



Stock
Code **3035**

Faraday Technology Corporation

Annual Report 2025

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I Faraday's Annual Report is available at
<https://www.faraday-tech.com/en/content/IR/AnnualReports>

I Printed on March 31, 2026



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Deputy Spokesperson

Spokesperson
Wen-Ju Tseng | Vice President and Chief Financial Officer

Deputy Spokesperson
Chao-Yi Lu | Manager

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website and telephone number of
stock transfer institution

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🌐 www.honsec.com.tw
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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.

CPAs
Yu-Ni Yang and Shen-Jie Hu

Firm Name
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9th Floor, No. 333, Section 1, Keelung Road, Taipei City
🌐 www.ey.com.tw
☎ 02.2757.8888

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

Not applicable

Corporate Website

🌐 www.faraday-tech.com

Inside Every IC, Faraday's Value Is in Sight

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01 Letter to the Shareholders

Dear Shareholders,

2025 represented a definitive milestone for Faraday Technology Corporation under the strategic vision of "Connecting the Industry, Accelerating the Leap." Over the past three-year strategic cycle, the Company has successfully executed its planned roadmap: in 2023, we validated our technical proficiency by surpassing the entry barriers for advanced process design; in 2024, we initiated a comprehensive organizational transformation through "Business Model 2.0" to optimize global resource allocation; and in 2025, the Company officially entered its transitional expansion phase. Amidst the structural tailwinds driven by Artificial Intelligence (AI) within the global semiconductor industry, Faraday has successfully evolved from a leader in mature nodes into a premier ASIC provider with dual competencies in "Advanced Process Design" and "Advanced Packaging Integration," securing a dominant position in the primary market for next-generation semiconductor demand.

For 2025, Faraday's consolidated revenue reached NT\$18.0 billion, representing a 63% YoY increase and achieving a historical peak, with Basic EPS of NT\$2.81. While Silicon IP revenue recorded NT\$1.52 billion (a 3% YoY decrease), MP revenue delivered robust performance, surging 96% YoY to NT\$141.9 billion, also setting a record high. NRE revenue exhibited a significant structural shift, growing 2% YoY to NT\$2.29 billion, demonstrating that the Company is in a critical inflection point where technological accumulation is successfully being converted into profitability momentum.

Substantive Transformation in Advanced Nodes: Establishing Leading Indicators for Future Mass Production

Faraday's NRE business has achieved growth for five consecutive years, resulting in a qualitative optimization of our revenue mix.

- **Expansion of Advanced Process NRE Contribution**
The contribution of advanced nodes (14nm and below) to total NRE revenue surged from 4% in 2023 to 49% in 2025. This signifies Faraday's successful migration into high-margin, high-entry-barrier technical domains. This leading indicator portends structural growth potential for the Company's future mass production revenue streams.
- **Validation of Frontier Technical Prowess**
We successfully concluded the development of an Intel 18A test chip, incorporating high-end ARM Neoverse processor IP. This achievement serves as a PoC for our capability to handle cutting-edge transistor architectures and provides empirical evidence of our technological depth.
- **Multi-Foundry Collaborative Ecosystem**
Through strategic alliances with UMC, Samsung, Intel, and our newly formalized partnership with GlobalFoundries, Faraday's process roadmap now encompasses a full spectrum from 14nm to Intel 18A. This "cross-foundry, cross-node" agility provides the Company with superior supply chain resilience and strategic flexibility in capacity allocation.

Capitalizing on Advanced Packaging: Achieving the Inaugural 3D Packaging Milestone

As semiconductor design pivots toward Heterogeneous Integration, Faraday has extended its competitive advantages from individual SoC design to system-level integration:

- **Implementation of 3D Packaging Solutions:**

By leveraging Customized High Bandwidth Memory (CUBE) and Wafer-on-Wafer (WoW) technologies, we have precisely addressed the stringent requirements for low power consumption and high bandwidth in Edge AI applications. The successful acquisition of our first 3D packaging design win this year signifies Faraday's proficiency in managing complex supply chain orchestration and Heterogeneous Integration. This capability enables our clients to accelerate the commercialization of their products within the highly competitive AI silicon market.

Capturing Full-Spectrum AI Opportunities: Enhancing Group Synergies

In 2025, AI applications transitioned from Cloud AI to Edge AI and Endpoint AI. The rapid expansion of Faraday's AI-related revenue confirms our readiness to serve as a core engine for AI implementation:

- **Holistic AI Solutions**
Faraday utilizes advanced process and packaging technologies to provide silicon solutions that offer optimized cost-performance (P/C) ratios for high-performance AI accelerators and peripheral ICs.
- **Group Synergistic Effects**
In the Endpoint AI sector, our subsidiary, Artery Technology, offers a diversified portfolio of MCU solutions that complement the parent company's SoC services, collectively building a comprehensive AI silicon ecosystem.

Internalizing ESG Principles: Strengthening Corporate Sustainability and Resilience

Faraday has integrated Sustainable Development into its corporate DNA, continuing to earn prestigious international accolades in ESG:

- Ranked in the top 5% of the Corporate Governance Evaluation for listed companies and attained the highest AAA rating in the TIP Taiwan Sustainability Index.
- Selected for the "Top 100 Carbon Competitiveness" by Business Weekly for two consecutive years, aligning with TCFD and SASB disclosure trends.
- Recipient of the "Best Companies to Work for in Asia" award by HR Asia, maintaining a competitive edge in human capital management and talent retention within the semiconductor industry.

Strategic Vision: Entering a Milestone of Structural Growth

In 2025, we executed our strategic roadmap with precision and achieved tangible results. Looking ahead, we will continue to enhance our technological capabilities, strengthen strategic partnerships, and penetrate structural opportunities presented by AI. Adhering to our core mission of "Advancing Human Well-being through Technology," we remain committed to the sustainable enhancement of long-term shareholder value. We extend our sincere gratitude for your continued support.

Charting a Forward-Looking Vision, Entering a New Era of Structural Growth

In 2025, we advanced steadily along our established roadmap, delivering tangible results. Moving forward, we will continue to enhance our technological capabilities, deepen strategic partnerships, and fully leverage the structural opportunities brought by AI. Guided by our founding mission, "Improve Human Welfare with Technological Innovation", we remain committed to steadily enhancing corporate value and rewarding our shareholders' long-term trust. We sincerely appreciate all of your continued support.

Chairman/

Stan Hung

President/

[Signature]

Accounting Officer/

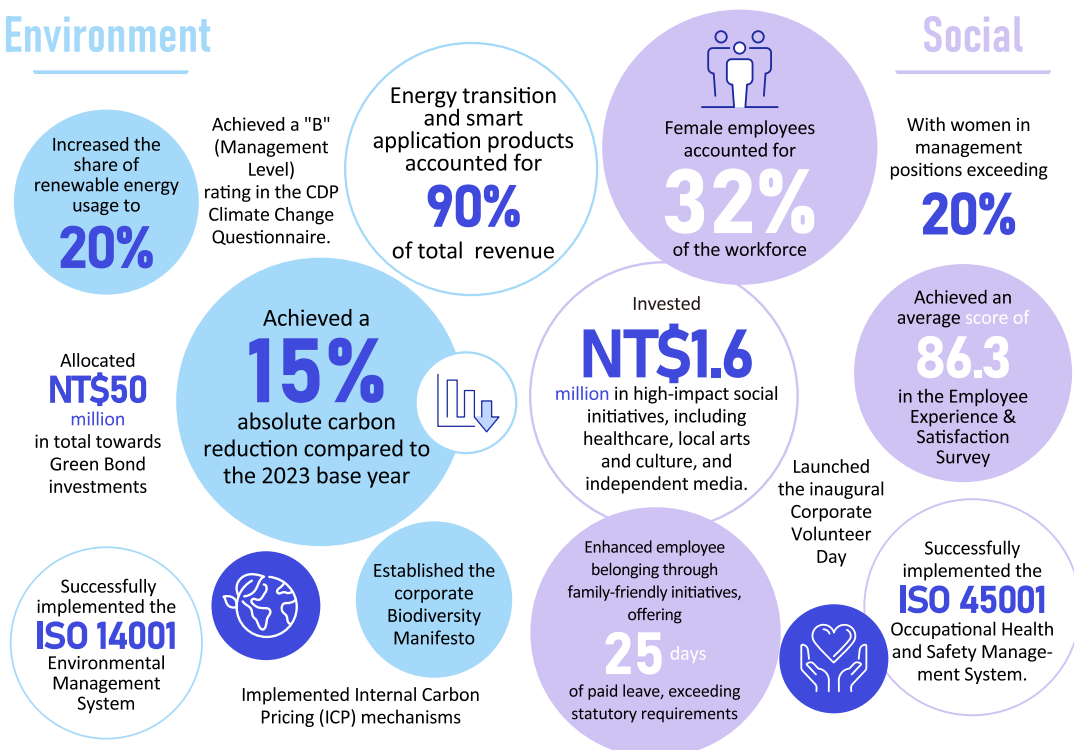
Hsueh Tsai

02 Sustainability Performance

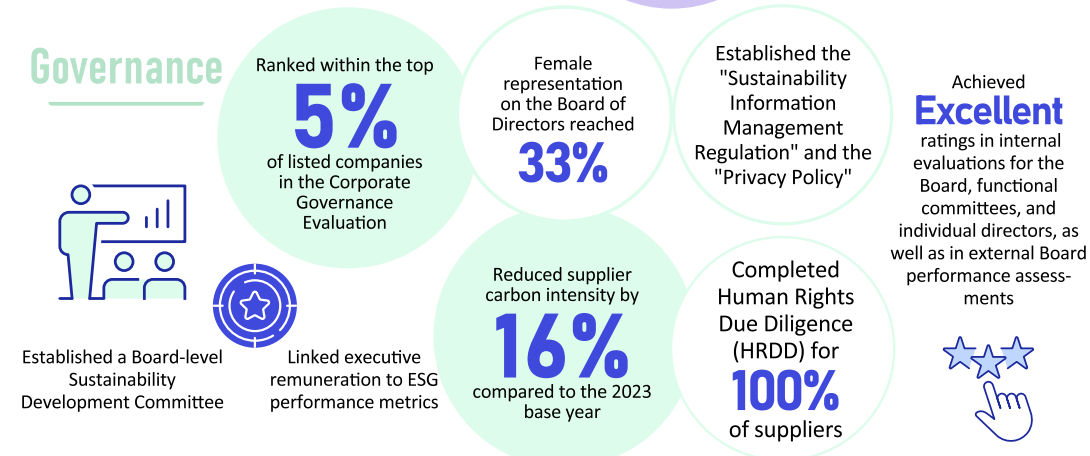
Faraday is committed to implementing its operating strategies and business philosophy. In accordance with its ESG policies and sustainable execution framework, it implements sustainable development in its core business of application specific integrated circuit design services and daily operations to 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 2025 are listed below:

Environment



Governance



Sustainability Awards/Certifications

Item	Sustainable Achievement	Year / Remark
Sustainability	TCSA Taiwan Corporate Sustainability Award Top 100 Taiwan Sustainable Exemplary Enterprise Award	2025
	TCSA Taiwan Corporate Sustainability Award Sustainability Reporting Award - Gold Level	2024~2025
	Executive Yuan National Development Council National Sustainable Development Award	2024 (The first award-winning IC design company)
	EcoVadis Committed Badge / Certification	2024
	Business Weekly Carbon Competitiveness Top 100	2024~2025
Environment	HR Asia Best Companies to Work for in Asia	2025
	Occupational Safety and Health Administration, Ministry of Labor Excellence in Voluntary Disclosure of OSH Performance in Sustainability Reports	2024~2025
	Hsinchu Science Park Bureau (NSTC) Excellence Award for Promoting Workplace Gender Equality	2023, 2025
	Health Promotion Administration, Ministry of Health and Welfare Accredited Healthy Workplace	2025
	Health Promotion Administration, Ministry of Health and Welfare Workplace Weight Management and Competition - Excellence Award	2024
	Ministry of Labor National Talent Development Award	2022
	Public Health Bureau, Hsinchu City Government Breastfeeding-Friendly Environment - Excellence Award	2022~2024
	Sports Administration, Ministry of Education "iSports Certification"	2023~2024
	Global Views Monthly Platinum Award for Fertility-Friendly Enterprises	2023
Social		

Item	Sustainable Achievement	Year / Remark
Governance	Harvard Business Review Taiwan Top 100 CEO / Corporate Leaders	2022 ~ 2024
	APEA (Asia Pacific Enterprise Awards) Corporate Excellence Award	2024
	AQM (Association of Quality Managers) Excellence Case Award in Quality Improvement	2021, 2023~2024
	CommonWealth Magazine Top 50 in Operational Performance	2023 (Ranked 1st)

Sustainable Ratings and Indices

Item	Sustainable Achievement	Year/Remark
Domestic Rating	Taiwan Sustainability Rating: AAA	2025
	Corporate Governance Evaluation: Top 5%	2024
Domestic Indices	TWSE RAFI Taiwan High Compensation 100 Index	2014 to 2025 (12 Consecutive years)
	TIP Taiwan Listed/OIC IC Design Momentum Index	Selected in 2025
International Ratings	CDP Climate Change: B (Management Level) Water Security: B (Management Level)	2025

03 Corporate Governance Report

3.1 Information on Directors, President, Vice Presidents, Senior Managers, and Head of Departments and Branch Offices

3.1.1 Information of Directors

March 27, 2026
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	-	-	-	-	-	-	-	-	- Chairman , United Microelectronics Corporation - B.A. in Accounting, Tamkang University - Honorary Doctorate of Engineering, National Tsing Hua University	- Chairman & CSO, United Microelectronics Corporation - CSO, Faraday Technology Corporation - Chairman & CSO, Silicon Integrated Systems Corporation - Chairman, Hong Cheng Venture Capital - Chairman, Hong Ding Venture Capital - Director, Triknight Capital Corporation. - Chairman, UMC Capital Corp. - Director, United Microelectronics (Europe) B.V. - Director and Legal Representative, SiS Semiconductor (Shandong) Co., Ltd - Director and Legal Representative, UnitedDS Semiconductor (Shandong) Co., Ltd.	-	-	-	-
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				
Director	ROC	United Microelectronics Corporation	—	May 29, 2024	3 years	May 2, 2002	35,962,705	13.80%	35,962,705	13.80%						Not applicable				
		Representative: Ying-Sheng Shen	Male 60~69	May 29, 2024	3 years	Jun 15, 2016	-	-	-	-	-	-	-	-	- Associate Vice President, United Microelectronics Corporation - EMBA in Business Administration, National Taiwan University	Vice President, United Microelectronics Corporation	-	-	-	-
Director	ROC	Unimicron Technology Corp.	—	May 29, 2024	3 years	Jun 12, 2012	124,634	0.05%	124,634	0.05%						Not applicable				
		Representative: Zhen-Li Huang	Male 70~79	May 29, 2024	3years	July 19, 2021	-	-	-	-	-	-	-	-	- CPA, Zheng Ji Accounting Firm - Professor of Accounting, Tamkang University - Independent Director, United Microelectronics Corporation - Director, Faraday Technology Corporation - Ph.D. in Accounting, University of Warwick, UK	Professor of Accounting Tamkang University	-	-	-	-
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%	-	-	- COO, Faraday Technology Corporation - Vice President, United Microelectronics Corporation - Deputy Director, Taiwan Semiconductor Manufacturing Co., Ltd. - Manager, Information and Communications Research Laboratories , Industrial Technology Research Institute - M.S in Industrial Engineering, National Tsing Hua University	- President, Faraday Technology Corporation - Chairman, Sheng Bang Investment Corporation - Chairman, Chih Hung Investment Corporation - Chairman,United Business Service Corporation (Chongqing) - Chairman & President, Artery Technology Corporation - Chairman & President, Artery Technology Company - Chairman & President, Artery Technology Co., Ltd. - Chairman, Sinble Technology Pte. Ltd.	-	-	-	-

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	Shih-Chin Lin	Male 50~59	May 29, 2024	3 years	Jun 15, 2016	212,786	0.08%	121,944	0.05%	-	-	-	-	- Senior Director, United Microelectronics Corporation - Division Director, Powerchip Semiconductor Manufacturing Corp. - Design Manager, Acer Semiconductor Manufacturing Inc. - M.S. in Electrophysics, National Yang Ming Chiao Tung University	- 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 Corporation	-	-	-	-
Director	ROC	Wen-Ju Tseng	Female 60~69	May 29, 2024	3 years	Jun 15, 2018	71,383	0.03%	36,107	0.01%	-	-	-	-	- Associate Vice President, United Microelectronics Corporation - Division Director, Faraday Technology Corporation - MBA, College of Management, National Yang Ming Chiao Tung University	- Vice President & CFO, Faraday Technology Corporation - Director , Artery Technology Corporation - Director , Artery Technology Company - Director, Artery Technology Co., Ltd. - Director, Sinble Technology Pte. Ltd - Director, ShiehYung Investment Corporation - Independent Director, Uniflex Technology Inc.	-	-	-	-
Independent Director	ROC	Bing-Kuan Luo	Male 60~69	May 29, 2024	3 years	Jun 15, 2018	-	-	-	-	-	-	-	-	- 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 - LL.M., Fu Jen Catholic University - Ph.D. in Management, Fudan University (Shanghai)	- 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	-	-	-	-
Independent Director	ROC	Wan-Fen Zhou	Female 50~59	May 29, 2024	3 years	July 7, 2021	-	-	-	-	-	-	-	-	- CFO, Dawning Leading Technology Inc. - Deputy Manager, United Microelectronics Corporation - Associate Vice President , King Yuan Electronics Co., Ltd. - Director, Silicon Integrated Systems Corporation - Supervisor, ShiehYung Investment Corporation - Supervisor, Hsun Chieh Investment Co., Ltd. - EMBA in Business Administration, National Tsing Hua University	Vice President & CFO, King Yuan Electronics Co., Ltd.	-	-	-	-
Independent Director	ROC	Li-Ying Yeh	Female 50~59	May 29, 2024	3 years	June 19, 2018	-	-	-	-	-	-	-	-	- 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. - MBA, LeBow College of Business, Drexel University, USA	- Chairman, Quanxin Logistics Co., Ltd. - Chief Executive Officer & Director, Trust Capital Alternative Pte. Ltd. - Director, Meng & Yume Innovate Pte. Ltd. - Director, Private Alternative VCC - Independent Director, Aker Technology Co., Ltd	-	-	-	-

3.1.2 Major Shareholders of Institutional Shareholders

Major Shareholders of Corporate Shareholders

December 31, 2025	
Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders (shareholding %)
United Microelectronics Corporation (the ex-dividend date is June 30, 2025)	Capital TIP Customized Taiwan Select High Dividend ETF(6.74%), Cathay Sustainability High Dividend ETF(5.34%), Hsun Chieh Investment Co., Ltd.(3.52%), JPMorgan Chase Bank, N.A. acting in its capacity as depositary and representative to the holders of ADRs(3.24%), Yuanta/P-shares Taiwan Dividend Plus ETF(2.74%), Fuh Hwa Taiwan Technology Dividend Highlight ETF(2.69%), Silicon Integrated Systems Corp.(2.12%), Taiwan Life Insurance Co, Ltd.(1.74%), Yann Yuan Investment Co., Ltd.(1.54%), New Labor Pension Fund(1.48%)
Unimicron Technology Corporation (the ex-dividend date is July 14, 2025)	United Microelectronics Corporation(13.00%), Fubon Life Insurance Co., Ltd.(3.30%), Cathay Life Insurance Co.,Ltd.(2.31%), Citibank Taiwan in custody for Government of Singapore(1.99%), New Labor Pension Fund (1.69%), Chunghwa Post Co., Ltd. (1.58%), Yann Yuan Investment Co., Ltd. (1.50%), Nan Shan Life Insurance Company, Ltd.(1.31%), Standard Chartered International Commercial Bank's Operations Department holds in trust the advanced series of funds from the Advanced Starlight Fund Company, specifically the Advanced Composite International Equity Index Fund investment account.(1.23%), Morgan Custody Vanguard Emerging Markets Stock Index (1.10%)

Major Shareholders of Institutional Shareholders

December 31, 2025	
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 Corporation (17.99%), Hsun Chieh Investment Co., Ltd.(2.32%), CHC Internation Investment Corporation(1.01%), Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II (0.58%), Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.57%), Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds (0.50%), Yann Yuan Investment Co., Ltd. (0.40%), Emerging Markets Small Capitalization Equity Index NonLendable Fund (0.33%), Tzu Chi Foundation (0.26%), State Street Global Advisors Trust Company (0.25%)
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%)
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd. (100%)
Cathay Life Insurance Co.,Ltd.	Cathay Financial Holding Co., Ltd. (100%)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (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:

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 possesses a comprehensive integration of industry knowledge, practical experience, leadership, and academic excellence. With expertise in financial and accounting analysis, a global market perspective, and hands-on capabilities in operational planning, strategic decision-making, and crisis management within the technology sector, he has demonstrated exceptional professional competence. Having joined the UMC team in 1991, Mr. Hung has served in various key roles, including Manager of Corporate Finance, Credit Management, and the Finance Division, as well as CFO and Senior Vice President of Finance. In 2004, he was recognized as the "Best CFO in the Asian Semiconductor Industry" by Institutional Investor. In 2021, he was conferred an Honorary Doctor of Engineering by National Tsing Hua University. Currently, Mr. Hung serves as the Chairman and CSO of both UMC and SIS. Furthermore, he does not fall under any of the circumstances specified in Article 30 of the Company Act.		0
Kuo-Yung Wang	Mr. Wang possesses a comprehensive integration of industry knowledge, practical experience, leadership, and academic excellence. With specialized expertise in operational judgment, marketing, global market perspective, corporate management, and crisis management, he has dedicated over 30 years to the technology and semiconductor sectors. He holds an extensive professional background in IC design and services, Silicon IP, wafer foundry, and the electronic supply chain, with profound experience in marketing, sales, and strategic planning. His previous roles include CSO at Faraday Technology, Deputy Director of Marketing at TSMC, Manager at the Information and Communications Research Laboratories of ITRI, and Vice President at UMC, where he was responsible for marketing, Asia-Pacific sales, and Silicon IP R&D design support. Under his leadership, the sales team achieved a record revenue of NT\$60 billion with consistent year-on-year growth. Furthermore, he does not fall under any of the circumstances specified in Article 30 of the Company Act.		0
Ying-Sheng Shen	Mr. Shen possesses a comprehensive integration of industry knowledge, practical experience, decision-making, and academic excellence. He is highly proficient in operational judgment, marketing, corporate management, and crisis management. Having previously served as Associate Vice President at UMC, he has held the position of Vice President at UMC since 2015, where he is currently responsible for market development and marketing operations. Furthermore, he does not fall under any of the circumstances specified in Article 30 of the Company Act.	Not Applicable	0
Zhen-Li Huang	Mr. Huang possesses a comprehensive integration of business acumen, financial and accounting expertise, global market perspective, crisis management, and academic excellence. He is a CPA who has passed the national examinations for specialized and technical professionals. His career includes serving as an Accountant at Cheng-Ji CPAs, Supervisor at WIN Semiconductors Corp., and Independent Director at UMC. Currently, he is a Professor in the Department of Accounting at Tamkang University, with over 30 years of extensive teaching experience. Furthermore, he does not fall under any of the circumstances specified in Article 30 of the Company Act.		0
Shih-Chin Lin	Mr. Lin possesses a comprehensive integration of industry knowledge, practical experience, decision-making, and academic excellence. With expertise in operational judgment, corporate management, and crisis management, he has over 20 years of experience in the semiconductor industry. He is deeply familiar with IC design flows and has a complete professional background in IC design services and embedded memory design. His previous experience includes serving as Senior Director of IP R&D at UMC, Division Director at PSMC, and Design Manager at Acer Semiconductor. Furthermore, he does not fall under any of the circumstances specified in Article 30 of the Company Act.		0
Wen-Ju Tseng	Ms. Tseng possesses a comprehensive integration of industry knowledge, practical experience, decision-making capabilities, and academic excellence. With expertise in financial and accounting analysis, a global market perspective, and hands-on experience in corporate management and crisis management, she has a proven track record in the industry. Having previously held key accounting and finance positions at UMC, Ms. Tseng served as the Director of the Finance Division at Faraday Technology Corporation from 2000 to 2015. Since 2015, she has served as CFO and Corporate Spokesperson, overseeing multinational financial management, accounting, and tax planning for the Faraday Group. Furthermore, she does not fall under any of the circumstances specified in Article 30 of the Company Act.		1

Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Bing-Kuan Luo	Mr. Luo possesses a comprehensive integration of industry knowledge, global market perspective, corporate management, and academic excellence. He specializes in law, finance, crisis management, and corporate governance. His career includes serving as a consultant at the MOEA and Eastern Taiwan Joint Services Center, Executive Yuan, Vice President and Taiwan Chairman of the Hong Kong Independent Non-Executive Director Association (HKINEDA), and CIO of Cassida International Capital and a CMAD in China. Currently, he serves as the Chairman of Hua-Shuan International Counselling Corp. and the Chairman of TIDA Taiwan. Furthermore, he does not fall under any of the circumstances specified in Article 30 of the Company Act.	As Independent Directors, they meet all independence requirements, including but not limited to the following: - Neither the individuals, nor their spouses or relatives within the second degree of kinship, serve as a director, supervisor, or employee of the Company or any of its affiliates. - They do not hold any shares of the Company. - They do not serve as a director, supervisor, or employee of any company that has a specific relationship with the Company. - Within the past two years, they have not provided commercial, legal, financial, or accounting services to the Company or its affiliates for which the compensation received exceeds the prescribed threshold.	2
Wan-Fen Zhou	Ms. Zhou possesses a comprehensive integration of industry knowledge, practical experience, decision-making, and academic excellence. She is highly proficient in financial and accounting analysis, corporate management, and crisis management. Her previous experience includes serving as CFO of Dawning Leading Technology Inc., Assistant Manager at UMC, Supervisor at Shieh Yung Investment Corp., and Director of SiS. Currently, she holds the position of CFO and Vice President of the Finance & Sustainability Management Center at KYEC. Furthermore, she does not fall under any of the circumstances specified in Article 30 of the Company Act		0
Li-Ying Yeh	Ms. Yeh holds an MBA from the LeBow College of Business at Drexel University. She possesses a comprehensive integration of industry knowledge, global market perspective, corporate management, and academic excellence, with specialized expertise in financial and accounting analysis and crisis management. Her distinguished career includes serving as 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 Treasury Officer at Chase Manhattan Bank Taiwan Branch. Currently, she serves as the CEO 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, and Chairperson of Quaxin Logistics Co., Ltd. Furthermore, she does not fall under any of the circumstances specified in Article 30 of the Company Act.		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.

Faraday’s Board of Directors consists of 9 members (including 3 Independent Directors). To implement gender equality policies, increase female participation in decision-making, and strengthen the board structure, the 12th Board of Directors has added one female director, raising the proportion of female directors to 33.33%. This exceeds Faraday’s original target of 25%. Future plans aim to increase the number of Independent Director seats to further enhance board independence and oversight functions. As of the end of 2025, the age distribution of the Board is as follows: 3 directors aged 50~59, 5 directors aged 60~69, and 1 director aged 70 or above. All Independent Directors comply with the independence regulations set by the SFB of the FSC. For detailed information on each director’s academic background, gender, professional qualifications, and work experience, please refer to Section 03. Corporate Governance Report, 3.1.1 Information of Directors. (Pages 5~8)

The professional backgrounds of Faraday’s Board members encompass management, science and engineering, law, and finance/accounting. Most members are experienced executives in the technology industry, possessing diverse backgrounds in industry-academia collaboration, research, and specialized knowledge. This diversity allows for professional insights from multiple perspectives, significantly contributing to the improvement of the Company’s operational performance and management efficiency. The implementation of Board diversity is summarized 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	✓			✓	✓	✓			
Less than 3 terms							✓	✓	✓
Background									
Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓	✓		✓	✓
Law							✓		
Professional knowledge and skills									
Industry experience	✓	✓	✓	✓	✓	✓	✓	✓	✓
Operational Judgment	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Crisis Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global Market Perspective	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership & Decision-Making	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability (ESG)	✓	✓	✓	✓	✓	✓	✓	✓	✓

• Board Independence

The nomination and selection of Faraday’s Board members follow the "Articles of Incorporation" and adopt a candidate nomination system. In compliance with the "Corporate Governance Best Practice Principles" and the " Procedures for Election of Directors," the selection of directors takes into account the overall composition of the Board. The Board consists of seven to eleven members, with the specific number determined by Board resolution. Directors serve a three-year term and are elected by the Shareholders' Meeting from persons with legal capacity. The professional qualifications, shareholdings, concurrent position restrictions, and nomination and election procedures for Independent Director candidates are conducted in accordance with the Company Act, Securities and Exchange Act, and other relevant regulations. All members of Faraday’s Board possess the necessary knowledge, skills, and expertise to perform their duties.

The composition of Faraday’s Board includes 3 Independent Directors (33.33%) and 6 Non-independent Directors (66.67%), among whom 4 directors also hold employee status (44.44%). None of the directors fall under any of the circumstances specified in Article 30 of the Company Act. Furthermore, there are no

spousal or second-degree kinship relationships among the directors, ensuring compliance with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

Faraday regularly reviews the independence and suitability of Independent Directors during their tenure. All three Independent Directors comply with relevant regulatory requirements, and their independence status is as follows:

Name	Whether the individual, spouse, or relative within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliates.	Number and percentage of shares held by the individual, spouse, or relative within the second degree of kinship (including those held under others' names).	Whether the individual serves as a director, supervisor, or employee of a company that has a specific relationship with the Company.	Amount of compensation received for providing commercial, legal, financial, or accounting services to the Company or its affiliates in the past two 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 President, Vice Presidents, Senior Managers and Heads of Departments and Branch Offices

March 27, 2026
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			Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman& CSO	ROC	Chia-Tsung Hung	Male	March 2, 2018	-	-	-	-	-	-	- Chairman, United Microelectronics Corporation - B.A. in Accounting, Tamkang University - Honorary Doctorate of Engineering, National Tsing Hua University	- Chairman & CSO, United Microelectronics Corporation - Chairman & CSO, Silicon Integrated Systems Corporation - Chairman, Hong Cheng Venture Capital - Chairman, Hong Ding Venture Capital - Director, Triknigh Capital Corporation. - Chairman, UMC Capital Corp. - Director, United Microelectronics (Europe) B.V. - Director and Legal Representative, SiS Semiconductor (Shandong) Co., Ltd - Director and Legal Representative, UnitedDS Semiconductor (Shandong) Co., Ltd.	-	-	-	-
President	ROC	Kuo-Yung Wang	Male	Jul 28, 2015	403,231	0.15%	156,416	0.06%	-	-	- COO, Faraday Technology Corporation - Vice President, United Microelectronics Corporation - Deputy Director, Taiwan Semiconductor Manufacturing Co., Ltd. - Manager, Information and Communications Research Laboratories , Industrial Technology Research Institute - M.S in Industrial Engineering, National Tsing Hua University	- Chairman, Sheng Bang Investment Corporation - Chairman, Chih Hung Investment Corporation - Chairman, United Business Service Corporation (Chongqing) - Chairman & President, Artery Technology Corporation - Chairman & President, Artery Technology Company - Chairman & President, Artery Technology Co., Ltd. - Chairman, Sinble Technology Pte. Ltd.	-	-	-	-
COO	ROC	Shih-Chin Lin	Male	Jul 30, 2015	121,944	0.05%	-	-	-	-	- Senior Director, United Microelectronics Corporation - Division Director, Powerchip Semiconductor Manufacturing Corp. - Design Manager, Acer Semiconductor Manufacturing Inc. - M.S. in Electrophysics, National Yang Ming Chiao Tung University	- Chairman, Innopower Technology - 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 Corporation	-	-	-	-
CFO & VP	ROC	Wen-Ju Tseng	Female	Sep 1, 2017	36,107	0.01%	-	-	-	-	- Division Director, Faraday Technology Corporation - Associate Vice President, United Microelectronics Corporation - MBA, College of Management, National Yang Ming Chiao Tung University	- Director, Artery Technology Corporation - Director, Artery Technology Company - Director, Artery Technology Co., Ltd. - Director, Sinble Technology Pte. Ltd. - Director, ShiehYung Investment Corporation - Independent Director, Uniflex Technology Inc.	-	-	-	-
VP	ROC	Cheng-Hsing Chien	Male	Jun 17, 2019	45,247	0.02%	-	-	-	-	- AVP, Faraday Technology Corporation - Director, MediaTek Inc. - Director, GlobalFoundries - Deputy Director, Leadtech Microvisualization Corp. - Deputy Division Director, SoC Technology Center, ITRI - M.S. in Electrical Engineering, National Taiwan University	- Chairman, Faraday Technology Vietnam Company Limited - Chairman, GSME Vietnam Company Limited	-	-	-	-

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			Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
VP	ROC	Kuo-Hua Lee	Male	Dec 3, 2019	82,974	0.03%	10,000	0.004%	-	-	- AVP, Faraday Technology Corporation - Senior Director, United Microelectronics Corp. - M.S. in Physics, Tamkang University	Chairman, Faraday Technology Corporation (USA)	-	-	-	-
SAVP	ROC	Shu-Huei Liao	Female	Sep 1, 2021	32,692	0.01%	-	-	-	-	- Director, Faraday Technology Corporation - M.S in Industrial Engineering, National Tsing Hua University	None	-	-	-	-
SAVP	ROC	Ying-Cih Yen	Male	March 23, 2023	3,109	0.001%	-	-	-	-	- Deputy Director, Taiwan Semiconductor Manufacturing Co., Ltd. - M.S in Electronics Engineering, National Yang Ming Chiao Tung University	None	-	-	-	-
SAVP	ROC	Chen-Yi Huang	Male	June 16, 2023	3,527	0.001%	-	-	-	-	- Director, Macronix International Co., Ltd. - Division Director, Vanguard International Semiconductor Corp. - MBA, Fu Jen Catholic University	None	-	-	-	-

3.1.5 Remuneration of Directors, President and Vice Presidents

General Remuneration of Directors and Independent Directors

December 31, 2025
Unit: NT\$ thousands

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) (Note 1)		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	-	-	406	406	150	150													
Director	United Microelectronics Corporation Representative: Ying-Sheng Shen (Note 2)	720	720	-	-	406	406	150	150													
Director	Unimicron Technology Corp. Representative: Zhen-Li Huang (Note 2)	720	720	-	-	406	406	150	150	6,438 (0.88%)	6,438 (0.88%)	47,132	47,132	-	-	1,888	-	1,888	-	55,458 (7.58%)	55,458 (7.58%)	None
Director	Kuo-Yung Wang	720	720	-	-	-	-	150	150													
Director	Shih-Chin Lin	720	720	-	-	-	-	150	150													
Director	Wen-Ju Tseng	720	720	-	-	-	-	150	150													
Independent Director	Bing-Kuan Luo	960	960	-	-	-	-	150	150													
Independent Director	Wan-Fen Zhou	960	960	-	-	-	-	150	150	3,330 (0.46%)	3,330 (0.46%)	-	-	-	-	-	-	-	-	3,330 (0.46%)	3,330 (0.46%)	None
Independent Director	Li-Ying Yeh	960	960	-	-	-	-	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, systems, standards, and structures, and the correlation between the amount of remuneration paid and factors such as responsibilities, risks, and time commitment:

1. Remuneration Policies, Systems, Standards, and Structures
 - Remuneration System for Independent Directors: The remuneration for the Company’s Independent Directors primarily consists of fixed compensation, handled in accordance with the Articles of Incorporation and relevant regulations. It is determined by considering their time commitment and level of responsibility in areas such as corporate governance, financial oversight, internal control systems, and risk management. To maintain independence and objectivity, their remuneration is, in principle, not directly linked to the Company’s short-term operating performance. The payment standards and amounts are reviewed by the Compensation and Remuneration Committee and submitted to the Board of Directors for resolution.
 - Remuneration System for Non-independent Directors: Remuneration for non-independent directors is handled in accordance with the Articles of Incorporation and determined based on the Company’s overall operating results, as well as the directors' duties and level of involvement. Payments are made following review by the Remuneration Committee and approval by the Board of Directors.
 - Regulatory Compliance and Governance Mechanism: The payment and disclosure of director remuneration are conducted in compliance with the “Compensation and Remuneration Committee Charter” and the "Regulations Governing Information to be Recorded in Annual Reports of Public Companies," ensuring the rationality and transparency of the system in alignment with corporate governance principles.
2. Correlation with the Amount of Remuneration Paid
 - Correlation between Independent Director Remuneration and Responsibilities: Independent director remuneration primarily reflects their oversight functions, professional judgment, and level of participation in the Board and functional committees. It is not designed to be directly linked to the Company’s short-term profit performance.
 - (Correlation between Non-independent Director Remuneration and Corporate Performance: Remuneration for non-independent directors is determined by comprehensively considering the Company’s operating outcomes, financial performance, and the directors' contributions to the Company’s long-term development.
 - Review Mechanism: The rationality of director remuneration is evaluated annually by the Remuneration Committee and submitted to the Board of Directors for resolution.

Note 2: Regarding the remuneration of juristic person directors and their representatives, remuneration" and "business execution expenses are paid to the individuals, while director’s compensation is paid to the juristic person.

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	Unimicon, Chia-Tsung Hung, Kuo-Yung Wang, Shih-Chin Lin, Wen-Ju Tseng, Ying-Sheng Shen, Zhen-Li Huang	Unimicon, Chia-Tsung Hung, Kuo-Yung Wang, Shih-Chin Lin, Wen-Ju Tseng, Ying-Sheng Shen, Zhen-Li Huang, Ning-Hai Jin, Li-Ying Yeh	Unimicon, Ying-Sheng Shen, Zhen-Li Huang	Unimicon, Ying-Sheng Shen, Zhen-Li Huang
1,000,000 (inclusive) ~2,000,000 (not inclusive)	UMC, Bing-Kuan Luo, Wan-Fen Zhou, Li-Ying Yeh	UMC, Bing-Kuan Luo, Wan-Fen Zhou, Li-Ying Yeh	UMC, Bing-Kuan Luo, Wan-Fen Zhou, Li-Ying Yeh	UMC, Bing-Kuan Luo, Wan-Fen Zhou, Li-Ying Yeh
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)	-	-	Wen-Ju Tseng	Wen-Ju Tseng
10,000,000 (inclusive) ~15,000,000 (not inclusive)	-	-	Chia-Tsung Hung, Shih-Chin Lin	Chia-Tsung Hung, Shih-Chin Lin
15,000,000 (inclusive) ~30,000,000 (not inclusive)	-	-	Kuo-Yung Wang	Kuo-Yung Wang
30,000,000 (inclusive) ~50,000,000 (not inclusive)	-	-	-	-
50,000,000 (inclusive) ~100,000,000 (not inclusive)	-	-	-	-
More than 100,000,000	-	-	-	-
Total	11 people	11 people	11 people	11 people

Note : The amount of Directors' remuneration approved by the Board of Directors in 2026.

Remuneration of President and Vice Presidents

December 31, 2025
Unit: NT\$ thousands

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
		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 amount		Stock amount		Cash amount	Stock amount						
CSO	Chia-Tsung Hung													
President	Kuo-Yung Wang													
COO	Shih-Chin Lin	19,640	31,739	-	-	35,663	38,219	2,214	-	2,214	-	57,517 (7.86%)	72,172 (9.87%)	-
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, Wen-Ju Tseng	Cheng-Hsing Chien, Wen-Ju Tseng
10,000,000 (inclusive) ~15,000,000 (not inclusive)	Chia-Tsung Hung, Shih-Chin Lin	Chia-Tsung Hung, Shih-Chin Lin, Kuo-Hua Lee
15,000,000 (inclusive) ~30,000,000 (not inclusive)	Kuo-Yung Wang	Kuo-Yung Wang
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 2026.

Names of Managers Receiving Employee Remuneration and Amounts Distributed

December 31, 2025
Unit: NT\$ thousands

	Title	Name	Employee Compensation	Employee Compensation	Total	Ratio of Total Amount to Net Income After Tax (%)
			- in Stock (Fair Market Value)	- in Cash (Note)		
Executive Officers	CSO	Chia-Tsung Hung				
	President	Kuo-Yung Wang				
	COO	Shih-Chin Lin				
	VP & CFO	Wen-Ju Tseng				
	VP	Cheng-Hsing Chien	-	2,904	2,904	0.40%
	VP	Kuo-Hua Lee				
	AVP	Shu-Huei Liao				
	AVP	Chen Yi Huang				
	AVP	Ying-Tzu Yen				

Note: The amount of employees’ remuneration approved by the Board of Directors in 2026.

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

Unit: NT\$ thousands

Title	Faraday				All Companies in the Financial Statements			
	2025		2024		2025		2024	
	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)	55,458	7.58%	73,299	7.04%	55,458	7.58%	73,299	7.04%
President, CSO, COO, CFO and VPs	57,517	7.86%	71,896	6.90%	72,172	9.87%	87,039	8.36%

Note:

1. Total remuneration for directors in 2025 decreased compared to 2024, primarily due to the decline in net income after tax for the current year.
2. Total remuneration for the President, CSO, COO, CFO and VPs also decreased compared to 2024, mainly resulting from a reduction in annual performance bonuses as determined by the Company’s operational outcomes.

Remuneration Payment Policy

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

1. Remuneration Policies, Systems, Standards, and Structures

The Company’s remuneration system for directors and executive officers is established in accordance with the” Articles of Incorporation”, the Compensation and Remuneration Committee Charter”, and relevant laws. Considering the semiconductor industry's characteristics — high technology intensity, R&D orientation, and cyclical volatility — the system integrates long-term operating performance, R&D investment outcomes, risk management, and Sustainability (ESG) goals.

- Director Remuneration Policy

- Remuneration is handled per Articles 16 and 27 of the Articles of Incorporation, considering time commitment, professional competence, and level of responsibility in areas such as corporate governance, operational strategy, technological direction, financial oversight, internal controls, and risk management.
 - When the Company is profitable, no more than 2% of pre-tax profit is allocated as director remuneration. Standards and amounts are reviewed by the Compensation and Remuneration Committee and submitted to the Board of Directors for resolution.
 - Remuneration for Independent Directors primarily consists of fixed compensation and is generally not linked to short-term profits or stock price performance to ensure independence and objectivity in their oversight of audit, compensation, and governance.
- Executive Officer Remuneration Policy
 - The system includes fixed salary and variable incentives. Variable incentives evaluate financial metrics alongside R&D outcomes, product competitiveness, operational risk control, and ESG KPIs, such as Corporate Governance Evaluation results, energy management, talent retention, and occupational safety.
 - All compensation schemes are reviewed by the Compensation and Remuneration Committee and approved by the Board of Directors to balance operational efficiency, risk control, and long-term value creation.
 - When profitable, no less than 1% of pre-tax profit is allocated as employee compensation (including Non-managerial employees) per Article 27, supporting the retention of core R&D talent and the sustainable development of human capital.

Total Compensation Framework and Performance Linkage		
Type	Content	
Fixed Salary	Based on job description, level of responsibility, professional competence, and semiconductor industry benchmarks.	
Variable Incentives	Financial Metrics 50%	Net income growth rate, R&D expense as a percentage of revenue, etc.
	Corporate Governance Evaluation (25%)	
	Sustainability Metrics 50%	Renewable energy usage rate (15%) Occupational safety and diversity metrics (10%)

Note:

1. Diversified forms of compensation are provided based on different incentive objectives, including performance bonuses, signing bonuses, employee compensation, and RSAs, among others.
2. Weights and performance metrics are adjusted based on annual business strategies and the implementation status of operational goals.
3. Calculation is based on the actual amounts distributed.

- The compensation structure and disclosure methods are implemented in full compliance with the "Compensation and Remuneration Committee Charter" and the "Regulations Governing Information to be Recorded in Annual Reports of Public Companies."
2. Procedures for Determining Remuneration
 - The remuneration for directors and executives is determined through annual evaluations and deliberations by the Compensation and Remuneration Committee, in accordance with the Company’s "Rules for Performance Evaluation of the Board of Directors" and "Procedures for Performance Appraisal of Managers and Employees."

- The scope of evaluation includes: job responsibilities and actual level of involvement, achievement of operational and R&D objectives, financial performance and cash flow, effectiveness of major risk controls, fulfillment of ESG KPIs, and remuneration benchmarks within the semiconductor industry.
 - Upon confirming the reasonableness and market competitiveness of the remuneration, the Committee submits its recommendations to the Board of Directors for resolution, ensuring that the compensation system does not incentivize behavior that entails excessive short-term risk-taking.
3. Correlation with the Amount of Remuneration Paid
- The system is designed around "Performance-driven, Risk-controlled, and Sustainable Operation":
- Payments are linked to overall operating results, long-term competitiveness, and industry cycle risks.
 - Variable incentives for executives reflect profitability, R&D successes, market position, and ESG performance.
 - Remuneration is reviewed annually to ensure it provides positive incentives for long-term value.
4. The Clawback Policy
- To safeguard shareholder interests, the Company established the "Clawback Policy" in October 2024. If material financial misstatements, fraud, or events significantly impacting shareholder equity occur, the Company may demand the return of paid incentives.
 - This policy is disclosed in the Sustainability section of Faraday’s website and reviewed periodically for adequacy and alignment with international best practices.
 - For more details regarding the Clawback Policy, please refer to the Document Center section on Faraday’s website. (URL:<https://www.faraday-tech.com/resources/PDFFile/CSR/ManagerCompensationClawbackPolicy.pdf>)

3.2 Implementation of Corporate Governance

3.2.1 Operation of the Board of Directors

As of the date of publication of this annual report, the Board of Directors has held 6 (A) meetings in 2025. The attendance of directors is summarized as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Chairman	Chia-Tsung Hung	6	0	100%	Representative of UMC
Director	Ying-Sheng Shen	6	0	100%	Representative of UMC
Director	Zhen-Li Huang	6	0	100%	Representative of Unimicron
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%	-

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

Independent Director	1st	2nd	3rd	4th	5th	6th
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. A Corporate Governance Report 3.2.2 Operation of the Audit Committee. (Pages 31~33)
 - 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’s name	Motion content	Reason for avoidance	Participation in voting	Remarks
Chia-Tsung Hung Kuo-Yung Wang Shih-Chin Lin Wen-Ju Tseng Li-Ying Yeh	• Proposal for the salary and remuneration of the Managerial Officers. • Proposal to Release Directors from Non-Competition Restrictions.	Conflict of interest	Recused from voting	2025/02/21 6th 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.	Conflict of interest	Recused from voting	2025/04/22 7th session of 12th term
Chia-Tsung Hung Kuo-Yung Wang Shih-Chin Lin Wen-Ju Tseng Zhen-Li Huang Bing-Kuan Luo	• The Preliminary 2025 Executive Performance and Compensation Evaluation Report, and the Proposed 2026 Remuneration Metric Design. • The Appointment of Members to the Inaugural Sustainability Development Committee.	Conflict of interest	Recused from voting	2025/10/28 9th 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.	Conflict of interest	Recused from voting	2026/02/21 11th session of 12th term

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

Evaluation Cycles	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspects
Every year	January 1 to December 31, 2025	Including the performance evaluation of the Board of Directors, Functional Committees, and individual Directors	Self-evaluation of the Board, Functional Committees, and Board members	- The measurement items for the self-evaluation of the Board of Directors include the following aspects: - Participation in Faraday's operations. - Improve the decision- making quality of the Board. - Board composition and structure. - Election and continuing education of Directors. - Internal control. - The measurement items for the self-evaluation of Board members include the following aspects: - Mastery of company goals and tasks. - Awareness of Directors' responsibilities. - Participation in Faraday's operations. - Management and communication of internal relationship. - Professional and continuing education of Directors. - Internal control. - Functional Committee self-evaluation measurement items, include the following aspects: - Participation in Faraday's operations. - Recognition of the responsibilities of Functional Committees. - Improve the decision-making quality of Functional Committees. - Functional Committee composition and member selection. - Internal control.
Once every three years	January 1 to December 31, 2025	The performance evaluation of the Board of Directors	Conducted by an external independent professional institution	- Board Composition and Professional Development. - The quality of decision-making by the board of directors. - Operational effectiveness of the board of directors. - Internal Control and Risk Management. - Degree of board participation in corporate social responsibility.

- Internal Performance Evaluation of the Board and Functional Committees
 - In 2025, the Board of Directors, functional committees, and individual directors conducted self-evaluations via internal questionnaires for the period from January 1, 2025, to December 31, 2025. The evaluation encompassed key dimensions, including involvement in company operations, enhancement of decision-making quality, composition and structure, selection and continuing education, and internal controls. Based on the self-assessment results, the performance of the overall Board, individual directors, and functional committees was rated as "Excellent," demonstrating sound operational effectiveness.
 - For details on the 2025 internal evaluation results, please visit the "Corporate Governance" section of the Faraday’s website. (URL:https://www.faraday-tech.com/resources/PDFFile/CSR/BoardDirectorsSelfReport_en.pdf).
- External Performance Evaluation of the Board
 - Faraday commissioned the TIRI, an independent external professional institution, to conduct an external performance evaluation of the Board for 2025 (January 1 to December 31, 2025). The assessment process combined document reviews, self-assessment questionnaires (covering board composition and professional

development, decision-making quality, operational efficiency, internal control and risk management, and ESG involvement), and on-site interviews. A formal performance report was issued based on these findings.

- Evaluation Conclusion and Recommendations: The Board of the evaluated company maintains a robust structure with members possessing diverse expertise and strong independence. The Board operates under a well-established system with high attendance rates, where both directors and independent directors actively engage in decision-making and oversight. Furthermore, through AQIs, internal audit mechanisms, and a sustainable governance framework, the Board effectively manages financial, risk, and sustainability issues, demonstrating high governance maturity. The Board operates with significant efficiency and effectiveness, supporting the Company's stable operations and sustainable development. To further enhance corporate governance, the following recommendations were provided:(A) Limit the proportion of directors holding employee status to no more than one-third of the board seats to further enhance structural diversity. (B) Evaluate the appointment of a Chief Sustainability Officer to centralize the planning and execution of sustainability strategies.
 - For the 2025 external board performance evaluation report, please visit the "Corporate Governance" section of the Faraday’s website. (URL:<https://www.faraday-tech.com/resources/PDFFile/CSR/BoardDirectorsExternalPerformanceEvaluationReport.pdf>)
 - The 2025 internal and external performance evaluation results for the Board, individual directors, and functional committees were reported to the 6th meeting of the 2nd Nominating Committee and the 11th meeting of the 12th Board of Directors on February 10, 2026. These results serve as a reference for continuously enhancing board effectiveness, nominating or selecting directors, and determining individual remuneration.
4. Goals for Strengthening Board Functions and Evaluation of Implementation Status in the Current and Recent Years:
- Strengthen the functions of the Board:

Faraday is committed to strengthening board mechanisms. The Audit Committee was formally established on June 9, 2015. It meets at least quarterly in accordance with the law, with additional meetings as needed, to assist the Board in decision-making and enhance oversight. Proposals involving a conflict of interest for a director are reviewed by the Audit Committee or the Compensation and Remuneration Committee before being submitted to the Board for a final resolution.
 - Enhanced Director Selection System:

To ensure board diversity and professional expertise, the Nominating Committee was established on October 24, 2024. This committee is responsible for scouting, reviewing, and nominating director candidates. It also conducts performance evaluations for the Board, functional committees, and individual directors, assesses the independence of independent directors, and plans and executes director continuing education and succession plans.
 - Implementation of Sustainable Governance:

To achieve sustainable development goals, Faraday established a Board-level Sustainability Development Committee on October 28, 2025. Comprising four directors and one independent director, the committee oversees and strengthens the institutional foundation and implementation effectiveness of sustainable governance.
 - Enhanced Information Transparency:

Significant Board resolutions and financial/business-related information are promptly announced via the MOPS and disclosed on the Faraday’s website, ensuring that investors and shareholders have immediate access to relevant information.
 - Audit Quality Indicators (AQIs):

On February 21, 2025, the Board evaluated the independence and suitability of the external auditors by referencing AQIs. This demonstrates the Board’s effective exercise of its oversight authority and regular review of auditor independence to ensure the reliability of financial reports.

6. Board Participation:

In 2025, board attendance was strong, reflecting smooth communication among members. This fosters full participation by independent directors in board operations, thereby enhancing the overall quality of corporate governance.

7. Compliance and Professional Development:

Board operations are conducted in accordance with the "Code of Procedure for Board of Directors Meetings." Additionally, the Company arranges continuing education courses for directors to maintain their core values and professional competencies. The details of Directors’ Continuing Education in 2025 are as follows:

Title	Director’s Name	Date	Organizer	Name of Course	Hours
Chairman	Chia-Tsung Hung	2025/06/04	TCGA	Navigating Transitions: Strategic Blueprints for a Changing Global Landscape	3
		2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3
Director	Ying-Sheng Shen	2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3
Director	Zhen-Li Huang	2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3
Director	Kuo-Yung Wang	2025/05/26	TCGA	Corporate Governance and Securities Regulations	3
		2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3
Director	Shih-Chin Lin	2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3
Director	Wen-Ju Tseng	2025/05/26	TCGA	Corporate Governance and Securities Regulations	3
		2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3

Title	Director’s Name	Date	Organizer	Name of Course	Hours
Independent Director	Bing-Kuan Luo	2025/04/14	SFI	Treating Customers Fairly (TCF) and Financial Consumer Protection	3
		2025/08/04	TIDA	Future Perspectives on Financial Supervision and Financial Innovation	3
		2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/09/26	TIDA	Carbon Pricing, Carbon Trading, and Global Challenges and Opportunities in Climate Change Adaptation	3
		2025/11/13	TIDA	A Comprehensive Guide to IFRS 18: Presentation and Disclosure in Financial Statements	3
Independent Director	Wan-Fen Zhou	2025/08/08	SFI	AI Development and Cybersecurity Risks	3
		2025/09/23	TIDA	The Impact of U.S. Tariff Policies on Taiwan's Economy and Corporations, and Strategic Countermeasures	3
		2025/11/07	SFI	Enterprise Risk Management and Crisis Management: A Board Member’s Perspective	3
Independent Director	Li-Ying Yeh	2025/08/11	TCGA	Analysis of 2025 Global Economic and Financial Trends	3
		2025/11/27	TIDA	Introduction to Carbon Pricing Mechanisms and the Latest IFRS Sustainability Disclosure Standards (S1 & S2)	3

3.2.2 The State of Operations of the Audit Committee

Operation of the Audit Committee:

As of the date of publication of this annual report, the Audit Committee has held 5(A) meetings in 2025.

The attendance of Independent Directors is summarized as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Independent Director	Wan-Fen Zhou	5	0	100%	Convener
Independent Director	Bing-Kuan Luo	5	0	100%	Member
Independent Director	Li-Ying Yeh	5	0	100%	Member

Annotations:

1. 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
2025/2/21 The 4th Meeting of the 4th Term	• The 2024 Business Report and Financial Statements. • Proposal for Distribution of 2024 Profits. • Evaluation of the 2024 Internal Audit Plan Implementation and the Effectiveness of the Internal Control System. • Periodic Assessment of the Independence and Suitability of CPAs. • Proposal to Establish General Principles for the Pre-Approval Policy of Non-Assurance Services for 2025.			
2025/4/22 The 5th Meeting of the 4th Term	• The 2025 Q1 Financial Statements. • Proposal for the 2025 External Auditor Engagement and Audit Fee Arrangement.			
2025/7/29 The 6th Meeting of the 4th Term	• The 2025 Q2 Financial Statements.	None	Approved as submitted by all attending members.	N/A
2025/10/28 The 7th Meeting of the 4th Term	• The 2025 Q3 Financial Statements. • Establishment of Faraday’s "Sustainability Information Management Regulation." • The 2026 Internal Audit plan.			
2026/2/10 The 8th Meeting of the 4th Term	• The 2025 Business Report and Financial Statements. • Proposal for Distribution of 2025 Profits. • Evaluation of the 2025 Internal Audit Plan Implementation and the Effectiveness of the Internal Control System. • Periodic Assessment of the Independence and Suitability of CPAs. • Proposal to Establish General Principles for the Pre-Approval Policy of Non-Assurance Services for 2026.			

2. 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.
3. 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.):

• Communication Channels

The Independent Directors maintain direct communication channels with the CPAs and the internal auditors, with effective and smooth communication established.

• Communication between Independent Directors and the internal audit supervisor

In addition to receiving monthly internal audit reports and follow-up reports on audit deficiency improvements, the Internal Auditor supervisor attends all meetings of the Audit Committee and the Board of Directors to provide briefings to the Independent Directors regarding audit operations, audit findings, and follow-up status.

Date	Communications Focus	Result
2025/2/21 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 2024 Q4.	Noted
2025/4/22 The Audit Committee	Report on the implementation of internal audit business in 2025 Q1	Noted
2025/7/29 The Audit Committee	Report on the implementation of internal audit business in 2025 Q2.	Noted
2025/10/28 The Audit Committee	Report on the implementation of internal audit business in 2025 Q3.	Noted
	2026 Internal Audit Plan	Approved by the Audit Committee and submit to the Board of Directors.
2026/2/10 The Audit Committee	2025 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 2025 Q4.	Noted

- The communications between the Independent Directors and the CPAs:
- Quarterly Reporting and Audit Focus: The CPAs provide quarterly briefings to the Audit Committee on audit progress and projected audit focus areas for the upcoming period. They report to the Independent Directors on the review or audit results of the annual financial statements for the Company and its domestic and overseas subsidiaries, as well as internal control audits, the impact of newly issued or revised IFRS standards, and other regulatory requirements. Furthermore, they communicate regarding the necessity of audit adjustment entries or whether regulatory changes affect accounting treatments.

- Supplemental meetings between the Independent Directors and external auditors are convened as needed to discuss IFRS amendments and releases, updates on financial and tax regulations, internal control-related issues, or other significant matters requiring consultation.

Date	Communications Focus	Result
2025/2/18 The Audit Committee pre-meeting.	2024 Financial Statements Audit Matters. - International Standard on Quality Management 1 (ISQM 1 / TWSQM 1). - Updates on Securities Regulations. - Updates on Tax Regulations. - AQIs Information of EY Taiwan.	2024 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
2025/4/16 The Audit Committee Pre-meeting	2025 Q1 Financial Statements Review Matters. - Updates on Securities Regulations. - Latest Developments in Sustainability Disclosure Standards.	2025Q1 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
2025/7/23 The Audit Committee pre-meeting.	2025 Q2 Financial Statements Review Matters. - Updates on Securities Regulations.	2025Q2 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
2025/10/22 The Audit Committee pre-meeting.	2025 Q3 Financial Statements Review Matters and Audit Planning. - Updates on Securities Regulations.	2025Q3 Financial Statements are approved by the Audit Committee and submitted to the Board of Directors.
2026/2/4 The Audit Committee pre-meeting.	2025 Financial Statement Audit Matters. - International Standard on Quality Management 1 (ISQM 1 / TWSQM 1). - AQIs Information of EY Taiwan. - Updates on Securities Regulations. - Updates on Tax Regulations. - Latest Developments in Sustainability Disclosure Standards. - ESG Evaluation System	2025 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
	Yes	No	
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 2.1 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.
2.2 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.
2.3 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
	Yes	No	
2.4 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 2025, directors and colleagues will conduct insider trading prevention publicity courses with a total of 661 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 2025 of the 2026 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		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons				
	Yes	No		Summary description			
3. Composition and Responsibilities of the Board of Directors	✓						
3.1 Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?			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 have the abilities include • Operational judgment ability • Accounting and financial analysis ability • Operation and management ability • Crisis handling ability • Industry knowledge • International market outlook • Leadership ability • Decision-making ability. The specific management objective and achievement of Board member diversity policy as following: <table><tr><th>Management objectives</th><th>Situation</th></tr><tr><td>Female ratio of the Board up to 25%</td><td>Achieved</td></tr></table> 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 2025, 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	Management objectives	Situation	Female ratio of the Board up to 25%	Achieved
Management objectives	Situation						
Female ratio of the Board up to 25%	Achieved						

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			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 to 3.1.1 the information of directors (Pages 5~8) and 3.1.3 disclosure information on directors' professional qualifications and independence of independent directors (Pages 29~30).	
3.2 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 Nominating Committee on October 24th, 2023. The Nominating 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. To implement sustainable governance, Faraday formally established the Sustainable Development Committee on October 28, 2025. The Committee's primary responsibilities include: - Formulating, promoting, and strengthening the Company's sustainability policies, annual plans, and strategic directions. - Reviewing, tracking, and revising the implementation status and effectiveness of sustainability initiatives. - Overseeing sustainability information disclosure and reviewing Sustainability Reports. - Supervising the operations related to the Company's "Sustainable Development Best Practice Principles" or other sustainability-related tasks as resolved by the Board of Directors.	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
	Yes	No	Summary description	
3.3 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. The Company reported the 2024 Board Performance Evaluation results to the 6th meeting of the 12th Board of Directors on February 21, 2025. Subsequently, the 2025 Board Performance Evaluation results were reported to the 11th meeting of the 12th Board of Directors on February 10, 2026. For detailed reports on these performance evaluations, please visit the "Corporate Governance" section of Faraday's website. (URL:https://www.faraday-tech.com/tw/content/CSR/CorporationGovernance)	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																								
	Yes	No	Summary description																									
3.4 Does Faraday regularly evaluate its external auditors’ independence?	✓		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. The Company approved the periodic assessments of the CPA's independence and suitability at the 4th meeting of the 4th Audit Committee and the 6th meeting of the 12th Board of Directors on February 21, 2025. Subsequently, the assessments were again approved at the 8th meeting of the 4th Audit Committee and the 11th meeting of the 12th Board of Directors on February 10, 2026. The Company has obtained the "Independence Statement" and "AQIs" issued by the external auditors. The principles and compliance status of the Company's assessment of auditor independence are summarized in the table below: <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?	✓		Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.
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?	✓																											

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
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)	✓		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: • 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.	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
	Yes	No	Summary description	
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?	✓		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 Company most recently reported the status of stakeholder communication to the 7th meeting of the 12th Board of Directors on April 22, 2025. Faraday's main stakeholders include customers, investors/ shareholders, employees, suppliers/ contractors, and government/public associations. Please visit the stakeholder section of Faraday's website for the concerns of various stakeholders, Faraday's communication channels, response methods and frequencies. (URL: http://www.faraday-tech.com/tw/content/CSR/StakeholdersEngament)	Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.
6. Has Faraday appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		Faraday appointed HORIZON SECURITIES's Stock Affairs Agency Department as the professional stock affairs agency to handle the affairs of the shareholders' meeting.	Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.
7. Information Disclosure 7.1 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 (URL: https://www.faraday-tech.com/tw/content/index) 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. (URL: https://mops.twse.com.tw/mops/#/web/home)	Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.
7.2 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.)?	✓		To enhance transparency, Faraday maintains an English website (URL: https://www.faraday-tech.com/en/content/index) featuring essential documents such as English financial statements, annual reports, and sustainability reports. Dedicated personnel are responsible for the collection and disclosure of corporate information. Furthermore, the Company provides websites in Simplified Chinese, Japanese, and Korean. Faraday has implemented a spokesperson system and an Investor Relations (IR) office, with materials and video recordings from investor conferences readily accessible in the "Investors" section of our website.	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
	Yes	No	Summary description	
7.3 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 consistently announces and files its annual and quarterly financial reports, as well as monthly operating results, well ahead of the statutory deadlines. Detailed information is available in the "Investors" section of Faraday's website (URL: https://www.faraday-tech.com/en/entry/InvestorRelations) or on the MOPS. (URL: https://mops.twse.com.tw/mops/#/web/home).	Conform to the Corporate Governance Best Practice Principles For TWSE/TPEX Listed Companies.
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)?	✓		- 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 (Pages 111~114) and visit the "Friendly Workplace and "Salary and Benefits" sections on Faraday's website. (URL:https://www.faraday-tech.com/tw/content/CSR/FriendlyWorkplace) (URL:https://www.faraday-tech.com/tw/content/Careers/EmployeeWelfare) - 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 visit the "Investor" sections on Faraday's website. (URL: https://www.faraday-tech.com/en/entry/InvestorRelations)	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
	Yes	No	Summary description	
			• 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 visit the "Winning Glory with Our Partners" sections on Faraday's website. (URL:https://www.faraday-tech.com/en/content/CSR/SustainableSupplyChain) • The rights of stakeholders: Faraday has set up a section for "Stakeholders" on Faraday's website(URL: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. • Director Continuing Education: Faraday periodically provides information on relevant regulations and professional development courses to enhance directors' expertise and support the effective functioning of the Board. In 2025, all directors completed at least 6 hours of continuing education, exceeding regulatory requirements. Detailed information is available in the "Directors' Continuing Education in 2025" (Pages 29~30) or the "Corporate Governance" section of Faraday's website. (URL:https://www.faraday-tech.com/tw/content/CSR/CorporationGovernance) • Implementation of Risk Management Policies and Risk Measurement Standards: Faraday's risk management policy was approved by the Board of Directors on April 23, 2020. The status of risk management operations and the disclosure of climate-related risks and opportunities were reported to the 7th meeting of the 12th Board of Directors on April 22, 2025. For information regarding risk management policies, organizational structure, and implementation status, please refer to the "Risk Management" section of Faraday's website. (URL:https://www.faraday-tech.com/tw/content/CSR/RiskManagement) • Implementation of Customer Policies: Faraday is committed to enhancing customer service and quality to improve service standards and customer satisfaction while safeguarding customer rights and trade secrets. Directors' Liability Insurance: Faraday maintains Directors' Liability insurance on an annual basis. Key details, including the insured amount, coverage, and premium rates, were most recently reported to the 11th meeting of the 12th Board of Directors on February 10, 2026. This information has also been filed on the MOPS. (URL:https://mops.twse.com.tw/mops/#/web/home)	

Assessment Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
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.)				
Key Improvements Implemented in 2025:				
- Director Compensation Disclosure: Reported director compensation at the 2025 Annual Shareholders’ Meeting, including compensation policies, individual remuneration components, and specific amounts. - Establishment of Sustainable Development Committee: Established a Board-level Sustainable Development Committee on October 28, 2025, to strengthen sustainable development and implement ESG governance. - Timely Disclosure of Meeting Materials: Uploaded Chinese and English versions of the Shareholders' Meeting Agenda and supplemental materials 30 days prior to the Annual Shareholders’ Meeting, and uploaded the Chinese and English Annual Reports 18 days prior. - Board Diversity: Female representation on the Board reached 33.33%, surpassing the initial target of 25%, thereby enhancing decision-making diversity and Board structure. - Executive Pay-for-Performance (ESG Linkage): Integrated ESG performance into the KPIs for executive compensation, with regular reviews of achievement rates and reasonableness. - Green Bond Investment: Invested NT\$50 million in green bonds issued by TSMC (Bond Name: P14TSMC2A, Code: B618DZ) in June 2025 to support investee companies' decarbonization and green initiatives. Total green bond investments have accumulated to NT\$150 million. - Renewable Energy Utilization: Acquired 1,320 Renewable Energy Certificates (T-RECs) in 2025. Combined with self-generation for self-consumption, total green power usage reached approximately 1.47 million kWh for the year. - Internal Carbon Pricing (ICP): Implemented an Internal Carbon Pricing mechanism to estimate the potential financial and operational impacts of climate change. - Occupational Health and Safety: Achieved ISO 45001:2018 certification to standardize EHS management and ensure employee safety. - Environmental Management System: Achieved ISO 14001:2015 certification to implement standardized environmental management and identification, reducing environmental impacts throughout the product lifecycle. - Corporate Value Enhancement: Formulated specific measures to enhance corporate value, reported to the Board, and disclosed relevant information on the MOPS to proactively communicate with shareholders. - Sustainability Reporting Standards: Upgraded the GRI reporting standard from "With Reference To" to "In Accordance With" and obtained Board approval to enhance disclosure quality. - Privacy Policy: Established a Privacy Policy to emphasize transparency and security in products and services. - Customer Rights and Complaints: Formulated a Customer Rights Policy and grievance procedures to prioritize customer protection and privacy. - Employee Engagement: Conducted employee satisfaction surveys and disclosed the results and subsequent implementation status to foster effective communication.				
Prioritized Enhancements and Measures for 2025:				
- Circular Economy: Formulate and disclose policies and initiatives promoting the circular economy. - Biodiversity: Establish and disclose a Biodiversity Policy and report on its implementation. - Natural Carbon Sinks: Develop and disclose strategies and measures for natural carbon sinks and their implementation status. - Human Rights Due Diligence: Disclose the human rights due diligence process and its execution (including due diligence frameworks for suppliers). - Investor Engagement: Disclose the status and outcomes of engagement activities with investors. - Family-Friendly Workplace: Disclose workplace measures supporting marriage, childbearing, or family care, along with their implementation and effectiveness. - Employee Turnover Analysis: Disclose employee turnover rates by gender and age group for the past two years, including trend analysis and explanations. - Chief Sustainability Officer: Appoint a Chief Sustainability Officer to oversee sustainability affairs and report regularly to the Board. - IFRS Sustainability Disclosure: Plan for the early adoption of IFRS Sustainability Disclosure Standards ahead of the statutory timeline.				

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.

Qualifi-cations	Name	Professional qualifications and experience	Independence analysis	Number of members who are concurrently members of the compensation and remuneration committees of other public companies
Independent Director	Bing-Kuan Luo	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.	In accordance with the Company's "Articles of Incorporation," "Corporate Governance Best Practice Principles," and "Procedures for Election of Directors," directors are elected via a candidate nomination system. During the nomination and selection process, the Company obtained written statements, academic and professional credentials, employment certificates, and relationship declarations from each director to verify and confirm the independence of themselves, their spouses, and relatives within the second degree of kinship relative to the Company. The three independent directors listed on the left have met the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the FSC and Article 14-2 of the Securities and Exchange Act, both for the two years prior to their election and during their term of office. Furthermore, all independent directors have been empowered under Article 14-3 of the Securities and Exchange Act to fully participate in decision-making and express their opinions, thereby executing their duties with full independence.	2
Independent Director	Wan-Fen Zhou	Ms. Zhou holds an EMBA from National Tsing Hua University. She possesses an exceptional blend of industry expertise, practical experience, strategic decision-making, and academic rigor. Her core competencies include financial and accounting analysis, operational management, and crisis management. Her extensive career history includes serving as the CFO of Dawning Leading Technology Inc., Assistant Manager at UMC, Supervisor of Hsieh-Yung Investment Co., Ltd., and Director of SiS. She currently serves as the CFO and Vice President of the Finance and Sustainability Management Center at KYEC.Ms. Zhou does not meet any of the conditions specified in Article 30 of the Company Act.		0
Independent Director	Li-Ying Yeh	Ms. Yeh hold a master's degree in management 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.

As of the date of publication of this annual report, the Compensation and Remuneration Committee held a total of 4 (A) meetings. The qualifications and attendance of the committee members are as follows:

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

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:

Date	Term/Session	Agenda Item	Resolution	The Company’s Response to Committee Members’ Opinions
2025/2/21	6th Term, 3rd Meeting	- Proposal for the remuneration distribution of Directors and employees in 2024. - Proposal for the remuneration recommendations of executives.	Approved by all attending members.	None
2025/4/22	6th Term, 4th Meeting	Proposal for the remuneration recommendations of executives.	Approved by all attending members.	None
2025/10/28	6th Term, 5th Meeting	Preliminary report on 2025 executive performance assessments and proposed 2026 compensation KPI designs.	Approved by all attending members.	None
2026/2/10	6th Term, 6th Meeting	- Proposal for the remuneration distribution of Directors and employees in 2025. - Proposal for the remuneration recommendations of executives.	Approved by all attending members.	None

3.2.5 Composition and Operations of the Nominating Committee

- Qualifications and Responsibilities of the Nominating Committee Members
 - The Nominating Committee of Faraday is appointed by the Board of Directors and consists of at least three directors, with a majority being independent directors. Members serve from the date of appointment until the expiration of their term, resignation, or replacement, unless otherwise stipulated.
 - The committee identifies, reviews, and nominates directors, evaluates board performance and

independence, and manages director training and succession to foster a qualified, diverse board.

2. Professional Qualifications, Experience, and Operations of the Nominating Committee

- The Company’s Nominating Committee consists of 3 members.
- Tenure of the current members: From May 29, 2024, to May 28, 2027.

Up to the date of publication of this annual report, the Nominating Committee held a total of 4(A) meetings. The professional qualifications, experience, attendance, and matters discussed are as follows:

Title	Name	Professional Qualifications and Experience	Actual Attendance (B)	Attendance by Proxy	Actual Attendance (%) (B/A) (Note)	Remarks
Independent Director	Bing-Kuan Luo	Law, Business Management, Sustainable Development	4	0	100%	Convener
Chairman	Chia-Tsung Hung	Finance, Technology, Business Management, Sustainable Development	4	0	100%	Member
Independent Director	Wan-Fen Zhou	Finance, Business Management, Sustainable Development	4	0	100%	Member

Other Required Disclosures:

Please specify the meeting dates, terms, agenda items, suggestions or objections raised by members of the Nominating Committee, the committee's resolutions, and the Company’s response to the committee's opinions:

Date	Term/ Session	Agenda Item	Resolution	The Company’s Response to Committee Members’ Opinions
2025/2/21	2nd Term, 3rd Meeting	• 2024 internal performance evaluation results for the Board of Directors and Functional Committees.	Approved by all attending members	None
2025/7/29	2nd Term, 4th Meeting	• 2025 continuing education plan for Directors. • 2025 external performance evaluation for the Board of Directors.	Approved by all attending members	None
2025/10/28	2nd Term, 5th Meeting	• 2025 review of independence and qualifications for independent directors.(during tenure) • 2025 internal performance evaluation for the Board of Directors and Functional Committees. • Proposal to establish the Sustainable Development Committee and adopt the "Sustainability Information Management Regulation". • Nomination of members for the 1st Term Sustainable Development Committee.	Approved by all attending members	None
2026/2/10	2nd Term, 6th Meeting	• 2025 results of the internal and external performance evaluations for the Board of Directors and Functional Committees.	Approved by all attending members	None

3.2.6 Composition and Operations of the Sustainable Development Committee

1. Qualifications and Responsibilities of the Sustainable Development Committee

- The Sustainable Development Committee consists of five directors appointed by the Board (including one independent director). All members possess professional knowledge and competencies in corporate sustainability. The tenure of committee members aligns with their term on the Board; members are eligible for re-election. The Committee meets at least once a year and may convene additional meetings

as necessary.

- Authorized by the Board, the Committee shall fulfill its duties with the due care of a good administrator and report to the Board. Key responsibilities include:
 - Formulating, promoting, and strengthening the Company’s sustainability policies, annual plans, and strategies.
 - Reviewing, tracking, and revising the implementation and effectiveness of sustainability initiatives.
 - Supervising sustainability information disclosures and reviewing Sustainability Reports.
 - Overseeing the execution of the Company’s Sustainability Best Practice Principles and other sustainability-related tasks resolved by the Board.

2. Professional Qualifications, Experience, and Operations of the Sustainable Development Committee

- The Sustainable Development Committee consists of 5 members.
- Tenure of the current members: From October 28, 2025, to May 28, 2027.

Up to the date of publication of this annual report, the Sustainable Development Committee held a total of 1 meeting (A). The professional qualifications, experience, attendance, and matters discussed are as follows:

Date	Name	Professional Qualifications and Experience	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Director	Kuo-Yung Wang	Technology, Business Management, Sustainable Development	1	0	100%	Convener
Director	Shih-Chin Lin	Technology, Business Management, Sustainable Development	1	0	100%	Member
Director	Wen-Ju Tseng	Finance, Business Management, Sustainable Development	1	0	100%	Member
Director	Chen-Li Huang	Finance, Business Management, Sustainable Development	1	0	100%	Member
Independent Director	Bing-Kuan Luo	Law, Business Management, Sustainable Development	1	0	100%	Member

Other Required Disclosures:

Please specify meeting dates, terms, agenda items, suggestions/objections from members, resolutions, and the Company’s response:

Date	Term/ Session	Agenda Item	Resolution	The Company’s Response to Committee Members’ Opinions
2025/12/23	1st Term, 1st Meeting	• Election of the Chairperson and Convener for the 1st Term Sustainable Development Committee. • 2026 Sustainability Plan.	Approved by all attending members	None

3.2.7 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:

- Handling matters related to the meetings of the Board of Directors and the Sareholders' Meeting in accordance with the law.

- Preparing minutes of the Board of Directors and the Sareholders' Meeting.
- Assisting directors in induction and continuing education.
- Providing directors with the necessary information for the execution of their duties.
- Assisting directors in compliance with laws and regulations.
- 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.
- Handling matters related to changes in directors.
- Any other matters stipulated in the Company's articles of association or contracts.

The continuing education status of the Corporate Governance Officer over the past two years is as follows:

Date	Organizer	Course Title	Hours
2024/8/6	TWSE & BCSD Taiwan	Building a New Carbon Era Awareness Conference with Sustainable Knowledge	6
2024/9/30	TWSE	Strengthening Taiwan's Capital Market Summit	3
2024/10/18	SFI	2024 Insider Trading Prevention Awareness Conference	3
2025/5/6	SFI	2025 Seminar on the Prevention of Insider Trading	3
2025/5/26	TCGA	Corporate Governance and Securities Regulations	3
2025/7/9	TWSE, Cathay Financial Holdings & Global Views Monthly	2025 Cathay Sustainable Finance and Climate Change Summit	6
2025/7/31	TWSE	2025 Summit on Expanding Taiwan's Capital Market	3

3.2.8 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?	✓		- Faraday Sustainable Governance Framework Faraday designates the Board of Directors as the highest governance body for managing sustainability issues. In October 2025, a Board-level Sustainable Development Committee was established to assist the Board in formulating and strengthening sustainability policies, as well as reviewing and tracking the progress and effectiveness of sustainability initiatives. Beneath this committee, the ESG Committee was formed to coordinate the practical execution of sustainability efforts and manage ESG-related performance. It serves as a communication bridge between the Board and the organization’s execution of sustainability strategies. Through quarterly meetings and working groups, the committee reviews corporate sustainability performance and identifies material ESG issues to be reported to the Board. - Sustainability-related proposals presented to the Board in 2025 included: - Quarterly: Progress reports on climate change issues (including greenhouse gas inventory/verification progress, carbon reduction strategies, and renewable energy procurement). - Q2: Annual progress report of the Sustainable Development Committee (covering risk management, cybersecurity, intellectual property management, ethical management, stakeholder engagement, and material sustainability issues). - Q3: Submission of the Sustainability Report for Board approval. - Q4: Reporting on the results of the 2025 Materiality Assessment. - Dedicated Sustainability Unit: ESG Committee Faraday’s ESG Committee is chaired by the President, who orchestrates the integration of cross-departmental resources. Based on five core sustainability dimensions plus a corporate governance unit, six working groups have been established. The President appoints responsible executives to oversee the tracking and management of short, medium, and long-term sustainability goals and key projects. Furthermore, to align Faraday’s sustainability objectives with daily operations, the policy of Managerial Compensation Linked to ESG Performance and the "Clawback Policy" were implemented starting in 2024. - Sustainability area of Faraday’s website: (USL: 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	Summary description	
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?	✓		- Materiality Assessment of Sustainability Issues: Faraday's ESG Committee periodically initiates Materiality Assessments to identify key sustainability issues through an integrated process evaluating external stakeholder concerns, internal operational impact, and external sustainability impact. Based on these results, issues with significant potential impact on operations are extended to the Risk Management Committee for specialized discussion and risk analysis. - Risk Assessment Boundaries: This disclosure covers Faraday's sustainability performance across its primary locations from January to December 2025. The scope of the risk assessment focuses primarily on Faraday's operations in Taiwan, including the Hsinchu headquarters, as well as the Taipei and Tainan offices. - Risk Management Policy: Faraday's Risk Management Policy, approved by the Board of Directors on April 23, 2020, serves as the supreme guiding principle for risk management. Faraday proactively conducts risk identification, risk assessment, and impact analysis for potential threats. For high-impact items, crisis response strategies are formulated and rigorously implemented. The Audit Committee and management team regularly supervise and review the risk management policy, continuously refining the risk management mechanism to ensure risks are effectively controlled within acceptable levels. - Risk Assessment and Management Strategies: To ensure operational continuity and achieve long-term corporate sustainability, Faraday categorizes risks into Strategic, Operational, Financial, and Hazard dimensions. A comprehensive risk assessment is conducted, incorporating relevant ESG topics. Faraday follows the principle of materiality to identify and analyze potential risks and their impacts through periodic assessments. A Risk Matrix is utilized to visualize the frequency of risk events and their degree of impact on corporate operations, allowing the company to rank risks by materiality and adopt corresponding management strategies. The Risk Management Committee holds quarterly cross-departmental meetings to track progress and propose improvements. At least once a year, the committee reports risk identification results and management status to the Audit Committee and the Board of Directors. The most recent report was presented on April 22, 2025. - Faraday has formulated the following risk management strategies based on evaluated risk items:	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	
			Dimension Risk Item Management Strategies	
			Climate change - Monitor carbon tax/fee regulations to proactively plan mitigation and secure optimal rates. - Define Faraday's Net-Zero Transition Pathway and allocate resources to control operational costs. - Install on-site solar panels and implement energy-saving measures to improve energy efficiency and reduce reliance on external power. - Announce Faraday's 2050 Net-Zero Commitment aligned with global trends; respond to client low-carbon supply chain requirements and participate in CDP and EcoVadis assessments. - Launch Renewable Energy Procurement (PPAs): Since 90% of emissions stem from electricity, green power is the primary tool for decarbonization. - Establish a globalized yet localized supply chain to mitigate risks of disruption caused by regional climate anomalies. - Formulate Biodiversity Policies to define the corporate stance on impact management and guide future strategic implementation.	
			Green Product Design - Incorporate LCA to minimize environmental footprints, social impacts, and energy consumption. - Rigorously evaluate and select low-hazard raw materials to ensure compliance with HSF standards.	

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

Dimension	Risk Item	Management Strategies
Social (S)	Talent Attraction and Retention	- Deploy a global talent strategy to recruit international elites and leverage external resources. - Enhance operational performance to ensure highly competitive Total Rewards packages. - Implement performance management mechanisms to identify key talent and optimize retention measures. - Cultivate a professional yet inclusive workplace focusing on work-life balance and career growth.
	Occupational Safety and Health (OSH)	- Adhere to or exceed domestic and international EHS laws and standards. - Focus on global climate and environmental issues to reduce life-cycle impacts. - Adopt a people-centric approach to health promotion and eliminate potential OHS risks. - Promote EHS training and knowledge sharing with supply chain partners to collectively enhance performance.
	Human Rights Protection	- Respect labor rights and freedom of employment; create an equitable workplace. - Provide a safe and healthy environment; establish open communication channels. - Respect freedom of association; implement privacy protection and information security. - Conduct HRDD and information disclosure.

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

Dimension	Risk Item	Management Strategies
Corporate Governance (G)	Information Security	- Utilize GuardiCore to adjust firewall policies in alignment with administrative management rules. - Integrate CyberArk with device/account change monitoring to mitigate risks of unmanaged privileged accounts. - Establish cybersecurity management standards and include security clauses in all supplier contracts. - Conduct continuous cybersecurity awareness training based on current threat landscapes.
	Supply chain Management	- Establish a Sustainable Supplier Assessment system, incorporating carbon/ water risk management and emergency response plans. - Maintain a globalized supply chain with dual-sourcing mechanisms to provide emergency contingency for clients. - Conduct monthly reviews of capacity utilization; trigger immediate countermeasures during capacity constraints.
	Innovation Management	- Incentivize R&D innovation aligned with corporate goals and patent strategies to foster a culture of creative excellence. - Implement the TIPS across all technical departments. - Continuously develop low-power products and platforms. - Increase the proportion of Green ASIC design projects to raise the revenue contribution from eco-friendly designs.

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													
3.1 Has the Company set an environmental management system designed to industry characteristics?	✓		- Environmental Management System: Faraday has established EHS Policy to serve as the primary guiding principle for managing environmental issues and ensuring compliance with environmental protection regulations. Starting in 2024, the company initiated the implementation of the ISO 14001 Environmental Management System and successfully obtained external verification in 2025 (valid from September 18, 2025, to September 17, 2028). In the spirit of continuous improvement, Faraday has defined environmental management goals and launched specific action plans to mitigate environmental impacts. - For detailed information regarding Faraday’s environmental management systems, targets, and performance, please refer to the "Environmental Sustainability" chapter of our 2025 Sustainability Report.	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies									
3.2 Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		- Energy Management - Policy: Faraday focuses on global climate change and environmental issues, committing to reducing the environmental impact throughout the product life cycle (Excerpt from the EHS Policy). - Target: Reduce electricity intensity by 35% by 2030, compared to the 2021 base year. - Implementation Measures: Execute annual energy-saving and carbon reduction initiatives. - Energy Consumption Data (Last Two Years): Electricity consumption data is collected in alignment with the GHG inventory process and has undergone external verification based on the ISO 14064-1 standard. Data for the last two years is as follows: <table><tr><th>Item</th><th>2024</th><th>2025</th></tr><tr><td>Total Electricity Consumption (kWh)</td><td>7,047,325</td><td>7,280,027</td></tr><tr><td>Renewable Energy Consumption (kWh)</td><td>528,000</td><td>1,469,288</td></tr></table> Note: The data above covers the Hsinchu headquarters, Taipei office, and Tainan office. Data for 2024 has been verified by SGS; 2025 data is currently undergoing verification. Please refer to Faraday’s 2025 Sustainability Report for complete information. - Reduction Results: In 2025, electricity intensity was reduced by >51% compared to the 2021 base year, successfully achieving the annual target.	Item	2024	2025	Total Electricity Consumption (kWh)	7,047,325	7,280,027	Renewable Energy Consumption (kWh)	528,000	1,469,288	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Item	2024	2025											
Total Electricity Consumption (kWh)	7,047,325	7,280,027											
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Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			- Promoting the Use of Low-Impact Recycled Materials - Policy/Target: Focus on global climate and environmental issues, committing to reducing the environmental impact throughout the product life cycle (Excerpt from the EHS Policy). - Implementation Measures: In response to the government's Green Procurement policy and referencing the Ministry of Environment's Net-Zero Green Lifestyle guidelines, Faraday prioritizes products with Environmental Labels or Energy Saving Labels during the procurement of daily equipment and supplies.	
3.3 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?	✓		- Management of Climate Change Risks and Opportunities - Faraday's Board of Directors serves as the highest decision-making body for climate change issues. The ESG Committee, chaired by the President, leads the strategic direction and goal-setting for corporate sustainability. This includes supervising climate-related issues and their impacts on the enterprise. Progress on climate change response strategies and related projects is reported to the Board on a quarterly basis. - In the process of identifying climate-related risks and opportunities, Faraday establishes a comprehensive inventory by referencing global climate trends and the CDP questionnaire. Based on our operational context, we have identified 11 potential risk topics and 6 potential opportunities. Through a materiality analysis evaluating "likelihood" and "impact," we have prioritized the top 5 risks and top 3 opportunities for active management. Corresponding strategies and management targets have been formulated and integrated into our Key Sustainability Goals, with the ESG Committee periodically reviewing progress. - A summary of Faraday's TCFD identification results is presented in the table below. For full TCFD-aligned disclosures, please refer to our 2025 Sustainability Report and Faraday's website. (USL: https://www.faraday-tech.com/tw/content/CSR/TCFD)	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													
			- Climate-related Risks, Opportunities, and Response Measures												
			<table> <tr> <th>Opportunity</th><th>Risk/</th><th>Description</th><th>Response Measures</th></tr> <tr> <td></td><td>Risk</td><td>International Conventions or Agreements</td><td> - Announce Faraday's 2050 Net-Zero Commitment: Align with the most stringent global decarbonization trends, responding to the international net-zero movement and clients' low-carbon supply chain requirements. - Formulate Faraday's Net-Zero Transition Pathway: Define a tangible roadmap to identify and allocate the physical resources required for the company. - Deploy On-site Solar Power for Self-consumption: Meet regulatory requirements while simultaneously reducing the expenditure on external renewable energy procurement. - Launch Renewable Energy Procurement Plans: Since electricity accounts for 90% of Faraday's carbon emissions, purchasing green power is the primary tool for achieving substantive carbon reduction. </td></tr> <tr> <td></td><td>Opportunity</td><td>Low-Carbon Products or Services</td><td> - Monitor Revenue Contribution from Energy Transition Products: Track the percentage of revenue derived from products supporting the global energy transition. - Invest in R&D for Low-Carbon Products: Allocate R&D budget specifically to the development of eco-friendly and energy-efficient product solutions. </td></tr> </table>	Opportunity	Risk/	Description	Response Measures		Risk	International Conventions or Agreements	- Announce Faraday's 2050 Net-Zero Commitment: Align with the most stringent global decarbonization trends, responding to the international net-zero movement and clients' low-carbon supply chain requirements. - Formulate Faraday's Net-Zero Transition Pathway: Define a tangible roadmap to identify and allocate the physical resources required for the company. - Deploy On-site Solar Power for Self-consumption: Meet regulatory requirements while simultaneously reducing the expenditure on external renewable energy procurement. - Launch Renewable Energy Procurement Plans: Since electricity accounts for 90% of Faraday's carbon emissions, purchasing green power is the primary tool for achieving substantive carbon reduction.		Opportunity	Low-Carbon Products or Services	- Monitor Revenue Contribution from Energy Transition Products: Track the percentage of revenue derived from products supporting the global energy transition. - Invest in R&D for Low-Carbon Products: Allocate R&D budget specifically to the development of eco-friendly and energy-efficient product solutions.
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Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons															
	Yes	No																
4. 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?	✓	- GHG Management - Policy: Faraday focuses on global climate and environmental issues, committing to reducing environmental impact throughout the product life cycle (Excerpt from the EHS Policy). - Target: Reduce carbon emissions (Scope 1 & Scope 2) by 50% by 2030 compared to the 2023 base year, and achieve Net-Zero by 2050. - Implementation Measures: Conduct GHG inventory based on ISO 14064-1 and maintain continuous third-party verification. Since 2024, the inventory scope has been expanded to include subsidiaries in the consolidated financial statements. Key measures include annual energy-saving and carbon reduction projects, alongside a year-on-year increase in renewable energy usage. - GHG Emissions Data (Last Two Years): Faraday utilizes the ISO 14064-1 standard for GHG inventory with external verification. The data is as follows: <table><tr><th>Item</th><th>2024</th><th>2025</th></tr><tr><td>Scope 1 Emissions (Ton CO2e/year)</td><td>219.242</td><td>208.193</td></tr><tr><td>Scope 2 Emissions (Ton CO2e/year)</td><td>3,090.160</td><td>2,721.290</td></tr><tr><td>Total Emissions (Ton CO2e/Million)</td><td>3,309.402</td><td>2,962.483</td></tr><tr><td>Intensity (Ton CO2e/Million)</td><td>0.30</td><td>0.17</td></tr></table> Note: The data above covers the Hsinchu headquarters, Taipei office, and Tainan office. Scope 2 emissions are calculated using the market-based method. 2024 data has been verified by SGS; 2025 data is currently undergoing verification. Please refer to Faraday's 2025 Sustainability Report for complete information.	Item	2024	2025	Scope 1 Emissions (Ton CO2e/year)	219.242	208.193	Scope 2 Emissions (Ton CO2e/year)	3,090.160	2,721.290	Total Emissions (Ton CO2e/Million)	3,309.402	2,962.483	Intensity (Ton CO2e/Million)	0.30	0.17	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
Item	2024	2025																
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Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	

- Reduction Results:
 - Carbon Reduction: In 2025, carbon emissions decreased by 14% compared to the 2023 base year, successfully achieving the annual target.
 - Renewable Energy: In 2025, the renewable energy ratio target of >20% was successfully achieved.
- Water Management
 - Policy: Faraday focuses on global climate and environmental issues, committing to reducing environmental impact throughout the product life cycle (Excerpt from the EHS Policy).
 - Target: Reduce water intensity by 35% by 2030, compared to the 2021 base year.
 - Implementation Measures: Faraday’s primary water conservation strategies include implementing water-saving initiatives, selecting equipment with Water Efficiency Labels, conducting regular inspections of water infrastructure to ensure high facility reliability, performing timely repairs on damages, and promoting awareness of water conservation policies among employees.
 - Water Consumption Data (Last Two Years): To ensure data accuracy, water consumption records are verified through the Sustainability Report assurance process (High Level of Assurance). The data is as follows:

Item	2024	2025
Total Water Consumption (m³)	20,758.32	22,452.79
Intensity (m³ / NTD Million)	1.88	1.25

- Note: The data above covers the Hsinchu headquarters, Taipei office, and Tainan office. 2024 data has been verified by SGS; 2025 data is currently undergoing verification. Please refer to Faraday’s 2025 Sustainability Report for complete information.
- Reduction Results: In 2025, water intensity was reduced by >48% compared to the 2021 base year, successfully achieving the annual target.

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

- Waste Management and Circular Economy
 - Policy: Faraday focuses on global climate and environmental issues, committing to reducing environmental impact throughout the product life cycle (Excerpt from the EHS Policy).
 - Target: Reduce waste intensity by 25% by 2030, compared to the 2021 base year.
 - Implementation Measures: Since Faraday’s primary waste sources are general office waste and recyclable materials generated by employees, the main reduction strategies focus on rigorous waste sorting and employee education programs.
 - Waste Generation Data (Last Two Years): Data accuracy is ensured through the Sustainability Report assurance process (High Level of Assurance). The data is as follows:

Item	2024	2025
General Waste (Metric Tons)	15.47	17.24
Recyclable Waste (Metric Tons)	9.60	9.75
Hazardous Business Waste (Metric Tons)	0.84	0
Total Weight (Metric Tons)	25.91	26.99
Intensity (Metric Tons / NTD Million)	0.002	0.002

- Note: The data above covers the Hsinchu headquarters, Taipei office, and Tainan office. 2024 data has been verified by SGS; 2025 data is currently undergoing verification. Please refer to Faraday’s 2025 Sustainability Report for complete information.
- Reduction Results: In 2025, waste intensity was reduced by >51% compared to the 2021 base year, successfully achieving the annual target.

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary description													
	Faraday’s Circular Economy Initiatives															
			<table><tr><th>Category</th><th>Description</th><th>Performance / Achievements</th></tr><tr><td>Value Regeneration</td><td>Recovery of waste ICs to extract precious metals and convert them into high-value raw materials, reducing the need for mineral mining.</td><td>No waste IC recovery in 2025; execution is scheduled for 2026.</td></tr><tr><td>Closed-Loop Model</td><td>Recycling waste trays and reprocessing them into new trays to reduce plastic consumption.</td><td>No waste tray recovery in 2025; execution is scheduled for 2026.</td></tr><tr><td>Waste-to-Resource</td><td>Promoting the recycling and reuse of general office waste and IT equipment.</td><td>In 2025, the recovery rate of general industrial waste reached 36.12%.</td></tr></table>	Category	Description	Performance / Achievements	Value Regeneration	Recovery of waste ICs to extract precious metals and convert them into high-value raw materials, reducing the need for mineral mining.	No waste IC recovery in 2025; execution is scheduled for 2026.	Closed-Loop Model	Recycling waste trays and reprocessing them into new trays to reduce plastic consumption.	No waste tray recovery in 2025; execution is scheduled for 2026.	Waste-to-Resource	Promoting the recycling and reuse of general office waste and IT equipment.	In 2025, the recovery rate of general industrial waste reached 36.12%.	
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Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
5. Social Issues 5.1 Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		- Faraday respects human rights and is dedicated to fostering a fair and dignified working environment. We fulfill our human rights commitments and responsibilities by supporting and adhering to international standards and regulations, including: International Bill of Human Rights,UDHR, UNGC, UNGPs, MNE Declaration, ILO Declaration on Fundamental Principles and Rights at Work,OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, OECD Due Diligence Guidance for Responsible Business Conduct, RBA Code of Conduct. - Faraday reviews its Human Rights Policy annually to ensure compliance with the latest international conventions. We integrate human rights considerations into all aspects of corporate operations to prevent and avoid human rights impacts. This policy applies to all personnel, including full-time employees, contract and temporary staff, interns, and workers across the company and its global subsidiaries. Furthermore, we expect our suppliers, contractors, partners (clients, communities), and other entities with operational relationships to adhere to these principles and join us in protecting human rights. Key Management Principles: - Respect for labor rights and freedom of employment - Fostering an equitable workplace - Providing a safe and healthy environment - Establishing open communication channels - Respecting freedom of association - Ensuring privacy protection and information security - Conducting human rights risk assessments and information disclosure - Human Rights Due Diligence (HRDD) To fulfill our corporate social responsibility and ensure the effective implementation of our human rights policy, Faraday regularly conducts HRDD. We monitor international regulatory trends and examine human rights risks specific to the IC design service industry, alongside material ESG issues. This process identifies, assesses, and addresses actual or potential human rights impacts arising from our operations. Our HRDD process aligns with the UNGPs and GRI Standards, involving periodic reviews of management performance, the formulation of preventive and remedial measures, and the public disclosure of results.	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	
			- Management and Effectiveness Review of Material Human Rights Risks - Faraday regularly evaluates the management measures and effectiveness of human rights risk issues, continuously improving based on internal and external feedback. Should any human rights violations be confirmed, Faraday will initiate appropriate mitigation plans and remedial actions. When necessary, we collaborate with relevant stakeholders to prevent recurrence and uphold our commitment to human rights protection. - Human Rights Mitigation Measures - Implementation of Training and Awareness: Faraday regularly conducts human rights protection training for all personnel, including full-time, contract, temporary staff, and interns. Training topics cover Human Rights Policy, Sexual Harassment Prevention, Gender Equality, DEI, Information Security, Intellectual Property Protection, Ethical Management, and EHS Education to enhance overall awareness and responsibility. 2025 Human Rights Training Hours: 5,889.5 hours. - Establishment of Grievance Mechanisms: Faraday has established independent and confidential grievance channels allowing anonymous reporting of human rights concerns. We ensure rapid response and the full implementation of remedial actions, including restoration, compensation, disciplinary action, and corrective measures. 2025 Incidents of Misconduct / Sexual Harassment / Workplace Violence: 0 cases. - Supplier HRDD Process Faraday has established a six-step HRDD process for suppliers: - Survey of supplier human rights policies and commitments. - Collection of human rights risk topics. - Identification and Assessment of human rights risks. - Implementation of management measures. - Performance Tracking and continuous improvement. - Information Disclosure and communication. Faraday tracks risk issues for qualified suppliers on a quarterly basis. In 2025, no abnormalities were found across the supply chain. The execution details are as follows:

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
	Human Rights Risk Issue	Preventive Measures	Remedial Measures
	Reasonable Working Hours	- Incorporate into new and qualified supplier annual audit checklists; verify supporting documents during on-site audits. - Conduct quarterly reviews via the MOL website for violations of the Labor Standards Act.	
	Health and Safety Workplace	- Incorporate into audit checklists and verify on-site. - Quarterly monitoring of Occupational Safety and Health Act compliance via the MOL website.	
	Data Privacy & Protection	Incorporate into audit checklists and verify during on-site audits.	If a supplier fails to meet requirements and is unwilling to improve within the specified timeframe, Faraday may terminate the business relationship.
	Labor Rights Protection	- Incorporate into audit checklists and verify on-site. - Quarterly monitoring of Labor Standards Act compliance.	
	Public Health, Food & Housing	- Incorporate into audit checklists and verify on-site. - Quarterly monitoring of Occupational Safety and Health Facilities Rules compliance.	
	Identity Protection & Anti-Retaliation	Incorporate into audit checklists and verify during on-site audits.	
	Prevention of Bullying & Harassment	- Incorporate into audit hecklists and verify on-site. - Quarterly monitoring of Workplace Unlawful Infringement regulations under the MOL.	

Evaluation item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons														
	Yes	No		Summary description													
			- Continuous Improvement of the OHS Management System - Following ISO 45001:2018 and EHS regulations, Faraday established a management system integrated with operational workflows, covering all workers (employees, contractors, and self-employed). We utilize the PDCA cycle to drive hazard identification, risk/opportunity assessment, and environmental aspect identification. - Annual OHS management plans are reviewed quarterly by the EHS Committee. The 2025 operations are as follows: <table><tr><th>Item</th><th>Description</th></tr><tr><td rowspan="3">Composition</td><td>1 Chairperson</td></tr><tr><td>6 Ex-officio members</td></tr><tr><td>5 Labor representatives (38%) elected via Labor-Management meetings.</td></tr><tr><td rowspan="2">Responsibilities</td><td>Review 16 management plans</td></tr><tr><td>Communicate EHS matters to internal stakeholders.</td></tr><tr><td>Meetings</td><td>Quarterly (plus extraordinary meetings as needed)</td></tr><tr><td rowspan="2">Key Issues</td><td>In accordance with laws and regulations, continuously improve workplace hazard identification and risk-opportunity management measures.</td></tr><tr><td>100% completion of improvements for 6 safety-related proposals. 3 environment-related, and 4 health-related proposals.</td></tr></table> - Occupational Injury and Fire Incident Statistics (2025) - Occupational Injuries: 0 cases. - Fire Incidents: 0 cases.	Item	Description	Composition	1 Chairperson	6 Ex-officio members	5 Labor representatives (38%) elected via Labor-Management meetings.	Responsibilities	Review 16 management plans	Communicate EHS matters to internal stakeholders.	Meetings	Quarterly (plus extraordinary meetings as needed)	Key Issues	In accordance with laws and regulations, continuously improve workplace hazard identification and risk-opportunity management measures.	100% completion of improvements for 6 safety-related proposals. 3 environment-related, and 4 health-related proposals.
Item	Description																
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Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
5.4 Has the Company established effective career development training programs for employees?	✓		- Faraday spares no effort in talent cultivation, providing comprehensive support for both professional and personal well-being. We implement long-term development plans encompassing educational training, on-the-job advanced studies, and career path planning tailored to individual expertise. The company is committed to efficient learning, systematic knowledge transfer, and the establishment of a shared learning resource platform, achieving clear and solid results in talent cultivation. - Faraday’s training categories include New Employee Orientation, Leadership & Management, General/ Compliance, EHS, R&D Engineering, Total Quality Management (TQM), Intellectual Property Management, Information Security, ESG, Domestic/ Overseas Advanced Studies, and Distributor Training. In 2025, 339 training sessions (including e-Courses) were conducted: New Employee: 106 sessions; Leadership: 15 sessions; General/Compliance: 35 sessions; EHS: 15 sessions; R&D Engineering: 53 sessions; TQM: 20 sessions; IP Management: 10 sessions; Information Security: 12 sessions; ESG: 5 sessions; Advanced Studies: 68 sessions.	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	
5.5 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 material supply chains for ASIC products to ensure compliance with Conflict Minerals, RoHS, and REACH regulations. We have established internal protocols, including "Conflict-Free Mineral Management Procedures," "Green Policy and Operating Procedures," and "Environmental Management Substance Procedures," to fulfill our commitment to product safety. - Faraday has established a Customer Rights Policy and grievance procedures covering four key dimensions: - Product Quality and Compliance Management - Product Labeling and Consumer Protection - Information Security and Privacy Protection - Customer Grievance and Problem Resolution Mechanisms - Product Labeling: To protect consumer rights and health, Faraday's "Standard Packaging Procedures" clearly define labeling requirements. This ensures that products and packaging display identifiable production batches and green product grades in compliance with regulatory standards. - Faraday is ISO 27001 certified. We have established the "Faraday Information Security Manual" and related procedures covering organizational, technical, and physical dimensions. Scope includes Information Security Policy, Asset Management, Access Control, Regulatory Compliance, HR Security, Physical & Environmental Security, System Implementation & Maintenance, Network Communication & Operations Management, Incident Reporting, and Business Continuity Management (BCM). - Faraday requires suppliers to implement identical security standards and conducts annual cybersecurity audits on suppliers to ensure the safety of client information throughout the production process. - Faraday has established a whistleblower inbox and customer feedback platforms. According to our "Satisfaction Survey Management Procedures," we conduct annual customer satisfaction surveys to evaluate product/service performance and handle grievances. - To provide optimal service, Faraday utilizes the eService System. When customers submit inquiries or suggestions, the platform assigns cases to specialized units based on the issue type. After resolution, the system automatically sends a satisfaction survey to confirm the customer's experience and ensure real-time service optimization.	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	
5.6 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?	✓		- Faraday has established the "Outsourcing Provider Evaluation and Assessment Measures" and the Faraday's "Supplier Code of Conduct" to define screening criteria for environmental protection, human rights, safety, health, and sustainable development. These documents outline our requirements and expectations for suppliers regarding energy saving, carbon reduction, CMM, EHS risks, prohibition of child labor, labor management, protection of fundamental labor rights, ethical standards, and integrity management. - In 2025, four new suppliers were added. All four successfully completed the qualified supplier evaluation and audit in accordance with the aforementioned regulations. The total number of qualified suppliers increased from 15 to 19. - Faraday's supplier management aligns with ISO 9001 and ISO 14001 international standards. We further require over 80% of our suppliers to obtain ISO 45001 certification. Through quarterly assessments and annual audits, sustainability requirements are integrated into daily operational management. 2025 Supplier Performance Highlights: - ISO 9001 & ISO 14001 Certification: 100% (19/19) of wafer, packaging, and testing suppliers obtained certification. - ISO 45001 Certification: 93.3% (18/19) of wafer, packaging, and testing suppliers obtained certification. - Conflict-Free Mineral Declarations: 100% (19/19) completion rate for signed "Conflict-Free Mineral Declarations." - Audit Coverage & Resolution: 100% (19/19) supplier audit rate and 100% completion rate for cybersecurity audit deficiency improvements. - Code of Conduct (CoC): 100% (19/19) return rate for signed Faraday's "Supplier Code of Conduct.	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	
6. 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?	✓		- Sustainability Report Preparation - Faraday publishes an annual Sustainability Report. The 2025 Sustainability Report was prepared and disclosed in accordance with the GRI Standards and the SASB Semiconductor Standard. The report is available for download on the Faraday’s website in the Sustainability section.(URL: https://www.faraday-tech.com/en/content/CSR/DocumentCenter) - Sustainability Report Assurance and Verification - To ensure the credibility of the information, Faraday commissioned a fair and independent third-party institution (SGS) to perform external verification based on the AA1000 Assurance Standard (AA1000AS v3) Type 2 Moderate Level of Assurance.	Conform to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
7. 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				
8. Other important information to facilitate better understanding of the company’s promotion of sustainable development:			- Faraday has established a dedicated Sustainability section on its website to provide investors and stakeholders with real-time access to ESG information. (URL: https://www.faraday-tech.com/tw/content/CSR/CorporateSustainability) - Sustainability Reports: For detailed disclosures, please refer to the "Sustainability Report" section under "Document Center" on Faraday’s website. (URL: https://www.faraday-tech.com/tw/content/CSR/DocumentCenter) 2025 Awards and Achievements: - TCSA: Corporate Comprehensive Performance Award – Top 100 Sustainable Exemplary Enterprises; Sustainability Reporting Award – Gold Level. - Business Weekly: Top 100 Carbon Competitiveness. - HR Asia: Best Companies to Work for in Asia. - OSHA, Ministry of Labor: Recognized as an "Excellent Enterprise" in the proactive assessment of OHS performance disclosure in sustainability reports. - Hsinchu Science Park Bureau, NSTC: Workplace Equality Promotion Award (Distinction). 2025 ESG Ratings: - TIP Taiwan Sustainability Rating: AAA. - CDP : Climate Change: B; Water Security: B-. - Renewable Energy Usage: In 2025, Faraday procured 1.32 million kWh of external renewable energy (equivalent to 1,320 T-RECs). Combined with on-site solar power for self-consumption, the total renewable energy usage for the year reached approximately 1.47 million kWh. - Green Finance and Investment: To support green energy and the government’s development goals, Faraday invested NT\$50 million in TSMC Green Bonds (Ticker: P14TSMC2A, Code: B618DZ) in June 2025. To date, Faraday’s cumulative investment in Green Bonds has reached NT\$150 million, demonstrating active support for the low-carbon initiatives of our investees. - GHG Inventory Progress: In June 2024, Faraday completed the GHG inventory and verification (Scopes 1~3) for the parent company. In September 2024, the inventory for all consolidated subsidiaries (Scopes 1~2) was completed. These milestones were achieved ahead of the schedule mandated by the FSC’s "Sustainable Development Roadmap for TWSE/TPEx Listed Companies." - Talent Sustainability: Faraday annually reviews its workplace wellness performance and remains a committed member of the "TALENT, in Taiwan" Sustainability Action Alliance. - Human Rights Management: Faraday regularly reviews its human rights status, covering both employees and suppliers. HRDD is conducted at least once every three years to evaluate management performance, formulate preventive and remedial measures, and publicly disclose results.	

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

1. Execution status of climate-related information

Item	Implementation Status														
Detailing the oversight and governance by the board of directors and management on climate-related risks and opportunities.	- Faraday’s climate change response and risk/opportunity management are governed and overseen by the Board of Directors and the Sustainable Development Committee at the highest level. At the operational level, the ESG Committee is responsible for project implementation and information consolidation. The Chairperson of the ESG Committee (the President) reports to the Board on a quarterly basis regarding climate strategies and project progress. - Reporting Frequency: 4 times per annum (Quarterly). - Key Agenda Items: GHG inventory progress, carbon reduction strategy formulation/review, and renewable energy procurement, etc.														
Explain how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, and long-term)	- In alignment with the TCFD framework, Faraday conducts impact assessments across two dimensions — Risks and Opportunities — over short, medium, and long-term horizons. Significant climate impacts identified include both transitional and physical risks, as illustrated below: <table><tr><th>Category</th><th>Dimension</th><th>Issue</th><th>Description of Business Impact</th><th>Time Horizon</th></tr><tr><td rowspan="2">Transition Risk</td><td>Policy & Legal</td><td>International Conventions / Agreements</td><td>Failure to align with global net-zero trends may lead to reputational damage or a decline in competitiveness.</td><td>Long-term: 5–10 years</td></tr><tr><td>Products & Services</td><td>Low-carbon Products/ Services</td><td>Developing innovative low-power technologies and energy-transition products to create additional revenue and competitive advantage.</td><td>Medium-term: 2–5 years</td></tr></table> Note: For comprehensive disclosure on climate risks and opportunities, please refer to the Faraday 2025 Sustainability Report. - Faraday has analyzed and formulated corresponding mitigation strategies for material climate impacts. To date, comprehensive response measures have been established for all impact dimensions to minimize climate-related operational risks.	Category	Dimension	Issue	Description of Business Impact	Time Horizon	Transition Risk	Policy & Legal	International Conventions / Agreements	Failure to align with global net-zero trends may lead to reputational damage or a decline in competitiveness.	Long-term: 5–10 years	Products & Services	Low-carbon Products/ Services	Developing innovative low-power technologies and energy-transition products to create additional revenue and competitive advantage.	Medium-term: 2–5 years
Category	Dimension	Issue	Description of Business Impact	Time Horizon											
Transition Risk	Policy & Legal	International Conventions / Agreements	Failure to align with global net-zero trends may lead to reputational damage or a decline in competitiveness.	Long-term: 5–10 years											
	Products & Services	Low-carbon Products/ Services	Developing innovative low-power technologies and energy-transition products to create additional revenue and competitive advantage.	Medium-term: 2–5 years											
Detailing the financial impact of extreme weather events and transition actions.	- Faraday conducts financial impact assessments of extreme weather events and transition activities across multiple dimensions, including revenue, direct/indirect costs, and capital expenditures (CapEx). Key examples include: - CapEx for the installation of self-consumption solar PV systems. - OpEx for renewable energy wheeling to achieve annual carbon reduction targets. - Costs associated with the retrofitting and replacement of energy-intensive equipment. - R&D investments in chip design aimed at energy transition. - Faraday believes these financial outlays align with global net-zero trends, effectively transforming climate-related expenditures into enhanced operational performance, mitigated compliance risks, and increased customer satisfaction.														

Item	Implementation Status
Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	- Faraday’s Risk Management Policy serves as the highest guiding principle for internal risk control. The Audit Committee and management team provide periodic oversight and review of these policies. Climate change risk has been integrated as a mandatory identification item. - Through regular risk assessments, we conduct risk identification and impact analysis. We utilize a Risk Matrix to evaluate the frequency and severity of risk events, enabling us to prioritize risks and deploy corresponding management strategies based on their assigned levels.
If using scenario analysis to evaluate resilience to climate change risks, the context, parameters, assumptions, analysis factors, and primary financials impacts should be explained.	Faraday’s scenario analysis incorporates multiple hypothetical pathways, such as National Net-Zero Roadmaps, SSP1-1.9, and SSP5-8.5. These allow us to explore the company’s exposure and the resulting impact on operations under varying parameters, including carbon taxes and renewable energy premiums.
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.	With the core objective of achieving Net-Zero emissions by 2050, Faraday has developed action plans tracked periodically by the ESG Committee to monitor performance: - GHG Inventory: Conduct annual greenhouse gas inventories with third-party verification. - Internal Decarbonization: Implement annual energy-saving projects and deploy onsite solar power for self-consumption. - Renewable Energy Procurement: Launch renewable energy wheeling programs to increase the proportion of green power usage annually. - Green Supply Chain: Require suppliers to establish ambitious carbon reduction targets and roadmaps. - Green Innovation: Provide high-performance, low-power technology solutions.
If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	Faraday officially implemented an ICP mechanism in 2025. Based on a comprehensive evaluation of: - The implicit price of decarbonizing facility equipment - Renewable energy premiums (environmental benefit price differentials) - Official carbon pricing regulations in Taiwan The ICP for 2025 is set at NT\$2,200 per metric ton of CO2e. The company adopts a "Shadow Pricing" model, integrating carbon costs into the Benefit-Cost Ratio (B/C Ratio) for facility procurement. By internalizing externalities, we enhance the quality of procurement decisions and strengthen the company’s financial resilience against future climate change impacts.
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.	Faraday’s long-term goal is to achieve Net-Zero for Scope 1 and Scope 2 by 2050. We have back-calculated annual reduction targets from our base year and utilize RECs as a primary mitigation tool. Our 2025 performance is as follows: - Carbon Reduction Results: Achieved a 14% reduction compared to the 2023 base year, exceeding the 10% target. - Renewable Energy Consumption: Approximately 1.47 million kWh (including 1,320 T-RECs via wheeling).
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)	For further information, please refer to: - GHG Inventory and Assurance Status.(Page 76) - GHG Reduction Targets, Strategies, and Action Plans (Page 76)

2. GHG Inventory and Assurance Status.

Item	Category	2024	2025
Parent Company	Scope1	Total Emissions (tCO2e)	219.242
		Emission Intensity (tCO2e/NT\$M)	0.02
	Scope2	Total Emissions (tCO2e)	3,309.402
		Emission Intensity (tCO2e/NT\$M)	0.30
	Scope3	Total Emissions (tCO2e)	36,547.724
		Emission Intensity (tCO2e/NT\$M)	3.30
Assurance Information	Assurance Provider	SGS	SGS
	Description of Assurance	Reasonable Assurance (ISO 14064-3) for Scope 1 & 2; Limited Assurance for Scope 3.	
Consolidated Subsidiaries	Scope1	Total Emissions (tCO2e)	44.45
		Emission Intensity (tCO2e/NT\$M)	0.004
	Scope2	Total Emissions (tCO2e)	708.10
		Emission Intensity (tCO2e/NT\$M)	0.06
	Scope3	Total Emissions (tCO2e)	N/A
		Emission Intensity (tCO2e/NT\$M)	N/A
Assurance Information	Assurance Provider	N/A	SGS
	Description of Assurance	N/A	Limited Assurance (ISO 14064-3) for Scope 1 & 2.

Note: The 2025 GHG inventory data is currently undergoing verification. For final and complete disclosure, please refer to the Faraday 2025 Sustainability Report.

3. GHG Reduction Targets, Strategies, and Specific Action Plans

- Reduction Target
 - Parent Company: Faraday has established Net-Zero Emissions by 2050 as its core commitment to corporate climate transition. Our specific carbon reduction targets are as follows: With 2023 as the base year, we aim to achieve a 50% reduction by 2030 and reach Net-Zero GHG emissions by 2050.
 - Subsidiaries: Following the external verification of Scope 1 and Scope 2 emissions in 2025, we will initiate carbon reduction target setting for our subsidiaries. These targets are expected to be finalized and publicly announced in 2026.
- Reduction Strategies and Specific Action Plan

Reduction Strategy	Specific Actions Plan
GHG Inventory	Conduct annual GHG inventories with third-party verification.
Internal Decarbonization	- Implement annual energy-saving and carbon reduction projects; deploy onsite solar PV systems for self-consumption. - ICP into procurement decision-making processes.
Renewable Energy Procurement	Launch renewable energy wheeling programs to increase the proportion of green power usage annually.

Reduction Strategy	Specific Actions Plan
Green Supply Chain	Require suppliers to establish ambitious carbon reduction targets and decarbonization roadmaps.
Green Innovation	Provide high-performance, low-power technology solutions.
Carbon Credit Procurement	Plan to procure carbon credits (prioritizing nature-based solutions) to offset the final 10% of residual emissions and achieve the Net-Zero goal.

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	Summary description	
1. Establishment of ethical corporate management policies and programs 1.1 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?	✓		- Faraday has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct." These policies explicitly prohibit all personnel (including those of subsidiaries) from directly or indirectly offering, promising, requesting, or accepting any - improper benefits during the course of business. Personnel are strictly forbidden from engaging in dishonest, illegal, or breach-of-fiduciary-duty behaviors to obtain or maintain business advantages. - The "Ethical Corporate Management Best Practice Principles" have been formally approved by the Board of Directors, and all relevant policies are disclosed on the company website. For detailed regulations, please visit the Document Center on Faraday’s website:(URL: https://www.faraday-tech.com/tw/content/CSR/DocumentCenter) - The Board of Directors exercises its fiduciary duty of care to supervise and prevent unethical conduct, ensuring the robust implementation of ethical management policies. Furthermore, to strengthen the integrity framework, the Internal Audit unit incorporates compliance with these principles into its audit scope and provides periodic reports to the Board on the status of remediation for any identified deficiencies. - In terms of board discipline, Directors who have a conflict of interest — either personally or through the legal entity they represent — that may prejudice the interests of the company, must recuse themselves from all discussions and voting on such matters. - For more information on the implementation of our ethical management, please visit the Ethical Management section of Faraday’s website:(URL: https://www.faraday-tech.com/en/content/CSR/EthicalManagement)	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	Summary description	
1.2 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?	✓		Faraday's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" establish specific prevention programs to address prohibited behaviors, including: • Offering or accepting bribes • Providing illegal political contributions • Improper charitable donations or sponsorships • Providing or accepting unreasonable gifts, hospitality, or other improper benefits • Infringement of IP rights, such as trade secrets, trademarks, patents, and copyrights • Engaging in unfair competition • Directly or indirectly damaging the rights, health, or safety of consumers and other stakeholders during the R&D, procurement, manufacturing, or sales of products and services. The company regularly reviews the adequacy and effectiveness of these prevention programs. Furthermore, Faraday conducts corruption risk assessments across all operating locations. We achieve effective control and implementation through self-assessments by business units and legal compliance self-evaluations. The Internal Audit unit performs independent audits to ensure the robust operation of the entire mechanism. Additionally, we conduct periodic training and awareness programs for all employees to collectively manage and prevent unethical conduct. • Ethical Management Section: https://www.faraday-tech.com/en/content/CSR/EthicalManagement • Ethical Management Regulations: https://www.faraday-tech.com/tw/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	Summary description	
1.3 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?	✓		In its "Procedures for Ethical Management and Guidelines for Conduct," Faraday explicitly outlines the precautions to be taken when conducting business. Prior to any business engagement, the company performs due diligence to assess the legality of agents, suppliers, customers, and other counterparties, and checks for any history of unethical conduct. We avoid transactions with parties involved in dishonest acts and clearly communicate the company's ethical management policies and related regulations. Faraday explicitly rejects any form of improper benefits, whether provided, promised, requested, or accepted, directly or indirectly. Furthermore, the company has established the "Whistleblowing Policy for Unethical Conduct," along with a formal reporting system and channels, including a dedicated reporting hotline and email address. The identity of whistleblowers and the content of their reports are kept strictly confidential, with appropriate protection measures taken in accordance with the law. Upon investigation, if a report is confirmed as a violation of laws or the company's ethical management policies, Faraday will immediately demand that the perpetrator cease the conduct and implement appropriate disciplinary actions. For serious offenses, the individual may be dismissed or terminated in accordance with relevant laws or company policies. When necessary, the company will initiate legal proceedings to seek damages and safeguard its reputation and rights. To ensure compliance, Faraday regularly conducts training and awareness programs for all personnel. These programs aim to ensure a comprehensive understanding of the company's commitment to integrity, its prevention programs, and the consequences of unethical conduct. Rewards and penalties are administered in accordance with corporate regulations. • Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement • Ethical Management Regulations: https://www.faraday-tech.com/tw/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	Summary description	
2. Ethical Management Practice	✓			
2.1 Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?			Prior to establishing business relationships, Faraday conducts due diligence to evaluate the legality, ethical management policies, and historical integrity records of agents, suppliers, customers, and other counterparties. This ensures their business operations are fair and transparent, and free from requests for, or the provision or acceptance of, bribes. When collaborating with suppliers, we require them to sign a "Supplier Code of Conduct" commitment letter, which explicitly outlines our standards and requirements. If a business partner is found to have engaged in unethical conduct, Faraday will immediately terminate the relationship and list them as a restricted party to uphold our ethical management policies. - Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/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	Summary description	
2.2 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 ethical management policies set by the Board, Faraday has established an "Ethical Management Task Force" within the Corporate Governance sub-group of the ESG Committee. This task force is dedicated to promoting corporate governance, anti-corruption, anti-bribery, and regulatory compliance. In 2025, the task force held quarterly meetings to report on execution status and maintain records. The task force reports its annual performance to the Board of Directors; the most recent report was presented on October 28, 2025. Faraday actively implements its ethical management policies. In addition to requiring all employees to sign a "Code of Integrity," we conduct ongoing training and compliance awareness programs. These sessions are mandatory for all new hires and are conducted annually for existing staff to ensure a comprehensive understanding of the company's commitment, prevention programs, and the consequences of misconduct. In 2025, the total training hours for ethical management reached 680 hours, with a 100% completion rate. The implementation performance for 2025 is as follows: Conducted education and training on ethical business activities, the prohibition of unethical conduct and the impairment of stakeholder interests, and confidentiality obligations regarding the company's intellectual property rights. Through new hire orientation, in-service training, and real-time updates on the corporate intranet, the company promoted the theme "Upholding Integrity Values for Corporate Sustainability." This involved consolidating the Ethical Corporate Management Best Practice Principles and material internal information handling regulations, using case studies to advise employees on key precautions when conducting business. Furthermore, ethical management has been integrated into employee performance appraisals and human resources policies, with a clear and effective disciplinary system established. In 2025, there were no incidents of corruption or anti-competitive behavior. The whistleblowing system and whistleblower protection were fully implemented, with 0 external reports and 0 direct employee reports received in 2025. In addition, the company's "Ethical Corporate Management Best Practice Principles" are formulated by the Ethical Management Task Force, and the adoption, amendment, or abolition of these principles must be approved by the Board of Directors. The Board of Directors exercises its fiduciary duty of care to supervise the company in preventing unethical conduct, ensuring the effective implementation of ethical management policies. - Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/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	Summary description	
2.3 Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		Faraday has established a Conflict of Interest Avoidance Policy within its "Procedures for Ethical Management and Guidelines for Conduct." Directors, managers, and other stakeholders attending or presiding over Board meetings must disclose the essential content of any confidential interest regarding a proposal, whether personal or representing a legal entity. If such interest is likely to prejudice the interests of the company, the individual shall recuse themselves from discussions and voting, and shall not exercise voting rights as a proxy for other directors. Directors shall also exercise self-discipline and refrain from improper mutual support. When personnel discover a conflict of interest during the execution of business — or a situation that may allow themselves, their spouses, parents, children, or related parties to obtain improper benefits — they must report the matter to both their immediate supervisor and the designated department. The supervisor shall then provide appropriate guidance. Furthermore, personnel are prohibited from utilizing corporate resources for external business activities, and such activities must not interfere with their work performance. - Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/content/CSR/DocumentCenter	Conform to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
2.4 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 maintains rigorous accounting and internal control systems, including oversight of related-party transactions, establishment of competitive bidding/price comparison systems, and a layered authorization and review framework. Internal auditors perform audits based on the plan approved by the Board, conduct annual self-assessments of internal control systems, and report audit results and follow-up improvements to the Board periodically. These systems are also subject to audits by CPAs. All employees have a duty to report any identified violations of the Code of Integrity during business operations.	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	Summary description	
2.5 Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		Faraday actively promotes and implements its ethical management policies. In addition to requiring all employees to sign the Code of Integrity, the company conducts ongoing education, training, and legal compliance awareness programs while regularly reviewing measures to enhance effectiveness. Ethical management and Code of Integrity training are mandatory for all new hires and are conducted annually for all staff to ensure a full understanding of the company's commitment, policies, prevention programs, and the consequences of misconduct. In 2025, the total training hours for ethical management awareness reached 680 hours, with a 100% completion rate. - Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/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	Summary description	
3. Implementation of Complaint Procedures 3.1 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?	✓		Faraday has established a formal whistleblowing system within its " Whistleblowing Procedures for Unethical Conduct" to proactively prevent dishonest acts. We encourage both internal and external personnel to report any unethical or improper conduct. The Internal Audit Office has been designated as the dedicated unit responsible for handling reports involving any dishonest behavior by employees. The Stakeholder Section on Faraday’s website provides an effective communication channel for employees, shareholders, and other stakeholders. If a report involves a Director or Senior Executive, it will be reported directly to the Independent Directors or Supervisors. Faraday has implemented a Whistleblower Protection System, ensuring that the identity of whistleblowers and the content of their reports are kept strictly confidential. We are committed to taking appropriate protection measures in accordance with the law and guarantee that whistleblowers will not face retaliation or adverse treatment due to their reports. Recognizing that constructive whistleblowing safeguards the interests of employees, the company, and shareholders, Faraday provides appropriate rewards based on the circumstances for reports that are investigated and verified as true. In 2025, the company received 0 external reports and 0 direct employee reports. Reporting channels are provided as follows: • Telephone: +886-3-578-7888 ext. 88119 • Email: whistleblower@faraday-tech.com • Address: Head of Internal Audit, Faraday Technology, No. 5, Li-Hsin 3rd Rd., Hsinchu Science Park, Hsinchu City, Taiwan. The whistleblowing mechanism is also publicly disclosed in the Ethical Management section of Faraday’s website:(URL: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement) Ethical Management Regulations:(URL: https://www.faraday-tech.com/tw/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	Summary description	
3.2 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?	✓		Faraday’s "Whistleblowing Procedures for Unethical Conduct" explicitly stipulates the principles for accepting reports, investigation procedures, and whistleblower protection measures to ensure the legal rights and interests of relevant personnel. • Principles for Acceptance - Reporting Preference: Reports should ideally be submitted under the whistleblower’s real name; anonymous reports are treated as exceptions. - Non-acceptance Criteria: Upon preliminary review, a report may not be accepted or responded to if any of the following conditions apply: ▫ The report is anonymous or does not use a real name, and lacks substantive content for verification. ▫ The content is erroneous, exaggerated, or fails to provide evidence of illegal conduct or dereliction of duty; or if it is verified as inconsistent with the facts or purely fabricated. ▫ The same matter has already been appropriately handled and clearly answered, yet the whistleblower repeatedly files the same report. ▫ The same case has already been submitted by the whistleblower through other company channels and is currently being processed. • Investigation and Handling Procedures - Fact-finding: The dedicated unit and the reported supervisors or personnel shall immediately investigate the relevant facts. Assistance from other departments may be requested if necessary, and the respondent (the accused) shall be given an opportunity to provide a statement. - Documentation: The investigating unit shall maintain written records of the reporting, investigation process, and results, which must be preserved for five years. These records may be kept in electronic format. - Remediation: If the reported conduct is verified as true, the relevant units will be instructed to review the internal control systems and operational procedures and propose corrective measures. • Whistleblower Protection Measures The company takes appropriate measures to protect whistleblowers, including but not limited to: The name of the whistleblower or any facts sufficient to identify them shall not be disclosed in public documents without the whistleblower's consent. • Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/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	
3.3 Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		As stated above, Faraday takes appropriate measures to protect whistleblowers. The name of the whistleblower or any information sufficient to identify them shall not be recorded in public documents. Personal details, including the whistleblower's name, department, address, telephone number, and email address, must be kept strictly confidential. Any fact-finding inquiries with the whistleblower must be conducted in a manner that does not disclose their identity. If the whistleblower is an employee, the company guarantees that the individual will not be subject to adverse treatment or retaliation due to their report. In 2025, the company received 0 external reports and 0 direct employee reports. - Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/content/CSR/DocumentCenter
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)?	✓		Faraday has uploaded the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct," and "Whistleblowing Procedures for Unethical Conduct" to the corporate website to ensure full disclosure of integrity-related information. The implementation results for 2025 are as follows: - Education and Training: Conducted training sessions on ethical business activities, the prohibition of unethical conduct and the impairment of stakeholder interests, and confidentiality obligations regarding IP. - Awareness Programs: Through new hire orientation, in-service training, and real-time updates on the corporate intranet, the company consolidated ethical management principles and Material Internal Information handling regulations to advise employees on operational precautions. - HR Integration: Ethical conduct has been integrated into employee performance appraisals and human resources policies, supported by a clear and effective disciplinary system. - Compliance Record: In 2025, there were no incidents of corruption or anti-competitive behavior. The whistleblowing system and protection measures were fully implemented, with zero reports filed by external parties or employees. - Ethical Management Section: https://www.faraday-tech.com/tw/content/CSR/EthicalManagement - Ethical Management Regulations: https://www.faraday-tech.com/tw/content/CSR/DocumentCenter

Evaluation item	Implementation Status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	
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 material information contributing to the understanding of the company’s ethical management operations (e.g., reviews and amendments to the Ethical Corporate Management Best Practice Principles):			
For further details regarding Faraday’s "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Whistleblowing Procedures for Unethical Conduct", please visit the following sections on the Faraday’s website:			
- Ethical Management Section: https://www.faraday-tech.com/en/content/CSR/EthicalManagement - Ethical Management Regulations and Policies: https://www.faraday-tech.com/tw/content/CSR/DocumentCenter			

3.2.10 Other Material Information Enhancing the Understanding of Corporate Governance Operations

Detailed information regarding Faraday’s corporate governance operations is available on the MOPS or the Corporate Governance section of Faraday’s website.

MOPS: <https://mops.twse.com.tw/mops/#/web/home>

Faraday’s Corporate Governance Section: <https://www.faraday-tech.com/tw/content/CSR/CorporationGovernance>

3.2.11 Execution of internal control system

1. Internal Control Statement

Faraday Technology Corporation

Internal Control System Statement

Date: February 10, 2026

The internal control system of Faraday in the year 2025 is based on the results of self-assessment, and is hereby declared as follows:

I. Faraday is aware that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of Faraday. Faraday has established such a system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and asset security, etc.), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with relevant regulations, ruling and laws.

II. The internal control system has its inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of the achieving the above-mentioned objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. However, Faraday's internal control system contains self-monitoring mechanisms, and Faraday takes immediate remedial actions against once a deficiency is identified.

III. Faraday evaluates the design and effectiveness of the internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several sub-items, which can be found in the Regulations.

IV. Faraday has evaluated the design and effectiveness of its internal control system according to the aforesaid Regulations.

V. Based on the results of the evaluation, Faraday believes that Faraday's internal control system (including supervision and management our subsidiaries), on December 31, 2025, has maintained effective, to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.

VI. This Statement is an integral part of Faraday's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

VII. This statement was approved by Faraday's Board of Directors on February 10, 2026. with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement

Faraday Technology Corporation



Chairman: Chia-Tseng Hung



President: Kuo-Yung Wang



2. If CPA Was Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report: Not applicable.

3.2.12Important resolutions of the shareholders’ meeting and the Board of Directors in the most recent year and until publication of the annual report

As of the date of publication of this annual report, the Company has convened 1 Shareholders' Meeting in 2025. The material resolutions are summarized below:

Date	Important resolutions	Implementation situation
Ratification Items		
May 23,2025	2024 Business report and Financial Statements. (Consolidated and Parent Company Only)	Approved as proposed by vote.
	Faraday’s 2024 Distribution of Earnings.	Distribution completed in accordance with the resolution. The ex-dividend record date was set as June 23, 2025, and the cash dividend payment date was July 18, 2025. (Cash dividend of NT\$3.0 per share).
	Discussion Item	
Amendment to the Company's "Articles of Incorporation."		Approved by resolution and implemented accordingly.
Proposal to Release Directors from Non-Competition Restrictions.		Approved by resolution and implemented accordingly.

As of the date of publication of this annual report, the Board of Directors has held 6 meetings in 2025. The material resolutions are summarized below:

Date (Session)	Material Resolutions
Feb 21, 2025 (6th Meeting, 12th Term)	2024 Business Report and Financial Statements. - Proposal for Distribution of 2024 Profits. - Proposal for the remuneration recommendations of executives. - Evaluation of the 2024 Internal Audit Plan Implementation and the Effectiveness of the Internal Control System. - Change of the Company’s Internal Auditor Officer. - Periodic Assessment of the Independence and Suitability of the CPAs. - Proposal to Establish General Principles for the Pre-Approval Policy of Non-Assurance Services for 2025. - Definition of the scope of the Company’s non-managerial employees. - Amendment to the Company's "Articles of Incorporation." - Date, agenda, and matters related to the submission of proposals by shareholders holding 1% or more of shares for the 2025 Annual Shareholders’ Meeting. - Proposal to Release Directors from Non-Competition Restrictions.
Apr 22, 2025 (7th Meeting, 12th Term)	2025 Q1 Financial Statements. - Proposal for the remuneration recommendations of executives. 2025 audit fees for CPAs. - Authorization for opening an account with Citibank Singapore Branch.

Date (Session)	Material Resolutions
Jul 29, 2025 (8th Meeting, 12th Term)	2025 Q2 Financial Statements. 2024 Sustainability Report. - Renewal of the Company's bank credit facilities.
Oct 28, 2025 (9th Meeting, 12th Term)	2025 Q3 Financial Statements. - Preliminary performance assessment for 2025 managerial bonuses and proposed design of incentive indicators for 2026. - Establishment of the Sustainable Development Committee and formulation of " Sustainable Development Committee Charter." - Appointment of the members of the 1st Sustainable Development Committee. - Formulation of the " Sustainability Information Management Regulation." 2026 Internal Audit Plan. - Renewal of the Company's bank credit facilities.
Dec 18, 2025 (10th Meeting, 12th Term)	2026 Annual Business Budget. - Renewal of the Company's bank credit facilities.
Feb 10, 2026 (11th Meeting, 12th Term)	2025 Business Report and Financial Statements. - Proposal for Distribution of 2025 Profits. - Proposal for the remuneration recommendations of executives. - Evaluation of the 2025 Internal Audit Plan Implementation and the Effectiveness of the Internal Control System. - Periodic Assessment of the Independence and Suitability of the CPAs. - Proposal to Establish General Principles for the Pre-Approval Policy of Non-Assurance Services for 2026. - Date, agenda, and matters related to the submission of proposals by shareholders holding 1% or more of shares for the 2026 Annual Shareholders' Meeting.

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 Information on Audit Fees

1. 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	2025	5,330	750	6,080	Non-audit public expense, tax visa, transfer pricing report, and other consulting case.

2. 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.
3. 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 Information on Replacement of CPAs : None

3.5 The Company’s Chairman, President, or Managers in Charge of Finance or Accounting Affairs who have held position in the CPAs’ Firm or its Affiliates within the Past Year: None.

3.6 Changes in Shareholding and Pledge of Shares by Directors, Managers, and Shareholders with a Stake of more than 10% during the Most Recent Year and up to the Date of Publication of the Annual Report

1. Change in shareholding by Directors, Managers and Shareholders with a Stake of 10% Shareholdings or more:

Unit: Shares

Position	Name	2025		2026 (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)	-	-	-	-
Juristic-Person Director	Unimicron Technology Corp.	-	-	-	-
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	-	-	-	-
Director and COO	Shih-Chin Lin	(50,000)	-	-	-
Director and CFO	Wen-Ju Tseng	(8,000)	-	-	-
Independent Director	Bing-Kuan, Luo	-	-	-	-
Independent Director	Wan-Fen Zhou	-	-	-	-
Independent Director	Li-Ying Yeh	-	-	-	-
Vice President	Cheng-Hsing Chien	-	-	-	-
Vice President	Kuo-Hua Lee	-	-	-	-
Associate Vice President	Shu-Hei Liao	-	-	-	-
Associate Vice President	Chen-Yi Huang	-	-	-	-
Associate Vice President	Ying-Cih Yen	-	-	-	-

Note : Major shareholders with more than 10% shareholdings.

2. Equity transfer information: None.
3. Equity pledge information: None.

3.7 Information on the Top 10 Shareholders who are Related Parties , Spouses, or Relatives within the Second Degree of Kinship to each other

March 27, 2026
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	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
United Microelectronics Corporation	35,962,705	13.80%			Not Applicable		None	None	
Representative: Chia-Tsung, Hung	-	-			-		-	-	
Chunghwa Post Co., Ltd.	5,380,356	2.06%			Not Applicable		None	None	
Representative: Kuo-Tsai, Wang	-	-			-		-	-	
Ming-De, Zhou	3,348,000	1.28%			Not Applicable		None	None	
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,496,216	0.57%			Not Applicable		None	None	
Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds	1,435,198	0.55%			Not Applicable		None	None	
TransGlobe Life Insurance Inc.	1,210,282	0.46%			Not Applicable		None	None	
Representative: Wen-Hui, Lin	-	-			-		-	-	
Mi-Hsin, Huang	1,168,000	0.45%			Not Applicable		None	None	
Morgan Stanley & Co. International Plc	1,011,348	0.39%			Not Applicable		None	None	
Meng-Chao,Tseng	950,000	0.36%			Not Applicable		None	None	
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	949,189	0.36%			Not Applicable		None	None	

3.8 Number of Shares held by the Company, the Company’s Directors, Managers, and Entities directly or indirectly controlled by the Company in the same Investment Target, and Combined Comprehensive Shareholding Percentage

December 31, 2025
Unit: Thousand shares

Transfer investment	Faraday’s investment		Investment of Director, Manager, or under direct or indirect control of businesses		Consolidated investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
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	92,522	100%	-	-	92,522	100%
Sheng Bang Investment Co., Ltd	210,651	100%	-	-	210,651	100%
Faraday Technology Vietnam Company Limited	-	100%	-	-	-	100%
Sinble Technology Pte. Ltd.	7,100	100%	-	-	7,100	100%

04 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
2009.3	10	420,000	4,200,000	359,303	3,593,029	Transfer of employee stock option certificates	None	Note 1
2009.4	10	420,000	4,200,000	359,311	3,593,109	Transfer of employee stock option certificates	None	Note 2
2009.5	10	420,000	4,200,000	359,756	3,597,564	Transfer of employee stock option certificates	None	Note 3
2009.8	10	420,000	4,200,000	360,607	3,606,071	Transfer of employee stock option certificates	None	Note 4
2009.8	10	420,000	4,200,000	365,334	3,653,343	Capital increase transferred from surplus	None	Note 5
2010.1	10	420,000	4,200,000	367,344	3,673,445	Transfer of employee stock option certificates	None	Note 6
2010.4	10	500,000	5,000,000	369,987	3,699,873	Transfer of employee stock option certificates	None	Note 7
2010.6	10	500,000	5,000,000	370,447	3,704,473	Transfer of employee stock option certificates	None	Note 8
2010.8	10	500,000	5,000,000	370,538	3,705,383	Transfer of employee stock option certificates	None	Note 9
2011.1	10	500,000	5,000,000	371,952	3,719,523	Transfer of employee stock option certificates	None	Note 10
2011.3	10	500,000	5,000,000	366,952	3,669,523	Decrease in treasury stock	None	Note 11
2011.4	10	500,000	5,000,000	370,392	3,703,918	Transfer of employee stock option certificates	None	Note 12
2011.5	10	500,000	5,000,000	376,886	3,768,858	Transfer of employee stock option certificates	None	Note 13
2011.8	10	500,000	5,000,000	378,236	3,782,358	Transfer of employee stock option certificates	None	Note 14
2011.7	10	500,000	5,000,000	397,117	3,971,165	Capital increase transferred from capital cumulated	None	Note 15
2012.1	10	500,000	5,000,000	398,027	3,980,270	Transfer of employee stock option certificates	None	Note 16
2012.4	10	500,000	5,000,000	398,754	3,987,535	Transfer of employee stock option certificates	None	Note 17
2012.5	10	500,000	5,000,000	402,310	4,023,098	Transfer of employee stock option certificates	None	Note 18
2012.8	10	600,000	6,000,000	402,960	4,029,600	Transfer of employee stock option certificates	None	Note 19

2013.1	10	600,000	6,000,000	403,608	4,036,075	Transfer of employee stock option certificates	None	Note 20
2013.4	10	600,000	6,000,000	404,246	4,042,459	Transfer of employee stock option certificates	None	Note 21
2013.5	10	600,000	6,000,000	406,208	4,062,075	Transfer of employee stock option certificates	None	Note 22
2013.8	10	600,000	6,000,000	406,380	4,063,798	Transfer of employee stock option certificates	None	Note 23
2013.11	10	600,000	6,000,000	406,893	4,068,930	Transfer of employee stock option certificates	None	Note 24
2014.4	10	600,000	6,000,000	408,344	4,083,441	Transfer of employee stock option certificates	None	Note 25
2014.5	10	600,000	6,000,000	411,079	4,110,788	Transfer of employee stock option certificates	None	Note 26
2014.8	10	600,000	6,000,000	411,470	4,114,703	Transfer of employee stock option certificates	None	Note 27
2014.11	10	600,000	6,000,000	413,125	4,131,255	Transfer of employee stock option certificates	None	Note 28
2015.3	10	600,000	6,000,000	414,250	4,142,505	Transfer of employee stock option certificates	None	Note 29
2015.8	10	600,000	6,000,000	248,550	2,485,503	Cash Refund Capital reduction	None	Note 30
2024.4	10	600,000	6,000,000	260,550	2,605,503	Cash Capital increase	None	Note 31

- Note
1. Conversion of employee stock options into 602 thousand shares was duly approved by HSPB on March 20, 2009, as per Letter No. Yuan-Shang-0980007957.
 2. Conversion of employee stock options into 8 thousand shares was duly approved by HSPB on April 22, 2009, as per Letter No. Yuan-Shang-0980010023.
 3. Conversion of employee stock options into 445 thousand shares was duly approved by HSPB on May 19, 2009, as per Letter No. Yuan-Shang-0980013417.
 4. Conversion of employee stock options into 851 thousand shares was duly approved by HSPB on August 20, 2009, as per Letter No. Yuan-Shang-0980022629.
 5. Capitalization of 2009 retained earnings in the amount of NT\$47,271 thousand (4,727 thousand shares) was duly approved by FSC on July 10, 2009, as per Letter No. Jin-Guan-Zheng-Fa-0980034538.
 6. Conversion of employee stock options into 2,010 thousand shares was duly approved by HSPB on January 22, 2010, as per Letter No. Yuan-Shang-0990001404.
 7. Conversion of employee stock options into 2,643 thousand shares was duly approved by HSPB on April 9, 2010, as per Letter No. Yuan-Shang-0990009112.
 8. Conversion of employee stock options into 460 thousand shares was duly approved by HSPB on June 1, 2010, as per Letter No. Yuan-Shang-0990014595.
 9. Conversion of employee stock options into 91 thousand shares was duly approved by HSPB on August 16, 2010, as per Letter No. Yuan-Shang-0990023695.
 10. Conversion of employee stock options into 1,414 thousand shares was duly approved by HSPB on January 14, 2011, as per Letter No. Yuan-Shang-1000001274.
 11. Retirement of 5,000 thousand treasury shares was duly approved by HSPB on March 14, 2011, as per Letter No. Yuan-Shang-1000007430.
 12. Conversion of employee stock options into 3,440 thousand shares was duly approved by HSPB on April 22, 2011, as per Letter No. Yuan-Shang-1000010699.
 13. Conversion of employee stock options into 6,494 thousand shares was duly approved by HSPB on May 18, 2011, as per Letter No. Yuan-Shang-1000013784.
 14. Conversion of employee stock options into 1,350 thousand shares was duly approved by HSPB on August 19, 2011, as per Letter No. Yuan-Shang-1000024283.
 15. Capitalization of capital surplus in the amount of NT\$188,807 thousand (18,881 thousand shares) was duly approved by FSC on July 18, 2011, as per Letter No. Jin-Guan-Zheng-Fa-1000033188.
 16. Conversion of employee stock options into 910 thousand shares was duly approved by HSPB on January 17, 2012, as per Letter No. Yuan-Shang-1010001486.
 17. Conversion of employee stock options into 727 thousand shares was duly approved by HSPB on April 11, 2012, as per Letter No. Yuan-Shang-1010010460.
 18. Conversion of employee stock options into 3,556 thousand shares was duly approved by HSPB on May 15, 2012, as per Letter No. Yuan-Shang-1010014163.
 19. Conversion of employee stock options into 650 thousand shares was duly approved by HSPB on August 16, 2012, as per Letter No. Yuan-Shang-1010025281.
 20. Conversion of employee stock options into 648 thousand shares was duly approved by HSPB on January 16, 2013, as per Letter No. Yuan-Shang-1020010747.
 21. Conversion of employee stock options into 638 thousand shares was duly approved by HSPB on April 16, 2013, as per Letter No. Yuan-Shang-1020010896.
 22. Conversion of employee stock options into 1,962 thousand shares was duly approved by HSPB on May 16, 2013, as per Letter No. Yuan-Shang-1020014150.
 23. Conversion of employee stock options into 172 thousand shares was duly approved by HSPB on August 15, 2013, as per Letter No. Yuan-Shang-1020024332.
 24. Conversion of employee stock options into 513 thousand shares was duly approved by HSPB on November 15, 2013, as per Letter No. Yuan-Shang-1020034787.
 25. Conversion of employee stock options into 1,451 thousand shares was duly approved by HSPB on April 1, 2014, as per Letter No. Zhu-Shang-1030009307.
 26. Conversion of employee stock options into 2,735 thousand shares was duly approved by HSPB on May 6, 2014, as per Letter No. Zhu-Shang-1030012756.
 27. Conversion of employee stock options into 391 thousand shares was duly approved by HSPB on August 13, 2014, as per Letter No. Zhu-Shang-1030023635.
 28. Conversion of employee stock options into 1,655 thousand shares was duly approved by HSPB on November 19, 2014, as per Letter No. Zhu-Shang-1030033760.
 29. Conversion of employee stock options into 1,125 thousand shares was duly approved by HSPB on March 30, 2015, as per Letter No. Zhu-Shang-1040008253.
 30. Capital reduction by cash return of 165,700 thousand shares was duly approved by HSPB on August 4, 2015, as per Letter No. Zhu-Shang-1040022281.
 31. Issuance of 12,000 thousand new shares for cash capital increase was duly approved by HSPB on April 16, 2024, as per Letter No. Zhu-Shang-1130011351.

2. Type of Shares Issued in the Recent Year and until Publication of Annual Report

March 27, 2026

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 27, 2026

Name of major shareholder	Shares Held	Shareholding ratio
United Microelectronics Corporation	35,962,705	13.80%
Chunghwa Post Co., Ltd.	5,380,356	2.06%
Ming-De, Zhou	3,348,000	1.28%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,496,216	0.57%
Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds	1,435,198	0.55%
TransGlobe Life Insurance Inc.	1,210,282	0.46%
Mi-Hsin, Huang	1,168,000	0.45%
Morgan Stanley & Co. International Plc	1,011,348	0.39%
Meng-Chao,Tseng	950,000	0.36%
Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	949,189	0.36%

4.1.3 Company Dividend Policy and Execution

1. Dividend policy

The Company shall distribute no less than 1% of the profit for the current year as employees' compensation (including no less than 1% for non-managerial employees) and no more than 2% as remuneration for directors. However, if the Company has accumulated deficits, such deficits shall first be offset.

Employees' compensation may be distributed in the form of cash or stocks, and the recipients of such cash or stocks may include employees of controlled or subsidiary companies meeting certain specific criteria.

The aforementioned "profit for the current year" refers to the profit before tax before deducting the distribution of employees' compensation and directors' remuneration.

The distribution of employees' compensation and directors' remuneration shall be approved by a Board of Directors meeting attended by at least two-thirds of the directors, with a majority of the attending directors in favor, and subsequently reported to the Shareholders' meeting.

If there is a surplus after the Company's annual closing of accounts, the distribution shall be made in the following order:

- Provision for tax payments.
- Offsetting of accumulated deficits.
- Appropriation of 10% as legal reserve.
- Appropriation or reversal of special reserve in accordance with laws and regulations.
- The remaining balance, combined with the beginning balance of undistributed retained earnings, shall be available for distribution as shareholders' dividends. The Board of Directors shall propose a distribution plan, and the shareholders' meeting shall resolve on the final distribution, while a portion may be retained for future distribution.

The Company's dividend policy takes into account the current and future investment environment, capital requirements, domestic and international competitive conditions, and capital budget. It aims to balance shareholders' interests, dividend stability, and the Company's long-term financial planning. The Board of Directors shall annually prepare a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. Based on financial, business, and operational considerations, the Company may distribute the entire distributable earnings of the current year. Under normal circumstances, the total dividends distributed shall, in principle, be no less than 50% of the net income (profit after tax) for the current year. Shareholders' dividends may be distributed in cash or stocks, provided that the cash dividend portion is no less than 10% of the total dividends distributed.

2. Distribution proposal of dividends in this Shareholders' Meeting

The proposal for the 2025 earnings distribution of Faraday was approved by the 11th meeting of the 12th Board of Directors on February 10, 2026. The proposal will be submitted to the 2026 Annual Shareholders' Meeting for resolution. It is proposed to distribute a cash dividend of NT\$468,990,563 from earnings, representing a dividend of approximately NT\$1.8 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 Remuneration for Employees and Directors

1. According to the Company's Articles of Incorporation, the Company shall distribute no less than 1% of its profit for the current year as employees' compensation (including no less than 1% for non-managerial employees) and no more than 2% as remuneration for directors. However, if the Company has accumulated deficits, such deficits shall first be offset.
2. Employees' compensation may be distributed in the form of cash or stocks, and the recipients of such distribution may include employees of controlled or subsidiary companies meeting certain specific criteria.
3. Basis for Estimating the Amount of Remuneration, the Basis for Calculating the Number of Shares to be Distributed as Stock Compensation, and the Accounting Treatment of Any Discrepancy Between the Actual Distributed Amount and the Estimated Amount:
 - Basis for Estimating Remuneration: The Company estimates the expenses for employees' and directors' remuneration based on the Articles of Incorporation as proposed for amendment by the Board of Directors, in compliance with legal regulations, and with reference to industry standards.
 - Basis for Calculating Shares for Stock Compensation: Not applicable.
 - Accounting Treatment of Discrepancies: If there is a discrepancy between the actual distributed amount and the estimated amount, it shall be treated as a change in accounting estimate.
4. Remuneration Distribution Approved by the Board of Directors:
 - Proposed Distribution: On February 10, 2026, the 11th meeting of the 12th Board of Directors resolved to distribute NT\$36,463,422 in cash as employees' compensation (including NT\$10,262,886 for non-

managerial employees) and NT\$1,218,885 in cash as directors' remuneration. There is no material difference between these amounts and the original estimated amounts recognized in the accounts.

- Stock Compensation as a Percentage of Net Income and Total Employees' Compensation: Not applicable.

5. Actual distribution of remuneration for employees, directors, and supervisors in the previous year (including the number of shares, amount, and stock price), and description of any discrepancy between the actual distribution and the recognized remuneration for employees, directors, and supervisors, including the discrepancy amount, reasons, and treatment thereof:

The Company's actual distribution of 2024 earnings was NT\$51,926,367 in cash as employees' compensation and NT\$1,735,776 in cash as remuneration for directors, both distributed from accumulated earnings. There was no material difference between the actual distributed amounts and the amounts recognized as expenses for employees' and directors' remuneration.

4.1.6 Status of Treasury Shares: None.

4.2 Issuance of Corporate Bonds: None.

4.3 Issuance of Preferred Shares: None.

4.4 Issuance of Overseas Depository Receipts: None.

4.5 Issuance of Employee Stock Options: None.

4.6 Issuance of New Restricted Employee Shares: None.

4.7 Issuance of New Shares in Connection with Merger and Acquisition of Other Companies Shares: None.

4.8 Implementation of the Capital Utilization Plan

On December 12, 2023, the Board of Directors of Faraday resolved to issue new shares through a cash capital increase. This issuance was approved and became effective on January 11, 2024 per Letter No. 1120366126 from the FSC. For detailed information regarding the Company's cash capital increase, please refer to the MOPS website under the "Fundraising Plan Implementation" section (URL: https://mopsov.twse.com.tw/mops/web/bfhtm_q2).

4.8.1 Plan Content

1. Total Capital Required for the Plan: NT\$3,720,000 thousand.
2. Source of Capital: Issuance of 12,000 thousand new shares through a cash capital increase, with a par value of NT\$10 per share and an issuance price of NT\$310 per share. This resulted in an increase in share capital of NT\$120,000 thousand and total proceeds of NT\$3,720,000 thousand.
3. Project items and scheduled use of funds:

Unit: NT\$ thousands

Project Items	Scheduled Completion Date	Total Capital Required	Scheduled use of funds			
			2024			
			Q1	Q2	Q3	Q4
R&D Capital Expenditure	2024Q4	2,100,032	9,792	1,143,177	892,238	54,825
Enrichment of Working Capital	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

- R&D Capital Expenditure

The Company intends to raise a total of NT\$3,720,000 thousand through this issuance of common shares for cash, of which NT\$2,100,032 thousand will be allocated to R&D capital expenditure. These funds will primarily be used to acquire intangible assets required for R&D and design services, such as EDA software and Semiconductor IP cores..

As a world-renowned provider of ASIC design services and IP licensing, the Company faces rapid technological advancements in cloud services, AI, HPC, and edge computing. To meet increasing customer demands for chip power consumption, size, and performance, it is essential to enhance the diversity of our IP library by acquiring necessary intangible assets. This will enable the Company to provide more diverse and high-value-added ASIC solutions, satisfy customer needs, and solidify our market position.

- Working Capital Enhancement

Of the total proceeds, NT\$1,619,968 thousand will be used to enrich working capital. This is intended to meet the increased funding requirements arising from the growth of operational scale, including procurement costs, R&D investments, market expansion, and personnel-related expenses.

Once the funds are in place, they will be deployed according to the scheduled timeline to support the Company's operational needs. In addition to enhancing competitiveness, expanding operational scale, and increasing the stability and flexibility of long-term working capital, this will also improve the Company's financial structure. Based on an estimated interest rate of 1.91% for new bank borrowings, the Company expects to save approximately NT\$23,206 thousand in interest expenses for 2024 and NT\$30,941 thousand annually thereafter. This will effectively alleviate the financial burden and mitigate operational risks.

4.8.2 Status of Capital Utilization Implementation

The funds raised from the Company's domestic cash capital increase have been allocated according to the capital utilization plan and actual operational needs. As of the first quarter of 2026, the implementation progress of each project is as follows:

Unit: NT\$ thousands

Project Items	Execution Status	Current Quarter	Accumulated as of the Current Period	Reasons for Being Ahead of or Behind Schedule and Improvement Plans
R&D Capital Expenditure	Disbursement Amount	Planned	-	As of the first quarter of 2026, the Company's R&D capital expenditure plan related to the issuance of new shares through cash capital increase has been fully implemented, and no material abnormalities have been identified.
		Actual	4,033	
	Progress(%)	Planned	-	
		Actual	0.20	
Enrichment of Working Capital	Disbursement Amount	Planned	-	As of the first quarter of 2026, the Company's plan has been fully implemented, and no material abnormalities have been identified.
		Actual	-	
	Progress(%)	Planned	-	
		Actual	-	

05 Operational Highlights

5.1 Business Activities

5.1.1 Scope of Business

1. Primary Business Activities
 - Development of Cell Libraries for ASIC design.
 - Provision of EDA software tools for ASIC design.
 - Professional services for the design, manufacturing, and testing of ASICs and their components.
 - Design and licensing services for Silicon IP cores.
2. Revenue Breakdown by Product Category

Unit: NT\$ thousands

Major Product Category	2025		2024	
	Revenue	Weighting	Revenue	Weighting
ASIC and Wafer products	14,187,081	78.85%	7,254,974	65.57%
Non-Recurring Engineering	2,287,910	12.72%	2,250,312	20.34%
Silicon IP and Royalties	1,517,817	8.43%	1,559,566	14.09%
Total	17,992,808	100.00%	11,064,852	100.00%
3. Main Products and Services
 - Non-Recurring Engineering (NRE):
Customized ASIC development and design services. Faraday provides essential Cell Libraries and various Silicon IP cores required for design. The service includes the creation of photomask layouts, outsourcing of mask fabrication, wafer production, dicing, and packaging. Faraday’s engineering team then performs product testing and quality control before delivering engineering samples to customers.
 - ASIC Products (Mass Production):
Mass production services for ASIC products upon customer request. Following the successful completion of the NRE stage and customer verification of the engineering samples, Faraday manages the mass production process. Final ASIC products are shipped to customers in the form of either wafers or fully packaged and tested ICs.
 - Silicon Intellectual Property (Silicon IP):
Silicon IP refers to pre-designed, reusable circuit functional blocks with specific features. In the increasingly complex field of ASIC design, Silicon IP provides convenient and rapid solutions for customers (primarily IC design houses and system companies). Faraday's Silicon IP can be licensed to customers for independent integration or selected as optional components for ASIC design projects.
4. Planned Development of New Products and Services
 - Development of CubeX 3D DRAM PHY.
 - Development of 14nm MIPI C/D-PHY Tx, Rx.

- Development of 14nm USB 3.2 Gen1x1 PHY.
- Development of 14nm FPD-Link LVDS Tx, Rx.
- Development of 14nm V-by-One Tx, Rx.
- Development of 14nm 12-bit SAR ADC.
- Development of 14nm DDR4/5 Combo PHY.
- Development of 22nm DDR4/5 Combo PHY.
- Development of 22nm 2.5Gb Ethernet PHY.
- Development of 22nm 12-bit SAR ADC.

5.1.2 Industry Overview

1. Current Status and Development of the Industry

In recent years, Taiwan's semiconductor industry has thrived, with the division of labor becoming increasingly specialized. Numerous individual firms participate in each production stage, creating a clear and specialized vertical disintegration model. This has resulted in a more complete and robust structure across the upstream, midstream, and downstream segments of Taiwan's chip industry ecosystem.
2. Correlation between Upstream, Midstream, and Downstream Industry Segments

Taiwan’s IC Industry Vertical Division of Labor

Structure	Stage	Manufacturing Process
Upstream	Design Services & IC Design	Logic Design, Circuit Design, Layout Design
Midstream	Masks & Wafer Fabrication	Oxidation, Photolithography, Etching, Diffusion, Ion Implantation, CVD, Sputtering, Wafer Inspection
Downstream	Packaging & Testing	Dicing, Die Attachment, Wire Bonding, Molding, Testing
3. Product Development Trends

Semiconductor products have evolved toward system-level integration, commonly known as System-on-Chip (SoC). An SoC integrates processing units (IPs), memory units (IPs), and various digital and analog IPs into a single chip. SoC products are generally categorized into two types: Application-Specific Standard Products (ASSP) and Application-Specific Integrated Circuits (ASIC).
4. Competitive Landscape

Currently, there are two major trends among ASIC design service companies:
First, firms that align closely with foundry process migration to consolidate customer demands, primarily focusing on back-end design and manufacturing services. GUC is a prominent domestic example providing such ASIC services. Second, firms that offer proprietary Silicon IP and emphasize platform-based design services. These companies provide flexible front-end and back-end design services based on customer needs to satisfy niche applications. Faraday belongs to this category. With years of accumulated experience, Faraday has developed a rich and comprehensive Silicon IP portfolio across various process nodes and gathered extensive know-how in application-specific design services to provide value-added solutions. This approach not only serves customers effectively but also enhances customer stickiness.

5.1.3 Technology and R&D Overview

1. R&D Expenses

Unit: NT\$ thousands

Item	2025	2024
R&D Expenses (A)	3,211,083	2,956,912
Operating Revenue (B)	17,992,808	11,064,852
(A)/(B)	17.85%	26.72%

2. Successfully Developed Technologies or Products

- Launched RRAM solutions on the UMC 22ULP platform, alongside the FlashKit™-22RRAM development platform for AIoT and MCU applications.
- Launched DDR3/4/5 & LPDDR3/4/4X/5 Combo PHY IP on the UMC 22ULP process node.
- Launched DDR3/4/5 & LPDDR3/4/4X/5 Combo PHY IP on the UMC 14FFC process node.
- Launched 10G Multi-protocol SerDes IP on the UMC 22nm process, supporting PCIe Gen1/2/3, USB 3.2 Gen1/2, and various xPON standards.

5.1.4 Short-term and Long-term Business Development Plans

- Short-term Plans:
Based on the recurring revenue derived from the continuous mass production of ASIC projects and Silicon IP licensing, the Company aims to enhance market penetration of ASIC products among existing customers. Furthermore, the Company is strategically positioning itself to capture the robust ASIC demand in key applications such as AI, Automotive, and Networking, which will serve as the primary growth drivers for future revenue.
- Long-term Plans:
 - Having successfully migrated our proprietary Silicon IP portfolio and cell libraries to FinFET process nodes, we will continue to strengthen the comprehensiveness of our FinFET IP. By offering system-level IP sub-systems and enhancing our technical capabilities in hardware-software integration, we provide high-quality design services to accelerate customers' time-to-market.
 - Launch DIS to expand our footprint across multiple foundries and advanced process nodes. This service addresses the industry pain point of design talent shortages in advanced nodes, leveraging our accumulated design expertise to create new commercial value.
 - Launch 3D Packaging solutions to provide Heterogeneous Integration services. This aims to meet the stringent requirements for low power consumption and high bandwidth in edge computing, while optimizing supply chain collaboration to achieve the objective of rapid commercialization.

5.2 Market and Sales Overview

5.2.1 Market analysis

1. Sales and Service Regions of Major Products

As the first ASIC provider in Asia, Faraday provides ASIC design services and Silicon IP licensing. Our sales network spans Taiwan, Mainland China, Asia-Pacific, Europe, and the United States. Markets in these regions have demonstrated significant growth in recent years.

2. Market Share

Faraday holds a dominant market share in niche ASIC products across 28/40/55/90nm process nodes compared

to its industry peers.

3. Future Market Supply, Demand, and Growth Potential

- NRE
The proportion of new projects and SoC products in 40/28/22/14nm nodes is increasing annually. Higher technical complexity and the integration of more IP cores have driven NRE revenue growth. To address the complexity of large-scale SoCs in FinFET processes, Faraday offers DIS across multiple foundries. This allows customers to specify their preferred foundry and process node, delegating specific design stages to Faraday based on their R&D resource allocation to accelerate time-to-market.
- ASIC
The ASIC market is thriving as system houses increase demand for customized chips driven by AI, IoT, and Industry 4.0 trends. Leveraging its Silicon IP, system-level design platforms, and application-specific solutions, Faraday has successfully moved numerous ASIC design wins into mass production (MP), continuously driving growth in its ASIC business.
- Silicon IP
Faraday’s Silicon IP development strategy complements its ASIC business. It not only facilitates successful mass production for ASIC projects but also expands business opportunities with foundries and IC design houses.

4. Competitive Niches

- Proprietary Development of Foundation and Functional IPs
Technical implementation is Faraday’s core philosophy, enabling us to provide timely and accurate design services. We integrate components into ASIC projects and continue developing new components on advanced process nodes. We persistently develop standard cell libraries for 28nm, 22nm, 14nm, and beyond. Additionally, the Company is dedicated to developing IPs for RISC CPUs, DSPs, Mixed-Signal products, High-Speed Interfaces, Embedded Memory, and SoCs. Faraday is the world’s third-largest developer of comprehensive process cell libraries, accumulating high-performance IP and elite R&D talent.
- Complete Component Design and Verification Flow
A rapid and accurate design and verification flow is essential in the ASIC industry.Faraday’s cell libraries and digital/analog Silicon IPs undergo rigorous silicon verification. Only verified, functional libraries are provided to customers, ensuring rapid ASIC design services and enabling customers to achieve their product launch goals within the shortest timeframe.
- System-Level Design Solutions
To maintain competitiveness amid shortening lead times and the need for rapid time-to-market, Faraday provides a rich Silicon IP library, IP sub-systems, and SoC development platforms. These resources help customers complete chip designs quickly, improve first-cut-work (first-pass success) probability, and ensure rapid system-level integration.
- Comprehensive R&D Team
Faraday has been technology-driven since its inception, boasting a team of experienced ASIC professionals specializing in Mixed-Signal/Analog IP, SoC integration, back-end design,and silicon validation. Our R&D capabilities are on par with leading international firms.
- Neutral Positioning
Faraday focuses on ASIC services and Silicon IP licensing and does not produce own-brand ICs. We maintain an absolutely neutral industry position, protecting customer confidentiality from specification definition through to mass production.
- Overseas R&D Centers
Faraday has established R&D centers in Mainland China, the U.S., India, and Vietnam to attract top global talent and strengthen R&D capacity.
- Recurring Revenue Business Model

Recurring revenue from ASIC mass production and Silicon IP royalties has become a major portion of total revenue. This model is characterized by low resource consumption, long product lifecycles, and revenue stability derived from niche customer applications, without additional NRE costs or inventory risks.

- Robust Business Continuity Plan (BCP) and Ecosystem Partners:

Faraday invests in multi-site manufacturing support for ASIC customers. Through long-term collaboration with global foundries and OSAT (Outsourced Semiconductor Assembly and Test) providers, we offer flexible production support to mitigate manufacturing risks arising from economic shifts, accidents, pandemics, or geopolitical factors.

5. Favorable and Unfavorable Factors for Future Development and Countermeasures

- Favorable Factors

- Comprehensive R&D Team with Extensive ASIC Design and Development Experience

Since its inception, Faraday Technology has prioritized the research and development of proprietary design technologies. Over the years, the Company has assembled a premier R&D talent pool across various ASIC domains, accumulating profound professional expertise across multiple foundries and process nodes. Built upon a technology-leading R&D team, Faraday leverages a high self-sufficiency rate in intellectual property (IP) and a rigorous component validation process to provide customers with comprehensive, high-quality design services.

- System-Level Chip Design and Service Models

To mitigate risks, accelerate design integration, and shorten time-to-market, system-level chip design and service capabilities have become the industry mainstream. A robust core IP library plays a pivotal role in reducing design complexity and enhancing efficiency. Faraday possesses a vast and diverse portfolio of Silicon IP, IP sub-systems, and SoC development platforms, serving as the optimal resource for the rapid realization of system-level chip designs. The Company assists customers in completing chip designs within the shortest possible timeframe, effectively increasing the "first-cut-work" (first-pass success) rate. Furthermore, our support extends to rapid system-level bring-up, helping customers seize the critical window for product launch.

- Synergies from Close Upstream and Downstream Semiconductor Ecosystem Ties

The semiconductor industry is categorized into IC design, wafer foundries, assembly/packaging, and testing. Taiwan has developed a unique vertical specialization model, with the majority of these entities clustered in the Hsinchu Science Park. Recently, the demand for partnership and collaboration across the supply chain has intensified due to advancements in cutting-edge technologies (such as Advanced Packaging). Faraday has maintained a disciplined supply chain management strategy and deep-rooted partnerships with upstream and downstream vendors for many years — a critical factor in our ability to provide rapid and high-quality services.

- Unfavorable Factors and Countermeasures

- Rapidly Changing International Landscape in the Semiconductor Industry

In response to the rapid advancement of technology and shifts in the global semiconductor supply chain, the Company has allocated resources to provide cross-regional multi-site manufacturing support services for ASIC customers. By enhancing the flexibility and resilience of supply chain production, we strengthen our operational responsiveness and risk management capabilities.

- Rising Costs of Professional Talent

The strength of ASIC design services relies on a robust R&D team, making high-tech talent a pivotal factor in the Company's success. In recent years, the booming IC industry and the expensing of employee bonuses have led to a relative increase in professional labor costs. To foster employee cohesion and loyalty, the Company expects to incur higher personnel expenses. Our countermeasures include:

- Increasing the proportion of high-value-added products, such as core components required for SoC and system-level technical capabilities and expertise.
 - Developing libraries for more advanced process nodes to enhance the competitiveness and

advantages of our core technologies, thereby securing more collaboration opportunities with a broader customer base.

- Expanding the layout of overseas R&D centers to bolster the human resources of our R&D and engineering departments.

- ASIC Design Services as a Market Trend Attracting New Competitors

As IC design becomes increasingly complex — particularly in fields such as SoC, embedded memory, and advanced packaging — ASIC design services and IP licensing have become indispensable. Coupled with shifts in industry supply and demand, the growing need for custom designs from potential IDM and system vendors is attracting new entrants. Faraday's countermeasures include: providing comprehensive turn-key design services (from front-end to back-end), proactively investing in talent and R&D resources, and deepening collaborations with third-party partners. By offering diverse and holistic design and manufacturing services, we ensure customer needs are met with speed and precision. Furthermore, we are dedicated to exploring niche applications, optimizing our product and customer mix, increasing value-add, and actively developing international markets.

5.2.2 Key Applications and Manufacturing Process

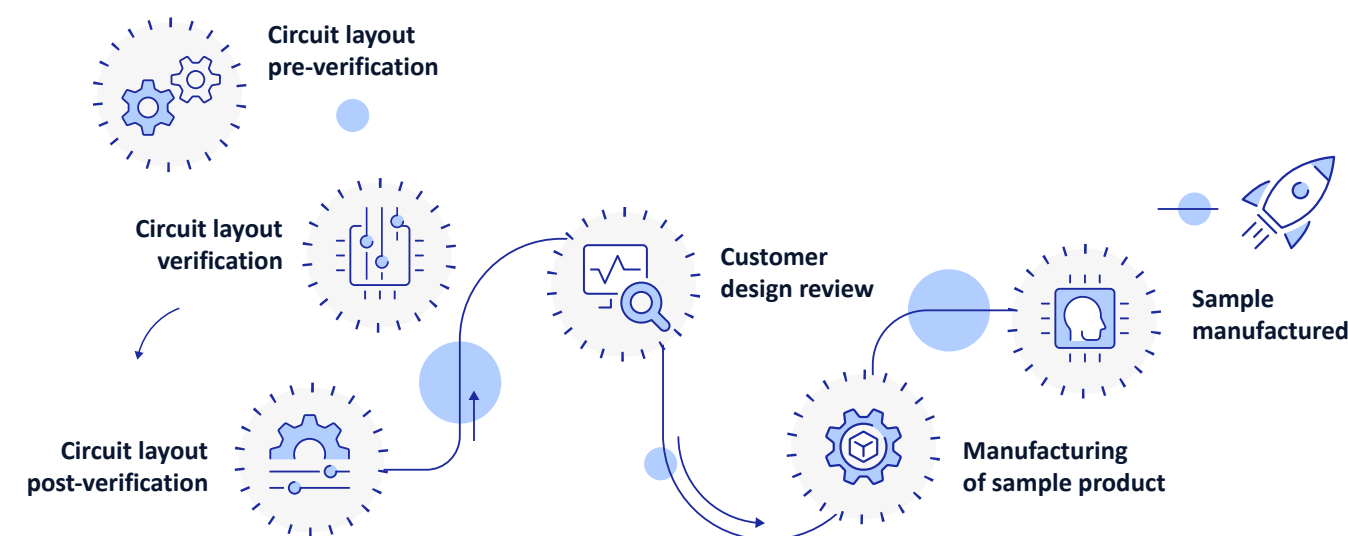
1. Key Applications of Major Products

Faraday primarily provides a comprehensive range of technical services required for the design and production of ASIC products. Our ASIC solutions are utilized across a diverse spectrum of applications, including networking and communications, multimedia, computer storage and peripherals, consumer electronics, and AIoT.

2. Manufacturing Process of Major Products

- Phase I: NRE and Prototype Delivery

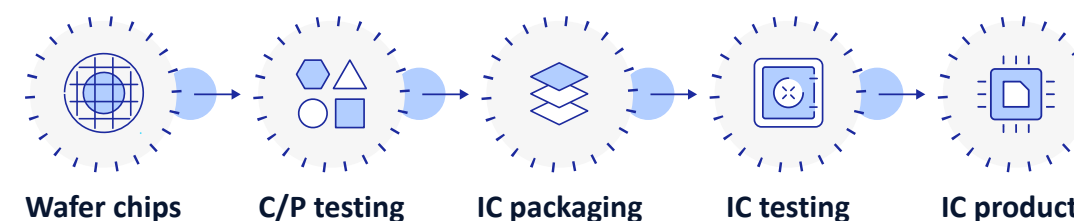
The production workflow from customer-commissioned design to sample shipment is as follows:



- Phase II: Mass Production

Upon successful customer validation of the prototypes, the product enters the mass production stage.

The production workflow is as follows:



3. Supply Status of Major Raw Materials

The primary raw material for Faraday’s products is silicon wafers. Our principal supplier is UMC, a professional wafer foundry. Due to our long-standing strategic alliance, the supply of raw materials remains stable and secure.

5.2.3 Major Suppliers and Customers Accounting for Over 10% of Total Purchases or Sales in Any of the Most Recent Two Years

Major Suppliers for the Most Recent Two Years

Unit: NT\$ thousands

Items	2024				2025				2026 (As of March 31)			
	Name	Amount	% of Total Annual Net Purchases	Relation with issuer	Name	Amount	% of Total Annual Net Purchases	Relation with issuer	Name	Amount	% of Total Annual Net Purchases	Relation with issuer
1	UMC	1,963,543	50.96%	Major shareholder holding > 10% of shares	Supplier B	7,449,677	63.23%	None	UMC	475,193	33.37%	Major shareholder holding > 10% of shares
2	Supplier A	1,349,164	35.01%	Major shareholder holding > 10% of shares	UMC	2,432,056	20.64%	Major shareholder holding > 10% of shares	Supplier A	387,155	27.19%	Major shareholder holding > 10% of shares
3									Supplier C	339,958	23.87%	None
	Others	540,584	14.03%		Others	1,900,981	16.13%		Others	221,784	15.57%	
	Net Purchase	3,853,291	100.00%		Net Purchase	11,782,715	100.00%		Net Purchase	1,424,090	100.00%	

Note: The Company’s primary suppliers are wafer foundries, and the main raw material purchased is silicon wafers. The Company maintains excellent cooperative relationships with its subcontractors, and there have been no instances of supply shortages or interruptions.

Major Customers for the Most Recent Two Years

Unit: NT\$ thousands

Items	2024				2025				2026 (As of March 31)			
	Name	Amount	% of Total Annual Net Sales	Relation with issuer	Name	Amount	% of Total Annual Net Sales	Relation with issuer	Name	Amount	% of Total Annual Net Sales	Relation with issuer
1	Customer A	1,266,283	11.44%	None	Customer B	4,029,469	22.39%	None	UMC	188,038	7.26%	Major shareholder holding > 10% of shares
2	UMC	786,227	7.11%	Major shareholder holding > 10% of sharess	UMC	757,137	4.21%	Major shareholder holding > 10% of shares	Customer A	156,015	6.03%	None
	Others	9,012,342	81.45%		Others	13,206,202	73.40%		Others	2,244,449	86.71%	

Net Sales	11,064,852	100.00%	Net Sales	17,992,808	100.00%	Net Sales	2,588,502	100.00%
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Note: Changes in sales amounts and percentages are primarily due to fluctuations in customer product demand.

5.2.4 Production Volume and Value for the Most Recent Two Years

Unit: NT\$ thousands

Main Products	2025		2024	
	Value	Volume	Value	Value
ASIC Products (k units)	33,304	8,681,599	37,440	2,062,425
Wafer Products (pieces)	22,522	1,594,588	21,584	1,736,572
NRE (projects)	150	1,381,429	121	882,130
Total		11,657,617		4,681,127

5.2.5 Sales Volume and Value for the Most Recent Two Years

Unit: NT\$ thousands

Main Products	2025				2024			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
ASIC Products (k units)	25,243	4,552,549	186,016	7,434,702	20,247	333,533	172,855	4,869,151
Wafer Products (pieces)	8,607	860,820	14,040	1,339,010	2,503	177,127	17,071	1,875,163
NRE (projects)	23	494,241	117	1,793,668	24	330,557	89	1,919,755
IP & Royalties	50	831,873	84	685,944	65	920,213	58	639,354
Total		6,739,483		11,253,325		1,761,429		9,303,424
Sales Ratio (%)		37.46%		62.54%		15.92%		84.08%

5.3 Employee Data

Year		2024	2025	2026 (As of March 31)
Number of Employees (Note)	Engineer/Administrative	576	537	523
	Management	61	54	54
	Total	637	591	577
	Average age	40.1	41.6	41.8
	Average years of service	8.5	9.4	9.6

Year		2024	2025	2026 (As of March 31)
Educational Background Distribution	Ph. D.	1.57%	1.35%	1.39%
	Masters	69.23%	68.53%	68.46%
	Bachelor's Degree	28.89%	29.78%	29.81%
	Senior High School	0.31%	0.34%	0.35%
	Below Senior High School	0%	0%	0%

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

5.4 Environmental Protection Expenditure

Losses and penalties incurred due to environmental pollution during the most recent fiscal year and up to the date of publication of the annual report (including compensation and violations of environmental regulations identified during inspections, specifying the date of disposition, reference number, legal provisions violated, substance of the violation, and details of the disposition), along with the disclosure of estimated amounts for current and potential future liabilities and corresponding countermeasures. If a reasonable estimate cannot be made, the facts thereof shall be explained: None.

5.5 Labor Relations

5.5.1 Employee Benefit Measures, Continuing Education, Training, Retirement Systems and Their Implementation, as well as Labor-Management Agreements and Measures for Safeguarding Employee Rights and Interests

As a world-leading high-tech R&D company, human capital is not only an asset but the foundation of corporate sustainability. Faraday’s commitment to talent is reflected in our workplace environment and employment terms. We are committed to ensuring a safe and healthy work environment, where employees are treated with respect and dignity. We support work-life balance and provide competitive compensation and benefits, leading to our consistent inclusion as a constituent of the "Taiwan High Compensation 100 Index" by the Taiwan Stock Exchange. Beyond attracting and retaining talent with high-standard remuneration, we prioritize employees' physical and mental well-being and personal growth to foster long-term career development.

Furthermore, harmonious labor-management relations are vital to long-term stability. Faraday values employee feedback and rights, actively listening to suggestions and respecting the freedom of association. Employees can voice concerns and seek solutions through diverse channels, including town hall meetings with the President, labor-management committee meetings, the Employee Welfare Committee, the Education and Training Committee, the OHS Committee, employee suggestion platforms, internal social communities, grievance mechanisms, and engagement surveys.

In Taiwan, labor-management meetings are held regularly in accordance with the law; employee representatives communicate and coordinate on rights and interests through quarterly sessions. Outside of Taiwan, global offices in Vietnam and Mainland China also comply with local regulations to protect employees’ rights to associate freely and form unions. Faraday’s multifaceted communication mechanisms ensure that opinions are heard and addressed promptly by relevant departments, cultivating a transparent communication culture and an open work atmosphere. The Human Resources department conducts an annual Employee Engagement Survey in the fourth quarter to proactively listen to employee voices. The survey covers three dimensions — Corporate Management, Team Management, and Employee Experience — across eight categories to understand employees' sentiments throughout

their career journey. Based on this feedback, we develop enhancement plans to improve the employee experience and foster a people-centric, professional, and inclusive workplace.

In 2025, the survey covered all employees in Taiwan with a response rate of 53.1%. The results showed a job satisfaction score of 86.3, and the percentage of employees with a high Employee Net Promoter Score (eNPS) reached 92.4%, demonstrating a highly positive employee experience. For areas identified for improvement, Faraday has established continuous optimization measures to build an inclusive workplace and an all-around healthy work environment.

1. Talent Development and Training

Faraday spares no effort in nurturing talent, providing comprehensive support across both professional and personal dimensions. We have established long-term development roadmaps tailored to individual expertise, encompassing OJT, continuing education, and future career path planning. Key initiatives include:

- Onboarding & New Hire Orientation**
 We offer customized curricula based on job requirements and professional experience. Through general orientation, e-learning, OJT, and quality documentation reviews, combined with a mentorship system, we help new hires integrate into our corporate culture and internal workflows seamlessly. Senior colleagues are assigned as mentors to assist with environmental acclimation and task familiarity. Within the first three months, mentors and direct supervisors follow the "New Hire Mentoring Manual" to arrange training and face-to-face interviews with various management levels and HR to track learning progress and adaptation. We also conduct "Voice of Newcomers" surveys to understand their needs. Each new hire receives a tailored "Learning Manual" outlining competency-based technical training — covering company overviews, occupational safety, operational processes, and cross-functional expertise — to shorten the learning curve and ensure knowledge transfer.
- Leadership and Management Development**
 For colleagues in managerial positions, we provide a series of management competency programs, e-courses, and practical workshops. These initiatives guide new managers through corporate regulations and cultivate essential leadership skills, including professional interviewing, talent acquisition, retention, team leadership, effective communication, and conflict resolution. We further refine leadership excellence through senior executive coaching and book clubs.
- General & Regulatory Compliance Training**
 We conduct regular training sessions covering regulatory compliance, internal operating systems, project management protocols, administrative policies, and technical documentation standards.
- OHS Training**
 Through OHS education and training, Faraday builds a safety-first workplace culture. We aim to enhance safety management objectives, protect employee well-being, and mitigate industrial safety risks.
- Language Proficiency Programs**
 The company provides language learning channels and subsidies to encourage linguistic advancement. Our internal "Documentation Control Center" offers guidance on writing English technical papers, patents, and reports, systematically leveling up our global communication capabilities.
- Professional & Technical Training**
 Annual training plans cover diverse technical domains, including R&D engineering, TQM, IP management, Information Security, and ESG. Cross-departmental technical exchange meetings are held frequently to facilitate multi-disciplinary learning. Each department maintains a dedicated knowledge base and holds regular meetings for knowledge sharing and experiential exchange.
- External Continuing Education**
 We encourage employees to pursue advanced studies through various channels. Based on their expertise

- and job functions, employees may participate in domestic or international seminars and training programs, introducing new knowledge to elevate both personal expertise and the company's technological edge.
- **Future Career Development**
Committed to succession planning and talent cultivation, we design individualized CDP integrated with our performance management system. Supervisors align employee competencies and potential with the company's future strategic direction, utilizing multifaceted training mechanisms to maximize employee strengths and foster continuous lifelong learning.
2. **Comprehensive Benefits and Subsidies**
Faraday provides a wide array of benefit programs with detailed annual planning and budget allocation. These include domestic and overseas travel subsidies, birthday vouchers, maternity grants, wedding/funeral allowances, departmental activity funds, discounted tickets/vouchers, and an exclusive merchant app. We offer regular health check-ups that exceed regulatory standards and a robust group insurance system covering life, accident, medical, and cancer insurance for both employees and their dependents. The Employee Welfare Committee regularly organizes diverse activities to help employees relax, balance work and life, and alleviate workplace stress. Furthermore, we provide flexible working hours and leave policies superior to statutory requirements, such as paid flexible leave, advanced annual leave, CSR leave, paternity leave (up to 10 days including prenatal check-up accompaniment), and maternity leave (up to 70 days), as well as "Baby Care Leave."
 3. **Thoughtful Services and Facilities**
Recognized as one of the most aesthetic workplaces in the Science Park, Faraday offers a warm and comfortable environment to foster focus and job satisfaction. We believe healthy and happy employees drive high productivity. Beyond maintaining a safe and hygienic workplace, we adopt an employee-centric approach to create a "LOHAS" workplace. Our facilities include a multi-functional fitness center, an employee relaxation center, an art gallery, a music café, an ecological garden, and dedicated parking for cars, motorcycles, and pregnant employees (including ergonomic chairs for expectant mothers). We enrich the work-life balance through various clubs, monthly "Faraday Vitality Days" featuring specialty meals, annual lawn concerts, Manager Service Days, Family Days, health runs, and thematic seminars. We also host the "Early Win" Internship Program for employees' children, offering them a unique opportunity to explore the industry and the company.
 4. **Employee Care**
Faraday regards employees as our most vital partners. Beyond a healthy workplace, we emphasize humanistic care and an inclusive corporate culture.
 - **Employee Care Mechanism:**
We have established an online real-time reporting system. In the event of major life changes (e.g., hospitalization or bereavement of an employee or their dependents), managers and relevant departments provide immediate support, condolences, and companionship.
 - **Emergency Assistance Scheme:**
To strengthen our support, the company provides emergency relief funds for employees and their immediate family members in cases of serious illness, accidents, or death, ensuring they feel the company's support during difficult times.
 5. **Retirement System**
Faraday has established the "Labor Retirement Regulations" in accordance with the Labor Standards Act and the Labor Pension Act.
 - **Defined Contribution Plan (New System):** For employees opting for the new pension system, the company contributes 6% of their monthly insurable wage to individual pension accounts at the Bureau of Labor Insurance.

- **Defined Benefit Plan (Old System):** For employees under the old system or those with retained seniority, the company contributes 2% of the total monthly salary to a dedicated pension fund account at the Bank of Taiwan, overseen by the Labor Pension Reserve Supervisory Committee. Retirement benefits are calculated based on years of service and the average monthly salary at the time of retirement (two bases per year for the first 15 years, and one base per year thereafter, capped at 45 bases).
6. **Employee Stock Ownership Trust (ESOT)**
Initiated in 2022, Faraday's ESOT is managed by a dedicated committee. Participating employees contribute a fixed monthly amount to purchase company shares, and the company provides a 1:1 matching contribution as an incentive. This plan aligns employee interests with the company's financial performance, serving the dual purpose of talent retention and long-term wealth accumulation for retirement planning.

5.5.2 Losses incurred by the Company due to labor disputes during the most recent year and up to the date of publication of the annual report: None.

5.5.3 Estimated Amounts and Countermeasures for Potential Losses Due to Labor Disputes:

Faraday prioritizes employee benefits and provides a superior working environment. We emphasize two-way communication to maintain harmonious labor-management relations. Consequently, no major labor disputes occurred during the most recent two fiscal years and up to the date of publication of this annual report.

5.6 Information Security and Privacy Management

5.6.1 Information Security Policy

1. **Information Security Objective**
As a leading provider of ASIC design services and IP R&D, Faraday considers safeguarding information security a core commitment to our customers, employees, suppliers, shareholders, and government authorities. Faraday is dedicated to:
 - Protecting the interests of customers and partners while strictly adhering to regulatory compliance, business ethics, and mutual trust.
 - Safeguarding the Company's R&D and operational achievements to ensure market competitiveness and business continuity.
2. **Information Security Policy**
The President has formally established the "Information Security Policy," committing to the implementation of information security controls. This policy aims to protect the operational secrets of both Faraday and its partners, mitigate information security risks, reinforce IP protection, and uphold the Company's commitment to sustainable operations.



資訊安全政策 Information Security Policy

建立符合法規與客戶需求之資訊安全管理規範
Create information security management guideline in compliance with regulations and customer requirement.

保護合作雙方資訊的機密性、完整性與可用性
Protect stakeholders' information by confidentiality/integrity/availability.

透過全員認知，形塑資安文化，鞏固智財防護
Via all staff's recognition, shape information security culture, strengthen intellectual Property protection.

保障人員與環境之安全，以貫徹公司永續經營
Assure personnel and environment security to implement corporate sustainable management.



智原科技總經理
President of Faraday Technology

5.6.2 Information Security Committee

- Risk Management Committee:
The Company has established a Risk Management Committee that integrates our operational framework across departments. Each functional unit identifies potential risk scenarios and business impacts, then defines and executes risk control plans to continuously refine the effectiveness of our risk management measures.
- Information Security Committee:
Operating under the Risk Management Committee, the Information Security Committee is responsible for formulating information security policies and spearheading comprehensive security management. The goal is to build a team capable of preemptively identifying security risks, ensuring robust security operations, and maintaining rapid incident response capabilities.

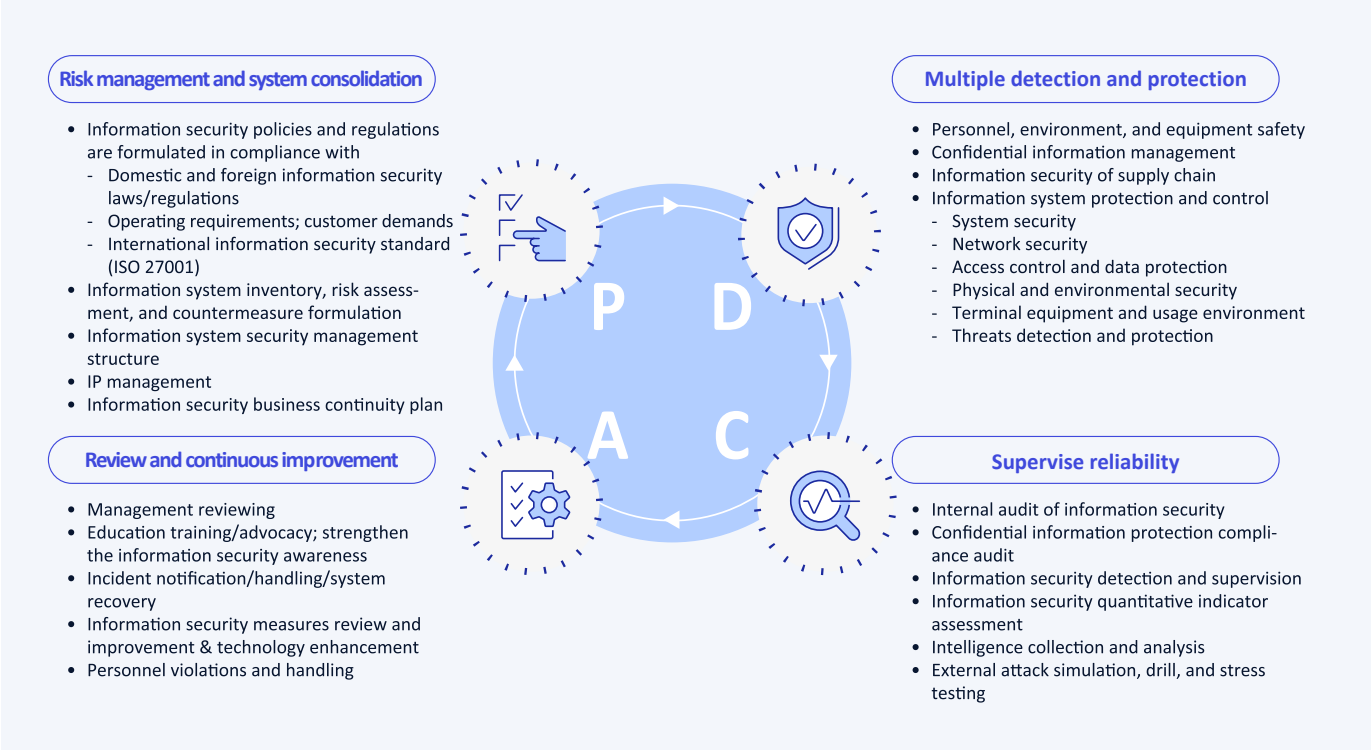


5.6.3 Constructing the Information Security Blueprint

1. Faraday implemented the ISMS in 2023 and successfully obtained the ISO/IEC 27001:2022 international certification in November of the same year. We are committed to maintaining the continuous validity of this certification.
 - Adoption of the Latest Standard: Faraday has adopted the latest 2022 version and complies with all updated security controls.
 - Standardized Management: Established a comprehensive set of information security management standards.
 - Core Principles: Ensures the Confidentiality, Integrity, and Availability of corporate information security operational processes.
 - Resilience & Sustainability: Enhances emergency response capabilities for information security and fosters business continuity.
 - Regulatory Compliance: Meets the requirements of the "Regulations Governing Establishment of Internal Control Systems by Public Companies."



- Stakeholder Confidence: Increases the confidence of shareholders, investors, and customers in Faraday's information environment.
 - Supply Chain Security: Elevates the security and reliability of supply chain operations.
 - Security Awareness: Strengthens employee information security awareness to mitigate the risk of human-related vulnerabilities.
2. Information security risk management and PDCA structure
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.

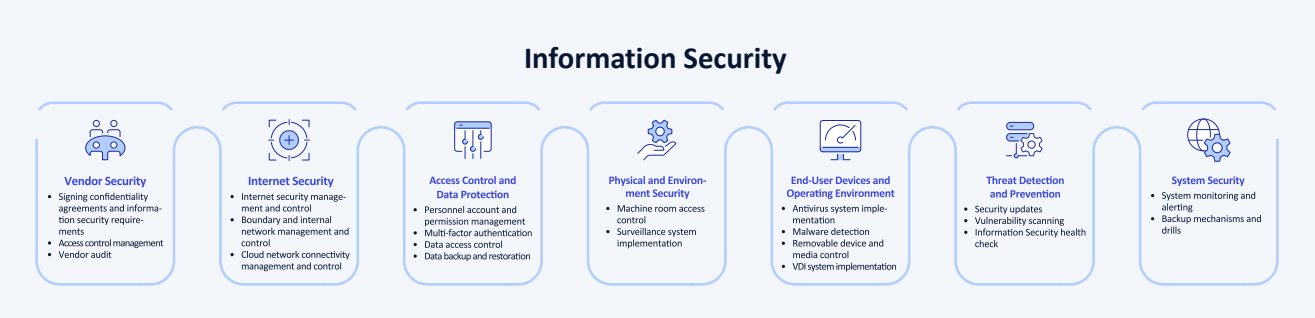
Information Security Control Aspects	Risk Description	Response Measures
Information Security Audits	After establishing complete procedures, regular reviews of their effectiveness are conducted to ensure proper implementation.	Regularly conduct internal and external information security audits.
Supply 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).	- 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.

Categories	Category Descriptions	Execution Item Descriptions
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.	- 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.	- 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.	- 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.	- 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.	- 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.	- 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 Information Security Awareness

1. Information Security Education and Training
- New Hire Orientation: Upon joining, all new employees sign a Professional Ethics and Service Agreement and undergo information security training to understand the Company’s policies and requirements. The completion rate for new hires globally is 100%.
 - Security Awareness Promotion: We conduct annual programs on security policies and case studies. In 2025, the total global participation reached 3,638 person-times. Furthermore, mandatory information security training is conducted for all staff, with 2,527 person-times completing the training globally in 2025.
2. Social Engineering Drills
- To enhance employee resilience against social engineering emails, Faraday conducted two global drills in 2025, involving 2,325 person-times. Employees who did not pass the drills were required to undergo additional awareness sessions and remedial training to reinforce their vigilance.

5.6.7 Internal and External Information Security Audits

1. Internal Audit
- Faraday conducts annual internal security audits led by the Management Policy and Audit Team. The audits cover six dimensions: Management, Network Environment, Access Control, Security Awareness, Backup/Recovery, and Physical Security. These audits verify the Confidentiality, Integrity, and Effectiveness of our data protection, ensuring continuous improvement of our security standards.
 - Following the audit, the team tracks Corrective Actions and reviews the overall effectiveness of the ISMS during Management Review Meetings.
2. External Audits
- Faraday undergoes annual ISO 27001 external audits conducted by SGS Taiwan. These audits verify compliance with ISO/IEC 27001 standards, ensuring the organization effectively implements the PDCA cycle to maintain international benchmarks.

5.6.8 Strengthening Supply Chain Security Standards

1. Periodic Evaluation of Supplier Information Security Measures
- To ensure supply chain integrity, Faraday implements Supply Chain Risk Management. Requirements and checks for information security are integrated into our supplier management and evaluation framework.
 - We assist in elevating the defense standards of our supply chain across six key dimensions: Management, Backup/Recovery, Network Environment, Physical Security, Access Control, and Security Awareness.



- New suppliers are evaluated according to the "Detailed Rules for New Outsource Provider Evaluation," where information security is a mandatory criteria for assessment and ranking.

- We have established the "Supplier Information Security Management Regulations," requiring compliance from all partners. For qualified suppliers, an annual audit plan is scheduled to verify and validate their information security status.
2. Access Control Measures for Suppliers in Restricted Areas
- To ensure suppliers understand and comply with Faraday's security protocols, they must sign a NDA before entering key restricted areas. Upon entry, they are required to review and sign security awareness documents and must be accompanied by authorized personnel throughout the visit.
 - If a supplier's portable device requires connection to Faraday’s internal network for operational needs, a prior application and approval process is mandatory. Access is granted only after network and security inspections and is promptly revoked upon completion of the task.

5.6.9 Results of Information Security Measures Implementation

In 2025, Faraday passed all internal and external security audits with no major non-conformities. There were no significant security incidents, including violations of security regulations, customer data breaches, or associated fines. Furthermore, the Company received no complaints regarding the loss or protection of customer data, and there were zero legal proceedings related to information security

Information security intelligence/ Incidents response	0 case	of on complaints about violation of customer privacy or loss of customer information
	100%	of reviewing rate of Mail Out Keyword
	98.1%	of blocking rate of Spam mail
	11 times	of reporting external information security incidents and the countermeasures
Training and advocacy	100%	of new recruits completing information security training
	2,527 people	of completing the information security training on Faraday eCourse
	4 times	of information security advocacy; 3,638 people of finishing the relevant reading
Personnel employment/ Environmental safety	2 times	of social engineering drills; in a total number of 2,325 people
	100%	of new recruits signing for non-disclosure agreement and IP Ownership Requisition Form
	100%	of activating the information security control for Resigning person
	12 times	of environmental inspection and improvement
	0 time	of unauthorized visitors breaking into the office area
Audit	0 time	of major equipment failure events inside industrial environment
	41 times	of information security record audit
	100%	of completion rate for regular internal information security audit
	100%	of completion rate for regular external information security audit
	21	suppliers of passing information security audit

Note: Statistics are based on a global basis.

5.6.10 Information Security Risks, Impacts, and Countermeasures

1. Information Security Risks

Faraday has established comprehensive cybersecurity defenses for its networks and computer systems. However, we cannot guarantee that the computer systems governing critical business functions — such as manufacturing operations and accounting — can entirely evade cyberattacks from third parties aimed at paralyzing our systems. Such attacks involve illegal intrusion into Faraday's internal network to disrupt operations or damage the Company's reputation. While Faraday continuously reviews and evaluates its information security regulations and procedures to ensure their adequacy and effectiveness, we cannot guarantee immunity against evolving risks and sophisticated attacks in a rapidly changing threat landscape. Cyberattacks may also attempt to steal the Company's IP, trade secrets, and other confidential data, such as proprietary information of customers and stakeholders or employees' Personally Identifiable Information.

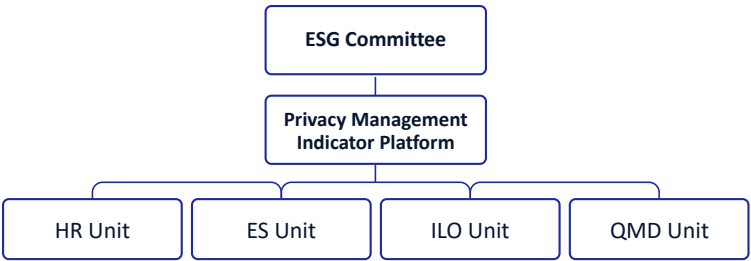
- Countermeasures
 - Regular Risk Assessment and Treatment Plans
 - Faraday has established a Risk Management Committee to integrate and execute risk control programs, continuously refining the effectiveness of risk management measures.
 - Based on defined information security objectives, Faraday develops risk scenarios for various threat types. We conduct periodic Risk Assessments and, based on the results, incorporate all scenarios exceeding acceptable risk thresholds into Risk Treatment Plans for mitigation and follow-up.
 - Definition of Security Incident Levels and Notification Procedures
 - In alignment with ISO 27001 standards, Faraday has defined specific incident severity levels and corresponding escalation protocols. This ensures that when a security incident occurs, the Company can rapidly execute notification procedures and take necessary response measures. These protocols are designed to minimize potential damages and prevent the recurrence of similar incidents through structured incident response and remediation.

2. Losses, potential impacts, and countermeasures arising from major cybersecurity incidents during the most recent fiscal year and up to the date of publication of the annual report. If a reasonable estimate cannot be made, the facts thereof shall be explained: Faraday has not incurred any losses due to major cybersecurity incidents during the 2025 and up to the date of publication of this annual report.

5.6.11 Privacy Management

1. Privacy Policy

Faraday places significant emphasis on privacy management. We strictly adhere to the "Personal Data Protection Act" and have established a comprehensive "Privacy Policy" to serve as our guiding principle. This policy ensures that all internal data is appropriately protected and extends its coverage to product/service users, customers, suppliers, contractor employees, job applicants, visitors, website users, and our own employees. In 2025, the percentage of data used for non-



intended purposes was 0%.

For further details, please refer to Faraday's Privacy Policy on our website:

URL:https://www.faraday-tech.com/main/comm/FaradayPrivacyPolicy_tw.jsp.

2. Privacy Governance and Responsibility

Faraday identifies privacy management as a key material sustainability issue and a core component of our risk identification process. We have established various control indicators (encompassing all data breaches or violations of data protection laws). These indicators are managed by respective departments, including Human Resources, IT, Legal, and Supplier Management.

The implementation status is reported quarterly to the ESG Committee. We utilize the ISO 27001 framework as the management system for conducting internal and external audits. In the event of a data breach, an immediate investigation will be launched. Faraday maintains a "Zero Tolerance" policy: employees who violate privacy regulations will face disciplinary action according to internal policies, and non-compliant suppliers may face termination of business relationships.

5.7 Material Contracts

Nature of Contract	Counterparty	Contract Term	Main Content	Restrictive Clauses
Technology License	Company A	2025/03/13~2030/03/12	License Agreement	Mutual confidentiality obligations
Technology License	Company B	2025/04/11~2030/04/10	License Agreement	Mutual confidentiality obligations
Technology License	Company C	2025/04/15~2030/04/14	License Agreement	Mutual confidentiality obligations
Technology License	Company D	2025/06/06~2030/06/05	License Agreement	Mutual confidentiality obligations
Technology License	Company E	2025/07/11~2030/07/10	License Agreement	Mutual confidentiality obligations
Technology License	Company F	2025/08/13~2030/08/12	License Agreement	Mutual confidentiality obligations
Technology License	Company G	2025/09/11~2030/09/10	License Agreement	Mutual confidentiality obligations
Technology License	Company H	2025/10/13~2030/10/12	License Agreement	Mutual confidentiality obligations
Technology License	Company I	2025/10/15~2030/10/14	License Agreement	Mutual confidentiality obligations
Technology License	Company J	2025/11/03~2030/11/02	License Agreement	Mutual confidentiality obligations
Technology License	Company K	2025/12/02~2030/12/01	License Agreement	Mutual confidentiality obligations
Technology License	Company L	2025/12/31~2030/12/30	License Agreement	Mutual confidentiality obligations
Technology License	Company M	2026/01/12~2031/01/11	License Agreement	Mutual confidentiality obligations
Technology License	Company N	2026/03/04~2031/03/03	License Agreement	Mutual confidentiality obligations

5.8 Implementation of IP Management Plan

- Faraday regularly reports its IP management plan and implementation status to the Board of Directors annually. On October 28, 2025, the Company reported its progress and management outcomes to the Board. By strengthening management systems and workflows in alignment with business objectives, Faraday enhances its R&D innovation competitiveness, effectively mitigates risks, and reinforces corporate governance.
- Faraday began implementing the TIPS in 2023. Most recently, the Company passed the TIPS Level A Certification in 2024, with the certificate valid from December 31, 2024, to December 31, 2026.
- For further information regarding the implementation of the IP Management Plan, please visit the Intellectual Property Management section on Faraday’s website: (URL: <https://www.faraday-tech.com/tw/content/CSR/IntellectualProperty>).



06 Reviews and Analysis of Financial Position and Financial Performance, and Assessment of Risk Matters

6.1 Financial Highlights

Units: NT\$ thousands

Account	December 31, 2025	December 31, 2024	Difference	
			Amount	%
Current Assets	11,200,551	11,024,143	176,408	1.60
Funds and Investments	4,368,095	3,610,143	757,952	21.00
Property, plant, and equipment	616,626	581,509	35,117	6.04
Right-of-use Assets	630,879	719,480	(88,601)	(12.31)
Intangible Assets	1,760,902	2,114,900	(353,998)	(16.74)
Other Assets	355,193	279,826	75,367	26.93
Total Assets	18,932,246	18,330,001	602,245	3.29
Current Liabilities	4,684,523	3,872,277	812,246	20.98
Non-current Liabilities	718,923	984,392	(265,469)	(26.97)
Total Liabilities	5,403,446	4,856,669	546,777	11.26
Capital	2,605,503	2,605,503	0	0.00
Additional Paid-in Capital	4,325,263	4,325,263	0	0.00
Retained Earnings	5,165,720	5,207,743	(42,023)	(0.81)
Other Equity	959,874	936,176	23,698	2.53
Treasury Stock	0	0	0	0.00
Non-controlling Interest	472,440	398,647	73,793	18.51
Total Equity	13,528,800	13,473,332	55,468	0.41

The primary reasons and impact analysis for significant changes in financial line items exceeding 20% are as follows:

- Increase in Financial Assets:
 - Attributable to the addition of new investment projects in financial assets based on strategic considerations.
 - Further driven by the recognition of valuation gains and losses (fair value adjustments).
- Increase in Other Assets:
 - Primarily due to an increase in prepayments for OIP and EDA tools.
 - This led to a corresponding increase in non-current assets (deferred charges) to be amortized over a period exceeding one year.
- Increase in Current Liabilities:
 - Mainly resulting from an increase in contract liabilities (advance payments received from customers).
- Decrease in Non-Current Liabilities:
 - Primarily due to the progressive payments of long-term payables related to EDA and OIP contract obligations with terms exceeding one year.

6.2 Financial Performance

1. Comparative Analysis of Financial Performance

Units: NT\$ thousands

Item	2025	2024	Difference	
			Amount	%
Net Sales Revenues	17,992,808	11,064,852	6,927,956	62.61
Cost of Revenue	(13,135,315)	(6,013,493)	(7,121,822)	118.43
Gross Profits	4,857,493	5,051,359	(193,866)	(3.84)
Operating Expenses	(4,305,109)	(3,980,682)	(324,427)	8.15
Operating Income	552,384	1,070,677	(518,293)	(48.4)
Non-operating Income and Expenses	449,249	272,377	176,872	64.93
Income before Tax	1,001,633	1,343,054	(341,421)	(25.42)
Income Tax Expense	(228,654)	(271,162)	42,508	(15.68)
Net Income	772,979	1,071,892	(298,913)	(27.89)
Other Comprehensive Income (Loss)	35,855	(112,951)	148,806	(131.74)
Total Comprehensive Income (Loss)	808,834	958,941	(150,107)	(15.65)

The primary reasons and impact analysis for significant fluctuations (exceeding 20%) in financial line items are as follows:

- Increase in Net Revenue and Cost of Revenue
 - Primarily due to the increased sales value of advanced packaging products, which concurrently drove the growth of overall net revenue and cost of revenue.
- (Decrease in Operating Income, Income Before Tax, and Net Income)
 - Mainly resulting from a decline in gross profit due to changes in the sales mix.
 - Additionally, R&D expenses increased as a result of process node migrations, leading to an overall reduction in operating income, income before tax, and net income for the period.
- Increase in Non-operating Income and Expenses
 - Primarily attributable to an increase in valuation gains on financial assets.
- Primarily attributable to an increase in valuation gains on financial assets.
 - Principally due to the unrealized valuation gains from financial assets measured at fair value through other comprehensive income (FVTOCI) during the current period.

2. Analysis of Changes in Gross Profit

Units: NT\$ thousands

	Increase (Decrease)	The Reason for Variance			
		Sales Price Variance	Cost Price Variance	Sales Mix Variance	Volume Variance
Gross Profit	(193,866)	5,640,902	(6,030,507)	(54,066)	249,804
Explanation	The increase in shipments of high-unit-price products during the current period led to an increase in both selling prices and unit costs. Consequently, this resulted in an unfavorable Cost Price Variance, while the Sales Price Variance and Volume Variance showed favorable impacts.				

6.3 Cash Flow Analysis

1. Analysis of Cash Flow Changes for the Most Recent Year

Units: NT\$ thousands

Item	2025	2024	Difference	
			Amount	%
Operating activities	929,555	2,900,613	(1,971,058)	(67.95)
Investing activities	(1,099,558)	(2,562,245)	1,462,687	(57.09)
Financing activities	(831,774)	2,177,680	(3,009,454)	(138.20)
Total	(1,001,777)	2,516,048	(3,517,825)	(139.82)

Analysis and Explanation

- The decrease in net cash inflows from operating activities was primarily due to increased inventory procurement.
 - The decrease in net cash outflows from investing activities was mainly attributable to the reduction in acquisition of financial assets.
 - The increase in net cash outflows from financing activities was primarily due to the cash capital increase completed in the previous year.
2. Improvement Plan for Liquidity Shortfall: Not applicable.
3. Cash Liquidity Analysis for the Coming Year

Units: NT\$ thousands

Beginning Cash Balance (a)	Estimated Net Cash Flow from Operating Activities (b)	Estimated Annual Cash Outflow (c)	Expected Cash Surplus (Deficit) (a+b-c)	Remedial Measures for Expected Cash Shortfall	
				Investment Plan	Financing Plan
7,265,576	1,040,717	755,031	7,551,262	Not applicable	Not applicable

6.4 Impact of Major Capital Expenditures on Financial Operations for the Most Recent Year: None.

6.5 Investment Policy for the Most Recent Year, Main Reasons for Profits or Losses, Improvement Plans, and Investment Plans for the Coming Year

1. Investment Policy for the Most Recent Year:
Faraday refrains from financial investments to avoid market risks. Our focus remains on strategic investments related to our core business. This approach minimizes risk while allowing for greater control and management efficiency over investees.
2. Main Reasons for Profits:
Primarily driven by stable revenue from sales of goods and provision of services.
3. Improvement Plans: Not applicable.
4. Investment Plans for the Coming Year:
Our focus remains on long-term growth, primarily investing in IC design companies that offer synergistic benefits.

6.6 Analysis and Assessment of Risk Factors for the Most Recent Year and Up to the Date of Publication of the Annual Report

1. Impacts of Changes in Interest Rates, Exchange Rates, and Inflation on the Company's Profits and Losses, and Future Countermeasures.
- Impacts on Profits and Losses:
 - Interest Rates: Faraday maintains abundant liquidity and does not require long-term financing. Changes in interest rates have a limited impact on the Company's short-term financing.
 - Exchange Rates: The Company employs natural hedging strategies and utilizes foreign exchange forwards and swaps to reduce net foreign currency asset positions, aiming to minimize risks arising from exchange rate fluctuations.
 - Inflation: Recent inflation has not had a material impact on the Company's profits and losses.
 - Future Countermeasures:
The Company will continue to monitor exchange rate volatility and gather relevant information on a regular basis. By staying informed on international exchange rate trends, Faraday can proactively respond to the effects of currency fluctuations.
2. Policies on High-Risk/High-Leverage Investments, Lending to Third Parties, Endorsements/Guarantees, and Derivative Transactions; Main Reasons for Profits or Losses; and Future Countermeasures.
Faraday has established the "Procedures for Lending Funds to Other Parties," "Procedures for Endorsements and Guarantees," and "Procedures for Acquisition or Disposal of Assets" as operational guidelines to safeguard the Company's best interests. We adopt natural hedging to reduce foreign exchange losses. The Company does not engage in high-risk or high-leverage investments, nor has it engaged in lending funds to third parties or providing endorsements/guarantees.
3. Future R&D Plans and Estimated R&D Expenses
- Key R&D Projects for the Most Recent Year

Project Name
Development of CubeX 3D DRAM PHY.
Development of 14nm MIPI C/D-PHY Tx, Rx.
Development of 14nm USB 3.2 Gen1x1 PHY.
Development of 14nm FPD-Link LVDS Tx, Rx.
Development of 14nm V-by-One Tx, Rx.
Development of 14nm 12-bit SAR ADC.
Development of 14nm DDR4/5 Combo PHY.
Development of 22nm DDR4/5 Combo PHY.
Development of 22nm 2.5Gb Ethernet PHY.
Development of 22nm 12-bit SAR ADC.

- Estimated Investment: Approximately NT\$2 billion is expected to be invested in the above R&D projects over the next two years.
4. The influence and solutions on Faraday's financial operations by domestic and foreign significant policy and

regulation changes.

Faraday's business operations are conducted in strict compliance with the laws and regulations of the competent authorities. During the most recent year and up to the date of publication of this annual report, there have been no major changes in domestic or international policies or laws that materially affected the Company's financial or business operations.

5. Impacts of Technological Changes (Including Information Security Risks) and Industry Variations on the Company's Financial Operations, and Countermeasures
 - Faraday has consistently spared no effort in the development of advanced process technologies. In 2025, the Company invested approximately NT\$3.21 billion in R&D. Beyond continuously increasing R&D investment, we maintain sound and flexible financial management to navigate the challenges posed by technological evolution.
 - Regarding information security risk management, Faraday continuously reviews and evaluates its security regulations and procedures to ensure their adequacy and effectiveness. We implement robust security control mechanisms and regularly commission external experts to perform security health checks to prevent external hacking and internal confidential information leakage. Furthermore, we strengthen employee security awareness through regular training and social engineering drills.
 - To safeguard R&D outcomes and reinforce competitiveness, Faraday is committed to technological innovation. By integrating incentive mechanisms with a strategic patent portfolio aligned with corporate goals, we foster a positive cycle of innovation and a corporate culture that provides a solid foundation for business continuity.
6. Impact of Changes in Corporate Image on Corporate Crisis Management and Countermeasures: None.
7. Expected Benefits, Potential Risks, and Countermeasures of Mergers and Acquisitions: None.
8. Expected Benefits, Potential Risks, and Countermeasures of Plant Expansion: None.
9. Risks and Countermeasures Associated with Concentration of Purchasing or Sales:

Faraday does not have a significant concentration of sales. Regarding suppliers, since our primary supplier is a major shareholder (holding over 10% of shares) and is a world-renowned wafer foundry, the associated purchasing risk is considered low.
10. Impact, Risks, and Countermeasures of Large-scale Share Transfers or Changes in Directors, Supervisors, or Major Shareholders with over 10% Stake: None.
11. Impact, Risks, and Countermeasures of Changes in Management Rights: None.
12. Litigation or Non-litigation Events: Disclosure of major litigation, non-litigation, or administrative proceedings involving the Company, its directors, President, de facto responsible persons, major shareholders with over 10% stake, or subsidiaries, which have been settled or are currently pending and could materially affect shareholders' equity or securities prices: None.
13. Other Material Risks and Countermeasures: None.

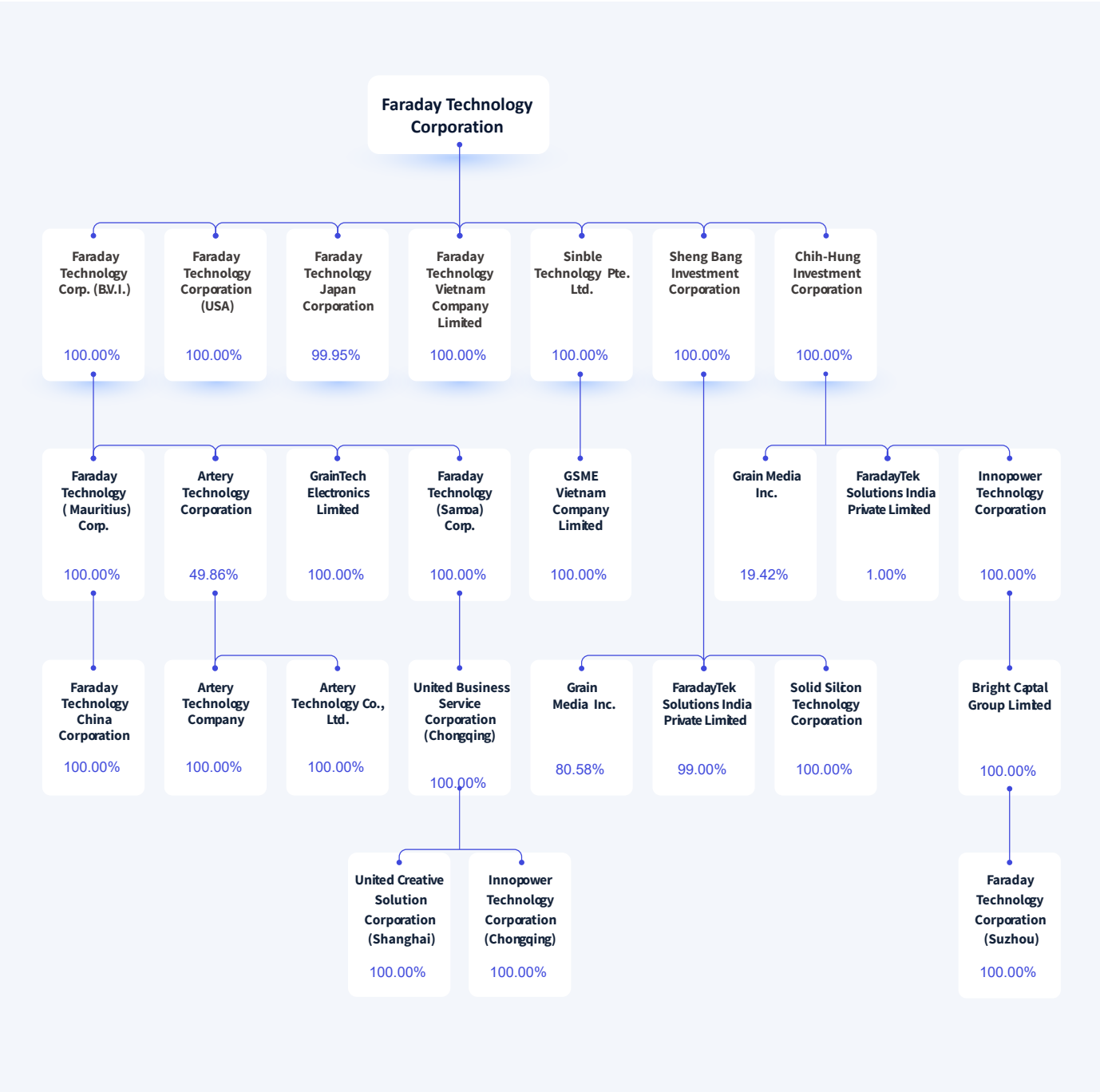
6.7 Other Material Matters: None.

7.1 Information on Affiliated Enterprises

7.1.1 Consolidated Operating Report of Affiliated Enterprises

Overview of Affiliated Enterprises

1. Organizational Chart of Affiliated Enterprises



2. Basic Information of Affiliated Enterprises

March 31, 2026

Name of Enterprise	Date of Incorporation	Address	Paid-in Capital	Main Business Activities or Products
Faraday Technology Corporation (USA)	1995.9.5	2860 Zanker Rd., Suite 101, San Jose, CA 95134	USD 11,974,770	Sales office in the Americas
Faraday Technology Japan Corporation	2000.9.1	Tokyo Central Place Bldg. 3F, 22-6 Kabuto-cho, Nihonbashi Chuo-ku, Tokyo, 103-0026, Japan	¥ 100,000,000	Sales office in Japan
Faraday Technology Corp. (B.V.I.)	2000.3.9	P.O. Box 3340, Road Town, Tortola, British Virgin Island	USD 27,488,585	General investment
Faraday Technology Vietnam Company Limited	2019.4.4	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 Services
Chi Hong Investment Corporation	2001.3.2	No.70, Shangyi St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 925,218,480	General investment
Sheng Bang Investment Corporation	2003.4.25	3F., No.1, Ln. 17, Minquan St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 2,236,505,050	General investment
Faraday Technology (Mauritius) Corp.	2002.2.8	2F, Felix House, 24 Dr Joseph Riviere Street, Port Louis, Mauritius	USD 12,859,205	General investment
GrainTech Electronics Limited	2010.7.16	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 design products
Bright Capital Group Limited (BCGL)	2004.2.18	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 design products
Innopower Technology Corporation	2008.8.18	5F., No.158, Sec. 1, Jiafeng 2nd St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 358,734,410	Silicon IP design services
FaradayTek Solutions India Private Limited	2019.3.29	5th Floor, Cessna Business Park, Embassy Signet Kadubeesanhalli, Marathalli Outer Ring Road, Bangalore Bangalore KA 560103 IN	INR 10,000,000	IC design services
Faraday Technology China Corporation	2001.3.27	Room 901, 9F, West Bldg, No. 1905 Hongmei Rd, Xuhui District, Shanghai	USD 6,000,000	Sales and after-sale service for IC design products
Faraday Technology Corporation (Suzhou)	2007.8.10	Room 1701, Ganghua Building, No. 699 Tongyuan Road, Suzhou Industrial Park, Suzhou.	USD 5,800,000	Sales and after-sale service for IC design products
Faraday Technology (Samoa) Corp.	2015.8.20	Offshore Chambers, P.O. Box 217, Apia, Samoa.	USD 4,715,067	General investment
United Business Service Corporation (Chongqing)	2015.10.26	Floor 20, Building 1, No. 60, Kecheng Road, Jiulongqpo District, Chongqing City	CNY 30,000,000	Sales and after-sale service for IC design products

Name of Enterprise	Date of Incorporation	Address	Paid-in Capital	Main Business Activities or Products
Artery Technology Corporation	2016.3.15	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	NTD 511,740,000	General investment
Artery Technology Co., Ltd.	2016.6.20	5F, Bldg 1, No. 69 Huoju Ave, Jiulongpo District, Chongqing	USD 11,960,000	R&D, sales and after-sales services of MCU
United Creative Solution Corporation(Shanghai)	2019.8.06	Room 902, West 9th Floor, No. 1905, Hongmei Road, Xuhui District, Shanghai,China	CNY 10,000,000	Sales and after-sale service for IC design products
Innopower Technology Corporation (Chongqing)	2019.7.16	No. 3, No. 27, Fengsheng Road, Jiulongpo District, Chongqing, China	CNY 1,000,000	Sales and after-sale service for IC design products
Artery Technology Company	2016.12.12	5F., No. 1, Jinshan 8th St., East Dist., Hsinchu City 300 , Taiwan (R.O.C.)	NTD 281,140,750	R&D, sales and after-sales services of MCU
Sinble Technology Pte. Ltd.	2022.11.16	9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	SGD 7,100,000	IC design services
GSME Vietnam Company Limited	2023.7.5	Room No. 801 and 802, Floor 8, Royal Tower A, Royal Centre Building, 235 Nguyen Van Cu, Cau Ong Lanh Ward, Ho Chi Minh City, Vietnam	USD 1,300,000	IC design services
Solid Silicon Technology Corporation	2003.4.4	2201 K Avenue Section B, Suite 200 Plano, TX 75074	USD 1,332,320	Silicon IP design services

3. Disclosure of entities presumed to have a relationship of control and subordination under Article 369-3 of the Company Act: None.
4. Businesses covered by the overall affiliated enterprises. For affiliated enterprises with inter-related business operations, the division of labor and mutual transactions shall be described:
The business scope of Faraday and its subsidiaries primarily focuses on IC design-related activities. A few affiliated enterprises engage in investment activities, established to strengthen vertical integration and strategic investments in alignment with the Company’s future operations.
5. Names, Shareholdings, or Capital Contributions of Directors, Supervisors, and Presidents of Affiliated Enterprises:

Name of Enterprise	Title	Representative	Shares Held	
			Shares /Capital Contribution	Shareholding Ratio
Faraday Technology Corporation (USA)	Director	Faraday Technology Corporation	118,580,000 (common)	100%
		Rep. :Kuo-Hua, Lee	2,000,000(preferred)	100%
			-	-
Faraday Technology Japan Corporation	Director	Faraday Technology Corporation	1,999 shares	99.95%
	Director	Rep.: Shih-Chin, Lin	-	-
	Supervisor	Kato Yuichi Wen-Ju, Tseng	- -	- -
Faraday Technology Corp. (B.V. I)	Director	Faraday Technology Corporation	27,488,585 shares	100%
		Rep.: Wen-Ju, Tseng	-	-

Name of Enterprise	Title	Representative	Shares Held	
			Shares /Capital Contribution	Shareholding Ratio
Faraday Technology Vietnam Company Limited	Director	Faraday Technology Corporation	Faraday invested USD16,900,000	100%
		Rep.: Cheng-Hsing Chien	-	-
Chi Hong Investment Corporation	Director	Faraday Technology Corporation	92,521,848 shares	100%
		Rep.: Kuo-Yung, Wang	-	-
Sheng Bang Investment Corporation	Director	Faraday Technology Corporation	223,650,505 shares	100%
		Rep.: Kuo-Yung, Wang	-	-
Faraday Technology (Mauritius) Corp.	Director	Faraday Technology Corp. (B.V.I.)	12,804,214 shares	100%
		Rep.: Wen-Ju, Tseng	-	-
GrainTech Electronics Limited	Director	Faraday Technology Corp. (B.V.I.)	100,000 shares	100%
		Rep.: Yi-Fan Ke	-	-
Bright Capital Group Limited (BCGL)	Director	Innopower Technology Corporation	2,301,482 shares	100%
		Rep.: Wen-Ju, Tseng	-	-
Grain Media Inc.	Director	Chih-Hung Investment Corporation	145,631 shares	19.42%
	Supervisor	Rep.: Yi-Fan Ke	-	-
		Sheng Bang Investment Corporation	604,369 shares	80.58%
		Rep.: Wen-Ju, Tseng	-	-
Innopower Technology Corporation	Director	Chih-Hung Investment Corporation	35,873,441 shares	100%
		Rep.: Shih-Chin, Lin	-	-
FaradayTek Solutions India Private Limited	Director	Sheng Bang Investment Corporation	990,000 shares	99%
	Director	Rep.: Shih-Chin, Lin	-	-
		Chih-Hung Investment Corporation	10,000 shares	1%
		Rep.: KRISHNAMURTHY JAYASHREE	-	-
Faraday Technology China Corporation	Director	Faraday Technology (Mauritius) Corp	Mauritius invested USD6,000,000	100%
	Supervisor	Rep.: Shih-Chin, Lin/ Jun-Shan, Ju / Chieh-Kai Liang	-	-
		Rep.: Wen-Ju, Tseng	-	-
Faraday Technology Corporation (Suzhou)	Director	Bright Capital Group Limited (BCGL)	BCGL invested USD5,800,000	100%
		Rep.: Chieh-Kai, Liang / Shih-Chin,Lin / Jhih-Cyun Chen	-	-
	Supervisor	Rep.: Wen-Ju, Tseng	-	-
Faraday Technology (Samoa) Corp.	Director	Faraday Technology (B.V.I.)	4,715,067 shares	100%
		Rep.: Wen-Ju, Tseng	-	-
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	-	-

Name of Enterprise	Title	Representative	Shares Held	
			Shares /Capital Contribution	Shareholding Ratio
Artery Technology Corporation	Director	Faraday Technology (B.V.I.)	31,149,000 shares	49.86%
		Rep.: Wen-Ju, Tseng	279,420 shares	0.45%
		Hong Ding Venture Capital Corporation	5,112,000 shares	8.18%
		Rep.: Shao-Chien Chang	0 shares	-
		Kuo-Yung, Wang	228,000 shares	0.36%
		Guo-Yung, Liang	0 shares	-
		Da-Song, Li	0 shares	-
Artery Technology Co., Ltd.	Director	Zong-Da, Li	0 shares	-
		Artery Technology Corporation	Artery-Cayman invested USD11,960,000	100%
	Supervisor	Rep.: Kuo-Yung, Wang/ Wen-Ju, Tseng/ Cheng-Chun, Huang/ Shao-Chien, Chang/ Chun-Gu,Chen	-	-
United Creative Solution Corporation (Shanghai)	Supervisor	Rep.: Ya-Ling, Chang	-	-
		Rep.: Jen-Shan, Ju	-	-
United Creative Solution Corporation (Shanghai)	Supervisor	Rep.: Wen-Ju, Tseng	-	-
		Rep.: Wen-Ju, Tseng	-	-
Innopower Technology Corporation (Chongqing)	Supervisor	Rep.: Shih-Chin, Lin	-	-
		Rep.: Wen-Ju, Tseng	-	-
Artery Technology Company	Director	Artery Technology Corporation	28,114,075 shares	100%
		Rep.: Kuo-Yung, Wang / Wen-Ju, Tseng/ Cheng-Chun, Huang/ Shao-Chien, Chang / Chun-Gu,Chen	-	-
Sinble Technology Pte. Ltd.	Director	Faraday Technology Corporation	7,100,000 shares	100%
		Rep.: Kuo-Yung, Wang / Shih-Chin Lin / Wen-Ju, Tseng / Siang-Rong, Hsu	-	-
GSME Vietnam Company Limited	Director	Sinble Technology Pte. Ltd.	Sinble invested USD1,300,000	100%
		Rep.: Cheng-Hsing Chien	-	-
Solid Silicon Technology Corporation	Director	Sheng Bang Investment Corporation	100 shares	100%
		Rep.: William Huang	-	-

6. Operating Highlights of Affiliated Enterprises

December 31, 2025								
Name of Enterprise	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income (Loss)	EPS (NT\$)
Faraday Technology Corporation(USA)	USD 11,974,770	USD 20,660,608	USD 7,914,748	USD 12,745,860	USD 34,266,975	USD 1,129,705	USD 1,088,706	-
Faraday Technology Japan Corporation	JPY 100,000,000	JPY 1,765,564,188	JPY 771,266,796	JPY 994,297,392	JPY 3,150,329,758	JPY 162,663,297	JPY 106,313,253	-
Faraday Technology Corp. (B.V.I.)	NTD 855,769,896	NTD 1,136,522,996	NTD 228,500	NTD 1,136,294,496	-	-	NTD 75,749,025	-
Chi Hong Investment Corporation	NTD 925,218,480	NTD 479,900,186	NTD 292,000	NTD 479,608,186	-	NTD (411,398)	NTD (106,611,578)	-
Sheng Bang Investment Corporation	NTD 2,106,505,050	NTD 2,280,346,095	NTD 140,373,194	NTD 2,139,972,901	-	NTD (325,355)	NTD 213,146,239	-
Faraday Technology (Mauritius) Corp.	NTD 406,711,929	NTD 232,580,636	-	NTD 232,580,636	-	-	NTD 8,738,509	-
GrainTech Electronics Limited	NTD 3,192,500	NTD 5,646,705	-	NTD 5,646,705	-	NTD (30,460)	NTD (152,732)	-
Bright Capital Group Limited	NTD 68,593,066	NTD 187,976,388	-	NTD 187,976,388	-	-	NTD (95,632,251)	-
Grain Media Inc.	NTD 7,500,000	NTD 6,102,020	NTD 252,797	NTD 5,849,223	-	NTD (457)	NTD 96,272	-
Innopower Technology Corporation	NTD 358,734,410	NTD 420,757,172	NTD 224,036,684	NTD 196,720,488	NTD 13,810,240	NTD 12,094,629	NTD (106,695,726)	-
Faraday Technology China Corporation	CNY 43,618,000	CNY 83,111,204	CNY 31,949,343	CNY 51,161,861	CNY 157,825,760	CNY 2,067,705	CNY 2,057,773	-
Faraday Technology Corporation (Suzhou)	CNY 39,863,870	CNY 71,427,271	CNY 29,620,890	CNY 41,806,381	CNY 29,389,578	CNY (23,404,229)	CNY (22,164,949)	-
Faraday Technology (Samoa) Corp.	NTD 155,220,000	NTD 302,583,723	-	NTD 302,583,723	-	-	NTD 5,718,419	-
United Business Service Corporation(Chongqing)	CNY 30,000,000	CNY 68,376,607	CNY 1,076,248	CNY 67,300,359	CNY 7,530,000	CNY 425,495	CNY 1,334,447	-
Artery Technology Corporation	NTD 511,740,000	NTD 1,081,034,274	NTD 20,720,288	NTD 1,060,313,986	-	NTD (19,771,300)	NTD 106,434,122	-
Artery Technology Co., Ltd.	CNY 81,311,212	CNY 267,073,603	CNY 44,349,473	CNY 222,724,130	CNY 366,473,619	CNY 53,282,948	CNY 54,821,356	-
Artery Technology Company	NTD 281,140,750	NTD 123,803,506	NTD 65,023,882	NTD 58,779,624	NTD 224,899,515	NTD (94,067,742)	NTD (92,918,261)	-
United Creative Solution Corporation (Shanghai)	CNY 10,000,000	CNY 169,972,953	CNY 129,868,093	CNY 40,104,860	CNY 242,037,934	CNY 2,156,502	CNY 695,139	-
Innopower Technology Corporation (Chongqing)	CNY 1,000,000	CNY 1,001,710	-	CNY 1,001,710	-	CNY (502)	CNY (49)	-

Name of Enterprise	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income (Loss)	EPS (NT\$)
Faraday Technology Vietnam Company Limited	VND 414,183,000,000	VND 521,698,889,014	VND 88,853,864,726	VND 432,845,024,288	VND 241,132,487,140	VND 19,087,360,795	VND 13,376,939,466	-
FaradayTek Solution India Private Limited	INR 10,000,000	INR 58,100,279	INR 11,645,144	INR 46,455,135	INR 68,338,353	INR 9,845,652	INR 7,648,236	-
Sinble Technology Pte. Ltd.	SGD 7,100,000	SGD 23,053,471	SGD 8,195,932	SGD 14,857,539	SGD 30,952,696	SGD 4,835,401	SGD 8,134,814	-
GSME Vietnam Company Limited	VND 30,628,000,000	VND 35,464,725,900	VND 11,646,128,268	VND 23,818,597,632	VND 26,222,597,500	VND 1,048,275,644	VND 1,128,326,103	-
Solid Silicon Technology Corporation	USD 1,332,320	USD 23,607,934	USD 3,178,025	USD 20,429,909	USD 5,461,559	USD (920,135)	USD (635,717)	-

7.2 Consolidated Financial Statements of Affiliated Enterprises

REPRESENTATION LETTER

The entities included in the Consolidated Financial Statements as of December 31, 2025 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 10, 2026



7.3 Affiliation Report

1. Relationship between the Subsidiary and the Controlling Company: Not Applicable
2. Business Transactions: Not Applicable
 - Purchase and Sales Transactions
 - Property Transactions
 - Financing Activities
 - Leasing of Assets
 - Other Material Business Transactions
3. Endorsement and Guarantee Status: Not Applicable
4. Derivative Commodity Transactions: Not Applicable

7.4 Private Placement of Securities during the Most Recent Year and up to the Date of Publication of the Annual Report: None.

7.5 Other Necessary Supplementary Explanations: None.

7.6 Matters during the Most Recent Year and up to the Date of Publication of the Annual Report which have a Substantial Impact on Shareholders' Equity or Securities Prices as Stipulated in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.