MACHVISION, INC.

2024 Annual Shareholders' Meeting Resolution

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time: 9:00 a.m., May 30, 2024 (Thursday)

Place: No.2-1(NINI Life Square), Xin'an Road, Hsinchu Science Park, Hsinchu City, Taiwan.

Method: Physical shareholder's meeting.

Attendance:

Total outstanding shares : 58,146,234shares

Total shares represented by shareholders present in person or by proxy: 38,677,595shares

Percentage of shares held by shareholders present in person or by proxy: 66.51%

Chairperson: Wang, Guang-Shiah, Chairman of the Board of Directors

Recorder: Shih, Yun-Hua

1. Announcement

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

2. Chairman Greeting

3. Report Item:

Proposal 1: 2023 business report.

Description: For 2023 business report, refer to Attachment 1.

Proposal 2: 2023 Audit Committee's review report.

Description: For2023 Audit Committee's review report, refer to Attachment 2.

Proposal 3: Employees and director compensation distribution of 2023.

Description:
1. According to Article 26 of the Articles of Incorporation of the Company, if the Company has profit after the closing of the annual book, the Company shall distribute no less than 5% as employees' compensation and no more than 3% as Directors' compensation.
2. The Company intends to distribute NT$44,655,098 of employees' compensation and, in cash, NT$5,581,887 of Directors' compensation. The above employee and director compensation has been reviewed in the 1st meeting of the Remuneration Committee in 2024 and passed in the 20th meeting of the 9th-term Board of Directors on February 5, 2024.
3. The employee and director compensation amounts align with the initially estimated figures.

Proposal 4: 2023 earnings distribution of cash dividends and Capital Surplus Cash Dividend.

Description: 1. According to Article 26-2 of the Articles of Incorporation of the Company, it is proposed that the Board of Directors be authorized to distribute dividends and the compensation in whole or in part, to be pay in cash after passing special resolution, and shall report in the shareholders' meeting.

2. According to resolution of the Board of Directors on February 5, 2024, the proposed cash dividend to shareholders will be distributed in cash, in NT$5 for per stock. And in accordance with Article 241 of Company law and Articles of Incorporation of the Company, the amount based on the APIC which exceeds par value will be distributed in cash, in NT$1 for per stock, total amount is NT$348,877,404. The distribution of cash dividends is rounded to NT$1, and the sum of a fractional amount less than NT$1 is recognized as other revenue of the Company. 2023 earnings distribution please refer to Attachment 4.

3. Upon the approval of the meeting of Board of Directors, it is proposed that the Chairman be authorized to resolve the ex-dividend date, ex-right date, and other relevant issues. The Chairman also is authorized to adjust the cash and stock to distributed to each share based on the number of actual shares outstanding on the record date for distribution.

Proposal 5: 2023 private Placements of Common Shares Status and Details.

Description:

Item	2023 private Placements of Common Shares Date：2023/6/21
The date of approval by the shareholders' meeting and the Amount limit of the private placement	According to the resolution of the shareholders' meeting held on May 25, 2023, The quota within 15,000,000 shares (inclusive) can be processed once within one year from the date of resolution of the shareholders' meeting.
Pricing basis of private placement and its reasonableness	1. The price of privately placed common shares of the Company is set at no less than 80% of the reference price, and the reference price shall be the higher of either the simple average closing price of the common shares of TWSE listed or TPEx listed company for any of either the 1,3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction, or the simple average closing price of the common shares of TWSE listed or TPEx listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital

	reduction. 2. The price per share of these privately placed common shares is determined in accordance with the relevant regulations set by the competent authority, however, the factors such as the operation status of the Company and market prices of common shares have also been considered when setting the price. The pricing method is deemed reasonable. Therefore, it is proposed that the Board of Directors shall be authorized by the shareholders' meeting, within the scope not lower than the percentage needed for the adoption of a resolution, to determine the actual price determination date and actual price based on market status and situation when specific persons are determined.
The method for selecting the specific persons	The private placement of securities carried out this time is with the specific persons prescribed under Article 43-6 of the Securities and Exchange Act, and in order to expand future product market and increase the competitiveness of the Company, the selection of the specific persons shall be limited to strategic investors. It is proposed that the Board of Directors shall be fully authorized by the shareholders' meeting for matters of determining the specific persons. The necessity and anticipated benefits of selecting strategic investors as specific persons: In response to the needs of long-term operation and business development of the Company, the priority will be given to those who can benefit directly or indirectly from the future operations of the Company and who can help the Company expand business and product markets, strengthen customer relationships, improve product development integration efficiency, enhance technology, or who can provide financial resources and strengthen financial cost management to enhance the Company's competitive advantage. The introduction of funds provided by strategic investors not only benefit the operation and business development of the Company, but is helpful to the improvement of the overall operation structure of the Company, which is beneficial to the competitiveness of the Company's long-term operation and development as well as operational effectiveness.

The necessity for conducting a private placement	1. Private placement has the properties of quick and convenient, and since there are regulations preventing securities obtained through private placement from transferring within three years after the date of delivery, the long-term cooperative relationship between the Company and the places will be more secure. In addition, the mobility and flexibility of the Company's fundraising activity will be enhanced effectively, if the Board of Directors is authorized to conduct private placements based on actual operation needs of the Company. 2. The issuance of common shares through private placement shall be limited to a maximum of 15,000,000 shares, and it may be carried out by entirety within one year of the date of the resolution of the shareholders' meeting when the time is right and the market allows. 3. The use of the funds raised by private placement and anticipated benefits.
Record date for capital increase	2023/06/21
The Specific Investor	Advanced Semiconductor Engineering, Inc.
Actual private placement price	The price of private placement that is NT$161.50 and number of 13,418 thousand shares privately placed, total amount to NT$2,167,007,000 had been received.
The difference between the actual subscription price and the reference price	Reference price is NTD$201.80 per share. The price for common shares of this private placement is no less than 80% of the reference price.
Use of the funds raised in this private placement	The funds raised by this private placement will be used to enrich working capital or meet other funding needs for long-term operation and development of the Company.
Utilization of private placement funds and progress in plan execution	The raised funds from this private placement have already been utilized, amounting to NT$453,890,744 for operational purposes.
The manifestation of the benefits of private placement	The mobility and flexibility of the Company's fundraising activity will be enhanced effectively.

4. Proposed Resolutions:

Proposal 1: 2023 business report and financial statements (proposed by the Board of Directors)

Description: 1. The 2023 financial statements have been audited by the independent auditor. The financial statements, business report and earnings distribution have been reviewed and passed by the Audit Committee.

2. For the business report, independent auditor's report and financial statements refer to Attachment 1 and Attachment 3.

3. Please proceed to resolve.

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
38,677,595 votes	35,845,037 votes	41,944 votes	0 vote	2,790,614 votes
100%	92.67%	0.10%	0.00%	7.21%

RESOLVED, that the 2023 business report and financial statements be and hereby were accepted as submitted.

Proposal 2: 2023 earnings distribution (proposed by the Board of Directors)

Description: 1. For the Distribution of 2023 Earnings which was reviewed by the Audit Committee and approved by the Board of Directors, refer to Attachment 4.

2. Please proceed to resolve.

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
38,677,595 votes	35,835,330 votes	98,437 votes	0 vote	2,743,828 votes
100%	92.65%	0.25%	0.00%	7.09%

RESOLVED, that the 2023 earnings distribution be and hereby were accepted as submitted.

5. Election:

Proposal 1: Election of directors and independent directors. (proposed by the Board of Directors)

Description: 1. The Company's 9th Board of Directors will be expired on July 19, 2024. The new directors and independent directors will be elected at this Annual Shareholders' Meeting.

2. The Board of Directors resolved that nine Directors (including three Independent Directors) will be elected at this Annual Shareholders' Meeting. The tenure of newly elected directors shall be 3 years, commencing on May 30, 2024 and expiring on May 29, 2027.

3. The directors and independent directors shall be elected by adopting candidates' nomination system. The candidates shall be elected from the nominated candidates. Related information is as the following:

Candidates of Directors			
Name	Major Education	Major Experiences	Shareholdings (shares)
Wang, Guang-Shiah	Ph.D., Institute of Industrial Engineering, Pennsylvania State University	Professor, Department of Industrial Engineering Management, Chung Hua University	1,456,740
Chang, Yung-Yang	Doctor of Science and Technology, Institute of Science and Technology Management, Chung Hua University	Director of board of Jiuwei International company; Consultant of Chang Chiao accounting frim	1,366,904
Yu, Ming-Chang	Master of Electrical Engineering, Tsinghua University	Vice president of Stark Technology Inc.	1,073,940
Chuang, Yung-Shun	Master of International Business Studies, National Taiwan University	Chairman of AAEON Technology Co., Ltd.	447,711
Yan, Wei-Chyun	Master of Business Administration, City University of New York, USA	Chairman and General Manager of Atech OEM Co., Ltd.	296,000
Advanced Semiconductor Engineering, Inc.：Chun-Che Lee	Tamkang University Department of Aerospace Engineering	General Manager of ASE Electronics Inc. Director of ASE (Shanghai) Inc.	13,418,000
Candidates of Independent Directors			
Name	Major Education	Major Experiences	Shareholdings (shares)
Yen, Tzong-Ming	Engage in advanced studies in Finance, Pennsylvania State University Master of Economics, Soochow University Bachelor of Mathematics, Soochow University	Director of Science and Technology Parks	0
Du, Ming-Han	Ph.D., Management Science, Tamkang University	Vice President of Microsoft Taiwan. International World Vision Asia Convener	0
Yang Hsing-Yu	Master of Accounting from the School of Business at Soochow University	Vice President and Chief Accountant of WT microelectronics Co., Ltd.	0

Du, Ming-Han	Master of Management Science, Tamkang University	Assistand manager at Marketing Department, General manager at R&D Department, senior Vice President of Microsoft Taiwan. International World Vision Asia Convener	0

Voting by Poll

Resolution:

Elected list

	ID Number	Name	Number of votes
Director	2	Wang, Guang-Shiah	73,335,427
Director	59872	Advanced Semiconductor Engineering, Inc.：Chun-Che Lee	60,399,318
Director	11	Chang, Yung-Yang	26,725,097
Director	484	Yan, Wei-Chyun	21,534,830
Director	135	Yu, Ming-Chang	21,493,714
Director	225	Chuang, Yung-Shun	21,487,088
Independent Director	F222442xxx	Yang Hsing-Yu	60,362,682
Independent Director	Y100298xxx	Du, Ming-Han	21,235,386
Independent Director	N101168xxx	Yen, Tzong-Ming	19,702,278

6. Other Proposals:

Proposal 1: Release of new directors from non-competition restrictions (proposed by the Board of Directors)

Explanation:

1. According to Paragraph 1, Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

Name	Other Position	Position Held
Wang, Guang-Shiah	Machvision (Dongguan) Inc	Director
	SISSCA Co.,Ltd.	Chairman and Legal Representative
	SiSSCA (JIANG SU) Co., Ltd.	Chairman and Legal Representative
Chang, Yung-Yang	Changhong Enterprise Management Consulting Co., Ltd.	Chairman
	JUIC International corporation	Director
Yu, Ming-Chang	ASPEED Technology Inc.	Legal Representative
	Stark Technology Inc.	Director
	ATECH OEM INC.	Director
	CipherLab Co., Ltd.	Independent Director
Chuang, Yung-Shun	AAEON Electronics Inc.	Director
	AAEON TECHNOLOGY (Europe) B.V.	Director

Name	Other Position	Position Held
	AAEON TECHNOLOGY GMBH	Director
	AAEON TECHNOLOGY SINGAPORE PTE. LTD.	Director
	AAEON Technology Inc.	Chairman and Legal Representative
	Aaeon Technology (su Zhou) Inc.	Chairman and Legal Representative
	AAENO Investment Co., Ltd.	Chairman and Legal Representative
	Yanxin Investment Co., Ltd.	Chairman
	Fu Li Investment Co., Ltd.	Chairman
	Mcfees Group Inc.	Director
	EverFocus Electronics Corp.	Chairman
	ALLIED BIOTECH CORP	Director
	KING CORE ELECTRONICS INC.	Director
	Atech Technology (Samoa) Ltd.	Director
	outstanding electronics manufacturer co.,ltd	Director
	Diamond capital management Ltd.	Director
	Machvision (Dongguan) Inc	Director
	Taiyong Electronics (Suzhou) Co., Ltd.	Legal Representative
	TOP UNION ELECTRONICS CORP	Independent Director
	Allied Oriental International Ltd.	Legal Representative
	Litemax Technology, Inc.	Director
	LitemaxTechnology, Inc.	Director
	Onyx Healthcare Inc.	Chairman and Legal Representative
	Onyx Healthcare(Shanghai)INC.	Chairman and Legal Representative
	LONG YANGTECHNOLOGY CO.	Chairman and Legal Representative
	ONYX Healthcare Europe B.V	Director
	ONYX Healthcare USA, Inc.	Director
	iHELPER Inc.	Legal Representative
	Winmate Communication US Inc.	Legal Representative
	XAC AUTOMATION CORP	Legal Representative
	Northern Star Venture Capital Co., Ltd.	Legal Representative
	CHC Healthcare Group	Legal Representative
	SUNENGINE CORPORATION LTD.	Legal Representative
	NEW FUTURE CAPITAL CO., LTD.	Legal Representative
	IBASE TECHNOLOGY INC.	Legal Representative
YAN WEI-CHYUN	Atech OEM Co., Ltd.	Chairman and President
	CipherLab Co., Ltd.	Legal Representative
	AAEON Technology (Suzhou) Co., Ltd.	Legal Representative
	AAEON TECHNOLOGY (Europe) B.V.	Director
	AAEON Technology Inc.	Legal Representative
	Danyang Qiye Technology Co.,Ltd.	Legal Representative
	Outstanding Electronics (dongguan) manufacturer Co., Ltd.	Legal Representative
	Mutto Optronics Corporation.	Independent Director
	CipherLab Co., Ltd.	Director
	ATECH (Yichang) Electronics Co., Ltd.	Legal Representative
	ATECH Technology(SAMOA) Ltd.	Legal Representative
	Growing Profits Group Limited	Legal Representative
	Outstanding Electronics Manufacturer Group Co.,Ltd.	Legal Representative
	AVY Procision Technology INC.	Independent Director
Lee Chun-Che	Advanced Semiconductor Engineering, Inc.	Supervisor
	ASE Test Inc.	Legal Representative
	ASE (Shanghai) Inc.(Shanghai)	directors

Name	Other Position	Position Held
	ASE Electronics Inc.	Legal Representative
	USI Inc.	Legal Representative
YEN TZONG-MING	Action Electronics Co., LTD.	Independent directors
Yang Hsing-Yu	WT Microelectronics Co., Ltd.	Vice president and Accounting Supervisor
	WT Technology Korea Co., Ltd	Supervisor
	Wonchang Semiconductor Co., Ltd.	Supervisor
	Analog World Co., Ltd.	Supervisor
	Leader's Technology Co., Ltd	Supervisor
	Brillnics Japan Inc	Supervisor

2. According to requirements of service and improve operational performances, please approve the release of new directors from non-competition restrictions in the shareholders' meeting.
3. Please resolve decision as appropriate.

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
38,677,595 votes	33,803,862 votes	1,645,379 votes	0 vote	3,228,354 votes
100%	87.39%	4.25%	0.00%	8.34%

RESOLVED, that the proposal for the Company to conduct a private placement of securities were accepted as submitted

7.Special Motion：None.

8.End of Meeting：The meeting was adjourned at 09:30 a.m. May 30, 2024.

No question was raised by Shareholder.

(This meeting minutes were only recorded the summary of the essential issues during the meeting. The detail of the proceeding, procedure and Shareholder's Statement shall be governed by and subject to the audio and video recording materials)

There were no shareholder questions at this shareholders' meeting.

Attachment 1

2023 Business Report

Thank you for visiting shareholders' meeting in 2024. Over the past year, the Group's revenue in 2023 was NT$ 1.76 billion, decline of 16.25%. The net profit after tax in 2023 was NT$412,619 thousand, decline of 30.27%. The operating net profit margin was 26.03%, the net profit after tax was 23.44%, the return on assets was 8.52%, and the return on equity was 10.07%

1. Business Performance in 2022

(1) Business Performance

Unit: NTD thousands

	2023		2022		Increase(decrease)	
	Amount	%	Amount	%	Amount	%
Operating revenues	1,760,590	100.00	2,102,302	100.00	(341,721)	(16.25)
Gross profit	1,044,697	59.34	1,214,188	57.76	(169,491)	(13.96)
Operating income	458,214	26.03	633,562	30.14	(175,348)	(27.68)
Net income before income tax	506,227	28.75	733,890	34.91	(227,663)	(31.02)
Net income after income tax	412,619	23.44	591,776	28.15	(179,157)	(30.27)
Earnings per share (NT$)	8.21		13.35		(5.14)	

(2) Budget execution

The company did not disclose financial forecasts in 2023.

(3) Financial income and expenditure and profitability analysis

			2023	2022	2021
Profitability	Return on assets (%)		8.52	14.08	20.23
	Return on equity (%)		10.07	19.81	29.70
	Rate to paid-up capital (%)	Operating income	78.80	141.65	238.95
		Pre-tax net profit	87.06	164.08	233.63
	Net profit ratio (%)		23.44	28.15	30.05
	Earnings per share (NT$)		8.21	13.35	18.51

(4) Research and development status

The main research and development of the company in 2023 were as follows:

a. Index 4W Tester
b. CSP 4W Tester
c. COLOR CSP AOI 4.0
d. Color FC AVI & Bump AOIM
e. Lead Frame AVI
f. Integrated Circuit Packaging 2/3D Inspection Technology

2. Summary of the business plan for the year of 2023

Important production and sales policy and company development strategies：

With Taiwan's advantages in the field of semiconductors, several customers have greatly expanded their IC substrate and flexible board business in Taiwan. MACHVISION will continue to invest in the research and development of niche products and collaborating with strategic investor, the ASE Group to develop new products with high cost performance ratio to assist customers in significantly reducing the costs of purchase of production equipment and labor for improving competitiveness, launching corresponding products for different industries, and jointly achieving industrial development.

Amid the uncertainty of global economic development, more than 20 PCB manufacturers from China and Taiwan have building their factories in Thailand. In order to matching customers' factory construction plans and timely providing localized service capabilities, MACHVISION will also set up a factory in Thailand.

In order to cope with the changeable environment MACHVISION will execute the plans for staff training and organizational adjustment to enhance the core value. Besides MACHVISION invites supply chain to join carbon-neutral economy for Corporate Sustainability.

MACHVISION is the world's only one-stop supplier of optical inspection equipment. With more than two decades of professional operation, 90% of the world's top 100 PCB manufacturers are currently the loyal customers of MACHVISION. The strong R&D capabilities have always been one of our core competitiveness. The Company will continue to dedicate to developing three core technologies of automatic optical inspection, which would respectively be 2D/3D measurement, circuit inspection, and appearance defect inspection. In 2020, the Smart Image R&D Center was established to invest more R&D resources to develop new products, create a larger market, and improve business performance and profits.

Finally, I would like to thank all the shareholders for your support and kindness. The company's colleagues will continue to work hard to create greater value for all shareholders. We would hope that all Shareholders continuously to give MACHVISION support and encouragement just like the past.

Chairman: Wang, Guang-Shiah
General Manager: Chen, Fu-Sheng
Accounting Supervisor: Su, Yi-Fan

Attachment 2

MACHVISION, INC.
Audit Committee Review Report

The Board of Directors has prepared the Company’s 2023 Business Report, Financial Statements and earnings distribution proposal. The financial statements were audited by KPMG Taiwan and issued the audit report. These have been reviewed by the Audit Committee and determined to be correct and accurate. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Audit Committee Convener: Lee, Tsu-Der

February 5, 2024

Attachment 3

Independent Auditors' Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Machvision Inc. Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed 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 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 of our opinion.

Key Audit Matters

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 current period. 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.

1. Revenue recognition

   Please refer to notes 4(m) and 6(o) for disclosures related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Group's finance or operating performance. The accuracy of the timing and amount of revenue recognition have significant impact on the financial statements. Therefore, we consider it as one of our key audit matters.

How the matter was addressed in our audit:

Understanding and testing the effectiveness of the design of, and implementing the internal control of sales and collecting cycles; reviewing the revenue recognition of significant sales contracts to determine whether the key judgment, estimation, and accounting treatment are reasonable; understanding the type of products and the sales of machinery equipment of the top 10 customers; calculating the turnover days of sales and accounts receivable to ensure whether clients' credit terms are in accordance with the ratios, and analyzing the changes in the top 10 customers from the most recent period and prior year to determine if there were any abnormalities; selecting sales transaction from a certain period of time before and after the last shipping date, and verifying them with the vouchers to determine the accuracy of the timing whether there are any abnormalities; as well as understanding whether there is a significant subsequent sales returns.

2. Impairment of accounts receivable (including long-term receivables)

Please refer to notes 4(g), 5 and 6(c) for disclosures related to impairment of trade receivables.

Description of key audit matter:

The accounts and long-term accounts receivable constituted 17% of total consolidated assets of the Group as of December 31, 2023, and the impairment of notes, accounts and long-term accounts receivable depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

How the matter was addressed in our audit:

Testing the effectiveness of control points relating to cash collection; obtaining the list of accounts receivable balance to send confirmations for selected samples; acquiring the Group's computation of impairment loss rate to review its appropriateness; deriving the aging analysis of accounts receivables to verify the accuracy of aging periods by examining relevant documents of selected receivables; reviewing whether the recognition of provision for the impairment loss is based on the impairment loss rate; and evaluating whether the recognition of impairment on accounts receivable made by the management is reasonable.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 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 auditor's 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 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 the 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 audit resulting in this independent auditors' report are Wu, Chung-Shun and Chang, Chun-I.

KPMG

Taipei, Taiwan (Republic of China)
February 5, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.
The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 845,393	15	1,855,258	47
1137	Financial assets at amortized cost—current (note 6(b))	3,240,111	56	-	-
1151	Notes receivable (notes 6(c) and (o))	56,439	1	60,337	2
1170	Accounts receivable, net (notes 6(c) and (o))	736,285	13	962,940	24
1180	Accounts receivable—related parties (notes (c), (o) and 7)	855	-	-	-
1200	Other receivables	7,632	-	10,609	-
130x	Inventories (note 6(d))	260,811	5	330,980	9
1410	Prepayments	16,258	-	8,167	-
1479	Other current assets	3,030	-	2,576	-
	Total current assets	5,166,814	90	3,230,867	82
15xx	Non-current assets:				
1510	Financial assets at fair value through profit or loss—non-current (note 6(e))	15,744	-	15,744	-
1600	Property, plant and equipment (notes 6(f) and 9)	240,501	4	244,982	6
1755	Right-of-use assets (note 6(g))	83,808	1	253,304	6
1840	Deferred income tax assets (note 6(l))	32,674	1	32,251	1
1920	Refundable deposits	10,701	-	20,519	1
1932	Long-term receivables (notes 6(c) and (o))	205,063	4	152,133	4
1995	Other non-current assets (note 8)	7,189	-	11,586	-
	Total non-current assets	595,680	10	730,519	18
1xxx	**Total assets**	$ 5,762,494	100	3,961,386	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2130	Current contract liabilities (note 6(o))	13,577	-	35,850	1
2150	Notes payable	78	-	133	-
2170	Accounts payable	103,751	2	179,128	5
2209	Other payables (note 6(p))	239,899	4	296,886	7
2230	Current tax liabilities	86,010	2	122,919	3
2250	Provisions—current (note 6(i))	11,953	-	12,974	-
2280	Current lease liabilities (note 6(h))	9,607	-	15,246	-
2399	Other current liabilities	33,675	1	27,924	1
	Total current liabilities	498,550	9	691,060	17
25xx	**Non-Current liabilities:**				
2570	Deferred income tax liabilities (note 6(l))	770	-	-	-
2580	Non-current lease liabilities (note 6(h))	77,002	1	243,080	6
2640	Net defined benefit liabilities (note 6(k))	8,421	-	10,077	-
	Total non-current liabilities	86,193	1	253,157	6
2xxx	**Total liabilities**	584,743	10	944,217	23
	Equity attributable to shareholders of the company (note 6(m)):				
3110	Common stock	581,462	10	447,282	11
3200	Capital surplus:				
3211	Additional paid-in capital	2,006,227	35	121,003	3
3280	Other capital surplus	36	-	31	-
		2,006,263	35	121,034	3
3300	Retained earnings:				
3310	Legal reserve	635,881	11	578,509	15
3320	Special reserve	7,076	-	4,003	-
3350	Unappropriated retained earnings	1,866,356	32	1,767,629	45
		2,509,313	43	2,350,141	60
3400	Other equity interest:				
3410	Foreign currency translation differences for foreign operations	(5,985)	-	(4,046)	-
	Total equity attributable to shareholders of the company	5,091,053	88	2,914,411	74
36xx	**Non-controlling interests**	86,698	2	102,758	3
3xxx	**Total equity**	5,177,751	90	3,017,169	77
2-3xxx	**Total liabilities and equity**	$ 5,762,494	100	3,961,386	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(o) and 7)**	$ 1,760,590	100	2,102,302	100
5000	**Operating costs (notes 6(d), (f), (g), (h), (i), (k), (p) and 7)**	715,893	41	888,114	42
5900	**Gross profit from operations**	1,044,697	59	1,214,188	58
6000	**Operating expenses (notes 6(c), (f), (g), (h), (k), (p) and 7):**				
6100	Selling expenses	210,637	12	236,818	11
6200	Administrative expenses	104,700	6	111,621	5
6300	Research and development expenses	237,814	13	242,072	12
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	33,332	2	(9,885)	-
	Total operating expenses	586,483	33	580,626	28
6900	**Net operating income**	458,214	26	633,562	30
7000	**Non-operating income and expenses (notes 6(h) and (q)):**				
7100	Interest income	28,955	2	6,433	-
7010	Other income	13,981	1	16,859	1
7020	Other gains and losses	7,301	-	82,738	4
7050	Financial costs	(2,224)	-	(5,702)	-
	Total non-operating income and expenses	48,013	3	100,328	5
7900	**Net income before tax**	506,227	29	733,890	35
7950	**Less: Income tax expenses (note 6(l))**	93,608	6	142,114	7
	Net income	412,619	23	591,776	28
8300	**Other comprehensive income (loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Losses on remeasurements of defined benefit plans	1,595	-	1,626	-
8349	Less: income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	1,595	-	1,626	-
8360	**Items that will be reclassified subsequently to profit or loss:**				
8361	Financial statements translation differences for foreign operations	(2,964)	-	223	-
8399	Less: income tax related to items that will be reclassified to profit or loss	(485)	-	38	-
	Total items that will be reclassified subsequently to profit or loss	(2,479)	-	185	-
8300	**Other comprehensive income (loss), net of tax**	(884)	-	1,811	-
8500	**Total comprehensive income**	$ 411,735	23	593,587	28
	Net income attributable to:				
8610	Shareholders of the parent	$ 425,946	24	597,324	28
8620	Non-controlling interests	(13,327)	(1)	(5,548)	-
		$ 412,619	23	591,776	28
	Total comprehensive income attributable to:				
8710	Shareholders of the parent	$ 425,602	24	599,102	28
8720	Non-controlling interests	(13,867)	(1)	(5,515)	-
		$ 411,735	23	593,587	28
	Earnings per share (note 6(n)):				
9710	Basic earnings per share (in New Taiwan dollars)	$ 8.21		13.35	
9810	Diluted earnings per share (in New Taiwan dollars)	$ 8.17		13.22	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 447,282	165,759	501,410	3,694	1,738,098	2,243,202	(4,198)	2,852,045	106,179	2,958,224
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	77,099	-	(77,099)	-	-	-	-	-
Special reserve appropriated	-	-	-	309	(309)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(492,011)	(492,011)	-	(492,011)	-	(492,011)
Cash dividends from capital surplus	-	(44,728)	-	-	-	-	-	(44,728)	-	(44,728)
Other changes in capital surplus	-	3	-	-	-	-	-	3	-	3
Net income (loss)	-	-	-	-	597,324	597,324	-	597,324	(5,548)	591,776
Other comprehensive income	-	-	-	-	1,626	1,626	152	1,778	33	1,811
Total comprehensive income	-	-	-	-	598,950	598,950	152	599,102	(5,515)	593,587
Changes in non-controlling interests	-	-	-	-	-	-	-	-	2,094	2,094
Balance at December 31, 2022	447,282	121,034	578,509	4,003	1,767,629	2,350,141	(4,046)	2,914,411	102,758	3,017,169
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	57,372	-	(57,372)	-	-	-	-	-
Special reserve appropriated	-	-	-	3,073	(3,073)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(268,369)	(268,369)	-	(268,369)	-	(268,369)
Cash dividends from capital surplus	-	(147,603)	-	-	-	-	-	(147,603)	-	(147,603)
Other changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Net income (loss)	-	-	-	-	425,946	425,946	-	425,946	(13,327)	412,619
Other comprehensive income	-	-	-	-	1,595	1,595	(1,939)	(344)	(540)	(884)
Total comprehensive income	-	-	-	-	427,541	427,541	(1,939)	425,602	(13,867)	411,735
Issue of shares	134,180	2,032,827	-	-	-	-	-	2,167,007	-	2,167,007
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,193)	(2,193)
Balance at December 31, 2023	$ 581,462	2,006,263	635,881	7,076	1,866,356	2,509,313	(5,985)	5,091,053	86,698	5,177,751

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from operating activities:			
Net income before tax	$	506,227	733,890
Adjustments:			
Adjustments to reconcile profit and loss:			
Depreciation		41,687	42,569
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9		33,332	(9,885)
Interest expense		2,224	5,702
Interest income		(28,955)	(6,433)
Dividend income		(1,552)	(1,321)
Loss on disposal of property, plant and equipment		262	60
Loss on disposal of investments		290	-
Lease modification gains		(3,124)	(1)
Total adjustments to reconcile profit		44,164	30,691
Changes in assets / liabilities relating to operating activities:			
Net changes in operating assets:			
Notes receivable		3,898	(23,499)
Accounts receivable and long-term accounts receivable		140,421	360,604
Accounts receivable—related parties		(855)	-
Other receivables		(670)	(379)
Inventories		70,169	66,883
Prepayments		(8,091)	1,406
Other current assets		(476)	(1,241)
Total changes in operating assets, net		204,396	403,774
Net changes in operating liabilities:			
Contract liabilities		(22,273)	(58,054)
Notes payable		(55)	17
Accounts payable		(75,377)	(123,457)
Other payables		(56,987)	(55,371)
Provisions		(1,021)	(3,582)
Other current liabilities		5,751	10,706
Net defined benefit liability		(61)	11
Total changes in operating liabilities, net		(150,023)	(229,730)
Total changes in operating assets / liabilities, net		54,373	174,044
Total adjustments		98,537	204,735
Cash provided by operating activities		604,764	938,625
Interest income received		28,927	6,778
Income tax paid		(129,778)	(201,307)
Net cash provided by operating activities		503,913	744,096
Cash flows from investing activities:			
Acquisition of financial assets at amortized cost		(3,240,111)	-
Proceeds from disposal of subsidiaries		1,277	(6,933)
Acquisition of property, plant and equipment		(24,764)	(4,269)
Decrease (increase) in refundable deposits		9,818	(7,596)
Decrease (increase) in other non-current assets		4,397	(35)
Dividends received		1,552	1,321
Net cash used in investing activities		(3,247,831)	(17,512)
Cash flows from financing activities:			
Repayments of long-term debt		-	(203,125)
Payment of lease liabilities		(10,694)	(12,945)
Cash dividends paid		(415,972)	(626,196)
Proceeds from issuing shares		2,167,007	-
Interest paid		(3,818)	(5,833)
Changes in non-controlling interests		2	-
Surplus not paid due to overdue		5	3
Net cash provided by (used in) financing activities		1,736,530	(848,096)
Effect of exchange rate changes on cash and cash equivalents		(2,477)	(201)
Net decrease in cash and cash equivalents		(1,009,865)	(121,713)
Cash and cash equivalents at beginning of period		1,855,258	1,976,971
Cash and cash equivalents at end of period	$	**845,393**	**1,855,258**

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Opinion

We have audited the financial statements of Machvision Inc. (the "Company"), which comprise the statement of financial position as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years 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 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 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 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 of our opinion.

Key Audit Matters

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

1. Revenue recognition

   Please refer to notes 4(m) and 6(p) for disclosures related to revenue recognition.
   Description of key audit matter:
   Revenue is the key indicator used by investors and management while evaluating the Company's finance or operating performance. The accuracy of the timing and amount of revenue recognition have significant impact on the financial statements. Therefore, we consider it as one of our key audit matters.

   How the matter was addressed in our audit:
   Understanding and testing the effectiveness of the design of, and implementing the internal control of sales and collecting cycles; reviewing the revenue recognition of significant sales contracts to determine whether the key judgment, estimation, and accounting treatment are reasonable; understanding the type of products and the sales of machinery equipment of the top 10 customers; calculating the turnover days of sales and accounts receivable to ensure whether clients' credit terms are in accordance with the ratios, and analyzing the changes in the top 10 customers from the most recent period and prior year to determine if there were any abnormalities; selecting sales transaction from a certain period of time before and after the last shipping date, and verifying them with the vouchers to determine the accuracy of the timing whether there are any abnormalities; as well as understanding whether there is a significant subsequent sales returns.

2. Impairment of accounts receivable (including long-term receivables)

   Please refer to notes 4(f), 5 and 6(c) for disclosures related to impairment of trade receivables.

   Description of key audit matter:
   The notes, accounts and long-term accounts receivable constituted 18% of total assets of the Company as of December 31, 2023, and the impairment of notes, accounts and long-term accounts receivable depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

   How the matter was addressed in our audit:
   Testing the effectiveness of control points relating to cash collection; obtaining the list of accounts receivable balance to send confirmations for selected samples; acquiring the Company' s computation of impairment loss rate to review its appropriateness; deriving the aging analysis of accounts receivables to verify the accuracy of aging periods by examining relevant documents of selected receivables; reviewing whether the recognition of provision for the impairment loss is based on the impairment loss rate; and evaluating whether the recognition of impairment on accounts receivable made by the management is reasonable.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The governance unit (including the audit committee) of MACHVISION, INC. is responsible for overseeing the financial reporting process.

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 auditor's 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 financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 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 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 disclosures, and whether the 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 the entities or business activities within the Company to express an opinion on the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor′s 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 audit resulting in this independent auditors′ report are Wu, Chung-Shun and Chang, Chun-I.

KPMG

Taipei, Taiwan (Republic of China)
February 5, 2024

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 review such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying 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' review report and financial statements shall prevail.

MACHVISION INC.

Parent Company Only Balance Sheets

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current assets:				
Cash and cash equivalents (note 6(a))	$ 549,683	10	1,539,497	40
Financial assets at amortized cost－current(note 6(b))	3,240,111	57	-	-
Notes receivable (notes 6(b) and (p))	772	-	377	-
Accounts receivable, net (notes 6(b) and (p))	398,347	7	600,014	15
Accounts receivable-related parties (notes 6(b), (p) and 7)	178,803	3	372,478	10
Other receivables	6,734	-	10,335	-
Other receivables-related parties(note 7)	45,456	1	34,595	1
Inventories (note 6(d))	240,144	4	320,575	8
Prepayments	11,826	-	3,643	-
Other current assets	2,165	-	1,713	-
Total current assets	4,674,041	82	2,883,227	74
Non-current assets:				
Financial assets at fair value through profit or loss—non-current (note 6(f))	9,644	-	9,644	-
Investment using the equity method (note 6(e))	212,996	4	154,973	4
Property, plant and equipment (note 6(g))	213,051	4	217,561	6
Right-of-use assets (note 6(h))	79,976	1	250,205	7
Deferred income tax assets (note 6(m))	32,674	1	31,388	1
Refundable deposits	5,050	-	13,582	-
Long-term receivables (notes 6(c) and (p))	205,063	4	152,133	4
Long-term receivable-related parties (notes 6(c)、(p) and 7)	241,799	4	162,909	4
Other non-current assets (notes 8)	7,121	-	11,586	-
Total non-current assets	1,007,374	18	1,003,981	26
Total assets	$ 5,681,415	100	3,887,208	100

Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Current liabilities:				
Current contract liabilities (note 6(p))	$ 7,419	-	33,626	1
Notes payable	78	-	133	-
Accounts payable	97,596	3	166,311	4
Accounts payable-related parties (note 7)	9,655	-	35,130	1
Other payables (note 6(q))	205,969	4	252,577	7
Other payables-related parties (note 7)	81,728	1	83,759	2
Current tax liabilities	83,274	1	122,303	3
Provisions — current (note 6(j))	9,944	-	12,258	-
Current lease liabilities (note 6(i))	6,654	-	13,392	1
Other current liabilities	2,784	-	1,455	-
Total current liabilities	505,101	9	720,944	19
Non-current liabilities:				
Deferred tax liabilities (note 6(m))	770	-	-	-
Non-current lease liabilities (note 6(i))	76,070	1	241,776	6
Net defined benefit liabilities (note 6(l))	8,421	-	10,077	-
Total non-current liabilities	85,261	1	251,853	6
Total liabilities	590,362	10	972,797	25
Equity(note 6(n)):				
Common stock	581,462	11	447,282	12
Capital surplus:				
Additional paid-in capital	2,006,227	35	121,003	3
Other capital surplus	36	-	31	-
	2,006,263	35	121,034	3
Retained earnings:				
Legal reserve	635,881	11	578,509	15
Special reserve	7,076	-	4,003	-
Unappropriated retained earnings	1,866,356	33	1,767,629	45
	2,509,313	44	2,350,141	60
Other equity interest:				
Foreign currency translation differences for foreign operations	(5,985)	-	(4,046)	-
Total equity	5,091,053	90	2,914,411	75
Total liabilities and equity	$ 5,681,415	100	3,887,208	100

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

MACHVISION INC.

Parent Company Only Statements of Comprehensive Income

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
Operating revenue (note 6(p) and 7)	$ 1,584,237	100	1,924,661	100
Operating costs (notes 6(d), (g), (h), (i),(j),(l),(q)and 7)	720,314	45	909,467	47
Gross profit	863,923	55	1,015,194	53
Decrease: unrealized sales benefits	(8,202)	-	4,714	-
Gross profit from operations	872,125	55	1,010,480	53
Operating expenses (notes 6(c), (g), (h) ,(i), (l),(q)and 7):				
Selling expenses	128,458	8	128,612	7
Administrative expenses	99,649	6	110,143	7
Research and development expenses	210,199	13	217,939	11
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	10,382	1	(8,973)	(1)
Total operating expenses	448,688	28	447,721	24
Net operating income	423,437	27	562,759	29
Non-operating income and expenses (note 6(i), (r) and 7)):				
Interest income	27,240	2	5,185	-
Other income	21,671	1	49,001	3
Other gains and losses	7,938	-	82,920	4
Financial costs	(2,166)	-	(5,693)	-
Share of profit of subsidiaries for using equity method	29,832	2	41,620	2
Total non-operating income and expenses	84,515	5	173,033	9
Net income before tax	507,952	32	735,792	38
Less: Income tax expenses (note 6(m))	82,006	5	138,468	7
Net income	425,946	27	597,324	31
Other comprehensive income (loss):				
Items that will not be reclassified subsequently to profit or loss:				
Losses on remeasurements of defined benefit plans	1,595	-	1,626	-
Less: income tax related to items that will not be reclassified to profit or loss	-	-	-	-
Total items that will not be reclassified subsequently to profit or loss	1,595	-	1,626	-
Items that will be reclassified subsequently to profit or loss:				
Financial statements translation differences for foreign operations	(2,424)	-	190	-
Less: income tax related to items that will be reclassified to profit or loss	(485)	-	38	-
Total items that will be reclassified subsequently to profit or loss	(1,939)	-	152	-
Other comprehensive income (loss), net of tax	(344)	-	1,778	-
Total comprehensive income	$ 425,602	27	599,102	31
Earnings per share (note 6(o)):				
Basic earnings per share (in New Taiwan dollars)	$	8.21		13.35
Diluted earnings per share (in New Taiwan dollars)	$	8.17		13.22

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

MACHVISION INC.

Parent Company Only Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated earnings	Retained earnings: Total	Total other equity interest: Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2022	$ 447,282	165,759	501,410	3,694	1,738,098	2,243,202	(4,198)	2,852,045
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	77,099	-	(77,099)	-	-	-
Special reserve appropriated	-	-	-	309	(309)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(492,011)	(492,011)	-	(492,011)
Cash dividends from capital surplus	-	(44,728)	-	-	-	-	-	(44,728)
Other changes in capital surplus	-	3	-	-	-	-	-	3
Net income	-	-	-	-	597,324	597,324	-	597,324
Other comprehensive income	-	-	-	-	1,626	1,626	152	1,778
Total comprehensive income	-	-	-	-	598,950	598,950	152	599,102
Balance at December 31, 2022	447,282	121,034	578,509	4,003	1,767,629	2,350,141	(4,046)	2,914,411
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	57,372	-	(57,372)	-	-	-
Special reserve appropriated	-	-	-	3,073	(3,073)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(268,369)	(268,369)	-	(268,369)
Cash dividends from capital surplus	-	(147,603)	-	-	-	-	-	(147,603)
Other changes in capital surplus	-	5	-	-	-	-	-	5
Net income	-	-	-	-	425,916	425,946	-	425,946
Other comprehensive income	-	-	-	-	1,595	1,595	(1,939)	(344)
Total comprehensive income	-	-	-	-	427,541	427,541	(1,939)	425,602
Issuance of common stock for cash	134,180	2,032,827	-	-	-	-	-	2,167,007
Balance at December 31, 2023	$ 581,462	2,006,263	635,881	7,076	1,866,356	2,509,313	(5,985)	5,091,053

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

MACHVISION INC.

Parent Company Only Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Net income before tax	$ 507,952	735,792
Adjustments:		
Adjustments to reconcile profit and loss:	34,66	
Depreciation	34,547	36,595
Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	10,382	(8,973)
Interest expense	2,166	5,693
Interest income	(27,240)	(5,185)
Dividend income	(884)	(1,321)
Share of profit of subsidiaries for using equity method	(29,832)	(41,620)
Loss on disposal of investments	199	-
Unrealized sales benefits	(8,202)	4,714
Lease modification gains	(3,124)	-
Total adjustments to reconcile profit	(21,988)	(10,097)
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Notes receivable	(395)	(172)
Accounts receivable(including long-term)	138,383	407,757
Accounts receivable-related parties(including long-term)	114,785	(76,604)
Other receivables	(46)	(192)
Other receivables-related parties	(10,861)	(30,975)
Inventories	80,431	63,494
Prepayments	(8,183)	(1,010)
Other current assets	(452)	(1,708)
Total changes in operating assets, net	313,662	360,590
Net changes in operating liabilities:		
Contract liabilities	(26,207)	(41,981)
Notes payable	(55)	17
Accounts payable	(68,715)	(132,573)
Accounts payable-related parties	(25,475)	(6,891)
Other payables	(46,608)	(48,112)
Other payables-related parties	(2,031)	4,859
Provisions	(2,314)	(4,298)
Other current liabilities	1,329	(3,074)
Net defined benefit liability	(61)	11
Total changes in operating liabilities, net	(170,137)	(232,042)
Total changes in operating assets / liabilities, net	143,525	128,548
Total adjustments	121,537	118,451
Cash provided by operating activities	629,489	854,243
Interest income received	27,212	5,530
Income tax paid	(121,066)	(195,612)
Net cash provided by operating activities	535,635	664,161
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(3,240,111)	-
Acquisition of investments accounted for using the equity method	(22,413)	-
Proceeds from disposal of subsidiaries	3,448	-
Acquisition of property, plant and equipment	(20,026)	(2,454)
Decrease in refundable deposits	8,532	(5,181)
Decrease (increase) in other non-current assets	4,465	(35)
Dividends received	884	1,321
Net cash used in investing activities	(3,265,221)	(6,349)
Cash flows from financing activities:		
Repayments of long-term debt	-	(203,125)
Payment of lease liabilities	(7,497)	(11,129)
Cash dividends paid	(415,972)	(626,196)
Proceeds from issuing shares	2,167,007	-
Interest paid	(3,771)	(5,809)
Surplus not paid due to overdue	5	3
Net cash used in financing activities	1,739,772	(846,256)
Net decrease in cash and cash equivalents	(989,814)	(188,444)
Cash and cash equivalents at beginning of period	1,539,497	1,727,941
Cash and cash equivalents at end of period	**$ 549,683**	**1,539,497**

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

Attachment 4

MACHVISION, INC.
Earnings distribution statement
2024

Unit: NTD

Undistributed earnings at the beginning of the period	1,474,214,986
Increase：Net income-after tax, in 2023	425,945,781
Increase: Determine the welfare plan (loss) benefits	1,595,331
Undistributed earnings in the current year	1,901,756,098
Decrease: Legal reserve (10%)	
For the six months ended June 30, 2023	(32,370,419)
Differences	(10,383,692)
Reversal of Special reserve	
For the six months ended June 30, 2023	(3,029,738)
Differences	1,090,930
Item：	
Less : Distributed earnings Cash dividends-2023 midterm	(290,731,170)
Undistributed earnings at the end of the period	1,566,332,009
The cash dividend is calculated according to the distribution ratio up to the NT$, rounded down to the NT$, and the total unpaid allocation is included in other income.	

Chairman: Wang, Guang-Shiah
Manager：Chen, Fu-Sheng
Accounting Supervisor: Su, Yi-Fan