 13,473,332</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, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2024	2023		2024	2023
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 1,343,054	\$ 2,070,344	Acquisition of financial assets at fair value through other comprehensive income	\$ (100,000)	\$ -
Adjustments for non-cash gain or loss:			Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,200	-
Depreciation	151,884	123,123	Acquisition of financial assets measured at amortized cost	(50,000)	(50,000)
Amortization	657,727	378,583	Proceeds from redemption of financial assets measured at amortized cost	44,790	-
Expected credit loss	34,518	6,116	Acquisition of financial assets at fair value through profit or loss	(967,757)	-
Gain on financial assets and liabilities at fair value through profit or loss	(35,427)	(5,022)	Acquisition of subsidiaries (net of cash received)	(482,179)	-
Interest expense	11,271	13,307	Acquisition of property, plant and equipment	(148,159)	(49,312)
Interest income	(110,938)	(65,224)	Disposal of property, plant and equipment	348	36
Dividend income	(72,410)	(72,163)	Increase in refundable deposits	(7,479)	(5,718)
Share-based payment expenses	58,317	(15,693)	Decrease in refundable deposits	13,991	18,026
Others	(889)	(1,366)	Acquisition of intangible assets	(870,000)	(616,775)
Changes in operating assets and liabilities:			Net cash used in investing activities	(2,562,245)	(703,743)
Contract assets	1,162	1,212			
Accounts receivable	502,487	(124,720)	Cash flows from financing activities:		
Accounts receivable - related parties	42,248	(87,081)	Decrease in short-term loans	(69,872)	(30,083)
Other receivables	(106,783)	78,881	Cash payments for the principal portion of the lease liabilities	(353,972)	(148,446)
Inventories	113,693	1,829,691	Cash dividends	(1,118,476)	(1,242,752)
Prepayments	(33,996)	79,119	Proceeds from issuing shares	3,720,000	-
Other current assets	54,905	(22,071)	Net cash provided (used in) by financing activities	2,177,680	(1,421,281)
Costs to fulfil a contract	34,214	12,600	Effect of exchange rate changes on cash and cash equivalents	80,025	(40,145)
Other operating assets	(6,307)	1,481			
Financial liabilities held for trading	(38)	(4,575)	Net increase in cash and cash equivalents	2,596,073	841,988
Contract liabilities	(118,463)	(665,156)	Cash and cash equivalents at beginning of the year	5,714,806	4,872,818
Accounts payable	421,496	27,636	Cash and cash equivalents at end of the year	\$ 8,310,879	\$ 5,714,806
Accounts payable - related parties	251,140	(158,167)			
Other payables	(7,836)	28,363			
Other current liabilities	(3,825)	10,956			
Cash generated from operations	3,181,204	3,440,174			
Interest received	98,249	62,789			
Dividend received	72,410	72,163			
Interest paid	(11,271)	(13,307)			
Income tax paid	(439,979)	(554,662)			
Net cash provided by operating activities	2,900,613	3,007,157			

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



安永聯合會計師事務所

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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, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, and its financial performance and cash flows for the years ended December 31, 2024 and 2023, 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 2024 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\$8,368,365 thousand for the year ended December 31, 2024, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$5,084,782 thousand, NT\$1,969,340 thousand and NT\$1,314,243 thousand, constituting 60.76%, 23.53% and 15.71% 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 detail 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 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(17).

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\$1,224,211 thousand and NT\$459,592 thousand, representing 7.28% and 3.73% of total assets as of December 31, 2024 and 2023, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$71,651 thousand and NT\$113,648 thousand, representing 5.94% and 5.83% of the net income before tax for the years ended December 31, 2024 and 2023, respectively, and the related shares of other comprehensive income from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$20,165 thousand and NT\$(10,182) thousand, representing (16.63)% and (1.73)% of the other comprehensive income, for the years ended December 31, 2024 and 2023, 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 2024 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 21, 2025

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

FARADAY TECHNOLOGY CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2024 and December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2024	December 31, 2023			December 31, 2024	December 31, 2023
Current assets				Current liabilities			
Cash and cash equivalents	4, 6(1)	\$ 5,158,584	\$ 3,354,646	Financial liabilities at fair value through profit or loss, current	4, 6(2)	\$ 885	\$ -
Financial assets at fair value through profit or loss, current	4, 6(2)	-	7,294	Contract liabilities, current	4, 6(17), 7	326,503	374,378
Contract assets, current	4, 6(17), 6(18), 7	50,689	26,531	Accounts payable		1,031,642	628,176
Accounts receivable, net	4, 6(4), 6(18)	169,512	362,904	Accounts payable - related parties	7	458,892	310,069
Accounts receivable - related parties, net	4, 6(4), 6(18), 7	667,710	1,167,399	Payables on equipment		1,890	34,790
Other receivables	7	201,832	106,297	Other payables	6(13), 7	1,089,669	727,079
Inventories, net	4, 5, 6(5)	644,626	701,481	Current tax liabilities	4, 6(23)	171,339	386,126
Other current assets	6(6)	260,040	145,179	Lease liabilities, current	4, 6(19), 12	6,592	5,475
Costs to fulfil a contract, current	6(17)	57,255	92,222	Other current liabilities		9,730	12,620
Total current assets		7,210,248	5,963,953	Total current liabilities		3,097,142	2,478,713
Non-current assets				Non-current liabilities			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	2,238,516	2,464,586	Deferred tax liabilities	4, 6(23)	66,721	34,353
Financial assets measured at amortized cost, non-current	4, 6(7), 8	125,362	75,195	Lease liabilities, non-current	4, 6(19), 12	168,765	171,046
Investments accounted for using the equity method	4, 6(8)	4,869,334	2,219,700	Other non-current liabilities	6(13)	415,834	92,645
Property, plant and equipment	4, 6(9)	546,168	527,472	Total non-current liabilities		651,320	298,044
Right-of-use assets	4, 6(19)	165,260	167,786	Total liabilities		3,748,462	2,776,757
Intangible assets	4, 6(10)	1,454,537	643,678	Equity			
Deferred tax assets	4, 6(23)	81,515	99,199	Capital	6(15)		
Refundable deposits		53,591	79,790	Common stock		2,605,503	2,485,503
Defined benefit assets, non-current	4, 6(14)	28,427	16,910	Additional paid-in capital	6(15)	4,325,263	705,700
Other non-current assets	6(11)	50,189	51,879	Retained earnings	6(15)		
Total non-current assets		9,612,899	6,346,195	Legal reserve		2,073,387	1,914,531
				Unappropriated earnings		3,134,356	3,361,010
				Other components of equity		936,176	1,066,647
				Total equity		13,074,685	9,533,391
Total assets		\$ 16,823,147	\$ 12,310,148	Total liabilities and equity		\$ 16,823,147	\$ 12,310,148

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, 2024 and 2023

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

	Note	For the years ended December 31	
		2024	2023
Operating revenues	4, 6(17), 7	\$ 8,368,365	\$ 10,334,478
Operating costs	6(5), 6(10), 6(20), 7	(4,590,379)	(6,026,492)
Gross profit		3,777,986	4,307,986
Unrealized gross loss (profit) on sales		73,007	(19,062)
Gross profit, net		3,850,993	4,288,924
Operating expenses	6(10), 6(20), 7		
Selling expenses		(176,105)	(214,263)
Administrative expenses		(341,620)	(356,913)
Research and development expenses		(2,395,771)	(2,047,249)
Expected credit losses	6(18)	(27,249)	(3,854)
Total operating expenses		(2,940,745)	(2,622,279)
Operating income		910,248	1,666,645
Non-operating income and expenses			
Interest income	6(21)	66,808	28,854
Other income	6(21)	78,525	78,033
Other gains and losses	6(21)	8,803	(39,138)
Financial costs	6(21)	(3,788)	(4,026)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		144,933	218,567
Total non-operating income and expenses		295,281	282,290
Income before income tax		1,205,529	1,948,935
Income tax expense	4, 6(23)	(164,064)	(359,463)
Net income		1,041,465	1,589,472
Other comprehensive income (loss)	4, 6(22)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		11,516	(1,146)
Unrealized (loss) gain from equity instruments investment measured at fair value through other comprehensive income		(226,070)	603,515
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		15,840	17,269
Income tax relating to items that will not be reclassified to profit or loss		3,147	229
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		34,500	(19,736)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		44,488	(20,742)
Income tax relating to items that may be reclassified to profit or loss		(4,679)	8,096
Other comprehensive (loss) income (net of income tax)		(121,258)	587,485
Total comprehensive income		\$ 920,207	\$ 2,176,957
Earnings per share (NT\$)	6(24)		
Earnings per share-basic		\$ 4.04	\$ 6.39
Earnings per share-diluted		\$ 4.04	\$ 6.37

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, 2024 and 2023

(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, 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>
Balance as of January 1, 2024	\$ 2,485,503	\$ 705,700	\$ 1,914,531	\$ 3,361,010	\$ (87,977)	\$ 1,154,624	\$ 9,533,391
Appropriation and distribution of 2023 retained earnings							
Legal reserve	-	-	158,856	(158,856)	-	-	-
Cash dividends	-	-	-	(1,118,476)	-	-	(1,118,476)
Net income in 2024	-	-	-	1,041,465	-	-	1,041,465
Other comprehensive income (loss) in 2024	-	-	-	9,213	74,309	(204,780)	(121,258)
Total comprehensive income (loss) in 2024	-	-	-	1,050,678	74,309	(204,780)	920,207
Issuance of shares	120,000	3,619,563	-	-	-	-	3,739,563
Balance as of December 31, 2024	<u>\$ 2,605,503</u>	<u>\$ 4,325,263</u>	<u>\$ 2,073,387</u>	<u>\$ 3,134,356</u>	<u>\$ (13,668)</u>	<u>\$ 949,844</u>	<u>\$ 13,074,685</u>

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

FARADAY TECHNOLOGY CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2024	2023		2024	2023
Cash flows from operating activities:			Cash flows from investing activities:		
Net income before tax	\$ 1,205,529	\$ 1,948,935	Acquisition of financial assets measured at amortized cost	\$ (50,000)	\$ (50,000)
Adjustments for non-cash gain or loss:			Acquisition of investments accounted for using equity method	(2,336,868)	(334,505)
Depreciation	81,544	59,912	Acquisition of property, plant and equipment	(125,422)	(43,360)
Amortization	614,429	351,532	Increase in refundable deposits	(1,850)	(2,442)
Expected credit loss	27,249	3,854	Decrease in refundable deposits	11,291	18,022
Loss (gain) on financial assets and liabilities at fair value through profit or loss	8,218	(4,616)	Acquisition of intangible assets	(853,861)	(601,527)
Interest expense	3,788	4,026	Net cash used in investing activities	(3,356,710)	(1,013,812)
Interest income	(66,808)	(28,854)			
Dividend income	(72,373)	(72,163)			
Share-based payment expenses	19,563	-	Cash flows from financing activities:		
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(144,933)	(218,567)	Cash payments for principal portion of the lease liabilities	(6,356)	(6,253)
Unrealized (loss) gross profit on sales	(73,007)	19,062	Cash dividends	(1,118,476)	(1,242,752)
Others	-	(9)	Proceeds from issuance of shares	3,720,000	-
Changes in operating assets and liabilities:			Net cash provided (used in) by financing activities	2,595,168	(1,249,005)
Contract assets	(24,158)	14,015			
Accounts receivable	166,143	56,109			
Accounts receivable - related parties	499,689	(40,865)	Net increase in cash and cash equivalents	1,803,938	1,109,653
Other receivables	(83,227)	49,675	Cash and cash equivalents at beginning of the year	3,354,646	2,244,993
Inventories	56,855	1,638,672	Cash and cash equivalents at end of the year	<u>\$ 5,158,584</u>	<u>\$ 3,354,646</u>
Prepayment	(32,604)	79,119			
Other current assets	6,676	45,520			
Costs to fulfil a contract	34,967	(22,363)			
Financial liabilities held for trading	(39)	(4,574)			
Contract liabilities	(47,875)	(284,957)			
Accounts payable	403,466	15,317			
Accounts payable - related parties	148,823	(122,103)			
Other payables	43,867	39,187			
Other current liabilities	(2,889)	4,699			
Cash generated from operations	2,772,893	3,530,563			
Interest received	54,333	26,707			
Dividend received	72,373	183,506			
Interest paid	(3,788)	(4,026)			
Income tax paid	(330,331)	(364,280)			
Net cash provided by operating activities	<u>2,565,480</u>	<u>3,372,470</u>			

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

Attachment 6: Statement of Porfit Distribution

FARADAY TECHNOLOGY CORPORATION 2024 Statement of Porfit Distribution

Unit : NT\$ Dollars

Item	Amount
Unappropriated earnings - Beginning	2,083,678,181
Add: Re-measured amount of the defined benefit plan	9,213,261
Unappropriated earnings after adjustment	2,092,891,442
Net Income After Tax	1,041,465,001
Less: Appropriated legal reserve	(105,067,826)
Distributable Earning	3,029,288,617
Distributions:	
Cash Dividend to Shareholders (NT\$3.0 / per share)	(781,650,939)
Unappropriated Earnings - Ending	2,247,637,678

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.

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 “Articles of Incorporation”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 27</p> <p>The Company should appropriate no less than 1% of the earnings as employee remuneration and no more than 2% of the earnings as director's remuneration based on the profit status of current year. However, if the Company still has previous losses, then the Company should <u>reserve the make up amount in advance.</u></p> <p><u>The Company shall appropriate no less than 1% as the distributed remuneration for entry-level employees based on the profit status of current year. However, if the Company still has previous losses, then the Company should make up for it.</u></p> <p>Omitted below</p>	<p>Article 27</p> <p>The Company should appropriate no less than 1% of the earnings as employee remuneration and no more than 2% of the earnings as director's remuneration based on the profit status of current year. However, if the Company still has previous losses, then the Company should make up <u>for it.</u></p> <p>Paragraph added</p> <p>Omitted below</p>	<ol style="list-style-type: none"> Pursuant to the regulation of the FSC order No. 11303854422 issued on November 8, 2024, in order to effectively support the talent attraction and retention and achieve sustainable business operations, amend the wording in Paragraph 1 of this Article and add Paragraph 2, to actively increase the income of entry-level employees for talent retention. Move Paragraph 2 ~ 6 of this original Article to Paragraph 3 ~ 7.
<p>Article 30</p> <p>The initiators resolved in the “Initiator Meeting” to have the Company’s “Articles of Incorporation” established on May 25, 1993, and it shall be implemented from the registration date approved by the competent authority. The 1st amendment was made on June 19, 1997. The 2nd amendment was made on December 15, 1997. The 3rd amendment was made on July 16, 1998. The 4th amendment was made on March 16, 1999. The 5th amendment was made on June</p>	<p>Article 30</p> <p>The initiators resolved in the “Initiator Meeting” to have the Company’s “Articles of Incorporation” established on May 25, 1993, and it shall be implemented from the registration date approved by the competent authority. The 1st amendment was made on June 19, 1997. The 2nd amendment was made on December 15, 1997. The 3rd amendment was made on July 16, 1998. The 4th amendment was made on March 16, 1999. The 5th amendment</p>	<p>Add amended date and times.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>17, 2000. The 6th amendment was made on June 9, 2001. The 7th amendment was made on June 17, 2002. The 8th amendment was made on June 3, 2003. The 9th amendment was made on June 15, 2004. The 10th amendment was made on June 14, 2005. The 11th amendment was made on June 12, 2006. The 12th amendment was made on June 11, 2007. The 13th amendment was made on June 13, 2008. The 14th amendment was made on June 10, 2009. The 15th amendment was made on June 15, 2010. The 16th amendment was made on June 15, 2011. The 17th amendment was made on June 12, 2012. The 18th amendment was made on June 9, 2015. The 19th amendment was made on June 15, 2016. The 20th amendment was made on May 24, 2022. The 21st amendment was made on May 24, 2023. <u>The 22nd amendment was made on May 23, 2025.</u></p>	<p>was made on June 17, 2000. The 6th amendment was made on June 9, 2001. The 7th amendment was made on June 17, 2002. The 8th amendment was made on June 3, 2003. The 9th amendment was made on June 15, 2004. The 10th amendment was made on June 14, 2005. The 11th amendment was made on June 12, 2006. The 12th amendment was made on June 11, 2007. The 13th amendment was made on June 13, 2008. The 14th amendment was made on June 10, 2009. The 15th amendment was made on June 15, 2010. The 16th amendment was made on June 15, 2011. The 17th amendment was made on June 12, 2012. The 18th amendment was made on June 9, 2015. The 19th amendment was made on June 15, 2016. The 20th amendment was made on May 24, 2022. The 21st amendment was made on May 24, 2023.</p>	