

M3 Technology Inc.
2025 Annual Shareholders' Meeting Minutes

Time: A.M. 9:00 a.m. on Thursday, May 22, 2025

Place: 1F., No. 399, Ruiguang Rd., Neihu Dist., Taipei City (Liberty Square Convention Center)

Meeting Type: Physical Shareholders' Meeting

The Number of Shares of Attendance: Attending shareholders and proxy represented 24,492,540 shares (including 8,334,603 shares which attended through electronic voting) accounting for 57.23% of 42,790,133 shares, the Company's total outstanding shares.

Directors present: AP Memory Technology Corporation (Representative: Wen-Liang Chen); Chang-Yong Chen; David Da Meng; Zhi-Feng Jiang (Independent Director, Chairperson of Audit Committee); Hsieh-Ju Peng (Independent Director). A total of five directors attended the meeting in person.

Attendees: Jui-Pin Yeh (CEO); Ming-Yen Chien (CPA); and Wei-li Liu (Attorney)

Chairman: AP Memory Technology Corporation (Representative: Wen-Liang Chen), the Chairman of the Board of Directors

Recorder: Yu-Tien Chang

1. Call the meeting to order:

The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

2. Open Speech by the Chairman: (Omitted)

3. Report Matters

Proposal 1: To Report the Business of 2024.

Explanation: The Company's 2024 Business Report is attached herein (Please refer to the attachment in this Handbook).

Proposal 2: The 2024 Audit Committee's Review Report.

Explanation: Audit Committee's Review Report on 2024 Financial Statements is attached herein (Please refer to the attachment in this Handbook).

Proposal 3: To Report 2024 Employees and Directors Remuneration.

Explanation: 1. In accordance with Article 25 of the Articles of Incorporation, at least 6% of the company's surplus must be allocated as employees' compensation. Considering capital structure, shareholder interests, and the Articles of Incorporation, the company distributes remuneration of employees in the amount of NT\$11,117,333 from the 2024 earnings as

employee's compensation expense. The remuneration of employees in 2024 is distributed in cash. This amount represents 6% of net income before tax and before deducting employees and directors' compensation, in compliance with company regulations.

2. According to the same regulation, up to 2% of the company's surplus must be allocated as director's compensation. Considering capital structure, shareholder interests, and the Articles of Incorporation, the company distributes remuneration of directors in the amount of NT\$1,852,888 from the 2024 earnings as director's compensation expense. The remuneration of directors in 2024 is distributed in cash. This amount represents 1% of net income before tax and before deducting employees and directors' compensation, in compliance with company regulations.
3. There is no difference between the above allocation and the estimated remuneration expense for employees and directors in 2024.

Proposal 4: To Report 2024 Earnings Distribution.

- Explanation:**
1. The cash dividends total NT\$85,126,266 through a board resolution on February 26, 2025. Based on the total outstanding shares of 42,563,133 as of December 31, 2024, this equates to a cash dividend of NT\$2 per share will be distributed. The actual dividend per share will be calculated based on the total number of issued and outstanding shares on the ex-dividend date.
 2. Distribute cash according to the proportion of shares held by shareholders recorded on the shareholders list as of an ex-dividend date. Cash dividends distributed to each shareholder will be rounded down to the nearest dollar (if it is less than NT\$1, round it off). The total amount under NT\$1 due to the rounding off will be recognized as the Company's other income.
 3. Upon the approval of the annual shareholders' meeting, it is proposed that the chairman be authorized to resolve the ex-dividend date, ex-rights date and other relevant issues. Also, if there is a subsequent change in the number of outstanding shares of the Company due to the issuance of new shares, stock buyback, or the exercise of the employee stock option, the chairman is authorized to make proportional adjustments.

Proposal 5: To Report the 2024 Details and Amounts of the Remuneration Received by Individual Directors.

Explanation: The board of directors' compensation allocation for 2024 is attached herein (Please refer to the attachment in this Handbook).

4 、Acknowledged Matters

Proposal 1: To Acknowledge 2024 Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements. (Proposed by the Board of Directors)

- Explanation:** 1. The company's 2024 parent company only financial statements and consolidated financial statements have been resolved and audited by CPA Ming-Yen Chien, CPA Cheng-Chun Chiu from Deloitte Taiwan. The above-mentioned financial statements along with the 2024 business report were submitted to the audit committee for review. The review report shall be presented to request acknowledged at the shareholders' meeting.
2. Please refer to the attachments in this handbook for the 2024 business report, the 2024 parent company only financial statements, consolidated financial statements and the audit committee's review report.

Resolution: RESOLVED, that the above proposal be and hereby was acknowledged as proposed. Shares represented at the time of voting: 22,822,908.

Result		%
Votes in favor:	20,635,632 (with electronic votes: 6,621,127)	90.41%
Votes against:	891,757 (with electronic votes: 891,757)	3.90%
Invalid Votes:	0	0.00%
Abstained / Unvoted votes	1,295,519 (with electronic votes: 821,719)	5.67%

Proposal 2: To acknowledge the Company's 2024 earnings distribution proposal. (Proposed by the Board of Directors)

- Explanation:** 1. At the beginning of the 2024 fiscal year, the company's undistributed retained earnings in the previous year is NT\$383,116,654, plus the 2024 net income after tax of the Company is NT\$121,557,413, the provision of legal reserve by law is NT\$12,155,741, along with NT\$130,775 recovered from share-based compensation, so the total distributable earnings for the current period amount to NT\$492,649,101.
2. The cash dividends total NT\$85,126,266. Based on the total outstanding shares of 42,563,133 as of December 31, 2024, this equates to a cash dividend of NT\$2 per share will be distributed. The actual dividend per share will be calculated based on the total number of issued and outstanding shares on the ex-dividend date.
3. Distribute cash according to the proportion of shares held by shareholders recorded on the shareholders list as of ex-dividend date. Cash dividends distributed to each shareholder will be rounded down to the nearest dollar (if it is less than NT\$1, round it off). The total amount under NT\$1 due to the rounding off will be recognized as the Company's other income.
4. Upon the approval of the annual shareholders' meeting, it is proposed that the chairman be authorized to resolve the ex-dividend date, ex-rights date and other relevant issues. Also, if there is a subsequent change in the

number of outstanding shares of the Company due to the issuance of new shares, stock buyback, or the exercise of the employee stock option, the chairman is authorized to make proportional adjustments.

5.2024 Earnings Distribution Table is attached herein (Please refer to the attachment in this Handbook).

Resolution: RESOLVED, that the above proposal be and hereby was acknowledged as proposed. Shares represented at the time of voting: 22,822,908.

	Result	%
Votes in favor:	20,674,964 (with electronic votes: 6,660,459)	90.58%
Votes against:	891,725 (with electronic votes: 891,725)	3.90%
Invalid Votes:	0	0.00%
Abstained / Unvoted votes	1,256,219 (with electronic votes: 782,419)	5.50%

5 、 Discussion Matters

Amendment to the Company's" Articles of Incorporation" (Proposed by the Board of Directors)

Explanation: 1. Considering the Company's operational practices and complying with Article 14, Paragraph 6 of the Securities and Exchange Act, the companies require to specify a certain ratio of annual earnings to be allocated for salary adjustments or remuneration distribution to basic-level employees in their Articles of Incorporation. The Company proposes to amend certain provisions of its Articles of Incorporation.

2. Please refer to the attachment in this handbook for the comparison table of the amended provisions.

Resolution: RESOLVED, that the above proposal be and hereby was acknowledged as proposed. Shares represented at the time of voting: 22,822,908.

	Result	%
Votes in favor:	20,572,961 (with electronic votes: 6,558,456)	90.14%
Votes against:	936,742 (with electronic votes: 936,742)	4.10%
Invalid Votes:	0	0.00%
Abstained / Unvoted votes	1,313,205 (with electronic votes:839,405)	5.75%

6 、 Election Matters

Election of Director (Proposed by the Board of Directors)

Explanation: 1. According to Article 16 of the Company's Articles of Incorporation, the Board shall consist of seven to nine directors, each serving a three-year term.

2.To respond to the Company's operational needs, it is proposed to add one director to the annual shareholders' meeting.

3.The Company adopts a candidate nomination system for the election of directors, and shareholders shall elect directors from the list of

nominated candidates. The newly added director will assume office immediately after being elected at the shareholders' meeting, with a term identical to the current directors. The term will begin on May 22, 2025, and end on May 23, 2026.

4. The Company's Board of Directors nominated and approved the list of director candidates on February 26, 2025. For details regarding the list of the director candidate and the director's election procedures, please refer to the attachment and Pages 53 to 54 of the Meeting Handbook.

Election results:

Title	Name	Elected Votes
Director	Jui-Pin Yeh	20,978,022

7 、 Other Motions

**To Release the Restriction on Directors from Participation in Competitive Business.
(Proposed by the Board of Directors)**

- Explanation:** 1. In accordance with Article 209 of the Company Act, the director must explain the significance of their actions that fall within the scope of the company's business at the shareholders' meeting and obtain approval for the actions whether for themselves or for others.
2. In view of the operational needs of the Company and those directors might act in their own interests on matters within the Company's business scope, it is proposed to release the non-competition restrictions on directors. The details of releasing the restriction on the director from participation in competitive business are attached herein (Please refer to the attachment in this handbook).

Resolution: RESOLVED, that the above proposal be and hereby was acknowledged as proposed. Shares represented at the time of voting: 22,822,908.

Result		%
Votes in favor:	20,384,925 (with electronic votes: 6,370,420)	89.31%
Votes against:	952,041 (with electronic votes: 952,041)	4.17%
Invalid Votes:	0	0.00%
Abstained / Unvoted votes	1,485,942 (with electronic votes: 1,012,142)	6.51%

8 、 Exemplary Motion: None.

9 、 Adjournment: The meeting was concluded at 9:22 a.m. on the same day, and the Chairman declared the meeting adjourned.

No questions were raised by shareholders during the meeting.

(This English translation is provided for reference only and might not precisely reflect the original language's true meaning and full text.)

Attachment 1 、 2024 Annual Business Report

M3 Technology Inc.

2024 Annual Business Report

Since the beginning of 2024, with the escalating geopolitical conflicts, the rise of protectionism, the technology decoupling, and the restructuring of the supply chain, the industry where M3 Technology operates has experienced a deep reformation. In 2024, M3 Technology benefited from the gradual improvement of the end-market demands, the orders from downstream customers increased, and thus the inventory of manufacturers has recovered to a healthy level. However, the limited improvement of the end-market and the fierce price competition in the industry have presented a huge challenge to the Company's business growth.

The consolidated operating revenue in 2024 was NTD 907,178 thousand, a decrease of NTD 115,386 thousand or 11.3% compared to NTD 1,022,564 thousand in the previous year. The net operating profit was NTD 139,781 thousand, a decrease of NTD 123,622 thousand or 46.9% from NTD 263,403 thousand in the previous year. The total operating expense was NTD 287,284 thousand, an increase of NTD 79,497 thousand or 38.3% from NTD 207,787 thousand in the previous year. The net profit after tax was NTD 121,558 thousand, with the net margin was 13.4%, and the earnings per share was NTD 2.94. Based on the long-term development strategy, the Company maintains the spirit of stable growth, actively invests in the research and development of new products and new markets, to respond to the changes in the industrial structure, demands at the markets and customers, and thus promotes the Company's subsequent growth.

In 2024, the proportion of the Company's revenue from information and communication products and consumer electronics products is approximately 79.2% and 20.8%, respectively. The main markets are the US, Taiwan, China, and Korea, and the Company has been gradually expanding markets to other regions in Europe and Asia. In 2024, the new WiFi-7 products have been massively produced at customers' ends. Based on the long-term development goal, the Company is devoted to developing new PMIC control technology and upgrade the advanced BCD process technology, to support the future new needs of customers with continuous new product launches. With the rapid development of AI technology, AI applications will further penetrate from large-scale data centers (e.g. data cloud, and data center...) to small edge computing (e.g. edge computing, AI PC and AI smartphone). For new application fields of AI

edge computing, M3 Technology will continuously launch PMIC high-performance products with low power consumption. While the market effect may emerge gradually at different points of time, but the Company is highly convinced for the secular growth of this emerging fields.

Looking ahead to 2025, the booming development of emerging technologies such as AI will drive the upgrade of data centers and network equipment specifications, and thus the increased demand. The AI functions are also gradually introduced to terminal devices, promoting the product specifications upgrade, and the demand is gradually improved, helpful to boost sales momentum. However, subject to the weak demand in the industrial and automotive fields, the market competition continues to intensify, causing the Company to face greater pressure on price competition. Meanwhile, the geopolitics, US-China technology war, and Trump 2.0 policy will bring more uncertainties, and result in greater challenge to the Company's operation in the future. M3 Technology will insist the spirit of sustainable operation and steady growth, to actively expand the new fields with continuous technology innovation and R&D investment while exploiting the existing market advantages, to maintain its competition edges in the industry.

As the emerging applications such as Wi-Fi 7, AIoT and AI PC are developing rapidly, M3 Technology is at a critical point of product transformation and upgrade. It is expected that M3 Technology will embrace new growth momentums for the next few years, and further enhance the competitive position in the global PMIC market. M3 Technology will continuously uphold the philosophy of integrity and sustainable operation, maintain the innovative spirit since long time ago, and continue to pursue high-standard products, and reduce energy consumption, to create value for shareholders.

Chairman of the Board: AP Memory Technology Corporation
Representative: Wen-Liang Chen

CEO: Jui-Pin Yeh

President: David Da Meng

Finance Manager: Ellie Jheng

Attachment 2 、 2024 the Details and Amount of the Remuneration Received by Individual Director (In Thousands of New Taiwan Dollars ； %)

Title	Name	Remuneration to the Directors								Total amount of A+B+C+D and as a Percentage of Net Income (%)				Remuneration to Directors who are also employees								Total amount of A+B+C+D+E+F+G and as a Percentage of Net Income (%)				Receives remuneration from non-subsidiary investments
		Remuneration (A)		Pension and severance pay (B)		Remuneration of directors (C)		Expenses for execution of business (D)						Salary, bonus and special disbursement (E)		Pension and severance pay (F)		Remuneration of employees (G)								
		The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements	The Company	All companies listed in the financial statements			
																								Amount	%	
Chairman	AP Memory Technology Corp.	-	-	-	-	618	618	-	-	618	0.51	618	0.51	-	-	-	-	-	-	-	-	618	0.51	618	0.51	-
	Wen-Liang Chen	-	-	-	-	-	-	21	21	21	0.02	21	0.02	-	-	-	-	-	-	-	-	21	0.02	21	0.02	-
Director	ITE Tech. Inc.	-	-	-	-	309	309	24	24	333	0.27	333	0.27	-	-	-	-	-	-	-	-	333	0.27	333	0.27	-
	Hsiu-Che Lin	-	-	-	-	309	309	21	21	330	0.27	330	0.27	12,467	12,467	108	108	870	-	870	-	13,775	11.3	13,775	11.3	-
Director	Chang-Yong Chen	-	-	-	-	309	309	-	-	309	0.25	309	0.25	-	-	-	-	-	-	-	-	309	0.25	309	0.25	-
Director	David Da Meng	-	-	-	-	-	-	21	21	21	0.02	21	0.02	-	-	-	-	-	-	-	-	21	0.02	21	0.02	-
Director	Wei-Tse Hung	-	-	-	-	309	309	3	3	312	0.26	312	0.26	-	-	-	-	-	-	-	-	312	0.26	312	0.26	-
Independent Director	Zhi-Feng Jiang	816	816	-	-	-	-	24	24	840	0.69	840	0.69	-	-	-	-	-	-	-	-	840	0.69	840	0.69	-
Independent Director	Zu-Ming Bi	816	816	-	-	-	-	27	27	843	0.69	843	0.69	-	-	-	-	-	-	-	-	843	0.69	843	0.69	-
Independent Director	Hsieh-Ju Peng	816	816	-	-	-	-	27	27	843	0.69	843	0.69	-	-	-	-	-	-	-	-	843	0.69	843	0.69	-
1. Independent Director Remuneration Policy and Structure : Independent directors receive fixed compensation regardless of company performance, as approved by the Board and in accordance with the Company's remuneration policy. They are also entitled to a transportation allowance of NT\$3,000 per meeting for attending board or shareholders' meetings. Independent directors do not participate in the annual profit-based remuneration and their compensation is not linked to performance. 2. Additional Compensation Disclosure : In the most recent fiscal year, no directors received remuneration for services (e.g., as consultants) to the Company or its consolidated entities beyond what is disclosed above. 3. Board Remuneration for FY2024 : The director's remuneration for 2024 was approved by the Board on February 26, 2025, and will be paid in cash.																										

Attachment 3 、 2024 Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
M3 Technology Inc.

Opinion

We have audited the accompanying parent company only financial statements of M3 Technology Inc. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company's financial statements for the year ended December 31, 2024 is stated as follows:

Recognition of revenue from the specific customer

The revenue from specific customer amounted to NT\$356,662 thousand in 2024; such amount which accounted for 39% of sales revenue is a significant amount of the Company's financial statements. Therefore, recognition of revenue from the specific customer was deemed to be a key audit matter.

For the accounting policy on recognition of revenue from the specific customer, refer to Note 4 (1).

The audit procedures for the abovementioned key audit matter were as follows:

1. We understood the design and tested the effectiveness of the internal controls with respect to recognition of revenue from specific customer.
2. We sent out confirmation request to specific customer; we requested confirmation of the total amount of revenue for the year.
3. We selected samples of sales to specific customer and validated the details against the supporting documents, including sales orders, delivery documents and cash received from customer to verify the occurrence of sales transactions.
4. We validated selected samples of sales returns and collection of trade receivables after the year-end against the data as of December 31, 2024.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a 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.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Yen Chien and Cheng-Chun Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

M3 TECHNOLOGY INC.

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 306,001	18	\$ 213,049	14
Financial assets at amortized cost - current (Notes 4, 7 and 26)	848,037	49	827,091	52
Notes receivable (Notes 4, 8 and 17)	6,391	-	995	-
Trade receivables (Notes 4, 8, 17 and 25)	158,082	9	163,670	10
Other receivables (Notes 4 and 25)	20,777	1	612	-
Inventories (Notes 4, 5 and 9)	139,749	8	180,988	12
Prepayments	1,686	-	2,819	-
Other current assets (Note 19)	<u>64,522</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total current assets	<u>1,545,245</u>	<u>89</u>	<u>1,389,224</u>	<u>88</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 10)	11,730	1	14,813	1
Property, plant and equipment (Notes 4 and 11)	159,323	9	155,104	10
Right-of-use assets (Notes 4 and 12)	1,934	-	4,514	-
Intangible assets (Notes 4 and 13)	9,127	-	9,177	-
Deferred tax assets (Notes 4 and 19)	12,763	1	11,839	1
Prepayments for equipment	1,764	-	619	-
Refundable deposits	<u>952</u>	<u>-</u>	<u>280</u>	<u>-</u>
Total non-current assets	<u>197,593</u>	<u>11</u>	<u>196,346</u>	<u>12</u>
TOTAL	<u>\$ 1,742,838</u>	<u>100</u>	<u>\$ 1,585,570</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4 and 17)	\$ 7	-	\$ 652	-
Notes payable	3	-	5	-
Accounts payable	46,562	3	55,851	4
Other payables (Notes 14 and 25)	97,634	6	109,573	7
Current tax liabilities (Notes 4 and 19)	10,796	1	19,994	1
Provisions - current (Note 4)	9,649	-	10,996	1
Lease liabilities - current (Notes 4 and 12)	2,009	-	2,623	-
Other current liabilities	<u>1,060</u>	<u>-</u>	<u>754</u>	<u>-</u>
Total current liabilities	<u>167,720</u>	<u>10</u>	<u>200,448</u>	<u>13</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	4,747	-	-	-
Lease liabilities - non-current (Notes 4 and 12)	-	-	2,009	-
Credit balance on the carrying value of investments accounted for using the equity method (Notes 4 and 10)	<u>14,867</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>19,614</u>	<u>1</u>	<u>2,009</u>	<u>-</u>
Total liabilities	<u>187,334</u>	<u>11</u>	<u>202,457</u>	<u>13</u>
EQUITY (Notes 4, 16 and 21)				
Share capital				
Ordinary share	428,321	25	425,421	27
Share capital awaiting retirement	-	-	(540)	-
Total share capital	<u>428,321</u>	<u>25</u>	<u>424,881</u>	<u>27</u>
Capital surplus	<u>591,465</u>	<u>34</u>	<u>565,381</u>	<u>36</u>
Retained earnings				
Legal reserve	84,354	5	62,506	4
Unappropriated earnings	<u>504,805</u>	<u>29</u>	<u>530,661</u>	<u>33</u>
Total retained earnings	<u>589,159</u>	<u>34</u>	<u>593,167</u>	<u>37</u>
Other equity				
Exchange differences on translation of foreign financial statements	877	-	464	-
Unearned compensation	(25,893)	(2)	(65,945)	(4)
Total other equity	<u>(25,016)</u>	<u>(2)</u>	<u>(65,481)</u>	<u>(4)</u>
Treasury shares	<u>(28,425)</u>	<u>(2)</u>	<u>(134,835)</u>	<u>(9)</u>
Total equity	<u>1,555,504</u>	<u>89</u>	<u>1,383,113</u>	<u>87</u>
TOTAL	<u>\$ 1,742,838</u>	<u>100</u>	<u>\$ 1,585,570</u>	<u>100</u>

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

M3 TECHNOLOGY INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 17 and 25)				
Sales revenue	\$ 910,129	100	\$ 1,023,972	100
Sales returns	(1,299)	-	(1,437)	-
Sales discounts	(1,652)	-	-	-
Sales revenue, net	907,178	100	1,022,535	100
Other operating revenue	-	-	29	-
Total operating revenue, net	907,178	100	1,022,564	100
OPERATING COSTS (Notes 4, 5, 9 and 18)	476,292	52	548,047	54
GROSS PROFIT	430,886	48	474,517	46
OPERATING EXPENSES (Notes 4, 18, 19 and 25)				
Selling and marketing expenses	37,064	4	29,930	3
General and administrative expenses	61,217	7	39,688	4
Research and development expenses	163,069	18	144,761	14
Total operating expenses	261,350	29	214,379	21
PROFIT FROM OPERATIONS	169,536	19	260,138	25
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 25)	25,738	3	11,210	1
Other income	138	-	109	-
Other gains and losses	1,339	-	161	-
Financial costs	(1,942)	-	(55)	-
Share of profit (loss) of subsidiaries (Notes 4 and 10)	(49,850)	(6)	3,504	-
Foreign exchange gains, net (Notes 4 and 18)	27,360	3	-	-
Foreign exchange loss, net (Notes 4 and 18)	-	-	(2,835)	-
Total non-operating income and expenses	2,783	-	12,094	1
PROFIT BEFORE INCOME TAX	172,319	19	272,232	26
INCOME TAX EXPENSE (Notes 4 and 19)	(50,761)	(6)	(53,756)	(5)
NET PROFIT FOR THE YEAR	121,558	13	218,476	21

(Continued)

M3 TECHNOLOGY INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 413	-	(\$ 289)	-
Other comprehensive income for the year	<u>413</u>	<u>-</u>	<u>(289)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 121,971</u>	<u>13</u>	<u>\$ 218,187</u>	<u>21</u>
EARNINGS PER SHARE (Note 20)				
Basic	<u>\$ 2.94</u>		<u>\$ 5.42</u>	
Diluted	<u>\$ 2.84</u>		<u>\$ 5.19</u>	

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

(Concluded)

M3 TECHNOLOGY INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Other Equity (Notes 4 ,16 and 21)												
	Ordinary Shares (Notes 4 ,16 and 21)				Capital Surplus (Notes 4, 16 and 21)	Retained Earnings (Note 16)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unearned Compensation	Total	Treasury Shares (Notes 4 ,16 and 21)	Total Equity
	Number of Shares (In Thousands)	Amount	Share capital awaiting retirement	Total		Legal Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2023	41,216	\$ 412,161	\$ -	\$ 412,161	\$ 494,954	\$ 32,904	\$ 463,605	\$ 496,509	\$ 753	\$ -	\$ 753	(\$ 134,835)	\$ 1,269,542
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	-	-	29,602	(29,602)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(121,818)	(121,818)	-	-	-	-	(121,818)
Employee compensation cost for employee share options	-	-	-	-	202	-	-	-	-	-	-	-	202
Employee compensation cost for restricted employee shares	-	-	-	-	-	-	-	-	-	7,531	7,531	-	7,531
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	218,476	218,476	-	-	-	-	218,476
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	(289)	-	(289)	-	(289)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	218,476	218,476	(289)	-	(289)	-	218,187
Issuance of ordinary shares under employee share options	644	6,440	-	6,440	3,029	-	-	-	-	-	-	-	9,469
Issuance of employee restricted shares	682	6,820	-	6,820	72,974	-	-	-	-	(79,794)	(79,794)	-	-
Cancellation of employee restricted shares	-	-	(540)	(540)	(5,778)	-	-	-	-	6,318	6,318	-	-
BALANCE AT DECEMBER 31, 2023	42,542	425,421	(540)	424,881	565,381	62,506	530,661	593,167	464	(65,945)	(65,481)	(134,835)	1,383,113
Appropriation of the 2023 earnings													
Legal reserve	-	-	-	-	-	21,848	(21,848)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(125,697)	(125,697)	-	-	-	-	(125,697)
Employee compensation cost for employee share options	-	-	-	-	37	-	-	-	-	-	-	-	37
Cash dividend redemption for share-based payment	-	-	-	-	-	-	131	131	-	-	-	-	131
Employee compensation cost for restricted employee shares	-	-	-	-	-	-	-	-	-	38,186	38,186	-	38,186
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	121,558	121,558	-	-	-	-	121,558
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	413	-	413	-	413
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	121,558	121,558	413	-	413	-	121,971
Gain on disgorgement	-	-	-	-	380	-	-	-	-	-	-	-	380
Issuance of ordinary shares under employee share options	362	3,620	-	3,620	2,081	-	-	-	-	-	-	-	5,701
Issuance of employee restricted shares	32	320	-	320	3,664	-	-	-	-	(3,984)	(3,984)	-	-
Cancellation of employee restricted shares	(104)	(1,040)	540	(500)	(5,350)	-	-	-	-	5,850	5,850	-	-
Treasury shares transferred to employees for share-based payment	-	-	-	-	25,272	-	-	-	-	-	-	106,410	131,682
BALANCE AT DECEMBER 31, 2024	42,832	\$ 428,321	\$ -	\$ 428,321	\$ 591,465	\$ 84,354	\$ 504,805	\$ 589,159	\$ 877	(\$ 25,893)	(\$ 25,016)	(\$ 28,425)	\$ 1,555,504

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

M3 TECHNOLOGY INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 172,319	\$ 272,232
Adjustments for		
Depreciation expense	32,584	27,774
Amortization expense	10,638	11,479
Financial costs	1,942	55
Interest income	(25,738)	(11,210)
Compensation cost of treasury shares	6,849	-
Compensation cost of employee share options	21	106
Compensation cost of employee restricted shares	25,448	5,192
Loss on disposal of property, plant and equipment	8	-
Share of loss (profit) of subsidiaries	49,850	(3,504)
Write-down of inventories	11,939	21,530
Unrealized (gain) loss on foreign currency exchange	(19,957)	8,405
Reversal of provisions	(1,347)	(161)
Changes in operating assets and liabilities		
Notes receivable	(5,396)	(354)
Trade receivables	12,728	16,999
Other receivables	(19,522)	(15)
Inventories	29,300	15,572
Prepayments	1,133	(1,610)
Other current assets	(64,522)	-
Contract liabilities	(645)	43
Notes payable	(2)	5
Accounts payable	(11,399)	2,321
Other payables	(20,610)	(24,408)
Other current liabilities	306	11
Net cash generated from operations	185,927	340,462
Interest received	25,415	10,662
Interest paid	(1,942)	(55)
Income tax paid	(56,136)	(83,338)
Net cash generated from operating activities	<u>153,264</u>	<u>267,731</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(1,787,538)	(1,360,800)
Proceeds from disposal of financial assets at amortized cost	1,781,680	541,400
Acquisition of property, plant and equipment	(31,492)	(140,143)
Increase in refundable deposits	(672)	-
Decrease in refundable deposits	-	226
Acquisition of intangible assets	(4,518)	(9,492)
Increase in prepayments for equipment	(1,764)	(619)
Net cash used in investing activities	<u>(44,304)</u>	<u>(969,428)</u>

(Continued)

M3 TECHNOLOGY INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(\$ 2,623)	(\$ 1,891)
Cash dividend paid	(125,697)	(121,818)
Exercise of employee share options	5,701	9,469
Treasury shares sold to employees	106,100	-
Cash dividend redemption for share-based payment	131	-
Imposition of disgorgement	<u>380</u>	<u>-</u>
Net cash used in financing activities	(<u>16,008</u>)	(<u>114,240</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	92,952	(815,937)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>213,049</u>	<u>1,028,986</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 306,001</u>	<u>\$ 213,049</u>
The accompanying notes are an integral part of the financial statements.		(Concluded)

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of M3 Technology Inc. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, M3 Technology Inc. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

M3 TECHNOLOGY INC.

By

AP Memory Technology Corporation
Representative: Wen-Liang Chen
Chairman

February 26, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
M3 Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of M3 Technology Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Recognition of revenue from the specific customer

The revenue from specific customer amounted to NT\$356,662 thousand in 2024; such amount which accounted for 39% of sales revenue is a significant amount of the Group's consolidated financial statements. Therefore, recognition of revenue from the specific customer was deemed to be a key audit matter.

For the accounting policy on recognition of revenue from the specific customer, refer to Note 4 (1).

The audit procedures for the abovementioned key audit matter were as follows:

1. We understood the design and tested the effectiveness of the internal controls with respect to recognition of revenue from specific customer.
2. We sent out confirmation request to specific customer; we requested confirmation of the total amount of revenue for the year.
3. We selected samples of sales to specific customer and validated the details against the supporting documents, including sales orders, delivery documents and cash received from customer to verify the occurrence of sales transactions.
4. We validated selected samples of sales returns and collection of trade receivables after the year-end against the data as of December 31, 2024.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming-Yen Chien and Cheng-Chun Chiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

M3 TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 340,932	20	\$ 226,392	14
Financial assets at amortized cost - current (Notes 4, 7 and 26)	848,037	48	827,091	52
Notes receivable (Notes 4, 8 and 17)	6,391	-	995	-
Trade receivables (Notes 4, 8, 17 and 25)	158,082	9	163,670	10
Other receivables (Note 4)	1,835	-	583	-
Inventories (Notes 4, 5 and 9)	139,749	8	180,988	12
Prepayments	5,178	-	3,960	-
Other current assets (Note 19)	<u>64,522</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total current assets	<u>1,564,726</u>	<u>89</u>	<u>1,403,679</u>	<u>88</u>
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4 and 11)	161,743	9	157,842	10
Right-of-use assets (Notes 4 and 12)	2,086	-	7,970	-
Intangible assets (Notes 4 and 13)	9,157	1	9,221	1
Deferred tax assets (Notes 4 and 19)	12,763	1	11,839	1
Prepayments for equipment	1,764	-	619	-
Refundable deposits	<u>1,177</u>	<u>-</u>	<u>519</u>	<u>-</u>
Total non-current assets	<u>188,690</u>	<u>11</u>	<u>188,010</u>	<u>12</u>
TOTAL	<u>\$ 1,753,416</u>	<u>100</u>	<u>\$ 1,591,689</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4 and 17)	\$ 7	-	\$ 652	-
Notes payable	3	-	5	-
Trade payables	46,562	3	55,851	4
Other payables (Note 14)	114,015	6	112,228	7
Current tax liabilities (Notes 4 and 19)	10,796	1	19,994	1
Provisions - current (Note 4)	9,649	-	10,996	1
Lease liabilities - current (Notes 4 and 12)	2,117	-	3,614	-
Other current liabilities	<u>9,989</u>	<u>1</u>	<u>1,125</u>	<u>-</u>
Total current liabilities	<u>193,138</u>	<u>11</u>	<u>204,465</u>	<u>13</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	4,747	-	-	-
Lease liabilities - non-current (Notes 4 and 12)	<u>27</u>	<u>-</u>	<u>4,111</u>	<u>-</u>
Total non-current liabilities	<u>4,774</u>	<u>-</u>	<u>4,111</u>	<u>-</u>
Total liabilities	<u>197,912</u>	<u>11</u>	<u>208,576</u>	<u>13</u>
EQUITY (Notes 4, 16 and 21)				
Share capital				
Ordinary share	428,321	24	425,421	27
Share capital awaiting retirement	-	-	(540)	-
Total share capital	<u>428,321</u>	<u>24</u>	<u>424,881</u>	<u>27</u>
Capital surplus	<u>591,465</u>	<u>34</u>	<u>565,381</u>	<u>35</u>
Retained earnings				
Legal reserve	84,354	5	62,506	4
Unappropriated earnings	<u>504,805</u>	<u>29</u>	<u>530,661</u>	<u>33</u>
Total retained earnings	<u>589,159</u>	<u>34</u>	<u>593,167</u>	<u>37</u>
Other equity				
Exchange differences on translation of foreign financial statements	877	-	464	-
Unearned compensation	(25,893)	(1)	(65,945)	(4)
Total other equity	<u>(25,016)</u>	<u>(1)</u>	<u>(65,481)</u>	<u>(4)</u>
Treasury shares	<u>(28,425)</u>	<u>(2)</u>	<u>(134,835)</u>	<u>(8)</u>
Total equity	<u>1,555,504</u>	<u>89</u>	<u>1,383,113</u>	<u>87</u>
TOTAL	<u>\$ 1,753,416</u>	<u>100</u>	<u>\$ 1,591,689</u>	<u>100</u>

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

M3 TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 17 and 25)				
Sales revenue	\$ 910,129	100	\$ 1,023,972	100
Sales returns	(1,299)	-	(1,437)	-
Sales discounts	(1,652)	-	-	-
Sales revenue, net	907,178	100	1,022,535	100
Other operating revenue	-	-	29	-
Total operating revenue, net	907,178	100	1,022,564	100
OPERATING COSTS (Notes 4, 5, 9 and 18)	480,113	53	551,374	54
GROSS PROFIT	427,065	47	471,190	46
OPERATING EXPENSES (Notes 4 and 18)				
Selling and marketing expenses	50,067	6	44,263	4
General and administrative expenses	71,044	8	45,659	5
Research and development expenses	166,173	18	117,865	12
Total operating expenses	287,284	32	207,787	21
PROFIT FROM OPERATIONS	139,781	15	263,403	25
NON-OPERATING INCOME AND EXPENSES				
Interest income	25,667	3	11,224	1
Other income	150	-	543	-
Other gains and losses	1,297	-	154	-
Financial costs	(2,118)	-	(83)	-
Foreign exchange gains, net (Notes 4 and 18)	27,028	3	-	-
Foreign exchange losses, net (Notes 4 and 18)	-	-	(3,009)	-
Total non-operating income and expenses	52,024	6	8,829	1
PROFIT BEFORE INCOME TAX	191,805	21	272,232	26
INCOME TAX EXPENSE (Notes 4 and 19)	(70,247)	(8)	(53,756)	(5)
NET PROFIT FOR THE YEAR	121,558	13	218,476	21

(Continued)

M3 TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ <u>413</u>	<u>-</u>	(\$ <u>289</u>)	<u>-</u>
Other comprehensive income for the year	<u>413</u>	<u>-</u>	(<u>289</u>)	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ <u>121,971</u>	<u>13</u>	\$ <u>218,187</u>	<u>21</u>
EARNINGS PER SHARE (Note 20)				
Basic	\$ <u>2.94</u>		\$ <u>5.42</u>	
Diluted	\$ <u>2.84</u>		\$ <u>5.19</u>	

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

(Concluded)

M3 TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

									Other Equity (Notes 4 ,16 and 21)				
	Ordinary Shares (Notes 4 ,16 and 21)				Capital Surplus (Notes 4, 16 and 21)	Retained Earnings (Note 16)			Exchange Differences on Translation of the Financial Statements of Foreign Operations			Treasury Shares (Notes 4 ,16 and 21)	Total Equity
	Number of Shares (In Thousands)	Amount	Share capital awaiting retirement	Total		Legal Reserve	Unappropriated Earnings	Total		Unearned Compensation	Total		
BALANCE AT JANUARY 1, 2023	41,216	\$ 412,161	\$ -	\$ 412,161	\$ 494,954	\$ 32,904	\$ 463,605	\$ 496,509	\$ 753	\$ -	\$ 753	(\$ 134,835)	\$ 1,269,542
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	-	-	29,602	(29,602)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(121,818)	(121,818)	-	-	-	-	(121,818)
Employee compensation cost for employee share options	-	-	-	-	202	-	-	-	-	-	-	-	202
Employee compensation cost for restricted employee shares	-	-	-	-	-	-	-	-	-	7,531	7,531	-	7,531
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	218,476	218,476	-	-	-	-	218,476
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	(289)	-	(289)	-	(289)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	218,476	218,476	(289)	-	(289)	-	218,187
Issuance of ordinary shares under employee share options	644	6,440	-	6,440	3,029	-	-	-	-	-	-	-	9,469
Issuance of employee restricted shares	682	6,820	-	6,820	72,974	-	-	-	-	(79,794)	(79,794)	-	-
Cancellation of employee restricted shares	-	-	(540)	(540)	(5,778)	-	-	-	-	6,318	6,318	-	-
BALANCE AT DECEMBER 31, 2023	42,542	425,421	(540)	424,881	565,381	62,506	530,661	593,167	464	(65,945)	(65,481)	(134,835)	1,383,113
Appropriation of the 2023 earnings													
Legal reserve	-	-	-	-	-	21,848	(21,848)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(125,697)	(125,697)	-	-	-	-	(125,697)
Employee compensation cost for employee share options	-	-	-	-	37	-	-	-	-	-	-	-	37
Cash dividend redemption for share-based payment	-	-	-	-	-	-	131	131	-	-	-	-	131
Employee compensation cost for restricted employee shares	-	-	-	-	-	-	-	-	-	38,186	38,186	-	38,186
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	121,558	121,558	-	-	-	-	121,558
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	-	413	-	413	-	413
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	121,558	121,558	413	-	413	-	121,971
Gain on disgorgement	-	-	-	-	380	-	-	-	-	-	-	-	380
Issuance of ordinary shares under employee share options	362	3,620	-	3,620	2,081	-	-	-	-	-	-	-	5,701
Issuance of employee restricted shares	32	320	-	320	3,664	-	-	-	-	(3,984)	(3,984)	-	-
Cancellation of employee restricted shares	(104)	(1,040)	540	(500)	(5,350)	-	-	-	-	5,850	5,850	-	-
Treasury shares transferred to employees for share-based payment	-	-	-	-	25,272	-	-	-	-	-	-	106,410	131,682
BALANCE AT DECEMBER 31, 2024	42,832	\$ 428,321	\$ -	\$ 428,321	\$ 591,465	\$ 84,354	\$ 504,805	\$ 589,159	\$ 877	(\$ 25,893)	(\$ 25,016)	(\$ 28,425)	\$ 1,555,504

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

M3 TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 191,805	\$ 272,232
Adjustments for		
Depreciation expense	35,354	30,453
Amortization expense	10,653	11,494
Financial costs	2,118	83
Interest income	(25,667)	(11,224)
Compensation cost of treasury shares	25,582	-
Compensation cost of employee share options	37	202
Compensation cost of employee restricted shares	38,186	7,531
Loss on disposal of property, plan and equipment	8	-
Gain on lease modifications	(38)	-
Write-down of inventories	11,939	21,530
Unrealized (gain) loss on foreign currency exchange	(19,750)	8,519
Reversal of provisions	(1,347)	(161)
Changes in operating assets and liabilities		
Notes receivable	(5,396)	(354)
Trade receivables	12,728	16,999
Other receivables	(929)	-
Inventories	29,300	15,572
Prepayments	(1,218)	(2,302)
Other current assets	(64,522)	-
Contract liabilities	(645)	43
Notes payable	(2)	5
Accounts payable	(11,399)	2,321
Other payables	(6,771)	(23,993)
Other current liabilities	8,864	90
Net cash generated from operations	228,890	349,040
Interest received	25,344	10,676
Interest paid	(2,118)	(83)
Income tax paid	(75,622)	(83,338)
Net cash generated from operating activities	<u>176,494</u>	<u>276,295</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(1,787,538)	(1,360,800)
Proceeds from disposal of financial assets at amortized cost	1,781,680	541,400
Acquisition of property, plant and equipment	(32,642)	(141,327)
Increase in refundable deposits	(650)	-
Decrease in refundable deposits	-	126
Acquisition of intangible assets	(4,518)	(9,492)
Increase in prepayments for equipment	(1,764)	(619)
Net cash used in investing activities	<u>(45,432)</u>	<u>(970,712)</u>

(Continued)

M3 TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(\$ 3,434)	(\$ 2,913)
Cash dividend paid	(125,697)	(121,818)
Exercise of employee share options	5,701	9,469
Treasury shares sold to employees	106,100	-
Cash dividend redemption for share-based payment	131	-
Imposition of disgorgement	<u>380</u>	<u>-</u>
Net cash used in financing activities	(<u>16,819</u>)	(<u>115,262</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>297</u>	(<u>159</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	114,540	(809,838)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>226,392</u>	<u>1,036,230</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 340,932</u>	<u>\$ 226,392</u>
The accompanying notes are an integral part of the consolidated financial statements.		(Concluded)

Attachment 4 、 Audit Committee Review Report

M3 Technology Inc.

Audit Committee Review Report

The Board of Directors has prepared the 2024 financial statements (including parent company only and consolidated financial statements), and the business report, and earning distribution proposal have been prepared and submitted by the Board of Directors. The financial statements (including parent company only and consolidated financial statements) have been audited by CPA Ming-Yen Chien and CPA Cheng-Chun Chiu of Deloitte Taiwan, and an audit report has been issued. The aforementioned reports and statements prepared by the Board of Directors have been reviewed completely and determined to be correct and accurate by the Audit Committee. In accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

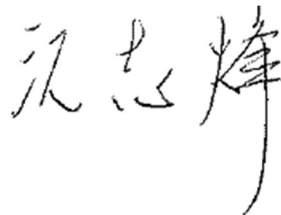
To:

M3 Technology Inc.

2025 Annual Shareholders Meeting

Audit Committee Convener: Zhi-Feng Jiang

February 26, 2025



Attachment 5 、 2024 Earnings Distribution Table

M3 Technology Inc. Earnings Distribution Table 2024

Unit: NTD

Items	Amount	Notes
Undistributable retained earnings in the previous year	383,116,654	
Additions:		
Net income after tax for 2024	121,557,413	
Recovered from share-based compensation	130,775	
Deductions:		
Provision of legal reserve	(12,155,741)	
Distributable earnings for 2024	492,649,101	
Scope of allocation :		
Cash dividends for common shares of 2024Q1	-	
Cash dividends for common shares of 2024Q2	-	
Cash dividends for common shares of 2024Q3	-	
Cash dividends for common shares of 2024Q4	(85,126,266)	NT\$2 per share
Undistributed retained earnings at the end of the period	407,522,835	

Chairman of the Board: AP Memory Technology Corporation

Representative: Wen-Liang Chen

CEO: Jui-Pin Yeh 、 President: David Da Meng

Finance Manager: Ellie Jheng

Attachment 6 · Amendment to the Company's "Articles of Incorporation"

M3 Technology Inc.

Comparison Table of Amendment to the Articles of Incorporation

Article No.	Amended Article	Current Article	Description
Article 25	<p><u>If the Company has earnings in a fiscal year, the Company shall contribute no less than 1% of the net profit before tax before deducting employees' remuneration and directors' remuneration as remuneration to employees (of which no less than 1% of the total remuneration to employees shall be the remunerations to mid- and low-level employees), and no more than 2% as remuneration to directors. However, when the Company still has accumulated losses, the amount shall be set aside for making up the accumulated loss first.</u></p> <p><u>The remuneration of employees in the preceding paragraph may be made in the form of shares or cash, and the recipients may include employees of controlling or affiliates satisfying certain criteria in Taiwan area, and the board of directors is authorized to specify said certain criteria. The remuneration to directors in the preceding paragraph shall be paid in cash only.</u></p> <p><u>The distribution of remuneration to employees and directors in the preceding two paragraphs shall be approved by a majority of the directors present at a board meeting attended by two-thirds of the total directors and shall be reported to the shareholders' meeting.</u></p>	<p>When the Company makes a profit after the final account of a fiscal year, it shall appropriate no less than 6% of the profit as remuneration of employees and no more than 2% of the profit as the remuneration of directors. However, when the Company still has accumulated losses, the amount shall be set aside for making up the accumulated loss first.</p> <p>The remuneration of employees may be made in the form of shares or cash, and the subjects for receiving the shares or cash may include employees of controlling or affiliates satisfying certain criteria, and the board of directors is authorized to specify paid certain criteria.</p>	<p>(1) Amended the percentage of contribution and the recipients of remuneration and the scope of payment to employees.</p> <p>(2) Pursuant to Paragraph 6, Article 14 of the Securities and Exchange Act, "A company referred to in the preceding paragraph shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. Established the remuneration to non-executive employees.</p> <p>(3) Amended some wording.</p> <p>(4) Added the date of this amendment.</p>
Article 27	<p>These Articles of Incorporation are enacted on August 27, 2010.</p> <p>The first amendment was made</p>	<p>These Articles of Incorporation are enacted on August 27, 2010.</p> <p>The first amendment was made</p>	<p>The current amendment date has been added.</p>

Article No.	Amended Article	Current Article	Description
	<p>on February 8, 2011.</p> <p>The second amendment was made on August 12, 2011.</p> <p>The third amendment was made on June 15, 2012.</p> <p>The fourth amendment was made on September 12, 2012.</p> <p>The fifth amendment was made on March 21, 2014.</p> <p>The sixth amendment was made on July 25, 2014.</p> <p>The seventh amendment was made on May 25, 2016.</p> <p>The eighth amendment was made on June 27, 2018.</p> <p>The ninth amendment was made on December 18, 2019.</p> <p>The tenth amendment was made on June 24, 2020.</p> <p>The eleventh amendment was made on November 6, 2020.</p> <p>The twelfth amendment was made on May 17, 2021.</p> <p>The thirteenth amendment was made on May 26, 2022.</p> <p>The fourteenth amendment was made on May 24, 2023.</p> <p>The fifteenth amendment was made on Jan 31, 2024.</p> <p><u>The sixth amendment was made on May 22, 2025.</u></p>	<p>on February 8, 2011.</p> <p>The second amendment was made on August 12, 2011.</p> <p>The third amendment was made on June 15, 2012.</p> <p>The fourth amendment was made on September 12, 2012.</p> <p>The fifth amendment was made on March 21, 2014.</p> <p>The sixth amendment was made on July 25, 2014.</p> <p>The seventh amendment was made on May 25, 2016.</p> <p>The eighth amendment was made on June 27, 2018.</p> <p>The ninth amendment was made on December 18, 2019.</p> <p>The tenth amendment was made on June 24, 2020.</p> <p>The eleventh amendment was made on November 6, 2020.</p> <p>The twelfth amendment was made on May 17, 2021.</p> <p>The thirteenth amendment was made on May 26, 2022.</p> <p>The fourteenth amendment was made on May 24, 2023.</p> <p>The fifteenth amendment was made on Jan 31, 2024.</p>	

Attachment 7 、 List of Director Candidate**M3 Technology Inc.****List of Director Candidate**

Title	Name	Select Education	Select Experiences	Current Positions	Current Shareholding
Director	Jui-Pin Yeh	Master of Electrical Engineering, National Central University	Chairman of Innorich Venture Capital Corp. CEO of Youngtek Electronics Corp. (6261.TWO) Chairman of Synopsys, Inc	Serving as the corporate director representative of AP Memory Technology Corporation (6531.TW); an independent director of Progate Group Corporation (8227.TWO); and a director of MyTek Corporation.	0

Attachment 8 、 Details of Release the Restriction on Directors from Participation

M3 Technology Inc.

Details of Release the Restriction on Directors from

Participation in Competitive Business

Name	Title and Company name of Competitive Business	
Jui-Pin Yeh	AP Memory Technology Corporation (6531.TW)	The Corporate Director Representative
	Progate Group Corporation (8227.TWO)	Independent Director
	MyTek Corporation	Director