

# **AP Memory Technology Corp.**

## **Minutes of 2021 1<sup>st</sup> Extraordinary Shareholders Meeting**

(This English version is a translation of the Chinese Version and is not an official document of the shareholders meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.)

Time: 9:00 AM (on Monday) December 6<sup>th</sup>, 2021

Place: 2F, No.3, Taiyuan 1st St., Zhubei City, Hsinchu County 302, Taiwan

Total outstanding shares: Issued 148,681,246 shares - Treasury stock 516,000 shares  
= 148,165,246 shares

Total shares represented by shareholders present in person or by proxy: 90,695,833 shares.

Percentage of shares held by shareholders present in person or by proxy: 61.21%.

Directors present: Hung, Chih-hsun; Hsieh, Ming-Lin; Yeh, Rui-Bin

Chairman: Hung, Chih-hsun, Board of Director

Recorder: Hong, Shu-Ling

1. Commencement of the Meeting: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

2. Chairman's Address: (Omitted)

3. Discussions

Item 1: The issuance of new common shares by cash capital increase for sponsoring Global Depositirty Receipts(GDR) issuance.

(Proposed by the Board of Directors)

Explanatory Notes:

A. For the purposes of increasing the Company's future working capital or meeting other capital needs of the Company, and diversifying fundraising channels, the Company plans to issue new common shares by cash capital increase for GDR issuance. It is proposed to the extraordinary shareholders meeting that the Board of Directors be authorized to identify optimal timing and adjust the number of new common shares to be issued, up to 18 million common shares, depending upon the prevailing financial market conditions within one year from the date of resolution by the extraordinary shareholders meeting in order to raise funds.

B. Pursuant to Article 267 of the Company Act, 10%~15% of the new shares which shall be reserved for employee subscription and it is proposed to the extraordinary shareholders

meeting that the shareholders waive their pre-emptive rights to subscribe the remaining 85%~90% of the new shares and such remaining shares shall be allocated for public offering in accordance with Article 28-1 of the Securities and Exchange Act and serve as the underlying securities of this issuance of GDR. The Chairman of the Board is authorized to arrange or engage specific persons to subscribe the shares left unsubscribed by the Company's employees at the issue price, or to include the unsubscribed shares as underlying securities through the issuance of GDR depending on market demand.

- C. The issue price of the new shares by cash capital increase for the sponsoring GDR issuance shall not be lower than 90% of the closing price of the Company's common shares listed on the Taiwan Stock Exchange on the pricing date, or the simple arithmetic mean of the closing prices of the Company's common shares listed on the Taiwan Stock Exchange for any of the periods of one, three or five days immediately preceding the pricing date, after factoring out ex-rights trading in connection with free distribution of stock dividends (or ex-rights trading in connection with distribution of shares due to capital reduction) and ex-dividend trading in connection with distribution of cash dividends; provided that, the aforesaid pricing formula may be adjusted in accordance with changes to relevant domestic laws and regulations. The pricing method of this cash capital increase is based on relevant laws and regulations and the basis of the pricing is reasonable. In view of the short-term dramatic volatility of domestic share prices from time to time, the Chairman is authorized to determine the issue price within the aforesaid scope in consultation with the underwriter(s), based on international practice, market conditions and aggregate book building status, so as to enhance the attractiveness to overseas investors. If the amount of the new shares to be issued in this cash capital increase for sponsoring GDR issuance is the maximum amount of shares that the Company can issue, i.e., 18 million shares, plus the share capital (148,681,246 shares) as of September 30, 2021, the dilution ratio of shareholding of the shareholders is about 12.11%; however, considering the competitiveness of the Company would be enhanced, the Company's overseas visibility would be increased and the corporate image would be promoted, it shall have positive benefits for the shareholder's rights and interests in the case of the Company's long term development. Additionally, the GDR's issue price is decided based on the fair market price of the Company's common stock. The existing shareholders may purchase common stock in Taiwan's stock market at a price close to the GDR's issue price without having to assume exchange and liquidity risks. This issuance of GDR should not have material impact on existing shareholders' rights and interests.
- D. Proceeds from the issuance of common shares by cash capital increase for sponsoring GDR issuance are expected to be used for the following one or multiple purpose(s) within about three years after completion of such issuance: reinvestment projects, research and development resources, procurment of materials and equipments, and working capital increase. The execution of this plan is expected to bolster the Company's competitiveness, enhance operating efficiency and have a positive effect on the shareholders' rights and interests.

- E. For this issuance of new common shares by cash capital increase for sponsoring GDR issuance, the Company plans to file the applications for approval to relevant regulatory authorities (including the Financial Supervisory Commission, Taiwan Stock Exchange and Central Bank of Republic of China (Taiwan)).
- F. The rights and obligations of the new common shares to be issued for the issuance of new common shares by cash capital increase for sponsoring GDR issuance are identical to those of the outstanding common shares of the Company.
- G. It is proposed to the extraordinary shareholders meeting that the Board of Directors be authorized to adjust, decide and handle, in view of market condition, all material matters in connection with the issuance of new common shares by cash capital increase for sponsoring GDR issuance, including issue price, number of shares to be issued, the amount to be raised, offering plan, items for the funds usage plan, schedule, fund utilization plan, expected benefits, and other relevant matters, including necessary amendments to be made per the instructions of the competent authority, based on operational assessment or in consideration of changes in objective environment, market conditions, or other circumstances surrounded.
- H. For the purpose of cash capital increase by issuing new common shares for sponsoring GDR issuance, it is proposed to the extraordinary meeting to authorize the Chairman or the person designated by the Chairman with full power and authority to approve, sign and execute on behalf of the Company any and all documents regarding the cash capital increase by issuing new common shares for sponsoring GDR issuance and conduct all matters in connection with such offering for the Company, including but not limited to selection of international and domestic underwriters, attorneys, depository institutions and custodian institutions.
- I. For matters not fully deliberated herein, it is proposed to the extraordinary shareholders meeting that the Board of Directors be authorized to handle the matters in accordance with the laws and regulations

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Shares present at the time of voting: : 90,540,789

Result	(%)
Votes in favor : 86,106,439 (electronic votes : 17,674,449)	95.10%
Votes in against : 56,666 (electronic votes : 56,666)	0.06%
Invalid Votes : 4,377,684 (electronic votes : 3,007,760)	4.84%

- 4. Extemporary Motions: None
- 5. Adjournment