MACHVISION, INC.

2025 Annual Shareholders' Meeting Resolution

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

Time: 9:00 a.m., May 29, 2025 (Thursday)

Place: Darwin Hall, 2nd Floor, GIS HSP Convention Center, No. 1, Industrial East 2nd Road, Hsinchu Science Park

Method: Physical shareholder's meeting.

Attendance:

Total outstanding shares : 44,229,523shares

Total shares represented by shareholders present in person or by proxy: 58,146,234shares

Percentage of shares held by shareholders present in person or by proxy: 76.06%

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

Recorder: Shih, Yun-Hua

1. Announcement

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

2. Chairman Greeting

3. Report Item:

Proposal 1: 2024 business report.

Description: For 2024 business report, refer to Attachment 1.

Proposal 2: 2024 Audit Committee's review report.

Description: For2024 Audit Committee's review report, refer to Attachment 2.

Proposal 3: Employees and director compensation distribution of 2024.

Description:1. According to Article 26 of the Articles of Incorporation of the Company, if the Company has profit after the closing of the annual book, the Company shall distribute no less than 5% as employees' compensation and no more than 3% as Directors' compensation.

2. The Company intends to distribute NT$33,567,813 of employees' compensation and, in cash, NT$4,195,977 of Directors' compensation. The above employee and director compensation has been reviewed in the 1st meeting of the Remuneration Committee in 2025 and passed in the 6th meeting of the 10th-term Board of Directors on February 11, 2025.

3. `The employee and director compensation amounts align with the initially estimated figures.

Proposal 4: 2024 earnings distribution of cash dividends and Capital Surplus Cash Dividend.

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

2. 2. According to the resolution of the Board of Directors on February 11, 2025, a cash dividend of NT$4 per share will be distributed to shareholders. In accordance with Article 241 of the Company Act and the Company’s Articles of Incorporation, an additional cash distribution of NT$2 per share will be made from the capital surplus arising from the issuance of shares in excess of par value. The total amount to be distributed is NT$348,877,404. The cash dividend will be calculated and rounded down to the nearest NT$1. Any fractional amounts less than NT$1 will be aggregated and recognized as other income of the Company. For the 2024 earnings distribution table, please refer to Attachment 4.

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

4. Proposed Resolutions:

Proposal 1: 2024 business report and financial statements (proposed by the Board of Directors)

Description: 1. The 2024 financial statements have been audited by the independent auditor. The financial statements, business report and earnings distribution have been reviewed and passed by the Audit Committee.

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

3. Please proceed to resolve.

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
42,795,619 votes	36,991,540 votes	5,812 votes	0 vote	5,798,267 votes
100%	86.44%	0.01%	0.00%	13.55%

RESOLVED, that the 2024 business report and financial statements be and hereby were accepted as submitted.

Proposal 2: 2024 earnings distribution (proposed by the Board of Directors)

Description: 1. For the Distribution of 2024 Earnings which was reviewed by the Audit Committee and approved by the Board of Directors, refer to Attachment 4.

2. Please proceed to resolve.

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
42,795,619 votes	36,982,945 votes	14,405 votes	0 vote	5,798,269 votes
100%	86.42%	0.03%	0.00%	13.55%

RESOLVED, that the 2024 earnings distribution be and hereby were accepted as submitted.

5. Election:

Proposal 1: Amendment of the Company's "Articles of Incorporation" (proposed by the Board of Directors)

Description: 1. According to the Financial Supervisory Commission's (FSC) order No. 1130385442 issued on November 8, 2024, amending Article 14, Paragraph 6 of the Securities and Exchange Act, the company intends to amend certain provisions of its "Articles of Incorporation." Below is the comparison table of the amendments before and after the revision:

2. Please proceed to discuss.

Article	Before Amendment	After Amendment	Remark
Article 26	The Company’s profit distributable to the employees as compensation for the current year shall mean the annual profit for such year before tax after deducting employees’ and Directors’ compensation of the Company. After reserving a sufficient amount out of the net income to set off the accumulated losses at the end of year, the Company may distribute no less than five percent (5%) to the employees as the Employees’ compensation and may distribute not more than 3% to the Directors as the Directors’ compensation. The decision on proportion of distribution for employees’ and Directors’ compensation and employees’ compensation shall be paid either in the form of Shares or in cash, upon resolution by a majority votes at a meeting of the Directors attended by two-thirds or more of the Directors. Such resolution shall be reported to the Shareholders at a general meeting. The Company may allocate the profit distributable to the employees as compensation, to be paid in cash, to employees including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive Shares or cash.	The Company’s profit distributable to the employees as compensation for the current year shall mean the annual profit for such year before tax after deducting employees’ and Directors’ compensation of the Company. After reserving a sufficient amount out of the net income to set off the accumulated losses at the end of year, the Company may distribute no less than five percent (5%) to the employees as the Employees’ compensation and may distribute not more than 3% to the Directors as the Directors’ compensation. The amount of the aforementioned employee compensation should not be less than 10% and should be allocated to the frontline employees. The decision on proportion of distribution for employees’ and Directors’ compensation and employees’ compensation shall be paid either in the form of Shares or in cash, upon resolution by a majority votes at a meeting of the Directors attended by two-thirds or more of the Directors. Such resolution shall be reported to the Shareholders at a general meeting. The Company may allocate the profit distributable to the employees as compensation, to be paid in cash, to employees including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive Shares	In accordance with the FSC order No. 1130385442 issued on November 8, 2024, amending Article 14, Paragraph 6 of the Securities and Exchange Act, the Company is making amendments to certain provisions of its Articles of Incorporation.

		or cash.	
Article 29	These Articles of Incorporation were adopted (Omitted)	These Articles of Incorporation were adopted (Omitted) The 19th amendment was made on May 29, 2025	According to the date of shareholders' meeting

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
42,795,619 votes	36,990,211 votes	6,853 votes	0 vote	5,798,555 votes
100%	86.43%	0.02%	0.00%	13.55%

RESOLVED, the above proposal submitted by the Board of Directors was ratified upon voting.

Proposal 2: Amendment of the Company's "Articles of Incorporation" (proposed by the Board of Directors)

Description: 1. In accordance with the improvement items specified in the Taiwan Stock Exchange letter No. 1131805024 dated October 30, 2024, the company intends to revise certain provisions of the " Procedures for Lending Funds to Other Parties. " The comparison chart for provisions before and after revision is as follows.

2. Please proceed to discuss.

Article	Before Amendment	After Amendment	Remark
Article 3	The Borrower 1. For companies or proprietorships that have business contacts with the Company. 2. For companies or proprietorships that need short-term financing for business needs, the total value of the financing amount is limited to forty percent (40%) of the Net Worth of the Company. The amount of financing amount referred to in the preceding paragraph refers to the accumulated balance of the Company's short-term financing funds. The foreign company that the Company directly and indirectly	The Borrower 1. For companies or proprietorships that have business contacts with the Company. 2. For companies or proprietorships that need short-term financing for business needs, ~~the total value of the financing amount is limited to forty percent (40%) of the Net Worth of the Company.~~ ~~The amount of financing amount referred to in the preceding paragraph refers to the accumulated balance of the Company's short-term financing funds.~~	Article 3

Article	Before Amendment	After Amendment	Remark
	holds one hundred percent (100%) of its voting shares is engaged in capital loan and shall not be subject to the restrictions of the second item. However, loan limit and time limit of the capital should still be set according to the regulations. If the Company's paid-in capital reaches NT$1 billion or more, and it has joined the Leasing Industry Association and declared adherence to the self-regulatory rules, and has complied with relevant regulations, it may engage in short-term financial transactions without being subject to the financing amount limit specified in Item 2. However, the loan amount shall not exceed 100% of its net worth. If the person in charge of the company violates the provisions of Paragraph 1, Paragraph 2, or the proviso of the previous paragraph, they shall be jointly liable with the borrower for the return of the funds; if the company suffers damages, the person in charge shall also be liable for the compensation of the damages. The Causes and Necessity of Loan: 1. For companies or proprietorships that have business contacts with the Company and are provided with loaned funds shall be subject to the Item2,	The foreign company that the Company directly and indirectly holds one hundred percent (100%) of its voting shares is engaged in capital loan and shall be subject to the limits set forth in Article 4~~not be subject to the restrictions of the second item. However, loan limit and time limit of the capital should still be set according to the regulations.~~ If the Company's paid-in capital reaches NT$1 billion or more, and it has joined the Leasing Industry Association and declared adherence to the self-regulatory rules, and has complied with relevant regulations, it may engage in short-term financial transactions, with the limits set in accordance with Article 4.~~without being subject to the financing amount limit specified in Item 2. However, the loan amount shall not exceed 100% of its net worth.~~ If the person in charge of the company violates the provisions of Paragraph 1, Paragraph 2, or the proviso of the previous paragraph, they shall be jointly liable with the borrower for the return of the funds; if the	

Article	Before Amendment	After Amendment	Remark
	Article 4. 2. For those who need short-term financing for business needs and are provided with loaned funds shall be limited to the following: (1) For companies that the Company own more than 50% of their shares, who need short-term financing for business needs. (2) For other companies or proprietorships that need short-term financing due to purchase of materials or operational turnover. (3) For other funds lenders agreed by the Board of Directors of the Company. The term "business necessity" refers to the need for turnover in order to expand the business scale or business items; and the term "short-term" refers to one year or one business period (whichever is the longer).	company suffers damages, the person in charge shall also be liable for the compensation of the damages. The Causes and Necessity of Loan: 1. For companies or proprietorships that have business contacts with the Company and are provided with loaned funds shall be subject to the Item2, Article 4. 2. For those who need short-term financing for business needs and are provided with loaned funds shall be limited to the following: (1) For companies that the Company own more than 50% of their shares, who need short-term financing for business needs. (2) For other companies or proprietorships that need short-term financing due to purchase of materials or operational turnover. (3) For other funds lenders agreed by the Board of Directors of the Company. The term "business necessity" refers to the need for turnover in order to expand the business scale or business items; and the term "short-term" refers to one year or one business period (whichever is the longer).	

Article	Before Amendment	After Amendment	Remark
Article 4	1. The total value of the loaned amount is limited to forty percent (40%) of the Net Worth of the Company. 2. For those who have business contacts with the Company and are provided with loaned funds, the individual loaned amounts are limited to 10% of the Company's net transactional amount with said company in the previous year. Business transactional amount refers to the amount of purchase or sale between the parties, whichever is higher. 3. For those who hold shares more than 50% of Subsidiary with short-term financing needs, their individual loaned amounts is limited to 10% of the Company's paid-up capital. 4. The loan arising from normal business transactions with the Company is not included in the above limit. The term "normal business transaction" refers to the purchase or sale of goods between the two parties. If the receivable is for a normal business transaction, the credit period is more than 3 months and the amount exceeds NT$ "30 million", the Board of Directors shall be notified at least on a quarterly basis to determine whether the nature of such receivable is for fund loaning. Except for the presence of evidence indicating that the Company does not intend to loan any fund (such as taking legal actions, proposing specific and feasible control	1. The total value of the loaned amount is limited to forty percent (40%) ~~of the Net Worth of the Company.~~ of the Company's net worth as stated in the most recent financial statements. 2. For those who have business contacts with the Company and are provided with loaned funds, the total amount shall not exceed 20% of the Company's net worth as stated in the most recent financial statements, the individual loaned amounts are limited to 10% of the Company's net transactional amount with said company in the previous year. Business transactional amount refers to the amount of purchase or sale between the parties, whichever is higher. The term for each fund loan shall not exceed one year as a principle. 3. For ~~those who hold shares more than 50% of Subsidiary with~~ short-term financing needs, the total amount shall not exceed 20% of the Company's net worth as stated in the most recent financial statements ,their individual loaned amounts is limited to 10% ~~of the Company's paid-up capital.~~ of the Company's net worth as stated in the	Article 4

Article	Before Amendment	After Amendment	Remark
	measures, etc.), the receivable shall be regarded as having the nature of fund loaning and shall be announced based on Article 10.	most recent financial statements.The term for each fund loan shall not exceed one year as a principle. 4.The term and interest calculation method for fund loans of subsidiaries shall be handled in accordance with the provisions of the previous paragraph and Article 5. However, for fund loans between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or for fund loans from foreign companies, in which the Company directly or indirectly holds 100% of the voting shares, to the Company, the term for each fund loan shall not exceed one year as a principle. 5. Due to normal ~~The loan arising from normal~~ business transactions with the Company, the purchase or sales transactions between both parties. ~~is not included in the above limit. The term "normal business transaction" refers to the purchase or sale of goods between the two parties.~~ If the receivable is for a normal business transaction, the credit period is more than 3 months and the amount exceeds NT$ "30 million", the Board of Directors shall be notified at least on a quarterly basis to determine whether the	

Article	Before Amendment	After Amendment	Remark
		nature of such receivable is for fund loaning. Except for the presence of evidence indicating that the Company does not intend to loan any fund (such as taking legal actions, proposing specific and feasible control measures, etc.), the receivable shall be regarded as having the nature of fund loaning and shall be announced based on Article 9~~10~~.	
Article 5	Loans of funds are limited to a maximum of one (1) year.	~~Loans of funds are limited to a maximum of one (1) year.~~	Delete and incorporate into Article 4.
Article 9 Article 8 after revision	Control of Loaned Amounts and Resolution of Overdue Claims 1. The financial personnel shall make a record covering the borrower's name, amount, interest rate, date of loan, collateral, the date of the resolution, the date of resolution by the Board of Directors, the balance at the end of each month, and the guarantee situation, and detailed them in the reference book; and pay attention to the financial business status of the borrower, any significant change in the value of the collateral and interest payment at any time. Two months before the maturity date, the borrower shall be reminded to repay the principal and interest. 2. If the borrower fails to repay on of before the maturity date and an extension is required, a request shall be made two months before	Control of Loaned Amounts and Resolution of Overdue Claims 1. The financial personnel shall make a record covering the borrower's name, amount, interest rate, date of loan, collateral, the date of the resolution, the date of resolution by the Board of Directors, the balance at the end of each month, and the guarantee situation, and detailed them in the reference book; and pay attention to the financial business status of the borrower, any significant change in the value of the collateral and interest payment at any time. Two months before the maturity date, the borrower shall be reminded to repay the principal and interest. 2. When the borrower repays	Article 9 Article 8 after revision

Article	Before Amendment	After Amendment	Remark
	the maturity date; and proceed accordingly after the approval of the Board of Directors; the Company shall resort to disposition and recovery based on the collateral or guarantor in accordance with the law for violation made by the borrower.	the loan either at maturity or before the maturity date, the interest payable should be calculated first. After settling the principal along with the interest, the promissory note loan should be canceled and returned to the borrower, or the mortgage right should be canceled. The responsible unit should record the relevant repayment information in the 'Loan Record Book.' 3. After the loan reaches maturity, if the borrower fails to repay the principal and interest, the company should, after necessary notice, take legal actions to enforce debt preservation measures. ~~2. If the borrower fails to repay on of before the maturity date and an extension is required, a request shall be made two months before the maturity date; and proceed accordingly after the approval of the Board of Directors; the Company shall resort to disposition and recovery based on the collateral or guarantor in accordance with the law for violation made by the borrower.~~	

Voting Results:

Shares represented at the time of voting	Votes in favor	Votes against	Votes invalid	Votes abstained
42,795,619 votes	36,991,128 votes	7,857 votes	0 vote	5,796,634 votes
100%	86.44%	0.02%	0.00%	13.54%

RESOLVED, the above proposal submitted by the Board of Directors was ratified upon voting.

6.Special Motion：

Shareholder ID 65600 – Questions:

(1) In recent years, the company's transformation has gradually shown results. How does the company respond to the talent war, and what strategies are in place to retain talent?

(2) Given the current U.S. restrictions on China, leading to China's increased efforts in self-developing semiconductor and PCB equipment, has this impacted the company's competitiveness in the Chinese market?

(3) With the company currently promoting the "dual-track, four-line" strategy, could the Chairman share the outlook or specific directions? Is there an expected forecast for EPS and revenue?

Chairman's Response:

(1) Talent shortage has always been a challenge faced by enterprises. Our company has implemented various soft measures, such as establishing the kindergarten, providing sports facilities for employee use, and offering regular health check-ups, to ensure a positive working environment. Additionally, we place strong emphasis on employee training and development, aiming to nurture top-tier talent within the company.

(2) We believe that China's exports to the U.S. will gradually decrease. Although China has a high rate of self-developed technologies, Taiwan's current equipment supply rate in semiconductor manufacturing processes remains relatively low, indicating increased opportunities for Taiwan to develop semiconductor equipment. As the Chinese market becomes more closed to foreign enterprises, our company plans to pursue two strategic product lines: PCB and PCB packaging. We focus R&D on products with gross margins exceeding 60%, and we adopt specifications that surpass mainstream standards to ensure differentiation from competitors. This strategic differentiation allows us to expand within the Chinese market, and we remain optimistic about the growth of semiconductor equipment demand in China.

(3) The so-called "dual-track, four-line" strategy refers to two main sectors—PCB and IC packaging and testing—with AOI as the core product line in both. This results in two AOI product lines: "PCB-AOI" and "Packaging -AOI."

The four lines refer to four major development directions:

I. Within the PCB sector, we have:
   i. "PCB-AOI" (historically our main revenue source), and
   ii. "PCB Four-Wire Electrical Testing," a product that took six years to develop and was successfully launched in Q1 of this year. Previously dominated by Japanese suppliers, we've addressed known shortcomings of competitors, and this product is expected to play a key role in our business transformation. Our sales team is actively promoting it.

II. Within the IC packaging and testing sector, we have:
   i. "Wafer inspection," which addresses the needs of advanced packaging processes, and
   ii. "Package inspection," which includes both traditional six-sided inspection and advanced six-sided inspection for CoWoS (Chip on Wafer on Substrate) processes, and even silicon photonics inspection.

In the future, the company will expand from a singular focus on PCB-AOI into both the packaging and PCB electrical testing markets. With this strategic diversification, the share of revenue from PCB-AOI products is expected to decrease as we grow our presence in these new sectors.

8.End of Meeting：The meeting was adjourned at 09:40 a.m. May 29, 2025.

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

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:

a. Index 4W Tester

b. CSP 4W Tester

c. COLOR CSP AOI 4.0

d. Color FC AVI & Bump AOIM

e. IC PVIM

f. 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

Attachment 2

MACHVISION, INC.
Audit Committee Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements and earnings distribution proposal. The financial statements were audited by KPMG Taiwan and issued the audit report. These have been reviewed by the Audit Committee and determined to be correct and accurate. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Audit Committee Convener: YEN, TZONG-MING

February 11, 2025

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Machvision Inc. Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

   Description of key audit matter:

   The accounts and long-term accounts receivable constituted 17% of total consolidated assets of the Group as of December 31, 2024, and the impairment of notes, accounts and long-term accounts receivable depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

   How the matter was addressed in our audit:

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

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wu, Chung-Shun and Chang, Chun-I.

KPMG

Taipei, Taiwan (Republic of China)
February 11, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 770,992	13	845,393	15
1137	Financial assets at amortized cost－current (note 6(b))	2,895,487	50	3,240,111	56
1151	Notes receivable (notes 6(c) and (o))	43,565	1	56,439	1
1170	Accounts receivable, net (notes 6(c) and (o))	816,347	14	736,285	13
1180	Accounts receivable－related parties (notes (c), (o) and 7)	11,365	-	855	-
1200	Other receivables	12,019	-	7,632	-
1220	Current income tax assets	254	-	118	-
130x	Inventories (note 6(d))	313,755	6	260,811	5
1410	Prepayments	16,695	-	16,258	-
1479	Other current assets	8,750	-	2,912	-
	Total current assets	4,889,229	84	5,166,814	90
15xx	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current (note 6(f))	9,644	-	15,744	-
1536	Non-current financial assets at amortized cost (note 6(b))	56,578	1	-	-
1550	Investments accounted for under equity method (note 6(e))	275,680	5	-	-
1600	Property, plant and equipment (notes 6(g) and 9)	240,649	4	240,501	4
1755	Right-of-use assets (note 6(h))	86,112	2	83,808	1
1840	Deferred income tax assets (note 6(l))	40,689	1	32,674	1
1920	Refundable deposits	7,625	-	10,701	-
1932	Long-term receivables (notes 6(c) and (o))	161,802	3	205,063	4
1995	Other non-current assets (note 8)	15,898	-	7,189	-
	Total non-current assets	894,677	16	595,680	10
1xxx	**Total assets**	$ 5,783,906	100	5,762,494	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2130	Current contract liabilities (notes 6(o) and 7)	53,946	1	13,577	-
2150	Notes payable	36	-	78	-
2170	Accounts payable	244,446	4	103,751	2
2180	Accounts payable－related parties (note 7)	14	-	-	-
2209	Other payables (note 6(p))	219,616	4	239,899	4
2230	Current tax liabilities	10,933	-	86,010	2
2250	Provisions－current (note 6(j))	9,329	-	11,953	-
2280	Current lease liabilities (note 6(i))	9,747	-	9,607	-
2399	Other current liabilities	36,977	1	33,675	1
	Total current liabilities	585,044	10	498,550	9
25xx	**Non-Current liabilities:**				
2570	Deferred income tax liabilities (note 6(l))	12,649	-	770	-
2580	Non-current lease liabilities (note 6(i))	79,666	2	77,002	1
2630	Long-term deferred income	3,505	-	-	-
2640	Net defined benefit liabilities (note 6(k))	9,615	-	8,421	-
	Total non-current liabilities	105,435	2	86,193	1
2xxx	**Total liabilities**	690,479	12	584,743	10
	Equity attributable to shareholders of the company (notes 6(e) and (m)):				
3110	Common stock	581,462	10	581,462	10
3200	Capital surplus:				
3211	Additional paid-in capital	1,948,081	34	2,006,227	35
3280	Other capital surplus	47	-	36	-
		1,948,128	34	2,006,263	35
3300	Retained earnings:				
3310	Legal reserve	657,965	11	635,881	11
3320	Special reserve	1,317	-	7,076	-
3350	Unappropriated retained earnings	1,820,675	32	1,866,356	32
		2,479,957	43	2,509,313	43
3400	Other equity interest:				
3410	Foreign currency translation differences for foreign operations	1,310	-	(5,985)	-
3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	290	-	-	-
	Total equity attributable to shareholders of the company	5,011,147	87	5,091,053	88
36xx	**Non-controlling interests**	82,280	1	86,698	2
3xxx	**Total equity**	5,093,427	88	5,177,751	90
2-3xxx	**Total liabilities and equity**	$ 5,783,906	100	5,762,494	100

See accompanying notes to consolidated financial statements.

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

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(o) and 7)**	$ 1,531,831	100	1,760,590	100
5000	**Operating costs (notes 6(d), (g), (h), (i), (j), (k), (p) and 7)**	649,702	42	715,893	41
5900	**Gross profit from operations**	882,129	58	1,044,697	59
6000	**Operating expenses (notes 6(c), (g), (h), (i), (k), (p) and 7):**				
6100	Selling expenses	174,569	11	210,637	12
6200	Administrative expenses	122,232	8	104,700	6
6300	Research and development expenses	254,189	17	237,814	13
6450	Impairment loss determined in accordance with IFRS 9	77,657	5	33,332	2
	Total operating expenses	628,647	41	586,483	33
6900	**Net operating income**	253,482	17	458,214	26
7000	**Non-operating income and expenses (notes 6(e), (i) and (q)):**				
7100	Interest income	60,295	4	28,955	2
7010	Other income	10,397	1	13,981	1
7020	Other gains and losses	68,582	4	7,301	-
7050	Financial costs	(1,326)	-	(2,224)	-
7370	Share of gain of associates accounted for under equity method	1,421	-	-	-
	Total non-operating income and expenses	139,369	9	48,013	3
7900	**Net income before tax**	392,851	26	506,227	29
7950	**Less: Income tax expenses (note 6(l))**	76,855	5	93,608	6
	Net income	315,996	21	412,619	23
8300	**Other comprehensive income (loss) (notes 6(e), (k) and (l)):**				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8311	Losses on remeasurements of defined benefit plans	(1,290)	-	1,595	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	290	-	-	-
8349	Less: income tax related to items that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(1,000)	-	1,595	-
8360	**Items that will be reclassified subsequently to profit or loss:**				
8361	Financial statements translation differences for foreign operations	10,095	-	(2,964)	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(464)	-	-	-
8399	Less: income tax related to items that will be reclassified to profit or loss	1,940	-	(485)	-
	Total items that will be reclassified subsequently to profit or loss	7,691	-	(2,479)	-
8300	**Other comprehensive income (loss), net of tax**	6,691	-	(884)	-
8500	**Total comprehensive income**	**$ 322,687**	**21**	**411,735**	**23**
	Net income attributable to:				
8610	Shareholders of the parent	$ 320,811	21	425,946	24
8620	Non-controlling interests	(4,815)	-	(13,327)	(1)
		$ 315,996	**21**	**412,619**	**23**
	Total comprehensive income attributable to:				
8710	Shareholders of the parent	$ 327,106	21	425,602	24
8720	Non-controlling interests	(4,419)	-	(13,867)	(1)
		$ 322,687	**21**	**411,735**	**23**
	Earnings per share (note 6(n)):				
9710	Basic earnings per share (in New Taiwan dollars)	**$ 5.52**		**8.21**	
9810	Diluted earnings per share (in New Taiwan dollars)	**$ 5.51**		**8.17**	

See accompanying notes to consolidated financial statements.

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

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings				Total other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 447,282	121,034	578,509	4,003	1,767,629	2,350,141	(4,046)	-	(4,046)	2,914,411	102,758	3,017,169
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	57,372	-	(57,372)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,073	(3,073)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(268,369)	(268,369)	-	-	-	(268,369)	-	(268,369)
Cash dividends from capital surplus	-	(147,603)	-	-	-	-	-	-	-	(147,603)	-	(147,603)
Other changes in capital surplus	-	5	-	-	-	-	-	-	-	5	-	5
Net income (loss)	-	-	-	-	425,946	425,946	-	-	-	425,946	(13,327)	412,619
Other comprehensive income	-	-	-	-	1,595	1,595	(1,939)	-	(1,939)	(344)	(540)	(884)
Total comprehensive income	-	-	-	-	427,541	427,541	(1,939)	-	(1,939)	425,602	(13,867)	411,735
Issue of shares	134,180	2,032,827	-	-	-	-	-	-	-	2,167,007	-	2,167,007
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,193)	(2,193)
Balance at December 31, 2023	581,462	2,006,263	635,881	7,076	1,866,356	2,509,313	(5,985)	-	(5,985)	5,091,053	86,698	5,177,751
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	22,084	-	(22,084)	-	-	-	-	-	-	-
Special reserve reversal	-	-	-	(5,759)	5,759	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(348,877)	(348,877)	-	-	-	(348,877)	-	(348,877)
Cash dividends from capital surplus	-	(58,146)	-	-	-	-	-	-	-	(58,146)	-	(58,146)
Other changes in capital surplus	-	11	-	-	-	-	-	-	-	11	-	11
Net income (loss)	-	-	-	-	320,811	320,811	-	-	-	320,811	(4,815)	315,996
Other comprehensive income	-	-	-	-	(1,290)	(1,290)	7,295	290	7,585	6,295	396	6,691
Total comprehensive income	-	-	-	-	319,521	319,521	7,295	290	7,585	327,106	(4,419)	322,687
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	1	1
Balance at December 31, 2024	$ 581,462	1,948,128	657,965	1,317	1,820,675	2,479,957	1,310	290	1,600	5,011,147	82,280	5,093,427

See accompanying notes to consolidated financial statements.

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

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Net income before tax	$ 392,851	506,227
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation	36,637	41,687
Impairment loss determined in accordance with IFRS 9	77,657	33,332
Net gain on financial assets at fair value through profit or loss	(2,927)	-
Interest expense	1,326	2,224
Interest income	(60,295)	(28,955)
Dividend income	-	(1,552)
Share of loss of associates accounted for under equity method	(1,421)	-
Loss on disposal of property, plant and equipment	42	262
Loss on disposal of investments	4,638	290
Lease modification gains	(12)	(3,124)
Total adjustments to reconcile profit	55,645	44,164
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Notes receivable	12,874	3,898
Accounts receivable and long-term accounts receivable	(114,422)	140,421
Accounts receivable－related parties	(10,510)	(855)
Other receivables	(3,354)	(670)
Inventories	(53,028)	70,169
Prepayments	(437)	(8,091)
Other current assets	(5,879)	(476)
Total changes in operating assets, net	(174,756)	204,396
Net changes in operating liabilities:		
Contract liabilities	40,369	(22,273)
Notes payable	(42)	(55)
Accounts payable	140,695	(75,377)
Accounts payable－related parties	14	-
Other payables	(23,674)	(56,987)
Provisions	(2,624)	(1,021)
Other current liabilities	3,314	5,751
Net defined benefit liability	(96)	(61)
Total changes in operating liabilities, net	157,956	(150,023)
Total changes in operating assets / liabilities, net	(16,800)	54,373
Total adjustments	38,845	98,537
Cash provided by operating activities	431,696	604,764
Interest income received	57,685	28,927
Income tax paid	(150,144)	(129,778)
Net cash provided by operating activities	339,237	503,913
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(6,504,954)	(3,249,709)
Proceeds from disposal of financial assets at amortized cost	6,793,000	9,598
Proceeds from disposal of financial assets designated at fair value through profit or loss	9,027	-
Increase in investments accounted for under equity method	(274,433)	-
Proceeds from disposal of subsidiaries	323	1,277
Acquisition of property, plant and equipment	(24,904)	(24,764)
Decrease in refundable deposits	3,076	9,818
Decrease (increase) in other non-current assets	(8,709)	4,397
Dividends received	-	1,552
Net cash used in investing activities	(7,574)	(3,247,831)
Cash flows from financing activities:		
Payment of lease liabilities	(9,486)	(10,694)
Increase in long-term deferred income	3,505	-
Cash dividends paid	(407,023)	(415,972)
Proceeds from issuing shares	-	2,167,007
Interest paid	(2,224)	(3,818)
Changes in non-controlling interests	1	2
Surplus not paid due to overdue	11	5
Net cash provided by (used in) financing activities	(415,216)	1,736,530
Effect of exchange rate changes on cash and cash equivalents	9,152	(2,477)
Net decrease in cash and cash equivalents	(74,401)	(1,009,865)
Cash and cash equivalents at beginning of period	845,393	1,855,258
Cash and cash equivalents at end of period	$ **770,992**	**845,393**

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Machvision Inc. Co., Ltd. (the "Company"), which comprise the statement of financial position as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

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

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

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

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

   Description of key audit matter:
   The notes, accounts and long-term accounts receivable constituted 18% of total assets of the Company as of December 31, 2024, and the impairment of notes, accounts and long-term accounts receivable depends on the evaluation of the management based on the evidence of internal and external factors, both subjective and objective. Therefore, we consider them as one of our key audit matters.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wu, Chung Shun and Chang, Chun I.

KPMG

Taipei, Taiwan (Republic of China)
February 11, 2025

Notice to Readers

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

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

MACHVISION INC. CO., LTD.

Parent Company Only Balance Sheets

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
Current assets:				
Cash and cash equivalents (note 6(a))	$ 469,888	8	549,683	10
Financial assets at amortized cost – current(note 6(b))	2,895,487	51	3,240,111	57
Notes receivable (notes 6(c) and (o))	-	-	772	-
Accounts receivable, net (notes 6(c) and (o))	514,660	9	398,347	7
Accounts receivable-related parties (notes 6(c), (o) and 7)	146,511	3	178,803	3
Other receivables	9,461	-	6,734	-
Other receivables-related parties(note 7)	22,794	-	45,456	1
Inventories (note 6(d))	269,287	5	240,144	4
Prepayments	10,694	-	11,826	-
Other current assets	5,746	-	2,165	-
Total current assets	4,344,528	76	4,674,041	82
Non-current assets:				
Financial assets at fair value through profit or loss—non-current (note 6(f))	9,644	-	9,644	-
Non-current financial assets at amortized cost (note 6(b))	56,578	1	-	-
Investments accounted for under equity method (note 6(e))	587,204	10	212,996	4
Property, plant and equipment (note 6(g))	214,478	4	213,051	4
Right-of-use assets (note 6(h))	81,146	2	79,976	1
Deferred income tax assets (note 6(l))	40,689	1	32,674	1
Refundable deposits	5,988	-	5,050	-
Long-term receivables (notes 6(c) and (o))	161,802	3	205,063	4
Long-term receivable-related parties (notes 6(c)、(o) and 7）	186,949	3	241,799	4
Other non-current assets (notes 8)	8,200	-	7,121	-
Total non-current assets	1,352,678	24	1,007,374	18
Total assets	$ 5,697,206	100	5,681,415	100

Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
Current liabilities:				
Current contract liabilities (note 6(o) and 7)	$ 37,511	1	7,419	-
Notes payable	36	-	78	-
Accounts payable	232,978	4	97,596	3
Accounts payable-related parties (note 7)	18,555	-	9,655	-
Other payables (note 6(p))	190,754	3	205,969	4
Other payables-related parties (note 7)	77,466	2	81,728	1
Current tax liabilities	3,327	-	83,274	1
Provisions — current (note 6(j))	8,250	-	9,944	-
Current lease liabilities (note 6(i))	7,896	-	6,654	-
Other current liabilities	7,045	-	2,784	-
Total current liabilities	583,818	10	505,101	9
Non-Current liabilities:				
Deferred tax liabilities (note 6(l))	12,649	-	770	-
Non-current lease liabilities (note 6(i))	76,472	2	76,070	1
Long-term deferred income	3,505	-	-	-
Net defined benefit liabilities (note 6(k))	9,615	-	8,421	-
Total non-current liabilities	102,241	2	85,261	1
Total liabilities	686,059	12	590,362	10
Equity(notes 6(e) and (m)):				
Common stock	581,462	10	581,462	11
Capital surplus:				
Additional paid-in capital	1,948,081	34	2,006,227	35
Other capital surplus	47	-	36	-
	1,948,128	34	2,006,263	35
Retained earnings:				
Legal reserve	657,965	12	635,881	11
Special reserve	1,317	-	7,076	-
Unappropriated retained earnings	1,820,675	32	1,866,356	33
	2,479,957	44	2,509,313	44
Other equity interest:				
Foreign currency translation differences for foreign operations	1,310	-	(5,985)	-
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	290	-	-	-
	1,600	-	(5,985)	-
Total equity	5,011,147	88	5,091,053	90
Total liabilities and equity	5,697,206	100	5,681,415	100

See accompanying notes to parent company only financial statements.

MACHVISION INC. CO., LTD.
Parent Company Only Statements of Comprehensive Income
(In Thousands of New Taiwan Dollars , Except Earnings Per Common Share)

	2024 Amount	%	2023 Amount	%
Operating revenue (note 6(o) and 7)	$ 1,323,878	100	1,584,237	100
Operating costs (notes 6(d), (g), (h), (i),(j),(l),(q)and 7)	630,257	48	720,314	45
Gross profit	693,621	52	863,923	55
Decrease: unrealized sales benefits	(1,672)	-	(8,202)	-
Gross profit from operations	695,293	52	872,125	55
Operating expenses (notes 6(c), (g), (h) ,(i), (k),(p)and 7):				
Selling expenses	107,582	8	128,458	8
Administrative expenses	96,366	7	99,649	6
Research and development expenses	229,287	17	210,199	13
Impairment loss determined in accordance with IFRS 9	46,913	4	10,382	1
Total operating expenses	480,148	36	448,688	28
Net operating income	215,145	16	423,437	27
Non-operating income and expenses (note 6(e), (i) , (q) and 7)):				
Interest income	58,558	5	27,240	2
Other income	18,678	1	21,671	1
Other gains and losses	65,083	5	7,938	-
Financial costs	(1,252)	-	(2,166)	-
Share of gain of subsidiaries and associates accounted for under equity method	25,622	2	29,832	2
Total non-operating income and expenses	166,689	13	84,515	5
Net income before tax	381,834	29	507,952	32
Less: Income tax expenses (note 6(l))	61,023	5	82,006	5
Net income	320,811	24	425,946	27
Other comprehensive income (loss) (note 6(e), (k) and (l)):				
Items that will not be reclassified subsequently to profit or loss:				
Losses on remeasurements of defined benefit plans	(1,290)	-	1,595	-
Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	290	-	-	-
Less: income tax related to items that will not be reclassified to profit or loss	-	-	-	-
Total items that will not be reclassified subsequently to profit or loss	(1,000)	-	1,595	-
Items that will be reclassified subsequently to profit or loss:				
Financial statements translation differences for foreign operations	9,699	1	(2,424)	-
Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(464)	-	-	-
Less: income tax related to items that will be reclassified to profit or loss	1,940	-	(485)	-
Total items that will be reclassified subsequently to profit or loss	7,295	1	(1,939)	-
Other comprehensive income (loss), net of tax	6,295	1	(344)	-
Total comprehensive income	$ 327,106	25	425,602	27
Earnings per share (note 6(n)):				
Basic earnings per share (in New Taiwan dollars)	$	5.52		8.21
Diluted earnings per share (in New Taiwan dollars)	$	5.51		8.17

See accompanying notes to parent company only financial statements.

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

MACHVISION INC. CO., LTD.

Parent Company Only Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2023	$ 447,282	121,034	578,509	4,003	1,767,629	2,350,141	(4,046)	-	(4,046)	2,914,411
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	57,372	-	(57,372)	-	-	-	-	-
Special reserve appropriated	-	-	-	3,073	(3,073)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(268,369)	(268,369)	-	-	-	(268,369)
Cash dividends from capital surplus	-	(147,603)	-	-	-	-	-	-	-	(147,603)
Other changes in capital surplus	-	5	-	-	-	-	-	-	-	5
Net income	-	-	-	-	425,946	425,946	-	-	-	425,946
Other comprehensive income	-	-	-	-	1,595	1,595	(1,939)	-	(1,939)	(344)
Total comprehensive income	-	-	-	-	427,541	427,541	(1,939)	-	(1,939)	425,602
Issue of shares	134,180	2,032,827	-	-	-	-	-	-	-	2,167,007
Balance at December 31, 2023	581,462	2,006,263	635,881	7,076	1,866,356	2,509,313	(5,985)	-	(5,985)	5,091,053
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	22,084	-	(22,084)	-	-	-	-	-
Special reserve reversal	-	-	-	(5,759)	5,759	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(348,877)	(348,877)	-	-	-	(348,877)
Cash dividends from capital surplus	-	(58,146)	-	-	-	-	-	-	-	(58,146)
Other changes in capital surplus	-	11	-	-	-	-	-	-	-	11
Net income	-	-	-	-	320,811	320,811	-	-	-	320,811
Other comprehensive income	-	-	-	-	(1,290)	(1,290)	7,295	290	7,585	6,295
Total comprehensive income	-	-	-	-	319,521	319,521	7,295	290	7,585	327,106
Balance at December 31, 2024	$ 581,462	1,948,128	657,965	1,317	1,820,675	2,479,957	1,310	290	1,600	5,011,147

See accompanying notes to parent company only financial statements.

MACHVISION INC. CO., LTD.

Parent Company Only Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Net income before tax	$ 381,834	507,952
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation	29,619	34,547
Impairment loss determined in accordance with IFRS 9	46,913	10,382
Interest expense	1,252	2,166
Interest income	(58,558)	(27,240)
Dividend income	-	(884)
Share of profit of subsidiaries for using equity method	(25,622)	(29,832)
Loss on disposal of investments	4,638	199
Unrealized sales benefits	(1,672)	(8,202)
Lease modification gains	(12)	(3,124)
Total adjustments to reconcile profit	(3,442)	(21,988)
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Notes receivable	772	(395)
Accounts receivable(including long-term)	(119,929)	138,383
Accounts receivable-related parties(including long-term)	87,142	114,785
Other receivables	100	(46)
Other receivables-related parties	22,662	(10,861)
Inventories	(29,227)	80,431
Prepayments	1,132	(8,183)
Other current assets	(3,581)	(452)
Total changes in operating assets, net	(40,929)	313,662
Net changes in operating liabilities:		
Contract liabilities	30,092	(26,207)
Notes payable	(42)	(55)
Accounts payable	135,382	(68,715)
Accounts payable-related parties	8,900	(25,475)
Other payables	(15,215)	(46,608)
Other payables-related parties	(4,262)	(2,031)
Provisions	(1,694)	(2,314)
Other current liabilities	4,261	1,329
Net defined benefit liability	(96)	(61)
Total changes in operating liabilities, net	157,326	(170,137)
Total changes in operating assets / liabilities, net	116,397	143,525
Total adjustments	112,955	121,537
Cash provided by operating activities	494,789	629,489
Interest income received	55,948	27,212
Income tax paid	(139,046)	(121,066)
Net cash provided by operating activities	411,691	535,635
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(6,504,954)	(3,249,709)
Proceeds from disposal of financial assets at amortized cost	6,793,000	9,598
Acquisition of investments accounted for using the equity method	(344,126)	(22,413)
Proceeds from disposal of subsidiaries	1,846	3,448
Acquisition of property, plant and equipment	(23,337)	(20,026)
Decrease (increase) in refundable deposits	(938)	8,532
Decrease (increase)in other non-current assets	(1,079)	4,465
Dividends received	-	884
Net cash used in investing activities	(79,588)	(3,265,221)
Cash flows from financing activities:		
Payment of lease liabilities	(6,225)	(7,497)
Increase in long term deferred income	3,505	-
Cash dividends paid	(407,023)	(415,972)
Proceeds from issuing shares	-	2,167,007
Interest paid	(2,166)	(3,771)
Surplus not paid due to overdue	11	5
Net cash used in (provided by) financing activities	(411,898)	1,739,772
Net decrease in cash and cash equivalents	(79,795)	(989,814)
Cash and cash equivalents at beginning of period	549,683	1,539,497
Cash and cash equivalents at end of period	**$ 469,888**	**549,683**

See accompanying notes to parent company only financial statements.

Attachment 4

MACHVISION, INC.
Earnings distribution statement
2024

Unit: NTD

Undistributed earnings at the beginning of the period	1,566,332,009
Increase：Net income-after tax, in 2024	320,811,457
Increase: Determine the welfare plan (loss) benefits	(1,289,906)
Undistributed earnings in the current year	1,885,853,560
Decrease: Legal reserve (10%)	
For the six months ended June 30, 2024	(11,700,685)
Differences	(20,251,470)
Reversal of Special reserve	
For the six months ended June 30, 2024	4,668,100
Differences	1,316,982
Item：	
Less : Distributed earnings Cash dividends-2024 midterm	(58,146,234)
Less : Distributed earnings Cash dividends-2024	(174,438,702)
Undistributed earnings at the end of the period	1,627,301,551
The cash dividend is calculated according to the distribution ratio up to the NT$, rounded down to the NT$, and the total unpaid allocation is included in other income.	

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