



MACHVISION Inc. Co., LTD

2024 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:

<https://mops.twse.com.tw/>

Company Website : <https://www.machvision.com.tw>

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Overseas Securities Exchange

Not applicable.

Corporate Website

<https://www.machvision.com.tw>

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I. Letter to Shareholders

2024 Business Report

Thank you for visiting shareholders' meeting in 2025. Over the past year, the Group's revenue in 2024 was NT\$ 1.53 billion, decline of 12.99%. The net profit after tax in 2024 was NT\$315,996 thousand, decline of 23.42%. The operating net profit margin was 16.55%, the net profit after tax was 20.63%, the return on assets was 5.49%, and the return on equity was 6.15%

1. Business Performance in 2024

(1) Business Performance

Unit: NTD thousands

	2024		2023		Increase(decrease)	
	Amount	%	Amount	%	Amount	%
Operating revenues	1,531,831	100.00	1,760,590	100.00	(228,759)	(12.99)
Gross profit	882,129	57.59	1,044,697	59.34	(162,568)	(15.56)
Operating income	253,482	16.55	458,214	26.03	(204,732)	(44.68)
Net income before income tax	392,851	25.65	506,227	28.75	(113,376)	(22.40)
Net income after income tax	315,996	20.63	412,619	23.44	(96,623)	(23.42)
Earnings per share (NT\$)	5.52		8.21		(2.69)	

(2) Budget execution

The company did not disclose financial forecasts in 2024.

(3) Financial income and expenditure and profitability analysis

			2024	2023	2022
Profitability	Return on assets (%)		5.49	8.52	14.08
	Return on equity (%)		6.15	10.07	19.81
	Rate to paid-up capital (%)	Operating income	43.59	78.80	141.65
		Pre-tax net profit	67.56	87.06	164.08
	Net profit ratio (%)		20.63	23.44	28.15
	Earnings per share (NT\$)		5.52	8.21	13.35

(4) Research and development status

The main research and development of the company in 2024 were as follows:

- Index 4W Tester
- CSP 4W Tester
- COLOR CSP AOI 4.0
- Color FC AVI & Bump AOIM
- IC PVIM
- FOUP AOI

g. Tray AOIM

2. Summary of the business plan for the year of 2024

Important production and sales policy and company development strategies :

With Taiwan's semiconductor advantages, many customers have significantly expanded their IC substrate and flexible board businesses in Taiwan. In 2024, MACHVISION strategically invested in a partnership with HYE, a company also in the optical inspection field, to jointly develop semiconductor packaging and advanced packaging AOI equipment. Under the leadership of ASE Group, MACHVISION will expand its optical and AI research and development capabilities, integrate products, and share market resources, thereby promoting a vertical-horizontal integration strategy. Additionally, MACHVISION will continue to invest in electrical testing equipment development and customer certification to help clients significantly reduce production equipment and labor costs, improve competitiveness, and launch corresponding products for different industries, thus driving industrial development.

Amid the uncertainty of global economic development, more than 20 PCB manufacturers from both China and Taiwan have announced their expansion into Thailand. MACHVISION has secured most of its clients' orders for inspection equipment in Thailand and has purchased a factory for production in the country, actively expanding its market in Thailand in conjunction with its existing customer service capabilities.

MACHVISION is the world's only one-stop supplier of optical inspection equipment. With over 20 years of professional operation, more than 90% of the top 100 PCB manufacturers globally are loyal customers of MACHVISION. Research and development capabilities have always been the company's core competitiveness. MACHVISION will continue to develop the three core technologies of automatic optical inspection: 1) 2D/3D measurement, 2) circuit inspection, and 3) appearance defect inspection. The company will continue to invest more in R&D, develop new products, create a larger market, and improve performance and profits.

Finally, we would like to express our gratitude to all shareholders for their support and care. All employees of MACHVISION will continue to work hard to create greater value for all shareholders, and we hope that shareholders will continue to support and encourage MACHVISION as they have in the past.

Chairman: Wang, Guang-Shiah

General Manager: Chen, Fu-Sheng

Accounting Supervisor: Su, Yi-Fan

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

March 31, 2025

Title	Nationality / Place of Incorporation	Name	Gender/ Age	Date Elected MM/DD/YYYY	Term (Years)	Date First Elected MM/DD/YYYY	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	WANG/ GUANG-SHIAH	Male/ 60-70	07/20/2021	3	05/26/1998	1,426,740	3.19%	1,456,740	2.51%	36,426	0.07%	-	-	Ph.D., Institute of Industrial Engineering, Pennsylvania State University Professor, Department of Industrial Engineering Management, Chung Hua University	Company's chief technical officer Director of Machvision (Dongguan) Inc.. Chairman of SISSCA Co.,Ltd. (legal representative)	-	-	-	
Director	R.O.C.	CHUANG/ YUNG-SHUN	Male/ 71-80	07/20/2021	3	12/07/2005	417,711	0.93%	447,711	0.77%	-	-	-	-	Master of International Business Studies, National Taiwan University Master of Business Administration, Tulane University, USA Bachelor of Electronic Engineering, National Taiwan University of Science and Technology Chairman of AAEON Technology Co., Ltd.	Chairman of AAEON Technology Co., Ltd. (legal representative) Chairman of AAENO Investment Co., Ltd. (legal representative) Chairman of ONYX Healthcare Inc. (legal representative) Chairman of AAEON Technology (Suzhou) Co., Ltd. (legal representative)	-	-	-	Please see note 1 for other concurrent positions.

Title	Nationality / Place of Incorporation	Name	Gender/ Age	Date Elected MM/DD/YYYY	Term (Years)	Date First Elected MM/DD/YYYY	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	YU/ MING-CHANG	Male/ 61-70	07/20/2021	3	08/07/2008	1,073,940	2.40%	1,073,940	1.85%	2,636	0.005%	—	—	Master of Electrical Engineering, Tsinghua University Deputy General Manager of Stark Technology Co., Ltd.	Director of Stark Technology Inc. Director of Aspeed Technology Co., Ltd. (legal representative) Director of Atech OEM Technology Inc. Director of board of ChipAI Co., LTD.(legal representative) Independent director of CipherLab Co., Ltd.				
Director	R.O.C.	CHANG/ YUNG-YANG	Male/ 71-80	07/20/2021	3	05/25/2007	1,333,904	2.98%	1,386,904	2.39%	—	—	—	—	Doctor of Science and Technology, Institute of Science and Technology Management, Chung Hua University Associate Professor, Kainan University Vice-principal of Taoyuan community college Consultant of Changqiao Accounting firm	Chairman of Changhong Enterprise Management Consulting Co., Ltd. Director of JUIC International corporation Supervisor of Avountes Co., Ltd. Chairman of HUNG CHIAO ENVIRONMENT-TECHNOLOGY ENGINEERING INC.				
Director	R.O.C.	YAN/ WEI-CHYUN	Male/ 61-70	07/20/2021	3	06/10/2013	275,998	0.62%	296,000	0.51%	—	—	—	—	Master of Business Administration, City University of New York, USA Vice Chairman of Atech OEM Co., Ltd.	Vice Chairman of Atech OEM Co., Ltd. Director of CipherLab Co., Ltd.				Please note 2 for other concurrent positions

Title	Nationality / Place of Incorporation	Name	Gender/ Age	Date Elected MM/DD/YYYY	Term (Years)	Date First Elected MM/DD/YYYY	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	CHEN/ FU-SHEN	Male/ 51-60	07/20/2021	3	05/29/2019	27,034	0.06%	27,034	0.05%	—	—	—	—	Master of Industrial Engineering, Tsinghua University Wafer works Group Chairman Special Assistance and Deputy General Manager of Subsidiary Operations	Company's general manager Director of board of SISSCA Co.,Ltd.(legal representative) Chairman of Machvision Korea Co., Ltd				Note 4
Director	R.O.C.	Advanced Semiconductor Engineering Inc.(Representative): LEE/CHUN-CHE	Male/ 61-70	05/30/2024	3	05/30/2024	—	—	—	—	—	—	—	—	Bachelor of Aerospace Engineering, Tamkang University General Manager of ASE Electronics Inc.	Supervisor of Advanced Semiconductor Engineering Inc.(Representative) Legal Representative of ASE Test Inc. Directors of ASE(Shanghai) Inc. Legal Representative of ASE Electronics. Inc. Legal Representative of USI Inc.	-	-	-	Note 4
Independent Director	R.O.C.	LEE/ TSU-DER	Male/ 71-80	07/20/2021	3	05/27/2016	—	—	—	—	1,000	—	—	—	Bachelor of Dental Medicine, Taipei Medical University Chairman of Taipei Medical University	Independent director of China general plastics corporation				Please see note 3 for other concurrent positions Note 4

Title	Nationality / Place of Incorporation	Name	Gender/ Age	Date Elected MM/DD/YYYY	Term (Years)	Date First Elected MM/DD/YYYY	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	YEN/ TZONG-MING	Male/ 71-80	07/20/2021	3	05/26/2017	—	—	—	—	—	—	—	—	Master of Economics, Soochow University Wharton School of the University of Pennsylvania PhD Program in Finance Director of Hsinchu Science Park Bureau Director of Mega Bills Adjunct Faculty, National Yang Ming EMEA Chiao Tung University Professor, Department of Business Administration, Hsuan Chuang University	Independent director of ACTION ELECTRONICS CO., LTD. Director of the Board of directions of Hsinchu Kuang-Fu High School				
Independent Director	R.O.C.	DU/ MING-HAN	Male/ 61-70	07/20/2021	3	12/14/2018	—	—	—	—	—	—	—	—	Master of Management Science, Tamkang University Senior Deputy General Manager of Taiwan Microsoft Corporation President of Taiwan World Vision	Supervisor of K K Intelligent technology Inc. Director of Buy for ESG Inc.				

Title	Nationality / Place of Incorporation	Name	Gender/ Age	Date Elected MM/DD/YYYY	Term (Years)	Date First Elected MM/DD/YYYY	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	YANG/ HSING-YU	Female/ 51-60	05/30/2024	3	05/30/2024	—	—	—	—	—	—	—	—	Master of Accounting from the School of Business at Soochow University Vice President and Chief Accountant of WT Microelectronics Co., Ltd.	Vice President and Chief Accountant of WT Microelectronics Co., Ltd. Supervisor of WT Technology Korea Co., Ltd. Supervisor of Analog World Co., Ltd. Supervisor of Leader's Technology Co., Ltd. Supervisor of Brillnics Japan Inc.	-	-	-	Note 4

Note 1: Director of AAEON electronics Inc., director of AAEON TECHNOLOGY (Europe) BV, director of AAEON TECHNOLOGY GMBH, director of AAEON TECHNOLOGY SINGAPORE PTE. LTD., director of Mcfees Group Inc., director of Allied Biotech Corp., director of sunengine corporation LTD (legal representative), director of XAC AUTOMATION CORP. (legal representative), Chairman of Atech OEM Co., Ltd., director of Outstanding Electronics (dongguan) manufacturer Co., Ltd., director of Danyang Qiye Technology Co.,Ltd, director of CHC Healthcare Group (legal representative), chairman of Yanxin Investment Co., Ltd., director of Top union Electronics (Suzhou) Co., Ltd. (legal representative), director of Top union Electronics Co., Ltd., director of board of Allied Oriental International Ltd., chairman of Fu Li Investment Co., Ltd., director of Litemax Electronics Inc. (legal representative), director of Litemax Technology Inc., director of king core electronic Inc., chairman of EVERFOCUS ELECTRONICS CORP, chairman of Onyx Healthcare (Shanghai)Inc.(legal representative), director of ONYX Healthcare Europe B.V., director of ONYX Healthcare USA, INC., chairman of yibao-jhihren Inc.(legal representative), director of Winmate Inc.(legal representative), director of IBASE TECHNOLOGY INC.(legal representative), director of Fengxin venture capital Inc. (legal representative), chairman of the AAEON Culture and Education Foundation, independent director of TAIFLEX SCIENTIFIC CO., LTD., director of Protectlife International Biomedical Inc., chairman of QQE Technology Co., LTD. (legal representative).

Note 2: Director of QQE TECHNOLOGY CO., LTD. (legal representative), independent director of TOP UNION ELECTRONICS CORPORATION.

Note 3: Independent director of China general plastics corporation, director of Diamond capital management Ltd. (legal representative), director of Diamond biotechnology investment Ltd. (legal representative), director of Xinyao biotechnology investment Ltd. (legal representative), director of MICROBIO (shanghai) CO., LTD.,

Note 4: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Note 4 At the Annual General Shareholders' Meeting held on May 30, 2024, the Company completed the re-election of the 10th Board of Directors. Director Chen Fu-Sheng and Independent Director Lee Tsu-Der stepped down following the re-election, while Lee Chun-Che, the representative of ASE Technology Holding Co., Ltd., was appointed as Director, and Ms. Yang Hsing-Yu was appointed as Independent Director.

Major shareholders of the institutional shareholders:

March 31, 2025

Name of juristic person shareholder	Major shareholder of juristic-person shareholder
Advanced Semiconductor Engineering, Inc.	ASE Technology Holding Co., Ltd.

Major shareholders of the Company's major institutional shareholders:

March 31, 2025

Name of juristic person shareholder	Major shareholder of juristic-person shareholder
ASE Technology Holding Co., Ltd.	VIA Electronics International (Hong Kong) Limited

2.1.2 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

March 31, 2025

Name \ Criteria	Independent director	Audit Committee Member	Professional qualification and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
WANG/ GUANG-SHIAH	-	-	Please refer to page 5-10.	Not applicable	0
YU/ MING-CHANG	-	-			1
CHANG/ YONGYING	-	-			0
CHUANG/ YUNGSHIN	-	-			1
YAN/ WEI-CHYUN	-	-			1
Advanced Semiconductor Engineering Inc.(Representative): LEE/ CHUN-CHE	-	-			0
YEN/ TZONG-MING	V	V	Please refer to page 5-10.	Independent directors are in compliance with Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies	1
DU/ MING-HAN	V	V	Not been a person of any conditions defined in Article 30 of the Company Law.		1
YANG/ HSING-YU	V	V			0

2.1.3 Board Diversity Policy and Implementation Status

Member diversification is considered by the Board members. Factors taken into account include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The Board objectively chooses candidates to meet the goal of member diversification.

Core goals for diversification Name of director	Nationality	Age	Gender	Employee	Operational management and business judgment	Global market perspectives	Leadership	Industry knowledge	Finance and accounting	Legal Expertise
WANG/ GUANG-SHIAH	R.O.C	61~70	Male	Yes	V	V	V	V		
YU/ MING-CHANG	R.O.C	71~80	Male	No	V	V	V	V		
CHANG/ YONGSHUN	R.O.C	61~70	Male	No	V	V	V	V		
CHANG/ YUNG-YANG	R.O.C	71~80	Male	No	V	V	V	V	V	V
YAN/ WEI-CHYUN	R.O.C	61~70	Male	No	V	V	V	V	V	
Advanced Semiconductor Engineering Inc.(Representative): LEE/ CHUN-CHE	R.O.C	61~70	Male	No	V	V	V	V		
YEN/ TZONG-MING	R.O.C	71~80	Male	No	V	V	V	V	V	V
DU/ MING-HAN	R.O.C	61~70	Male	No	V	V	V	V		
YANG/ HSING-YU	R.O.C	51~60	Female	No	V	V	V	V	V	

2.1.4 Management Team

Title	Nationality	Name	Gender	Date Effective MM/DD/YY	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and Chief Technology Officer of R/D dept.	R.O.C.	WANG/GUANG-SHIAH	Male	07/01/06	1,456,740	2.51%	39,426	0.07%	—	—	Ph.D., Institute of Industrial Engineering, Pennsylvania State University Professor, Department of Industrial Engineering Management, Chung Hua University	Director of Machvision (Dongguan) Inc.. Chairman of SISSCA Co.,Ltd. (legal representative)	—	—	—	
Chief Executive Officer	R.O.C.	CHEN/FU-SHEN	Male	02/11/25	27,034	0.05%	—	—	—	—	Master of Industrial Engineering, Tsinghua University Wafer works Group Chairman Special Assistance and Deputy General Manager of Subsidiary Operations	Director of board of SISSCA Co.,Ltd.(legal representative) Chairman of Machvision Korea Co., Ltd	—	—	—	
General Manager	R.O.C	HUANG/CHIA-HSING	Male	02/11/25	92,501	0.16%	—	—	—	—	Maser of Institute of Industrial Engineering, Pennsylvania State University	Director of Machvision (Dongguan) Inc.. Chairman of You Zhi You Co., Ltd.	—	—	—	

Title	Nationality	Name	Gender	Date Effective MM/DD/YY	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	CHINA	XIA/MING	Male	02/11/25	—	—	—	—	—	—	Master of Institute of Business and Management Peking University	NA	—	—	—	
Research and Development Deputy General Manager	R.O.C.	WANG/YUAN-NAN	Male	07/01/19	—	—	—	—	—	—	Master of Taiwan University Department of Mechanical Engineering General manager of Anderson Industrial Corp. General manager of Lianyuan Inc.	NA	—	—	—	
Financial and accounting officer corporate governance officer	R.O.C.	SU/YI-FAN	Female	06/01/22	—	—	—	—	—	—	Bachelor of Accounting, Chung Yuan Christian University Assistant manager of KPMG Taiwan	NA	—	—	—	

Note1 : Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

2.2 Remuneration of Directors, Independent Directors, President, and Vice Presidents

2.2.1 Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)	
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)							
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements		
Director	WANG/GUANG-SHIAH	-	-	-	-	2,797	2,797	155	155	0.92%	0.92%	6,669	6,669	-	-	4,250	-	4,250	-	4.32%	4.32%	-	
	YU/MING-CHANG																						
	CHANG/YONGSHUN																						
	CHUANG/YUNGSHUN																						
	YAN/WEI-CHYUN																						
	LEE/CHUN-CHE																						
Independent Director	YEN/TZONG-MING	-	-	-	-	1,399	1,399	200	200	0.50%	0.50%	-	-	-	-	-	-	-	-	0.50%	0.50%	-	
	DU/MING-HAN																						
	YANG/HSING-YU																						
	1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: 2.In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors. 3. The remuneration of directors and the remuneration of employees have not yet been decided, which is based on the percentage of the allocation in previous year.																						

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements (I)
Less than NT\$ 1,000,000	WANG/GUANG-SHIAH、 CHUANG/YUNG-SHUN、 YU/MING-CHANG、 CHANG/YUNG-YANG、 YAN/WEI-CHYUN、LEE/ CHUN-CHE、 YAN/ZONGMING、 DU/MINGHAN、 YANG/HSING-YU	WANG/GUANG-SHIAH、 CHUANG/YUNG-SHUN、 YU/MING-CHANG、 CHANG/YUNG-YANG、 YAN/WEI-CHYUN、LEE/ CHUN-CHE、 YAN/ZONGMING、 DU/MINGHAN、 YANG/HSING-YU	CHUANG/YUNG-SHUN、 YU/MING-CHANG、 CHANG/YUNG-YANG、 YAN/WEI-CHYUN、LEE/ CHUN-CHE、 YAN/ZONGMING、 DU/MINGHAN、 YANG/HSING-YU	CHUANG/YUNG-SHUN、 YU/MING-CHANG、 CHANG/YUNG-YANG、 YAN/WEI-CHYUN、LEE/ CHUN-CHE、 YAN/ZONGMING、 DU/MINGHAN、 YANG/HSING-YU
NT\$1,000,000 ~ NT\$1,999,999	-	-	-	-
NT\$2,000,000 ~ NT\$3,499,999	-	-	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-	-	-
NT\$5,000,000 ~ NT\$9,999,999	-	-	-	-
NT\$10,000,000 ~ NT\$14,999,999	-	-	WANG/GUANG-SHIAH	WANG/GUANG-SHIAH
NT\$15,000,000 ~ NT\$29,999,999	-	-	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	-
Greater than or equal to NT\$100,000,000	-	-	-	-
Total	9	9	9	9

2.2.2 Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chief Technical Officer	WANG/GUANG-SHIAH	11,960	11,960	216	216	5,622	5,622	9,392	-	9,392	-	8.48%	8.48%	-
General Manager	CHEN/FU-SHEN													
Chief Operating Officer	CHEN/ CHIAN-NAN													
Research and Development Deputy General Manager	WANG/YUAN-NAN													

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Less than NT\$ 1,000,000	-	-
NT\$1,000,000 ~ NT\$1,999,999	CHEN/ CHIA-NAN	CHEN/ CHIA-NAN
NT\$2,000,000 ~ NT\$3,499,999	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-
NT\$5,000,000 ~ NT\$9,999,999	WANG/YUAN-NAN 、 CHEN/FU-SHEN	WANG/YUAN-NAN 、 CHEN/FU-SHEN
NT\$10,000,000 ~ NT\$14,999,999	WANG/GUANG-SHIAH	WANG/GUANG-SHIAH
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
Greater than or equal to NT\$100,000,000	-	-
Total	4	4

2.2.3 Names of managerial officers with compensation as employees and the status of payment

	Title	Name	Stock	Cash	Total	Proportion of total to net profit after tax of parent company only (%)
Managerial Officers	Chief Technical Officer	WANG/GUANG-SHIAH	-	9,953	9,953	3.10%
	General Manager	CHEN/FU-SHEN				
	Development Deputy General Manager	WANG/YUAN-NAN				
	Chief Audit Officer	YAO /HUI-FANG				
	Financial and accounting officer corporate governance officer	SU/YI-FAN				

2.2.4 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Year	2023		2024	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Ratio of total remuneration paid to directors to net income (%)	6.87%	6.87%	4.82%	4.82%
Ratio of total remuneration paid to president and vice presidents to net income (%)	8.48%	8.48%	8.48%	8.48%

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

(1) Remuneration of the Directors

In compliance with the regulations of the competent authorities, the Company has established a Remuneration Committee. Over the past two fiscal years, the remuneration of the members of the Board of Directors has been determined in accordance with the Company's "Board Performance Evaluation Guidelines". In line with corporate governance best practices, the Remuneration Committee evaluates relevant factors such as industry compensation benchmarks, the Company's financial and operational performance, the level of Board engagement, individual contributions to corporate value creation, and risk alignment. Based on its assessment, the Committee provides its recommendations to the Board of Directors for resolution and approval.

(2) Remuneration of the President and Vice Presidents

Pursuant to applicable regulations, the Company has duly constituted a Remuneration Committee. The total compensation for the President and Vice Presidents, classified under Key Management Personnel (KMP) pursuant to IAS 24 – Related Party Disclosures, includes base salary, annual merit adjustments, year-end bonuses, and performance-based incentives. Such remuneration is subject to review by the Remuneration Committee and submitted to the Board of Directors for final approval.

Annual adjustments and year-end bonuses are determined in accordance with Company-wide compensation policies, while performance-based incentives are established based on the Company's profitability metrics and individual performance evaluations.

(3) Risk Considerations:

The Company undertakes an internal risk assessment process to evaluate the appropriateness of individual compensation packages for directors and managerial personnel. The remuneration structure and payout mechanisms are designed to ensure alignment with long-term shareholder value, regulatory compliance, and the Company's risk appetite framework. All compensation decisions are subject to the review and approval of the Remuneration Committee and the Board of Directors, ensuring no material risk exposures arise from compensation arrangements.

2.3 Implementation of Corporate Governance

2.3.1 Operations of the Board of Directors

A total of 8 (A) meetings of the Board of Directors were held in the previous period.

(3 times in the 9th term, and 5 times in the 10th term)

The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	WANG/GUANG-SHIAH	8	0	100.00	Note1
Director	YU/MING-CHANG	8	0	100.00	Note1
Director	CHANG/YONGSHUN	8	0	100.00	Note1
Director	CHANG/YUNG-YANG	8	0	100.00	Note1
Director	YAN/WEI-CHYUN	8	0	100.00	Note1
Director	CHEN/FU-SHEN	3	0	100.00	Note2
Director	Advanced Semiconductor Engineering Inc.(Representative): LEE/CHUN-CHE	4	1	80.00	Note3
Independent director	LEE/TSU-DER	3	0	100.00	Note2
Independent director	YEN/TZONG-MING	8	0	100.00	Note1

Independent director	DU/ MING-HAN	8	0	100.00	Note1
Independent director	YANG/ HSING-YU	5	0	100.00	Note3

Note 1: Re-elected as the 10th-term Director (Independent Director) of the Company at the Annual General Shareholders' Meeting on May 30, 2024.

Note 2: Resigned as Director (Independent Director) of the Company at the Annual General Shareholders' Meeting on May 30, 2024.

Note 3: Appointed as the 10th-term Director (Independent Director) of the Company at the Annual General Shareholders' Meeting on May 30, 2024.

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - (1) Matters referred to in Article 14-3 of the Securities and Exchange Act.
 - (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.

Date	Proposal and resolution	Matters referred to in Article 14-3 of the Securities and Exchange Act	Other matters involving objections or expressed reservations by independent directors
2024/2/5 Ninth 20th time	1. Approved the 2023 remuneration to directors (including independent directors) and employees.	yes	no
	2. Approved the company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement".	yes	no
	3. Adopted the new formulation and derivative financial products credit line contract with banks, with regards to the short term financing loan commitments and flexible use of corporate funds of excellent relationships with banks.	yes	no
	Independent directors' opinions: NA		
	The reaction of independent directors' opinions: NA		
	1. Resolution (1): Reviewed by Compensation Committee and all attendees of directors and independent directors passed without objection except CTO (WANGGUANG-SHIAH) and General Manager (CHEN FU-SHEN) were not participate in discussions and voting due to interest avoidance. 2. Resolution (2~3): All Attendees of directors and independent directors passed without objection.		
2024/3/7 Ninth 21 time	1. Approved the distribution of remunerations to key management and employees	yes	no
	Independent directors' opinions: NA		
	The reaction of independent directors' opinions: NA		
	Resolution: All Attendees of directors and independent directors passed without objection.		

Date	Proposal and resolution	Matters referred to in Article 14-3 of the Securities and Exchange Act	Other matters involving objections or expressed reservations by independent directors
2024/5/30 Ninth 14th time	1. Election of the Chairman of the Board of Directors of the Company.	yes	no
	Independent directors' opinions: NA		
	The reaction of independent directors' opinions: NA		
	Resolution: The entire Board of Directors, including all independent directors, unanimously agreed to elect Mr. GUANG-SHIAH WANG as the Chairman of the 10th Board of Directors of the Company.		
2024/7/30 Ten 2nd time	1. Approved the strategic investment case.	yes	no
	2. Approved the 2023 remuneration to directors (including independent directors).	yes	no
	3. Approved the distribution of remunerations to key management and employees for 2023.	yes	no
	4. Approved the routine adjustment in the salary of key management for 2024.	yes	no
	Independent directors' opinions: NA		
	The reaction of independent directors' opinions: NA		
	Resolution: All Attendees of directors and independent directors passed without objection.		
2024/10/29 Ten 3th time	1. Approved the subsidiary of Thailand acquire property, plant and equipment.	yes	no
	2. Adopted the new formulation and derivative financial products credit line contract with banks, with regards to the short term financing loan commitments with banks.	yes	no
	3. Adopted the new formulation and derivative financial products credit line contract with banks, with regards to the short term financing loan commitments with banks.	yes	no
	Independent directors' opinions: NA		
	The reaction of independent directors' opinions: NA		
	Resolution: All Attendees of directors and independent directors passed without objection.		
2024/11/8 Ten 4th time	1. Approved the case of private stock HYE TECHNOLOGY CO.LTD	yes	no
	Independent directors' opinions: NA		

Date	Proposal and resolution	Matters referred to in Article 14-3 of the Securities and Exchange Act	Other matters involving objections or expressed reservations by independent directors
2024/12/19 Ten 5th time	The reaction of independent directors' opinions: NA		
	Resolution: All Attendees of directors and independent directors passed without objection.		
	1. Adopted MACHVISION 2025 audit plan.	yes	no
	2. Adopted the revision of some clauses from “Management of Loans to others.	yes	no
	3. Approved the proposed renewal of the “Liability Insurance of Directors, Supervisors, and Managerial Officers ” from Tokio Marine Nawa Insurance Co., Ltd.	yes	no
	Independent directors' opinions: NA		
	The reaction of independent directors' opinions: NA		
	Resolution: All Attendees of directors and independent directors passed without objection.		

2. If there are directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: Please refer previous item.

3. Implementation Status of Board Evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	2023/01/01 ~ 2023/12/31	Board of Directors, individual directors, and functional committees	internal self-evaluation by the Board of Directors, self-assessment by directors, peer evaluation	Note 1
Once three year	2022/1/1 ~ 2023/12/31	Board of Directors, individual directors, and functional committees	Hiring an external professional organization. Taiwan Corporate Governance Association	Note 2

Our company appointed the Taipei Foundation of Finance to conduct an external professional organization assessment from January 2022th to December 2023th, with the appointment made in February 2024. For the assessment report, please refer to this year's Chinese annual report.

Note 1: According to the scope of evaluation, evaluation items must at least include the following items:

- (1) Board performance evaluation: At least includes level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.
- (2) Individual director performance evaluation: At least includes grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.
- (3) Functional committee performance evaluation: Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees, and member selection and internal control.

Note 2: The seven performance evaluation indicators or dimensions are as follows:

- (1) Maintenance of Shareholders' Equity: Ensuring protection and enhancement of shareholders' interests.
- (2) Strengthening Board Structure and Operations: Enhancing the effectiveness

and efficiency of the board's organization and functioning.

- (3) Level of Participation in Company Operations: Assessing the degree of involvement and engagement of the board in the company's operational matters.
- (4) Improvement of Board Decision-making Quality: Enhancing the quality and effectiveness of the board's decision-making processes.
- (5) Enhancement of Information Transparency: Increasing transparency in the disclosure of relevant information to stakeholders.
- (6) Internal Control: Ensuring the adequacy and effectiveness of internal control mechanisms.
- (7) Promotion of Sustainable Development: Initiatives and efforts aimed at fostering sustainable development practices within the company.

2.3.2 Audit Committee

A total of 7 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Independent director	LEE/TSU- DER	3	0	100.00	Note 2
Independent director	YEN/TZO NG-MING	7	0	100.00	Note 1
Independent director	DU/MING -HAN	7	0	100.00	Note 1
Independent director	YANG/ HSING- YU	4	0	100.00	Note 3

Note 1: Re-elected as the 10th-term Director (Independent Director) of the Company at the Annual General Shareholders' Meeting on May 30, 2024.

Note 2: Resigned as Director (Independent Director) of the Company at the Annual General Shareholders' Meeting on May 30, 2024.

Note 3: Appointed as the 10th-term Director (Independent Director) of the Company at the Annual General Shareholders' Meeting on May 30, 2024.

Other mentionable items:

1.If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

- (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.
- (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Date	Proposal and resolution	Article 14-5 of the Securities and Exchange Act	Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
2024/2/05 2nd 18th time	Approved the company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement".	yes	no
	Approved the company's 2023 financial reports	yes	no
	The accountant remuneration case for the fiscal year 2024.	yes	no
	Audit Committee's resolution : Agree.		
	Company's response to the Audit Committee's opinion : Agree.		
2024/4/30 2nd 20th time	Approved the financial statements for the first quarter of 2024.	yes	no
	Audit Committee's resolution : Agree.		
	Company's response to the Audit Committee's opinion : Agree.		
2024/7/30 3rd 1th time	Approved the financial statements for the second quarter of 2024.	yes	no
	Audit Committee's resolution : Agree.		
	Company's response to the Audit Committee's opinion : Agree.		
2024/10/29 3rd 2th time	Approved the financial statements for the third quarter of 2024.	yes	no
	To enhance the flexible use of company funds, it is proposed to participate in a bond subscription plan	yes	no
	Audit Committee's resolution : Agree.		
	Company's response to the Audit Committee's opinion : Agree.		
2024/11/8 3rd 3th time	Approved the case of private stock HYE TECHNOLOGY CO.LTD.	yes	no
	Audit Committee's resolution : Agree.		
	Company's response to the Audit Committee's opinion : Agree.		
2024/12/19 3rd 4th time	Adopted MACHVISION 2025 audit plan.	yes	no
	Adopted the revision of some clauses from "Procedures for Handling Material inside Information of the Company."	yes	no
	Adopted the revision of some clauses from "Management of Loans to others."	yes	no

Date	Proposal and resolution	Article 14-5 of the Securities and Exchange Act	Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.
	Approved the proposed renewal of the “Liability Insurance of Directors, Supervisors, and Managerial Officers ” from Tokio Marine Nawa Insurance Co., Ltd.	yes	no
	Audit Committee’s resolution : Agree.		
	Company’s response to the Audit Committee’s opinion : Agree.		

2. If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: Please refer previous item : None.
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

Date	Communications
Feb. 2024	Discussed the audit status of financial statements and newly amended regulations with the head of finance and accounting and the chief internal auditor.
Apr. 2024	Discussed the review status of financial statements and related issues with the head of finance and accounting and the chief internal auditor.
Jul 2024	Discussed the review status of financial statements, strategic investment proposals, and related topics with the head of finance and accounting and the chief internal auditor.
Oct. 2024	Discussed the review status of financial statements and newly amended regulations with the head of finance and accounting and the chief internal auditor.
Nov. 2024	Discussed matters related to the subscription of privately placed common shares with the head of finance and accounting and the chief internal auditor.
Dec. 2024	Attended a meeting with the head of finance and accounting and the chief internal auditor regarding matters related to the audit process. Discussed the 2025 audit plan and risk assessment matters with the chief internal auditor.
Independent directors maintain direct communication channels with the internal auditor and the certifying CPA, and communication is smooth and effective. The chief internal auditor reports to the Audit Committee and interacts with independent directors during quarterly Audit Committee meetings based on the annual audit plan and actual execution. In addition,	

the chief internal auditor submits written audit reports to each independent director on a monthly basis and conducts necessary communications. The CPA attends Audit Committee meetings on an ad-hoc basis to review or audit financial reports and to communicate and interact with independent directors regarding financial, tax, or internal control matters.

4. 2024 annual work focus :

- (1) Reviewed the internal audit department's annual work plan, received monthly reports from the internal audit department, examined management's responses to internal audit findings, and communicated regularly with the head of internal audit.
- (2) Reviewed the semi-annual and annual financial reports for 2024 (ROC Year 113); after discussions and approval by the Audit Committee, the reports were submitted to the Board of Directors. Additionally, communicated with the external auditors regarding the audit work and the impact of regulatory changes.
- (3) Reviewed the proposal for the distribution of earnings for the first half of 2024.
- (4) Reviewed the proposal to subscribe to bonds to enhance the flexibility of the company's capital utilization.
- (5) Reviewed the proposal to participate in the private placement of common shares of Hua You Yi Technology Co., Ltd.
- (6) Assessed the "Directors' and Officers' Liability Insurance" for 2024 in accordance with legal requirements.
- (7) Evaluated the effectiveness of the internal control system. The company conducted a self-assessment of the five key elements of its internal control system: control environment, risk assessment, control activities, information and communication, and monitoring activities. Control activities were self-assessed by each department at the operational level, and an internal control review meeting was held to perform audits. The overall assessment concluded that the internal control system was designed and executed effectively and in compliance with internal control standards. The Audit Committee evaluated the effectiveness of the company's internal control policies and procedures—including controls over finance, operations, risk management, information security, outsourcing, and legal compliance—and reviewed regular reports from the internal audit team, external auditors, and management. The Audit Committee believes that the company's risk management and internal control systems are effective and that appropriate mechanisms are in place to monitor and correct any non-compliance issues.

2.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. The information has been disclosed on the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major	V		In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, Legal Department, to handle shareholders’ suggestions, doubts, disputes and litigation. The Finance & Shared Services Division is	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed			responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares. Rules are made to strictly regulate the activities of trading, endorsement and loans between the Company and its affiliates. In addition, the “Criteria of Internal Control Mechanism for a Public Company”, outlined by the Financial Supervisory Commission when drafting the guidelines for the “Supervision and Governance of Subsidiaries”, was followed in order to implement total risk control with respect to subsidiaries. To protect shareholders’ rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
information?			undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members? (2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit	V		Member diversification is considered by the Board members. Factors taken into account include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The Board objectively chooses candidates to meet the goal of member diversification. The Company has set up the Remuneration Committee and the Audit Committee according to the law; the establishment of other committees	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
Committee? (3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?			is under evaluation. The company has formulated rules and procedures for evaluating the Board’s performance and conducts it annually. The Company uses two methods to evaluate the performance of the Board. 1. Self-assessment of Board members Board members fill in the” Self-Assessment Questionnaire for Board Members” at the end of each year. To evaluate the performance of each member’s effectively, the questionnaire contains the following factors: A. Their grasp of the Company's goals and missions; B. Their recognition of director's duties; C. Their degree of participation in the	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Company's operations; D. Their management of internal relationships and communications; E. Their professionalism and continuing professional education; F. Internal controls. 2. Assessment of the Board: The Secretary Office of the Board conducts the assessment of the Board’s performance. The following aspects are taken into consideration: A. The degree of participation in the Company's operations; B. Improvement in the quality of decision making by the Board of Directors; C. The composition and structure of the Board	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			of Directors; D. The election of the directors and their continuing professional education. E. Internal controls. The Company conducts director self-assessments and peer assessments in the first quarter each year. Assessment results were reported to the Board of Directors in 25 Dec 2023, and are referenced when determining the remuneration of individual directors and nominations for reelection. F. The external board performance evaluation is conducted at least once every three years by an external professional independent organization or a team of external expert scholars, and an annual performance evaluation is conducted at the end of each	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?			year. At the end of 112th year, our company commissioned the external organization " Taipei Foundation of Finance " to conduct a board performance evaluation for the period from January 2022 year to December 2023 year. The association issued the evaluation report on March 18th, 2024 year. For the overall evaluation and recommended actions, please refer to the Corporate Governance section on our company's website. The Company evaluates the independence of CPAs annually, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company.	
4. Does the company appoint a suitable number of	V		The board of directors approved Su, Yi-Fan the	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			appointment of corporate governance officer .The responsibility of for corporate governance officer include corporate governance-related matters, providing information required by directors and functional committees to perform their business, drafting agendas of the board of directors and shareholders’ meeting and assisting the board of directors to strengthen their functions	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company provides detailed contact information, including telephone numbers and email addresses in the “Stakeholder Area” section of the corporate website. In addition, personnel are in place to exclusively deal with issues of social responsibility, ensuring that various interested parties have channels to communicate with the Company.	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates Agency Department of Chinatrust to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the company announce and report annual	V		The Company has set up a Chinese/English website (www.machvision.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status. The Company has established a spokesman system. Investor conference information is disclosed on the corporate website. The Company has reported annual financial	None

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?			statements within two months after the end of each fiscal year and announced them on the company website. The Company announced and reported its financial statements for Q1, Q2, and Q3 and filed monthly operating status before the deadline.	
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?Please refer to note2.				
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. Every year, the company reviews the indicators that have not yet met the scoring standards based on the recent corporate governance evaluation results and the corporate governance evaluation indicators released in the most recent year, arranges improvement schedules, and has completed the improvement of most of the projects that did not meet the standards.				

Note1 : CPAs' independence evaluation criteria

Items for Evaluation	Evaluation Result	Compliance with Independence
1.As of the most recent Assurance Service, there has been no instance where the CPA has remained unchanged for seven years.	Yes	Yes
2. The CPA has no significant financial interests with the principal.	Yes	Yes
3. The CPA avoids any inappropriate relationships with the principal	Yes	Yes
4. The accountant should ensure that their assistant personnel adhere to honesty, fairness, and independence.	Yes	Yes
5. Financial statements of the serving organization within the first two years of practice shall not be audited for certification.	Yes	Yes
6. The accountant's name must not be used by others.	Yes	Yes
7. CAP does not hold shares in this company or related enterprises	Yes	Yes
8. The CPA has not engaged in any monetary borrowing or lending with this company or related enterprises.	Yes	Yes
9. The CPA does not have a common investment or shared interest relationship with this company or its affiliated enterprises.	Yes	Yes
10. The CPA does not concurrently hold regular employment with this company or its affiliated enterprises and receive fixed salary.	Yes	Yes
11. The CPA is not involved in managerial functions related to decision-making for this company or its affiliated enterprises.	Yes	Yes
12. The CPA does not engage in other businesses that may compromise their independence.	Yes	Yes
13. The CPA does not have any spousal, direct blood relationship, direct in-law relationship, or second-degree collateral blood relationship with the management personnel of this company.	Yes	Yes
14. The CPA does not receive any commissions related to business activities.	Yes	Yes
15. As of now, the CPA has not been subject to any disciplinary actions or incidents compromising their independence principles.	Yes	Yes

Note2 : Other important information to facilitate a better understanding of the company's corporate governance practices

1. Employees' rights and interests, employee care, investor relations, supplier relationship, and stakeholders' rights

The Company's culture is Service, Elaboration, Family and Innovation. Making considerable investment in employee benefits & work rights and investor relations. The company has been held Badminton Competition since 2016.

In terms of employees' rights & interests and employee care, the Company takes relevant government laws and regulations such as Labor Standards Act, Act of Gender Equality in Employment, Sexual Harassment Prevention Act, etc. as benchmarks for the formulation of personnel management regulations to protect employees' rights and interests. In addition to the announcement and implementation of the said regulations, labor-management meetings are regularly held to facilitate effective communication.

Moreover, "Employee Welfare Committee" has been set up, and funds are allocated on a monthly basis for organizing regular activities to enhance employees' welfare. Detailed benefits programs and budget planning are carried out every year, including gift vouchers for festivals, health-promotion and leisure activities for employees, family days, local/overseas tours, wedding and funeral subsidies, hospitalization subsidies for employees and their families, prizes for year-end parties, health check, labor/health/group insurance, etc. In 2024, the company was awarded the Ministry of Labor's Work-Life Balance Award in the Friendly Family category.

In terms of investor relations, the Company has set up a dedicated Investor Relations Department to act as a communication bridge between the Company and investors for investors to fully and promptly understand the Company's business achievements/ performance and long-term operational strategies/direction, thereby providing investors, analysts and domestic/international professional investment institutions with the best services.

In regards to supplier selection, the Company continues to promote green procurement by requiring raw material suppliers to provide declarations guaranteeing that their products do not contain prohibited substances that are harmful to the environment.

With respect to stakeholders' rights, the Company has created a Stakeholder section on its website, and has set up Independent Director's Mailbox to establish a direct communication channel between the Company and employees, shareholders and stakeholders for the protection of stakeholders' rights.

2. Continuing studying status for directors and independent directors.

Name	Date	Organizer	Course	Training hours
WANG/GUANG-SHIAH	2024/09/20	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
WANG/GUANG-SHIAH	2024/11/22	Securities and Futures Institute	2024 Insider Trading Legal Compliance Awareness Seminar	3
CHANG/YUNG-YANG	2024/08/06	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
CHANG/YUNG-YANG	2024/10/04	Securities and Futures Institute	Global AI Development and Governance: Observations from the United States, Europe, and China	3
YU/MING-CHANG	2024/10/04	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
YU/MING-CHANG	2024/11/22	Securities and Futures Institute	2024 Insider Trading Legal Compliance Awareness Seminar	3
CHUANG/YUNG-SHUN	2024/4/19	Greater China Financial and Economic Development Association	Business strategies in the digital age	3
CHUANG/YUNG-SHUN	2024/05/02	Taiwan Corporate Governance Association	2030/2050 Net Zero Emissions - Sustainability Challenges and Opportunities for Global Enterprises	3
CHUANG/YUNG-SHUN	2024/09/30	Taiwan Stock Exchange	Strengthen the Taiwan Capital Market Summit	3
YAN/WEI-CHYUN	2024/08/08	Independent Director Association Taiwan	The latest 2024 world economic trends, risk indicators and response strategies	3
YAN/WEI-CHYUN	2024/10/25	Taiwan Stock Exchange	2024 Annual Insider Equity Transaction Advocacy Briefing	3
LEE/CHUN-CHE	2024/11/22	Securities and Futures Institute	2024 Insider Trading Legal Compliance Awareness Seminar	3
LEE/CHUN-CHE	2024/12/09	Taipei Foundation of Finance	Corporate Information Security Management and Protection Strategies	3
LEE/CHUN-CHE	2024/12/16	Taipei Foundation of Finance	Key Indicators and Trend Analysis of Global Affairs in 2025	3

Name	Date	Organizer	Course	Training hours
LEE/CHUN-CHE	2024/12/20	Taiwan Project Management Association	SDGs and ESG Sustainable Management	3
YANG/HSING-YU	2024/08/09	Securities and Futures Institute	Global ICT Supply Chain and the Evolved Semiconductor Industry	3
YANG/HSING-YU	2024/10/18	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
YANG/HSING-YU	2024/10/25	Securities and Futures Institute	2024 Insider Trading Legal Compliance Awareness Seminar	3
YANG/HSING-YU	2024/10/30	Securities and Futures Institute	International Trends in AI Governance	3
YEN/TZONG-MING	2024/08/13	The Allied Association For Science Park Industries	2024 ESG Governance Perspectives - From Awareness to Action	3
YEN/TZONG-MING	2024/09/20	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
DU/MING-HAN	2024/10/25	Taiwan Stock Exchange	2024 Annual Insider Equity Transaction Advocacy Briefing	3
DU/MING-HAN	2024/12/18	Accounting Research and Development Foundation	Common Deficiencies in Financial Statement Review and Practical Analysis of Key Internal Control Regulations	3

2.Business Implementation and Continuing studying status for the Corporate Governance Officers

Name	Date	Organizer	Course	Training hours
WANG/GUANG-SHIAH	2024/09/20	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
WANG/GUANG-SHIAH	2024/11/22	Securities and Futures Institute	2024 Insider Trading Legal Compliance Awareness Seminar	3
SU/YI-FAN	2024/09/20	Securities and Futures Institute	2024 Annual Insider Trading Prevention Advocacy Conference	3
SU/YI-FAN	2024/09/30	Taiwan Stock Exchange	Strengthen the Taiwan Capital Market Summit	3
SU/YI-FAN	2024/11/26	Accounting Research and Development Foundation	Accounting Supervisor Course	12

4. Implementation of risk management policies and risk measurement standards: The Company has established the “Risk Management Measures” and “Risk Control Procedures” to actively promote the implementation of risk management system. Each management unit will evaluate and review risk factors regularly, compile the major risk factors annually and report it to the Board of Directors on a regular basis, and through the evaluation of major risks, adjust key audit items of next year’s audit plan. Please refer to the website of the Company for details of the operation activities in 2024.
5. Implementation of customer policies: The Company strictly complies with the agreements signed with customers, as well as other relevant regulations. We ensure the rights and interests of customers are well protected while providing them with high quality services.
6. The Company's purchases of liability insurance for directors: The Company purchases liability insurance for directors every year. The insured amount in 2024 was NT\$32,785,000 and the insured period was December 29, 2024 to December 29, 2025. Relevant information is also available in the Market Observation Post System.

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Compensation Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

The Chairman of the Compensation Committee convened four regular meetings in 2020. The Compensation Committee Charter is available on the Company's corporate website.

A. Professional Qualifications and Independence Analysis of Compensation Committee Members

Title	Criteria	Professional qualification and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
	Name			
Independent Director	YEN/TZONG-MING	Please refer to page 5-10 of this Directors.	Independent directors are in compliance with Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies	0
Independent Director	YANG/HSING-YU			0
Other	FU/HSIN-PIN	1. Professor of Marketing and Process Management, Kaohsiung First University of Science and Technology 2. Chairperson of the Independent Directors and Remuneration Committee of Taijun Technology Co., Ltd. 3. Director and Supervisor of Machvision Technology Co., Ltd. 4. Chief of the Electronic Information Section and Knowledge Services Section, Industrial Development Bureau, Ministry of Economic Affairs	Holding less than 1% of shares does not affect the independence of serving as a compensation committee member executing duties as an expert.	1

B. Attendance of Members at Compensation Committee Meetings

There are 3 members in the Compensation Committee.

A total of 4 (A) Remuneration Committee meetings were held in the previous period.

The attendance record of the Compensation Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	YEN/TZO NG-MING	4	0	100.00%	-
Committee Member	LEE/TSU- DER	2	0	100.00%	Resigned on May 30, 2024
Committee Member	YANG/ HSING- YU	2	0	100.00%	Appointed on May 30, 2024
Committee Member	FU/ HSIN-PIN	4	0	100.00%	-

Other mentionable items:

1. Scope of Compensation Committee's duties: To ensure sound corporate governance, strengthen the Board functions, assist the board of directors in implementing and evaluating the Company's overall remuneration and benefits policy, and the compensation for managerial officers

2. If the Board of Directors does not accept or amends the suggestions made by the Remuneration Committee, the board meeting date, term/session, content of proposal(s), the board's resolution result, and the Company's handling of Remuneration Committee's opinions should be stated (for example, if the remuneration approved by the Board is better

than that suggested by Compensation Committee, the difference and its reason(s) should be stated): None.

3. If any of the members has a dissenting or qualified opinion on Compensation Committee's resolutions, and such opinion has been recorded or declared in writing, the Compensation Committee meeting date, term/session, content of proposal(s), opinions of all members, and the handling of the members' opinions should be stated: None.

4. Compensation Committee's discussion and resolution result, and the Company's handling of members' opinions:

Compensation Committee Meeting Date	Content of Proposal and Subsequent Handling
2024/2/5	1. Remuneration for Directors (including Independent Directors) and Employees for the Year 2023.
	Unanimously approved by all committee members.
	The Company's handling of Compensation Committee's resolutions: CTO (WANGGUANG-SHIAH) and General Manager (CHEN FU-SHEN) voluntarily avoided the discussion and the proposals involved personal interest, all proposals suggested by the Compensation Committee were unanimously approved by other directors who were present.
2024/3/7	1. Proposal to Amend the Guidelines for Distribution of Employee Remuneration (Including Managerial Personnel).
	Unanimously approved by all committee members.
	The Company's handling of Compensation Committee's resolutions: CTO (WANGGUANG-SHIAH) and General Manager (CHEN FU-SHEN) voluntarily avoided the discussion and the proposals involved personal interest, all proposals suggested by the Compensation Committee were unanimously approved by other directors who were present.
2024/7/30	1. Election of the Convener of the 6th Compensation Committee
	2. Proposal for the Distribution of Directors' (Including Independent Directors) Remuneration for Fiscal Year 2023
	3. Proposal for the Distribution of Employee and Managerial Remuneration for Fiscal Year 2023
	4. Proposal for the 2024 Annual Salary Adjustment for the Company's Managerial Personnel
	Unanimously approved by all committee members.
	The Company's handling of Compensation Committee's resolutions: CTO (WANGGUANG-SHIAH) voluntarily avoided the discussion and the proposals involved personal interest, all proposals suggested by the Compensation Committee were unanimously approved by other directors who were present.
2024/12/29	Proposal for the Distribution of Year-End Bonuses to Managerial Personnel for Fiscal Year 2024
	Proposal for the Remuneration of Members of the Sustainability Development Committee
	Unanimously approved by all committee members.
	The Company's handling of Compensation Committee's resolutions: CTO (WANGGUANG-SHIAH) voluntarily avoided the discussion and the proposals involved personal interest, all proposals suggested by the Compensation Committee were unanimously approved by other directors who were present.

2.3.5 Implementation of Sustainable Development Promotion

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Has the company established a governance structure to promote sustainable development, and set up a dedicated (or non-dedicated) unit to promote sustainable development, relevant affairs of which are handled by senior managerial officer under the Board’s authorization and supervision?	Y		To effectively fulfill its commitment to promoting sustainable development, the Company established a dedicated functional committee—the Sustainable Development Committee (hereinafter referred to as the "Sustainability Committee")—as approved by the Board of Directors on December 26, 2024. At the same time, the position of Chief Sustainability Officer (CSO) was created and appointed by the Board to oversee all sustainability-related matters. The Sustainability Committee is composed of three directors. Its members are nominated by the Chairman and appointed by the Board of Directors. A majority of the committee members are independent directors. One director is elected by all members to serve as the convener and chairperson of the committee meetings. The CSO reports directly to the Sustainability Committee. The Committee convenes at least once a year to provide strategic direction on the Company’s sustainability vision, long-term policies, management guidelines, and mid- to long-term goals. It also monitors and reviews the performance and effectiveness of sustainability initiatives. Under the Sustainability Committee, an ESG Task Force has been established, composed of cross-departmental managers and staff serving on a part-time basis. The ESG Task Force is further divided into six sub-groups, each responsible for reviewing and planning the Company’s strategies and implementation in the areas	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			of environmental sustainability, corporate commitment, and corporate governance. The CSO leads the ESG Task Force and regularly reports to both the Sustainability Committee and the Board of Directors on strategic directions, goals, implementation progress, and performance reviews.	
2. Did the company conduct risk assessment of environmental, social and corporate governance issues for its operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company actively implements preventive and control measures for potential risks and has established corresponding early warning mechanisms. Risk assessments are conducted based on the principle of materiality, focusing on those risks relevant to the Company's operations. These assessments serve as a basis for risk management and business strategy, enabling the Company to effectively identify, measure, and control various risks, and to ensure that risks arising from business activities remain within acceptable levels. In the environmental domain, the Company has identified climate change as a key risk. In response, the Company has developed a supplier contingency plan and is taking actions to reduce greenhouse gas emissions from its supply chain. (For more details, please refer to the "Corporate Sustainability" section on the Company's official website.)	None
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of the	V		The Company primarily engages in the research, development, and assembly of machinery. The production process does not generate hazardous substances or wastewater. An environmental management system has been established and promoted by the Administration Center, with a focus on greenhouse gas (GHG) management.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
industries?				
(2) Does the Company made effort to enhance the resources efficient use and used regenerated materials to mitigate the impact on the environment?	V		The Company conducts regular evaluations and reviews of surplus materials and obsolete inventory generated during the production process, in order to enhance material utilization and reduce environmental impact.	None
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		The Company continuously monitors the impact of climate change on its operations. In formulating relevant strategies, the Company actively seeks to increase efficiency, reduce waste, and minimize environmental impact.	None
(4) Does the company take inventory of its greenhouse gas emissions, water	V		Due to the nature of its operations in equipment R&D and assembly, the Company does not require significant water usage or special gases, nor does it generate large-scale waste. The primary focus is on CO ₂ management. For future quantitative	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			targets, the Company adopts a carbon intensity calculation logic (carbon emissions per GDP). The goal is to reduce annual carbon emissions per revenue by 50% in 2025 compared to 2014.	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company complies with all relevant laws and adheres to international human rights conventions, including gender equality, the right to work, and non-discrimination. In fulfilling its responsibility to protect human rights, the Company follows applicable labor regulations, and the recruitment, termination, and compensation of employees are handled in accordance with the Company's internal control procedures.	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee	V		In accordance with the Labor Standards Act, the Company allocates employee bonuses based on annual business performance, sharing profits with its employees. Details on employee compensation and benefits are available on the Company's official website under the “Corporate Sustainability” section.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
salaries?				
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The Company conducts regular occupational safety awareness campaigns and routinely inspects and maintains building facilities to ensure a safe working environment. In addition, the Company provides labor insurance, health insurance, and group insurance in compliance with legal requirements. Employees are offered annual health checkups, influenza vaccinations, and on-site consultations with a resident nurse and physician. The Company also organizes annual health education courses. More information is available on the “Corporate Sustainability” section of the Company’s website.	None
(4) Does the company provide its employees with career development and training sessions?	V		The Company has established a succession planning program, which includes both general and department-specific professional training courses. This program aims to develop employees’ career competencies through structured training and ensures that business performance and outcomes are appropriately reflected in the Company’s compensation policy. These measures help attract, retain, and motivate talent, contributing to the goal of sustainable business operations.	None
(5) Does the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and	V		The Company has set up a Quality Service Center to provide after-sales service and act as a direct contact point for customers. This helps safeguard consumer rights and proactively gathers customer feedback to improve service quality.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
services, and are relevant consumer protection and grievance procedure policies implemented?				
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		The Company has implemented supplier management procedures, through which it engages with suppliers on issues related to environmental protection, occupational safety, and hygiene. Suppliers are encouraged to enhance their performance in these areas, thereby supporting the Company’s broader sustainability goals.	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as		V	Since 2023, the Company has prepared its Sustainability Report with reference to the GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) standards. Starting with the 2024 edition, the report will also include a dedicated climate chapter based on the TCFD (Task Force on Climate-related Financial Disclosures) framework to disclose climate-related financial impacts. All sustainability reports have been uploaded to the competent authority's platform and are publicly available on the Company’s official website, the	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?			Market Observation Post System (MOPS), and in the annual report, ensuring the information disclosed is both relevant and reliable in terms of the Company’s sustainability efforts. As of 2024, the Company’s sustainability reports have not yet obtained assurance or verification from an independent third-party assurance provider.	
6. The Company has established its own sustainability practices in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” please describe their implementation and any differences from the official principles: The Company has established the following sustainability-related regulations and procedures in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies": ● Sustainable Development Committee Charter of Machvision Inc. ● Internal Control Guidelines for Sustainability Information of Machvision Inc.. ● Operational Guidelines for the ESG Sustainability Task Force of Machvision Inc. ● Procedures for the Preparation and Assurance of the Sustainability Report of Machvision Inc.. ● Sustainability Information Review Procedures of Machvision Inc.. The above sustainability-related rules, guidelines, and procedures are fully aligned with the principles stipulated by the competent authority, with no differences in operation or content.				
7. Other useful information for explaining the status of corporate social responsibility practices: For more details on the Company’s corporate sustainability practices, please refer to the “Corporate Sustainability” section on the Company’s official website.				

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	● Board of Directors: In 2023, the Company established an ESG Task Force to initiate ESG management efforts. During that year, the execution progress of sustainability projects and the GHG inventory schedule were reported to the Board on a quarterly basis. In 2024, the Company formally established a dedicated unit—the Sustainable Development Committee—and created the position of Chief Sustainability Officer (CSO) to enhance the effectiveness of sustainability promotion. ● Management: Led by the CSO, the Company formed a cross-functional ESG Task Force composed of department heads and staff serving in a part-time capacity. This team integrates resources across departments to identify climate-related risks, develop action guidelines, and oversee implementation. The Company has set GHG reduction targets and implemented energy-saving and carbon-reduction measures as part of its proactive climate action strategy. The ESG Task Force regularly reports to the Sustainability Committee and the Board of Directors on the progress of sustainability initiatives and GHG inventory efforts. It is also responsible for adjusting strategies in response to feedback or guidance from the Committee and the Board.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The financial impact of climate-related risks and opportunities on the Company is currently assessed as minimal. In the short term, the main effects include increased costs associated with compressed air and HVAC systems, transformation costs within the supply chain, and management and communication expenses related to sustainability issues. Following a quantitative assessment, the short-, medium-, and long-term financial impacts of various climate-related issues were each found to be less than 1% of the Company's net revenue.

3. Describe the financial impact of extreme weather events and transformative actions.	The quantified financial impacts of the aforementioned climate-related issues in the short, medium, and long term were each assessed to be less than 1% of the Company's net revenue.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company's risk management scope encompasses risks related to strategic planning, operational management, financial activities, and information security, and also incorporates climate change-related risks. Through a structured process of risk identification and assessment, response planning, indicator and target setting, and ongoing management and monitoring, the Company integrates risk control into its annual planning and reporting mechanisms. Risks are evaluated on a regular basis each year, and specific risk management policies are formulated accordingly. These policies define management objectives, organizational structure, roles and responsibilities, and risk management procedures, ensuring effective identification, assessment, and control of risks. The objective is to maintain all risks arising from business activities within acceptable limits. (For more details, please refer to the "Corporate Sustainability" section on the Company's official website.)
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	In response to sustainable development, the Company introduced climate scenario analysis in 2024 (Year 113 of the ROC calendar) based on the TCFD framework to assess climate change-related risks at its operational sites. The results of this assessment are scheduled to be disclosed in the "Climate Chapter" of the Company's 2024 Sustainability Report.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Aligned with the TCFD recommendations, the Company has in 2024 conducted an analysis of climate-related risks and opportunities based on its operational conditions. This process includes risk identification, response planning, and management actions, along with the setting of indicators and targets to ensure the effective implementation of climate risk management strategies. These details will also be included in the 2024 Climate Chapter of the Sustainability Report.

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet adopted an internal carbon pricing mechanism.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	In accordance with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies released by the Financial Supervisory Commission (FSC) in March 2022, the Company, with a paid-in capital of less than NT\$5 billion, will adhere to the guidance and regulations issued by the competent authority. The Company will continue to manage and monitor the completion timeline for the GHG inventory and verification disclosure. The Company plans to complete its GHG inventory for the entity level by 2026, and the third-party verification of its GHG emissions is expected to be completed by 2028.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	As the Company's paid-in capital is below NT\$5 billion, the mandatory requirements are not yet applicable at this stage.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company's paid-in capital is less than NT\$5 billion, and therefore, the applicable requirements are not currently applicable. The Company plans to complete its GHG inventory for the entity level by 2026, and the third-party verification of its GHG emissions is expected to be completed by 2028.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

The Company's paid-in capital is less than NT\$5 billion, and therefore, the applicable requirements are not currently applicable. The Company plans to complete the GHG inventory for the entity level by 2026, and the third-party verification of the Company's GHG emissions is expected to be completed by 2028.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
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The Company's paid-in capital is less than NT\$5 billion, and therefore, the applicable requirements are not currently applicable. The Company plans to complete the GHG inventory for the entity level by 2026 (Year 115), and the third-party verification of the Company's GHG emissions is expected to be completed by 2028.
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Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board	V		(1) Company Code of Integrity and Operating Procedures The Company has established a "Code of Integrity" and "Operating Procedures and Conduct Guidelines for Integrity" to clearly define the principles of fairness, honesty, trustworthiness, and transparency in conducting business activities. To implement the policy of integrity management and actively prevent dishonest behavior, the Company specifies the following principles that all personnel (including subsidiaries) must adhere to when engaging in business activities:	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
of Directors and management towards enforcement of such policy?	V		1. Prohibition of Improper Benefits: No direct or indirect provision, promise, request, or acceptance of any improper benefits, nor any other dishonest acts that violate integrity, law, or fiduciary duties to obtain or maintain benefits (hereinafter referred to as "dishonest behavior"). 2. Prohibition of Gifts and Bribes: No request or acceptance of any form of money, gifts, commissions, positions, services, preferential treatment, or kickbacks, unless they are normal social courtesies, occasional, and do not influence specific rights and obligations. 3. Compliance with Laws: Compliance with laws such as the Company Act, Securities Exchange Act, Commercial Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Public Servants' Conflict of Interest Prevention Act, relevant regulations for listed companies, or any other laws related to business conduct is fundamental to implementing the policy of integrity management.	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform			4. Management’s Integrity: The Company’s senior management operates on the principles of integrity, aiming to create maximum benefits for shareholders and employees. 5. Board of Directors' Self-Discipline: All directors exercise high self-discipline. In cases where a director or their representative has a conflict of interest that could harm the company’s interests, they will only provide opinions or answer questions without participating in discussions or voting. They will recuse themselves during discussions and voting and must not act as proxies for other directors in exercising voting rights. Directors also exhibit mutual self-discipline, without improper mutual support. (2) Implementation of Integrity Management Procedures The Company has explicitly outlined business operation guidelines in its "Code of Integrity" and "Operating Procedures and Conduct Guidelines for Integrity". The following measures apply to business activities with higher risks of dishonest behavior within the Company’s operational scope:	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Do the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed	V		Fair and Transparent Business Practices: The Company conducts business activities in a fair and transparent manner. Prior to engaging in business transactions, the Company will evaluate the legitimacy and integrity records of agents, suppliers, customers, or other business counterparts, and avoid engaging in transactions with those having records of dishonest behavior. Contracts should include clauses to comply with the integrity management policy and allow termination if the counterparty engages in dishonest behavior. The Company explicitly rejects the direct or indirect provision, promise, request, or acceptance of improper benefits, including kickbacks, commissions, facilitation payments, or other forms of improper benefits. Employee Training and Awareness: To ensure that all employees adhere to these standards, the Company holds annual training and awareness programs for employees. Whistleblower Channels: The Company has set up a "Stakeholder Zone" mailbox on its corporate website for external stakeholders to file complaints	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
Companies? (3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce			and reports. Internally, the Company has a "General Manager's mailbox" for handling significant complaints, which helps prevent violations of regulations by company personnel. Supplier Compliance: In addition to company employees, the Company's suppliers must respect and comply with the Company's ethical standards and culture. They must sign a "Commitment to Integrity" to guarantee compliance. (3) Commitment to Government Regulations and Business Ethics The Company is committed to adhering to government laws and business ethics standards, upholding the highest standards of openness, integrity, and accountability. The Company actively implements corporate social responsibility, ensures corporate ethics, and adheres to integrity management in expanding its business. To ensure the fair, transparent, and ethical operation of the business, the Company has established the "Code of Integrity", "Operating Procedures and Conduct Guidelines for Integrity",	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
the programs above effectively and perform regular reviews and amendments?			and a "Stakeholder Zone". Additionally, the Company provides confidential channels for stakeholders, including customers, shareholders, government agencies, society, academic research institutions, suppliers, and employees, to report legal violations (e.g., fraud), dishonest behavior (e.g., corruption or bribery), or actual or potential violations of laws and/or company policies. These reports will be handled by dedicated personnel who will update the whistleblower on the progress of the case. The senior management team and the Audit Committee will regularly track and manage the progress of the investigations to ensure that the Company operates in a fair and transparent manner.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(1) According to the company’s “Integrity Management Code of Conduct” and “Integrity Management Operational Procedures and Behavior Guidelines,” if any dishonest behavior is detected in business transactions or among cooperation partners, the company shall immediately cease business dealings with them and list them as prohibited counterparts, in order to implement the company's integrity management policy.	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2) The company has designated the Administrative Center as the dedicated unit responsible for promoting corporate integrity management, and serves as the consultation window for integrity-related concerns. For any incidents of integrity violations, cross-departmental meetings will be held for review. If the violation is significant, it will be submitted to the Audit Committee or the Board of Directors for further action, in accordance with relevant laws and operational procedures. The company will report the execution status to the Audit Committee or the Board of Directors annually. The report for this year is scheduled for December 19, 2024. The main responsibilities include: 1. Assisting in integrating integrity and ethical values into the company’s business strategy and ensuring integrity through legal and regulatory measures to establish relevant anti-corruption measures.	
	V			

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to	V		2. Developing plans to prevent dishonest behavior, and establishing related standard operating procedures and behavior guidelines for each plan. 3. Planning internal organization, structure, and responsibilities, and setting up mutual supervision and checks for business activities with higher risks of dishonesty. 4. Promoting and coordinating integrity policy training and advocacy. 5. Planning a whistleblowing system to ensure its effectiveness. 6. The internal audit unit carries out independent audits according to the audit plan, assessing the effectiveness of the anti-corruption measures implemented to ensure integrity management. Each business unit regularly evaluates its compliance with related business processes, and the responsible unit consolidates the reports. (3) Regarding conflict of interest, employees can report to their direct supervisors or directly report to the General Manager’s mailbox.	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
prevent conflicts of interest and provide appropriate communication channels, and implement it? (4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to	V		(4) The company has established effective accounting and internal control systems, along with an internal audit plan. The internal audit unit executes audits according to the plan, and special project audits will be arranged in the case of exceptional circumstances.	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
prevent unethical conduct, or hire outside accountants to perform the audits? (5) Does the company regularly hold internal and external educational trainings on operational integrity?			(5) The company conducts weekly management meetings and quarterly gatherings to promote and ensure that employees clearly understand the concepts and standards of integrity management. Periodic lectures and courses are also organized. On August 15, 2024, an internal training session on “Supplier Audit Operations” (lasting 0.5 hours) was held for the supervisors and employees of the Purchasing Department, who frequently interact with external suppliers. This session included an introduction to the integrity management philosophy and integrity and anti-corruption commitments, and outlined the points that employees should pay attention to when executing business. It	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			was also emphasized that employees must not engage in any illegal actions that violate the principles of integrity management.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation	V	V	(1) The Company has established the “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct” to manage whistleblowing matters. Reports may be submitted via the following channels: in-person reporting, telephone reporting, or written submissions. The spokesperson is responsible for handling reports from shareholders, investors, and other stakeholders, while the head of internal audit handles reports from internal employees, clients, suppliers, and others. (2) Whistleblowing Handling Procedures:	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		1. Anonymous Reports: In principle, anonymous reports are not processed. However, if the reported content is deemed necessary for investigation, the case may still be handled separately and used as a reference for internal review. 2. Named Reports: The responsible unit shall clarify the intent and specific evidence of the report. If it is deemed that there is a potential violation of law, ethics, or integrity, the case shall be submitted to the General Manager for handling along with the supporting evidence. 3. The Company shall handle all reports with confidentiality and verify them through independent channels, with full protection of the whistleblower’s identity, which will be kept strictly confidential. 4. For employee whistleblowers, the Company guarantees that no adverse treatment or retaliation will occur as a result of their report. 5. To protect the rights of the person being reported and to prevent retaliatory actions against them, the Company shall provide them	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide proper whistleblower protection?			with an opportunity to appeal. If necessary, a Personnel Review Committee hearing may be convened. (3) In order to foster a culture of integrity and establish a sound business operating framework, and to prevent dishonest behavior by relevant personnel during business execution from causing losses to the Company while also protecting whistleblower rights, the Company has formulated the “Whistleblower Protection Channel and Procedure” in accordance with its Code of Integrity and Corporate Governance Best Practice Principles. This policy was approved by the Board of Directors on May 4, 2021.	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the	V		The Company has disclosed the “Integrity Management Code of Conduct” and the “Integrity Management Operational Procedures and Behavior Guidelines” on its official website and the Market Observation Post System (MOPS).	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
results of its implementation on the company’s website and MOPS?				
5. If the Company has established its own Integrity Management Code in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please explain its implementation and any differences from the prescribed guidelines: The Company has established the “Integrity Management Code of Conduct” and the “Integrity Management Operational Procedures and Behavior Guidelines,” and there are no significant differences between their implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). The Company upholds integrity in all business dealings with its vendors and actively communicates its commitment to ethical business practices.				

2.3.7 Other Important Information Regarding Corporate Governance

None.

2.3.8 Internal Control Systems

Disclosures Required for the Implementation of the Internal Control System

Please refer to page 53 of the Chinese annual report.

2.3.9 Penal Provisions

If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

2.3.10 Major Resolutions of Shareholders' Meeting and Board Meetings

Shareholders' meeting

Date 2024/05/30

Major resolutions	Results
2023 annual financial report and annual business report.	Comply with the resolution result. Please refer to the Company's website.
2023 earnings distribution.	Allocation has been completed according to the decision content. Please refer to the Company's website.
To elect Directors and independent directors	Comply with the resolution result. Please refer to the Company's website.
Suspension of the Non-Competition restriction on the company's new directors	Comply with the resolution result. Please refer to the Company's website.

Board meeting

Date	Major resolutions
2024/2/5 The 9 th Session of 20th Board Meeting	1. Approved the 2023 remuneration to directors (including independent directors) and employees. 2. Approved the explanations on whether the company's outstanding account receivable over the granted 3-month term for a significant amount are capital loans. 3. Approved the company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement" . 4. Approved the company's 2023 financial reports. 5. Approved the company's 2023 business report. 6. Approved the company's 2023 earnings distribution proposal. 7. Approved the company's cash dividend distribution proposal. 8. Approved the company's cash dividend distribution from the additional paid-in capital proposal. 9. Approved the company's visa accountant remuneration and change visa accountant case. 10. Adopted the new formulation and derivative financial products credit line contract with banks, with regards to the short term financing loan commitments and flexible use of corporate funds of excellent relationships with banks.
2024/3/7 The 9 th Session of 21th Board Meeting	1. Approved private placement of securities. 2. Approved the removal of the Directors' of Prohibition on Business Competition. 3. Nomination the next session directors and independent directors. 4. Approved the company's 2024 regular shareholders meeting date , Place and related matters. 5. Approved the distribution of remunerations to key management and employees. 6. Amendment to the company's "Audit Committee Charter" . 7. The amendments to the company's "Rules of Procedure for Board of Directors Meetings" . 8. Approved the removal of Company manager.
2024/4/30 The 9 th Session of	1. Report on the financial report for the first quarter of 2024. 2. Approved the explanations on whether the company's outstanding account receivable over the granted 3-month term for

Date	Major resolutions
22th Board Meeting	a significant amount are capital loans.
2024/5/30 The 10 th Session of 1st Board Meeting	1. MACHVISION, INC. Board of Directors elected Mr. Wang, Guang-Shiah as Chairman. 2. MACHVISION, INC. announces board resolution to appoint members of the Remuneration Committee.
2024/7/30 The 10 th Session of 2nd Board Meeting	1. Approved the financial statements for Q2 of 2024. 2. Approved the explanations on whether the company's outstanding account receivable over the granted 3-month term for a significant amount are capital loans. 3. Approved the business report for the first half of 2024. 4. Approved the distribution of earnings for the first half of 2024. 5. Approved the distribution of earnings for the first half of 2024. 6. Approved the strategic investment case. 7. Making a plan of technical cooperation in China. 8. Proposal for the Distribution of Remuneration to Directors (Including Independent Directors) for the Year 2023 9. Proposal for the Distribution of Employee Compensation to Managerial Officers for the Year 2023 10. Proposal for the 2024 Annual Salary Adjustment for the Company' s Managerial Officers
2024/10/29 The 10 th Session of 3rd Board Meeting	1. Approved the financial statements for Q3 of 2024. 2. Approved the explanations on whether the company' s outstanding account receivable over the granted 3-month term for a significant amount are capital loans. 3. Approved the subsidiary of Thailand acquire property, plant and equipment. 4. Adopted the new formulation and derivative financial products credit line contract with banks, with regards to the short term financing loan commitments with banks. 5. Adopted the new formulation and derivative financial products credit line contract with banks, with regards to the short term financing loan commitments with banks.
2024/11/8 The 10 th Session of	1.Approved the case of private stock HYE TECHNOLOGY CO.LTD.

Date	Major resolutions
4th Board Meeting	
2024/12/19 The 10 th Session of 5th Board Meeting	1. Adopted 2024 proposition for distribution amount of year-end bonus for managerial officers. 2. Adopted MACHVISION 2025 audit plan.” 3. Adopted the revision of some clauses from “Articles of Incorporation.” 4. Adopted the revision of some clauses from “Procedures for Handling Material inside Information of the Company.” 5. Adopted the revision of some clauses from “Management of Loans to others.” 6. Approved the proposed renewal of the “Liability Insurance of Directors, Supervisors, and Managerial Officers ” from Tokio Marine Nawa Insurance Co., Ltd. 7. Approved the removal of the Manager' of Prohibition on Business Competition. 8. Approved the plan of General Interface Solution(GIS) Holding Limited. 9. Plan to established Sustainable Development Committee. 10. Adopted proposition for 2025 MACHVISION Business Plan.

3.3.11 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

2.4 Information Regarding the Company's Audit Fee and Independence

2.4.1 Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Note
KPMG	WU/ CHUNG-SHUN	2024.1.1~2024.12.31	2,480	250(Note)	2,730	-
	CHANG/ CHUN-I					

Note: KPMG is the CPA firm entrusted by the Company for the service of " Profit-seeking Enterprise Annual Income Tax Return "

(1) If there is a change in the accounting firm, and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: N/A.

(2) When the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: N/A.

2.5 Replacement of CPA: None.

2.6 Audit Independence

The chairman, president, chief financial or accounting manager of the Company who holds position in the business under the commissioned CPA firm or its affiliates in 1 year: None

2.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2024		As of March. 31, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	WANG/GUANG-SHIAH	-	-	-	-
Director	CHANG/YUNG-YANG	-	-	20,000	-
Director	YU/MING-CHANG	-	-	-	-
Director	CHUANG/YUNG-SHUN	-	-	-	-
Director	YAN/WEI-CHYUN	-	-	-	-
Director	ASE Semiconductor Manufacturing Inc. Representative: LEE/CHUN-CHE	-	-	-	-
	ASE Semiconductor Manufacturing Inc.				
Independent Director	YEN/TZONG-MING	-	-	-	-
Independent Director	DU/MING-HAN	-	-	-	-
Independent Director	YANG/HSING-YU (Assumed office on May 30, 2024.)	-	-	-	-
Chief Executive Officer	CHEN/FU-SHEN (Assumed CEO position on February 11, 2025)	-	-	-	-
General Manager	HUANG/CHIA-HSING	-	-	-	-
General Manager	XIA/MING	-	-	-	-
Research and Development Deputy General Manager	WANG/YUAN-NAN	(4,000)	-	-	-
Financial and accounting officer corporate governance officer	SU/YI-FAN	-	-	-	-
Director	CHEN/FU-SHEN (Dismissal Date: 2024/05/30)	-	-	-	-
Independent Director	LEE/TSU-DER (Dismissal Date: 2024/05/30)	-	-	-	-
Chief Operating Officer	CHEN/ CHIA-NAN (Dismissal Date: 2024/05/30)	-	-	-	-

2.7.1 Shares Trading with Related Parties: None

2.7.2 Shares Pledge with Related Parties: None

2.8 Relationship among the Top Ten Shareholders

As of 03/31/2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Advanced Semiconductor Engineering, Inc.	13,418,000	23.08%	-	-	-	-	-	-	-
LI/CHIN-CHU	1,493,000	2.57%	-	-	-	-	-	-	-
WANG/GUANG-SHIAH	1,456,740	2.51%	39,426	0.07%	-	-	-	-	-
CHANG/YUNG-YANG	1,386,904	2.39%	-	-	-	-	-	-	-
HUANG, YANG-CHIN	1,384,000	2.38%	-	-	-	-	-	-	-
LIAO, SU-YUN	1,198,000	2.06%	-	-	-	-	-	-	-
AAEON Technology Inc.	1,180,198	2.03%	-	-	-	-	-	-	-
Representative: CHUANG/YUNG-SHUN	417,711	0.77%	-	-	-	-	-	-	-
HSBC Custodian MUFG Morgan Stanley Securities Account	1,129,000	1.94%	-	-	-	-	-	-	-
Representative: NA	-	-	-	-	-	-	-	-	-
YU/MING-CHANG	1,073,940	1.85%	2,636	0.0045%	-	-	-	-	-
HU/CHUN-MEI	1,073,000	1.85%	-	-	-	-	-	-	-

2.9 Ownership of Shares in Affiliated Enterprises

12/31/2024

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
MACHVISION INC. (Samoa)	3,463,650	100.00%	-	-	3,463,650	100.00%
Machvision Korea Co., Ltd.	10,000	100.00%	-	-	10,000	100.00%
SISSCA Co.,Ltd	11,477,463	52.86%	1,771,792	8.16%	13,249,255	61.01%
Machvision (Thailand) Co., Ltd.	9,999,000	99.99%	1,000	0.01%	2,500,000	100.00%
HYE TECHNOLOGY CO.,LTD	4,900,584	11.50%	-	-	4,900,584	11.50%

Note 1: Investment using the equity method.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

A. Issued Shares

Unit: NTD\$/share

Date	Par Value (NT\$)	Authorized Capital		Paid-up capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
06/98	10	3,990,000	39,900,000	3,990,000	39,900,000	Set up capital 39,900,000	-	Note 1
06/03	10	10,000,000	100,000,000	5,770,000	57,700,000	Capital increase by retained earnings 15,960,000 Employee bonus 1,840,000	-	Note 2
05/04	10	10,000,000	100,000,000	7,100,000	71,000,000	Capital increase by retained earnings 11,540,000 Employee bonus 1,760,000	-	Note 3
06/05	10	10,000,000	100,000,000	10,000,000	100,000,000	Capital increase by retained earnings 25,560,000 Employee bonus 3,440,000	-	Note 4
06/06	10	25,000,000	250,000,000	14,000,000	140,000,000	Capital increase by retained earnings 35,500,000 Employee bonus 4,500,000	-	Note 5
02/07	20	25,000,000	250,000,000	16,100,000	161,000,000	Capital increase 21,000,000	-	Note 6
08/07	10	25,000,000	250,000,000	19,491,939	194,919,390	Capital increase by retained earnings 28,175,000 Employee bonus 5,744,390	-	Note 7
09/08	10	25,000,000	250,000,000	22,549,635	225,496,350	Capital increase by retained earnings 25,339,520 Employee bonus 5,237,440	-	Note 8
01/11	26	50,000,000	500,000,000	25,556,635	255,566,350	Capital increase by cash 30,070,000	-	Note 9
08/11	10	50,000,000	500,000,000	30,667,962	306,679,620	Capital increase by retained earnings 51,113,270	-	Note 10
08/12	10	50,000,000	500,000,000	33,734,758	337,347,580	Capital increase by retained earnings 30,667,960	-	Note 11
07/13	10	50,000,000	500,000,000	37,108,234	371,082,340	Capital increase by retained earnings 33,734,760	-	Note 12
10/13	56	50,000,000	500,000,000	42,608,234	426,082,340	Capital increase by cash 55,000,000	-	Note 13
05/20	250	50,000,000	500,000,000	44,728,234	447,282,340	Capital increase by cash 21,200,000	-	Note 14
06/23	161.5	100,000,000	100,000,000	58,146,234	581,462,340	Capital increase by private placement 134,180,000	-	Note 15

Note 1: The capital increase was approved by the Construction Department of Taiwan Provincial Government on June 9, 1998. The approved no. was: 87 Jiansanfa No. 178035.

Note 2: The capital increase was approved by the Hsinchu Science and Technology Park Administration on August 27, 2003. The approved no. was: No. 0920024715.

Note 3: The capital increase was approved by the Hsinchu Science and Technology Park Administration on August 12, 2004. The approved no. was: No. 0930021607.

Note 4: The capital increase was approved by the Hsinchu Science and Technology Park Administration on October 3, 2005. The approved no. was: No. 0940026593.

Note 5: The capital increase was approved by the Hsinchu Science and Technology Park Administration on September 19, 2006. The approved no. is: No. 0950024184.

Note 6: The capital increase was approved by the Hsinchu Science and Technology Park Administration on February 27, 2007. The approved no. is: No. 0960005155.

Note 7: The capital increase was approved by the Hsinchu Science and Technology Park Administration on August 24, 2007. The approved no. is: No. 0960022602.

Note 8: The capital increase was approved by the Hsinchu Science and Technology Park Administration on September 24, 2008. The approved no. is: No. 0970026326.

Note 9: The capital increase was approved by the Hsinchu Science and Technology Park Administration on February 10, 2011, and approval number was: No. 1000004086.

Note 10: The capital increase was approved by the Hsinchu Science and Technology Park Administration on August 23, 2011. The approved number was: No. 100025501.

Note 11: The capital increase was approved by the Hsinchu Science and Technology Park Administration on August 10, 2010. The approved number was: No. 1010024643.

Note 12: The capital increase was approved by the Hsinchu Science and Technology Park Administration on July 31, 2013. The approved number was: No. 1020022636.

Note 13: The capital increase was approved by the Hsinchu Science and Technology Park Administration on November 14, 2013. The approved number was: 1020032941.

Note 14: The capital increase was approved by the Hsinchu Science and Technology Park Administration on May 22, 2020. The approved number was: 1090013900.

Note 15: The capital increase was approved by the Hsinchu Science and Technology Park Administration on July 6, 2023. The approved number was: 1120021878.

B. Type of Stock

March 31, 2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	58,146,234	41,853,766	100,000,000	-

C. Information for Shelf Registration: not applicable.

3.1.2 List of Major Shareholders

March 31, 2025

Shareholder's Name	Shares	Percentage
Advanced Semiconductor Engineering, Inc.	13,418,000	23.08%
LI/CHIN-CHU	1,493,000	2.57%
WANG/GUANG-SHIAH	1,456,740	2.51%
CHANG/YUNG-YANG	1,386,904	2.39%
HUANG/YANG-CHIN	1,384,000	2.38%
LIAO/SU-YUN	1,198,000	2.06%
AAEON Technology Inc.	1,180,198	2.03%
HSBC Custodian MUFG Morgan Stanley Securities Account	1,129,000	1.94%
YU/MING-CHANG	1,073,940	1.85%
HU/CHUN-MEI	1,073,000	1.85%

3.1.3 Dividend Policy and Implementation Status

A. Dividend Policy

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Cash Dividends will be distributed in accordance with the resolution approved by the Board of Directors. Stock dividend will be distributed in accordance with the resolution approved by the Board of Directors and discussed at the annual shareholders' meeting.

B. Proposed Distribution of Dividend

The Board of Directors approved the proposal for the distribution of first half 2024 profits on Jul. 30th 2024. Cash Dividend of NT\$58,146,234, allotted for each share of NT\$1.

The Board of Directors approved the proposal for the distribution of 2024 profits on Feb. 11th 2025. Cash dividend of NT\$290,731,170, allotted for each share of NT\$5.

3.1.4 The effect of bonus share distribution proposed at this shareholders' meeting on the Company's 2023 operating performance and earnings per share: Not applicable as no bonus shares were distributed this year.

3.1.5 Compensation of Employees and Directors

A. Information Relating to Compensation of Employees and Directors in the Articles of Incorporation

Article 26 of the Articles of Incorporation stipulates that: "From the profit earned by the Company as shown through the annual account closing, no less than 5% shall be taken for employee compensation, and no more than 3% taken for directors' and supervisors' compensation, provided that the amount of accumulated loss, if any, be first withheld."

B. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

C. Remuneration distribution approved by the board of directors:

The allocated cash compensation for employees was NT\$33,567,813 and NT\$4,195,977 for directors, which was not different from the amount estimated when the expenses were recognized.

- D. Distribution of Compensation of Employees, Directors for 2024 Approved in the Board of Directors Meeting: EPS is NT\$5.52 after the compensation of employees, directors and supervisors.
- E. Information of 2024 Distribution of Compensation of Employees, Directors and Supervisors (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

Employee Compensation – in Cash	44,655
Directors' and Supervisors' Compensation	5,582

The above-mentioned actual distribution of compensation of employees, directors and supervisors was in line with the resolution of the Board of Directors.

3.1.6 Buy-back of Treasury Stock: Not applicable.

3.2 Status of Corporate Bond: Not applicable.

3.3 Status of Preferred Stocks: Not applicable.

3.4 Status of GDR/ADR: Not applicable.

3.5 Status of Employee Stock Option Plan: Not applicable.

3.6 Status of New Employee Restricted Stock Issuance: Not applicable.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions:
Not applicable.

3.8 Financial Plans and Implementation: Not applicable.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

(1) Main contents of business

CB01010 Mechanical equipment manufacturing

CE01010 General Instrument manufacturing

CE01030 Optical instrument manufacturing

I301010 Information software service

F401010 International trade

Research, develop, manufacture and market following products:

(a) Non-contact mechanical vision inspection system equipment (detection accuracy below 10μm)

a. BGA, CSP substrate inspection system equipment

b. LCD PANEL detection system equipment.

c. PCB high-speed hole measurement equipment

(b) Smart vision module

(c) Wire width detector

(d) Drill needle detector

(e) Arrow target analysis software

(f) Concurrently engage in import and export trade related to the above products

(2) Business share of major products

Item \ Product value	2024	
	Revenue (NTD\$ thousand)	Operating proportion (%)
Appearance inspection series	449,540	29%
Circuit inspection series	501,073	33%
Other testing series	342,171	22%
Service	239,047	16%
合 計	1,531,831	100%

(3) Company's current commodity (service) projects

The company's specialization technology is divided into three parts, the first is appearance inspection (generalized AVI) technology, the second is two-dimensional and three-dimensional measurement (2D/3D measurement) technology, and the third is circuit inspection (general circuit AOI) technology, these three technologies can be applied in different industries, such as AVI can be applied to PCB and COF appearance final inspection, IC carrier appearance

inspection, semiconductor Wafer Die visual inspection, active and passive components visual inspection and LCD defect inspection; The three-dimensional measurement technology is more widely used, such as PCB copper filling inspection, BGA Bump inspection, Wafer Bump inspection, SMT solder paste thickness inspection, etc.; in addition, circuit inspection technology can be used in PCB and COF circuit inspection, LCD Array end glass substrate and Touch panel circuit inspection. Since company's main testing core technology has been modularized, it is possible to quickly complete new testing system needed to develop in different industries. At the same time, AI deep learning technology is introduced and integrated into various testing devices, which can reduce false positive rate and reduce the manpower of rechecking. The following is a summary of existing developed test products in PCB/semiconductor/COF industry as follows:

- (A) PCB drilling and forming process measurement and testing series
 - (a) High-speed hole position measuring machine Hole-AOI
 - (b) High speed hole inspection machine
 - (c) Universal size measuring machine EZ3D.
- (B) PCB/COF circuit inspection series
 - (a) Film circuit inspection machine
 - (b) Wire width measure gauge
 - (c) Inner and outer circuit inspection machine
- (C) HDI and IC carrier board inspection series
 - (a) Laser blind hole inspection machine Laservia-AOIM
 - (b) Blind hole filling copper depression detector 3D Profiler
 - (c) Tin ball bump detecting device
 - (d) 3D scanning inspection machine
 - (f) Auto stereoscopic image measuring machine
 - (g) Hard board appearance inspection machine
 - (h) Appearance inspection machine after flexible PCB/flexible PCB assembly
 - (i) IC carrier board inspection machine
 - (j) HDI circuit inspection machine
 - (k) Substrate Taster
- (D) Semiconductor packaging and inspection series
 - (a) Wafer appearance visual inspection machine
 - (b) COF Package appearance visual inspection machine
- (E) Taster series
 - (a) High precision Taster

- (b) Substrate Taster
- (c) Needle point and contour machine

(4) New product (service) project planned to be developed

In response to evolving demands in semiconductor testing, we have made significant advancements in the development of high-precision 4-wire electrical testers and substrate testing systems. By integrating Automated Optical Inspection (AOI) technology into the fixture installation and calibration processes, we have successfully streamlined setup procedures and significantly reduced adjustment time. This has resulted in notable improvements in production throughput and operational efficiency.

Furthermore, during the probing process, the application of AOI allows for real-time detection of probe misalignment. This capability enables precise correction of needle deviation, reducing the frequency of retests and minimizing process inefficiencies. The overall impact is a substantial increase in production yield and a reduction in unnecessary downtime. Our commitment to innovation also extends to the development of comprehensive AOI and metrology solutions, including: Six-sided AOI inspection systems for semiconductor packaging AOI platforms tailored for wafer-level and advanced packaging technologies, including FOPLP, FOWLP, and silicon photonics

4.1.2 Industry Overview

(1) Current status and development of industry

This company is specialized in machine vision inspection and measurement system equipment, with integrated optical imaging system, image processing, precision machinery and motion control technology. Our products are non-contact precision measurement and Automated Optical Inspection (AOI), provides a complete solution for mechanical vision applications. In addition to their ability to identify good and defective products, they also have high-precision 2D/3D measurement and quality control statistics functions. Company's current main products are used in printed PCB industry, including: PCB drilling and forming process measurement and testing, PCB circuit inspection, HDI and IC carrier board inspection equipment, etc. In recent years, we have also developed semiconductor packaging and testing industry detection of products. current status and development of related industries are as follows:

甲、 Analysis of industrial development

PCB serve as a crucial medium and platform for communication among various electronic components through circuit designs formed on the board.

They allow each component to function as intended and are considered the foundation of electronic products. PCBs are widely used in electronics, telecommunications, information appliances, automotive, and aerospace products. The main types of PCBs include traditional single-sided and double-sided boards, multi-layer boards, HDI (High-Density Interconnect) boards, IC substrates, and flexible boards (flex PCBs).

As demand grows for electronic information and communication products—particularly those that are thinner, lighter, smaller, and more multifunctional—the demand for advanced and high-density PCBs, such as HDI boards, IC substrates, and flexible boards, is also increasing. This trend drives a corresponding rise in the need for precision measurement and high-accuracy inspection equipment. In the semiconductor industry, the demand for high-precision inspection tools is even more critical and indispensable.

(A) Global Overview of the PCB and Semiconductor Industries

According to TPCA estimates, the global PCB output value is projected to reach USD 80.9 billion in 2024, representing an annual growth of 7.6%. Key growth drivers include AI servers and electric vehicle applications, while the smartphone and memory markets are gradually recovering, contributing to an overall rebound in demand. Notably, HDI and high-layer count (HLC) boards have benefited significantly from the growth of the AI server market and ongoing specification upgrades.

Looking ahead to 2025, continued demand for AI servers and electric vehicles is expected to drive further industry development. The global PCB market is forecast to grow by 5.5%, reaching a total output value of USD 85.4 billion, reflecting steady and sustained market expansion.

(B) Overview of PCB industry in Taiwan

According to statistics from the Taiwan Printed Circuit Association (TPCA), the total revenue of Taiwanese PCB equipment manufacturers is expected to reach NT\$168.8 billion in 2024, reflecting a robust annual growth rate of 12.88%. Meanwhile, the combined output value of publicly listed Taiwanese PCB manufacturers is projected to reach NT\$761.3 billion for the year, marking a 6.14% year-over-year increase.

On March 3, TPCA released its market outlook indicating that global cloud service providers are expected to continue increasing capital expenditures in 2025. At the same time, governments around the world are actively investing in the development of "sovereign AI." This trend is anticipated to drive

sustained demand growth for AI servers. In addition, knowledge distillation technologies introduced by companies like DeepSeek are enabling large cloud-based AI models to be deployed on edge devices with limited resources, accelerating the adoption of AI at the edge. These developments are expected to further boost demand for HDI (High-Density Interconnect) and high-layer count PCBs.

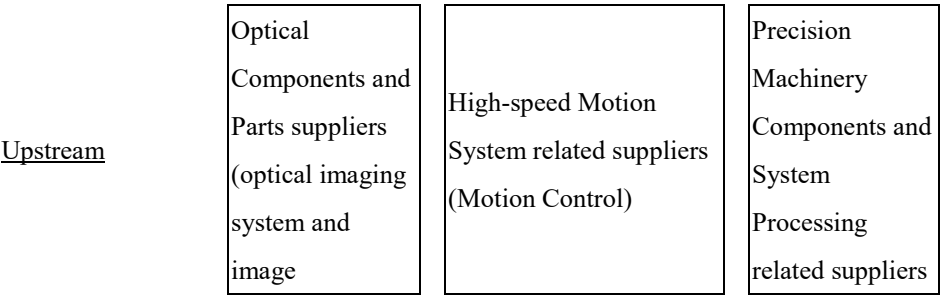
The low-earth orbit (LEO) satellite market is also expanding rapidly, driven by the ongoing decline in rocket launch costs, which is expected to fuel rising demand for satellite-related PCBs.

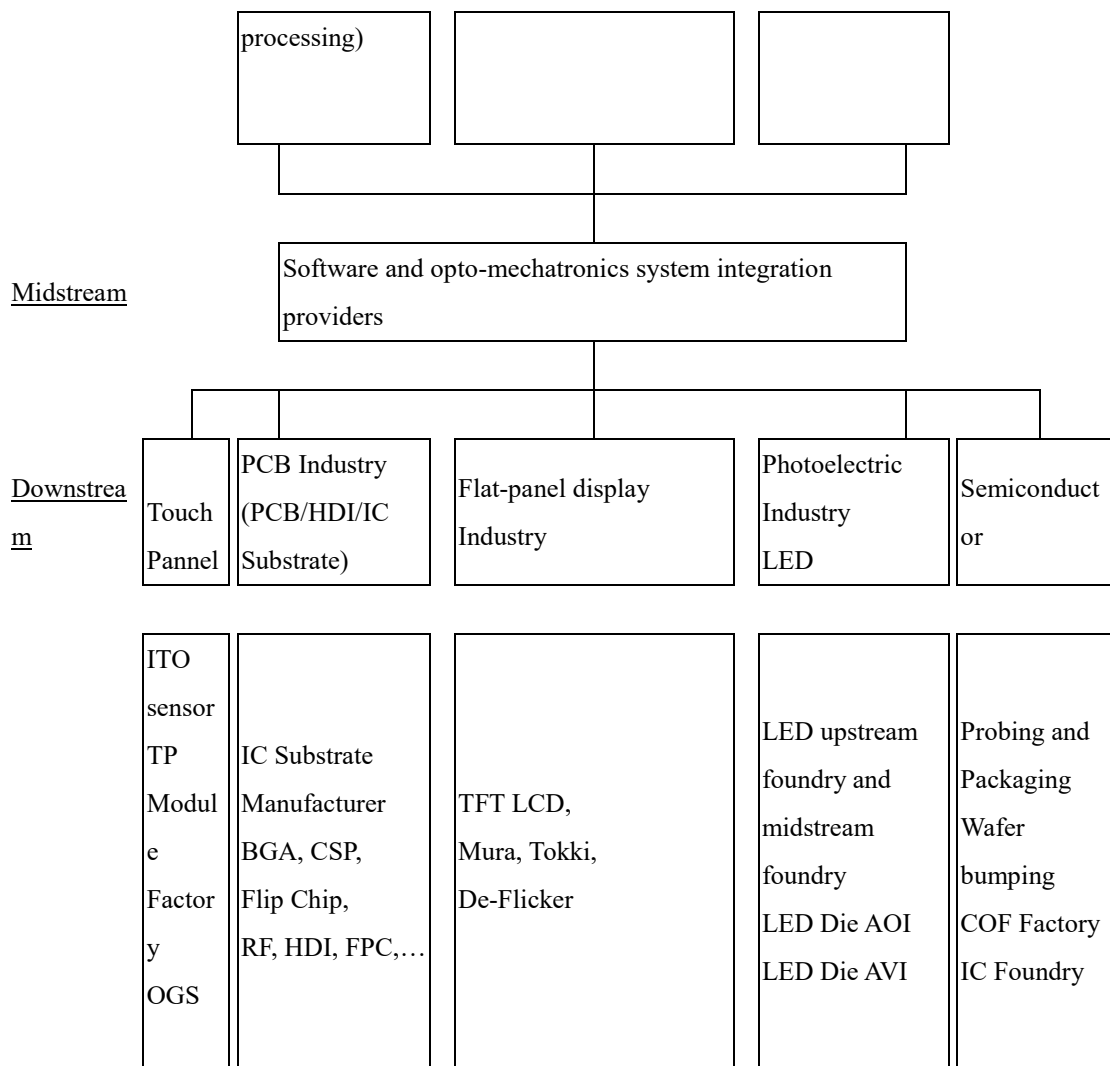
However, several uncertainties remain. U.S. policy variables—such as potential tariff adjustments—pose significant risks to global inflation trends. Changes in electric vehicle (EV) policy, including the possible relaxation of environmental regulations or the removal of subsidies, could further increase uncertainty in the EV market. Additionally, deflationary pressures in mainland China may weaken consumer market recovery momentum.

From 2025 onward, Taiwanese and Chinese PCB manufacturers are expected to gradually ramp up new production capacity in Thailand. Although the initial scale may be limited, over the long term, this expansion will likely intensify pricing competition in the market. On the cost front, rising international gold prices and expected increases in electricity rates may drive up operating costs, becoming key challenges that the industry must closely monitor.

While Q1 of 2025 coincides with the traditional off-season for consumer demand, order momentum is expected to soften. Nevertheless, continued strength in AI server and satellite communications markets may help support the industry during this period. It is estimated that Taiwan’s PCB industry will experience moderate growth of 2.6% in Q1, reaching NT\$186.2 billion, with full-year output value projected to rise by 4.6% to a record high of NT\$854.1 billion.

(2) The relevance between upstream, midstream, and downstream sectors in an industry
 Machine vision related inspection (including AOI):





(3) The various developing trends and competition of the products

A. AOI system being developed for a higher precision and speed

In advanced countries including Taiwan, the tendency for electronic products to be compact and required of quality will facilitate the upgrade of traditional AOI system, for example: measurement technology will be enhanced from 2D plane inspection and measurement to 3D (three-dimensional) inspection and measurement. Therefore, it is foreseen that the demand in AOI system with a higher precision and speed will be rising.

B. The development trend of AOI in mainland China's market

AOI has originally been the necessary investment for ensuring production quality in the industry of advanced countries. Traditional labor-based industries generally had low throughput without the necessity of using AOI for quality inspection while the primary goal was set towards automated production and enhancing production capacity. Nonetheless, due to the mature

development of automated production, the number of quality inspection personnel will be greatly increased in order to cope with the surging production capacity, which is feasible when the salary level of the workforce is low. However, while the product spec is getting more and more precise, the salary in China is getting higher, and the young generation is not willing to take the job in a manufacturing plant, the turnover rate is getting higher. Therefore, AOI has become the necessary investment in the next stage for electronic and semiconductor industry in China, and surely the demand in it shall grow.

C. Increasing adaption of AOI system in traditional industry

For traditional Manual Visual Inspection (MVI) is no longer able to effectively control the quality, the traditional industry sector in Taiwan also has to develop towards high quality in order not to be phased out. Therefore, AOI system will be adopted to replace traditional MVI and the demand in it shall continue to increase.

D. Equipment Localization

In recent years, the emerging high-tech industry has been growing and hence the surging need for precision measurement systems. Among them, AOI is particularly the trend that cannot be halted. The technical field of AOI is extremely wide and the adoption includes the industries of semiconductor, flat-panel display, LED, PCB, Optical Lens, and etc. Most markets having a demand in AOI system are located in Asia. Currently, a large majority of the AOI system used by the main industries in Taiwan are imported ones that may have the disadvantages such as high price, difficult maintenance and high cost of selling. However, since the government have started to support equipment localization, in 2004 the Center for Measurement Standards / Industrial Technology Research Institute (CMS / ITRI) led to form AOI Equipment Association (AOIEA) that connects the related organizations of industry, government, university, and institute to promote the overall development strategy for domestic AOI industry. In recent years, the domestic equipment providers have greatly enhanced their capabilities, and the selling price is lower than that of the equipment made by foreign manufacturers; in addition, the requirements of customization can be effectively communicated. Therefore, in order to reduce procurement, cost and improve service maintenance quality, domestic and foreign companies have gradually increased the proportion of buying domestic AOI equipment.

E. Market Competition

The focus of our R&D is mostly on developing the latest types of product with Blue Ocean Strategy; therefore, there is no existing powerful competitor in the market while we may primarily compete with our R&D and improvement pace to be in line with the progressing industry. Some of the equipment that has been facing competitors in the market may have a relatively large market. For example, the existing competitors of wiring AOI inspection system include the foreign companies of Orbotech, CIMS (original Camtek PCB division), and Screen, all of them are the primary competitors of the Company. However, in 2017, we have launched the solution with higher productivity that can facilitate manpower saving, there were many large-scale manufacturers have replaced the old system to enhance their competitiveness and instead become the leaders of the market. In addition, for AVI system, Japanese company, Shirai, is the main foreign competitor while in Taiwan UTECHZONE Co. is also having the same development. The competitiveness of both products is the excellent inspection rate and throughput which shall help on reducing manning for re-inspection, together with the newly developed AI deep learning. In this way, we are not only able to catch up with the original leading company, but also able to leave other competitors behind and enhance customers' satisfaction through quality service system.

For the existing products other than these two, most of the competitors are followers. Take Hole-AOI as an example, the products by competitors from the States and Japan are with high quality and they normally focus on the various functions provided while there are other competitors who do not reinforce the quality of their products but instead have the focus on competing by low price. To cope with these, the Company's strategy is to expand our R&D, keep improving, and segment the market. We offer diversified models to meet the needs of different layers of customers while ensure profit and competitive advantage. In addition, we rely on our patents to expand the gap between the functions of our products and that of competitors'. Apart from that, the Company is committed to enhance the service quality, to maintain existing customers, and furthermore to gain the new customers.

4.1.3 Research and Development

(1) Technology / R&D update

Short-term: continuously develop the combination of 4-wire inspection system technology and AOI optics technology, use AOI as an assistance to

help the process that can quickly and accurately complete the adjustment in the process of electrical testing replace the manual adjusting mode, develop higher accuracy 4-wire substrate inspection system, study to strengthen the use of inspection system on various testing functions and improve the efficiency of the inspection, and develop separately fixture inspection system to detect the irregular condition on the probe of the fixture so that the user may take early actions to handle the irregularity on the probe and prevent the abnormal situation from happening when mass production is in the process.

Mid-term: continue to move towards Industry 4.0 for key products of circuit inspection and fraction inspection of PCB, strive to simplify the operation of the equipment, and start to focus on the high efficiency and intellectualization of substrate circuit inspection system, which can greatly resolve the issue on the efficiency of traditional stand-alone detection, as well as the issue of labor costs in the past.

Long-term: Set foot on the major optical and electrical testing products for PCB, IC substrate, and semi-conductor and fulfill the objectives of automation, online availability, and intellectualization, provide a comprehensive smart inspection program for Industry 4.0 to significantly reduce labor costs, process time, and acquisition cost, and optimize management mode to enhance its competitiveness in the industry.

(2) Research and development personnel and their academic experience

Year		2023	2024
Item			
Education	Ph.D.	5	5
	Masters	81	101
	Bachelor's Degree	51	45
	Senior High School	2	2
Total		139	153
Average Years of Service		5.35	5.67

(3) R&D expenses invested each year in the last five years

NTD Thousand

Item \ Year	2020	2021	2022	2023	2024
A. R&D expenses	243,672	282,338	242,072	237,814	254,189
B. Revenue	2,397,855	2,750,264	2,102,302	1,760,590	1,531,831
A/B	10,.16%	10.26%	11.51%	13.50%	16.59%

(4) R&D list for last 5 years

Year	Product/Proprietary technology	Main purposes
2020	Flip Chip market develop AVI, Bump and Tray In (Out) measurement equipment	It is applied to Flip Chip inspection, and the inspection items are integrated into two in one, which shortens the inspection time and personnel operation time, and improves the inspection efficiency.
	Inline Panel LaserVia AOIM	Replace stand-alone mode operation. The inspection speed is 6 times in the past, which can greatly reduce the operation manpower and improve the production efficiency, and greatly reduce the manpower cost.
2021	Multifield Laservia Inspector t	For blind hole detection, optically provide multiple wavelength detection capabilities to solve the problem of easy leakage of translucent residual glue in the blind hole process in the past, and can filter false points by comparing image items of different wavelengths to reduce equipment false alarms.
	FPCB Assembly AVI	The track type can be connected in series in the production line, replacing the previous single-machine inspection mode using the loading and unloading machine. Reduce related handling operations and improve production efficiency.
2022	Test fixture inspection system	Perform a test on the test fixture to detect the irregularity on the probe of the fixture so that the user may take early actions to handle the irregularity on the probe, and measure the related relations of position between the probe and pinning metal and calculate for the best compensation position suggested.
	High-speed colorful CSP AFI	The improvement of the resolution of CSP fraction inspection is helpful in detecting the finer details and maintaining the characteristics of high speed. In addition, use the property of multiple information of color to strengthen the ability of inspection and that of learning and reinsertion of AI.
2023	Multisource Color PCB Visual Inspection Machine	For defects beneath PCB solder mask, IR light is utilized for inspection while retaining the original capability for white light inspection, enabling examination of images from both light sources while maintaining the original production speed.
	Electrical Test Fixture Inspection Machine	For electrical test fixtures, detection capabilities include identifying defects such as needle misalignment, broken needles, foreign objects, as well as offering detection for needle offset and piercing damage.
2024	Packaged IC AOI+ Metrology	Designed for 6-sided appearance inspection and 2D/3D measurement of post-packaged ICs, this system offers the highest throughput currently available on the market.
	New Wafer AVI	A newly enhanced optical wafer inspection system with added 3D inspection capabilities, providing a more comprehensive inspection solution for advanced semiconductor manufacturing processes.
	FPCA AVI	This provides an inspection solution for FPCA. It utilizes image algorithms and AI for inspection. Furthermore, it offers programmable multi-angle side viewing for multi-sided product inspection, and programmable tilt angles to achieve comprehensive, dead-angle-free inspection.

4.1.4 Long-term and Short-term Development

(1) Short-term Business Development Plan

A. Marketing Strategy

Provide the sales program of one-stop shop inspection for the whole factory to meet customers' needs in one-stop shopping and single window service.

Strengthen and enhance the sales system in China, Korea, Japan, Southeast Asia, and the US Continue to improve the quality and customer service, and maintain the user groups.

B. R&D Strategy

Enhance the cooperation with component suppliers and customers to actively develop high-end mechanical vision products.

Let R&D personnel engaged with the market more in order to develop the system that meets the market's needs.

Inline inspection equipment for the complete manufacture process, modularize software and hardware design to accelerate the development of new systems for other industries.

C. Production Strategy

Implementing process indicator management to enhance operational efficiency. Promoting lean management practices to eliminate waste across all operations. Introducing Incoming Quality Control (IQC) in manufacturing to improve production efficiency and reduce management costs, while ensuring off-site product quality compliance. With the Taiwan headquarters serving as the global operations center, we effectively leverage the strengths of each production site through task specialization, providing flexible solutions that meet customer needs, reduce costs, and enhance market responsiveness and competitiveness.

D. Finance Strategy

Implement performance management and strengthen finance management to enhance the capability in risk management.

Fully push the company's entry into a capital market in hopes of establishing a comprehensive funding channel to make a healthy financial structure and setup the idea of sustainable management, and then make profit to share with the society.

The short-term financial plan is made based on the mid-term and long-term capital demand plan and the principle of safety and stability.

E. The Management

Enhance ERP as well as computerize and automate the operations flow from design, receiving order, production, shipment, inventory, to finance to improve management and operation efficiency.

Provide training and assessment to the personnel in R&D, production, sales, and management to cultivate the talents and human resource in the Company and keep on driving innovation and enhancing the overall competitiveness.

Keep expanding our knowledge management system by establishing the database of successful experiences in the Company for newcomers to efficiently connect with the system operation and motivate new successful experiences.

(2) Long-term Business Development Plan

A. Marketing Strategy

The year 2025 marks a new beginning for Machvision, as the company embarks on a dual-track, four-product-line strategy.

In both the PCB industry and semiconductor packaging sector, Machvision is launching optimized next-generation products across four major lines: PCB AOI systems, PCB 4-wire electrical test equipment, Semiconductor packaging 6-sided inspection systems, Wafer AOI and metrology systems for semiconductor packaging.

The company is also reinforcing and expanding its sales networks across Mainland China, South Korea, Japan, Southeast Asia, and the United States.

At the same time, we remain committed to enhancing product quality and customer service capabilities, while deepening engagement with our user base through long-term partnerships and localized support.

B. R&D Strategy

Expand the communication and cooperation with domestic and international research or academic institutes to enhance the vision of R&D personnel as well as introduce new ideas and technologies.

Work closely with key component suppliers to develop new systems with the latest technology.

Make good use of "Coopetition" (Competition and Cooperation) to enhance the level of research and development.

C. Production Strategy

Implement an international division of labor and flexible production model, actively expanding overseas production to improve production

and operational performance.

Strengthen target management to reduce inventory and increase inventory turnover rate.

Continuously improve and enhance process technology to reduce defect rates and production costs, thus increasing competitiveness.

Align with company policies by introducing new equipment and expanding production capacity to stabilize product quality, meeting market and customer demands.

D. Finance Strategy

Build a close relationship with financial institution to control financial market dynamics and enhance financial performance.

Expand the Company's operating scale and raising funds for medium and long-term to develop our strength in long term.

E. The Management

Cultivate outstanding talents and build a corporate culture of professionalism, service and partnership.

Adhere to the concept of sustainable management, strengthen corporate governance and value social responsibility.

4.2 Market and Sales Overview

4.2.1 Market Analysis

- (1) Sales area of main products (services): Sales percentage of inspection products for PCB industry by market is as listed in the table below:

Region/Year		2023		2024	
		Amount	%	Amount	%
Export	China	1,143,092	65%	1,119,561	73%
	Others	164,125	9%	152,583	10%
	Sub-total	1,307,217	74%	1,272,144	83%
Domestic Sales		453,373	26%	259,687	17%
Total		1,760,590	100%	1,531,831	100%

- (2) Market share

The main business of the company is the manufacturing, research and development and sales of PCB mechanical vision inspection and measurement system equipment. The 2023 global top 100 PCB rankings, ninety percent are all Machvision customers.

The company includes PCB drilling and molding process measurement and inspection series, 2D/3D measurement series, PCB circuit inspection series, HDI and IC carrier board and soft board inspection series and appearance inspection series, mainly focusing on bare board measurement. It is also the only company in the industry that has line AOI, AVI, and 2D/3D measurement technology at the same time.

Some products, such as ultra-high-speed 2mil (to be promoted to 10mil this year) AOI and Laser Via AOIM, rigid and flexible board appearance inspection machines have the leading market share in Taiwan and the mainland. In addition, the company's other products such as film inspection machines and Two-dimensional measuring machines also account for a certain proportion of the market share, but due to the lack of complete statistical data of PCB measuring and testing equipment, it is impossible to compare their market share.

- (3) Future market supply/demand and growth

Printed PCB (PCB), the basic and key component for all products in electronic industry, is the base plate used to connect electrical components that allows the various electrical components to function by the tracks formed on the PCB. While PCB products are moving towards being high-end and compact that cannot be inspected by naked eyes, and

some contact electronics test cannot be done due to thin wires, therefore, the demand in precision measuring or inspection system will be rising. In addition, since there is the problem of manpower shortage due to the getting higher labor cost, it is expected that machine will soon replace labor for PCB products inspection. In Taiwan, it is another situation. Since the PCB market is gradually recovering quarter by quarter, Taiwanese PCB manufacturers have kept expanding the scale and developing the supply chain for the primary system manufacturers which should drive the demand in PCB inspection system.

The Company has expanded the application of 2D/3D inspection technology that has been accumulate for more than 20 years in PCB industry to other microelectronic industry such as wafer probing and packaging and COF industry, to expand the range of industries that the product can be applied to. On the other hand, we have also introduced AI deep learning system to our entire product lines to reduce workforce while expand the market scale.

(4) Strength for competition

A. The Strong R&D Team

MACHVISION Inc. is a company specializing in Machine Vision inspection and measuring system and having the technology of integrating optical imaging system, image processing, AI, precision machinery, and motion control. With the accumulated integrated technologies in optics, mechanic, electricity and software, our R&D team had planned for various professional training courses as well as the setup of knowledge management system to enhance the professionalism of our R&D staffs for providing new products with more precise and fast visual inspection system in the market to cope with the changing environment. This has combined theory with practical application which allowed our technology development so far to be ahead of other domestic competitors. It's been proven that some products have met the international advanced standard, and customers have established trust and inter-dependence on our company's products and services.

B. Providing a Comprehensive Range of Products

The comprehensive range of products developed by the Company for PCB/IC Packaging/COF industry does not only meet customers' needs, also the quality of our products are better than the exported ones. Our diversified measuring and inspection equipment, which have a good reputation in the marketplace, can provide a total solution in measuring

and inspection for the whole customer's factory and can have bundling to enhance competitiveness. In addition, we offer optional mid and high level models for many product series that can cover the individual needs of different customers and furthermore enhance the Company's market share.

C. Timely local after-sales service and professional maintenance capability

The developing process of machine vision system has to be worked on closely with the customer and be tested for a long time. In addition, the customers often want to work with suppliers locally. The output value of PCB in Asia is almost over 80% of the global output value; in addition, not only 90% of HDI products are manufactured in Asia, the primary manufacturing base of semiconductor is also in Asia. The Company has branch offices in Taiwan and China which allow us the regional advantage of providing convenient and comprehensive maintenance service and technical support. Therefore, customers can have their problems be resolved immediately or have our cooperation on properly modifying software or hardware to fast respond to the market needs and enhance the functions and competitiveness of products for gaining trust from their customers.

In addition, the Company has dedicated customer service training system that can facilitate customers' user training which is helpful for customers to be familiar with the safe operating of our precision equipment and furthermore gaining the trust of customers in the Company.

D. Having the leading clients in terms of channel

The Company provides various measuring and inspection systems for different PCB processes. The number of our clients is more than a hundred and their expertise areas range from PCB whole manufacturing process and single manufacturing process, equipment manufacturers, to raw materials suppliers. Presently, all of the top 10 global PCB manufacturers are included in the Company's clients list. On the list, it also includes the top PCB manufacturers such as UNIMICRON, Nanya, TSMC, Chin Poon, Tripod Technology, ASE Group, and Gold Circuit Electronics from Taiwan, Foxconn Group, Pulin Group, Shantou Chaosheng, Founder Group, Shennan and Kinwong from China, Kingboard Holdings Limited from Hong Kong, Samsung and LG from Korea, as well as the top two manufacturers from Japan, Samina from

the US. Among the top 100 PCB manufacturers, around 80% are using our products, which is helpful for the Company's new launches for getting the point of market entry. For a long time, the Company has been building the word of mouth and expanding our business to the global market that made us much more competitive in the industry.

(5) Positive and negative factors for developing vision and the preventive measures

A. Positive Factors

(A) The rising demand in inspection

With the wave of 5G, and electric vehicles, the global electronic information and communications industry is propelling the trend toward lighter, thinner and smaller products to develop vigorously. Moreover, the completeness of my country's information industry system has driven the increase in demand for upstream production equipment; and the continuous expansion of global personal computers and consumer electronic products has greatly increased the application opportunities in the electronics industry. The company is committed to the development of PCB/semiconductor visual inspection and measurement equipment, develops test equipment with excellent function and quality, and actively sells it to grasp the market trend.

(B) An industry with high entry barriers

Since Machvision inspection and measuring system can only be completed by integrating the technologies of optical imaging, image processing, precision machinery, and motion control, the experts in these fields are required. In addition, because the cooperation from all users is also critical, with such a demanding barriers, there are not many manufacturers who can succeed in the field.

(C) Self-owned developing team

The Company has successfully developed around tens of innovative products with patents domestically or abroad, and has successfully gotten certified by many world-class manufacturers. In addition, there are still clients exploring proactively for the opportunity of cooperating in the development of related visual inspection system. At the same time, we continue to invest in developing new technologies to keep our technologies ahead of others.

(D) Increasing demand in automatic machines due to the rising wage

in mainland China

As the labor cost of wage, fringe benefit, and social insurance is increasing in China's electronics manufacturing services, the demand in adapting automatic machine for production lines is also rising. It is the same situation in PCB industry for being willing to adapt AOI system, especially when the labor cost takes up 18% of what is already low margin. Since the Company has developed total solution with automation to help on more cost saving, the trend is favorable for the Company's future development.

(E) Good operation and Fine financial status

Machvision funded in 1998, the Company has successively developed various visual measurement and inspection systems. Our products are widely recognized by major domestic and foreign manufacturers and that allowed us to maintain good revenue and profit. The Company is profitable every year since its establishment and has never used aggressive financial operation. Therefore, with our good operation and financial health, we do believe that we are able to fully devote on R&D and get the insight of market trend for launching new products.

B. Negative Factors

(A) The critical parts such as Camera, CCD, video capture card and Lens still rely on the exportation

Preventive measures:

Maintain a good relationship with suppliers and do not count on single supplier for procurement. In addition, leave some room for flexibility during the designing of the products to allow the parts with different brands suitable for use in our developed systems.

(B) Most of the products for quality checks are random checks and the sales volume is not high

Preventive measures:

Develop full inspection system with high demand such as wiring inspection for inner and outer layers and AFI; in addition, promote the bundle sales with niche products to facilitate the trade-off between sales revenue and profitability.

(C) Limited application of existing product lines

Preventive measures:

With existing successful MV technology, modularized design and management, we can get into new application or industry quickly to

increase the adaption in different industries such as probing and packaging industry, and furthermore expand the market of product selling.

4.2.2 Production Procedures of Main Products

(1) Functions of the major products

A. The measuring and inspection series for the manufacturing process of PCB drilling and routing:

a. Express Hole-AOI: as the trend of PCB fine line, the drilled hole will be getting smaller (pore size under 100um) and there shall be more holes drilled (500 thousand holes/piece), hence the precision of the drilled hole is getting more important. By using Express Hole-AOI, the precision can be up to +/- 5 um, and the measuring for a piece of board with 300 thousand holes can be completed in 20 seconds that can not only enhance the yield of drilling process, but also can monitor the output quality of a drilling machine on the production line as well as reduce the obsolescent and maintenance cost.

b. All-purpose Dimensional Measuring System: measuring the device under test mainly by non-contact way to automatically measure the angle, coordinates, distance, dimension of a two dimensional object such as point, line, circle, and arc. That can be applied widely to the size measuring of profiled board, the dilatation of inner layer and film, and the various quality inspection report. In addition to save manpower, it can also help on obtaining more precise measuring results and feedback to the production line for continual improvement and enhancing the capability of manufacturing process.

B. PCB Wiring Inspection Series:

a. Film AOI system: films are the critical basis for producing PCB wiring while any of the continuity & insulation, indenting, bump, splotch on the film shall cause a bad inner and outer layer PCB or make it discarded. A film AOI system can read the original design data of the wiring on a film as the basis for comparison to inspect any defects and reduce the false alarm rate.

b. Line gauge: measuring line width can get the quality level on how does etching result control the conducting lines. The traditional way of measuring by naked eyes with microscopic magnifier does not only have the problem of bad reproducibility, but due to the trend of fine lines, measuring by naked eyes can no longer meet the requirement. Line Gauge

has the imaging mechanism with patent that can show the image of fine lines clearly; when working together with the image processing technology of sub-pixel and linear regression, the precision accuracy of measuring can reach 1 μm .

c. Wiring inspection for inner and outer layers:

Multi layered board of PCB has 6, 8, or 10 layers, and even up to more than 30 layers for achieving the requirement of electronic products in being small and compact. However, the lines on each layer have to be scanned and inspected to avoid spur, indenting, and continuity & insulation, as well as to enhance the yield of drilling process and reduce the loss of obsolescent. Right now, it can also help on enhancing the production rate and even reach unmanned high-speed production with the add-on of automation.

C. HDI and IC Substrate Inspection Series:

a. LaserVia-AOIM: due to the requirement of mobile phone PCB and IC substrate in being small and compact, laser drilling has become an important production process. LaserVia-AOIM can inspect if the laser power is weak or over and if there is residual or shift, to enhance the processing capability of engineering unit and prevent from the bad output of production unit.

b. 3D Profiler: in order to ensure the reliability of products, it is required to have copper-filling plating after laser drilling. However, it would be time consuming and inaccurate to inspect hundreds of thousands of holes on the board and get the hole with the denting up to 5 μm s. The inspection for copper-filling plating utilizes the most advanced 3D measuring technology that can measure the denting level of each hole for 1 million holes in 3 minutes, a revolutionary breakthrough for the filling in copper electroplating.

c. Solid Measuring Viewer system: high-end PCB has to be measured on its 3D data such as line thickness, solder height, or hole depth. The traditional measuring way may cause destruction and time consuming if it adopts slicing; therefore, it can protect device under test while save time by adopting optical measurement 3D solution.

D. AFI Series:

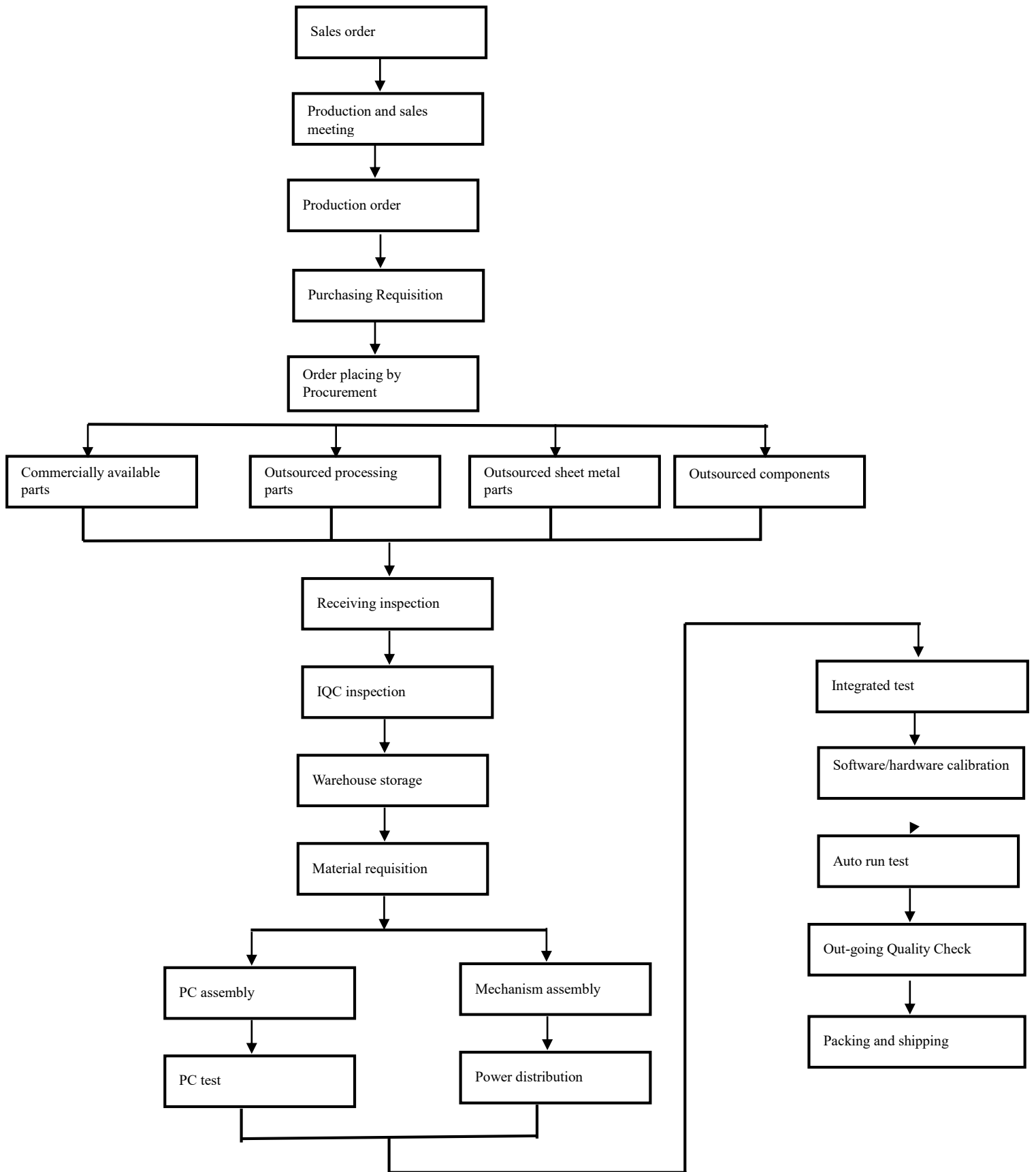
AFI series can be applied to various automatic final inspecting systems including multi layered board, HDI board, IC substrate, FPCB, assembled FPCB, wafer and COF. The series can also add AI capability to the system.

(2) The manufacturing process

A. The Company's products are mainly modular assembly that can be categorized to the modules of mechanism, electric control, optics, and software system.

B. Each module is assembled and quality controlled based on assembly operation standards and test specification.

C. The assembled product will be going through a 72-hour function and system software test by the quality control team to ensure the quality of the shipment.



4.2.3 Supply Status of Main Materials

Item	Main materials	Supply condition
1	Optics and photoelectric component	More than three suppliers with good supplying condition. The inventory level will be adjusted in accordance with the condition of markets. There is no risk of outage.
2	Transmission component	More than three suppliers with good supplying condition. The inventory level will be adjusted in accordance with the condition of markets. There is no risk of outage
3	Electrical machine component	More than three suppliers with good supplying condition. The inventory level will be adjusted in accordance with the condition of markets. There is no risk of outage

4.2.4 Major Suppliers and Clients

A. Major Suppliers in the Last Two Calendar Years

Item	2022				2023			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Supplier A	65,428	16.70	-	Supplier A	67,674	13.78	-
2	Supplier B	54,442	13.90	-	Supplier B	63,735	12.98	-
3	Supplier C	14,291	3.65	-	Supplier D	15,920	3.24	-
4	Others	257,537	65.75	-	Others	343,654	70.00	-
	Net Total Supplies	391,698	100.00		Net Total Supplies	490,983	100.00	

Unit: NT\$ thousands

Note: Supplier A, B, C and D are all long-term suppliers with stable supply and quality, and continue to purchase goods from them.

B. Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

Item	2022				2023			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	G Client	216,916	12.32	-	F Client	235,074	15.35	-
2	F Client	153,526	8.72		I Client	138,229	9.02	-
3	I Client	126,418	7.18					
	Others	1,263,730	71.78		Others	1,158,528	75.63	
	Net Sales	1,760,590	100.00		Net Sales	1,531,831	100.00	

Note: They are long-term clients, which had higher demands on machines in the last year.

4.3 Human Resources

Year		2023	2024	Data as of ending data in the current year
Number of Employees	Direct	42	42	44
	Indirect	236	247	276
	R&D	139	153	153
	Total	417	442	473
Average Age		37.30	36.38	37.57
Average Years of Service		5.64	5.18	5.52
Education	Ph.D.	1.46%	1.36%	1.27%
	Masters	28.05%	29.86%	28.54%
	Bachelor's Degree	62.20%	60.63%	57.51%
	Senior High School	8.29%	8.14%	12.68%
	Below Senior High School	-	-	-

4.4 Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):

None

4.5 Labor Relations

4.5.1 Employee Welfare

List any employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests:

The Company values the family well-being and health of our employees and we do not encourage working overtime. In case of the overtime work, we would encourage the employee to get in earlier while if staying later is necessary, we also reminder them not to exceed the overtime limit and impact the next day's work, in hopes of helping them keep a regular daily routine to stay healthy and furthermore get the balance between work and family.

1. Employee benefits program

(1) All of the Company's employees enjoy labor insurance, national health insurance, group insurance, and major casualty insurance by the employer.

(2) Employees will receive year-end bonus at the end of the Company's business year.

(3) Pursuant to the law, the Company has reserved welfare funds to establish Employee Welfare Committee for conducting various employee welfare activities such as holiday bonus, birthday celebration, birthday gift, wedding and funeral subsidy, and social activities.

(4) Provide subsidy for annually domestic or foreign travel, allowance for regular health check-ups and flu vaccine.

(5) Educational subsidy program for children from 0 to 6 years old, including parenting allowance for 0-3 years old and free kindergarten for 3-6 years old.

- (6) Family and child parent education course.
- (7) Set up free cafe to reduce work stress.
- (8) Provide sports halls and organize various sports courses.

2. Advanced study, training and development

(1) Employees are considered as the most important assets in the Company. Therefore, we provide necessary and appropriate training and development courses for employees to make them contribute by their strength and competent, continue to complete the designated tasks and achieve the goals while keep on creating the core competence of the Company.

(2) Training and people development system

We provide the training courses based on competency to equip employees with the basic knowledge, skills and attitudes necessary for achieving business goals, which include:

- a. New hire training: the training for new employees and the training for new managers.
- b. Professional training: sales, production, R&D, finance, procurement, administration, etc.
- c. General education training: The Company's mission, corporate culture, the company's value, customer satisfaction and quality.
- d. Direct labor training: the skill training of assembly station.
- e. Project-oriented training: workshop for R&D project.
- f. Self-development training: speech, seminar, reading circle, in-service training.
- g. Pass the baton training: "Pass the baton" upward and downward training includes job responsibilities, key performance indicators, work attitude and mindset management.

3. The Company follows and stays compliant with the relevant laws and regulations to contribute 6% of employee's monthly salary for pension per month to the labor account for new employees and the original employees who choose to adopt the new pension regulations. On the other hand, for the original employees regardless of choosing to adopt the old or new pension regulations, the Company continues to reserve their seniority before transiting to the new regulations and contribute the appropriate amount of Retirement Preparation Funds calculated based on the pension payment standard in the original regulations of employee retirement. For the employees who are assigned by the organization to transfer to the affiliated enterprises, the

seniority will be continually counted to provide employees with more job security and achieve the goal of talent circulation. While the pension in the subsidiary company abroad is Defined Contribution Plan, the various social security fund such as pension, medical, etc. shall be paid monthly per the regulations of local government.

4. Protection Measures for Working Environment and Employee Personal Safety

Item	Content
Access security	1. A rigorous surveillance system is activated around the clock. 2. An access control card or a facial recognition device is installed at each entrance and exit of the company. 3. A security company is contracted to protect factory safety at night and on holidays. 4. The facial recognition device has been upgraded to have a temperature detection function equipped in order to prevent the invasion of diseases. The access control cannot be lifted for those who have a temperature exceeding 37.5 degrees, and an e-mail will be issued automatically to notify the relevant controllers. The individuals in concern must approach the front desk to have their body temperature re-checked and must meet the requirements before they can return to work. The relevant body temperature rechecks are recorded for future reference. 5. For the care and protection of employees, the reception room on the first floor is provided as a remote office with necessary computer equipment provided for the logistic personnel who have been infected with notifiable diseases but still need to work, except for those who can work from home due to their duties. The said remote office arrangement is for the protection of the public. An average of 2 persons/week had been quarantined in 2023.

Maintenance and inspection of various equipment	1. Each electrical and mechanical or fire-fighting equipment (such as fire alarms, fire extinguishers, etc.) is regularly maintained on an annually, quarterly, monthly, and weekly basis in accordance with the respectively prescribed time in order to ensure that it is in the best condition for use at all times. In addition to regular maintenance, the external inspection of fire-fighting facilities and equipment was also completed and reported to the Fire Department on November 26, 2024. 2. A qualified fire inspection company was contracted to perform a fire safety inspection on the factory on November 26, 2024, in accordance with the Fire Services Act. An annual report with 0 nonconformity was filed with the Fire Department. 3. The company inspects and maintains each equipment, such as electricity, air conditioning, fire-fighting facility, passenger and freight elevator, etc., on a regular basis, among which: a. Electricity: The maintenance service is planned in line with the annual maintenance schedule of the science park, that was, completed the inspection by external units on January 4, 2025, and January 25, 2025, and reported the power equipment of the company in good condition to Taiwan power company and Hsinchu Science Park Bureau, NSTC. b. Air conditioning: Maintenance service was scheduled on January 11, 2025, in order to maintain the equipment properly and secure better operating efficiency. c. Fire-fighting: As stated above, the fire safety inspection was performed by an external unit and completed on November 26, 2024., which should be reported to the Fire Department with 0 nonconformity identified.
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	d. Passenger and freight elevator: It is an important operation of mechanical equipment inspection and maintenance. In addition to the monthly maintenance service to be performed by external professional service providers, an annual safety inspection was completed on October 1, 2024, with a certificate of approval issued. 4. According to the provisions of the Occupational Safety and Health Act, a qualified inspector shall be contracted to perform a working environment inspection on the company every six months (scheduled on May 20 and November 8, 2024), including noise, lighting, CO2 concentration, etc. The satisfactory inspection results have been announced in accordance with the governing regulations. 5. It is to be handled in accordance with the "Regulations Governing Building Safety Inspection Certification and Reporting" (once every two years). A qualified architect firm was contracted to conduct the building public safety inspection, which was completed on July 28, 2023.
Prevention measures and contingency plan for disasters	1. The company has the "Disaster Prevention and Contingency Plan" established to clearly regulate the role and responsibility of each employee at all levels of the company for disaster prevention, incident handling, and accident reporting upon the occurrence of an emergency, major incident, general accident, and other emergency. A drill shall be carried out accordingly. An evacuation drill was carried out on May 7 and October 18, 2024, respectively. 2. The company formed a self-defense firefighting group: Fire-fighting team, notification team, evacuation team, safety protection team, and rescue team, which shall be reported regularly. The reporting dates for 2024 were May 17 and

	October 18. 3. In order to maintain the safety and health of employees and implement safety and health management, the Administration Office is a Class-I unit and is responsible for promoting environmental protection, and safety and health. Various safety and health-related posters are produced in January every year for promotion; also, the promotion of current affairs related to earthquakes/fires/industrial accidents is implemented occasionally. 4. According to the Disaster Prevention and Protection Act, emergency evacuation drills and firefighting equipment training shall be conducted every six months, which shall be planned in different scenario, including earthquakes, air raids, fires, man-made accidents, and other scenarios. In addition to major earthquakes, fires, and man-made accidents, there were frequent missile launch tests occurred in 2023; therefore, an air raid drill was carried out on May 17, 2024. In addition, in order to get familiar with fire-fighting equipment, in addition to carrying out the training on the use of fire extinguishers in the second half of the year, fire sprinkler practice was added into the training; therefore, the outdoor fire hydrants drill was conducted on October 18, 2024.
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5. Employee Code of Conduct

The Company's Employee Manual has clearly conveyed the benefits and systems that have been continually stipulated in these years and based on the Company's culture of respect and caring to every employee. In the manual, it clearly states the code of conduct and the Company's expectation for all employees while the employees shall follow the law and based on ethical principles to maintain the Company's assets, interests and image. The manual is available on the Company's website for propaganda and employee's reading.

6. Labor-Management Agreements and Employee Rights Protection Measures

Since its establishment, the company has adopted a people-oriented approach to self-management, providing employees with ample respect and care. We continuously plan and implement various employee welfare measures to create an optimal working environment. In accordance with legal requirements and actual needs, labor-management meetings are held annually to ensure open channels for thorough communication and discussion between both parties. As a result, labor relations remain very harmonious, and no losses have occurred due to labor disputes.

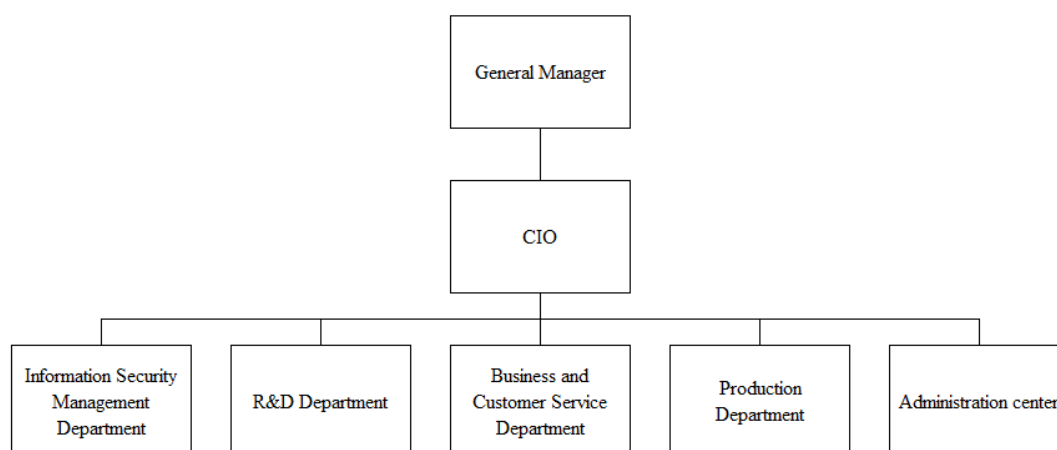
4.5.2. Total Losses

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions):
None

4.6 Information-Communication Security Management

(A) Information/Communication Security Risk Management Infrastructure, Information/Communication Security Policies, Specific Management Approaches and the Resources Required to Invest in the Management of Information/Communication Security Management

1. Information/Communication Security Risk Management Infrastructure



The Company establishes the Risk Management Committee targeting risks related to information security. The chief of the IT Department serves as the convener while the network service members participating in the actual execution of information security projects form the Committee members. One dedicated information security supervisor and one dedicated personnel are assigned to take charge of the establishment of the information security system, technical introduction, and information security supervision and auditing through cooperation with colleagues from the IT Department.

The Committee conducts risk analysis on the information security and internet risk assessment procedures based on the level of risk effect and probability of occurrence. The Committee also conducts corresponding management mechanisms for high-risk environments and systems to establish the high-reliability model, data backup architecture, and remote backup model, which will reduce the impact of information security events.

The Committee formulates and regularly reviews the information security policies in addition to reporting the information security event reporting and response mechanism on the monthly information security report and anomalies review meeting. The Committee also reports the information security checks to the Board of Directors.

2. Information/Communication Security Policies

(1) Enterprise Information Security Management Strategies and Infrastructure

The objective is to maintain the confidentiality, integrity, and usability of company assets, and to secure the privacy of user data. By leveraging the team efforts of our entire staff we can achieve the following targets:

- To ensure that the information can only be accessed by authorized personnel in order to maintain confidentiality.
- To avoid unauthorized modifications in order to ensure the accuracy and integrity of data.
- To ensure that sales and service practices are in conformance with the requirements of the regulations.

(2) Continuous Improvement Infrastructure

Our company will be maintaining the PDCA (Plan-Do-Check-Act) Cyclic Management to ensure that targets are met and continuous improvement is in place.

We will be following the “Information/Communication Security Control Guide for Publicly Listed and OTC Companies” published by the Taiwan Stock Exchange, as the foundation for our cyclic improvements. The guide was meant to assist public listed companies in strengthening their information security protection and management.

3. Specific Management Approaches and the Resources Required to Invest in the Management of Information/Communication Security Management

MACHVISION is a team based on IT research and development, so it especially emphasizes and maintains the key competitiveness of research and development, in addition to the anti-virus and anti-hacking protective measures for software and hardware that many other companies have implemented.

As of 2024, the implementation of three-level information security has been completed, as described below:

- (1) Data encryption management : All company data files, graphics files, and software programs are encrypted and managed. If any report and data related to customer and supplier is needed, it requires the application for approval and decryption. Only in this way, external customers and suppliers can read the

report, to enable the attainment of business activities and provision of related services from the suppliers.

- (2) Strengthen information security in user environment: Currently, the R&D Department of high-level information security area is restricted to personal processing information equipment. All external computers and hardware equipment can be carried inside with restriction from connecting to the internal environment of MACHVISION. Moreover, personal processing computers will be blocked from us due to improper operations. With the control of USB use in the company, since the sales and customer service will inevitably need assistance from data analysis, the Information Department installs public virus scanning computers at all floors for users to scan data for viruses before loading.
- (3) Establishment of internal antivirus software and external firewall antivirus/anti-hacking: Recently, many large companies have suffered from malicious software and computer virus attacks, which are in a complicated situation. The awareness of information security protection continues to increase. With the training and real-time assistance from the frontline information security companies, it reduces the risk of MACHVISION's commitment to customers and shareholders and the adverse effects on operational results, finance, and prospects.
- (4) Supporting and backup mechanism: Execute the upgrade of the critical server system to high reliability, and incorporate the upgrade and improvement on the virtual server model and backup server. Develop and execute the configuration of full backup on the computers of senior managers to reduce the risks of data loss caused by malicious software and computer virus attacks.
- (5) Introduction of mail filtering service: Introduce cloud mail filtering service to mitigate the risk of related mail attacks.
- (6) Establishing the management architecture of server status: Establish Xymon management and monitor the server service and resources status.
- (7) Conduct vulnerability scanning and social engineering drills to assess internal and external environmental risks and strengthen social engineering awareness training.
- (8) Implement firewall-based external network traffic monitoring and alert

management mechanisms for enhanced cybersecurity control.

(B) Major Information/Communication Security Incidents, the Incurred Damages, Possible Impacts, and the Action Plans for the Recent Fiscal Years and as of the date the Annual Report is Issued.

1. For the recent fiscal years and as of the date our annual report is issued, no incurred damages were identified to be resulting from major information/communication security incidents.

2. Information/communication security risks and the action plans

(1) Information technology security risks and the management measures

Machvision has been continuously reviewing and evaluating the information security protocols and procedures to ensure their adaptability and effectiveness. However, in view of the ever-changing information security threats, we can not guarantee to be immune to possible impacts resulting from innovative risks and deliberate attacks.

As such, Machvision has implemented an encryption mechanism for our documents and data archives, drawings, as well as software programs. In case of the need to share the said information with customers and/or suppliers, an advance application is required to activate the decryption program to render the information accessible to external customers and/or suppliers for sales activities or services associated with the suppliers. In addition to that, and specifically for the maximum information security area such as the R&D, personally operated information equipment is under stringent scrutiny. External computers or any other hardware devices are prohibited from connecting to the Machvision intranet and personally operated computer equipment, if not properly used, will be blocked from access.

In view of the recent complex events regarding a few big names being attacked by some malware and/or computer viruses, we have continuously strengthened our information security protection awareness. By leveraging the resources from the top-line information security companies for training and real-time assistance, we pledge to minimize the risks that may compromise our commitments to our customers and stockholders, also to prevent any negative impacts that may jeopardize our operation results, financial, and future outlook.

4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Agency contract	A Company	2018/10/15 till now	Dealership in Taiwan and China	-
Agency contract	B Company	2017/09/10 till now	Dealership in Taiwan and China	-
Agency contract	C Company	2022/01/01 till now	Dealership in Taiwan, China, Japan and Thailand.	-
Agency contract	D Company	2018/08/31 till now	Dealership in Korea	-
Agency contract	E Company	2022/01/01~2025/01/01	Dealership in China	-
Agency contract	F Company	2017/01/01~2018/12/31	Dealership in Taiwan specific customer	-
Lease contract	Hsinchu science park bureau	2019/06/01~2038/12/31	No. 3, Gongye E. 2nd Rd., East Dist., Hsinchu City	-
Lease contract	Hsinchu science park bureau	2020/01/01~2024/12/31	1F., No.3 and 1F-2F., No. 1, Zhanye 1st Rd., East Dist., Hsinchu City	-
Lease contract	Hsinchu science park bureau	2021/06/01~2040/12/31	Keyuan Section, Keyuan Subsection Land serial no.59-4	-

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	5,166,814	4,889,229	(277,585)	(5.37)
Financial assets at fair value through profit or loss-non-current	15,744	9,644	(6,100)	(38.74)
Property, plant and equipment	240,501	240,649	148	(0.06)
Intangible assets	-	-	-	-
Other non-current assets	339,435	644,384	304,949	89.84
Total assets	5,762,494	5,783,906	21,412	0.37
Current liabilities	498,550	585,044	86,494	17.35
Non-current liabilities	86,193	105,435	19,242	22.32
Total liabilities	584,743	690,479	105,736	18.08
Ordinary shares	581,462	581,462	-	-
Capital surplus	2,006,263	1,948,128	(58,135)	(2.90)
Retained earnings	2,509,313	2,479,957	(29,356)	(1.17)
Other equity interest	(5,985)	1,600	7,585	(126.73)
Total equity	5,177,751	5,093,427	(84,324)	(1.63)
Note: Analytical basis: the change rate is more than 20%, and the change amount is more than NTD\$10 million.				
Analysis descriptions:				
1. The increase in other non-current assets was due to investment in domestically listed company.				
2. The decrease in non-current liabilities was due to the recognition of deferred income tax liabilities arising from foreign investment gains evaluated using the equity method and unrealized exchange gains.				

5.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2023	2024	Increase (decrease) amount	Change ratio (%)
Operating income	1,760,590	1,531,831	(228,759)	(12.99)
Operating cost	715,893	649,702	(66,191)	(9.25)
Operating gross profit	1,044,697	882,129	(162,568)	(15.56)
Operating expenses	586,483	628,647	42,164	7.19
Operating net profit	458,214	253,482	(204,732)	(44.68)
Non-operating income and expenses	48,013	139,369	91,356	190.27
Continuous operate dept. pre-tax net profit	506,227	392,851	(113,376)	(22.40)
Less: income tax expense	93,608	76,855	(16,753)	(17.90)
Current net profit	412,619	315,996	(96,623)	(23.42)
Other comprehensive profit and loss	(884)	6,691	7,575	(856.90)
Total consolidated profit and loss in this period	411,735	322,687	(89,048)	(21.63)
Note: Analytical benchmark: the change ratio before and after is more than 20% and the change amount is more than NTD\$10 million. Analysis descriptions: 1. The decreases in operating net profit, Continuous operate dept. pre-tax net profit, current net profit and consolidated profit and loss in this period were mainly due to a decline in profitability. 2. The increases in non-operating income and expenses was mainly due to exchange rate fluctuations and an increase in interest income.				

- **Expected annual sales volume and its basis:** Please refer to "Section I: Letters to Shareholders."
- **Effect of changes on the company's future business:** The Company's business scope has not changed significantly.
- **Future response actions:** Not applicable.

5.3 Analysis of Cash Flow

5.3.1 Remedy for Cash Deficit and Liquidity Analysis

Item	Year	2022	2023	Variance (%)
Cash Flow Ratio (%)		101.08	57.98	(43)%
Cash Flow Adequacy Ratio (%)		85.75	127.39	(1)%
Cash Reinvestment Ratio (%)		1.11	(1.34)	(221)%
Analysis of financial ratio change:				
1. Decrease in the cash flow ratio was due to a decline in net cash inflows caused by the ongoing recovery of business operations.				
2. Decrease in the cash reinvestment ratio was due to an increase in long-term investments resulting from investments in domestically listed company.				

5.3.2 Cash Flow Analysis for the Coming Year

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
770,992	600,000	(580,000)	790,992	NA	NA
Analysis of change in cash flow in the coming year:					
(2) Operating activities: Net cash inflow from operating activities was mainly due to the increasing of the net assets in the coming year. Financing activities: Net cash outflow from financing activities was mainly due to the payment of dividends.					
(3) Remedial measures and liquidity analysis for cash shortfalls: NA.					

5.4 Major Capital Expenditure Items

5.4.1 Major Capital Expenditure Items and Source of Capital: None.

5.4.2 Expected Benefits

A. Estimated Increase in Production, Sales, and Gross Profits: None.

B. Other Benefits: None.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

Unit: NT\$ thousands

Item	Remarks	2022 Income (Loss) Amount	Policies	Reasons for Gain or Loss	Action Plan	Investment Plan for the Next 12 Months
Samoa Machvision Inc.		36,802	Investment	Mainly from the profitability of the investment company.	-	-
Machvision Korea Co., Ltd.		(1,167)	Maintaining and trading of machinery equipment	Liquidation.	-	-
Machvision (Thailand) Co., Ltd.		(6,034)	Maintaining and trading of machinery equipment	Promotion/After-sales service	Actively expand market.	-
HYE TECHNOLOGY CO.,LTD		1,421	Manufacturing of machinery equipment	Sales of machinery equipment.	-	-
Machvision (Dongguan) Inc.		36,801	Maintaining and trading of machinery equipment	-	-	-
SISSCA Co.,Ltd.		(5,400)	Manufacturing of computer peripheral products	Steady operation	Keep on research and development	-
SiSSCA (JIANG SU) Co., Ltd.		(3,017)	Manufacturing of machinery equipment	Promotion/After-sales service	Actively expand market.	-

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

- (1) The Company manages all potential risks such as strategic, operational, financial and hazardous risks that may affect operations and profitability in active and cost-effective manner.
- (2) In the event of risk management, notify superior supervisors, auditors, general manager, chairman and the company's directors and supervisor of the board of directors.
- (3) Conduct a pre-assessment risk assessment of the strategic operations by general manager's office, and conduct performance tracking of the operations after the event, so that the company's strategy can meet the vision and achieve the company's operational objectives.
- (4) The company has established relevant measures such as “Internal control system”, “Internal audit implementation rules” and “Self-evaluation procedures for internal control systems of the company”, according to each measure, it is implemented to control the risks, and the heads of various departments closely monitor the related risks, through the risk assessment by the audit department, continue to control and check above risk items. If a major violation is discovered or the company has suffered significant damage, the report is immediately made and notify supervisors, and the board of directors meeting must be convened immediately.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

- (1) Board of Directors: the board of directors is the highest unit of company's risk management. It aims to promote and implement the company's overall risk management by following the laws and regulations, ensuring the effectiveness of risk management, and taking the ultimate responsibility of risk management.
- (2) Finance Department: to build a highly efficient and high-quality financial platform to provide transparent and credible financial information, operational analysis and improvement solutions, with strict control, and appropriate tax planning, credit risk control and finance crisis prediction model that reduces corporate risk.
- (3) Audit Department: based on risk-oriented annual audit plan, review the existence or potential risks of each operation, and be responsible for the revision and

promotion of the internal control system to ensure the effective operation risk management of the company.

- (4) Information Security Department: planning and improving the company's information management system, responsible for network information security control and protection measures, providing management with fast and effective operational management information to reduce information security risks.
- (5) Each business unit: the heads of each business unit are responsible for the first-line risk management, responsible for analyzing and monitoring the related risks within units, and ensuring that the risk control mechanisms and procedures can be effectively implemented.

5.6.3 Future Research & Development Projects and Corresponding Budget

Plan	purpose
Packaged IC 6-Side AVI (for COWOS)	Designed for 6-sided visual inspection and 2D/3D measurement of packaged IC. It is currently the highest throughput equipment on the market, and also capable of inspecting the largest ICs (120x150mm).
Automatic Tray AOIM	This machine automatically detects defects on trays, such as scratches, stains, size and warpage(3D). It helps customers avoid yield loss or decreased production efficiency caused by tray issues.
FOUP AOIM	Inspects the appearance of wafer carriers (FOUP) for defects such as dimensional abnormalities, deformation, contamination, or foreign objects. Ensures the integrity and reliability of the wafer carrier, reducing losses caused by defective FOUPs.
FOPLP AOI	Detects defects in RDL circuits on Panel Level carriers, including short/open circuits, abnormal line width, mouse bite, and micro shorts.

Estimated investment in research and development in 2023: it is estimated that 15% to 20% of net operating income will be spent on research and development.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently pays close attention to any changes in local and foreign policies and makes appropriate amendments to our systems when necessary. During 2022 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The company's main source of revenue is the sales and service revenue of mechanical vision inspection and measurement system products, the main products can be applied to a variety of PCB processes, as high-precision measurement or inspection applications, so the sales and use of customer layer distribution is very wide, there is no risk of concentration of sales.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The growth and development of the company depends on the continuous service and contribution of senior executives and professional technical personnel. When the company needs to increase manpower demand in response to business growth, it may face the risk of failing to ensure timely filling of manpower requirements due to fierce competition in the human resource market. In view of this, the company provides a diversified and competitive salary system and is not afraid to share its long-term operational success with its colleagues. Therefore, the compensation committee of the board of directors of the Company has decided to adjust the company's compensation system and immediately distribute employee cash bonuses from the company's profits to attract and retain good employees. We believe that by sharing the results of our work with employees, we can not only encourage employees to continue their efforts, but also directly link employees' interests with shareholders' interests and create a win-win situation for the company, shareholders and employees.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The company's procurement of important components, based on the necessity of supply, to maintain at least two suppliers. Although it has established long-term and good cooperative relations with various suppliers, in the supplier management method, the quality, delivery, price and synergy spirit of each supplier is regularly evaluated to ensure the stability of the company's purchase to avoid the risk of insufficient supply due to force majeure

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

5.6.12 Litigation or Non-litigation Matters

(1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.

(2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

5.6.13 Other Major Risks: None

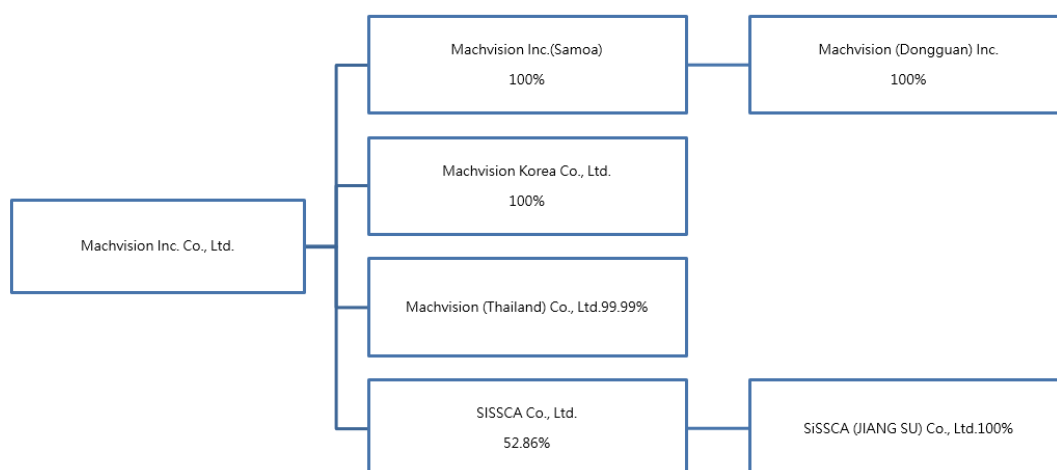
5.7. Other material matters: None

VI. Special Disclosure

6.1 Summary of Affiliated Companies

6.1.1 Organizational chart of the company's affiliated companies

As of 12/31/2023



6.1.2 Profiles of the Company's affiliated companies

Unit: NT\$ thousands

Name of enterprise	Date of establishment	Address	Paid-in Capital	Nature of business
Samoa Machvision Inc.	2004.12.09.	Samoa	105,433	Investment
Machvision (Dongguan) Inc.	2005.06.02.	China	105,361	Maintaining and trading of machinery equipment
MACHVISION KOREA Co., Ltd	2019.03.28.	Korea	21,542	Maintaining and trading of machinery equipment
SISSCA Co.,Ltd.	2020.03.17	Taiwan	217,148	Manufacturing of computer peripheral products
SiSSCA (JIANG SU) Co., Ltd.	2023.02.23	China	30,730	Manufacturing of machinery equipment
Machvision (Thailand) Co., Ltd.	2023.06.07	Thailand	22,415	Maintaining and trading of machinery equipment

6.1.3. Information on overlap shareholders of companies deemed to have controlling and subordinate relationships: None

6.1.4 The industries covered by the business of the overall affiliated enterprises:

Please See the second item.

6.1.5 Profiles of Directors, Supervisors and Presidents of the Company's affiliates

Unit: NT\$ thousands

Name of enterprise	Title	Name of Representative	Number of shares	
			Number of shares	Shareholding ratio
Samoa Machvision Inc.	Director	Machvision Inc Co., Ltd. Legal representative : HUANG,CHIA-HSING	3,463,650	100.00%
Machvision (Dongguan) Inc.	Director	Machvision Inc Co., Ltd. Legal representative : HUANG,CHIA-HSING	(Note1)	100.00%
		Machvision Inc Co., Ltd. Legal representative : WANG,GUANG-SHIAH		
		Machvision Inc Co., Ltd. Legal representative : CHUANG,YUNG-SHUN		
	President	HUANG,CHIA-HSING		
Machvision Korea Co., Ltd	Director	Machvision Inc Co., Ltd. Legal representative : CHEN,FU-SHEN	10,000	100.00%
Machvision (Thailand) Co., Ltd	Director	Machvision Inc Co., Ltd. Legal representative : WANG,GUANG-SHIAH	9,999,000	99.99%
		WANG,GUANG-SHIAH	1,000	0.01%
		CHEN,FU-SHEN	-	-
SISSCA Co., Ltd.	Director	Machvision Inc Co., Ltd. Legal representative : WANG,GUANG-SHIAH	11,477,463	52.86%
		Machvision Inc Co., Ltd. Legal representative : CHEN,FU-SHEN		
		YoungTek Electronics Corp. Legal representative : CHEN,KUEI-PAO	3,370,752	15.52%
		Lee, WEN-TSERN	98,313	0.45%
		LI,TSU-TE	-	-
	Supervisor	CHEN,PEI-SHIH	-	-
	President	Lee, WEN-TSERN	-	-
SISSCA (JIANGSU) Co., Ltd.	Director	SISSCA Co., Ltd. Legal representative : WANG,GUANG-SHIAH	(Note1)	100.00%
		SISSCA Co., Ltd. Legal representative : CHEN,FU-SHEN		
		SISSCA Co., Ltd. Legal representative : CHEN,KUEI-PAO		
		CHEN,PEI-SHIH		
	Supervisor	CHEN,PEI-SHIH		-
	President	CHEN,SHANG-SHU		-

Note1: limited company

6.1.6 Operation overview of the Company's affiliates

December 31, 2023 Unit: unless otherwise specified, NT\$1,000

Name of enterprise	Paid-up capital	Total assets	Total liabilities	Net worth	Operating revenue for current period	Operating profit for current period	Profit or loss for current period (After tax)	Earnings per share (NT\$) (After tax)
Samoa Machvision Inc.	105,433	144,718	-	144,718	-	-	36,802	Not applicable
Machvision (Dongguan) Inc.	105,361	541,218	396,729	144,490	420,239	52,506	36,801	Not applicable
MACHVISION KOREA Co., Ltd	-	-	-	-	40	(1,231)	-	Not applicable
SISSCA Co.,Ltd.	217,148	199,615	31,387	168,228	31,604	(9,833)	(10,215)	(0.47)
Machvision (Thailand) Co., Ltd.	92,106	90,414	1,256	89,158	-	(6,082)	(6,034)	Not applicable
SiSSCA (JIANGSU) Co., Ltd.	30,730	37,757	18,135	19,622	6,675	(5,970)	(5,708)	Not applicable

6.2 Private Placement Securities in the Most Recent Years:

Item	2023 private Placements Date : 2023/6/21
Private placement	Common Shares
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 c	2023/06/21				
The information of Specific Investor	Private Placement Target	Qualification Criteria	Subscription Quantity (Shares)	Relationship with the Company	Involvement in Company Operations
	Advanced Semiconductor Engineering, Inc.	Article 43-6, Paragraph 1, Subparagraph 2 of the Securities and Exchange Act	13, 418, 000	-	-

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\$1,348,589,278 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.

6.3 Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

6.4 Other Necessary Supplementary Notes: None.

VII. Occurrence of events that have a significant impact on shareholders' equity or the price of securities as specified in Article 36, Paragraph 3, Subparagraph 2 of Securities and Exchange Act in the Most Recent Year up to the Publication Date of this Annual Report: None.