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Printed on March 31, 2025



Inside of every IC, Faraday's value is in sight

Company Spokesperson and
Deputy Spokesperson

Address and telephone number
of the head office,
branch office and factory

Name, address, Faraday’s official
website and telephone number of
stock transfer institution

The names of the CPAs of the most
recent annual financial report,
name of the firm, address,
Faraday’s official website address
and telephone number.

Name of venue for trading of
listed overseas securities and
the way to inquire about
the information of
the overseas securities

Company Faraday’s
official website

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Inside of every IC, Faraday’s value is in sight

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01. A Report to the Shareholders

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.

FARADAY



Chairman
Chia-Tsung Hung

Chia-Tsung Hung



President
Kuo-Yung Wang

Kuo-Yung Wang



Accounting Officer
Wen-Ju Tseng

Wen-Ju Tseng

02. Sustainability Performance

Faraday is committed to implementing its operating strategies and business philosophy. In accordance with its ESG policies and sustainable execution framework, it implements sustainable development in its core business of application specific integrated circuit design services and daily operations to ensure the steady growth of the company's operations, improve efficiency in all aspects of ESG, and reduce possible negative impacts. At the same time, we continue to communicate and cooperate with stakeholders (customers, suppliers / contractors, employees, investors/shareholders and governments/public associations) to jointly create sustainable value.

The achievements of Faraday on sustainable development in 2024 are listed below:



Sustainability Awards/Certifications

Sustainable Evaluation and Indices

 <h4>Sustainability</h4>	<p>2024 Executive Yuan National Development Council National Sustainable Development Award # The first award-winning IC design company</p>	 <h4>Social</h4>	<p>2024 Ministry of Labor Occupational Safety and Health Administration Outstanding Enterprises in Voluntary Evaluation of Occupational Health and Safety Performance in Corporate Sustainability Reports Ministry of Health and Welfare National Health Service Workplace Posture Management and Competition" - Excellence Award</p>	<p>Domestic Assessment 2024 Taiwan Sustainable Evaluation AA 2024 Corporate Governance Evaluation Ranking Top 5% Domestic Index 2014~2024 #Consecutive 11 years Taiwan Stock Exchange RAYON High Salary 100 Index 2022~2024 #Consecutive 3 years Taiwan Mid-Cap Index 2024 Taiwan All Market Semiconductor Selected 30 Index Taiwan Information Technology Index Constituents Customer Evaluation 2024 EcoVadis Commitment Certification</p>
	<p>2024 TCSA Taiwan Corporate Sustainability Award Sustainability Reporting Award - Gold Level</p>	<p>2023 National Science Council Hsinchu Science Park Promoting Workplace Equality CommonWealth Magazine Fertility Platinum Level Enterprises</p>	<p>2022 Ministry of Labor National Talent Development Award 2023~2024 Ministry of Education Sports Administration Certified Sports Enterprises</p>	
 <h4>Governance</h4>	<p>2022, 2024 # two consecutive terms Harvard Business Review Taiwan Corporate Leaders Top 100</p>	<p>2022~2024 Hsinchu City Health Bureau Friendly Breastfeeding Room - Outstanding Ministry of Health and Welfare National Health Service Health Initiative Mark</p>	<p>2024 Business Weekly Carbon Competitiveness Top 100 # First in the IC Design Industry</p>	
<p>2021, 2023~2024 AQM Quality Managers Association Excellence Case Award in Quality Improvement 2024 APEA Excellence in Business Award</p>	<p>2023 # Top CommonWealth Magazine Top 50 Operational Performance</p>	 <h4>Environment</h4>		

03. A Corporate Governance Report

3.1 Information on the company's directors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

3.1.1 Information of Directors

March 25, 2024
Unit: share

Title	Nationality	Name	Gender Age	Date Elected	Term	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Chia-Tsung Hung	Male 60~69	May 29, 2024	3 years	Jun 9, 2015	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">Chairman & CSO United Microelectronics CorporationChairman & CSO, Faraday Technology CorporationChairman & CSO Silicon Integrated Systems CorporationHonorary Doctorate of National Tsing Hua University	<ul style="list-style-type: none">Chairman & CSO United Microelectronics CorporationCSO, Faraday Technology CorporationChairman & CSO Silicon Integrated Systems CorporationChairman, Hong Cheng Venture CapitalChairman, Hong Ding Venture CapitalDirector, Triknight Capital Corporation.Chairman, UMC Capital Corp.Director, United Microelectronics (Europe) B.V.	—	—	—	—
Entity represented by Chairman	ROC	United Microelectronics Corporation	—	May 29, 2024	3 years	May 2, 2002	35,962,705	13.80%	35,962,705	13.80%						Not applicable				
		United Microelectronics Corporation	—	May 29, 2024	3 years	May 2, 2002	35,962,705	13.80%	35,962,705	13.80%						Not applicable				
Director	ROC	Representative: Ying-Sheng Shen	Male 60~69	May 29, 2024	3 years	Jun 15, 2016	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">Vice President, United Microelectronics CorporationDirector, Faraday Technology CorporationEMBA Master of Business Administration, National Taiwan University	<ul style="list-style-type: none">Associate Vice President, United Microelectronics Corporation	—	—	—	—
		Unimicron Technology Corp.	—	May 29, 2024	3 years	Jun 12, 2012	124,634	0.05%	124,634	0.05%						Not applicable				
Director	ROC	Representative: Zhen-Li Huang	Male 70~79	May 29, 2024	3years	July 19, 2021	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">CPA, Zheng Ji Accounting FirmProfessor of Accounting, Tamkang UniversityIndependent Director, United Microelectronics CorporationPh.D. of Accounting, University of WarwickDirector, Faraday Technology Corporation.	<ul style="list-style-type: none">Professor of Accounting, Tamkang University	—	—	—	

Title	Nationality	Name	Gender Age	Date Elected	Term	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Kuo-Yung Wang	Male 60~69	May 29, 2024	3 years	Nov 21, 2011	401,783	0.15%	403,231	0.15%	156,416	0.06%	—	—	<ul style="list-style-type: none">• Director & President, Faraday Technology Corporation• Vice President, United Microelectronics Corporation• Master of Industrial Engineering, National Tsing Hua University	<ul style="list-style-type: none">• President, Faraday Technology Corporation• Chairman, Sheng Bang Investment Corporation• Chairman, Chih Hung Investment Corporation• Chairman, United Business Service Corporation (Chongqing)• Chairman & CSO, Artery Technology Corporation• Chairman, Artery Technology Company• Chairman, Artery Technology Corporation, Ltd. (Chongqing)• Chairman, Sinble Technology Pte. Ltd.	—	—	—	—
Director	ROC	Shih-Chin Lin	Male 50~59	May 29, 2024	3 years	Jun 15, 2016	212,786	0.08%	171,944	0.07%	—	—	—	—	<ul style="list-style-type: none">• Director & Vice President & COO, Faraday Technology Corporation• Senior Director, United Microelectronics Corporation• Master of Electrophysics, National Yang Ming Chiao Tung University	<ul style="list-style-type: none">• Vice President & 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.• Director, CoAsia SEMI Korea Corporation	—	—	—	—
Director	ROC	Wen-Ju Tseng	Female 60~69	May 29, 2024	3 years	Jun 15, 2018	71,383	0.03%	44,107	0.02%	—	—	—	—	<ul style="list-style-type: none">• Director & Vice President & CFO, Faraday Technology Corporation• Master degree from College of Management, National Yang Ming Chiao Tung University	<ul style="list-style-type: none">• Vice President & CFO, Faraday Technology Corporation• Director , Artery Technology Company-Cayman• Director , Artery Technology Company• Director, Artery Technology Corporation, Ltd. (Chongqing)• Director, Sinble Technology Pte. Ltd• Director, ShiehYung Investment Corporation• Independent Director, Uniflex Technology Inc.	—	—	—	—
Independent Director	ROC	Ning-Hai Jin	Male 70~79	July 7, 2021	3 years	Jun 9, 2015	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">• President, Aurora Group• Director, Genesis Photonics Inc.• Independent director, Faraday Technology Corporation• Master of Engineering Science, University of Michigan	<ul style="list-style-type: none">• Chairman, Blueocean Optoelectronics Technology• Chairman, Xingge Media• Director, CTBC Insurance Co., Ltd.	—	—	—	Note 1
Independent Director	ROC	Bing-Kuan Luo	Male 60~69	May 29, 2024	3 years	Jun 15, 2018	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">• CIO, Cassida International Capital• China Certified M&A Dealmaker• Consultant, Ministry of Economic Affairs and Eastern Taiwan Joint Services Center, Executive Yuan• Independent Director, Shandong Dadi Chinese Salt Industry Corp• Director, Mega International Investment Trust Co., Ltd• Director, Mega Venture Capital Co., Ltd.• Director & Supervisor, GenDing Corporation• Master of law, Fu Jen Catholic University• PhD of Management, Shanghai Fudan University	<ul style="list-style-type: none">• Chairman, Huashan Internation Consultant• Chairman, Taiwan Independent Director Association• CEO, Cassida International Capital• 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	—	—	—	—

Title	Nationality	Name	Gender Age	Date Elected	Term	Date of First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Wan-Fen Zhou	Female 50~59	May 29, 2024	3 years	July 7, 2021	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">• CFO, Dawning Leading Technology Inc.• Deputy Manager, United Microelectronics Corporation• Senior Director, King Yuan Electronics Co., Ltd.• Independent director, Faraday Technology Corporation• Director, Silicon Integrated Systems Corporation• Supervisor, ShiehYung Investment Corporation• Supervisor, Hsun Chieh Investment Co., Ltd.• Executive Master of Business Administration , National Tsing Hua University	<ul style="list-style-type: none">• Associate Vice President, King Yuan Electronics Co., Ltd.	—	—	—	—
Independent Director	ROC	Li-Ying Yeh	Female 50~59	May 29, 2024	3 years	May 29, 2024	—	—	—	—	—	—	—	—	<ul style="list-style-type: none">• Managing Director, Everglory Group Pte. Ltd.• Head of Corporate Banking, Citibank (Taiwan) Commercial Bank• Senior Vice President of Corporate Banking, China Trust Commercial Bank• Relationship Manager, Citibank Commercial Bank Taipei Branch• Sales Director, Comdisco Trade Inc. Taiwan• Executive Director, Canadian Imperial Bank of Commerce Taiwan Branch• Assistant Financial Manager, JPMorgan Chase Manhattan Bank Taiwan Branch• Independent Director, Test Rite International Co., Ltd.Master's Degree in Management, Drexel University	<ul style="list-style-type: none">• Chairman, Quanxin Logistics Co., Ltd.• Chief Executive Officer, Trust Capital Alternative Pte. Ltd.• Director,Trust Capital Alternative Pte. Ltd.• Director, Meng & Yume Innovate Pte. Ltd.• Director, Private Alternative VCC• Independent Director,Aker Technology Co., Ltd				Note 2

Note 1: Independent Director Ning-Hai Jin dismissed on May 29, 2024
Note 2: Independent Director Li-Ying Yeh newly appointed on May 29, 2024

3.1.2 Major Shareholders of Institutional Shareholders

Form 1: Major Shareholders of Corporate Shareholders

December 31, 2024

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (shareholding %)
United Microelectronics Corporation (the ex-dividend date is April 1, 2024)	JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs (4.85%), Hsun Chieh Investment Co., Ltd.(3.52%), Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund.(2.48%),Silicon Integrated Systems Corp. (2.13%), Taiwan Life Insurance Co, Ltd. (1.76%), Yann Yuan Investment Co., Ltd.(1.54%), KGI Life Insurance Co., Ltd. (1.54%),New Labor Pension Fund (1.47%), Citibank Taiwan in custody for Government of Singapore (1.21%), Yuanta Taiwan Dividend Plus ETF(1.15%).
Unimicron Technology Corporation (the ex-dividend date is July 16, 2024)	United Microelectronics Corporation(13.04%), Citibank Taiwan in custody for Government of Singapore (2.48%), New Labor Pension Fund(1.83%), Yann Yuan Investment Co., Ltd. (1.51%), JP Morgan Chase Bank Custody, JP Morgan Securities (1.43%), JP Morgan Chase Bank Custody, ABP Retirement Fund Investment Account(1.21%), Nan Shan Life Insurance Company, Ltd(1.18%), Standard Chartered Bank Custody, Fidelity Funds(1.17%), JP Morgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.15%).

Form 2: If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

December 31, 2024

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (shareholding %)
Hsun Chieh Investment Co., Ltd.	ShiehYung Investment Corporation (63.51%), United Microelectronics Corporation (36.49%)
Silicon Integrated Systems Corporation	United Microelectronics Corp (19.02%), Hsun Chieh Investment Co., Ltd. (2.44%), CMC Magnetics(1.29%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.14%), JP Morgan Chase Bank Custody, Vanguard Emerging Markets Stock Index Fund(1.10%),Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.02%), Citibank in custody for Norges Bank (0.85%), Deutsche Bank in custody for iShares Core MSCI Emerging Markets ETF (0.67%), Ling-Xuan, Chen(0.63%), JPMorgan Chase BankN. A. - Vanguard Total Trust Stock Index II Investment Account (0.56%)
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd.(100%)
Yann Yuan Investment Co., Ltd.	Silicon Integrated Systems Corporation. (27.94%), United Microelectronics Corp (26.78%), King Yuan ELECTRONICS CO., LTD. (14.55%), Unimicron Technology Corporation (11.64%), Coretronic Corporation (11.06%), Sigurd Microelectronics Corporation (5.70%), Hsun Chieh Investment Co., Ltd.(2.33%)
KGI Life Insurance Co, Ltd.	KGI Financial Holding Corporation (100%)
Cathay Life Insurance Co.,Ltd.	Cathay Financial Holding Co., Ltd. (100%)
Nan Shan Life Co., Ltd.	Ruen Chen Investment Holdings Co., Ltd.(89.55%), Ruen Hua Dyeing & Weaving Co., Ltd(1.34%), Ying-Tsung Tu(1.16%), Runtaixing Co., Ltd(0.97%), Ruentex Development Co., Ltd.(0.23%), Ruentex Industries Ltd(0.21%), Yuanxin Investment Co., Ltd(0.16%), Ruentex Leasing Co., Ltd(0.12%), Jipin Investment Co., Ltd(0.11%), Pan City Co., Ltd.(0.09%)

3.1.3 Professional qualifications of Directors and independence of Independent Directors

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualifi-cations Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chia-Tsung Hung	Mr. Hung has knowledge of the industry, practical experience, both leadership and academic abilities, accounting and financial analysis ability, international market perspective, marketing and operating planning of technological-related industry, practical abilities of decision-making management and crisis management; served as CFO, Senior Vice President of UMC, chairman of ITE Tech. Inc., and director of EPISTAR Corp. In 2004, Institutional Investor Magazine recognized Mr. Hung as the semiconductor sector's best CFO in their Asia Equities Market Report; and awarded an Honorary Doctorate from National Tsing Hua University in 2021. Currently serves as Chairman and CSO at UMC and Silicon, and is not under any circumstances listed in Article 30 of the Company Act.		NA
Kuo-Yung Wang	Mr. Wang has knowledge of the industry, practical experience, both leadership and academic abilities, and ability to make judgments about operations, marketing, international market perspective, operation management, and practical ability in crisis management. He devoted himself in technology and semi-conductor industry for more than 30 years, and is fully qualified in IC design and service, semiconductor intellectual property core, foundry, e-supply chain fields. He also has abundant experience in marketing, sales, and strategy planning. Mr. Wang was the CSO at Faraday, Marketing Deputy Director at TSMC, Manager at ITRI Institute of Communications Engineering, and Deputy General Manager in charge of marketing, Asia-Pacific sales and support in semiconductor intellectual property core development and design at UMC. He led the sales team creating NTD60 billion sales performance and continuous growth, and is not under any circumstances listed in Article 30 of the Company Act.	Not applicable	NA
Ying-Sheng Shen	Mr. Shen has knowledge of the industry, practical experience, both decision-making and academic abilities, ability to make judgments about operations, marketing, operation management, and practical ability in crisis management. He was the Assisting Manager at UMC and became the Deputy General Manager in charge of market development and sales since 2015, and is not under any circumstances listed in Article 30 of the Company Act.		NA
Zhen-Li Huang	Mr. Huang has knowledge in business, finance and accounting, international market perspective, both crisis management and academic abilities, and has passed a national examination and been awarded a certificate in a profession necessary of certified public accountant. He was a public accountant at Zheng-Ji Accounting Firm, supervisor at WIN Semiconductor, and independent director at UMC, and was an Accounting professor at Tamkang University with more than 30 years of teaching experience. He is not under any circumstances listed in Article 30 of the Company Act.		NA

Qualifi-cations Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Shih-Chin Lin	Mr. Lin has knowledge of the industry, practical experience, both decision-making and academic abilities, ability to make judgments about operations, operation management, and practical ability in crisis management. He serves in the semi-conductor industry for more than 20 years and is familiar with the design process of integrated circuit. He also has abundant experience in IC design service and embedded RAM design. He was the IP Senior Director at UMC, Design Director at PSMC, and Design Manager at TSMC-Acer Semiconductor Corp., and is not under any circumstances listed in Article 30 of the Company Act.		NA
Wen-Ju Tseng	Ms. Tseng has knowledge of the industry, practical experience, both decision-making and academic abilities, accounting and financial analysis ability, international market perspective operation management, and practical ability in crisis management. She worked in related positions of Accounting and Finance in UMC, Finance Minister of Faraday Technology from 2000 to 2015, and has been the CFO and Spokesperson since 2015. Ms. Tseng is in charge of multiple businesses in managing cross-country finance, accounting, and tax planning, and is not under any circumstances listed in Article 30 of the Company Act.	Not applicable	1
Bing-Kuan Luo	Mr. Luo has knowledge of the industry, international market perspective, both operating management and academic abilities, abilities in legal, finance, crisis management, and corporate governance. He was the consultant at the Ministry of Economic Affairs and Eastern Taiwan Joint Services Center, Executive Yuan, Vice Chairman, Taiwan M&A and Private Equity Council (MAPECT), and CIO of Cassida International Capital and China Certified M&A Dealmaker . He is currently the Chairman of Hua-Shuan International Counselling Corp. and TIDA Taiwan, and is not under any circumstances listed in Article 30 of the Company Act.	They are independent directors and meet the independence criteria, including but not limited to the themselves, their spouse, relative within the second degree of kinship who are not director, supervisor, or employee of the Company or its affiliates; do not hold company shares; are not director, supervisor, or employee of an enterprise related to the Company; do not receive remuneration in	2
Wan-Fen Zhou	Ms. Zhou has knowledge of the industry, practical experience, both decision-making and academic abilities, accounting and financial analysis ability, operation management, and practical ability in crisis management. She was the CFO of Dawning Leading Technology Inc., Deputy Manager at UMC, supervisor at Shieh Yung Investment Corp. and Director of Silicon Integrated Systems Corporation. Ms. Zhou is currently the Associate Vice President of Finance Center at King Yuan Electronics Co., Ltd., and is not under any circumstances listed in Article 30 of the Company Act.		NA

Qualifi-cations Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Li-Ying Yeh	Ms. Yeh's master's degree in Management at Drexel University, equipped with industry knowledge, international market perspective, management skills, and academic abilities, as well as financial accounting analysis skills and practical crisis management capabilities. Previously served as Managing Director of Everglory Group Pte. Ltd., Head of Corporate Banking at Citibank Taiwan, Senior Vice President of Corporate Banking at Chinatrust Commercial Bank, Relationship Manager at Citibank Taipei Branch, Sales Director at Comdisco Trade Inc. Taiwan, Executive Director at Canadian Imperial Bank of Commerce Taiwan Branch, and Assistant Financial Manager at JPMorgan Chase Manhattan Bank Taiwan Branch. Currently serving as the Chief Executive Officer and Director of Trust Capital Alternative Pte. Ltd., Director of Meng & Yume Innovate Pte. Ltd., Director of Private Alternative VCC, Independent Director of Aker Technology Co., Ltd., and Chairman of Quanxin Logistics Co., Ltd.,and is not under any circumstances listed in Article 30 of the Company Act.	the past two years for providing business, legal, financial, and accounting services to the Company or its affiliates.	1

2. Diversity and Independence of the Board of Directors:

- Board Diversity

A diversification policy was formulated in the Company's "Corporate Governance Best Practice Principles" and "Procedures for Election of Directors", which clearly stipulated the members of the Company's Board of Directors should be diversified. The composition of the board of directors shall be determined by taking diversity into consideration and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following three general standards:

- Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.
- Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Sustainability and Social involvement: corporate governance, environmental sustainability, corporate social responsibility, legal compliance and human rights protection.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- Ability to make operational judgments.
- Ability to perform accounting and financial analysis.
- Ability to conduct management administration.
- Ability to conduct crisis management.
- Knowledge of the industry.
- An international market perspective.

- Ability to lead.
- Ability to make policy decisions.

Currently, there are 9 directors including 3 independent directors, to implement gender equality policies and increase women's participation in decision-making while enhancing the structure of the board of directors, the 12th term board of directors has added one female director, raising the proportion of female directors to 33.33%. This exceeds the original target of 25% for female directors set by the company. Moving forward, there are plans to increase the number of independent directors, strengthening the board's independence and supervisory functions. As of the end of 2024, 3 directors were aged 50-59, 5 were aged 60-69, and 1 were aged above 70. The independent directors had all met the regulation of independence set by the Securities and Futures Bureau and none of them is under any circumstances listed in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. Directors shall have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. For information regarding directors' education and experience, gender, professional qualification, work experience, and diversification, please refer to 03 A corporate governance report 3.1.1 Information of Directors (Page 7 to 12).

The professional background of the members of the board of directors of the company covers management, science and technology, legal, and finance, and they are managers of the technology industry. The members of the board of directors have diverse backgrounds in industry, education, academics, and knowledge, and can give professional advice from different perspectives, which is helpful for improving the company's operating performance and management efficiency. The implementation of the diversity of board members is as follows:

Title	Chairman		Director				Independent Director		
Name	Chia-Tsung Hung	Ying-Sheng Shen	Zhen-Li Huang	Kuo-Yung Wang	Shih-Chin Lin	Wen-Ju Tseng	Bing-Kuan Luo	Wan-Fen Zhou	Li-Ying Yeh
Gender	M	M	M	M	M	F	M	F	F
Age	60~69	60~69	70~79	60~69	50~59	60~69	60~69	50~59	50~59
Employee	✓			✓	✓	✓			
under 3 session							✓	✓	✓
Background									
Technology	✓	✓	✓	✓	✓	✓		✓	✓
Finance / Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓
Law							✓		
Professional knowledge and skills									
Industry experience	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operationa	✓	✓	✓	✓	✓	✓	✓	✓	✓
Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
international perspective	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership and Strategy Decision	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainable Development (ESG)	✓	✓	✓	✓	✓	✓	✓	✓	✓

- Board Independence

The nomination and selection of members of the board of directors of the company complies with the provisions of the "Articles of Incorporation", adopts the candidate nomination system, and abides by the "Corporate Governance Best Practice Principles" and "Procedures for Election of Directors". It is clearly stipulated that the selection of the company's directors should consider the overall configuration of the board of directors. The company has seven to eleven directors, and the number of directors is authorized by the board of directors to decide. The term of board of the directors is three years, and

they shall be elected by the shareholders' meeting from persons with legal capacity. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Company Act and Securities and Exchange Act , and other relevant laws and regulations. All members of the company's board of directors have the necessary knowledge, skills and accomplishments to perform their duties.

The composition of the company's current board of directors consists of 3 independent directors (33.33%), 6 non-independent directors (66.67%), of which 4 are employee directors (44.44%). None of the directors has any of the conditions listed in Article 30 of the Company Act; none of the directors has a relationship within the spouse or second-degree relatives, which complies with the provisions of Item 3 and Item 4 of Article 26-3 of the Securities and Exchange Act.

All independent directors of the company comply with the regulations on independent directors stipulated by FSC. The situation of independence is as follows:

Name	Whether the person, spouse, and relatives within the second degree are directors, supervisors, or employees of the company or its affiliated companies	The number and proportion of the company's shares held by myself, my spouse, and relatives within the second degree (or uses the name of others)	Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company	The amount of remuneration obtained for providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years
Bing-Kuan Luo	No	None	No	None
Wan-Fen Zhou	No	None	No	None
Li-Ying Yeh	No	None	No	None

3.1.4 The general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

March 25, 2024
Unit: share

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Managers obtaining employee stock option certificates	Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
Chairman & CSO	ROC	Chia-Tsung Hung	Male	March 2, 2018	—	—	—	—	—	—	<ul style="list-style-type: none">Chairman & CSO, United Microelectronics CorporationChairman & CSO Faraday Technology CorporationChairman and CSO Silicon Integrated Systems CorporationHonorary Doctorate of National Tsing Hua University	<ul style="list-style-type: none">Chairman & CSO, United Microelectronics CorporationChairman & CSO, Silicon Integrated Systems CorporationChairman, Hong Cheng Venture CapitalChairman, Hong Ding Venture CapitalDirector, Triknight Capital Corporation.Chairman, UMC Capital Corp.Director, United Microelectronics (Europe) B.V.	—	—	—	—	—
President	ROC	Kuo-Yung Wang	Male	Jul 28, 2015	403,231	0.15%	156,416	0.06%	—	—	<ul style="list-style-type: none">Director & President, Faraday Technology CorporationVice President, United Microelectronics CorporationMaster of Industrial Engineering and Engineering Management, National Tsing Hua University	<ul style="list-style-type: none">Chairman, Sheng Bang InvestmentChairman, Chi Hong InvestmentChairman ,United Business Service Corporation (Chongqing)Chairman & CSO, Artery Technology CorporationChairman, Artery Technology Company Ltd.Chairman, Artery Technology Corporation, Ltd. (Chongqing)Chairman, Sinble Technology Pte. Ltd.	—	—	—	—	—
COO & VP	ROC	Shih-Chin Lin	Male	Jul 30, 2015	171,944	0.07%	—	—	—	—	<ul style="list-style-type: none">Director & Vice President & COO ,Faraday Technology CorporationSenior Director, United Microelectronics CorporationMaster of IndustrialMaster of Electrophysics, National Yang Ming Chiao Tung University	<ul style="list-style-type: none">Chairman, Innopower TechnologyChairman, Innopower Technology Corporation (Chongqing)Chairman, Faraday Technology China CorporationChairman, Faraday Technology Japan Corp.Chairman, FaradayTek Solutions India Private LimitedDirector, Faraday Technology Corporation (Suzhou)Director, United Business Service Corporation (Chongqing)Director, Sinble Technology Pte. Ltd.Director, CoAsia SEMI Korea Corporation	—	—	—	—	—
CFO & VP	ROC	Wen-Ju Tseng	Female	Sep 1, 2017	44,107	0.02%	—	—	—	—	<ul style="list-style-type: none">Director & Vice President & CFO, Faraday Technology CorporationMaster of College of Management, National Yang Ming Chiao Tung University	<ul style="list-style-type: none">Director, Artery Technology CorporationDirector , Artery Technology Company Ltd.Director, Artery Technology Corporation, Ltd. (Chongqing)Director, Sinble Technology Pte. Ltd.Director, ShiehYung Investment CorporationIndependent Director, Uniflex Technology Inc.	—	—	—	—	—

Title	Nationality	Name	Gender	Date Effective	Shareholding (Note)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Managers obtaining employee stock option certificates	Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
VP	ROC	Cheng-Hsing Chien	Male	Jun 17, 2019	45,247	0.02%	—	—	—	—	<ul style="list-style-type: none">SAVP, Faraday Technology CorporationMaster of Electrical Engineering, National Taiwan University	<ul style="list-style-type: none">Chairman, Faraday Technology Vietnam Company LimitedChairman , Sinble Technology Vietnam Company Litmitted	—	—	—	—	—
VP	ROC	Kuo-Hua Lee	Male	Dec 3, 2019	82,974	0.03%	10,000	0.004%	—	—	<ul style="list-style-type: none">SAVP, Faraday Technology CorporationMaster of Physics, Tamkang University	<ul style="list-style-type: none">Chairman, Faraday Technology Corporation. (USA)	—	—	—	—	—
SAVP	ROC	Shu-Huei Liao	Female	Sep 1, 2021	32,692	0.01%	—	—	—	—	<ul style="list-style-type: none">Director,Faraday Technology CorporationMaster of Industrial Engineering and Engineering Management, National Tsing Hua University	None	—	—	—	—	—
SAVP	ROC	Ying-Cih Yen	Male	March 23, 2023	3,109	0.001%	—	—	—	—	<ul style="list-style-type: none">Deputy Director of Client Projects, Taiwan Semiconductor Manufacturing Co., Ltd.Master of Institute of Electronics, National Yang Ming Chiao Tung University	None	—	—	—	—	—
SAVP	ROC	Chen-Yi Huang	Male	June 16, 2023	3,527	0.001%	—	—	—	—	<ul style="list-style-type: none">Manager of Management Office, Macronix International Co., LtdManager of Organizational Management and Development, Vanguard International Semiconductor CorporationMaster of Business Administration, Fu Jen Catholic University	None	—	—	—	—	—

3.1.5 Remuneration paid during the most recent fiscal year to directors, the general manager, and assistant general managers

Remuneration of Directors and Independent Directors

December 31, 2024

Unit: NTD\$ Thousand

Title		Name		Director remuneration						Sum of A+B+C+D and ratio to Net Income(%)		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A+B+C+D+E+F+G and ratio to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company	
				Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)				Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)					
				Faraday	All companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements	Faraday		Companies in the consolidated financial statements			
																		Cash	Stock	Cash	Stock		
Chairman	United Microelectronics Corporation Representative: Chia-Tsung Hung (Note 2)	720	720	—	—	579	579	240	240														
Director	United Microelectronics Corporation Representative: Ying-Sheng Shen (Note 2)	720	720	—	—	579	579	240	240														
Director	Unimicron Technology Corp. Representative: Zhen-Li Huang (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	Kuo-Yung Wang	720	720	—	—	—	—	240	240														
Director	Shih-Chin Lin	720	720	—	—	—	—	240	240														
Director	Wen-Ju Tseng	720	720	—	—	—	—	240	240														
Independent Director	Ning-Hai Jin	395	395	—	—	—	—	90	90														
Independent Director	Bing-Kuan Luo	960	960	—	—	—	—	150	150	3,603 (0.35%)	3,603 (0.35%)	—	—	—	—	—	—	—	—	3,603 (0.35%)	3,603 (0.35%)	None	
Independent Director	Wan-Fen Zhou	960	960	—	—	—	—	150	150														
Independent Director	Li-Ying Yeh	568	568	—	—	—	—	150	150														

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid : Note1

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises):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

- 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.
- 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.

- 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

- 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.
- 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.
- 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 corporate governance's trend in order to strike a balance between sustainable operation and risk control. The actual distribution amount of the directors and managers' remuneration in 2024 is reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.

Note 2: Regarding the Directors' Remuneration, base compensation and allowances are paid to the representatives, while Directors' Compensation is paid to the corporate.

Remuneration Tiers

Range of Remuneration (NT\$)	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	Faraday	Companies in the consolidated financial statements	Faraday	Companies in the consolidated financial statements
Lower than 1,000,000	Unimicron, Chia-Tsung Hung, Kuo-Yung Wang, Shih-Chin Lin, Wen-Ju Tseng, Ying-Sheng Shen, Zhen-Li Huang, Ning-Hai Jin, Li-Ying Yeh	Unimicron, Chia-Tsung Hung, Kuo-Yung Wang, Shih-Chin Lin, Wen-Ju Tseng, Ying-Sheng Shen, Zhen-Li Huang, Ning-Hai Jin, Li-Ying Yeh	Unimicron, Ying-Sheng Shen, Zhen-Li Huang, Ning-Hai Jin, Li-Ying Yeh	Unimicron, Ying-Sheng Shen, Zhen-Li Huang, Ning-Hai Jin, Li-Ying Yeh
1,000,000 (inclusive) ~ 2,000,000 (not inclusive)	UMC, Bing-Kuan Luo, Wan-Fen Zhou	UMC, Bing-Kuan Luo, Wan-Fen Zhou	UMC, Bing-Kuan Luo, Wan-Fen Zhou	UMC, Bing-Kuan Luo, Wan-Fen Zhou
2,000,000 (inclusive) ~ 3,500,000 (not inclusive)	—	—	—	—
3,500,000 (inclusive) ~ 5,000,000 (not inclusive)	—	—	—	—
5,000,000 (inclusive) ~ 10,000,000 (not inclusive)	—	—	—	—
10,000,000 (inclusive) ~ 15,000,000 (not inclusive)	—	—	Chia-Tsung Hung, Wen-Ju Tseng	Chia-Tsung Hung, Wen-Ju Tseng
15,000,000 (inclusive) ~ 30,000,000 (not inclusive)	—	—	Kuo-Yung Wang, Shih-Chin Lin	Kuo-Yung Wang, Shih-Chin Lin
30,000,000 (inclusive) ~ 50,000,000 (not inclusive)	—	—	—	—
50,000,000 (inclusive) ~ 100,000,000 (not inclusive)	—	—	—	—
More than 100,000,000	—	—	—	—
Total	12 people	12 people	12 people	12 people

Note : The amount of Directors' remuneration approved by the Board of Directors in 2025.

Remuneration of President and VPs

December 31, 2024
Unit: NT\$1,000/1,000 shares

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Sum of A+B+C+D and ratio to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Companies in the Faraday consolidated financial statements		Companies in the Faraday consolidated financial statements		Companies in the Faraday consolidated financial statements		Faraday		Companies in the consolidated financial statements		Companies in the Faraday consolidated financial statements		
								Cash amount	Stock amount	Cash amount	Stock amount			
CSO	Chia-Tsung Hung													
President	Kuo-Yung Wang													
VP & COO	Shih-Chin Lin	19,204	30,229	—	—	48,822	52,940	3,870	—	3,870	—	71,896 (6.90%)	87,039 (8.36%)	—
VP & CFO	Wen-Ju Tseng													
VP	Cheng-Hsing Chien													
VP	Kuo-Hua Lee													

Remuneration Tiers

Range of Remuneration (NT\$) (Note)	Names of Chief Strategy Officer, President, COO and VPs	
	Faraday	Companies in the consolidated financial statements
Lower than 1,000,000	Kuo-Hua Lee	—
1,000,000 (inclusive) ~ 2,000,000 (not inclusive)	—	—
2,000,000 (inclusive) ~ 3,500,000 (not inclusive)	—	—
3,500,000 (inclusive) ~ 5,000,000 (not inclusive)	—	—
5,000,000 (inclusive) ~ 10,000,000 (not inclusive)	Cheng-Hsing Chien	Cheng-Hsing Chien
10,000,000 (inclusive) ~ 15,000,000 (not inclusive)	Chia-Tsung Hung, Wen-Ju Tseng	Chia-Tsung Hung, Wen-Ju Tseng, Kuo-Hua Lee
15,000,000 (inclusive) ~ 30,000,000 (not inclusive)	Kuo-Yung Wang, Shih-Chin Lin	Kuo-Yung Wang, Shih-Chin Lin
30,000,000 (inclusive) ~ 50,000,000 (not inclusive)	—	—

50,000,000 (inclusive) ~ 100,000,000 (not inclusive)	—	—
More than 100,000,000	—	—
Total	6 people	6 people

Note : The amount of employees’ remuneration approved by the Board of Directors in 2025.

Names of Managers Receiving Employee Remuneration and Amounts Distributed

December 31, 2024
NTD\$ Thousand

		Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash (Note)	Total	Ratio of Total Amount to Net Income After Tax (%)	
Manager	CSO	Chia-Tsung Hung				
	President	Kuo-Yung Wang				
	VP & COO	Shih-Chin Lin				
	VP & CFO	Wen-Ju Tseng				
	VP	Cheng-Hsing Chien	—	5,017	5,017	0.48%
	VP	Kuo-Hua Lee				
	SAVP	Shu-Huei Liao				
	SAVP	Chen Yi Huang				
	SAVP	Ying-Tzu Yen				

Note : The amount of employees’ remuneration approved by the Board of Directors in 2025.

Analysis of Remuneration of Directors, President, and VPs in the last two years

NTD\$ Thousand

Title	Faraday				All Companies in the Financial Statements			
	2024		2023		2024		2023	
	Total remuneration	The ratio to net profit after tax	Total remuneration	The ratio to net profit after tax	Total remuneration	The ratio to net profit after tax	Total remuneration	The ratio to net profit after tax
Directors (include Independent Directors)	73,299	7.04%	79,734	5.02%	73,299	7.04%	79,734	5.02%
Presidents and VPs	71,896	6.90%	86,143	5.42%	87,039	8.36%	92,653	5.83%

Note:

- The decrease in total remuneration of Directors in 2024 compared to 2023 is due to the decrease in net profit after tax in 2024.
- The decrease in total remuneration of President and VPs in 2024 compared to 2023 is due to the decrease in bonus payments in 2024.

Remuneration Payment Policy

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

1. Remuneration policies, procedures, standards, and structure

- 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.
- The compensation for the company's managers is determined based on the overall operational performance of the company, the positions held by each manager, their contributions to the company's operations, individual performance, financial indicators, sustainable development indicators (covering environmental, social, and corporate governance aspects), as well as considerations of future risks and benchmarking against industry compensation standards. After an individual review and assessment of the overall compensation's reasonableness by the Compensation Committee, it is submitted to the

Board of Directors for resolution. The compensation system, standards, and structure will be periodically reviewed and adjusted in accordance with actual management conditions and relevant regulations to balance the company's sustainability and risk management. In case of profit generated for the year, it shall set aside no less than 1% for remuneration of employees as stipulated in Article 27 of the Articles of Incorporation.

Total compensation	Compensation elements and weights		
Fixed	The responsibilities of the position and the relative importance of each element will be determined in reference to industry standards.		
Variable	Financial indicators	60%	Operating profit margin, gross margin, and the ratio of R&D expenses to revenue, etc
	Sustainable development indicators	40%	Corporate governance evaluation: 15% Proportion of renewable energy usage: 15% Workplace injury incidents/women in management ratio: 10%

Note:

- Considering different compensation objectives, a diverse range of compensation components will be provided, such as performance bonuses, signing bonuses, employee remuneration, and restricted stock.
 - Based on the execution and achievement of the operational strategies and goals for which each executive is responsible.
 - The cash rewards actually received in the current year will serve as the calculation basis.
- Faraday'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. Procedure for setting remuneration
- The evaluation result of the "Faraday's Board Performance Evaluation Measures" and "Performance Evaluation Measures" that is applicable to the managers and employees are the basis to regularly evaluate the salary and remuneration of the directors and managers. Performance assessments and compensation levels of directors and managers shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, sustainable goal achievement rate, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of Faraday.
 - In 2024, revenue from mature process mass production was slightly weak due to economic factors and customer inventory adjustments. However, the strategy layout of our Operation Model 2.0 helped us maintain stability and establish a long-term growth trend in a year of high uncertainty, with total revenue reaching NT\$11.06 billion, an 8% decrease from last year, and earnings per share of NT\$4.04. Both the silicon intellectual property and contract design revenues from our three major product lines reached historic highs, with silicon intellectual property revenue growing for four consecutive years

to NT\$1.56 billion, an 11% increase from the previous year. Contract design revenue reached NT\$2.25 billion, a 30% increase from last year, mainly benefiting from significant growth in advanced processes. However, mass production revenue decreased by 18% compared to last year, totaling NT\$7.25 billion, primarily due to weakened demand in the mature process market and inventory adjustments. Overall, benefiting from the transformation of Business Model 2.0, our operations still show highlights, and future growth potential is promising.

- In 2024, the performance evaluations of the board of directors, board members, and various functional committees of our company all exceeded the standards. All executives achieved the predetermined performance goals. Therefore, the company will provide compensation in accordance with relevant regulations.

3. The Linkage with remuneration amount

- 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.
- 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.
- 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 company governance trend in order to strike a balance between sustainable operation and risk control. The actual distribution amount of the directors and managers' remuneration in 2024 is reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.

4. The Clawback Policy

To enhance the effectiveness of corporate governance and ensure the reliability of financial results, Faraday officially established the "Clawback Policy" in October 2024. This policy clearly defines the circumstances under which the company may reclaim specific compensation in the event of a significant restatement of financial statements, aligning with the best interests of the company and its shareholders to improve the long-term reliability of corporate governance.

- For more details regarding the Clawback Policy, please refer to the Document Center section on Faraday's official website (<https://www.faraday-tech.com/en/content/CSR/DocumentCenter>).

3.2 Corporate Governance Implementation Status

3.2.1 Operation of the Board of Directors:

The Board of Directors convened 3(A) meetings in 2024 before the board of directors was re-elected on May 29, 2024. The Directors' attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Chairman	Chia-Tsung Hung (UMC Representative)	3	0	100%	—
Director	Ying-Sheng Shen (UMC Representative)	3	0	100%	—
Director	Zhen-Li Huang (Unimicron Representative)	3	0	100%	—
Director	Kuo-Yung Wang	3	0	100%	—
Director	Shih-Chin Lin	3	0	100%	—
Director	Wen-Ju Tseng	3	0	100%	—
Independent Director	Ning-Hai Jin	3	0	100%	Predecessor
Independent Director	Bing-Kuan Luo	3	0	100%	—
Independent Director	Wan-Fen Zhou	3	0	100%	—

For the year 2024 until the publication date of this annual report and after the board of directors' re-election on May 29, 2024, the Borad of Directors conducted 6(A) meetings. The Directors' attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Chairman	Chia-Tsung Hung (UMC Representative)	6	0	100%	—
Director	Ying-Sheng Shen (UMC Representative)	6	0	100%	—
Director	Zhen-Li Huang (Unimicron Representative)	6	0	100%	—
Director	Kuo-Yung Wang	6	0	100%	—
Director	Shih-Chin Lin	6	0	100%	—
Director	Wen-Ju Tseng	6	0	100%	—
Independent Director	Bing-Kuan Luo	6	0	100%	—
Independent Director	Wan-Fen Zhou	6	0	100%	—
Independent Director	Li-Ying Yeh	6	0	100%	Successor

- Annotations:
1. In case the operation of the board of directors has any of the circumstances below, state the date of the board meeting, the session number, the content of the motion, the opinions of all independent directors and Faraday's disposal of the opinions of independent directors:

●: Attendance in person ★ : By Proxy ▲ :Absent
3. Information about Board of Directors’ performance evaluation implementation (i.e. the evaluation cycle and period, the evaluation scope, the evaluation method and evaluation aspects):

Implementation of Board of Directors’ performance evaluation

Independent Director	1st	2nd	3rd	4th	5th	6th	7th	8th	9th
Ning-Hai Jin	●	●	●	—	—	—	—	—	—
Bing-Kuan Luo	●	●	●	●	●	●	●	●	●
Wan-Fen Zhou	●	●	●	●	●	●	●	●	●
Li-Ying Yeh	—	—	—	●	●	●	●	●	●

- Matters listed in Article 14.3 of the Securities Exchange Act: Faraday has established the audit committee, so it is not applicable to Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to 3.2.2 The state of operations of the Audit Committee. (Page 39~42)

- Other written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion, in addition to the matters above: None.

2. On the implementation of directors’ avoidance of interests, state the names of the directors, the contents of the motions, the reasons for the avoidance of interests and the participation in the voting:

Director name	Motion content	Reason for avoidance	Participation in voting	Remarks
Chia-Tsung Hung Kuo-Yung Wang Shih-Chin Lin Wen-Ju Tseng	<div>● Proposal for the salary and remuneration of the Managerial Officers.</div> <div>● Employee Stock Option case for the cash issuance of new shares in 2023</div>	The Directors have a stake in the motion.	Not voting	2024/02/20 16th session of 11th term
Chia-Tsung Hung Bing-Kuan Luo Wan-Fen Zhou Li-Ying Yeh	<div>● Election of the Chairman of the Board for the 12 th term.</div> <div>● Appointment of members for the 6th Compensation Committee.</div> <div>● Appointment of the second-term Nomination Committee members</div>	The Directors have a stake in the motion.	Not voting	2024/06/11 1st session of 12th term
Chia-Tsung Hung Kuo-Yung Wang Shih-Chin Lin Wen-Ju Tseng	Proposal for the salary and remuneration of the Managerial Officers.	The Directors have a stake in the motion.	Not voting	2024/07/30 3rd session of 12th term
Chia-Tsung Hung Kuo-Yung Wang Shih-Chin Lin Wen-Ju Tseng	Description and proposal for the salary and remuneration of the Managerial Officers.	The Directors have a stake in the motion.	Not voting	2024/10/29 4th session of 12th term
Chia-Tsung Hung Kuo-Yung Wang Shih-Chin Lin Wen-Ju Tseng	Proposal for the salary and remuneration of the Managerial Officers.	The Directors have a stake in the motion.	Not voting	2025/02/21 6th session of 12th term

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Every year	January 1st to December 31st, 2024	Including the performance evaluation of the Board of Directors, Functional Committees, and individual Directors	Self-evaluation of the Board, Functional Committees, and Board members	<div>1. The measurement items for the self-evaluation of the Board of Directors include the following aspects:<div>▫ Participation in Faraday's operations.</div><div>▫ Improve the decision-making quality of the Board.</div><div>▫ Board composition and structure.</div><div>▫ Election and continuing education of Directors.</div><div>▫ Internal control.</div></div> <div>2. The measurement items for the self-evaluation of Board members include the following aspects:<div>▫ Mastery of company goals and tasks.</div><div>▫ Awareness of Directors' responsibilities.</div><div>▫ Participation in Faraday's operations.</div><div>▫ Management and communication of internal relationship.</div><div>▫ Professional and continuing education of Directors.</div><div>▫ Internal control.</div></div> <div>3. Functional Committee self-evaluation measurement items, include the following aspects:<div>▫ Participation in Faraday's operations.</div><div>▫ Recognition of the responsibilities of Functional Committees.</div><div>▫ Improve the decision-making quality of Functional Committees.</div><div>▫ Functional Committee composition and member selection.</div><div>▫ Internal control.</div></div>

- Results of Internal Performance Evaluation of the Board of Directors

In 2024, the entire board of directors, functional committees, and individual board members conducted a self-assessment using an internal questionnaire. The assessment period was from January 1, 2024, to December 31, 2024. The questionnaire primarily covered participation in company operations, enhancement of decision-making quality, composition and structure of members, appointment and ongoing education, as well as internal controls. Based on the self-evaluation results from each director (or committee member) in these areas, the overall performance assessment for the board, individual board members, and functional committees was rated as 'Excellent,' indicating that the overall operation is in good condition.

The performance evaluation results for the entire board of directors, individual board members, and functional committees for the year 2024 have been submitted to the 3rd Nomination Committee of the 2nd term on February 21, 2025, and to the 6th meeting of the 12th Board of Directors. These results will serve as a reference for future reviews and improvements aimed at enhancing the operational effectiveness of the board, selecting or nominating directors, and determining their individual

compensation.

4. Goals and status of strengthening the function and performances of the Board of Directors in current years:

- Strengthen the functions of the Board: Faraday is devoted to strengthen the Board of Directors mechanism and has established an Audit Committee on June 9, 2015. In accordance with the regulations, the Audit Committee shall hold a meeting every quarter, and at any time when necessary. The main purpose of the Audit Committee is to assist the Board of Directors in decision-making and to strengthen the supervising function of the Board of Directors. The meeting attendance of the Board of Directors in 2024 was good, and the Board of Directors operation is fully participated. Motions that have stakes with directors are reviewed by the Audit Committee or the Remuneration Committee before submit for the Board of Directors' resolution. According to Faraday's "Board Performance Evaluation Measures", the board of directors shall conduct an internal board performance evaluation every year according to the evaluation procedures and the evaluation indexes .The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.
- Strengthening the Director Nomination System: To enhance the diversity and professionalism of board members, the company officially established a Nomination Committee on October 24, 2024. This committee is responsible for searching, reviewing, and nominating candidates for the board of directors, conducting performance evaluations for the board, various committees, and individual directors, assessing the independence of independent directors, and planning and executing training programs and succession plans for directors.
- Enhance information transparency: The major resolution of the Board of Directors and financial information are publicly announced on MOPS and disclosed on the Faraday's official website in accordance with the regulations. Investors and shareholders may obtain relevant information in a timely manner.
- In 2024 and up to the publication of this annual report in 2025, the Board of Directors convened 9 meetings with at least two independent directors attend in person in every meeting, which highlighting the active participation of the company's independent directors in the operations of the board of directors.
- The Board of Directors has been operating in accordance with the "Code of Procedures for Board Meetings". Meanwhile, continuing education is arranged for directors to maintain their core values and professional competence. Directors' training status in 2024 is as the following:

Title	Director Name	Date	Organizer	Name of Course	Hours
Chairman	Chia-Tsung Hung	2024/06/12	Taiwan Corporate Governance Association	Challenges and Opportunities of Climate Change	3
		2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Director	Ying-Sheng Shen	2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Director	Zhen-Li Huang	2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Director	Kuo-Yung Wang	2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Director	Shih-Chin Lin	2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Director	Wen-Ju Tseng	2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Independent Director	Bing-Kuan Luo	2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/09/20	Taiwan Independent Director Association	<ul style="list-style-type: none"> Gender Equality, Prevention of Workplace Bullying, and Protection against Illegal Violations Utilizing AI Guidelines to Enhance the Development of the Financial Industry in Our Country 	3
		2024/09/26	Taiwan Independent Director Association	Introduction to carbon pricing trading mechanism and IFRS Sustainability Disclosure Standards (S1 & S2)	3
Independent Director	Wan-Fen Zhou	2024/08/08	Securities and Futures Institute	Taiwan's Green Power Trading System and Procurement Practices	3
		2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/08	Taiwan Corporate Governance Association	IFRS Sustainability Disclosure Series Standards: Transformations in Sustainability, Climate Information, and Annual Shareholder Reports	3
Independent Director	Li-Ying Yeh	2024/08/08	Taiwan Corporate Governance Association	Legal Responsibilities for common violations of the Securities Exchange Act	3
		2024/09/10	Taiwan Independent Director Association	Examining the Applications and Challenges of Generative AI through ChatGPT	3
		2024/11/28	Taiwan Independent Director Association	Connecting Carbon: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3

3.2.2 The state of operations of the Audit Committee

1. Operation of the Audit Committee:

The Audit Committee convened 3 (A) meetings in 2024 before the committee was re-elected on May 29, 2024.

The Independent Directors' attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Independent Director	Bing-Kuan Luo	3	0	100%	Convener
Independent Director	Ning-Hai Jin	3	0	100%	Predecessor
Independent Director	Wan-Fen Zhou	3	0	100%	—

For the year 2024 until the publication date of this annual report and after the committees' re-election on May 29, 2024, the Audit Committee conducted 4(A) meetings.

The Independent Directors' attendance status is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) B/A	Remarks
Independent Director	Wan-Fen Zhou	4	0	100%	Convener
Independent Director	Bing-Kuan Luo	4	0	100%	—
Independent Director	Li-Ying Yeh	4	0	100%	Successor

Annotations:

- In case the operation of the Audit Committee has any of the circumstances below, state the date of the board meeting, the session number, the content of the motion, the Audit Committee's review results and Faraday's disposal of the opinions of the Audit Committee:
 - Resolutions related to Article 14.5 of the Securities and Exchange Act : Listed in the table below.
 - Other resolutions that was not approved by the Audit Committee but was approved by two thirds or more of all Directors: None.

Audit Committee Meeting Dates/Session	Resolution	Independent directors' objections, reservations or major proposals	Result	Faraday's disposal of member opinions
January 15, 2024 12th session of 3rd term	<ul style="list-style-type: none"> Faraday plans a cash capital increase for its subsidiary, Sheng Bang Investment Corporation. Acquisition case of subsidiary Sheng Bang Investment Corporation. 			
February 20, 2024 13th session of 3rd term	<ul style="list-style-type: none"> Faraday's 2023 Business Report and Financial Statements. Proposal for Distribution of 2023 Profits. Implementation of the audit plan and evaluation of the effectiveness of the Internal Control System in 2023. Faraday regularly evaluates the independence and suitability of the CPAs. 			
April 23, 2024 14th session of 3rd term	<ul style="list-style-type: none"> Faraday's 2024Q1 Financial Statements. Public expense case for the appointment of auditors for the year of 2024. Proposal for the establishment of general principles for pre-approval of non-assurance services policy within Faraday in 2024. 			
June 27, 2024 1st session of 4th term	<ul style="list-style-type: none"> Plan to invest in CoAsia SEMI Korea Corporation through our subsidiary, Sheng Bang Investment Corporation. 	None	Approved by all Audit Committee Members.	Submit to the Board of Directors and approved by the directors who participated in the discussion and voting.
July 30, 2024 2nd session of 4th term	<ul style="list-style-type: none"> Faraday's 2024Q2 Financial Statements. 			
October 29, 2024 3rd session of 4th term	<ul style="list-style-type: none"> Faraday's 2024Q3 Financial Statements. Amendment to the Company's "Regulations Governing Establishment of Internal Control Systems". Audit plan for the year of 2025. 			
February 21, 2025 4th session of 4th term	<ul style="list-style-type: none"> Faraday's 2024 Business Report and Financial Statements. Proposal for Distribution of 2024 Profits. Implementation of the audit plan and evaluation of the effectiveness of the Internal Control System in 2024. Change of the Company's Internal Audit Supervisor. Faraday regularly evaluates the independence and suitability of the CPAs. Proposal for the establishment of general principles for pre-approval of non-assurance services policy within Faraday in 2025. 			

- On the implementation of Independent Directors' avoidance of interests, state the names of the Independent Directors, the contents of the resolutions, the reasons for the avoidance of interests and the participation in the voting: None.
- Descriptions of the communications between the Independent Directors, the internal auditors, and the CPAs(which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.):

- The communications between the Independent Directors and the internal auditors:

The internal audit supervisor regularly provides Audit Reports and future audit plans to the Audit Committee. Whenever the Audit Committee members need information about Faraday's financial and Operation status , Faraday arranges responsible personnel to attend the meeting and give a briefing.

Date	Communications Focus	Result
February 20, 2024 The Audit Committee	2023 Internal Control System Statement.	Approved by the Audit Committee and submit to the Board of Directors.
	Report on the implementation of internal audit business in 2023Q4.	Noted
April 23, 2024 The Audit Committee	Report on the implementation of internal audit business in 2024Q1.	Noted
July 30, 2024 The Audit Committee	Report on the implementation of internal audit business in 2024Q2.	Noted
October 29, 2024 The Audit Committee	Report on the implementation of internal audit business in 2024Q3.	Noted
	To set up 2025 Audit Plan.	Approved by the Audit Committee and submit to the Board of Directors.
February 21, 2025 The Audit Committee	2024 Internal Control System Statement.	Approved by the Audit Committee and submit to the Board of Directors.
	Report on the implementation of internal audit business in 2024Q4.	Noted

- The communications between the Independent Directors and the CPAs:

The CPAs will report to the Audit Committee at least once a year about the audit results and the key audit items in the future. The Audit Committee members may also contact the CPAs at any time by phone or email.

The communication channel between the Audit Committee and the CPAs functioned well.

Date	Communications Focus	Result
February 16, 2024 The Audit Committee pre-meeting.	<ul style="list-style-type: none"> • Communication with corporate governance units and management. • Quality management guide No. 1 (ISQM 1/TWSQM 1) • Tax law update • Ernst & Young Audit Quality Indicators (AQI) information 	2023 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
April 19, 2024 The Audit Committee Pre-meeting	<ul style="list-style-type: none"> • Communication with corporate governance units and management. • Updates to the Securities Regulatory Act. • Latest Developments in Sustainability Disclosure Standards 	2024Q1 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
July 24, 2024 The Audit Committee pre-meeting.	<ul style="list-style-type: none"> • Communication with corporate governance units and management. • Updates to the Securities Regulatory Act. • Latest Developments in Sustainability Disclosure Standards. 	2024Q2 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
October 24, 2024 The Audit Committee pre-meeting.	<ul style="list-style-type: none"> • Communication with corporate governance units and management. • Updates to the Securities Regulatory Act. • Latest Developments in Sustainability Disclosure Standards. 	2024Q3 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
February 18, 2025 The Audit Committee pre-meeting.	<ul style="list-style-type: none"> • Communication with corporate governance units and management. • Quality management guide No. 1 (ISQM 1/TWSQM 1) • Updates to the Securities Regulatory Act. • Tax law update • Ernst & Young Audit Quality Indicators (AQI) information 	2024 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.

3.2.3 Taiwan Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
1. Has Faraday established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		Faraday has established Corporate Governance Best Practice Principles with reference to the “Taiwan Corporate Governance Implementation” which has been published on Faraday's official website and a “Corporate Governance” section has been set up for investors to inquire and download relevant regulations.
2. Shareholding Structure & Shareholders’ Right			
▫ Does Faraday have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		Faraday has established Rules of Procedure for Shareholders' Meetings. In order to ensure the rights and interests of shareholders, faraday has a spokesperson system and a contact window (ir@faraday-tech.com), and set up a shareholder area under investor relations on the Faraday’s official website to respond to shareholders' opinions and responses, and deal with shareholders' suggestions, doubts, disputes, etc. We also will response to the Board of Directors and the Audit Committee timely.
▫ Does Faraday know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		Faraday declares the changes in shareholding of insiders according to the regulations before the 10th of each month, and has a person to deal with matters related to stock affairs, and has close business relations with stock agency agencies to ensure the stability of management rights.
▫ Has Faraday built and executed a risk management system and “firewall” between Faraday and its affiliates?	✓		The personnel, assets and financial management rights and responsibilities between affiliates are clearly divided, while risk assessment is firmly implemented and an appropriate firewall is established. The “Measures for Monitoring Subsidiaries” and the “Regulations on the Reciprocal Financial Business of Affiliates” have been established and firmly implemented.

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
▫ Has Faraday established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		Faraday has formulated the "Insider Transaction Prevention Regulations", "Procedures for Handling Material Inside Information " and "Ethical Corporate Management Best Practice Principles", which have been published on the Faraday’s official website for investors to inquire about and download relevant company regulations; at the same time, and It is strictly forbidden for company insiders and employees to use unpublished information in the market to buy and sell securities, to protect investors and safeguard Faraday's rights and interests. Regular insider trading prevention publicity courses are held every year. In 2024, directors and colleagues will conduct insider trading prevention publicity courses with a total of 699 people/hours. The content of the insider trading prevention course includes: insider trading, actors, actual knowledge, major news, buying and selling targets, buying and selling time points, identification of major news clear time points, penalties, short-term trading, regulated objects, regulated periods, regulated targets, and calculation of ownership rights Way... etc. After the course is over, the briefing and audio-visual files will be placed in the internal employee system for reference by colleagues. Faraday also reminds directors and managers not to trade their stocks during the closed period 30 days before the announcement of the annual financial statements and 15 days before the quarterly financial statements in the annual course on the prohibition of insider trading; Notified directors and managers in October 2024 of the 2025 board meeting date, as well as the closed period before the quarterly financial statements announcement, to prevent directors and managers from erroneously touching the norms.

Assessment Item	Implementation Status		Summary description	Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons	
	Y	N			
3. Composition and Responsibilities of the Board of Directors <div>▫ Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</div>	✔		<p>The nomination and selection of members of the board of directors of Faraday follows the provisions of the "Articles of Association", adopts the nomination system for candidates, and abides by the "Code of Practice for Corporate Governance" and "Director Election Method". To formulate an appropriate diversity policy for its own operation, operation type and development needs, includes but is not limited to their conditions and values, such as gender, age, nationality, independence, culture, as well as professional knowledge and skills, and corporate sustainability and social engagement, in addition to possessing the knowledge, skills and qualities necessary to perform duties, in order to achieve the ideal goal of corporate governance, the board of directors as a whole should The abilities include 1. Operational judgment ability 2. Accounting and financial analysis ability 3. Operation and management ability 4. Crisis handling ability 5. Industry knowledge 6. International market outlook 7. Leadership ability 8. Decision-making ability.</p> <p>The specific management objective and achievement of Board member diversity policy as following:</p>		

Management objectives	Situation
Female ratio of the Board up to 25%	Achieved
There are currently 9 directors of Faraday,(including 3 independent directors), to implement gender equality policies, increase women's participation in decision-making, and improve the structure of the board of directors, the 12th board has added one female director, raising the proportion of female directors to 33.33%. This exceeds the original target of 25% for female directors set by the company. In the future, plans will focus on increasing the number of independent directors to strengthen the independence and oversight functions of the board. As of the end of 2024, there were 3 directors aged 50-59 years, 5 directors aged 60-69 years, and 1 directors aged over 70 years old. Among them, the independent directors are all in line with the regulations of SFB on independent directors. None of the items specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act, there is no relationship between the directors of a spouse or relative within the second degree of kinship, and each director's educational experience, gender, professional qualifications, work experience and diversity. For relevant information, please refer to3.1.1 Information of Directors (Pages 7~12) and 3.1.3 Professional qualifications and independence of independent Directors (Pages 14~19).	

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
▫ Has Faraday voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✔		In addition to establishing the Compensation Committee and Audit Committee to assist the Board of Directors in fulfilling its responsibilities, Faraday, to strengthen the director appointment system and build a diversified and professional board, officially had established the Nomination Committee on October 24th, 2023. The Nomination Committee is responsible for searching, reviewing, and nominating director candidates, conducting performance evaluations of the Board of Directors, various committees, and individual directors, evaluating the independence of independent directors, and planning and implementing director training programs and succession plans.
▫ Has Faraday established rules and methodology forevaluating the performance of its Board of Directors,implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/ compensation for individual directors and their nomination and additional office terms?	✔		According to Faraday's "Rules for Performance Evaluation of Board of Directors", The Board of Directors shall conduct an internal board performance evaluation every year according to the evaluation procedures and the evaluation indexes. The board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods, in order to establish performance goals and enhance the operational efficiency of the board of directors. Internal and external board performance evaluations shall be completed before the end of the first quarter of the following year, and the evaluation results should be reported to the Board of Directors in the first quarter and disclosed on the company website. When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																								
	Y	N																									
Does Faraday regularly evaluate its external auditors' independence?	✓		<p>The audit committee and the board of directors of Faraday regularly evaluate the independence and suitability of CPAs every year. In addition to requiring CPAs to provide "Accountant independence statement and Audit Quality Indicators (AQIs), and refer to AQIs disclosure framework-5 Organizations, 13 indicators for evaluation. It is confirmed that the CPAs has no other financial interests or business relationship with the company except for visa and financial and taxation fees, and the accountant's family members do not violate the independence requirements. With reference to the AQIs index information, the CPAs' experience and training hours in the EQCR accountant audit are better than the average level of the industry. In addition, digital auditing has been continuously promoted in recent years to improve audit quality.</p> <p>The Audit Committee and the Board of Directors have approved the regular evaluation on the independence and competence of CPAs on February 20, 2024, Audit Committee's 13th session of 3rd term and Board of Directors meeting 16th session of 11th term, Audit Committee's 4th session of 4 th term and Board of Directors meeting 6th session of 12th term on February 21, 2025, and have obtained the independence statement issued by CPAs and AQIs.</p> <p>Evaluation on the independence and competence of CPAs is as follows:</p> <table><tr><th>Independence</th><th>Yes</th><th>No</th></tr><tr><td>Do the CPAs not act as either the directors or supervisors of the Company or its affiliates?</td><td>✓</td><td></td></tr><tr><td>Are the CPAs not shareholders of the Company or its affiliates?</td><td>✓</td><td></td></tr><tr><td>Do the CPAs not receive remuneration from the Company or its affiliates?</td><td>✓</td><td></td></tr><tr><td>Are the CPAs not having direct or significantly indirect financial interest with the Company or its affiliates?</td><td>✓</td><td></td></tr><tr><td>Are the CPAs not the stakeholders of the Company or its affiliates?</td><td>✓</td><td></td></tr><tr><td>There is a five-year rotation as of the last certification.</td><td>✓</td><td></td></tr><tr><td>Have the CPAs complied with the regulations of independence listed in the Norm of Professional Ethics for Certified Public Accountant Bulletin No.10 and obtained the "independence statement" issued by the CPAs?</td><td>✓</td><td></td></tr></table>	Independence	Yes	No	Do the CPAs not act as either the directors or supervisors of the Company or its affiliates?	✓		Are the CPAs not shareholders of the Company or its affiliates?	✓		Do the CPAs not receive remuneration from the Company or its affiliates?	✓		Are the CPAs not having direct or significantly indirect financial interest with the Company or its affiliates?	✓		Are the CPAs not the stakeholders of the Company or its affiliates?	✓		There is a five-year rotation as of the last certification.	✓		Have the CPAs complied with the regulations of independence listed in the Norm of Professional Ethics for Certified Public Accountant Bulletin No.10 and obtained the "independence statement" issued by the CPAs?	✓	
Independence	Yes	No																									
Do the CPAs not act as either the directors or supervisors of the Company or its affiliates?	✓																										
Are the CPAs not shareholders of the Company or its affiliates?	✓																										
Do the CPAs not receive remuneration from the Company or its affiliates?	✓																										
Are the CPAs not having direct or significantly indirect financial interest with the Company or its affiliates?	✓																										
Are the CPAs not the stakeholders of the Company or its affiliates?	✓																										
There is a five-year rotation as of the last certification.	✓																										
Have the CPAs complied with the regulations of independence listed in the Norm of Professional Ethics for Certified Public Accountant Bulletin No.10 and obtained the "independence statement" issued by the CPAs?	✓																										

Conform to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
<p>4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations,organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)</p>	✓		<p>Faraday approved the resolution of the board of directors on February 13, 2020 to appoint the CFO and VP as the head of corporate governance. The Finance Department, as the corporate governance working group, is responsible for matters related to corporate governance, with the main responsibilities as follows:</p> <ul style="list-style-type: none"> • Handle matters related to meetings of the board of directors and shareholders in accordance with the law. • Prepare minutes for meetings of the board of directors and shareholders. • Assist directors in their appointment and ongoing education. • Provide directors with the information necessary for executing their duties. • Assist directors in complying with laws and regulations. • Report to the board of directors on the review results regarding the qualifications of independent directors during the nomination, appointment, and tenure periods in accordance with relevant laws and regulations. • Manage matters related to changes in the board of directors. • Address other matters as stipulated by the company's articles of incorporation or contracts.
<p>5. Has Faraday established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company Faraday's official website? Does Faraday appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?</p>	✓		<p>Faraday has set up a designated area on website to establish transparent, effective, and instant multi-directional communication channels with all stakeholders to gain their trust and support, and immediately grasp their expectations, recommendation and requirements. Recommendations and requirements are used as references and basis for formulating Faraday's future corporate social responsibility and future operational development plans, to realize the value and positive impact of corporate social responsibility. The most recent communication with stakeholders was reported to the board of directors on board of directors meeting, the 4th session of the 12th term, on October 29, 2024. Faraday's main stakeholders include customers, investors/ shareholders, employees, suppliers/ contractors, and government/public associations. Please refer to the stakeholder section of Faraday's official website for the concerns of various stakeholders , Faraday's communication channels, response methods and frequencies. (http://www.faraday-tech.com/tw/content/CSR/StakeholdersEngament)</p>
<p>6. Has Faraday appointed a professional shareholder services agent to handle matters related to its shareholder meetings?</p>	✓		<p>Faraday appointed HORIZON SECURITIES's Stock Affairs Agency Department as the professional stock affairs agent to handle the affairs of the shareholders' meeting.</p>

Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.

Conform to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
7. Information Disclosure			
<ul style="list-style-type: none"> Has Faraday established a corporate Faraday's official website to disclose information regarding its financials, business, and corporate governance status? 	✓		Faraday has established a website (www.faraday-tech.com/tw/) to regularly disclose and update Faraday's financial status, corporate governance and important information about the Group. Other relevant information that should be announced may also be found on the MOPS. (https://mops.twse.com.tw/)
<ul style="list-style-type: none"> Does Faraday use other information disclosure channels (e.g., maintaining an English-language Faraday's official website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? 	✓		Faraday has set up an English Faraday's official website(https://www.faraday-tech.com/en/content/index) and placed important information such as English financial reports on the official Faraday's official website with dedicated personnel responsible for the collection and disclosure of company information. The Faraday's official website information is available in simplified Chinese, Japanese and Korean as well. Faraday has set up a room for spokesperson system and investor relationship, and disclosed relevant documents and audio-visual files of the corporate briefing session on Faraday's official website.
<ul style="list-style-type: none"> Does Faraday publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines? 	✓		Faraday publishes and declares the annual financial statements, the first, second, and third quarter financial statements and the monthly operating status as early as possible within the prescribed deadlines. Please refer to the disclosed content on the MOPS(https://mops.twse.com.tw/).

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
8. Has Faraday disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<ul style="list-style-type: none"> Employees' rights and interests: Faraday pays great attention to the rights and interests of employees and has always been following the principle of humanized management to give employees full respect and care. All management rules and regulations are in line with or better than the Labor Standards Law, Gender Work Equality Law, Sexual Harassment Prevention Law, and other government regulations. Faraday provides a variety of internal communication mechanisms, such as quarterly labor-management meetings, company-wide colleague meetings, periodic management meetings with employees, etc., so that colleagues' opinions can be fully utilized, and relevant authorities and responsible units can quickly respond to colleagues' opinions to build an unobstructed communication culture and a lively and enlightened working atmosphere. Faraday also provides a diversified welfare system, complete leisure facilities, and health promotion activities that meet the needs of employees. In addition, the "Employee Welfare Committee" has been established to protect the rights and interests of employees, enhance employee welfare, and give employees a better working environment and development space. An employee family day is held annually to care for employees and their relatives. Relevant information about employee rights and employee care, please refer to the Labor-Management Relations in Chapter 5.5 of the Annual Report (Page 111~115) and the "Friendly Workplace and "Salary and Benefits" sections on Faraday's official website. (https://www.faraday-tech.com/en/content/CSR/FriendlyWorkplace) Investor relations: Faraday has spokesperson, acting spokesperson, and stock agency "HORIZON SECURITIES" to provide shareholders and investors with consultation on company-related issues. Faraday also holds a Investor Conference for operation every quarter, and communicates with investors regular1y. For related implementation, please refer to the "Investor" sections on Faraday's official website. (https://www.faraday-tech.com/en/entry/InvestorRelations)

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
			<ul style="list-style-type: none"> Supplier relationship: Responsible for the development of a sustainable supply chain and establish long-term partnerships with suppliers in various directions such as quality capabilities, cost leadership capabilities, delivery and supply capabilities, service capabilities, and sustainability. For related implementation, please refer to the "Winning Glory with Our Partners" sections on Faraday's official website. (https://www.faraday-tech.com/en/content/CSR/SustainableSupplyChain) The rights of stakeholders: Faraday has set up a section for "Stakeholders" on Faraday's official website(https://www.faraday-tech.com/en/content/CSR/StakeholderEngagement), and has also set up an independent mailbox and dedicated line to establish transparent, effective, and instant multi-directional communication channels between stakeholders and Faraday and to protect the relevant rights of stakeholders. Training for Directors: Faraday irregularly provides information on relevant laws and regulations and professional knowledge courses that directors need to pay attention to. All directors of Faraday have completed at least 6 hours of training courses every year (exceed the requirement) in accordance with laws and regulations in 2024. For related information, please refer to Directors' training status in 2024 (page 38) or the "Corporate Governance" section of Faraday's official website. (https://www.faraday-tech.com/en/content/CSR/CorporationGovernance). Implementation of risk management policies: The risk management policies have been approved by the Board of Directors on April 23, 2020 and reported to the Board of Directors on board of directors meeting, the 4th session of the 12th term, on October 29, 2024 for implementation of risk management and disclosure of climate change-related risks and opportunities. The policies, organizational structure and implementation has been disclosed on Faraday's official website. (https://www.faraday-tech.com/en/content/CSR/RiskManagement) Implementation of Customer Policy: Improve customer service and quality, improve service quality and customer satisfaction, and safeguard customer rights and related business secrets. Directors' Liability Insurance: Faraday purchases directors' and supervisors' liability insurance every year. The latest important content such as the insurance amount, insurance coverage and insurance premium rate has been reported to the board of directors on board of directors meeting, the 6th session of the 12th term, on February 21, 2025 and relevant information has been announced on the MOPS.

Assessment Item	Implementation Status		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Y	N	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If Faraday was not included among the companies evaluated for the given recent year, this item does not need to be completed.)			<p>The improvement status for the result of 2024 corporate governance evaluation, which include:</p> <ul style="list-style-type: none"> Faraday has reported the remuneration received by directors at the shareholders' annual meeting in 2024, including the remuneration policy, individual remuneration details, and amounts. Faraday has disclosed the individual remuneration of directors in its annual report. Faraday has uploaded the Chinese and English versions of the shareholder meeting handbook and supplementary materials 30 days prior to the shareholders' annual meeting. Faraday regularly refers to Audit Quality Indicators (AQIs) to assess the independence and suitability of the appointed auditors, and discloses the assessment process in the annual report. Faraday has uploaded the Chinese and English versions of the annual report 18 days prior to the shareholders' annual meeting. Faraday has added a female director, increasing the proportion of female directors to 33.33%, enhancing female participation in decision-making and improving the board structure. Faraday has submitted the 2023 sustainability report to the board of directors for approval. Faraday has implemented a link between executive compensation and ESG performance, incorporating ESG performance into the KPIs for managerial bonuses, and established a policy for reclaiming managerial compensation. In May of the year 2024, Faraday invested in green bonds issued by China Steel Corporation (Bond abbreviation: P13 Zhonggang 1, Code: B801AS), totaling NT\$50 million, to actively support the carbon reduction and green projects of the invested enterprise. As part of its commitment to green finance, the company has accumulated investments of NT\$100 million in green bonds to date. In the year 2024, Faraday initiated the green electricity procurement process, purchasing 415 renewable energy certificates, which is expected to achieve a carbon reduction of 197 tons. <p>Faraday's priority enhancement measures in 2024 includes:</p> <ul style="list-style-type: none"> Faraday aims to enhance the sustainability report to improve the quality of information disclosure, with GRI verification transitioning from "reference" to "compliance." Faraday plans to strengthen the professional capabilities of internal auditors by obtaining relevant professional certifications. Faraday plans to implement ISO 45001:2018 Occupational Health and Safety Management System certification to enhance the standardization of environmental health and safety management and ensure the safety and health of workers. Faraday plans to implement ISO 14001:2015 Environmental Management System certification to standardize management practices and reduce environmental impacts over the product life cycle. Faraday plans to develop specific measures to enhance corporate value, report them to the board of directors, and disclose relevant information on the public information observatory, actively communicating with shareholders. Faraday plans to establish a sustainability development committee at the board level to strengthen the board's functions and enhance sustainable development.

3.2.4 Composition, responsibilities and operation of the Compensation and Remuneration Committee

The Compensation and Remuneration Committee is designed to assist the Board of Directors with the implementation and evaluation of Faraday’s overall compensation and remuneration policies, as well as the remuneration to the Directors and managers.

Information of Compensation and Remuneration Committee Members

Name	Professional qualifications and experience	Independence analysis	Number of members who are concurrently members of the compensation and remuneration committees of other public companies
Bing-Kuan Luo (Convener)	Mr. Luo had Master of law, Fu Jen Catholic University and PhD of Management, Shanghai Fudan University. He has knowledge of the industry, international market perspective, both operating management and academic abilities, abilities in legal, finance, crisis management, and corporate governance. He was the consultant at the Ministry of Economic Affairs and Eastern Taiwan Joint Services Center, Executive Yuan, Vice President and Chairman of Taiwan of HKINED, and Chief Investment Officer and China Certified M&A Dealmaker of Kai-Da International Strategy Counseling Corp. He is currently the Chairman of Hua-Shuan International Counselling Corp. and TIDA Taiwan, and is not under any circumstances listed in Article 30 of the Company Act.	According to Faraday's "Articles of Incorporation", "Corporate Governance Best Practice Principles " and " Procedures for Election of Directors", directors are elected through the nomination system. Faraday has obtained the nomination and selection of board members. Written statement, academic experience, proof of employment and kinship form to verify the independence of Faraday, the spouse and relatives within the second degree. The three independent directors listed on the left have met the qualification requirements stipulated in the "Regulations on the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed" and Article 14-2 of the Securities and Exchange Law issued by the Financial Supervisory Commission during the two years before the election and during their tenure , and all independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and independently perform relevant functions and powers.	2
Wan-Fen Zhou	Ms. Zhou had master of Business Administration (EMBA) from Tsinghua University. She has knowledge of the industry, practical experience, both decision-making and academic abilities, accounting and financial analysis ability, operation management, and practical ability in crisis management. She was the Chief Financial Officer of Dawning Leading Technology Inc., Deputy Manager at UMC, supervisor at Shieh Yung Investment Corp, and Director of Silicon Integrated Systems Corporation Ms. Chou is currently the SAVP of Finance Center at King Yuan Electronics Co., Ltd., and is not under any circumstances listed in Article 30 of the Company Act.		0
Li-Ying Yeh	Ms. Ye hold a master's degree from the LeBow College of Business at Drexel University. She possesses a combination of industry knowledge, international market perspective, management skills, and academic capabilities, along with financial accounting analysis skills and practical crisis management abilities. She has previously served as the Managing Director of Everglory Group Pte. Ltd., Head of Corporate Banking at Citibank Taiwan, Senior Vice President of Corporate Banking at CTBC Bank, Relationship Manager at Citibank Taipei Branch, Sales Director at Comdisco Trade Inc. Taiwan, Executive Director at CIBC Taiwan Branch, and Assistant Finance Manager at JPMorgan Chase Manhattan Bank Taiwan Branch. Currently, she is the CEO and Director of Trust Capital Alternative Pte. Ltd., a Director at Meng & Yume Innovate Pte. Ltd., a Director at Private Alternative VCC, an Independent Director at Anqi Technology Co., Ltd., and the Chairman of Quanjin Logistics Co., Ltd, and is not under any circumstances listed in Article 30 of the Company Act.		1

Operation of the Compensation and Remuneration Committee

- There are a total of 3 members in Faraday’s Compensation and Remuneration Committee.
- Current term of committee members: May 29 2024, to May 28, 2027.
The remuneration Committee held 1(A) meetings in 2024 before the committee was re-elected on May 29,

2024, attendance status of which is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Ning-Hai, Jin	1	0	100%	Predecessor
Member	Bing-Kuan Luo	1	0	100%	–
Member	Wan-Fen Zhou	1	0	100%	–

For the year 2024 until the publication date of this annual report and after the committees' re-election on May 29, 2024, remuneration Committee held 3(A) meetings in 2024, attendance status of which is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Bing-Kuan Luo	3	0	100%	–
Member	Wan-Fen Zhou	3	0	100%	–
Member	Li-Ying Yeh	3	0	100%	Successor

Annotations:

- If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and Faraday’s response to the remuneration committee’s opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion should be specified:

Board meeting date	Session	Contents of the motion	Result	Faraday's disposal of member opinions
February 20, 2024	8th session of 5th term	<ul style="list-style-type: none"> Proposal for the remuneration distribution of Directors and employees in 2023. Proposal for the remuneration recommendations of managers. Employee Stock Option case for the cash issuance of new shares in 2023 	Approved by all Committee Members.	Submit to the Board of Directors and approve it through the directors who participated in the discussion and voting.
July 30, 2024	1st session of 6th term	<ul style="list-style-type: none"> Proposal for the remuneration recommendations of managers. 		
October 29, 2024	2th session of 6th term	<ul style="list-style-type: none"> Proposal for the remuneration recommendations of managers. Establish a "Manager Compensation Callback Policy." 		
February 21, 2025	3rd session of 6th term	<ul style="list-style-type: none"> Proposal for the remuneration distribution of Directors and employees in 2024 Proposal for the remuneration recommendations of managers. 		

3.2.5 Information on the members and operation of the Nomination Committee

1. Description of the qualification criteria and responsibilities of the members of the Nomination Committee in the company

In order to strengthen the director selection system and build diversified and professional director members, the company formally had established the Nomination Committee on October 24, 2023, which is responsible for searching, reviewing and nominating director candidates, and conducting the evaluation of the board of directors, various committees, and various committees. Conduct performance evaluation of directors, evaluate the independence of independent directors, plan and implement director training plans and director succession plans.

The committee shall consist of at least three directors appointed by the board, with a majority of independent directors participating. The term of office for directors joining this committee shall begin on the date of their appointment by the board and end upon the expiration of their directorship, resignation from the committee or directorship, or the board's election of a replacement to serve as a member of the committee, unless otherwise provided by the law, the company's articles of association, or regulations.

- The committee, acting under the authority of the board of directors, shall exercise its duties with the care of a prudent person, faithfully fulfilling the following responsibilities, and shall submit its recommendations to the board of directors for discussion. The primary responsibilities are as follows:
- Develop standards for the professional knowledge, skills, experience, gender diversity, and independence required for board members, and use them to search for, review, and nominate director candidates.
- Establish the organizational structure of the board of directors and various committees, conduct performance evaluations of the board of directors, various committees, and individual directors, and assess the independence of independent directors.
- Establish and regularly review directors' development plans and succession plans for directors and senior managers.
- Handle other matters designated by the board of directors to be managed by the Nomination

Committee as per its resolution.

2. Qualifications and experience of Nomination Committee members, as well as their operational status.

- The Nomination Committee of Faraday consists of three members Current term of office: From May 29, 2024 to May 28, 2027.
- The Nomination Committee convened 1 (A) meetings in 2024 before the committee was re-elected on May 29, 2024.

The professional qualifications and experiences of the committee members, attendance records, and discussion topics as below:

Title	Name	Professional Qualification and Experience	Actual Attendance (B)	Number of delegated attendances	Actual Attendance (%) (B/A)(Note)	Note
Convener (Independent director)	Wan-Fen Zhou	Finance, Operations Management, Sustainable development	1	0	100%	—
Member (Chairman)	Chia-Tsung Hung	Finance, Technology, Operations Management, Sustainable development	1	0	100%	—
Member (Independent director)	Bing-Kuan Luo	Law, Operations Management, Sustainable development	1	0	100%	—

For the year 2024 until the publication date of this annual report and after the committees' re-election on May 29, 2024, the Nomination Committee convened 3 (A) meetings.

The professional qualifications and experiences of the committee members, attendance records, and discussion topics as below:

Title	Name	Professional Qualification and Experience	Actual Attendance(B)	Number of delegated attendances	Actual Attendance (%) (B/A)(Note)	Note
Convener (Independent Director)	Bing-Kuan Luo	Law,Operations Management, Sustainable development	3	0	100%	Re-elected
Member (Chairman)	Chia-Tsung Hung	Finance, Technology, Operations Management, Sustainable development	3	0	100%	Re-elected
Member (Independent Director)	Wan-Fen Zhou	Finance, Operations Management, Sustainable development	3	0	100%	Re-elected

Other items to be noted:

Describe the meeting dates, sessions, agenda items, recommendations or objections from Nomination Committee members, decisions of the Nomination Committee, and the company’s handling of the Nomination Committee’s opinions regarding the main agenda items of the Nomination Committee:

Date	Session	Motion Content	Decision Results	Company’s handling of the opinions of the Nomination Committee members
January 15, 2024	1st session of 1st term	<ul style="list-style-type: none">The results of the performance evaluation of the Board of Directors and functional committees for 2023.Proposal for the list of candidates for the 12th term of directors.		
July 30, 2024	1st session of 2nd term	<ul style="list-style-type: none">The Board continuing education program for the year 2024Amendment to the Company's "Compensation Committee Organizational Regulations"	Proposal has been passed according to the consent of all attending c o m m i t t e e members after the chairman has consulted with them.	Requesting the board of directors’ decision, and with participation in discussion and voting, the director’s approval is passed.
October 29, 2024	2nd session of 2nd term	<ul style="list-style-type: none">Performance evaluation proposal for the Board of Directors and functional committees for the year 2024.Amendment to the Company's " Organizational Regulations of the Audit Committee. "		
Frbruary 21, 2025	3rd session of 2nd term	<ul style="list-style-type: none">The results of the internal performance evaluation of the Board of Directors and functional committees for 2024.		

3.2.6 Corporate Governance Officer:

In a resolution passed by the board of directors on February 13th, 2020, VP and CFO Wen-Ju Tseng was appointed as the corporate governance officer, and the finance department serves as the corporate governance working group, responsible for governance-related matters, with the following main responsibilities:

1. Handling matters related to the meetings of the board of directors and shareholders’ meetings in accordance with the law.
2. Preparing minutes of the board of directors and shareholders’ meetings.
3. Assisting directors in induction and ongoing education.
4. Providing directors with the necessary information for the execution of their duties.
5. Assisting directors in compliance with laws and regulations.
6. Reporting to the board of directors on the examination results regarding the qualifications of independent directors during nomination, appointment, and tenure, to ensure compliance with relevant laws and regulations.
7. Handling matters related to changes in directors.
8. Any other matters stipulated in the company’s articles of association or contracts.

Recent two years of the governance supervisor’s continuing education status:

Date	Host	Course Name	Hours
2024/10/18	Taiwan Securities and Futures Market Development Foundation	2024 Insider Trading Prevention Awareness Conference	3
2024/09/30	Taiwan Stock Exchange	Strengthening Taiwan's Capital Market Summit	3
2024/08/06	Taiwan Stock Exchange Corporate Sustainability Development Association	Building a New Carbon Era Awareness Conference with Sustainable Knowledge	6
2023/11/16	Accounting Research and Development Foundation.	2023 ESG Summit: Carbon Foot printing and Carbon Management	3
2023/11/15	Taiwan Securities and Futures Institute	2023 Annual Internal Trading Compliance Advocacy Seminar	3
2023/09/04	Financial Supervision Commission	14th Taipei Corporate Governance Forum	6

3.2.7 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>Supervision by the Board of Directors Faraday designates its Board of Directors as the highest governance body for decision-making on sustainability issues. The Corporate Sustainability Committee is responsible for planning and submitting sustainability-related proposals to the Board of Directors at quarterly meetings. In 2024, the Board’s participation in sustainability-related resolutions included:</p> <ul style="list-style-type: none">Quarterly: Reports on climate change topics (e.g., progress on greenhouse gas inventories, carbon reduction strategies, green energy procurement projects).Q3: Sustainability Report achievements.Q4: Sustainability Committee execution report (covering risk management, cybersecurity, ethical issues, stakeholder communication, and material sustainability topics). <p>Establishment of Dedicated Sustainability Units</p> <ul style="list-style-type: none">Faraday established its Corporate Sustainability Committee in 2019, authorized by the Board and chaired by the CEO, to oversee the implementation of sustainability initiatives, manage performance on sustainability issues, and serve as the communication bridge between the Board and operational teams. The committee holds quarterly meetings to review progress, identify gaps, and plan critical sustainability proposals for Board review.The committee integrates cross-departmental resources, organizing seven task forces under five sustainability implementation dimensions (plus framework and corporate governance groups). Each task force, led by appointed executives, tracks and manages short, medium, and long-term sustainability goals and key projects. To align sustainability objectives with daily operations, Faraday incorporated sustainability performance metrics into managerial variable compensation starting in 2024, ensuring accountability and driving progress.Corporate sustainability area of Faraday's official website:(Website link: https://www.faraday-tech.com/tw/content/CSR/CorporateSustainability)

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>1. Risk Assessment Boundaries The disclose information covers the sustainable development performance in the main branches from January to December 2024. The risk assessment boundary is primarily based on Hsinchu branch(including Hsinchu operational site, Taipei, and Tainan offices).</p> <p>2. Risk Management Policy The 10th session of the 10th term of Board of Directors meeting had approved the “Risk Management Policy” on April 23 2020 as the supreme guiding principle for risk management. Faraday conducts risk identification, risk assessment, and risk impact analysis on possible risks in advance, then make and implement crisis coping measures on high-risk impact items. In order to effectively control risk in an acceptable range, the Board and management of Faraday regularly supervise and review risk management policy to continuously improve the risk management mechanism.</p> <p>3. Risk Assessment and Management Strategy To ensure the normal operation of the company and achieve sustainable business practices, Faraday divides risk categories into strategic, operational, financial, and disaster-related aspects. It also considers environmental, social, and corporate governance issues related to its operations for a comprehensive risk assessment. Through regular risk assessments, Faraday identifies, evaluates, and analyzes the impact of potential risks based on materiality principles. It uses a risk matrix to understand the frequency of risk events and their impact on operations, defining the significance ranking of risks and implementing corresponding risk management strategies according to risk levels. Faraday holds a cross-departmental risk management progress tracking meeting once a quarter to propose relevant improvement suggestions. At least once a year, it reports the results of risk identification and risk management operations to the Audit Committee and the Board of Directors, with the most recent report made on October 29, 2024, to the Audit Committee and the Board.</p> <p>4. Risk management policies or strategies are made after risk assessment:</p>

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		

Risk aspect	Risk issue	Coping strategy
Environment	Climate Change	<ul style="list-style-type: none">Continuously monitor the developments in carbon tax/fee regulations, and proactively plan corresponding measures to secure the most favorable payment rates.Plan a net-zero carbon reduction pathway for the company, ensuring the allocation of necessary resources to control operational costs.Install self-generated solar panels along with energy-saving measures to enhance energy usage efficiency and reduce the demand for purchased electricity.Publicly declare the company's commitment to achieving net-zero emissions by 2050: aligning with the strictest international carbon reduction trends, responding to customer demands for a low-carbon supply chain, and filling out CDP and EcoVadis assessment questionnaires as requested by clients.Initiate a green electricity procurement plan: since 90% of the company's carbon emissions come from electricity usage, procuring green electricity will be a key tool for achieving substantial carbon reductions.Stay informed about external carbon reduction trends and layout early strategies (such as prompting subsidiaries to pursue climate assessments and independently plan net-zero pathways) to ensure that the company's carbon reduction strategies are in line with international trends.Establish a global/local supply chain to mitigate the impact of supply chain disruptions caused by climate anomalies in any single region.Develop a comprehensive remote work mechanism to prevent operational interruptions due to extreme weather conditions.
		<ul style="list-style-type: none">Consider the product life cycle to reduce environmental footprints, minimizing the impact of products on the environment and society as well as energy consumption.Carefully evaluate the selection of low-hazard raw materials that meet the standards for products free from harmful substances.
	Green Product Design	

Risk aspect	Risk issue	Coping strategy
Social	Talent Attraction and Retention	<ul style="list-style-type: none">Develop a global talent strategy to actively recruit international elites and seek external resources.Enhance Faraday 's operational performance, ensuring a competitive overall compensation package for employees.Implement a performance management mechanism to identify key talent and optimize retention strategies.Create a friendly workplace that integrates happiness and professionalism, focusing on employees' well-being and professional development.
	Occupational Safety and Health	<ul style="list-style-type: none">Comply with or exceed domestic and international environmental, safety, and health laws and standards.Focus on global climate and environmental issues, striving to reduce environmental impacts throughout the product life cycle.Adopt a people-centered approach to promote occupational safety and health, aiming to eliminate potential occupational safety and health risks.Foster environmental, safety, and health training and experience sharing to improve performance collectively with partners across the supply chain.
	Human Rights	<ul style="list-style-type: none">Respect the rights to free labor.Create an equitable workplace.Provide a safe and healthy working environment.Establish open communication channels.Respect the right to freedom of association.Implement privacy protection and information security measures.Conduct human rights risk assessments and ensure information disclosure.

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		

Risk aspect	Risk issue	Coping strategy
Corporate Governance	Information Security	<ul style="list-style-type: none"> GuardiCore makes corresponding adjustments to the firewall application form to comply with management rules. CyberArk integrates a device or account change inspection mechanism to reduce the risk of privileged accounts not being fully managed. Establish supplier management guidelines for all vendors across the factory. When signing contracts with all suppliers, cybersecurity clauses should be included.
	Supplychain Management	<ul style="list-style-type: none"> Establish a sustainable supply chain assessment system that incorporates carbon and water risk management and emergency response plans for material supply, to avoid or reduce the use of high-risk supply chains. Maintain a global supply chain and an alternative/secondary supply chain mechanism, allowing for the establishment of a secondary supply chain in advance according to customer needs for emergency response. Review supply chain capacity utilization on a monthly basis; when capacity constraints are identified, immediately activate response measures.
	Innovation Management	<ul style="list-style-type: none"> Create a positive cycle of innovation in R&D by encouraging research and development through reward mechanisms, aligning patent applications with the company's operational goals and strategies. Implement the TIPS management system and promote it across all technical departments of the company. Continue developing low-power products and low-power platforms. Continuously work on multiple low-power and energy-saving ASIC products, increasing the proportion of design projects and gradually raising the share of low-power design projects in revenue, steering the company towards a higher "green" content.

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		

3. Environmental Issues	Has the Company set an environmental management system designed to industry characteristics?	✓	<p>Environmental Management System</p> <p>Faraday has established an "Environmental, Safety, and Health Policy" as a guiding principle for promoting environmental issues. Starting in 2024, Faraday will implement the ISO 14001 Environmental Management System with a spirit of continuous improvement, setting management goals related to environmental protection and launching project action plans to reduce environmental impact.</p> <p>Greenhouse Gas Management</p> <p>Faraday conducts greenhouse gas inventories in accordance with ISO 14064-1 and continues to undergo third-party verification. Beginning in 2024, the greenhouse gas emissions of consolidated subsidiaries will be included in the inventory scope, and the emissions will be disclosed in the sustainability report and on the company website.</p> <p>(https://www.faraday-tech.com/tw/content/CSR/CSR_DownloadReport)</p>	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.								
	Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓	<p>Enhancing Energy Efficiency</p> <ul style="list-style-type: none">Faraday Power Saving Goal: In 2030 achieve a 25% reduction in electricity intensity compared to the baseline year of 2021.Electricity Consumption Over the Past Two Years: The company has collected data in accordance with the greenhouse gas inventory process and conducted external verification using the ISO 14064-1 standard. The electricity consumption data for the last two years is summarized as follows: <table><tr><th>Item</th><th>2023</th><th>2024</th></tr><tr><td>Total Electricity Consumption (kWh)</td><td>6,644,615.7</td><td>7,047,325.5</td></tr><tr><td>Renewable Energy Usage (kWh)</td><td>108,000</td><td>528,000</td></tr></table> <p>Note: The data presented above includes the Hsinchu head quarters, Taipei, and Tainan offices. The electricity consumption data for 2023 has been externally verified by SGS, and the data for 2024 is currently under verification. Complete information will be based on the sustainability report.</p> <p>Management Achievements:</p> <ul style="list-style-type: none">The power saving target for 2024 has been met, achieving more than a 20% reduction in electricity consumption compared to the baseline year of 2021. <p>Promoting the Use of Low-Impact Recycled Materials</p> <ul style="list-style-type: none">Faraday responds to the government's green procurement policy by referencing the Ministry of the Environment's green procurement certification methods for net-zero green living. In the procurement process for daily equipment and supplies, products with environmental or energy-saving labels are prioritized.Faraday eliminates all forms of waste, including water and energy, while continuously improving operations through material replacement, conservation, recycling, and reuse. Additionally, it establishes environmental management substance standards for products and packaging materials, ensuring compliance with regulations, protecting the Earth's environment, and reducing impacts on ecosystems.	Item	2023	2024	Total Electricity Consumption (kWh)	6,644,615.7	7,047,325.5	Renewable Energy Usage (kWh)	108,000	528,000
Item	2023	2024										
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Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
Evaluation item	Yes	No		Summary description							
<div>Climate Change Risk and Opportunity Management</div> <div><ul style="list-style-type: none">Faraday’s management of climate change responses and risk opportunities is overseen by the Corporate Sustainability Committee under the board of directors. The chairperson (General Manager) reports quarterly to the board on the strategies and progress of climate change response initiatives.Faraday has established a process for identifying climate risks and opportunities that references domestic and international climate issue trends and utilizes tools like the CDP questionnaire. Based on the operational status of the company, it has identified 11 potential risk issues and 6 opportunities related to climate change.Subsequently, a significance analysis was conducted using parameters of likelihood and impact, which helped pinpoint the top 5 risks and the top 3 opportunities as priority management items. Countermeasure analyses were performed, and relevant management goals were established. These goals have been incorporated into the key sustainability objectives and are subject to regular review by the corporate sustainability committee to track progress on their implementation.The following lists examples of the company’s TCFD identification results. For complete TCFD information, please refer to the sustainability report and the company website (https://www.faraday-tech.com/tw/content/CSR/CorporateSustainability).</div> <div>TCFD Identification Outcome Cases</div>											
<div><div>Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?</div><div>✔</div></div>			<div><table><tr><th>Risk/ Opportunity</th><th>Explanation</th><th>Response Measures</th></tr><tr><td rowspan="2">Risk</td><td>International Conventions or Agreements</td><td><ul style="list-style-type: none">Public Commitment to Achieve Net Zero by 2050: Etron is aligning with the most stringent carbon reduction trends internationally to respond to the global net zero movement and customer demands for a low-carbon supply chain.Planning the Pathway to Net Zero Carbon Reduction: By delineating a tangible path, the company aims to understand the actual resources required for implementation.Installation of Self-Generated Solar Panels: This initiative meets regulatory requirements while simultaneously reducing the costs associated with purchasing green electricity.Initiation of a Green Electricity Procurement Program: Given that 90% of Etron’s carbon emissions stem from electricity usage, the procurement of green electricity serves as a primary tool for achieving real carbon reduction.</td></tr><tr><td>Low-Carbon Products or Services</td><td><ul style="list-style-type: none">Focus on Revenue from Energy Transition Products.Investment in Low-Carbon Product R&D Costs:.</td></tr></table></div>	Risk/ Opportunity	Explanation	Response Measures	Risk	International Conventions or Agreements	<ul style="list-style-type: none">Public Commitment to Achieve Net Zero by 2050: Etron is aligning with the most stringent carbon reduction trends internationally to respond to the global net zero movement and customer demands for a low-carbon supply chain.Planning the Pathway to Net Zero Carbon Reduction: By delineating a tangible path, the company aims to understand the actual resources required for implementation.Installation of Self-Generated Solar Panels: This initiative meets regulatory requirements while simultaneously reducing the costs associated with purchasing green electricity.Initiation of a Green Electricity Procurement Program: Given that 90% of Etron’s carbon emissions stem from electricity usage, the procurement of green electricity serves as a primary tool for achieving real carbon reduction.	Low-Carbon Products or Services	<ul style="list-style-type: none">Focus on Revenue from Energy Transition Products.Investment in Low-Carbon Product R&D Costs:.
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	Low-Carbon Products or Services	<ul style="list-style-type: none">Focus on Revenue from Energy Transition Products.Investment in Low-Carbon Product R&D Costs:.									

Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																									
Evaluation item	Yes	No		Summary description																								
□ Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✔		<p>Greenhouse Gas Management</p> <ul style="list-style-type: none">Carbon Reduction Target: Faraday aims to reduce carbon emissions by 50% in 2030 compared to the baseline year of 2023, and to achieve net-zero emissions by 2050 (covering Scope 1 and Scope 2 emissions).Greenhouse Gas Emissions Data for the Past Two Years: Faraday conducts greenhouse gas inventories using the ISO 14064-1 standard and has passed external verification. The data for greenhouse gas emissions over the last two years is organized as follows: <table><tr><th>Item</th><th>2023</th><th>2024</th></tr><tr><td>Scope 1 Discharge (Ton CO2e/year)</td><td>237.34</td><td>219.11</td></tr><tr><td>Scope 2 Discharge (Ton CO2e/year)</td><td>3,229.09</td><td>3,220.55</td></tr><tr><td>Total Discharge (Ton CO2e/Million)</td><td>3,466.43</td><td>3,439.65</td></tr><tr><td>Density (Ton CO2e/Million)</td><td>0.29</td><td>0.31</td></tr></table> <p>Note: The data in the table includes emissions from the Hsinchu headquarters, Taipei, and Tainan offices. The emissions for 2023 have been verified by SGS, while the 2024 data is currently under verification. Complete information is based on the 2024 sustainability report.</p> <p>Management Achievements:</p> <ul style="list-style-type: none">Achieved the carbon reduction target for 2024: Zero growth in carbon emissions compared to the baseline year of 2023.Met the renewable energy ratio target: Greater than 5%. <p>Water Management</p> <ul style="list-style-type: none">Water Reduction Target: Faraday aims to reduce water intensity by 25% in 2024 compared to the baseline year of 2021.Water Usage Data for the Past Two Years: Faraday's water usage data is verified through the sustainability report verification process (high assurance) to ensure accuracy. The data for water usage over the last two years is organized as follows: <table><tr><th>Item</th><th>2023</th><th>2024</th></tr><tr><td>Externally purchase water consumption(degree)</td><td>20,270.32</td><td>20,758.32</td></tr><tr><td>Density (degree /Million)</td><td>1.69</td><td>1.88</td></tr></table> <p>Note: The data in the table includes emissions from the Hsinchu headquarters, Taipei, and Tainan offices. The emissions for 2023 have been verified by SGS, while the 2024 data is currently under verification. Complete information is based on Faraday's 2024 sustainability report.</p>	Item	2023	2024	Scope 1 Discharge (Ton CO2e/year)	237.34	219.11	Scope 2 Discharge (Ton CO2e/year)	3,229.09	3,220.55	Total Discharge (Ton CO2e/Million)	3,466.43	3,439.65	Density (Ton CO2e/Million)	0.29	0.31	Item	2023	2024	Externally purchase water consumption(degree)	20,270.32	20,758.32	Density (degree /Million)	1.69	1.88	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
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Evaluation item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																		
	Yes	No																				
			<p>Management achievement:</p> <ul style="list-style-type: none">Achieved the 2024 water conservation target: More than a 25% reduction in water usage compared to the baseline year of 2021. <p>Waste Management</p> <ul style="list-style-type: none">Waste Reduction Target: Faraday aims to reduce waste intensity by 25% in 2030 compared to the baseline year of 2021.Waste Generation Data for the Past Two Years: Faraday's waste generation data is verified through the sustainability report verification process (high assurance) to ensure accuracy. The data for waste generation over the last two years is organized as follows: <table><tr><th>Item</th><th>2023</th><th>2024</th></tr><tr><td>Domestic waste (Ton)</td><td>15.87</td><td>15.47</td></tr><tr><td>Recycling (Ton)</td><td>9.42</td><td>9.60</td></tr><tr><td>Hazardous industrial waste (Ton)</td><td>0.87</td><td>0.84</td></tr><tr><td>Total weight (Ton)</td><td>26.15</td><td>25.91</td></tr><tr><td>Density (Ton /Million)</td><td>0.002</td><td>0.002</td></tr></table> <p>Note: The data in the table includes emissions from the Hsinchu headquarters, Taipei, and Tainan offices. The emissions for 2023 have been verified by SGS, while the 2024 data is currently under verification. Complete information is based on Faraday 's 2024 sustainability report.</p> <p>Management achievement:</p> <ul style="list-style-type: none">Achieved the 2024 waste reduction target: More than a 20% reduction in waste compared to the baseline year of 2021.	Item	2023	2024	Domestic waste (Ton)	15.87	15.47	Recycling (Ton)	9.42	9.60	Hazardous industrial waste (Ton)	0.87	0.84	Total weight (Ton)	26.15	25.91	Density (Ton /Million)	0.002	0.002	
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Evaluation item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
<p>4. Social Issues</p> <p>▫ Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	✓		<p>Faraday respects human rights and actively fosters a fair and dignified work environment, fulfilling our commitment and responsibility to human rights. The company adheres to relevant international labor and human rights standards, supports the United Nations Universal Declaration of Human Rights (UDHR), the Ten Principles of the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the ILO Declaration on Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, the OECD Due Diligence Guidance for Responsible Business Conduct, and the Responsible Business Alliance (RBA) Code of Conduct. Beyond these international human rights standards, the company further commits to supporting various international guidelines related to women and children, striving to safeguard human rights.</p> <p>Our human rights policy applies to all full-time employees, contract and temporary workers, interns, and workers of Faraday, domestic and international subsidiaries, and joint ventures. We also require our supply chain partners to adhere to the same standards, jointly focusing on important human rights issues and committing to safeguarding human rights. A total of 742.5 hours of training regarding to human rights policy was held in 2024.</p>	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
<p>▫ Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p>	✓		<p>Faraday has established a "Salary Operating Procedure" that details the processes for salary calculation, bonuses, savings, and employee dividends. Additionally, a "Performance Evaluation Management Procedure" is in place to serve as the basis for personnel promotions, salary adjustments, and bonus distributions. The company formulates an overall compensation policy to motivate and retain outstanding talent, allocating employee compensation based on the company's profitability for the year, thereby enhancing operational performance and sharing the results with employees.</p> <p>Moreover, the company collaborates with the Employee Welfare Committee to plan diverse welfare measures, such as travel subsidies, birthday vouchers, childbirth bonuses, marriage and funeral subsidies, discounted ticket purchases, and departmental activity funds. It also provides regular health check-ups that exceed legal requirements, comprehensive employee insurance, and better-than-legal working hours and leave policies (including special leave, flexible leave, paternity care leave, maternity leave, prenatal and postnatal leave, pregnancy maintenance leave, and public service leave). The company upholds the principle of gender equality, ensuring equal pay for equal work and equal promotion opportunities. As of the end of 2024, the proportion of female managers is 21%, and the proportion of female employees is 32%.</p>	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		

Environmental, Health and Safety Policy

- Faraday is a business unit without factories or processes. While committed to a healthy workplace, it also attaches importance to a people-oriented environmental safety work culture. It uses a systematic operation method to identify routine and non-routine hazards and risk assessment operations, and applies a hierarchical control strategy to eliminate hazards and reduce risks to an acceptable level. It regularly reviews the implementation results and improves non-conformities of various management plans to discover more opportunities for improvement, avoid occupational hazards and reduce the incidence of occupational injuries, and provide employees with a safe and healthy working environment.
- Faraday attaches great importance to the needs and expectations of stakeholders on occupational safety and health issues. It considers the operating process and formulates the "Environmental Safety and Health Policy", which is signed by the President and announced, revealing high-level commitments and declaring the company's healthy workforce goals, and implementing standardized management procedures.

Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?



Standardized management procedures	Management measures	Execution frequency
	Implement public safety inspections for buildings	Once every 2 years
<ul style="list-style-type: none">Sustainability Management ManualFire Protection PlanEnvironmental, Safety, and Health Management ManualEnvironmental, Safety, and Health Management ProceduresEnvironmental, Safety, and Health Regulatory Identification Procedures	Test and report on fire safety equipment maintenance	Once a year
	Conduct company-wide evacuation drills	Once a year
	Implement environmental monitoring of workspaces and review the adequacy of the monitoring sampling plan strategy	Twice a year
	Health check-ups	Annually

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Summary description		

Safety, health and wellness implementation results

- With "building a healthy, happy and joyful workplace" as its core purpose in promoting a friendly workplace, Faraday is committed to building employees' awareness of safety, hygiene and health, and adopts relevant protective measures and health promotion activities as its main management strategy. In 2024, Faraday achieved outstanding results in health promotion activities and was awarded the "Dynamic Workplace, Healthy Everyone" Excellence Award by the National Health Administration of the Ministry of Health and Welfare. It was also recognized as an "Excellent Enterprise" in the Occupational Health and Safety Performance Active Evaluation of Corporate Sustainability Reports of the Occupational Safety and Health Administration of the Ministry of Labor.
- Faraday's measures to promote safety, health and wellness in 2024 are as follows:

Item	Project	Sessions	Number of employees participating	Number of workers participating
Occupational Safety	Occupational safety On-the-job training on occupational safety and health	17	89	29
	On-the-job training on occupational safety and health	2	2	0
	Traffic safety training	1	51	1
	CPR+AED Training	6	176	0
	Disaster drills	1	54	4
Health Promotion	Escape and evacuation drills	1	553	13
	Supervisor Health Checkup	9	58	0
	Annual health check-up	3	458	3
	Road running activities	1	540	5
	Global Walking activities	1	504	1
	Specialist Health Lecture	3	405	0
	Muscle Energy Taping Series Courses	6	53	0

Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons														
Evaluation item	Yes	No		Summary description													
Implementation and Certification of the Occupational Safety and Health Management System																	
<ul style="list-style-type: none">Faraday has established an Environmental Safety and Health Committee that regularly monitors the implementation of safety and health practices to enhance workplace safety and wellness. Beginning in 2024, the company started to implement the Occupational Safety and Health Management System (ISO 45001:2018) and plans to complete external verification by 2025. This system will be applied to all workers at Faraday, including employees, contractors, and freelance workers, aiming to promote risk prevention in occupational health and safety and to realize a spirit of continuous improvement.In 2024, an analysis was completed regarding the differences between existing compliance systems and the ISO 45001:2018 standards, fully integrating and structuring the operational processes. The operations of Faraday 's Environmental Safety and Health Committee in 2024 are as follows:																	
<table><tr><th>Item</th><th>Specification</th></tr><tr><td rowspan="3">Position</td><td>Chairperson: 1 person</td></tr><tr><td>Regular Members: 6 people</td></tr><tr><td>Elect 4 worker representatives (33%) at labor-management meetings</td></tr><tr><td rowspan="2">Responsibilities</td><td>Review 15 items of the Occupational Safety and Health Management Plan</td></tr><tr><td>Promote and communicate environmental safety and health matters to internal stakeholders</td></tr><tr><td>Regular Meetings</td><td>Once per quarter; additional meetings if necessary</td></tr><tr><td rowspan="2">Important Issues</td><td>Follow laws and continuously improve workplace hazard identification and risk management measures</td></tr><tr><td>Propose 2 safety initiatives and 3 health initiatives; achieve 100% improvement on all proposals</td></tr></table>				Item	Specification	Position	Chairperson: 1 person	Regular Members: 6 people	Elect 4 worker representatives (33%) at labor-management meetings	Responsibilities	Review 15 items of the Occupational Safety and Health Management Plan	Promote and communicate environmental safety and health matters to internal stakeholders	Regular Meetings	Once per quarter; additional meetings if necessary	Important Issues	Follow laws and continuously improve workplace hazard identification and risk management measures	Propose 2 safety initiatives and 3 health initiatives; achieve 100% improvement on all proposals
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Regular Meetings	Once per quarter; additional meetings if necessary																
Important Issues	Follow laws and continuously improve workplace hazard identification and risk management measures																
	Propose 2 safety initiatives and 3 health initiatives; achieve 100% improvement on all proposals																
Statistics on Occupational Injuries and Fire Incidents																	
<ul style="list-style-type: none">In 2024, the company had zero occupational injury incidents among employees.In 2024, the company had zero fire incidents.																	

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
□ Has the Company established effective career development training programs for employees?	✔		Faraday has spared no effort in the cultivation of talents, providing comprehensive assistance both in work and in life. At the same time, according to individual professionals, there are long-term training plans in education and training, on-the-job training, and future career development. Faraday is committed to efficient learning, systematic inheritance, and the establishment of a learning sharing resource platform. The results of talent cultivation are clear and solid. The training categories include orientation for new employees, leadership and management, general education, environmental health and safety, research and development engineering, comprehensive quality management, intellectual property management, information security, ESG, domestic and international further education, and agency management, 316 levels of internal training in 2024 (including e-Course): 166 training sessions for newcomers, leader management 16 training sessions, 29 training sessions for general education, 14 training sessions for environmental safety and health,49 training sessions for R&D professionals, 17 training sessions for total quality management, 10 training sessions for intellectual property management, 10 training sessions for information security, and 5 training sessions for ESG; 75 training sessions for external training domestic and foreign, and 1 session for agents .
			Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
□ Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✔		Faraday manages the materials of ASIC products within the value chain of suppliers, focusing on controlling conflict minerals, RoHS, REACH, and other regulations. We adhere to relevant regulatory requirements and have developed internal management procedures, including the “Conflict-Free Minerals Management Procedures”, “Green Environmental Protection Policy and Operating Procedures”, and Environmental Management Material Operating Procedures”, to ensure the commitment to product safety. Product labelling is crucial to safeguarding consumer rights and health. In Faraday’s “Standard Packaging Procedures”, we specify product labelling to ensure that products and packaging are identifiable with production batches and comply with the green product grade requirements. This complies with regulatory requirements. Faraday has obtained ISO 27001 certification and has established the “Faraday Information Security Manual” and related information security procedures and operating procedures in accordance with the standard. The content includes control in aspects of organization, technology, and physical environment, such as information security policy, information security organization, assets management, access control, information security regulation to be followed, human resources safety, physical and environmental safety management, introduction and maintenance of information security system, network communication and operation management, reports of unusual event of information security, and operation continuous management, to ensure the security of company, employee, and customer information.
			Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
Evaluation item	Yes No	
		<p>Faraday also requires suppliers to implement the same information security management practices and conducts information security audits on suppliers every year to ensure the security of customer information during the production process.</p> <p>Faraday has established a whistleblower mailbox and a customer feedback platform. According to Faraday's Customer Satisfaction Survey management Procedures", we conduct annual customer satisfaction surveys to assess the execution of various products and services to address customer complaints promptly, ensuring the protection of customer rights.</p> <p>For customers to receive the best service, Faraday has established an eService system. When customers have questions or suggestions on products or service, they could sign in the eService system platform. A dedicated personnel will dispatch to the responsible unit according to the nature of their questions, and get back to the customers of the results. Meanwhile, the eService will automatically send a customer satisfaction questionnaire to check on their satisfaction to provide the best service to the customer.</p>
<p>Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>	<p>Yes</p>	<p>Faraday has established "Outsourcing factory assessment regulations" as screening criteria of suppliers regarding environmental protection, human rights, safety, health, and sustainable development, and as requirement and expectation of aspects in environmental, health, and safety risk, prohibition on child labor, labor management, not jeopardizing basic labor rights, code of ethics, and ethical management.</p> <p>Faraday has followed international standards of ISO9001 and ISO14001 to manage its suppliers. In addition, it requests 80% of the suppliers to obtain ISO45001 certification, and asks the suppliers to implement sustainability in daily management by quarterly evaluation and annual audit.</p> <p>All of our suppliers in 2024 have met the following criteria:</p> <ul style="list-style-type: none"> 100% (15/15) wafer packaging testing suppliers have obtained ISO9001 and ISO14001 certifications. 93.3%(14/15) wafer packaging testing suppliers have obtained ISO45001. Suppliers complete the signing of the "Declaration of Non-Use of Conflict Minerals" with a 100%(15/15) success rate. The supplier audit rate is 100%(15/15) and the completion rate of supplier information security audit deficiencies is 100%. The supplier signing rate for the Faraday Supplier Code of Conduct commitment letter has reached 100%(15/15). <p>Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?</p>	<p>Yes</p>	<p>Preparation of the Sustainability Report</p> <p>Faraday issues a sustainability report every year. The 2024 sustainability report is prepared and disclosed in accordance with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) semiconductor standards. It is made available for download and viewing in the corporate sustainability section of Faraday's official website. (https://www.faraday-tech.com/tw/content/CSR/CorporateSustainability)</p> <p>Assurance and Verification of the Sustainability Report</p> <p>Faraday's sustainability report is entrusted to a fair and independent third-party organization (SGS) for verification, conducted in accordance with the AA1000 Assurance Standard (2018) under the Type 2 moderate assurance level.</p> <p>Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No		
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: None				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development:			<ul style="list-style-type: none"> Faraday's official website has a dedicated area for Sustainable Development , providing investors and stakeholders with instant access to corporate sustainability information. (Website Link: https://www.faraday-tech.com/tw/content/CSR/CorporateSustainability) For the Faraday's sustainability report, please refer to the corporate sustainability section/report download on our website.(Website Link: https://www.faraday-tech.com/tw/content/CSR/CSR_DownloadReport) In 2024, Faraday was awarded the 2024 Asia-Pacific Outstanding Enterprise Award - Excellence Enterprise Award, the 2024 AQM Excellence Quality Award, the "Workplace Position Management and Competition" - Excellence Award, Business Weekly: Top 100 Carbon Competitiveness, National Development Council of the Executive Yuan: National Sustainable Development Award, TCSA Taiwan Corporate Sustainability Award: Gold Level for Sustainability Report, and recognized for outstanding performance in the proactive evaluation of occupational health and safety in the 2024 Annual Corporate Sustainability Report, as well as being listed in the 2024 Harvard Business Review "Top 100 Taiwan Business Leaders." To support green energy and align with the government's green energy development goals, Faraday acted to support the carbon reduction and green plans of invested enterprises by investing NTD 50 million in the green bonds issued by China Steel Corporation (Bond abbreviation: P13 Zhonggang 1, Code: B801AS) in May 2024. In response to green finance, Faraday has accumulated investments of NTD 100 million in green bonds to date. In 2024, Faraday initiated the green electricity procurement process, purchasing 415 renewable energy certificates, resulting in a carbon reduction of approximately 197 tons of CO2e. Faraday has installed rooftop solar power generation equipment for self-use, with a total capacity of 129.74 kW. The annual total power generation from renewable energy in 2024 exceeded 120,000 kWh. Faraday has ranked in the top 5% of listed companies for corporate governance evaluation effectiveness in 2024. Faraday continues to be included in the "Taiwan Mid-Cap 100 Index," "Taiwan High Salary 100 Index," "Taiwan All-Market Semiconductor Selected 30 Index," and "Taiwan Information Technology Index." Faraday continues to be included in international ESG ratings such as Sustainalytics, MSCI, FTST Russell, S&P Global, SinoPac+, and has received an AA rating in Taiwan's sustainability evaluation. In June 2024, Faraday completed the greenhouse gas inventory and verification for the parent company, including Scope 1 to 3, and in September 2024, completed the greenhouse gas inventory for the global consolidated subsidiary (Scope 1 to 2), ahead of the timeline set by the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed and Over-the-Counter Companies." In June 2024, Faraday joined the TALENT in Taiwan Sustainable Action Alliance. Faraday is committed to social participation, giving back to society through concrete and proactive actions, including supporting educational promotion, sponsoring local medical resources, employing local talent, promoting local identity and development, supporting domestic cultural and artistic development, assisting disadvantaged groups, and participating in various public welfare activities. We hope to use our strength to encourage employees to participate together, bringing a driving force for social upliftment. Faraday is dedicated to providing a diverse, equitable, and inclusive (DEI) workplace culture and environment, actively implementing gender equality policies, and respecting and treating all employees equally, regardless of gender or sexual orientation. We are committed to creating a friendly workplace for the LGBTIQ+ community. Faraday is dedicated to global talent development and cultivation, actively engaging in industry-academia cooperation programs, and long-term collaboration with educational institutions to cultivate technology talent. Through industry-academia research and development project cooperation, we aim to enhance our contributions and influence in both industry and academia. Faraday regularly reviews its human rights management status, with the scope of investigation including employees of Faraday Technology and suppliers. We conduct human rights due diligence at least once every three years to assess the management performance of human rights issues, establish relevant preventive and remedial measures, and publicly disclose the results of the human rights due diligence. 	

3.2.8 Climate-related information of listed and over-the-counter companies.

Execution status of climate-related information

Item	Implementation Status															
1. Detailing the oversight and governance by the board of directors and management on climate-related risks and opportunities.	<p>The management of Faraday's climate change response and risk opportunity management is overseen by the Corporate Sustainability Committee under the Board of Directors. The chairperson (General Manager) reports quarterly to the Board on the progress of the climate change response strategies and related project implementations. Relevant proposals include the progress of greenhouse gas inventories, the establishment of carbon reduction strategies, green electricity procurement plans, and more.</p>															
2. Explain how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, and long-term)	<p>Faraday refers to the TCFD reporting framework to conduct climate impact analyses over short-term, medium-term, and long-term horizons, focusing on the two main aspects of risks and opportunities. The significant climate impact items identified include both transition and physical risk dimensions, with examples as follows:</p>															
	<table><tr><th>Category</th><th>Aspect</th><th>Issue</th><th>Operational Impact Description</th><th>Impact Timeline</th></tr><tr><td>Transformation Risk</td><td>Regulations</td><td>International Conventions or Agreements</td><td>Responding to international net zero trends requires additional investment in renewable energy and energy-saving activities, leading to increased operational costs.</td><td>Long-term: 5–10 years</td></tr><tr><td>Opportunity</td><td>Products and Services</td><td>Low-Carbon Products or Services</td><td>Developing innovative low-power products and launching energy transition products enhance the company's competitiveness and generate additional revenue in line with net zero trends.</td><td>Mid-term: 2–5 years</td></tr></table>	Category	Aspect	Issue	Operational Impact Description	Impact Timeline	Transformation Risk	Regulations	International Conventions or Agreements	Responding to international net zero trends requires additional investment in renewable energy and energy-saving activities, leading to increased operational costs.	Long-term: 5–10 years	Opportunity	Products and Services	Low-Carbon Products or Services	Developing innovative low-power products and launching energy transition products enhance the company's competitiveness and generate additional revenue in line with net zero trends.	Mid-term: 2–5 years
	Category	Aspect	Issue	Operational Impact Description	Impact Timeline											
	Transformation Risk	Regulations	International Conventions or Agreements	Responding to international net zero trends requires additional investment in renewable energy and energy-saving activities, leading to increased operational costs.	Long-term: 5–10 years											
	Opportunity	Products and Services	Low-Carbon Products or Services	Developing innovative low-power products and launching energy transition products enhance the company's competitiveness and generate additional revenue in line with net zero trends.	Mid-term: 2–5 years											
<p>Note: For complete information on climate risks and opportunities, please refer to Faraday's 2024 Sustainability Report.</p>																
<p>In response to the significant climate impact items, Faraday has also analyzed and developed corresponding management measures. To date, comprehensive response measures have been established for all areas of impact, effectively reducing the influence of climate factors on business operations.</p>																
3. Detailing the financial impact of extreme weather events and transition actions.	<p>Faraday conducts financial impact analyses of extreme climate events or transition actions from multiple financial perspectives, including revenue, direct or indirect costs, capital expenditures, and more. Examples include:</p> <ul style="list-style-type: none">Expenditures for the installation of self-generated solar panel systemsCosts associated with the procurement of green electricity to achieve annual carbon reduction targetsCosts for replacing outdated energy-consuming equipmentResearch and development expenses for chips aimed at energy transition <p>Faraday believes that the current financial investments align with the global net-zero trend, and thus, the financial impacts can be translated into enhanced operational performance, reduced compliance risks, and positive effects on customer satisfaction.</p>															

Item	Implementation Status
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	<p>Faraday has established a "Risk Management Policy" as the highest guiding principle for internal risk management. The company's Audit Committee and management regularly oversee and review this policy, incorporating climate change risks as essential items for risk identification. Through regular risk assessments, the company conducts risk identification, evaluation, and impact analysis. A risk matrix is utilized to understand the frequency of risk events and their impact on company operations, allowing for the definition of risk prioritization and classification. Based on the risk levels, appropriate risk management strategies are implemented.</p>
5. If using scenario analysis to evaluate resilience to climate change risks, the context, parameters, assumptions, analysis factors, and primary financials impacts should be explained.	<p>Faraday considers various hypothetical scenarios in climate scenario analysis, such as national net-zero pathways, SSP1-1.9, and SSP5-8.5, to explore the impact of different parameters such as carbon taxes, renewable energy costs, etc., on business operations exposed to these scenarios.</p>
6. If there is a transformation plan to manage climate-related risks, please outline its content and the indicators and objectives used for identifying and managing physical and transitional risks.	<p>Faraday aims to achieve net-zero emissions by 2050 as the core direction for its climate risk response and transition plan. To this end, the company has implemented the following action plans:</p> <ul style="list-style-type: none">Greenhouse Gas Inventory: Conduct an annual greenhouse gas inventory, verified by a third party.Internal Carbon Reduction: Promote energy-saving and carbon reduction projects each year, including the installation of solar panels for self-consumption.Green Electricity Procurement: Initiate a green electricity procurement plan, gradually increasing the proportion of green electricity used each year.Green Supply Chain: Require suppliers to set ambitious carbon reduction targets and pathways.Green Innovation: Provide high-efficiency, low-power technology solutions.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	<p>At the current stage, Faraday has not implemented internal carbon pricing. However, we understand that internal carbon pricing could be an effective tool to drive carbon reduction across various business units. In the future, Faraday will continue to develop feasible methodologies and consider integrating internal carbon pricing as an important carbon reduction strategy tool at the appropriate time.</p>
8. If climate-related targets are set, information should be provided on the activities covered, scope of greenhouse gas emissions, planning timeframe, progress achieved annually, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the targets, details should be provided on the source and quantity of carbon offsets or the quantity of RECs exchanged.	<p>Faraday has set a long-term goal of achieving net-zero emissions by 2050, establishing annual carbon reduction targets based on the baseline year. The procurement of renewable energy certificates is one of the tools for achieving these reduction goals. The status of the 2024 targets is as follows:</p> <ul style="list-style-type: none">2024 Carbon Reduction Target: Zero growth compared to 20232024 Actual Carbon Reduction Achievement: A reduction of greater than 4.5%, successfully meeting the zero growth target2024 Renewable Energy Certificates Procurement Volume: 415 certificates
9. Information related to greenhouse gas inventory and verification status, as well as reduction targets, strategies, and specific action plans (separately filled in sections 1-1 and 1-2)	<p>For related information, please refer to 1. The Greenhouse Gas Inventory and Verification Status for the Last Two Years (Page 77) and 2. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans (Pages 77~78).</p>

1. The Greenhouse Gas Inventory and Verification Status for the Last Two Years

Information regarding the greenhouse gas inventory

Categories	2023		2024		Verification information	
Scope 1: Direct emissions	Total emissions (metric ton CO2e)	Intensity (metric ton CO2e/million dollars)	Total emissions (metric ton CO2e)	Intensity (metric ton CO2e/million dollars)	Verification Agency	Explanation of the Verification Status
Parent Company	237.34	0.02	219.11	0.02	SGS	ISO 14064-3 reasonable assurance level
Subsidiary	52.22	0.004	44.45	0.004	None	None
Scope 2: Energy indirect emissions	Total emissions (metric ton CO2e)	Intensity (metric ton CO2e/million dollars)	Total emissions (metric ton CO2e)	Intensity (metric ton CO2e/million dollars)	Verification Agency	Explanation of the Verification Status
Parent Company	3,229.09	0.27	3,090.16	0.28	SGS	ISO 14064-3 reasonable assurance level
Subsidiary	610.53	0.051	708.10	0.064	None	None
Scope 3: Other indirect emissions	Total emissions (metric ton CO2e)	Intensity (metric ton CO2e/million dollars)	Total emissions (metric ton CO2e)	Intensity (metric ton CO2e/million dollars)	Verification Agency	Explanation of the Verification Status
Parent Company	71,497.31	5.98	36,550.03	3.30	SGS	ISO 14064-3 reasonable assurance level
Subsidiary	No inventory.					

Note1: The verification of greenhouse gas inventory information is ongoing, and the complete information will be based on the data provided in Faraday's 2024 sustainability report.

Note2: The consolidated financial statements of subsidiaries will conduct an inventory of Scope 1 and Scope 2 emissions based on the sustainable development roadmap. Currently, there are no plans to inventory Scope 3 emissions, but external verification is scheduled to be introduced in year 2026.

2. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

- Carbon Reduction Target:
Faraday has established achieving net-zero emissions by 2050 as the core commitment for the company's climate risk response transformation. The specific carbon reduction targets for Faraday are: a 50% reduction in Scope 1 and Scope 2 emissions by 2030, and achieving net-zero greenhouse gas emissions by 2050.

- Carbon Reduction :

Carbon Reduction Strategies	Specific Actions
Greenhouse Gas Inventory	Conduct an annual greenhouse gas inventory, verified by a third party.
Internal Carbon Reduction	Promote energy-saving and carbon reduction projects each year, including the installation of solar panels for self-consumption.
Green Electricity Procurement	Initiate a green electricity procurement plan, gradually increasing the proportion of green electricity used each year.
Green Supply Chain	Require suppliers to establish ambitious carbon reduction targets and pathways.
Green Innovation	Provide high-efficiency, low-power technology solutions.

3.2.9 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

The internal management measures and implementation status of the Group are in compliance with Faraday Law, the Securities Exchange Law and the local related legal regulations of the various affiliates. The executives and the Directors all fulfill the duty of care as Faraday's manager, and maintain a good communication channel with the external auditor to implement the Ethical Management Principle.

Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
1. Establishment of ethical corporate management policies and programs <ul style="list-style-type: none"> Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? 	✓		<p>Faraday has formulated the "Ethical Corporate Management Best Practice Principles" and the ". Procedures for Ethical Management and Guidelines for Conduct" to specifically regulate all personnel of Faraday (including subsidiaries) in the process of engaging in business activities, and shall not directly or indirectly provide, promise, request or accept any illegitimate benefits, or commit other dishonest acts that violate ethical, lawlessness, or breach of fiduciary duty, to obtain or maintain benefits.</p> <p>The " Ethical Corporate Management Best Practice Principles " has been approved by Faraday's Board of Directors. Related policies and plans have also been disclosed on Faraday's official website. The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement</p> <p>The Board of Directors of Faraday perform the duty of care of good managers and supervise Faraday to prevent dishonest behaviors to ensure the implementation of the ethical management policy. In addition, to improve the ethical of Faraday's operations, the audit unit included the compliance of the " Ethical Corporate Management Best Practice Principles " into the scope of inspection and regularly reported to the Board of Directors about the deficiencies and improvement measures.</p> <p>Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter</p> <p>Directors who have an interests in themselves or the legal person they represent, which may be harmful to Faraday's interests, shall not participate in the Board of Directors' discussions and voting.</p>

Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
<ul style="list-style-type: none"> Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? 	✓		<p>In the " Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct ", Faraday aims at preventing bribes, dissuading illegal political contributions, improper charitable donations or sponsorships, providing or accepting unreasonable gifts, entertainment or other improper benefits, infringement of trade secrets, trademark rights, patent rights, copyrights and other intellectual property rights, and engaging in unfair competitive behaviors, products and services directly or indirectly damaging the rights, health and safety of consumers or other interested parties during research and development, procurement, manufacturing, provision or sales.</p> <p>Faraday conducts risk evaluation for the corruption-related issues through self-inspection by related unit and self-assessment by the law compliance unit to effectively prevent and implement Ethical Management. Moreover, the audit unit conducts independent evaluation to ensure the operation of the overall mechanism to jointly manage and prevent the occurrence of dishonest behaviors.</p> <p>The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement</p> <p>Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter</p>
<ul style="list-style-type: none"> Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan? 	✓		<p>In the " Procedures for Ethical Management and Guidelines for Conduct ", Faraday explicitly regulates the matters that should be paid attention to in the implementation of business. Before establishing business relationships, consider the legality of agents, suppliers, customers, and other business transactions and whether they are involved in fraudulent behavior. We avoid transactions with dishonest behaviors, and clearly state Faraday's Ethical Management policies, expressly refuse to directly or indirectly provide, promise, request or accept any illegitimate benefits in any form. Meanwhile, Faraday has laid down the " Prosecution Method of Dishonest Behaviors " and established the reporting system, channels hotlines and e-mail for related dishonest behaviors. The whistleblower's identity and the content of the report are kept confidential, or appropriate protective measures are taken in accordance with the law. For reporting cases, if the investigation proves that there is a violation of relevant laws or regulations or Faraday's Ethical Management policies and regulations, the reported person will immediately be prohibited from any business activity. Appropriate actions and measurements will be conducted. If the circumstances are serious, Faraday may dismiss the person and ask for compensation in accordance with laws and Company regulations to protect Faraday's reputation and rights. To ensure that every personnel of Faraday follows the rules, Faraday regularly conducts education, training, and promotion to help them fully understand Faraday's determination, policies, prevention plans, consequences and punishment of dishonest behavior.</p> <p>The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement</p> <p>Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter</p>

Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
2. Ethical Management Practice □ Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		Faraday evaluates the legality, ethical management policies and record of dishonest behaviors of counter agents, suppliers, customers or other business contacts before establishing any business relationship. The measures help to ensure the counterparties operate fairly and transparently, and will not request, offer or accept bribes. When cosigning with customers and suppliers, Faraday includes the Ethical Policy in the business contract. If any counterparty is found with dishonest behavior, the transaction and cooperation terminate immediately, so as to implement Faraday's Ethical Management Policy. The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
□ Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		Under the "Procedures for Ethical Management and Guidelines for Conduct" established by the board of directors, Faraday has set up an "Ethical Management Team" under the corporate governance group in the corporate sustainability committee, which is responsible for promoting Faraday's ethical management, anti-corruption, anti-bribery and compliance with laws and regulations. Ethical Management Team will hold meetings every quarter in 2024. After each meeting, team members will report on the implementation status of the previous quarter, and the records will be compiled and retained. An annual report on their implementation status will be presented to the Board of Directors, with the most recent report dated October 29, 2024. Faraday actively implements the promotion and implementation of the ethical management policy. In addition to requiring all employees to sign the Ethical Code, it continues to conduct education and training for relevant personnel, publicize legal compliance, and regularly review and review various measures to improve the implementation of Faraday's ethical management. Faraday conducts ethical management and ethical code education, training and publicity when each new employee arrives and every year, so that all colleagues can fully understand Faraday's determination, policies, prevention plans, and consequences of violations of ethical. The ethical management publicity course training totaled 742.5 hours in 2024, with completion rate of 100%. The relevant implementation results in 2024 are as follows: conduct education and training on honest business operations, prohibition of dishonest behavior and damage to the interests of interested parties, and confidentiality obligations for Faraday's intellectual property rights. Hold a symposium for all employees of Faraday, newcomer training, on-the-job training, and internal webpages to promote the theme of "implementing the value of ethical and sustainable development of the enterprise", and compile the ethical management code and important internal important information processing regulations. Through case studies, publicize the matters that colleagues should pay attention to when performing business. In addition, ethical management is included in employee performance appraisal and human resource policies, and a clear and effective disciplinary system is established. In 2023, there will be no corruption and anti-competitive behaviors. The reporting system and the protection of whistleblowers have been implemented. In 2024, 1 external whistleblowing case was accepted, and 0 employees directly reported 0 cases. After the investigation of the case was conducted, it was determined that the findings did not align with the allegations, and therefore, the case has been closed. In addition, Faraday's "Ethical Corporate Management Best Practice Principles " is formulated by the ethical management group, and the formulation, amendment or abolition of the principles are approved by the Board of Directors. Faraday's board of directors fulfills the duty of care of a good manager, supervises the company to prevent dishonest behavior, and ensures the implementation of the honest management policy. The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
□ Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		Faraday has set up a policy to avoid conflicts of interest in the "Procedures for Ethical Management and Guidelines for Conduct ". Faraday's Directors, managers, stakeholders and any attendee of the Board Meeting, who has conflict interest to the resolutions, should disclose the information and give up his/her right to vote when the conflicts are in doubt. In addition, the above-mentioned personnel shall withdraw the discussion and shall not vote by proxy for other Directors. The Directors should be self-disciplined and covered others' conflict of interests. During the execution of company business, any personnel of Faraday that finds conflicts with their own interests or the legal persons he/she represents, or may obtain illegitimate benefits for himself/herself, spouses, parents, children or other stakeholders, shall report the matters to the supervisor and responsible units for appropriate guidance. The employees of Faraday shall not use any company resources for business activities outside Faraday, and shall not affect their work performance while participating in business activities outside Faraday. The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
□ Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		Faraday has established a rigorous accounting and internal control system, including paying attention to related party transactions, establishing a price inquiry and negotiation system, and a hierarchical authorization review system. Internal auditors conduct audits according to the audit plan approved by the board of directors. They regularly perform self-assessment of the internal control system every year, report the audit results and track improvements to the board of directors on a regular basis, and accept audits from CPAs. When performing business, any colleague who discovers any violation of the integrity code is responsible for reporting it. Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
□ Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		Faraday actively implements the promotion and implementation of the Ethical Management. In addition to requiring all colleagues to sign the Ethical Code, we keep educating and training relevant personnel, conducting legal compliance advocacy, and regularly reviewing various measures to enhance the implementation of Faraday's Ethical Management. Faraday also conducts education, training, and advocacy of Ethical Corporate Management Best Practice and Ethical Codes for every newcomer to help all colleagues fully understand Faraday's determination, policies, prevention plans and the consequences of violating the Ethical Corporate Management Best Practice. In 2024, the total training hours for the Integrity Management promotion course amounted to 742.5 hours, with a completion rate of 100%. The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
3. Implementation of Complaint Procedures □ (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		<p>Faraday has set up a specific reporting system in accordance with the " Ethical Corporate Management Best Practice Principles" and the ". Procedures for Ethical Management and Guidelines for Conduct" to actively prevent dishonest behaviors, encourage internal and external personnel to report dishonest or improper behaviors. The audit office is designated to accept reports. The Stakeholder Area on the Faraday's official website provides effective communication channel for employees, shareholders, stakeholders, and outsiders. If the report involves Directors or senior executives, the report will be sent to Independent Directors or Supervisors, and establish the whistleblower protection system. The identity and contents of the report are kept confidential or being appropriate protect in accordance with the law. The whistleblower is also protected from improperly punishment. Establishing a whistleblower mechanism is an act of safeguarding the interest of colleagues, the company, and shareholders. Verified cases will be appropriately rewarded by the company based on the circumstances. In 2024, a total of 1 external reporting cases was accepted and 0 employees directly reported. After the investigation of the case was conducted, it was determined that the findings did not align with the allegations, and therefore, the case has been closed.The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter</p> <p>Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>
□ Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		<p>Faraday clearly stipulates Faraday's reporting channels, investigation and handling procedures, and whistleblower protection measures in the "Protection on whistleblower principle" to ensure the legitimate rights and interests of relevant personnel. Faraday handles reporting cases in a confidential manner, and handles them promptly, impartially and objectively, keeping the identity of the informant and the content of the report confidential or taking appropriate protective measures in accordance with the law.</p> <p>For reporting cases, if the investigation proves that there is indeed a violation of relevant laws or Faraday's ethical management policies and regulations, it will immediately require the person being reported to stop the relevant behavior and deal with it appropriately. Dismissal or dismissal according to management measures, and if necessary, request damages through legal procedures to protect Faraday's reputation and rights. Constructive reporting is an act of safeguarding the rights and interests of colleagues, the company and shareholders. For those who are verified to be true, Faraday will give appropriate rewards according to the situation.</p> <p>The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter</p> <p>Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
□ Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		<p>As described above, Faraday takes appropriate protective measures for the informant, including but not limited to: the name of the informant or any fact sufficient to identify the person shall not be recorded in the public document without the whistleblower's agreement; the whistleblower's address, telephone, e-mail, or relevant information must be kept strictly confidential; the investigation and verification should be done without revealing the whistleblower's identity. If the whistleblower is an employee, Faraday guarantees he/she will not be subject to improper disposal due to the whistleblowing.</p> <p>The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's Ethical Management : https://www.faraday-tech.com/en/content/CSR/CorporationGovernance</p> <p>Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>
4. Strengthening Information Disclosure □ Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		<p>Faraday had uploaded the "Ethical Corporate Management Best Practice Principles ", "Procedures for Ethical Management and Guidelines for Conduct " and " Prosecution method for dishonest behavior " and relevant information about Ethical Management on the Faraday's official website to disclose information related to ethical management. The implementation status in 2024 is as follows: Educational training will be conducted on integrity management in business activities, the prohibition of dishonest behavior, safeguarding the interests of stakeholders, and the confidentiality obligations regarding the company's intellectual property. This training will be incorporated into labor-management meetings, new employee training, on-the-job training, and real-time updates on internal websites. Relevant materials will include a compilation of the integrity management code and important regulations for handling internal major information, emphasizing key points for employees to consider while performing their duties. Additionally, integrity management will be included in employee performance evaluations and human resources policies, along with the establishment of a clear and effective disciplinary system. There are no corruption or anti-competitive behaviors reported in 2024. In 2024, a total of 1 external whistleblower case was received, and there were no direct reports from employees. After the investigation of the case was conducted, it was determined that the findings did not align with the allegations, and therefore, the case has been closed.</p> <p>The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter</p> <p>Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p>
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation : None.			
6. Other important information to facilitate a better understanding of the status of operation of Faraday's ethical corporate management policies (e.g., Faraday's reviewing and amending of its ethical corporate management best practice principles): To inquire about the "Code of Integrity Management," "Procedures and Guidelines for Integrity Management," and "Reporting Methods for Dishonest Behavior" from Faraday, please visit the Faraday's official website where this information is typically found in the "Corporate Social Responsibility" or "Compliance" sections. Relevant regulations of Faraday's ethical management: https://www.faraday-tech.com/en/content/CSR/DocumentCenter The ethical management area of Faraday's official website: https://www.faraday-tech.com/en/content/CSR/EthicalManagement			

As of the date of publication of the annual report in 2024, Faraday has held 9 meetings of the Board of Directors, and the important resolutions are as follows:

Date	Content of important resolutions
Board Meeting on January 15, 2024 (15th session of 11th term)	<ul style="list-style-type: none"> Proposal for cash capital increase in the subsidiary, Sheng Bang Investment Corporation, by Faraday. Proposal for acquisition of subsidiary Sheng Bang Investment Corporation.
Board Meeting on February 20, 2024 (16th session of 11th term)	<ul style="list-style-type: none"> 2023 Business Report and Financial Statements. Proposal for 2023 profit distribution. 2023 profit distribution for employees and Directors. Proposal for Faraday's managers' remuneration. Proposal for company personnel to subscribe to the new shares issued through cash capital increase for 2023. Proposal for implementation of the audit plan and internal control system validity examination in 2023. Faraday regularly evaluates the independence and suitability of CPAs in 2023. The date of Faraday's 2024 Shareholders' Meeting, the reasons for the convening and the acceptance of proposals from shareholders holding more than 1% of the shares. Election proposal for the 12th board of directors to the company, comprising nine seats (including three independent directors) Proposal of the list of nominees for the 12th board of directors (including independent directors) by the board of directors of this company. Proposal to lift the post-election restrictions on newly appointed directors (including independent directors) and their representatives within this company.
Board Meeting on April 23, 2024 (17th session of 11th term)	<ul style="list-style-type: none"> Faraday's 2024Q1 Financial Statements. The public expense case for the appointment of auditors for 2024. Drafting a general policy proposal for pre-approval of non-assurance services within this company for the fiscal year 2024.
Board Meeting on June 11, 2024 (1st session of 12th term)	<ul style="list-style-type: none"> Proposal for the election of the 12th board of directors of the Company. Appointment proposal for members of the 6th Compensation Committee. Appointment proposal for members of the 2nd Nomination Committee.
Board Meeting on June 27, 2024 (2nd session of 12th term)	The company intends to invest in CoAsia SEMI Korea Corporation through its subsidiary, Sheng Bang Investment Co., Ltd..
Board Meeting on July 30, 2024 (3rd session of 12th term)	<ul style="list-style-type: none"> Faraday's 2024Q2 Financial Statements. Proposal for the 2023 Sustainability Report. Proposal for the remuneration recommendations for the company's managers. Proposal for the renewal of the company's bank credit facility. Proposal to establish the "Implementation Guidelines for the Directors' Continuing Education Program." Proposal to amend the company's "Compensation Committee Organization Regulations."
Board Meeting on October 29, 2024 (4th session of 12th term)	<ul style="list-style-type: none"> Faraday's 2024Q3 Financial Statements. Proposal for the explanation of the company's managerial performance system and compensation recommendations. Proposal to establish the company's "Managerial Compensation Clawback Policy." Proposal to amend the company's "Internal Control System Handling Guidelines." Proposal for the audit plan for the fiscal year 2025. Proposal for the renewal of the company's bank credit facility. Proposal to amend the company's "Board Meeting Rules." Proposal to amend the company's "Audit Committee Organization Regulations."
Board Meeting on December 26, 2024 (5th session of 12th term)	2025 Operating Budget.

Date	Content of important resolutions
Board Meeting on February 21, 2025 (6th session of 12th term)	<ul style="list-style-type: none"> 2024 Business Report and Financial Statements. Proposal for the distribution of earnings for the fiscal year 2024. Proposal for the distribution of director and employee compensation for the fiscal year 2024. Proposal for Faraday's managers' remuneration. Proposal for implementation of the audit plan and internal control system validity examination in 2024. Proposal for the change of the company's internal audit supervisor. Faraday regularly evaluates the independence and suitability of CPAs in 2024. Proposal to establish general principles for the pre-approval policy of non-assurance services for the fiscal year 2025. Proposal to define the scope of the company's entry-level employee. Proposal to amend the company's "Articles of Incorporation." The date of Faraday's 2025 Shareholders' Meeting, the reasons for the convening and the acceptance of proposals from shareholders holding more than 1% of the shares. Proposal to lift the restrictions on the non-compete agreement for newly appointed directors of the company.

3.2.13 If the director or supervisor has had different opinions on the passing of important resolutions in the Board Meeting, with supporting records or written statements of opposing opinions in the most recent year and until the publication of the annual report: None.

3.3 Audit fees

If the non-audit fees paid by the authorized accountant, the accountant's affiliated office and its related enterprise outweighed one quarter of the audit fee, the amount of the audit and non-audit fees and the non-audit service content shall be disclosed:

Unit: NTD thousand

Accounting Firm	Name of CPA	CPA' Audit Period	Audit Fee	Non-audit Fees	Total	Remark
Ernst & Young	Shen-Jie Hu, Yu-Ni Yang	2024	5,280	3,030	8,310	Non-audit public expense, tax visa, transfer pricing report, and other consulting case.

If the audit firm is replaced and the audit fee paid is lower than the year before the replacement, the amount of the current and previous audit fee and the reason shall be disclosed: Not applicable.

If the audit fee has decreased by more than 10% compared with the previous year, the amount, proportion and reason for the reduction shall be disclosed: Not applicable.

3.4 Change of CPAs information: None

3.5 Faraday's Chairman, Directors, Chief Executive Officer, Chief Financial Officer, and Managers in charge of its finance and accounting operations holding any positions within Faraday's independent audit firm or its affiliates in the most recent year: None.

3.6 Equity transfer and pledge changes by Directors, Supervisor, Management and Shareholders with 10% shareholdings or more in the most recent year and up to the date of publication of the annual report

1. Change in shareholding by Directors, Management and Shareholders with 10% shareholdings or more

Unit: Shares

Position	Name	2024		2025 (until March 31)	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Juristic-Person Director	United Microelectronics Corporation(Note 1)	1,722,492	—	—	—
Juristic-Person Director	Unimicron Technology Corp.	4,634	—	—	—
Chairman and CSO	Chia-Tsung, Hung	—	—	—	—
Representative of the Juristic-Person Person Director	Ying-Sheng, Shen	—	—	—	—
Representative of the Juristic-Person Director	Zhen-Li Huang	—	—	—	—
Director and President	Kuo-Yung Wang	22,241	—	—	—
Director and COO	Shih-Chin Lin	(58,056)	—	10,000	—
Director and CFO	Wen-Ju Tseng	(18,808)	—	—	—
Independent Director	Ning-Hai, Jin (Note 2)	—	—	—	—
Independent Director	Bing-Kuan, Luo	—	—	—	—
Independent Director	Wan-Fen Zhou	—	—	—	—
Independent Director	Li-Ying Ye(Note 3)	—	—	—	—
Vice President	Cheng-Hsing Chien	5,247	—	—	—
Vice President	Kuo-Hua Lee	5,974	—	—	—
Associate Vice President	Shu-Hei Liao	4,692	—	—	—
Associate Vice President	Chen-Yi Huang	3,527	—	—	—
Associate Vice President	Ying-Cih Yen	3,109	—	—	—

Note 1: Major shareholders with more than 10% shareholdings.
Note 2: Independent Director , Ning-Hai, Jin resigned on May 29, 2024.
Note 3: Independent Director , Li-Ying Yeh was newly appointed on May 29, 2024.

2. Equity transfer information: None.

3. Equity pledge information: None.

3.7 Related party relationship or spouses and second-tier kinship among Faraday’s 10 largest Shareholders

March 25, 2025

Unit: Share

Name	Personal shareholding		Shares hold by spouse, under aged children		shares hold under the name of others		The title or name and relationship amongst top ten major shareholders with relationship or as the spouse, direct kinship according to Article 6 of financial accounting standards		Remarks
	Number of shares	%	Number of shares	%	Number of shares	%	Title (or Name)	Relationship	
United Microelectronics Corporation Representative: Chia-Tsung, Hung	35,962,705	13.80%	—	—	—	—	None	None	
Fubon Life Insurance Co., Ltd. Representative: Lin Fuxing	11,099,822	4.26%	—	—	—	—	None	None	
Polar Capital Funds Plc	6,891,855	2.65%	—	—	—	—	None	None	
Chunghwa Post Co., Ltd. Representative: Wang Guocai	4,927,356	1.89%	—	—	—	—	None	None	
New Labor Pension Fund	3,327,976	1.28%	—	—	—	—	None	None	
Cathay Life Insurance Co., Ltd. Representative: Hsiung Minghe	3,098,634	1.19%	—	—	—	—	None	None	
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,716,216	1.04%	—	—	—	—	None	None	
Vanguard Emerging Markets Stock Index Fund, A series of Vanguard international equity stock index funds	2,460,198	0.94%	—	—	—	—	None	None	
Morgan Stanley & Co. International Plc	1,627,502	0.62%	—	—	—	—	None	None	
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	1,626,189	0.62%	—	—	—	—	None	None	

3.8 Shareholdings of Faraday, its Directors, managers and enterprises directly or indirectly controlled by Faraday in the same reinvested enterprise, and the ratio of consolidated shareholdings

December 31, 2024
Unit: Thousand shares

Transfer investment (Note)	Faraday's investment		Investment of Director, Manager, or under direct or indirect control of businesses		Consolidated investment	
	Number of shares	%	Number of shares	%	Number of shares	%
Faraday Technology Corporation (USA)	118,580(common stock) 2,000 (preferred stock)	100%	—	—	118,580(common stock) 2,000 (preferred stock)	100%
Faraday Technology Japan Corporation	2	99.95%	—	—	2	99.95%
Faraday Technology Corp. (B.V.I)	27,489	100%	—	—	27,489	100%
Chi Hong Investment Co., Ltd	76,522	100%	—	—	76,522	100%
Sheng Bang Investment Co., Ltd	210,651	100%	—	—	210,651	100%
Faraday Technology Vietnam Company Limited	—	100%	—	—	—	100%
Sinble Technology Pte. Ltd.	7,800	100%	—	—	7,800	100%

04. Information on capital raising activities

4.1 Capital and shares

4.1.1 Source of capital

1. Capital formation

Date	Issue price	Approved capital		Paid-in capital		Remarks		
		Number of shares (thousand share)	Amount (NTD thousand)	Number of shares (thousand share)	Amount (NTD thousand)	Source of capital	Offsets of pledged capitals with assets other than cash	Others
March, 2009	10	420,000	4,200,000	359,303	3,593,029	Transfer of employee stock option certificates	None	Note 1
April, 2009	10	420,000	4,200,000	359,311	3,593,109	Transfer of employee stock option certificates	None	Note 2
May, 2009	10	420,000	4,200,000	359,756	3,597,564	Transfer of employee stock option certificates	None	Note 3
August, 2009	10	420,000	4,200,000	360,607	3,606,071	Transfer of employee stock option certificates	None	Note 4
August, 2009	10	420,000	4,200,000	365,334	3,653,343	Capital increase transferred from surplus	None	Note 5
January, 2010	10	420,000	4,200,000	367,344	3,673,445	Transfer of employee stock option certificates	None	Note 6
April, 2010	10	500,000	5,000,000	369,987	3,699,873	Transfer of employee stock option certificates	None	Note 7
June, 2010	10	500,000	5,000,000	370,447	3,704,473	Transfer of employee stock option certificates	None	Note 8
August, 2010	10	500,000	5,000,000	370,538	3,705,383	Transfer of employee stock option certificates	None	Note 9
January, 2011	10	500,000	5,000,000	371,952	3,719,523	Transfer of employee stock option certificates	None	Note 10
March, 2011	10	500,000	5,000,000	366,952	3,669,523	Decrease in treasury stock	None	Note 11
April, 2011	10	500,000	5,000,000	370,392	3,703,918	Transfer of employee stock option certificates	None	Note 12
May, 2011	10	500,000	5,000,000	376,886	3,768,858	Transfer of employee stock option certificates	None	Note 13
August, 2011	10	500,000	5,000,000	378,236	3,782,358	Transfer of employee stock option certificates	None	Note 14
July, 2011	10	500,000	5,000,000	397,117	3,971,165	Capital increase transferred from capital cumulated	None	Note 15
January, 2012	10	500,000	5,000,000	398,027	3,980,270	Transfer of employee stock option certificates	None	Note 16
April, 2012	10	500,000	5,000,000	398,754	3,987,535	Transfer of employee stock option certificates	None	Note 17
May, 2012	10	500,000	5,000,000	402,310	4,023,098	Transfer of employee stock option certificates	None	Note 18
August, 2012	10	600,000	6,000,000	402,960	4,029,600	Transfer of employee stock option certificates	None	Note 19
January, 2013	10	600,000	6,000,000	403,608	4,036,075	Transfer of employee stock option certificates	None	Note 20
April, 2013	10	600,000	6,000,000	404,246	4,042,459	Transfer of employee stock option certificates	None	Note 21
May, 2013	10	600,000	6,000,000	406,208	4,062,075	Transfer of employee stock option certificates	None	Note 22
August, 2013	10	600,000	6,000,000	406,380	4,063,798	Transfer of employee stock option certificates	None	Note 23
November, 2013	10	600,000	6,000,000	406,893	4,068,930	Transfer of employee stock option certificates	None	Note 24

April, 2014	10	600,000	6,000,000	408,344	4,083,441	Transfer of employee stock option certificates	None	Note 25
May, 2014	10	600,000	6,000,000	411,079	4,110,788	Transfer of employee stock option certificates	None	Note 26
August, 2014	10	600,000	6,000,000	411,470	4,114,703	Transfer of employee stock option certificates	None	Note 27
November, 2014	10	600,000	6,000,000	413,125	4,131,255	Transfer of employee stock option certificates	None	Note 28
March, 2015	10	600,000	6,000,000	414,250	4,142,505	Transfer of employee stock option certificates	None	Note 29
August, 2015	10	600,000	6,000,000	248,550	2,485,503	Cash Refund Capital reduction	None	Note 30
April, 2024	10	600,000	6,000,000	260,550	2,605,503	Cash capital increase	None	Note 31

Note

- Transfer of employee stock option certificates, with 602 thousand shares, has been approved by Hsinchu Science Park Bureau 98.3.20 Yuanshang-zi No. 0980007957.
- Transfer of employee stock option certificates, with 8 thousand shares, has been approved by Hsinchu Science Park Bureau 98.4.22 Yuanshang-zi No. 0980010023.
- Transfer of employee stock option certificates, with 445 thousand shares, has been approved by Hsinchu Science Park Bureau 98.5.19 Yuanshang-zi No. 0980013417.
- Transfer of employee stock option certificates, with 851 thousand shares, has been approved by Hsinchu Science Park Bureau 98.8.20 Yuanshang-zi No. 0980022629.
- Capital surplus transferred from surplus of NTD \$47,271 thousand from 2009, with 4,727 thousand shares, has been approved by the Financial Supervisory Commission, Executive Yuan 98.7.10 Jinguan-zheng Fa-zi No. 0980034538.
- Transfer of employee stock option certificates, with 2,010 thousand shares, has been approved by Hsinchu Science Park Bureau 99.1.22 Yuanshang-zi No. 0990001404.
- Transfer of employee stock option certificates, with 2,643 thousand shares, has been approved by Hsinchu Science Park Bureau 99.4.9 Yuanshang-zi No. 0990009112.
- Transfer of employee stock option certificates, with 460 thousand shares, has been approved by Hsinchu Science Park Bureau 99.6.1 Yuanshang-zi No. 0990014595.
- Transfer of employee stock option certificates, with 91 thousand shares, has been approved by Hsinchu Science Park Bureau 99.8.16 Yuanshang-zi No. 0990023695.
- Transfer of employee stock option certificates, with 1,414 thousand shares, has been approved by Hsinchu Science Park Bureau 100.1.14 Yuanshang-zi No. 1000001274.
- Decrease in treasury stock, with 5,000 thousand shares, has been approved by Hsinchu Science Park Bureau 100.3.14 Yuanshang-zi No. 1000007430.
- Transfer of employee stock option certificates, with 3,440 thousand shares, has been approved by Hsinchu Science Park Bureau 100.4.22 Yuanshang-zi No. 1000010699.
- Transfer of employee stock option certificates, with 6,494 thousand shares, has been approved by Hsinchu Science Park Bureau 100.5.18 Yuanshang-zi No. 1000013784.
- Transfer of employee stock option certificates, with 1,350 thousand shares, has been approved by Hsinchu Science Park Bureau 100.8.19 Yuanshang-zi No. 1000024283.
- Capital surplus transferred to capital of NTD \$188,807 thousand, with 18,881 thousand shares, has been approved by the Financial Supervisory Commission, Executive Yuan 100.7.18 Jinguan-zheng Fa-zi No. 1000033188.
- Transfer of employee stock option certificates, with 910 thousand shares, has been approved by Hsinchu Science Park Bureau 101.1.17 Yuanshang-zi No. 1010001486.
- Transfer of employee stock option certificates, with 727 thousand shares, has been approved by Hsinchu Science Park Bureau 101.4.11 Yuanshang-zi No. 1010010460.
- Transfer of employee stock option certificates, with 3,556 thousand shares, has been approved by Hsinchu Science Park Bureau 101.5.15 Yuanshang-zi No. 1010014163.
- Transfer of employee stock option certificates, with 650 thousand shares, has been approved by Hsinchu Science Park Bureau 101.8.16 Yuanshang-zi No. 1010025281.
- Transfer of employee stock option certificates, with 648 thousand shares, has been approved by Hsinchu Science Park Bureau 102.1.16 Yuanshang-zi No. 1020010747.
- Transfer of employee stock option certificates, with 638 thousand shares, has been approved by Hsinchu Science Park Bureau 102.4.16 Yuanshang-zi No. 1020010896.
- Transfer of employee stock option certificates, with 1,962 thousand shares, has been approved by Hsinchu Science Park Bureau 102.5.16 Yuanshang-zi No. 1020014150.
- Transfer of employee stock option certificates, with 172 thousand shares, has been approved by Hsinchu Science Park Bureau 102.8.15 Yuanshang-zi No. 1020024332.
- Transfer of employee stock option certificates, with 513 thousand shares, has been approved by Hsinchu Science Park Bureau 102.11.15 Yuanshang-zi No. 1020034787.
- Transfer of employee stock option certificates, with 1,451 thousand shares, has been approved by Hsinchu Science Park Bureau 103.4.1 Chushang-zi No. 1030009307.
- Transfer of employee stock option certificates, with 2,735 thousand shares, has been approved by Hsinchu Science Park Bureau 103.5.6 Chushang-zi No. 1030012756.
- Transfer of employee stock option certificates, with 391 thousand shares, has been approved by Hsinchu Science Park Bureau 103.8.13 Chushang-zi No. 1030023635.
- Transfer of employee stock option certificates, with 1,655 thousand shares, has been approved by Hsinchu Science Park Bureau 103.11.19 Chushang-zi No. 1030033760.
- Transfer of employee stock option certificates, with 1,125 thousand shares, has been approved by Hsinchu Science Park Bureau 104.3.30 Chushang-zi No. 1040008253.
- Cash refund capital reduction, with 165,700 thousand shares, has been approved by Hsinchu Science Park Bureau 104.8.4 Chushang-zi No. 1040022281.
- Cash capital increase, with 12,000 thousand shares, has been approved by Hsinchu Science Park Bureau of the National Science and Technology Council 113.4.16 Chushang-zi No. 1130011351.

2. Type of shares issued in the recent year and until publication of annual report

March 25, 2025

Type	Approved share capital			Remarks
	Issued shares	Unissued shares	Total	
Common stock	260,550,313	339,449,687	600,000,000	Stock of listed company

4.1.2 List of major shareholders

March 25, 2024

Shares Name of major shareholder	Shareholding(shares)	Shareholding (%)
United Microelectronics Corporation	35,962,705	13.80
Fubon Life Insurance Co., Ltd.	11,099,822	4.26
Polar Capital Funds Plc	6,891,855	2.65
Chunghwa Post Co., Ltd.	4,927,356	1.89
New Labor Pension Fund	3,327,976	1.28
Cathay Life Insurance Co., Ltd.	3,098,634	1.19
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,716,216	1.04
Vanguard Emerging Markets Stock Index Fund, A series of Vanguard international equity index funds	2,460,198	0.94
Morgan Stanley & Co. International Plc	1,627,502	0.62
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	1,626,189	0.62

4.1.3 Company dividend policy and execution

1. Dividend policy

Faraday shall set aside no less than 1% as employee remuneration and no more than 2% as director's remuneration based on the current year's profit. However, if Faraday still has accumulated losses, it should make up for it. Employee remuneration may be in cash or stock, and the recipients of cash or stock may include employees of controlled or subordinate companies that meet certain conditions.

The profit status of the current year referred to in Paragraph 1 refers to the profit before tax deducting the distribution of employee remuneration and directors' remuneration in the current year.

The distribution of employee remuneration and directors' remuneration shall be made by the board of directors with the attendance of more than two-thirds of the directors and the approval of more than half of the directors present, and shall be reported to the Shareholders' Meeting.

If Faraday's annual accounts are in surplus, they will be distributed in the following order:

- Withholding taxes.
- Breakeven.
- Deposit 10% of which as statutory surplus reserve.
- Set or revolve special surplus reserves by law.
- The accumulated undistributed surplus in the previous period would act as shareholder bonus. The shareholder bonus will be distributed by the Shareholders' Meeting, except for the reserved part that will be distributed in subsequent years.

Faraday's policy of dividend distribution shall be based on the current and future investment environment, capital requirements, domestic and international competition and capital budget, etc., taking into account the interests of shareholders, balancing dividends and long-term financial planning of Faraday. Each year, the Board of Directors would draft a distribution proposal and submit which to the Shareholders' Meeting. The company may, based on financial, operational, and business factors, distribute all distributable profits for the current year. Under normal circumstances, the amount of dividends distributed by the company shall not be less than 50% of the after-tax earnings for the year. The distribution of shareholder dividends may be made in cash or stock, with the proportion of cash dividends shall not be less than ten percent (10%) of the total dividends.

2. Distribution proposal of dividends in this Shareholders' Meeting

Faraday's 2024 earnings distribution proposal was approved by the 6th meeting of the 12th Board of Directors on February 21, 2025. The proposal will be submitted to the Shareholders' Meeting for discussion, and will formulate a cash dividend of NTD \$781,650,939 for a dividend of NTD \$3 per share.

4.1.4 Effect of proposed stock grant distribution on Faraday's operating performance and earnings per share: Not applicable.

4.1.5 Compensation of employees, Directors and Supervisors

1. The percentage or scope of compensation for employees, Directors and Supervisors stated in Faraday's Articles of Incorporation: According to Faraday's Articles of Incorporation, after deducting the accumulated loss from the surplus, Faraday shall set aside not more than 2% of the remained profit to Directors as remuneration and not less than 1% to employees as compensation. Dividends may issue to employees of subordinate companies that meet certain conditions.
2. The accounting method for difference in actual distributed amounts and the estimated remuneration of

employees, Directors and Supervisors, the number of shares compensation:

- Faraday's Board of Directors distribute the compensation for employees and Directors based on the proposed Article amendments to the regulations, law and regulations, industry level.
 - Basis for calculating share compensation for employees: Not applicable.
 - Accounting treatment for the difference in the actual distributed amount and the estimated amount: If there is any difference between the actual distributed amount and the estimated amount, it will be recorded as a change in accounting estimates.
3. Approval of remuneration distribution by the Board of Directors:
- Proposed to distribute employees with cash remuneration of NTD \$51,926,367 and Directors with cash remuneration of NTD \$1,735,776, and the resolution was passed by the 6th session of 12th term board of directors on February 21, 2025, where the numbers are of no significant difference from the estimated value of original accounts.
 - Proportion of employee remuneration distributed in stock to the total amount of net profit after tax and employee compensation in current parent company financial statements: Not applicable.
4. The actual distribution of compensation for employees, Directors and Supervisors in the previous year (including the number of shares distributed, amount and share price), the difference between the recognition amount, reasons of which and processing of such situations:
- From the accumulated surplus in 2023, a total of NTD \$237,433,000 was distributed as employee's cash compensation, and a total of NTD \$2,681,094 was distributed as Director's cash compensation, the amounts equal the estimated value.

4.1.6 Buyback of common stock: None.

4.2 Issuance of corporate bonds: None.

4.3 Preferred shares: None.

4.4 Overseas depositary shares: None.

4.5 Status of employee stock option plan: None.

4.6 Status of new restricted employee shares: None.

4.7 Status of new share issuance in connection with mergers and acquisitions: None.

4.8 Funding plans and implementation

On December 12, 2023, the company's board of directors passed a resolution to carry out a cash capital increase by issuing new shares, which was approved by the Financial Supervisory Commission under Document No. 1120366126 on January 11, 2024. For information related to the company's cash capital increase, please refer to the fundraising plan execution section on the Public Information Observatory (Website: https://mops.twse.com.tw/mops/web/bfhtm_q2).

4.8.1 Plan Details

1. Total funding required for this plan: NT\$3,720,000 thousand.
2. Source of funds for this plan: Cash capital increase by issuing 12,000 thousand shares, with a par value of NT\$10 per share and an issuance price of NT\$310 per share, resulting in an increase in capital of NT\$120,000 thousand and raising funds of NT\$3,720,000 thousand.
3. Project items and scheduled fund utilization progress:

Unit: NTD\$ Thousand

Project Items	Scheduled Completion Date	Total Funding Required	Planned Fund Utilization Progress			
			2024			
			Q1	Q2	Q3	Q4
Research and Development Capital Expenditure	2024Q4	2,100,032	9,792	1,143,177	892,238	54,825
Working Capital Enhancement	2024Q2	1,619,968	500,000	1,119,968	—	—
Total		3,720,000	509,792	2,263,145	892,238	54,825

4. Expected Potential Benefits

- Research and Development Capital Expenditure
The company plans to raise a total amount of NT\$3,720,000 thousand through the cash capital increase by issuing common shares, of which NT\$2,100,032 thousand will be used for research and development capital expenditures. This primarily involves the acquisition of intangible assets required for research and design services, such as Electronic Design Automation (EDA) software and Semiconductor Intellectual Property (IP) cores. The company is an internationally renowned provider of Application Specific Integrated Circuit (ASIC) design services and IP licensing services. In response to the rapid development of technology applications like cloud services, artificial intelligence, high-performance computing, and edge computing, and the increasing demands from customers regarding chip power consumption, size, and performance, it is necessary to enhance the diversity of the IP database by acquiring the intangible assets needed in the ASIC design service process. This will allow the company to provide more diverse and high-value-added ASIC solutions to meet customer needs, thereby strengthening its market position.
- Working Capital Enhancement
The company plans to raise a total amount of NT\$3,720,000 thousand through the cash capital increase by issuing common shares, of which NT\$1,619,968 thousand will be used to enhance working capital.

This is to meet the increased working capital needs arising from the growth of future operational scale, including expenses related to material purchases, product R&D investments, market development, and employee growth. Once the funds are in place, they will be allocated according to the planned fund utilization progress to support the company's operational funding needs. This will not only help enhance the company's market competitiveness and expand operational scale but also increase long-term stable working capital and improve funding flexibility. Based on the estimated borrowing rate of 1.91% for the new bank loans the company plans to take, it is expected to save approximately NT\$23,206 thousand and NT\$30,941 thousand in interest expenses in the fiscal year 113 and subsequent years, respectively. This will also moderately reduce the company's financial burden, strengthen its financial structure, and lower operational risks.

4.8.2 Implementation Status

The funds raised from the domestic cash capital increase are allocated according to the funding utilization plan and actual needs. As of the fourth quarter of fiscal year 113, the implementation status of the uncompleted fund utilization plan is as follows:

Unit: NTD\$ Thousand

Project Items	Execution		This quarter	Cumulative as of This Period	Reasons for Ahead or Behind Schedule and Improvement Plans
Research and Development Capital Expenditure	Amount Used	Planned	54,825	2,100,032	As of the fourth quarter of fiscal year 2024, the actual expenditure plan has fallen behind the original schedule, primarily due to changes in the timelines of certain commissioned design service projects, which consequently delayed the acquisition of intangible assets.
		Actual	259,195	998,307	
	Progress (%)	Planned	2.62	100.00	
		Actual	12.34	47.53	
Research and Development Capital Expenditure	Amount Used	Planned	—	1,619,968	As of the fourth quarter of fiscal year 2024, all plans have been fully executed, and there are no significant anomalies.
		Actual	—	1,619,968	
	Progress (%)	Planned	—	100.00	
		Actual	—	100.00	

05. An overview of operations

5.1 Business scope

5.1.1 Business Scope

1. Main business content

- Component database for special application integrated circuit design
- Electronic design, automatic software tools for special application integrated circuit design
- Professional services including the design, manufacturing and testing of special application integrated circuits and their components
- Design and license services of silicon intellectual property

2. Proportion of each product

Unit: NTD thousand

Type of main products	2024		2023	
	Revenue	Proportion	Revenue	Proportion
ASIC and wafer products	7,254,974	65.57%	8,839,413	73.88%
Non-recurring engineering	2,250,312	20.34%	1,724,577	14.41%
Intellectual property components and license fee	1,559,566	14.09%	1,401,584	11.71%
Total	11,064,852	100.00%	11,965,574	100.00%

3. Main Products and Services

- Non-Recurring Engineering (NRE): Entrusted by customers to develop and design ASIC products. Faraday provides databases of circuit design component and various silicon intellectual property components (SIP) for the design of products, produces circuit diagram for the mask of products, and entrusts OEMs for light mask production, wafer production, cutting and product packaging. Faraday's engineering personnel also conducts product testing and quality control before handing over production samples to customers.
- ASIC products: Conduct mass production of ASIC products under customer request. After completing the client's requested design and the sample product has been accepted by the customer, Faraday conducts mass production for customers. The final ASIC products are delivered in wafers or packaged and tested ICs to clients.
- Silicon Intellectual Property (SIP): SIP is an electronic circuit component with unique functions and

reusable capability. In the increasingly sophisticated ASIC design areas, SIP provides customers (mainly IC design house and system vendors) a convenient and fast solution. Faraday SIP can be authorized to be integrated by the customer or used as an optional component in ASIC design project.

4. Planned Products and Services

- Plan to develop an Arm-based 64-core SoC using Intel's 18A technology .
- Plan to establish an SoC development platform on UMC's 14nm process technology .
- Plan to develop a 14nm LPDDR5/4/4X PHY.
- Plan to develop a 14nm MIPI C/D-PHY Tx and Rx.
- Plan to develop a 14nm USB 3.2 Gen1x1 PHY.
- Plan to develop a 14nm FPD-Link LVDS Tx, Rx.
- Plan to develop a 14nm V-by-One Tx and Rx.
- Plan to develop a 22nm 2.5Gb Ethernet PHY.
- Plan to develop a 22nm 12-bit SAR ADC.

5.1.2 Industry Overview

1. Industry status and development

In recent years, Taiwan's wafer industry has been developing intensively. The division of the industry has become more specialized. Each production process are involved by many individual manufacturers. The vertical division of labor is clear and professional, making Taiwan's wafer industry structure more complete.

2. The relationship between the upstream, midstream and downstream of the industry

Job distribution of each stream in Taiwan's IC industry

Structure	Steps	Manufacturing process
Upstream	Design services and design	Logic design, circuit design, graphic design
Midstream	Production of masks and wafers	Oxidation, mask standardization, etching, impurity diffusion, ion implantation, chemical vapor deposition, metal sputtering, chip inspection
Downstream	Packaging and testing	Cutting, placement, wire bonding, molding, testing

3. Development trend of the products

Chip product is on system level integration, which is SoC (System-on-chip). SoC integrates arithmetic unit IP, memory unit IP, and other digital and analog IP. SoC products can be divided into two types - Application Specific Standard Product (ASSP) and Application Specific Integrated Circuit (ASIC).

4. Competitive Status

There are two major trends in ASIC design service companies. The first trend involves collaborating with foundries to advance process technologies while coordinating customer demands, primarily offering backend design and production services. For instance, Creative Electronic in Taiwan provides related ASIC services. The second trend focuses on providing proprietary silicon intellectual property (IP), emphasizing system platform-based design services. These companies offer flexible frontend and backend design services based on customer needs to meet niche application requirements. A notable example is Etron

Technology. With years of accumulated experience, Etron has developed a rich and comprehensive portfolio of silicon IP across various processes, along with extensive know-how in design services tailored for specific applications. This not only adds value to their services but also enhances customer loyalty.

5.1.3 Technology and R&D Overview

1. Research and development expenses

Unit: NTD thousand

Item	2024	2023
Research and development expenses (A)	2,956,912	2,362,449
Operating revenue (B)	11,064,852	11,965,574
(A)/(B)	26.72%	19.74%

2. Successfully developed technologies or products

- Launched advanced packaging services that integrate chiplets using 2.5D technology.
- Collaborating with UMC and Winbond Technology to introduce the WoW 3D IC project.
- Unveiled SONOS eFlash Platform with Infineon on UMC 40uLP, including newly-developed eFlash sub-system IP and complete eFlash testing solution.
- Collaborating with ARM to provide customized system-on-chip (SoC) solutions for the Neoverse™ computing subsystem (CSS) .

5.1.4 Long-term and short-term business development plans

• Short-term:

Based on the recurring revenue generated from the ramp-up of ASIC projects and IP silicon intellectual property licensing, the goal is to increase the penetration rate of existing customer ASIC products. At the same time, we will position ourselves to meet the ASIC demand arising from key applications such as AI, automotive, and networking, serving as a new growth driver for future revenues.

• Long-term:

- Our proprietary silicon IP development capabilities and component library have successfully advanced to FinFET processes. We will continue to enhance the completeness of our silicon IP for FinFET processes and strengthen our hardware-software integration capabilities through system-level IP subsystems, providing customers with high-quality and accelerated design services for mass production..
- We will launch Design Implementation Services (DIS) for physical chip design, spanning various foundries and advanced process nodes. This will help customers address the challenges of design manpower shortages in advanced processes, leveraging Etron's years of accumulated design expertise to create new business value..

5.2 Overview of the market and production and sales status

5.2.1 Market analysis

1. Main product (service) sales (provided) regions

Faraday provides ASIC services and IP licensing service products of Silicon Intellectual Property, and is the first ASIC provider in Asia business. Sales area covers Taiwan, mainland China, Asia Pacific, Europe, United States, and etc. The market in each region has grown significantly in recent years.

2. Market share

Compared to other competitors, Faraday Technology has very high market share on niche ASIC products of 28/40/55/90 nm.

3. Future market supply and demand situation and growth prospects of the market

- NRE

40 nm/28 nm/22 nm/14 nm new projects and the proportion of SoC products are increasing year by year. The IP with high technology complexity and the adopted IP have increased to promote the NRE growth. In addition, in response to the complexity of large-scale system chips in the FinFET process, Faraday has launched chip physical design services for the FinFET process in many foundries. Customer appoints the foundry for specific process and production, and by its own R&D resource allocation, Faraday assists in completing the specific design stage to accelerate the time to market.

- ASIC

With the booming ASIC market and trends of artificial intelligence, IoT, and Industry 4.0, the system factory has boosted the needs for customized chips. Based on its IP and system platform design services and various application solutions, Faraday has successfully brought its ASIC design projects into mass production, driving continuous growth in its ASIC business.

- Silicon IP components

The IP development strategy of Faraday and ASIC sales complement each other. It promotes successful massive production of ASIC, as well as expanding sales for wafer foundry and IC design company.

4. Competitive niche

- Independently developed foundational IP and functional IP

Technology implementation is the core philosophy that Faraday has always upheld. It enabled Faraday to provide customers with timely and accurate design services, integrate components into ASIC projects, and continue to develop new components based on this foundation in more advanced processes.

Faraday continues to develop standard component libraries for 28/22/14nm process technologies, as well as for more advanced processes.

In addition, Faraday also spares no effort in the component development of advanced products, such as reduced instruction set central processing unit, digital signal processor, mixed signal product, high-speed communication interface, embedded memory, and system-on-chip.

Faraday is the world's third largest complete process component library developer. With the process evolution, Faraday continues to develop standard component libraries, and has accumulated many high-efficiency IP and excellent R&D talents through complete development experiences.

- Complete component design and verification process

In ASIC design service industry, providing a fast and correct design and verification process is one of the must requirements. The component database and the digital/analog silicon IPs developed by Faraday Technology have been processed through a complete silicon verification process, and only the component database that has been verified to be functionally correct will be provided to customers.

Therefore, Faraday provides customers with fast and accurate ASIC design services to enable customers to achieve the goal of launching products within the shortest time.

- Provide system-level design solutions

With the increasingly diverse electric products, to shorten the lead time of each single product and fast time-to-market is the basic requirement for maintaining competitiveness.

Faraday's abundant silicon IP database, IP sub-system, SoC development platform are the best resources for quickly implementing system-level chip design. Faraday assists customers in completing the chip design within the shortest time, and effectively improving the first-cut-work probability, and ensure that the system side can be quickly integrated to help customers seize the best product launch timing.

- Complete research and development team

Since its establishment, Faraday has been guided by the development of its own technology, and has owned many experienced ASIC design and development talents, including mixed-signal/analog IP R&D, SoC design integration and back-end design, and chip production verification. The level of the research and development team of Faraday is on par with advanced international manufacturers to provide comprehensive design resources and services for global IC design industry and system manufacturers.

- Position neutral

Faraday's main business is ASIC design services and SIP silicon intellectual property authorization, so it does not produce its own brand IC products. We assist customers to formulate specifications, develop, manufacture, package, test and finally provide IC products to customers, adopt an absolutely neutral industrial position, and fully protect customers' business-related secrets, so customers can use the design services provided by Faraday with confidence resource.

- Overseas research and development center

Faraday has established overseas research and development center in China, America, India, and Vietnam to recruit more research and development talents and strengthen development capacity.

- Operating mode of recurring revenue

The recurring revenue from ASIC massive production and SIP authorization has become the majority of the operating income. It has the following characteristic: no spending on resources, continuity of no spending on resources and long product life cycle, revenue stability from wide and niche customer application, no need to collect NRE and no inventory risk.

- Robust Business Continuity Plan (BCP) ecosystem partners

Dedicating resources to provide ASIC customers with multi-site manufacturing support across regions. Through long-term, close collaboration with global wafer foundries, semiconductor packaging, and testing service providers, we offer flexible production support to mitigate manufacturing risks arising from economic, unforeseen events, pandemics, or geopolitical factors.

5. Advantages, disadvantages and counter measures of Faraday's future developments

Advantages

ASIC profession has gradually gained recognition from the market and its potential customers (IDM, system manufacturers).

In the past, IDM manufacturers or large-scale system factories designed integrated circuits based on their own resources and talents. However, with the trend of company structure simplification, asset thinning and specialization, as well as how the ASIC professional ability is gradually gaining recognition from the

market, these vendors begin to focus more on their own niche or product development. The design and manufacture of some major IC components have been outsourced to ASIC design services companies for quick development and achievement of the market niche.

- Complete R&D team and experienced ASIC design and development

Since Faraday established, Faraday has long considered the research and development of its own technology as its main goal of operation. Throughout the years, Faraday has accumulated outstanding R&D talents in various fields of ASIC, thereby holding rich and professional development experience. Therefore, based on the technology-leading R&D team, Faraday has a high component self-manufacturing rate and a complete component verification process to provide customers with complete and high-quality design services.

- System level IC design and service

In order to reduce risks, accelerate design integration and enable fast introduction to markets, system-level chip design and service capabilities are undoubtedly the mainstream of the current market, and the core component database plays a pivotal role in reducing design complexity and improving timeliness. The rich SIP databases, IP sub-systems and SoC development platforms provided by Faraday are the best resources for quickly implementing system-level chip design, thereby helping customers to complete chip design in the shortest time, and effectively improve the first-cut-work rate, ensuring that its system can be quickly integrated to help customers seize the best time for launching the products.

- Upstream and downstream industries of the semiconductor industry are closely related to one another, bringing clustering effect that enable speedy provision of services.

The semiconductor upstream and downstream industries are roughly divided into IC design industry, wafer foundries, cutting and packaging factories and test factories.

However, due to the development of a unique vertical division of the industry in Taiwan, with companies mainly established at Hsinchu Science Park, Faraday has a well-established and systematic supply chain management strategy, close and in-depth cooperation with upstream and downstream companies, which help Faraday to provide rapid and quality service.

Disadvantages and counter measures

- Semiconductor internal dynamics are rapidly evolving

In response to rapidly evolving technological advancements and changes in the international semiconductor supply chain, we are allocating resources to provide ASIC customers with multi-site manufacturing support across regions. By enhancing the flexibility and resilience of the supply chain production, we aim to improve the flexibility of enterprise operations and enhance risk management capabilities.

- Rise of professional human resource costs

Since the resources of ASIC design services come from a strong R&D team, high-tech talent is crucial for Faraday to operate successfully. In recent years, due to the booming development of the IC industry, and the cost of employee dividends, the professional human resource cost has increased, and Faraday has to pay a high labor cost for the cohesiveness of professional talents. The counter measures are as

follows:

- Improve proportion of high value-added products, such as the core components required for systematic single-chip, technical capabilities and experience at system level.
 - Develop a database based on more advanced processes, enhance core technology competitiveness and advantages, and strive for cooperation opportunities with more customers.
 - Expand the layout of overseas R&D bases and enrich the human resources of R&D and engineering units.
- With ASIC design services becoming the trend of the market, more competitors enter the market. As IC design becomes increasingly complex, particularly in the realms of system-on-chip and embedded memory design, ASIC design services and IP licensing will become indispensable. Coupled with changes in industry supply and demand, the evident need for customized designs from potential customers such as IDM and system manufacturers will attract many new competitors.
- In response, our company will implement the following strategies:
- Provide comprehensive design services that cover both frontend and backend processes.
 - Invest in advanced manpower and R&D resources ahead of the curve.
 - Deepen collaborations with third-party partners.

By offering diverse and comprehensive design and production services, we aim to ensure that customer needs are met swiftly and accurately. Additionally, we will focus on expanding into niche applications, adjusting our product and customer mix, increasing added value, and developing international markets.

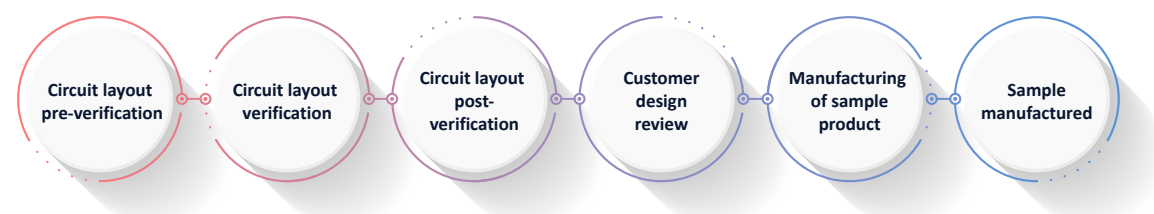
5.2 Important use of main products and production process

1. Important use of main products

Faraday Technology mainly provides the required technical services during the design and production of ASIC products. ASIC products can be used for variety purposes, such as: network communications, multimedia, computer storage and peripherals, consumer electronics, artificial intelligence, products of IoT (Internet of things), and other application fields.

2. Production process of main products

The first phase is non-recurring engineering (NRE) based on client commissions, and production of sample products for shipments. The production process of which is as follows:



The second phase is to enter mass production of products verified by the customer. The production process of which is as follows:



3. Supply of main raw materials

The main raw materials of Faraday are wafers. The main supplier is United Microelectronics Corporation, a professional wafer foundry. Due to the long-term strategic alliance cooperation, the supply of raw materials is stable.

4. Major Customers with over 10% net sales and Suppliers with over 10% total purchases of the last two fiscal years

Major Suppliers with over 10% total purchases of the last two fiscal years

Unit: NTD\$ Thousand

Items	2023				2024				2025 (As of March 31)			
	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer
1	UMC	1,569,882	46.92%	Major shareholder holding more than 10% of shares	UMC	1,963,543	50.96%	Major shareholder holding more than 10% of shares	UMC	573,823	8.12%	Major shareholder holding more than 10% of shares
2	Supplier A	1,514,543	45.27%	Other Related Party	Supplier A	1,349,164	35.01%	Other Related Party	Supplier A	89,904	1.27%	Other Related Party
3	—	—	—	—	—	—	—	—	Supplier B	6,374,019	90.15%	None
	Others	261,295	7.81%		Others	540,584	14.03%		Others	32,794	0.46%	
	Net Purchase	3,345,720	100.00%		Net Purchase	3,853,291	100.00%		Net Purchase	7,070,540	100.00%	

Note: The major supplier is foundry. The raw materials purchased from foundry are wafers. Faraday maintains good cooperative relations with the third-party manufacturers, and there is no shortage or interruption for the material supply.

Major Customers with over 10% net sales of the last two fiscal years

Unit: NTD\$ Thousand

Items	2023				2024				2025 (As of March 31)			
	Name	Amount	Percentage of net annual sales (%)	Relation with issuer	Name	Amount	Percentage of net annual sales (%)	Relation with issuer	Name	Amount	Percentage of net annual sales (%)	Relation with issuer
1	Customer A	1,494,366	12.49%	None	Customer A	1,266,283	11.44%	None	Customer B	3,335,427	44.85%	None
2	UMC	746,787	6.24%	Major shareholder holding more than 10% of shares	UMC	786,227	7.11%	Major shareholder holding more than 10% of shares	Customer C	1,510,252	20.31%	None
3	Others	9,724,421	81.27%		Others	9,012,342	81.45%		Others	2,591,898	34.84%	
	Net Sales	11,965,574	100%		Net Sales	11,064,852	100%		Net Sales	7,437,577	100.00%	

Note: Changes in sales amount and proportions are mainly due to changes in customer demand for products.

5.3 Employee Profile

Year		2023	2024	2025 (As of March 31)
Number of Employees (Note)	Engineer/Administrative	556	576	569
	Management	57	61	60
	Total	613	637	629
Average age		40.1	40.2	40.4
Average years of service		8.5	8.5	8.6
Education (%)	Ph. D.	1.63%	1.57%	1.43%
	Masters	68.35%	69.23%	69.16%
	Bachelor's Degree	29.69%	28.89%	29.09%
	Senior High School	0.33%	0.31%	0.32%
	Below Senior High Schooll	0%	0%	0%

Note: The number of employees is mainly based on Faraday's headquarters in Taiwan.

5.4 Environmental Protection Expenditure Information

Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

5.5 Labor Relations

5.5.1 Faraday’s employee welfare measures, further education, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:

As the world's leading high-tech R&D company, talents are not only Faraday's assets, but also the foundation of Faraday's sustainable development. Faraday Technology's emphasis on talents is fully reflected in the workplace environment and conditions provided by Faraday. Faraday is committed to ensuring a safe and healthy working environment, respecting employees, assisting employees in work-life balance, and providing good salary and

benefits. Faraday has been continuously selected as a constituent stock of the "Taiwan High Salary 100 Index" by the Taiwan Stock Exchange. In addition to attracting and retaining talents with high-level salaries and benefits, it also pays special attention to the physical and mental health and personal growth of colleagues to expect substantial development for employees in Faraday. In addition, harmonious labor-management relations also help Faraday's long-term stable development. The various internal communication mechanisms of Faraday Technology allow colleagues to fully express their opinions, while relevant authority and responsibility units would quickly respond to their opinions, constructing a good and unimpeded communication culture, and a lively and enlightened working atmosphere.

Talent Development and Training

Faraday has always spared no effort to cultivate talents and provide comprehensive assistance in both work and life. At the same time, based on individual professionals, there are long-term cultivation plans for on-the-job training and future career development in education and training. For instance:

- Newcomer Training: Faraday makes customized training plans for individuals according to job requirements and professional experience, through general education courses, e-course, OJT training, quality document reading, and instructor system to help newcomers quickly adapt to the organizational culture and internal processes. In addition, Faraday assigns seniors to guide each newcomer and help them familiarize with the environment and work content. The mentor and supervisor are required to arrange the newcomer for training and meetings with supervisors of all levels and the human resources department within three months of registration in accordance with the Newcomer Guide. The learning and adapting status of the newcomer should be recorded. In addition, each newcomer receives a customized "Newcomer Manual" on registration. The supervisor sets up professional training plan in accordance with the newcomers’ duties and conducts the training within the first 6 months of registration. Relevant courses include: company introduction, work safety training, work process, and cross-departmental professional training
- Leadership and Management Training: For employees in managerial positions, the company will arrange a series of training courses based on their management functions. This will include leadership development programs, eCourse online learning, and practical workshops. The aim is to help new managers understand the company's management regulations and develop essential skills and competencies. This training will cover topics such as conducting professional interviews, effective talent selection, nurturing and retaining talent, team leadership, communication and motivation, as well as addressing employee errors and conflicts. Through specialized training courses, senior management coaching, and study groups, we will enhance and develop managers’ management skills and leadership abilities.
- General Training: In addition to professional, language, and supervisor training, Faraday also conducts trainings for internal operating system, project system, management rules and regulations, and technical document production, etc.
- Environmental Safety and Health Training: Etron fosters a culture of workplace safety through safety and health education and training activities. This initiative aims to create a safe work environment, promote a healthy workplace atmosphere, and strengthen safety and health management objectives to ensure employee safety and reduce occupational hazards.
- Language Training: The company provides language learning channels and subsidy programs to encourage employees to enhance their language skills. Additionally, there is an internal "Technical Document Center"

that offers guidance on writing English technical documents, papers, and patents. Through language training and technical document writing, employees can gradually improve their language proficiency.

- **Professional Training:** Each year, the company plans a variety of professional technical training programs, including research and development engineering, total quality management, intellectual property management, information security, and ESG (Environmental, Social, and Governance). Interdepartmental technical exchange meetings are regularly held, allowing employees to learn from various professional fields. Each department also has its own dedicated database and holds regular departmental meetings, providing opportunities for employees to share work experiences and professional knowledge with supervisors and colleagues.
- **Domestic and Foreign Training:** Faraday provides multiple training channels and encourages employees to participate in domestic and foreign training. Employees can participate in trainings and seminars at home and abroad based on their own expertise and job contents to enhance the technical level of individuals and Faraday.
- **Future Career Development:** Faraday is committed to the cultivation and inheritance of talents, in line with the talent growth and performance development system, formulates individual career development plans. The mentorship / coaching learning system (Mentor Program) support the consolidation of Faraday's competitiveness. The department head makes suitable talent development plans for individuals based on their functional core expertise, work performance and learning potential, in accordance with Faraday's and department's future development and direction. and through a complete and diverse training mechanism and work instruction. The employees are expected to fully exhibit their abilities and kept learning through the multiple trainings and resources Faraday provides.

Diversified Welfare and Subsidies

Faraday provides diversified welfare and subsidies, with detailed welfare planning and budgeting every year, such as domestic and foreign travel subsidies, birthday coupons, birth/wedding subsidies, funeral/celebration subsidies, coupon purchase, regular health checkup that is better than which required by laws and regulations, and perfect employee insurance. The insurance includes life insurance, accident insurance, medical insurance, cancer insurance and other family group insurance systems. The Welfare Committee also organizes diversified activities on a regular basis to help employees relax, maintain both physical and mental health, and relieve potential work pressure.

Considerate Services and Facilities

Faraday is one of the most beautiful companies in the Hsinchu Science Park, which provides a warm and cozy working environment for employees to focus on and enjoy their work. We believe that a productive enterprise cannot run without healthy and happy employees. In addition to providing a safe and clean working environment for all colleagues, Faraday provides a LOHAS working environment, from the perspective of employees, and upholds the spirit of fusion of welfare, vitality and public welfare, and allows colleagues to work and relax through diversified activity designs to accumulate creativity and energy. Faraday offers multi-functional fitness center and sport field, stress relief lounge, art gallery, cozy cafe, roof garden, and free parking spaces for cars and scooters. We also run various clubs, and host outdoor concerts, executive service day, family day, Lohas lectures, etc., enriching the concept of work-life balance through a diverse range of activities. We also regularly host early win workplace experience activities for young students who are the children of

colleagues, providing exclusive opportunities for the children of Faraday employees to explore the workplace, and also to learn about Faraday and the industry.

Employee Care

Faraday takes employees as our most important partner of business. In addition to being committed to building a LOHAS and healthy working environment, we also focus on employee care, and are devoted to creating a warm-hearted corporate culture of mutual assistance, to provide a working environment for employees to feel at ease.

- **Employee care system:** Faraday has established an employee care system and real-time online notification system. When an employee has a major unforeseen incident (such as the employee or a loved one being injured and needing hospitalization, or the death of a loved one), their supervisor, employees, and relevant work units are able to give care consolation and assistance right away.
- **Condolences system:** In order to strengthen the company's care for colleagues, the condolence fund mechanism was launched in 2022. For colleagues and their immediate family members who were hospitalized or died due to illness or accidents, the company provides emergency condolence funds, so that colleagues can feel the company's care and condolences to colleagues and their families.

Retirement System

Faraday Technology has formulated the "Labor Retirement Measures of Faraday Technology Co., Ltd." in accordance with the "Labor Standards Law" and the "Labor Pension Regulations". For employees who choose the new system of labor pension, Faraday pays 6% of the employee's monthly wages to the individual's labor pension account in accordance with the Labor Pension Regulations. If the employee meets the conditions of the "Old Labor Pension System" or the "New Labor Pension System with Old System of Seniority Retained", Faraday pays 2% of the employee's monthly wages to the Special Account of Labor Retirement Reserve Supervision Committee of Faraday Technology Co., Ltd at Bank of Taiwan. For employee who meets the retirement qualifications under the Labor Standards Law, the pension payment is based on the length of employment and the average monthly salary at the time of retirement, and two basis will be given for each employed year. However, for person who is employed for more than 15 years, a basis is given for each employed year, with a maximum of forty-five basis limitation.

Employee Stock Ownership Trust

Since the year of 2022, Faraday has initiated an employee stock ownership trust program. The company established a stock ownership trust committee, allowing participants to decide on their monthly deposit amount to purchase company stocks in a systematic and regular manner. The company will match the employee's monthly contribution with an equivalent reward, both of which will be deposited into the trust account. This plan integrates the company's financial indicators to motivate employees to work together towards the company's goals, achieving the dual objectives of talent retention and enhancing employee wealth, while also assisting employees in planning for their future retirement.

5.5.2 Faraday's losses due to employer/employee disputes within the most recent year through the printing date of this annual report: None.

5.5.3 Estimated amount and corresponding measures for the loss of labor disputes at present and in the future:

Faraday always values the employees' welfare, providing superior working environment, and emphasizes the communication with employees, so that the relationship between labor and management is harmonious.

Therefore, Faraday has no major labor disputes from the most recent year up to the printing date of this annual report.

5.6 Information security risk management

5.6.1 Information Security Policy

1. Purpose of Information Security

- Fraday, a leading provider of ASIC design services and IP development and sales, is committed to ensuring information security as a promise to customers, employees, suppliers, shareholders, and government agencies. Fraday is dedicated to:
- Protecting the interests of customers and partners, while adhering to legal compliance, business ethics, and trust.
 - Maintaining the results of the company's research and operations, ensuring market competitiveness and sustainable management.

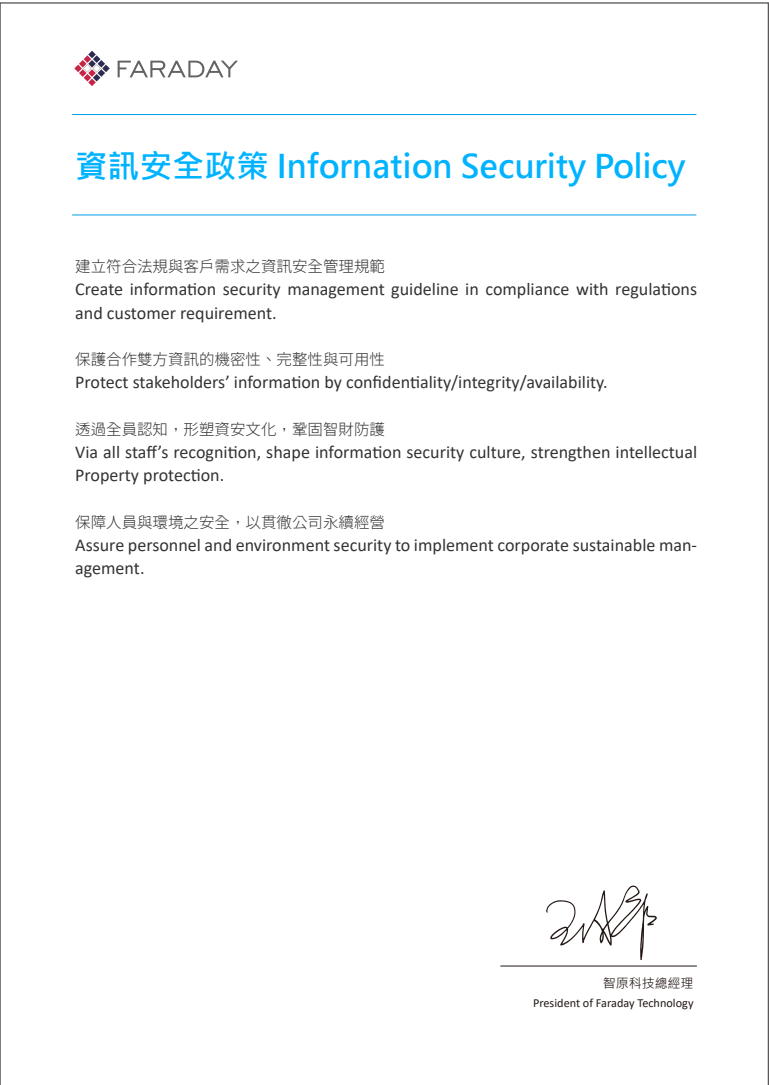
2. Information Security Policy

The General Manager has established the “Information Security Policy,” committing to the implementation of information security controls, protection of operational confidentiality for both partners, reducing information security risks, strengthening intellectual property rights, and ensuring the company's sustainable operations.

5.6.2 Information Security Committee

The company has established a Risk Management Committee that integrates the company's operational structure across departments. Each operational unit identifies potential risk scenarios and operational impacts, recognizes, and implements risk control measures to continuously improve risk management practices and effectiveness.

The Information Security Committee operates under the Risk Management Committee, formulating information security policies and actively promoting information security management. It aims to establish a team capable of proactively identifying information security risks, implementing maintenance for information security, and swiftly responding to incidents.



5.6.3 Constructing the Information Security Blueprint

1. Implementing and Obtaining ISO/IEC 27001:2022 International Standard Certification

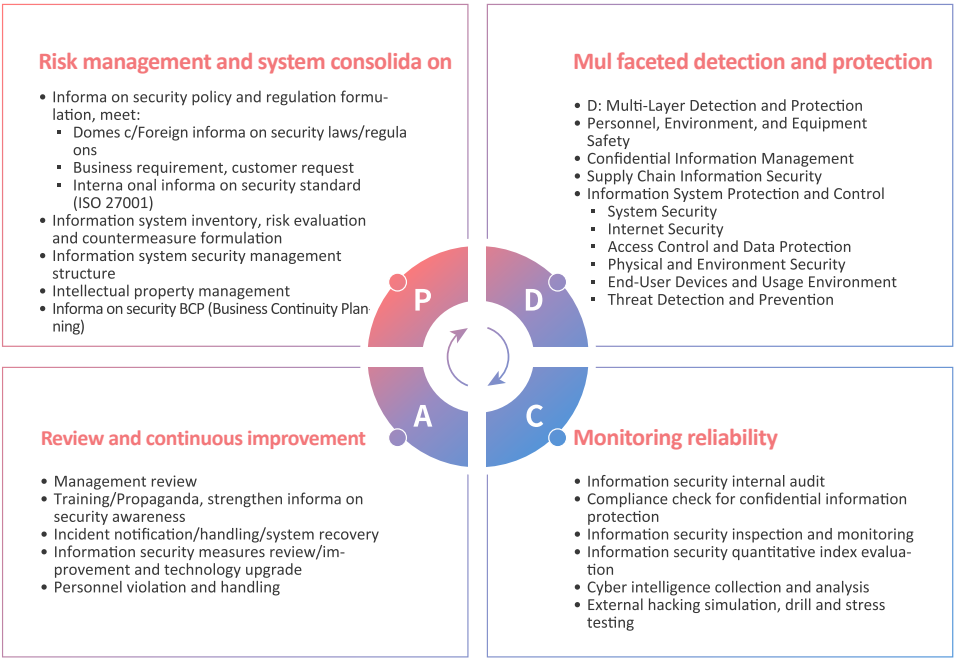
Faraday implemented an Information Security Management System (ISMS) in 2023 and obtained ISO/IEC 27001:2022 international standard certification in November of the same year, continuing to maintain the validity of the certificate.

- The implemented version is the latest 2022 release, and Faraday complies with the new version's control requirements.
- A comprehensive set of information security management standards has been established.
- Ensures the confidentiality, integrity, and availability of enterprise information security operational processes.
- Enhances emergency response capabilities and sustainable development in information security protection.
- Meets the requirements set forth by publicly listed companies for establishing internal control systems.
- Increases confidence among shareholders, investors, and customers in Faraday's information environment.
- Enhances the security of supply chain operations.
- Establishes employee awareness of information security to reduce the risk of human errors.



2. Information Security Risk and Execution Framework (PDCA)

Utilizing the PDCA (Plan-Do-Check-Action) method to continuously strengthen the organization's information security risk management mechanism.



5.6.4 Information Security Risk Impacts and Response Strategies

1. Regular Risk Assessment and Treatment Plans

- Faraday has established a Risk Management Committee to integrate and implement risk control measures, continuously improving the effectiveness of risk management practices.
- Based on the established information security objectives, Faraday formulates relevant risk scenarios according to different risk types and regularly conducts risk assessment operations. All scenarios that exceed acceptable risk thresholds are included in the risk treatment plan for subsequent actions based on the assessment results.

Information Security Control Aspects	Risk Description	Response Measures
Information Security	Based on the concept of defense in depth, a comprehensive inventory of information security protection measures from external to internal is conducted to ensure the protection of critical company information and the continuity of operations.	Strengthen information security technical aspects.
Personnel Security Awareness	Human factor risks are one of the significant information security risks; therefore, it is essential to ensure that all personnel possess adequate security awareness to mitigate such risks.	Enhance personnel security awareness.
Information Security Audits	After establishing complete procedures, regular reviews of their effectiveness are conducted to ensure proper implementation.	Regularly conduct internal and external information security audits.
Supply Chain Management	Supply chain risks have also become a significant information security risk in recent years; thus, ensuring the execution of supply chain security measures is crucial to reducing risks arising from the supply chain.	Improve supply chain protection levels.

2. Defining Information Security Incident Levels and Reporting Processes

In response to the implementation of ISO 27001, to ensure a swift execution of the reporting process based on incident levels during information security incidents, appropriate and necessary handling or response measures will be taken to minimize potential damages and prevent similar incidents from occurring again. This includes defining incident levels and establishing corresponding reporting processes and handling measures.

5.6.5 Strengthening Information Security Technology Aspects

Faraday implements measures in areas such as network security, access control and data protection, physical and environmental security, management of end-user devices and usage environments, threat detection, protection, system security, and vendor security. These efforts aim to manage information security effectively and prevent external hacking intrusions and internal confidential information leaks.



Seven Key Information Security Technical Measures

Categories	Category Descriptions	Execution Item Descriptions
Network Security	Manage internal and external network segmentation, restrict internal and external network traffic and behaviors, and enhance control restrictions on external services (including email filtering, IPS, and other protective measures).	<ul style="list-style-type: none"> Upgrade firewalls and regularly perform rule audits. Limit web browsing and file uploads. Control incoming and outgoing emails. Implement micro-segmentation solutions to restrict lateral movement of critical systems. Deploy cloud solutions to enhance domain environments.
Access Control and Data Protection	Apply the principle of least privilege for all permission types to minimize risks while maximizing benefits, and control access to confidential data.	<ul style="list-style-type: none"> Regularly review accounts and permissions, enforcing password policies. Establish a comprehensive remote access authorization mechanism and strengthen security with multi-factor authentication. Implement TIPS for confidential document management.
Physical and Environmental Security	Implement physical security access control, strengthen regulation of key areas, and conduct asset inventory to ensure the integrity of controlled areas.	<ul style="list-style-type: none"> Implement access controls in office areas; authorize key regulated areas under the principle of least privilege and conduct regular reviews. Ensure the server room meets ISO 27001 monitoring requirements (including temperature and humidity control, CCTV, etc.). Conduct inventory of various assets and establish additional control for critical equipment.
End-User Devices and Usage Environment	Recognize that office computers are often points of entry for social engineering attacks; implement security controls and monitoring for endpoint devices to effectively reduce the risk of breaches.	<ul style="list-style-type: none"> Deploy antivirus software on endpoints, implement EDR to strengthen endpoint protection, and monitor 24/7 by dedicated personnel. Control removable devices and mobile storage media to reduce the risk of data leakage. Establish a VDI system for centralized management, ensuring data protection and enhancing data security.
Threat Detection and Protection	Manage the discovery, remediation, and exception handling of vulnerabilities and weaknesses, categorizing vulnerabilities by type (source code, operating system, applications, firmware, etc.) to prevent exploitation by malicious actors.	<ul style="list-style-type: none"> Discovery: Collect internal and external intelligence, regularly conduct vulnerability scans and security assessments. Remediation: Review internal environments for similar vulnerabilities based on intelligence and perform follow-up remediation; prioritize patches based on risk level. Exception Management: If necessary, manage exceptions for vulnerabilities and compile information for regular tracking.
System Security	Monitor system resources, availability, and events; issue alerts for necessary follow-up actions; establish a robust backup mechanism and confirm its effectiveness.	<ul style="list-style-type: none"> Monitor server system resources; issue alerts for anomalies and take action. Develop a system recovery SOP and regularly conduct BCP drills for important systems.
Vendor Security	Establish vendor management standards, manage vendor information security with NDAs, and regularly conduct audits while tracking subsequent improvement measures to enhance vendor information security.	<ul style="list-style-type: none"> Establish information security management guidelines for vendors. Inventory vendors and require NDAs before data exchange. Regularly conduct vendor security audits and follow up on improvements.

5.6.6 Enhancing Personnel Information Security Awareness

1. A.Information Security Education and Training

New Employee Training: New employees are required to sign a Professional Ethics Service Agreement upon onboarding and undergo information security training to understand the company's information security policies and requirements. The global training completion rate for new hires is 100%.

Information Security Promotion: Annual courses are conducted to promote information security policies and case studies. In 2024, a total of 3,471 participants globally attended these sessions. Additionally, comprehensive information

security training is executed for all employees, with a total of 1,219 participants completing the training in 2024.

2. Information Security Social Engineering Drills

To enhance Faraday employees' awareness of protection against social engineering emails, two social engineering drills will be conducted for global employees in 2024, involving a total of 2,039 participants. Extra promotion and training will be provided for those who do not pass the drills to strengthen their awareness and understanding.

5.6.7 Information Security Internal and External Audits

1. Internal Audits

- Faraday conducts regular internal information security audits annually, carried out by the management policy and audit team. The audits cover six major aspects: management, network environment, access control, educational awareness, backup/recovery, and physical environment, ensuring the confidentiality, integrity, and effectiveness of information protection while continuously improving information security standards.
- After the internal audit, the audit team members handle and track corrective actions, and the effectiveness of the ISMS (Information Security Management System) is reviewed in management review meetings.

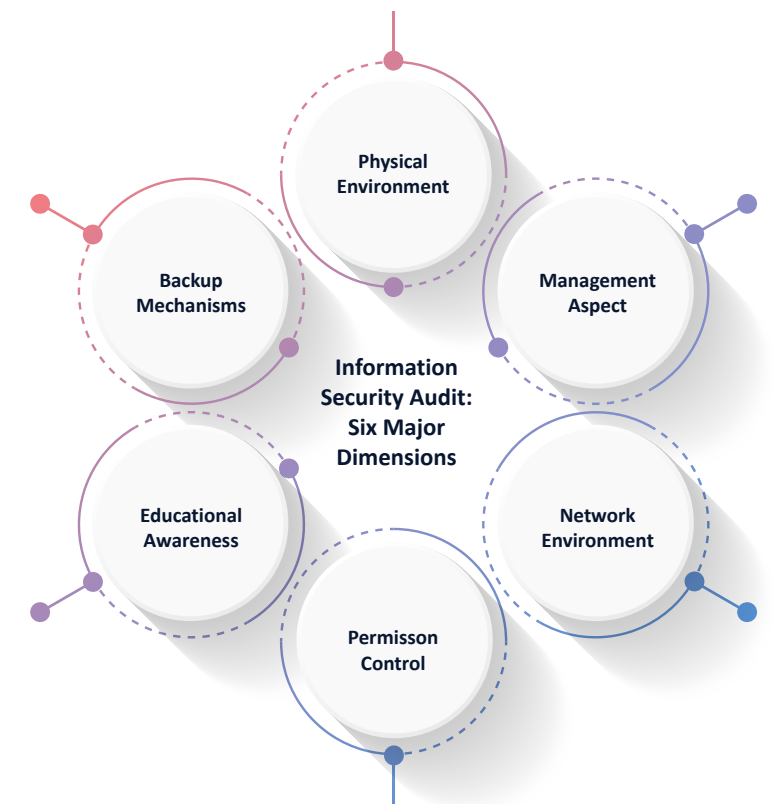
2. External Audits

- Faraday conducts annual external audits for ISO 27001, assisted by SGS Taiwan. These audits assess compliance with the ISO/IEC 27001 standards, ensuring the organization implements international standards through the PDCA (Plan-Do-Check-Act) cycle.

5.6.8 Improving Supply Chain Protection Levels

Regular Assessment of Vendor Information Security Management Measures

- To ensure supply chain information security, Faraday actively promotes information security risk management within the supply chain. Information security requirements and checks are integrated into vendor management and evaluation processes.
- The evaluation covers six major aspects: management, backup/recovery, network environment, physical environment, access control, and educational awareness, assisting in enhancing the protection levels of the supply chain.
- For new suppliers, requirements and evaluations regarding information security will be conducted based on the "New Outsourcing Factory Evaluation Procedures."
- A "Supplier Information Security Management Specification" will be established, requiring suppliers to adhere to the relevant specifications. For qualified suppliers, an annual audit plan will be scheduled to assess and confirm their information security.



Strengthening control measures for suppliers entering key areas:

- To ensure that suppliers are aware of and comply with the information security regulations of the company, suppliers must sign a confidentiality agreement before entering key areas. Upon entry, they must read and sign the information security-related promotional documents, with responsible personnel accompanying them throughout the process.
- If suppliers need to connect portable devices to the company’s network environment for operational purposes, prior application and approval are required. Access will only be granted after passing network and information security checks, and permissions must be revoked once the operation is completed.

5.6.9 Results of Information Security Measures Implementation:

In 2024, Faraday passed the internal audit of information security with no major deficiencies, and there were no major information security incidents such as violations of information security regulations, customer information leakage, and fines, and no complaints were received due to violations of customer data protection or loss. Judicial proceedings are also zero.

Information security intelligence/Incidents response	Complaints regarding breaches of customer confidentiality or loss of customer data	0 case
	Mail out keyword review rate	100%
	Spam mail blocking rate	99.1%
	Report external information security incident and response	12 times
Education, training and advocacy	New recruits finished information security training	100%
	Finished online information security training course	1,219 people
	Information security propaganda	4 times
	Finished reading	3,471 people
	Social engineering drill In total	2 times 2,039 people
Personnel employment/Environmental safety	New recruits signed confidentiality agreement, intellectual property ownership affidavit	100%
	Information security control will be triggered on departing employee	100%
	Environment inspection and improvement	12 times
	Non-approved visitor break-in office event	0 time
	Main facility/equipment failure event	0 time
Audit	Information security record audit	45 times
	Completion rate of internal security regular audit	100%
	Subcontractors passed information security audit	100%
	Deficiency improvement rate of subcontractor information security audit	20 suppliers

Note: Statistics are based on a global basis.

Personnel employment/Environmental safety

Audit

Note: Statistics are based on a global basis.

5.6.10 Impact of Information Security Risks and Response Measures

Information Security Risks

The company has established comprehensive network and computer-related security measures; however, it cannot guarantee that its controls will completely prevent network attacks from third parties that could disrupt critical business functions such as manufacturing operations and accounting. These network attacks may illegally infiltrate the company's internal network systems, damaging operations and harming the company’s reputation. The company continuously reviews and assesses its information security regulations and procedures to ensure their appropriateness and effectiveness, but it cannot guarantee immunity from emerging risks and attacks in the rapidly changing landscape of information security threats. Network attacks may also attempt to steal the company’s intellectual property, trade secrets, and other confidential information, including proprietary information from customers or other stakeholders, as well as personal data of employees.

1. Response Measures
 - Regular Risk Assessment and Management Plans
 - The company has established a Risk Management Committee to integrate and execute risk control programs and enhance the effectiveness of risk management measures.
 - Based on established information security objectives, the company formulates relevant risk scenarios according to different types of risks and conducts regular risk assessments. All scenarios exceeding acceptable risk thresholds are included in the risk management plans for subsequent action based on the assessment results.
 - Define Security Incident Levels and Reporting Processes
 - In response to the implementation of ISO 27001, the company has defined incident levels to ensure that, in the event of a security incident, the reporting process can be executed swiftly according to the incident level, and appropriate measures can be taken to mitigate potential damages and prevent similar incidents from occurring in the future. Corresponding reporting processes and handling measures have been established in relation to the defined incident levels.
2. Recent Annual Report on Significant Information Security Incidents

As of the publication date of this annual report, the company has not experienced any significant information security incidents during the fiscal year 2024.

5.7 Important Contracts

Contract Property	Affiliated Person	Start/Expiration date of Contract	Content	Restrictions
Technical Authorization	Company A	2024/01/19~2029/01/18	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company B	2024/01/22~2029/01/21	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company C	2024/02/19~2029/02/18	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company D	2024/04/16~2029/04/15	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company E	2024/05/03~2029/05/02	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company F	2024/06/21~2029/06/20	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company G	2024/07/08~2029/07/07	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company H	2024/08/08~2029/08/07	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company I	2024/09/12~2029/09/11	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company J	2024/10/04~2029/10/03	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company K	2024/11/14~2029/11/13	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company L	2024/12/09~2029/12/08	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company M	2025/01/16~2030/01/15	License Agreement	Both parties should fulfill confidentiality duty
Technical Authorization	Company N	2025/02/04~2030/02/03	License Agreement	Both parties should fulfill confidentiality duty

06. A review and analysis of the company's financial position and financial performance, and a listing of risks

6.1 Financial status analysis

Units:NTD thousand				
Account	December 31, 2024	December 31, 2023	Difference	
			Amount	%
Current Assets	11,024,143	8,873,431	2,150,712	24.24
Funds and Investments	3,610,143	2,693,141	917,002	34.05
Property, plant, and equipment	581,509	552,569	28,940	5.24
Right-of-use Assets	719,480	311,269	408,211	131.14
Intangible Assets	2,114,900	683,280	1,431,620	209.52
Other Assets	279,826	304,371	(24,545)	(8.06)
Total Assets	18,330,001	13,418,061	4,911,940	36.61
Current Liabilities	3,872,277	3,235,822	636,455	19.67
Non-current Liabilities	984,392	327,689	656,703	200.40
Total Liabilities	4,856,669	3,563,511	1,293,158	36.29
Capital	2,605,503	2,485,503	120,000	4.83
Additional Paid-in Capital	4,325,263	705,700	3,619,563	512.90
Retained Earnings	5,207,743	5,275,541	(67,798)	(1.29)
Other Equity	936,176	1,066,647	(130,471)	(12.23)
Treasury Stock	0	0	0	0.00
Non-controlling Interest	398,647	321,159	77,488	24.13

Total Equity	13,473,332	9,854,550	3,618,782	36.72
The proportion of change is more than 20%. The main reasons and the analysis of their impact are as follows:				
1. Increase in Current Assets: Primarily due to continued operational profitability, an increase in cash from capital injection, and a reduction in inventory.				
2. Increase in Financial Assets: Attributed to strategic considerations leading to the addition of new investment financial asset items.				
3. Increase in Right-of-Use Assets: Mainly due to the signing of long-term leases in Vietnam.				
4. Increase in Intangible Assets: Primarily resulting from intangible assets and goodwill generated from acquisitions, as well as newly purchased OIP and EDA tools.				
5. Increase in Total Assets: Resulting from the increase in current assets due to cash injection, along with the addition of financial and intangible assets.				
6. Increase in Non-Current Liabilities: Mainly due to an increase in long-term payables from the purchase of OIP and EDA tools, as well as deferred tax liabilities and payables arising from acquisitions.				
7. Total Liabilities: Increased due to the rise in both current and non-current liabilities.				
8. Increase in Non-Controlling Interests: Primarily due to the profitability of Yatli in 2024, which has led to an increase in non-controlling interests.				
9. Increase in Capital Surplus and Total Shareholders' Equity: Mainly due to a cash injection of 3.72 billion (an increase of 12,000,000 shares at a price of 310 NT dollars).				

6.2 Financial Performance Analysis

Units:NTD thousand				
Account	2024	2023	Difference	
			Amount	%
Net Sales Revenues	11,064,852	11,965,574	(900,722)	(7.5)
Operating Costs	(6,013,493)	(6,658,432)	644,939	(9.7)
Gross Profits	5,051,359	5,307,142	(255,783)	(4.8)
Operating Expenses	(3,980,682)	(3,351,382)	(629,300)	18.8
Operating Profits	1,070,677	1,955,760	(885,083)	(45.3)
Non-operating Income and Expenses	272,377	114,584	157,793	137.7
Income before Tax	1,343,054	2,070,344	(727,290)	(35.1)
Income Tax Expense	(271,162)	(509,060)	237,898	(46.7)
Net Income	1,071,892	1,561,284	(489,392)	(31.3)
Other Comprehensive Income (Loss)	(112,951)	583,114	(696,065)	(119.4)
Total Comprehensive Income (Loss)	958,941	2,144,398	(1,185,457)	(55.3)
The proportion of change is more than 20%, the main reasons and their impact analysis are as follows:				
1. Decrease in Operating Profit, Pre-Tax Net Profit, Income Tax Expense, and Current Net Profit: This is primarily due to a decline in operating revenue and an increase in operating expenses, which led to a reduction in overall operating profit, pre-tax profit, income tax expense, and current net profit.				
2. Increase in Non-Operating Income and Expenses: This is primarily due to an increase in interest income, foreign exchange gains, and financial asset valuation gains.				
3. Decrease in Other Comprehensive Income: This is mainly due to unrealized valuation losses on financial assets measured at fair value through other comprehensive income for the current period.				
4. Decrease in Total Comprehensive Income: This is due to the reduction in current net profit and other comprehensive income.				

Analysis of gross profit changes

Units: NTD\$ Thousand

Gross profits	Variance from previous period	The reason for variance			
		Variance in sales price	Difference in cost price	Variance in sales mix	Difference in quantity
	(255,783)	(603,782)	346,893	204,152	(203,046)
Justification	During the current period, due to more relaxed capacity in packaging and a decrease in costs, the cost price variance has shown a favorable impact. However, the selling price has also declined, resulting in an unfavorable selling price variance. Additionally, the advance inventory stocking by customers in 2023 has led to an unfavorable quantity variance.				

6.3 Cash flow analysis

1. Analysis of Cash Flow Changes during Current Year

Units: NTD\$ Thousand

Item	2024	2023	Difference	
			Amount	%
Operating activities	2,900,613	3,007,157	(106,544)	(3.54)
Investing activities	(2,562,245)	(703,743)	(1,858,502)	264.09
Financing activities	2,177,680	(1,421,281)	3,598,961	(253.22)
Total	2,516,048	882,133	1,633,915	185.22

- Decrease in Net Cash Inflow from Operating Activities: This is primarily due to a reduction in inventory liquidation.
- Increase in Net Cash Outflow from Investing Activities: This is mainly due to an increase in the acquisition of financial assets and intangible assets.
- Increase in Net Cash Inflow from Financing Activities: This is primarily due to cash injection.

2. Solutions for net cash deficit and solvency analysis: Not applicable.

3. Cash flow analysis for the following year

Units: NTD\$ Thousand

Cash and cash equivalents at beginning of period	(Forecasted) Net cash provided by operating activities	(Forecasted) Net increase (decrease) in cash and cash equivalents	(Forecasted) Net cash surplus (deficit)	Solutions for net cash deficit	
				Investing projects	Financing projects
a	b	c	a+b-c		
8,310,879	1,508,943	1,157,106	8,662,716	Not applicable	Not applicable

6.4 Impact of major capital expenditures in the most recent year on financial operations: None

6.5 Main reasons for the reinvestment policy and profit or loss in the most recent year, improvement plan and investment plan for the next year

- The reinvestment policy in the most recent year: Faraday does not exercise financial investments in order to avoid market risk. We focus on strategic investments relevant to our operating activities in order to reduce the risk, and improve the control and management toward invested companies.
- The main reasons for profit : Due to steady sales revenue and service revenue.
- Improvement plan: Not Applicable.
- The investment plan for the next year: The investment plan for the next year will focus on the long-term growth of Faraday, and majorly invest in IC design firms with synergy.

6.6 Analysis and assessment of risk issues in the most recent year and up to the date of publication of the annual report

- The future solutions and influence on Faraday's profits due to interest rate fluctuations, foreign exchange rate fluctuations, and inflations in the most recent year.
 - The influence on Faraday's profits due to interest rate fluctuations, foreign exchange rate fluctuations, and inflations :
 - Faraday possesses sufficient capital, and does not have to exercise long-term borrowing, so the impact of interest rate fluctuations to Faraday's short-term financing is limited.
 - For foreign exchange rate, Faraday employs accounting natural hedges, forward exchange, and foreign exchange swap to decrease the net asset position of foreign currency, along with the risk of foreign exchange fluctuations.
 - The inflation during recent year does not cast material influence on Faraday's profits or loss.
 - The future solutions:
 - Faraday will continue to trace the fluctuations of foreign exchange rate, and exercise applicable solutions.
- The major reasons and future solutions for high-risk, high-leverage investments, capital lending, endorsement, and financial derivatives' trading policies, profits, or loss.

Faraday does not exercise high-risk, high-leverage investments, neither capital lending nor endorsements. Faraday has regulated capital lending process, endorsement process, and acquirement or disposal process of assets, as the principle for relevant matters. Faraday utilizes natural hedges to reduce exchange loss.
- The research and development plans, and expected investments in research and development in the future.
 - The significant research and development plans and forecasted investments in recent year

Project Name
Plan to develop an Arm-based 64-core SoC using Intel's 18A technology
Plan to establish an SoC development platform on UMC's 14nm
Plan to develop a 14nm LPDDR5/4/4X PHY
Plan to develop a 14nm MIPI C/D-PHY Tx and Rx.

Project Name
Plan to develop a 14nm USB 3.2 Gen1x1 PHY.
Plan to develop a 14nm FPD-Link LVDS Tx, Rx.
Plan to develop a 14nm V-by-One Tx and Rx.
Plan to develop a 22nm 2.5Gb Ethernet PHY.
Plan to develop a 22nm 2.5Gb Ethernet PHY.

- The anticipated investments in aforementioned research and development projects for following two years are about NTD\$ 2 billion.
4. The influence and solutions on Faraday's financial operations by domestic and foreign significant policy and regulation changes.
- Faraday has exercised appropriate solutions against domestic and foreign policy and regulation changes, and the relevant changes do not significantly impact Faraday's financial and operational situations.
5. The influence and solutions of technology and industry changes on Faraday's financial operations.
- Faraday has been devoting in research and development of advanced process technology from beginning, and invested NTD\$ 2,362 million in relevant research and development in 2023, which will benefit the revenue growth in the future. Currently, Faraday's financial situation is healthy, along with sufficient capital for the demand of development in technology in the future.
 - In terms of information security risk control, Faraday has not only continuously reviewed and evaluated information security regulations and procedures to ensure their appropriateness and effectiveness, but also established an information security control mechanism and regularly appoints external experts to implement information security health check to prevent external hacker intrusion and internal secret leakage. To strengthen information security awareness of employees, Faraday also conducted information security training and social engineering drills on a regular basis.
 - In order to protect research and development achievements and strengthen competitiveness, Faraday is committed to technology innovation. Combining incentive mechanisms such as encouraging research and development innovation, with the patent application layout in line with the company's operating goals, Faraday has created a positive cycle of research and development innovation and corporate culture.
6. The influence and solutions of business image changes on corporate crisis management: None.
7. The anticipated benefits, risks, and solutions of merge and acquisition: None.
8. The anticipated benefits, risks, and solutions of expansion of factory buildings: None
9. The anticipated risks and solutions for concentration of stocking and sales.
- There is no concentration of sales in Faraday. For stocking, because the supplier is a critical shareholder with more than 10% of overall equity of Faraday Technology Corporation, and is also a famous wafer foundry in the world, the risk of stocking is considered low.
10. The influence, risks, and solutions of significant equity transfer or changes by critical shareholders with

more than 10% overall equity: None.

11. Influence, risks, and solutions of management right changes on Faraday: Not applicable.

12. Faraday's Directors, Supervisors, president, business owner, critical shareholders with more than 99% overall equity, and affiliates with significant litigation of final verdict or pendency, Non-contentious Cases, or administrative case that may materially influence stockholders' equity or stock prices, has to disclose the relevant fact in contention, amount, beginning date of litigation, major parties involved, and the progress by print date of the annual financial report: None.

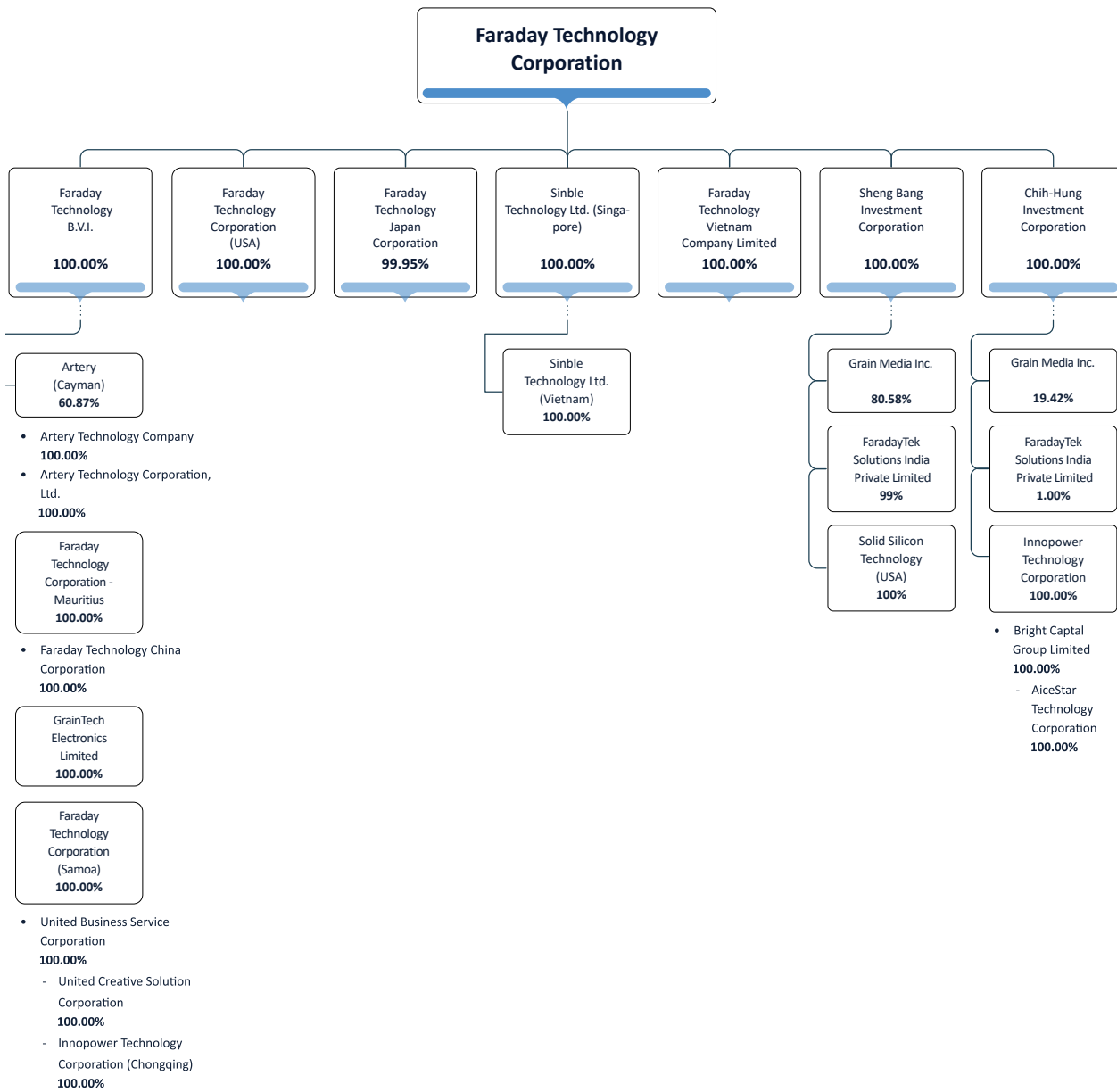
13. Other significant risks and solutions: None.

6.7 Other important matters: None

07. Other items deserving special mention

7.1 Information on affiliates

7.1.1 Consolidated operation report of affiliates



Brief of affiliates

- Organizational chart of related entities
- Basic information for affiliates

December 31, 2024

Corporate Name	Established Date	Address	Contributed Capital	Major Business
Faraday Technology Corporation (USA)	1995.09.05	2860 Zanker Rd., Suite 101, San Jose, CA 95134	USD 11,974,770	The America sales representative for Faraday Technology Corporation
Faraday Technology Japan Corporation	2000.09.01	Tokyo Central Place Bldg. 3F, 22-6 Kabuto-cho, Nihonbashi Chuo-ku, Tokyo, 103-0026, Japan	JPY 100,000,000	The Japan sales representative for Faraday Technology Corporation
Faraday Technology (B.V.I) Corp.	2000.03.09	P.O. Box 3340, Road Town, Tortola, British Virgin Island	USD 27,488,585	General investment
Faraday Technology Vietnam Company Limited	2019.04.04	Room 602,1003,1004,1101, 1301,1401,Royal Tower B, Royal Centre Building, 235 Nguyen Van Cu Street ,Nguyen Cu Trinh Ward ,District 1 ,Ho Chi Minh City ,Viet Nam.	USD 16,900,000	IC design
Chi Hong Investment Corporation	2001.03.02	No.70, Shangyi St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 539,500,000	General investment
Sheng Bang Investment Corporation	2003.04.25	3F., No.1, Ln. 17, Minquan St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 2,106,505,050	General investment
Faraday Technology (Mauritius) Corp.	2002.02.08	2F, Felix House, 24 Dr Joseph Riviere Street, Port Louis, Mauritius	USD 12,859,205	General investment
GrainTech Electronics Limited	2010.07.16	Units 3306-12, 33/F., Shui On Centre, Nos. 6-8 Harbour Road, Wanchai, Hong Kong	USD 100,000	Sales and after-sale service for IC products
Bright Capital Group Limited (BCGL)	2004.02.18	P.O. Box 3269, Apia, Samoa	USD 2,301,482	General investment
Grain Media Inc.	2005.12.12	8th Floor, No. 43, Shaonian Street, Hsinchu City, Taiwan (R.O.C.)	NTD 7,500,000	Sales and after-sale service for IC products
Innopower Technology Corporation	2008.08.18	5F., No.158, Sec. 1, Jiafeng 2nd St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 319,700,660	intellectual property product design
FaradayTek Solutions India Private Limited	2019.03.29	5th Floor, Cessna Business Park, Embassy Signet Kadubeesanhalli, Marathalli Outer Ring Road, Bangalore Bangalore KA 560103 IN	INR 10,000,000	IC design
Faraday Technology China Corporation	2001.03.27	Room 901, West 9th Floor, No. 1905, Hongmei Road, Xuhui District, Shanghai,China	USD 6,000,000	Sales and after-sale service for IC products
Faraday Technology Corporation (Suzhou)	2007.08.10	Room 1701, Ganghua Building, No. 699 Tongyuan Road, Suzhou Industrial Park, Suzhou.	USD 5,800,000	Sales and after-sale service for IC products
Faraday Technology (Samoa) Corp.	2015.8.20	Offshore Chambers, P.O. Box 217, Apia, Samoa.	USD 4,715,067	General investment

Corporate Name	Established Date	Address	Contributed Capital	Major Business
United Business Service Corporation (Chongqing)	2015.10.20	Floor 20, Building 1, No. 60, Kecheng Road, Jiulongpo District, Chongqing City	CNY 30,000,000	Sales and after-sale service for IC products
Artery Technology Corporation	2016.03.15	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	NTD 511,740,000	General investment
Artery Technology Corporation, Ltd. (Chongqing)	2016.06.20	Floor 10, Building 1, No. 60, Kecheng Road, Jiulongpo District, Chongqing City	USD 11,960,000	Sales and after-sale service for IC products
United Creative Solution Corporation(Shanghai)	2019.08.06	Room 902, West 9th Floor, No. 1905, Hongmei Road, Xuhui District, Shanghai,China	CNY 10,000,000	Sales and after-sale service for IC products
Innopower Technology Corporation (Chongqing)	2019.07.16	No. 3, No. 27, Fengsheng Road, Jiulongpo District, Chongqing, China	CNY 1,000,000	Sales and after-sale service for IC products
Artery Technology Company	2016.12.12	5F., No. 1, Jinshan 8th St., East Dist., Hsinchu City 300 , Taiwan (R.O.C.)	NTD 211,140,750	Sales and after-sale service for IC products
Sinble Technology Pte. Ltd	2022.11.16	80 Robinson Road, #02-00, Singapore (068898)	SGD 7,800,000	IC design
Sinble Technology Vietnam Company Limited	2023.07.05	Room 502,5th floor, Royal Tower B, Royal Centre Building, 235 Nguyen Van Cu Street,Nguyen Cu Trinh Ward,District 1,Ho Chi Minh City,Viet Nam.	USD 1,300,000	IC design
Solid Silicon Technology Corporation	2024.02.07	2201 K Avenue Section B, Suite 200 Plano, TX 75074	USD 1,332,320	intellectual property product design

3. The disclosure matters of controlling and subordinate relations by Art. 369-3, Company Act by the Republic of China: None
4. The industries relates to overall affiliates’ operating businesses. If the operating businesses of affiliates are relevant to each other, the assignment of responsibilities must be illustrated:
- The scope of business operations of Faraday and its subsidiaries focus on IC design-related business, and a small number of affiliates include investment business in their business scope in order to strengthen vertical integration and strategic investment to meet the future operations of Faraday.

5. The equity or capital investments for affiliates by their directors, supervisors, and general managers:

December 31, 2024

Corporate Name	Title	Representative	Acquired Equity	
			Shares of Stock (Amount of investment)	Proportion
Faraday Technology Corporation (USA)	Director	Faraday Technology Corporation Rep.: Kuo-Hua, Lee	118,580,000 (common)	100%
			2,000,000(preferred)	100%
			—	-
Faraday Technology Japan Corporation	Director Director Supervisor	Faraday Technology Corporation Rep.: Shih-Chin, Lin Kato Yuichi Wen-Ju, Tseng	1,999 shares	99.95%
			—	-
			—	-
Faraday Technology Corp. (B.V.I)	Director	Faraday Technology Corporation Rep.: Wen-Ju, Tseng	27,488,585 shares	100%
			—	-
Faraday Technology Vietnam Company Limited	Director	Faraday Technology Corporation Rep.: Cheng-Hsing Chien	Faraday invested USD16,900,000	100%
			—	-
Chi Hong Investment Corporation	Director	Faraday Technology Corporation Rep.: Kuo-Yung, Wang	53,950,000 shares	100%
			—	-
Sheng Bang Investment Corporation	Director	Faraday Technology Corporation Rep.: Kuo-Yung, Wang	10,202,000 shares	100%
			—	-
Faraday Technology (Mauritius) Corp.	Director	Faraday Technology Corp. (B.V.I.) Rep.: Wen-Ju, Tseng	12,804,214 shares	100%
			—	-
GrainTech Electronics Limited	Director	Faraday Technology Corp. (B.V.I.) Rep.: Yi-Fan Ke	100,000 shares	100%
			—	-
Bright Capital Group Limited (BCGL)	Director	Innopower Technology Corporation Rep.: Wen-Ju, Tseng	2,301,482 shares	100%
			—	-
Grain Media Inc.	Director Supervisor	Chih-Hung Investment Corporation Rep.: Yi-Fan Ke Sheng Bang Investment Corporation Rep.: Wen-Ju, Tseng	145,631 shares	19.42%
			—	-
			604,369 shares	80.58%
Innopower Technology Corporation	Director	Chih-Hung Investment Corporation Rep.: Shih-Chin, Lin	31,970,066 shares	100%
			—	-
FaradayTek Solutions India Private Limited	Director Director	Sheng Bang Investment Corporation Rep.: Shih-Chin, Lin Chih-Hung Investment Corporation Rep.: KRISHNAMURTHY JAYASHREE	990,000 shares	99%
			—	-
			10,000 shares	1%
Faraday Technology China Corporation	Director Supervisor	Faraday Technology (Mauritius) Corp Rep.: Shih-Chin, Lin/ Jun-Shan, Ju / Chieh-Kai Liang Rep.: Wen-Ju, Tseng	Mauritius invested USD6,000,000	100%
			—	-
			—	-
Faraday Technology Corporation (Suzhou)	Director Supervisor	Bright Capital Group Limited (BCGL) Rep.: Chieh-Kai, Liang / Shih-Chin,Lin / Jhih-Cyun Chen Rep.: Wen-Ju, Tseng	BCGL invested USD5,800,000	100%
			—	-
			—	-
Faraday Technology (Samoa) Corp.	Director	Faraday Technology (B.V.I). Rep.: Wen-Ju, Tseng	4,715,067 shares	100%
			—	-

Corporate Name	Title	Representative	Acquired Equity	
			Shares of Stock (Amount of investment)	Proportion
United Business Service Corporation (Chongqing)	Director	Faraday Technology (Samoa) Corp.	Samoa invested CNY30,000,000	100%
		Rep.: Kuo-Yung, Wang / Shih-Chin, Lin / Chieh-Kai Liang	—	—
	Supervisor	Rep.: Wen-Ju, Tseng	—	—
Artery Technology Corporation	Director	Faraday Technology (B.V.I.)	31,149,000 shares	60.87%
		Rep.: Kuo-Yung, Wang	228,000 shares	0.45%
		Rep.: Wen-Ju, Tseng	279,420 shares	0.55%
		Hung-Yu, Lin	609,000 shares	1.19%
		Hong Ding Venture Capital Corporation	5,112,000 shares	9.99%
		Rep.: Bo-Jen, Shen	18,000 shares	0.04%
		Guo-Yung, Liang	0 shares	—
		Da-Song, Li	0 shares	—
		Zong-Da, Li	0 shares	—
Artery Technology Corporation, Ltd. (Chongqing)	Director	Artery Technology Corporation-Cayman	Artery –Cayman invested USD11,960,000	100%
		Rep.: Kuo-Yung, Wang/ Wen-Ju, Tseng/Hung-Yu, Lin/ Bo-Jen, Shen/ Chun-Gu,Chen	—	—
	Supervisor	Rep.: Ya-Ling, Chang	—	—
United Creative Solution Corporation (Shanghai)	Director	United Business Service Corporation (Chongqing)	United Business Service Corporation(Chongqing) invested CNY10,000,000	100%
	Supervisor	Rep.: Jen-Shan, Ju Rep.: Wen-Ju, Tseng	— —	— —
Innopower Technology Corporation (Chongqing)	Director	United Business Service Corporation (Chongqing)	United Business Service Corporation(Chongqing) invested CNY1,000,000	100%
	Supervisor	Rep.: Shih-Chin, Lin Rep.: Wen-Ju, Tseng	— —	— —
Artery Technology Company	Director	Artery Technology Corporation Rep.: Kuo-Yung, Wang / Wen-Ju, Tseng /Hung-Yu, Lin / Bo-Jen, Shen / Chun-Gu,Chen	21,114,075 shares —	100% —
Sinble Technology Pte. Ltd.	Director	Faraday Technology Corporation Rep.: Kuo-Yung, Wang / Shih-Chin Lin / Wen-Ju, Tseng / Siang-Rong, Hsu	7,800,000 shares —	100% —
Sinble Technology Vietnam Company Limited	Director	Faraday Technology Corporation Rep.: Cheng-Hsing Chien	Faraday invested USD1,300,000 —	100% —
Solid Silicon Technology Corporation	Director	Sheng Bang Investment Corporation Rep.: William Huang	100 shares —	100% —

Brief of Operations

December 31, 2024								
Corporate Name	Registered capital	Total Assets	Total Liabilities	Net Assets	Operating Revenues	Operating Profits	Net Income (After-tax)	EPS (NTD\$)
Faraday Technology Corporation (USA)	USD 11,974,770	USD 15,684,409	USD 4,027,254	USD 11,657,155	USD 39,496,128	USD 1,757,359	USD 1,562,843	—
Faraday Technology Japan Corporation	JPY 100,000,000	JPY 1,329,576,113	JPY 441,525,106	JPY 888,051,007	JPY 3,470,268,840	JPY 209,176,159	JPY 154,964,874	—
Faraday Technology Corp.(B.V.I.)	NTD 855,769,896	NTD 1,086,984,011	NTD 228,500	NTD 1,086,755,511	—	—	NTD 147,028,287	—
Chi Hong Investment Corporation	NTD 765,218,480	NTD 419,213,077	NTD 136,000	NTD 419,077,077	—	NTD (411,430)	NTD (114,887,907)	—
Sheng Bang Investment Corporation	NTD 2,106,505,050	NTD 2,253,146,255	NTD 156,128,756	NTD 2,097,019,499	—	NTD (884,881)	NTD 36,479,909	—
Faraday Technology (Mauritius) Corp.	NTD 406,711,929	NTD 221,553,698	—	NTD 221,553,698	—	—	NTD 30,486,159	—
GrainTech Electronics Limited	NTD 3,192,500	NTD 5,900,072	NTD 100,635	NTD 5,799,437	—	NTD (163,347)	NTD 392,793	—
Bright Capital Group Limited	NTD 68,593,066	NTD 286,592,487	—	NTD2 86,592,487	—	—	NTD (84,428,096)	—
Grain Media Inc.	NTD 7,500,000	NTD 6,005,691	NTD 252,740	NTD 5,752,951	—	—	NTD 151	—
Innopower Technology Corporation	NTD 358,734,410	NTD 552,155,839	NTD 262,973,621	NTD 289,182,218	NTD 15,397,047	NTD 3,971,281	NTD (114,776,490)	—
Faraday Technology China Corporation	CNY 43,618,000	CNY 168,371,084	CNY 119,486,583	CNY 48,884,501	CNY 298,541,372	CNY 7,922,484	CNY 6,751,272	—
Faraday Technology Corporation (Suzhou)	CNY 39,863,870	CNY 86,949,923	CNY 22,967,552	CNY 63,982,371	CNY 49,487,655	CNY (21,701,575)	CNY (18,850,020)	—
Faraday Technology (Samoa) Corp.	NTD 155,220,000	NTD 294,411,505	—	NTD 294,411,505	—	—	NTD 62,113,279	—
United Business Service Corporation (Chongqing)	CNY 30,000,000	CNY 66,910,157	CNY 1,178,922	CNY 65,731,235	CNY 4,375,472	CNY (757,607)	CNY 13,867,657	—
Artery Technology Corporation - Cayman	NTD 511,740,000	NTD 935,922,863	NTD 20,192,905	NTD 915,729,958	—	NTD (6,378,907)	NTD 77,759,258	—
Artery Technology Corporation, Ltd. (Chongqing)	CNY 81,311,212	CNY 240,230,874	CNY 50,497,542	CNY 189,733,332	CNY 359,158,048	CNY 44,870,466	CNY 47,706,472	—
Artery Technology Company	NTD 211,140,750	NTD 130,023,811	NTD 55,546,675	NTD 74,477,136	NTD 182,766,866	NTD (123,592,171)	NTD (117,762,061)	—
United Creative Solution Corporation (Shanghai)	CNY 10,000,000	CNY 126,633,918	CNY 87,464,059	CNY 39,169,859	CNY 126,521,451	CNY 13,860,525	CNY 13,460,647	—
Innopower Technology Corporation (Chongqing)	CNY 1,000,000	CNY 1,001,759	—	CNY 1,001,759	—	CNY (500)	CNY 416	—

Corporate Name	Registered capital	Total Assets	Total Liabilities	Net Assets	Operating Revenues	Operating Profits	Net Income (After-tax)	EPS (NTD\$)
Faraday Technology Vietnam Company Limited	VND 414,183,000,000	VND 503,753,690,769	VND 83,494,978,462	VND 420,258,712,307	VND 170,835,131,750	VND 2,453,656,154	VND 863,530,000	—
FaradayTek Solution India Private Limited	INR 10,000,000	INR 51,101,517	INR 12,294,617	INR 38,806,900	INR 74,721,736	INR 13,526,384	INR 10,573,977	—
Sinble Technology Pte. Ltd.	SGD 7,800,000	SGD 7,035,668	SGD 311,929	SGD 6,723,739	SGD 5,341,459	SGD 362	SGD (273,994)	—
Sinble Technology Vietnam Company Limited	VND 30,628,000,000	VND 23,397,042,627	VND 706,771,098	VND 22,690,271,529	VND 693,730,000	VND (7,335,731,682)	VND (6,950,460,975)	—
Solid Silicon Technology Corporation	USD 1,332,320	USD 23,388,238	USD 3,059,560	USD 20,328,678	USD 5,563,566	USD (239,980)	USD (311,212)	—

7.2 Consolidated Financial Statements Covering Affiliated Enterprises

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

7.3 Reports on Affiliations

7.3.1 Overview of the relationship between subsidiaries and controlling company: Not Applicable.

7.3.2 Business transactions: Not Applicable.

- Purchase (sale) of goods
- Property transactions
- Financing
- Asset leasing
- Other significant business transactions

7.3.3 Endorsements and Guarantees: Not Applicable.

7.3.4 Information regarding trading in derivative products: Not Applicable.

7.4 Private Placement Securities in 2024 and as of the Date of this Annual Report: None.

7.5 Other matters that require additional description : None.

7.6 Any Events in 2024 and as of the Date of this Annual Report that Had Material Impacts on Shareholders’ Interests or Securities Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act of Taiwan: None.