

Stock Code: 6423



Yield Microelectronics Corporation

Handbook for the 2024 Annual Meeting of Shareholders

TIME: 9:00 AM, May 21 (Tue.), 2024

**PLACE: No. 26, Taiyuan St., Zhubei City, Hsinchu County
(Multifunction Conference Room)**

Table of Contents

	<u>Page</u>
I. Meeting Procedure	1
II. Company Reports.....	2
III. Proposals.....	3
IV. Discussion	4
V. Questions and Motions.....	4
VI. Attachments	
(1) 2023 Business Reports	5
(2) Audit Committee’s Review Report on the 2023 Financial Statements	8
(3) 2023 Auditor's Review Report and Financial Statements.....	9
(4) 2023 Profit Distribution Table	17
(5) Comparison Table of “Rules of Procedure for Shareholder Meetings”	18
VII. Appendices	
(1) Rules of Procedure for Shareholder Meetings (before amendment)	19
(2) Articles of Incorporation.....	29
(3) Shareholding of Directors	34
VIII. Other Information	
Information on Proposals from Shareholders Holding at Least One Percent of the Issued Shares of the Company	35

I. Meeting Procedure

Meeting Method: Physical Meeting

Time: 9:00 AM, May 21 (Tue.), 2024

Place: No. 26, Taiyuan St., Zhubei City, Hsinchu County (Multifunction Conference Room)

1. Call the Meeting to Order
2. Chairperson Remarks
3. Company Reports
 - (1) 2023 Business Reports
 - (2) Audit Committee's Review Report on the 2023 Financial Statements
 - (3) 2023 Distribution of Compensation to Employees and Directors
 - (4) 2023 Distribution of Cash Dividends
4. Proposals
 - (1) Adoption of the 2023 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2023 Profits
5. Discussion

Amendment to the "Rules of Procedure for Shareholder Meetings"
6. Questions and Motions
7. Adjournment

II. Company Reports

Report No. 1

2023 Business Reports.

Explanation:

The 2023 Business Reports is attached as pp.5-7, Attachment 1.

Report No. 2

Audit Committee's Review Report on the 2023 Financial Statements.

Explanation:

The Audit Committee's Review Report on the 2023 Financial Statements is attached as p.8, Attachment 2.

Report No. 3

2023 Distribution of Compensation to Employees and Directors.

Explanation:

1. According to Article 20 of the Company's Articles of Incorporation, if the Company is profitable, up to 5% should be allocated for directors' compensation and between 5% to 15% for employees' compensation.
2. The Company allocated 10.5% for employees' compensation, amounting to NT\$4,672,103, and 3.5% for directors' compensation, amounting to NT\$1,557,368, both disbursed in cash.

Report No. 4

2023 Distribution of Cash Dividends.

Explanation:

According to Article 20-1 of the Company's Articles of Incorporation, the board of directors is authorized, with the attendance and approval of more than two-thirds of the directors and a majority of the attending directors, to distribute all or part of the entitled dividends and bonuses in cash, and to report this to the shareholders' meeting.

The total amount of cash dividends for the fiscal year 2023 and the distribution date are as follows:

Unit: NT\$

Year	Board of Directors Resolution Date	Cash Dividend Distribution Date	Cash Dividend Per Share	Total Amount of Cash Dividends
2023	February 27, 2024	April 23, 2024	1.00	26,810,000

III. Proposals

1

Proposed by the Board

Proposal:

Adoption of the 2023 Business Report and Financial Statements.

Explanation:

1. The financial statements of the Company for the year 2023 have been audited and certified by Deloitte & Touche, with accountants LIN, HSIN-TUNG and TSAI, MEI-CHEN issuing the audit report. The business report and financial statements were approved by the Board of Directors on February 27, 2024, and a written review report by the Audit Committee is on record.
2. The 2023 Business Reports is attached as pp.5-7, Attachment 1.
3. The 2023 Auditor's Review Report and Financial Statements is attached as pp.9-16, Attachment 3.
4. Please proceed to resolve.

Resolution:

2

Proposed by the Board

Proposal:

Adoption of the Proposal for Distribution of 2023 Profits.

Explanation:

1. The distribution of the profits for the year 2023 was approved by the Board of Directors on February 27, 2024. The Profit Distribution Table is attached as p.17, Attachment 4.
2. The net profit after tax for the Company in 2023 was NT\$32,016,629, with an opening undistributed profit of NT\$2,442,761, less re-measurement amounts recognized in retained earnings from defined benefit plans of NT\$3,353, less a legal reserve set aside at 10% amounting to NT\$3,201,328, leading to a distributable profit for the year of NT\$31,254,709. After the Board of Directors approved a distribution of cash dividends to shareholders of NT\$26,810,000, the ending undistributed profit was NT\$4,444,709.
3. Please proceed to resolve.

Resolution:

IV. Discussion

1

Proposed by the Board

Proposal:

Amendment to the “Rules of Procedure for Shareholder Meetings”

Explanation:

1. To comply with regulatory requirements and relevant laws, amendments are proposed to the “Rules of Procedure for Shareholder Meetings” of the Company.
2. The Comparison Table of “Rules of Procedure for Shareholder Meetings” is attached as p.18, Attachment 5.
3. Please proceed to discuss.

Resolution:

V. Questions and Motions

Adjournment

VI. Attachments

《Attachment 1》 2023 Business Reports

Yield Microelectronics Corporation 2023 Business Reports

Overview of the Company's Operations and Future Outlook for 2023:

A. Business Results for 2023

The Company's performance in 2023 compared to 2022 is as follows:

Unit: NT\$ in Thousand

Accounting Item	2023	2022	Change Percentage (%)
Net Operating Revenue	187,384	229,420	-18.32%
Technical Service Revenue	48,082	58,821	-18.26%
Royalty Income	139,302	170,599	-18.35%
Net Operating Profit (Loss)	35,057	78,846	-55.54%
Pre-Tax Net Profit (Loss)	38,267	81,371	-52.97%
Income Tax Expense	6,250	8,407	-25.66%
Net Profit (Loss) for the Period	32,017	72,964	-56.12%
Earnings Per Share After Tax	1.19	2.72	-56.25%

In 2023, the Company's operating revenue decreased by 18.32% compared to 2022; this was primarily due to declines in both royalty income and technical service revenue. The overall economic environment has not fully recovered this year, leading to the revenue decrease. The Company will continue to promote existing products and persist in developing new specifications to drive growth. Of the total revenue in 2023, technical service revenue and royalty income accounted for 25.66% and 74.34% of annual operating income, respectively. Overall, the decrease in revenue this year was mainly due to reduced wafer starts by customers affected by inventory destocking. For detailed revenue items, please refer to the table below:

Unit: NT\$ in Thousand

Item / Year	2023	% to Total Revenue	2022	% to Total Revenue
Technical Service Revenue	48,082	25.66%	58,821	25.64%
Royalty Income	139,302	74.34%	170,599	74.36%
Total	187,384	100.00%	229,420	100.00%

In terms of budget execution, the Company established internal budget targets for 2023 without publicly forecasting financials. Although profits fell short of the anticipated targets, the Company remains committed to enhancing revenue and profitability.

1. Research and Development:

The design of 5th generation cell MTP and FTP IPs have entered mass production. Due to significantly reduced IP sizes, not only has overall competitiveness been enhanced, but the product application range has also been expanded. Additionally, OTP IPs designed using the 5th generation cell have gradually moved to mass production. Many clients with small capacity requirements still prefer OTPs, and YMC's OTPs offer two major advantages over competitors: smaller size and user-friendly features, particularly with up to 10 programmable cycles.

Improving existing products to maintain competitiveness and expanding the product line are the two main focuses of recent R&D efforts. Currently, products using the 7th generation memory cell are being designed, with the advantage of the 7th generation being the continuous reduction in area size, minimizing peripheral circuits. The expansion of the product line includes development of Anti-fuse OTP, 100k write-cycle EEPROM, and 25ns/40ns eFlash, all of which are currently in the R&D verification stage.

2. IP Sales and Wafer Royalty:

In addition to IP sales and royalty collection, the Company also engages in memory component technology licensing, having negotiated or signed contracts with several IDM factories and major wafer foundries.

B. Operational Plan for 2024

1. Management Policy

Increase the number of R&D personnel, expand product lines, broaden application scopes, diversify IP offerings, and develop new technologies. Maintain long-term cooperative relationships with customers and wafer foundries to grow together. Assist both customers and foundries in improving yield and shipment quality to produce top-notch products.

2. Business Objectives

The Company already has a significant market share in the microprocessor and power management markets and will continue to expand in these areas. Additionally, it aims to penetrate the driver market and advanced process technology market, maintaining double-digit growth annually.

C. Future Company Development Strategy

1. Strengthen strategic collaborations with wafer foundries to establish a complete channel. Through joint efforts with strategic partners, continuously expand the Company's competitiveness.
2. Enhance R&D capabilities to improve write cycles, capacity specifications, and read/write speeds, reduce die size, and lower the voltage and current required for read/write operations. Maintain technological leadership to ensure the Company's long-term and stable development.
3. Expand the range of IP to offer new types of IP to existing customer bases.

D. Impact of External Competitive Environment, Regulatory Environment, and General Business Conditions

1. Enhancing the Company's reputation and strengthening capabilities will significantly aid in risk reduction and development through long-term collaborations with major international partners, such as IC design houses and wafer foundries.
2. Leverage the capital markets to improve the equity ratio, and enhance financial management and risk control capabilities.
3. Invest in R&D personnel for process and product development to boost profitability.
4. Improve service and brand image, expand into international markets, and increase the flexibility of sales division to manage the risks of compressed profits when there are changes in the general economic environment.

Looking forward to 2024, the Company will continue to strengthen the advantages of new products, improve internal efficiencies, and explore new markets. The Company will adhere to principles of stability and practicality in management to further enhance business operations and profitability, striving to provide the best possible returns for shareholders through effective operational management.

Chairman: HUANG, WEN-CHIEN
General Manager: HUANG, WEN-CHIEN
Accounting Supervisor: LAI, YING-CHUN

《Attachment 2》 Audit Committee’s Review Report on the 2023 Financial Statements

Audit Committee Review Report

The board of directors has submitted the Company's 2023 business report, annual financial statements, and profit distribution proposal. The financial statements have been audited and completed by certified public accountants from Deloitte & Touche, who have issued an audit report. The aforementioned business report, financial statements, and profit distribution table have been reviewed by the Audit Committee, and no discrepancies were found. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have prepared this report and kindly request your review.

Yours sincerely,

The Yield Microelectronics Corporation 2024 Shareholders' Annual Meeting

Yield Microelectronics Corporation
Convener of the Audit Committee: PAN, YEN-MIN

February 27, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders:

Yield Microelectronics Corporation

Opinion

We have audited the financial statements of Yield Microelectronics Corporation (the “Company”), which comprise the Balance Sheets as of December 31, 2023 and 2022, the Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, Statement of Change in Equity, Statement of Cash Flows, and Notes to Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the financial position of the Company as of December 2023 and 2022 and of the financial performance, changes in equity and cash flows of the Company from January 1 to December 31, 2023 and 2022.

Basis for Opinion

We were commissioned to conduct our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the ‘Accountant’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

The key audit matter is which that, in our professional judgment, is most significant to our review of the financial statements of the Company for 2023. Such matter has been considered in the process of examining the financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the financial statements of the Company for 2023:

Recognition of Revenue from Sales

The main sources of operating revenue for the Company are technical service income and royalty income, which amounted to NT\$48,082 thousand and NT\$139,302 thousand respectively for the fiscal year 2023. For related accounting policies and information on revenue recognition, please refer to Notes 4 and 15 of the financial statements. We have identified a risk of revenue recognition authenticity in specific customers with significant growth in technical service income for the Company this fiscal year. Therefore, this issue has been listed as a key audit matter for this fiscal year. The following audit procedures were performed in response to the aforementioned risk for those customers:

1. Understand the main internal control design of the Company's revenue process and perform related control tests.
2. Sample and examine documents pertaining to business income and receipt transactions to confirm the actual realization of sales and to detect any discrepancies between the entities involved in sales and those involved in receipts.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management's responsibility is to prepare the financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as maintain necessary internal control related to the preparation of the financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Company to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative, but to do so.

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken in the basis of these financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the internal control effectiveness of the Company.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements (including the relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have determined the key audit matter for the audit of the financial statements of the Company for the year ended December 31, 2023 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: LIN, HSIN-TUNG

CPA: TSAI, MEI-CHEN

FSC Approval Number:
Jin-Guan-Zheng-Shen-Zi
No. 1110348898

FSC Approval Number:
Jin-Guan-Zheng-Shen-Zi
No. 1010028123

February 27, 2024

Yield Microelectronics Corporation
Balance Sheets
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	Dec. 31, 2023		Dec. 31, 2022		Code	Liabilities and Equity	Dec. 31, 2023		Dec. 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 20)	\$ 294,821	81	\$ 334,922	81	2206	Remuneration payable to employees and directors (Note 16)	\$ 6,229	2	\$ 15,499	4
1170	Accounts receivable (Notes 4, 7 and 20)	16,486	5	24,304	6	2230	Current tax liabilities (Notes 4 and 17)	785	-	1,811	-
1200	Other receivables (Notes 4, 7 and 20)	4,395	1	58	-	2280	Lease liabilities - current (Notes 4, 9 and 20)	209	-	1,354	-
1470	Prepayments and other current assets (Note 11)	<u>2,373</u>	<u>1</u>	<u>1,245</u>	<u>-</u>	2300	Other current liabilities (Notes 12 and 20)	<u>37,313</u>	<u>10</u>	<u>39,266</u>	<u>10</u>
11XX	Total current assets	<u>318,075</u>	<u>88</u>	<u>360,529</u>	<u>87</u>	21XX	Total current liabilities	44,536	12	57,930	14
	Non-current assets						Non-current liabilities				
1600	Property, plant and equipment (Notes 4 and 8)	8,082	2	14,118	4	2670	Other non-current liabilities (Notes 12 and 20)	<u>4,790</u>	<u>2</u>	<u>7,989</u>	<u>2</u>
1755	Right-of-use assets (Notes 4 and 9)	207	-	1,671	-	2XXX	Total liabilities	<u>49,326</u>	<u>14</u>	<u>65,919</u>	<u>16</u>
1780	Other intangible assets (Notes 4 and 10)	30,248	8	31,980	8		Equity (Note 14)				
1920	Refundable deposits (Notes 4 and 20)	4,555	1	4,518	1	3110	Common stock	268,100	74	268,100	65
1975	Net defined benefit assets (Notes 4 and 13)	<u>1,413</u>	<u>1</u>	<u>1,368</u>	<u>-</u>	3310	Legal reserve	10,697	3	3,241	1
15XX	Total non-current assets	<u>44,505</u>	<u>12</u>	<u>53,655</u>	<u>13</u>	3350	Unappropriated earnings	<u>34,457</u>	<u>9</u>	<u>76,924</u>	<u>18</u>
						3XXX	Total equity	<u>313,254</u>	<u>86</u>	<u>348,265</u>	<u>84</u>
1XXX	Total assets	<u>\$ 362,580</u>	<u>100</u>	<u>\$ 414,184</u>	<u>100</u>		Total liabilities and equity	<u>\$ 362,580</u>	<u>100</u>	<u>\$ 414,184</u>	<u>100</u>

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

Chairman: HUANG, WEN-CHIEN

General Manager: HUANG, WEN-CHIEN

Accounting Supervisor: LAI, YING-CHUN

Yield Microelectronics Corporation
Statements of Comprehensive Income

For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 15)	\$ 187,384	100	\$ 229,420	100
5000	Operating cost (Note 16)	<u>1,568</u>	<u>1</u>	<u>1,720</u>	<u>1</u>
5900	Gross profit	<u>185,816</u>	<u>99</u>	<u>227,700</u>	<u>99</u>
	Operating expenses (Note 16)				
6100	Selling and marketing	12,056	7	11,538	5
6200	General and administrative	30,576	16	29,486	13
6300	Research and development	<u>108,127</u>	<u>58</u>	<u>107,830</u>	<u>47</u>
6000	Total operating expenses	<u>150,759</u>	<u>81</u>	<u>148,854</u>	<u>65</u>
6900	Income from operations	<u>35,057</u>	<u>18</u>	<u>78,846</u>	<u>34</u>
	Non-operating income and expenses (Notes 4 and 16)				
7100	Interest income	3,190	2	1,539	1
7010	Other income	1	-	10	-
7020	Other gains and losses	70	-	1,082	-
7050	Finance costs	(<u>51</u>)	-	(<u>106</u>)	-
7000	Total non-operating income and expenses	<u>3,210</u>	<u>2</u>	<u>2,525</u>	<u>1</u>
7900	Net income before tax	38,267	20	81,371	35
7950	Tax expense (Notes 4 and 17)	<u>6,250</u>	<u>3</u>	<u>8,407</u>	<u>4</u>
8200	Net income	32,017	17	72,964	31
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plan (Notes 4 and 13)	(<u>3</u>)	-	<u>1,597</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 32,014</u>	<u>17</u>	<u>\$ 74,561</u>	<u>32</u>
	Earnings per share (Note 18)				
9750	Basic earnings per share	<u>\$ 1.19</u>		<u>\$ 2.72</u>	
9850	Diluted earnings per share	<u>\$ 1.19</u>		<u>\$ 2.71</u>	

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

Chairman: HUANG, WEN-CHIEN
General Manager: HUANG, WEN-CHIEN
Accounting Supervisor: LAI, YING-CHUN

Yield Microelectronics Corporation
Statement of Changes in Equity
For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars, unless otherwise specified)

Code		Capital Stock - Common Stock		Retained earnings		Total equity
		Number of shares (thousand shares)	Amount	Legal reserve	Unappropriated earnings	
A1	Balance, Jan. 1, 2022	26,810	\$ 268,100	\$ -	\$ 32,414	\$ 300,514
	2021 distribution of earnings					
B1	Legal reserve	-	-	3,241	(3,241)	-
B5	The company's cash dividends for shareholders - NT\$1 per share	-	-	-	(26,810)	(26,810)
D1	Net income, 2022	-	-	-	72,964	72,964
D3	Other comprehensive income (loss), net of income tax, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,597</u>	<u>1,597</u>
D5	Total comprehensive income, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,561</u>	<u>74,561</u>
Z1	Balance, Dec. 31, 2022	26,810	268,100	3,241	76,924	348,265
	2022 distribution of earnings					
B1	Legal reserve	-	-	7,456	(7,456)	-
B5	The company's cash dividends for shareholders - NT\$2.5 per share	-	-	-	(67,025)	(67,025)
D1	Net income, 2023	-	-	-	32,017	32,017
D3	Other comprehensive income (loss), net of income tax, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
D5	Total comprehensive income, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,014</u>	<u>32,014</u>
Z1	Balance, Dec. 31, 2023	<u>26,810</u>	<u>\$ 268,100</u>	<u>\$ 10,697</u>	<u>\$ 34,457</u>	<u>\$ 313,254</u>

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

Chairman: HUANG, WEN-CHIEN

General Manager: HUANG, WEN-CHIEN

Accounting Supervisor: LAI, YING-CHUN

Yield Microelectronics Corporation

Statements of Cash Flows

For the Years Ended December 31, 2023, and December 31, 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flow from operating activities		
A10000	Income before tax	\$ 38,267	\$ 81,371
A20010	Adjustments for		
A20100	Depreciation expense	12,421	12,887
A20200	Amortization expense	16,953	14,731
A20900	Finance costs	51	106
A21200	Interest income	(3,190)	(1,539)
A24100	Net loss on foreign exchange	2,623	30
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	7,480	(4,562)
A31180	Other receivables	(4,337)	(58)
A31240	Prepayments and other current assets	(1,128)	1,598
A32230	Other current liabilities	(7,234)	10,396
A32240	Net defined benefit liabilities	(48)	(163)
A33000	Net cash generated from operations	61,858	114,797
A33100	Interest received	3,190	1,539
A33300	Interest paid	(51)	(106)
A33500	Income tax paid	(7,276)	(7,420)
AAAA	Net cash inflow from operating activities	<u>57,721</u>	<u>108,810</u>
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(1,912)	(2,516)
B03700	Increase in refundable deposits	(37)	(3,084)
B03800	Decrease in refundable deposits	-	5
B04500	Acquisition of intangible assets	(22,567)	(12,480)
BBBB	Net cash used in investing activities	<u>(24,516)</u>	<u>(18,075)</u>
	Cash flows from financing activities		
C04020	Repayment of the principal portion of lease liabilities	(5,530)	(5,330)
C04500	Cash dividends distributed	(67,025)	(26,810)
CCCC	Net cash used in financing activities	<u>(72,555)</u>	<u>(32,140)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(751)</u>	<u>(1,404)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(40,101)	57,191
E00100	Cash and cash equivalents, beginning of year	<u>334,922</u>	<u>277,731</u>
E00200	Cash and cash equivalents, end of year	<u>\$ 294,821</u>	<u>\$ 334,922</u>

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

Chairman: HUANG, WEN-CHIEN
General Manager: HUANG, WEN-CHIEN
Accounting Supervisor: LAI, YING-CHUN

Yield Microelectronics Corporation
Profit Distribution Table
Year 2023

Unit: NT\$

Item	Amount
Beginning Undistributed Profit	2,442,761
Re-measurement of Defined Benefit Plan Obligations	(3,353)
Net Profit for 2023	32,016,629
Legal Reserve Provision 10%	(3,201,328)
Subtotal Available for Distribution This Year	31,254,709
Shareholder Dividends - Cash NT\$1.00 per share (26,810,000 shares * NT\$1.00)	(26,810,000)
Ending Undistributed Profit	4,444,709

* Priority is given to the distribution of profits for the year 2023.

* This cash dividend distribution rounds to the nearest dollar (fractions of a dollar are discarded), and any residual amounts not equating to NT\$1 are proposed to be recorded under other income of the Company.

Chairman: HUANG, WEN-CHIEN

General Manager: HUANG, WEN-CHIEN

Accounting Supervisor: LAI, YING-CHUN

Yield Microelectronics Corporation

Comparison Table of “Rules of Procedure for Shareholder Meetings”

Article	After	Before	Description
Article 2	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. <u>When the Company conducts shareholder meetings via video conference, additional provisions beyond those stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies must be specified in the Articles of Incorporation and approved by the Board of Directors. The video conference for the shareholder meeting must be conducted with a resolution adopted by majority of the directors at a meeting attended by two-thirds of the directors.</u> (omitted)	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. (omitted)	Amended in accordance with legislative changes.
Article 5-1	To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: (omitted) 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. <u>Except as provided under Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company must provide shareholders with the necessary connectivity equipment and assistance. It should also specify the period during which shareholders can apply to the Company for this service and other relevant details they should be aware of.</u>	To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: (omitted) 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.	Amended in accordance with legislative changes.
Article 21	When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. <u>Except as provided under Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company must provide shareholders with the necessary connectivity equipment and assistance. It should also specify the period during which shareholders can apply to the Company for this service and other relevant details they should be aware of.</u>	When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.	Amended in accordance with legislative changes.
Article 22	These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner. (omitted) The 7th amendment was made on June 23, 2022. <u>The 8th amendment was made on May 21, 2024.</u>	These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner. (omitted) The 7th amendment was made on June 23, 2022.	Add amendment date.

VII. Appendices

Appendix (1)

Yield Microelectronics Corporation Rules of Procedure for Shareholder Meetings (before amendment)

Article 1

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 2

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-up capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a annual shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting, the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 4

The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a

virtual-only shareholders meeting.

Article 5

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 5-1

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - a. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - b. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - c. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and

the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

- d. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 6

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 7

The Company shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 8

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of

shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 5.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the meeting is adjourned, the shareholders are not allowed to select another chairperson to resume the meeting at the same place or another venue.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 10

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they

have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 11

Attending and Voting at a shareholders' meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 12

Unless otherwise provided in the relevant law, a shareholder shall be entitled to one vote for each share held.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence; (Once listed on the OTC market, it shall use electronic means and may choose to use written correspondence to exercise voting rights), when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one

received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Resolutions proposed by the chair that are unopposed are considered passed, and their effects are the same as those decided by vote.

At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company conducts shareholder meetings with video conference assistance, it registers shareholders, solicitors, or proxy agents who opt to attend via virtual meeting as stipulated in Article 5. Shareholders who wish to attend the meeting in person must cancel their registration in the same manner as they registered, two days before the meeting; cancellations made after this deadline will result in attendance via virtual meeting only.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 13

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 15

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 16

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place.

When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing. When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 18

In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 19

When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 20

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of The Company, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 21

When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 22

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

The 1st amendment was made on July 23, 2013.

The 2nd amendment was made on June 18, 2014.

The 3rd amendment was made on June 9, 2015.

The 4th amendment was made on May 30, 2018.

The 5th amendment was made on May 28, 2020.

The 6th amendment was made on August 25, 2021.

The 7th amendment was made on June 23, 2022.

Yield Microelectronics Corporation

Articles of Incorporation

Chapter I General

Article 1

The Company shall be incorporated under the Company Act and is named “Yield Microelectronics Corporation”.

Article 2

The scope of business of the Company shall be as follows:

1. CC01080 Electronic Parts and Components Manufacturing.
2. F119010 Wholesale of Electronic Materials.
3. Retail Sale of Electronic Materials.
4. I501010 Product Designing.
5. F401010 International Trade.
6. F601010 Intellectual Property Rights.
7. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1

The Company may provide guarantees to others, and all matters related to endorsements and guarantees shall be conducted in accordance with the "Operational Procedures for Endorsements/Guarantees". Matters not covered by these procedures shall be handled according to relevant legal regulations.

Article 3

The Corporation shall have its head office in Hsinchu County, and shall be free, upon approval of the Board of Directors, to set branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Company deems it necessary.

Article 3-1

The total amount of the Company’s reinvestment shall not be subject to the restriction of not more than forty percent of the Company’s paid-up capital as provided in Article 13 of the Company Act. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Article 4

The method of public announcement by the Company shall be in accordance with Article 28 of the Company Act.

Chapter II Shares

Article 5

The total authorized capital of the Company is set at NT\$400 million, divided into 40 million shares, each with a par value of NT\$10, to be issued in installments authorized by the Board of Directors. Additionally, NT\$45 million is reserved for issuing employee stock warrants, divided into 4.5 million shares, each with a par value of NT\$10, also to be issued in installments as authorized by the Board of Directors.

Article 6

(Deleted)

Article 7

The Company's stocks shall be registered and signed by three or more directors or sealed with a stamp and issued after being legally verified.

After the Company's stocks are publicly issued, they may be exempt from printing any share certificate provided they are registered with a centralized securities depository institution.

Article 8

The transfer of shares is suspended for one month before the regular meeting of shareholders, fifteen days before a special meeting of shareholders, or five days before the base date for dividend and bonus distribution or other benefits. After the public issuance of the Company's shares, changes to the shareholders' roster as described above are not permitted within sixty days before the regular meeting of shareholders or thirty days before a special meeting of shareholders.

Article 8-1

The issuance of stock warrants not subject to the restriction of Article 53 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" by the issuer must be approved by a majority of the shares represented and two-thirds of the voting rights of the shareholders present at the meeting. These can be declared in phases within one year from the date of the shareholders' meeting resolution.

Chapter III Shareholders' Meeting

Article 9

There are two types of shareholders' meetings: the regular meeting and the special meeting. The regular meeting shall be convened once a year by the Board of Directors within six months after the end of each fiscal year as required by law. Special meetings shall be convened by the Board of Directors as necessary according to law.

Article 9-1

The call for a regular meeting of shareholders must be announced to all shareholders 30 days in advance, and for a special meeting of shareholders, 15 days in advance, specifying the date, location, and purpose of the meeting. The notice for the meeting can be sent by electronic means with the consent of the recipient. Shareholders who hold less than 1,000 registered shares may be notified of the meeting via public announcement.

Article 10

Shareholders who are unable to attend the meeting in person may issue a power of attorney, which specifies the scope of authority, signed and sealed by them, to appoint a proxy to attend on their behalf. After the Company's stocks are publicly traded, the method for appointing proxies to attend shareholders' meetings, in addition to the provisions of Article 177 of the Company Act, shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.

Article 11

Unless otherwise provided by relevant laws, each share of the Company shall have one vote.

Article 12

Resolutions at shareholders' meetings, except as otherwise provided by the Company Act, shall require the presence of shareholders representing more than half of the total issued shares and the consent of more than half of the votes of the attending shareholders. If a proposal is unopposed after consultation by the chair, it is deemed passed, with the same effect as if it had been voted on.

According to the regulations of the competent authority, electronic voting shall be included as one of

the methods for exercising voting rights at shareholders' meetings. Shareholders who vote by electronic means are considered as attending in person, and all related matters shall be handled in accordance with legal regulations.

Article 12-1

After the Company's shares are publicly traded, any proposal to cancel public trading must be resolved at a shareholders' meeting, and no changes to this article shall be made during the period of listing (whether on the stock exchange or the OTC market).

Chapter IV Board of Directors and Audit Committee

Article 13

The Company shall have between seven to eleven directors, the exact number to be determined by the Board of Directors. Directors are elected through a nominative system with a term of three years and are to be elected by the regular meeting of shareholders from individuals with disposing capacity. Directors shall be eligible for re-election.

The election of the directors of the Company shall adopt the cumulative voting system where each share corresponds to the number of directors to be elected, allowing shareholders to concentrate their votes on a single candidate or distribute them among several candidates. Those who receive the highest number of votes will be elected as directors. Should there be a need to amend this method, it will be carried out in accordance with Article 172 of the Company Act and must be detailed and explained in the notice of the meeting.

The method of nominating candidates shall be conducted in accordance with Article 192-1 of the Company Act.

Article 13-1

After the Company's stocks are publicly traded, in accordance with Article 14-2 of the Securities and Exchange Act, at least two directors and no less than one-fifth of the total number of directors must be independent directors. These independent directors shall be elected from a list of independent director candidates at the regular meeting of shareholders. The professional qualifications, shareholding, restrictions on concurrent positions, methods of nomination and election, and other compliance matters regarding independent directors shall be governed by the regulations of the securities regulatory authority.

Article 13-2

The Company may purchase liability insurance for directors within the scope of their duties and responsibilities as mandated by law during their term.

Article 13-3

If vacancies in the board reach one-third of the total number of directors or if all independent directors have been dismissed, the Board of Directors must call a special meeting of shareholders within sixty days to hold a by-election. Except in the case of a full re-election of the board, the term of the directors elected to fill vacancies shall be limited to the remaining term of their predecessors.

Article 13-4

The Company shall establish an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist entirely of independent directors, and its duties and related matters shall be handled in accordance with relevant laws.

Article 14

The Board of Directors consists of elected directors. A Chairman shall be elected by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall represent the Company externally. Board meetings may be held via video conference; directors participating through video

conference are considered as attending in person.

When convening a Board meeting, the time, place, purpose of the meeting, and a list of attending members and nonvoting participants shall be specified and notified to all directors seven days prior to the meeting, except in cases of emergency where the meeting may be called at any time. Notifications of Board meetings may be made in writing, by email, or by fax.

Article 15

In case the Chairman of the Board of Directors is on leave or absent or can not exercise his power and authority for any cause, their responsibilities shall be handled in accordance with Article 208 of the Company Act.

Article 15-1

Directors shall attend Board meetings in person. If a director is unable to attend, they may delegate their authority to another director by proxy in accordance with Article 205 of the Company Act, with the stipulation that one director can only represent one other director by proxy.

Article 16

The compensation of all directors shall be determined by the regular meeting of shareholders and may be paid in accordance with the customary levels of the industry regardless of the Company's profit or loss.

Chapter V Managerial Officers

Article 17

The Company may appoint managerial officers whose appointment, dismissal, and compensation shall be in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 18

The fiscal year of the Company shall begin on January 1st and end on December 31st each year. At the end of each fiscal year, the Board of Directors must prepare the following documents to be submitted to the regular meeting of shareholders for approval according to the legal procedures:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal for Profit Distribution or Deficit Compensation

Article 19

(Deleted)

Article 20

If the Company is profitable in any fiscal year (profit refers to pre-tax income before the distribution of employee and director compensation), allocations shall be made as follows:

1. Up to 5% for directors' compensation.
2. Between 5% and 15% for employee compensation.

However, if the Company still has accumulated losses (including adjusted undistributed earnings), such losses must first be recovered.

The compensation for employees mentioned above can be distributed in the form of stocks or cash and may include employees of subsidiaries that meet the conditions set by the Board of Directors. The directors' compensation must be paid in cash.

These allocations must be resolved by the Board of Directors and reported to the regular meeting of shareholders.

Article 20-1

If the Company has net profit after taxes for the fiscal year, it must first offset previous losses (including adjusted undistributed earnings), then allocate 10% as a legal reserve; however, this restriction does not apply once the cumulative legal reserve reaches the total capital amount of the Company. Subsequently, special reserves must be allocated or reversed according to laws or regulations specified by the regulatory authority. The remaining profits, along with the beginning undistributed earnings (including adjusted undistributed earnings), will be proposed by the Board of Directors for distribution, and the distribution plan will be decided at the regular meeting of shareholders.

The Board of Directors is authorized, with the approval of a majority of the directors and more than two-thirds of the directors attending, to distribute all or part of the dividends and bonuses in cash, and to report this to the regular meeting of shareholders.

The Board of Directors is also authorized, under the same conditions, to distribute all or part of the legal reserve and capital reserve in cash, and to report this to the regular meeting of shareholders.

Article 20-2

The Board of Directors is authorized to decide on the distribution of available profits, from 0% to 100%, depending on the Company's current and future investment climate, capital needs, competitive conditions both domestically and internationally, and capital budgeting considerations. This decision aims to balance shareholder interests with dividend policies and the Company's long-term financial planning. The distribution plan must be drafted by the Board of Directors annually according to the law and submitted to the regular meeting of shareholders for decision. Each year, the ratio of cash dividends distributed must not be less than 10% of the total amount of cash and stock dividends distributed for that fiscal year.

Chapter VII Supplemental Provisions

Article 21

Matters not stipulated in these Articles shall be handled in accordance with the Company Act.

Article 22

These Articles were established on August 24, 2001.

The 1st amendment was made on November 23, 2001.

The 2nd amendment was made on June 26, 2002.

The 3rd amendment was made on June 28, 2004.

The 4th amendment was made on July 9, 2004.

The 5th amendment was made on December 3, 2004.

The 6th amendment was made on June 22, 2006.

The 7th amendment was made on June 22, 2007.

The 8th amendment was made on June 20, 2008.

The 9th amendment was made on June 23, 2010.

The 10th amendment was made on December 10, 2012.

The 11th amendment was made on July 23, 2013.

The 12th amendment was made on June 9, 2015.

The 13th amendment was made on June 14, 2016.

The 14th amendment was made on June 8, 2017.

The 15th amendment was made on May 30, 2018.

The 16th amendment was made on December 20, 2018.

The 17th amendment was made on June 23, 2022.

The 18th amendment was made on June 6, 2023.

Appendix (3)**Yield Microelectronics Corporation
Shareholding of Directors**

As of March 23, 2024 (book closure date)

Position	Name	Shareholding
Chairman	HUANG, WEN-CHIEN	1,020,425
Director	CHEN, HUNG-WEN	909,575
Director	CHEN, YUNG-HUA	1,182,685
Director	WEI, YA-AN	561,040
Director	CHENG, YUEH-SHU	670,000
Independent Director	PAN, YEN-MIN	0
Independent Director	WU, CHING-YI	0
Independent Director	LIN, YUEH-HSIA	0
Independent Director	LI, CHAN-NAN	5,000
Total number of shares held by all directors (excluding independent directors)		4,343,725

Note 1: As of March 23, 2024, the total number of issued shares of the Company is 26,810,000 shares.

Note 2: According to Article 26 of the Securities and Exchange Act and Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," the minimum number of shares that all directors must collectively hold is 3,217,200 shares.

VIII. Other Information

Information on proposals from shareholders holding at least one percent of the issued shares of the Company:

1. According to Article 172-1 of the Company Act, the period for accepting shareholder proposals for the 2024 regular meeting of shareholders is from March 15, 2024, to March 25, 2024.
2. During the aforementioned period, no proposals were made by shareholders holding at least one percent of the total issued shares of the Company.