

Machvision, Inc.
Meeting Notice for the 2023 Annual Shareholders' Meeting
(Summary Translation)

The 2023 Annual Shareholders' Meeting (the "Meeting") of Machvision, Inc. (the "Company") will be convened at 9:00 a.m., Thursday, May 25, 2023 at 1F meeting room, No.2-1(NINI Life Square), Xin'an Road, Hsinchu Science Park, Hsinchu City, Taiwan.

1. The agenda for the Meeting is as follows:

(1) Report Item:

- I. The 2022 Business Report.
- II. The 2022 Audit Committee's Review Report.
- III. 2022 employees and director compensation distribution.
- IV. 2022 earnings distribution of cash dividends and Capital Surplus Cash Dividend.

(2) Proposed Resolutions

- I. 2022 Business Report and Financial Statements.
- II. 2022 Earnings Distribution.

(3) Matters for Discussion

- I. Approval of amendment to the Procedures for the Acquisition and Disposal of Assets.
- II. Amendment to the Rules and Procedures of Shareholders' Meetings
- III. Private placement of securities

(4) Extempore Motions

(5) End of meeting

2. The proposed cash dividend to shareholders will be distributed in cash, in NT\$6 for per stock. And in accordance with Article 241 of Company law and Articles of Incorporation of the Company, the amount based on the APIC which exceeds par value will be distributed in cash, in NT\$2 for per stock, total amount is NT\$357,825,872.

3. The proposal for the Company to conduct a private placement of securities.

- (1) To enrich working capital or meet other funding needs for the future development of the Company, after considering the timeliness and flexibility for fundraising, it is proposed that the Company shall be authorized to conduct a private placement by the entirety with a maximum of 15,000,000 common shares when the time is right and the market allows. The funds raised have the benefits of strengthening the competitiveness of the Company, improving its financial structure, and enhancing operating effectiveness.
- (2) Under Article 43-6 of the Securities and “Directions for Public Companies Conducting Private Placements of Securities” is as follows:
 - A. The basis and rationale for the setting of the price:
 - a. 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.
 - b. 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.
 - B. 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.

C. The necessity for conducting a private placement:

a. 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 placees 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.

b. Anticipated amount of private placement conducted:

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.

c. The use of the funds raised by private placement and anticipated benefits:

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.

D. The rights and obligations of new shares issued through this private

placement are the same as those of the common shares issued by the Company. However, according to Article 43-8 of the Securities and Exchange Act, privately placed securities may not be transferred within three years from the date of delivery, and the application for public offering and listing may be filed with the competent authority in accordance with the relevant regulations where three full years have elapsed since the date of delivery.

- E. The main contents of this private placement of securities, in addition to pricing ratio of private placement, also include issue price, number of shares issued, total amount raised, projects and plans, utilization progress of funds, anticipated benefits, capital increase base date and other related matters, including instructions for the required amendments to be submitted to the general shareholders meeting to fully authorize the Board of Directors for handling, should there be any changes in the future due to changes in laws and regulations, instructions from competent authority, operation assessment, or changes in an objective environment.
- F. To cope with the private placement of securities conducted this time, it is proposed that the chairperson of the Board of Directors shall be authorized by the general shareholders meeting to sign and discuss all the contracts and documents related to this private placement plan, and handle all matters related to this private placement plan on behalf of the Company.
- G. Whether the independent directors have any objection or reservation: NO.
- H. There is a significant change in managerial control with the one year period immediately preceding the day on which the Board of Directors resolves on the private placement, or there will be a significant change in managerial control after the introduction of a strategic investor through private placement: NO.
- I. The Company engages the securities underwriter to provide an assessment opinion on the necessity and reasonableness for conducting the private placement in accordance with Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities. Please refer to Attachment.
- J. Matters unspecified in the above shall be submitted to the general shareholders meeting to fully authorize the Board of Directors for handling.

K. Please refer to Market Observation Post System (<http://newmopsov.twse.com.tw/>) and the official website of the Company (<https://http://www.machvision.com.>) for details of matters that are required to be disclosed in accordance with Article 43-6 of the Securities and Exchange Act with regard to the proposal of the private placement of securities of the Company.

4. The major contents of this Annual General Shareholders' Meeting shall be released and publicized (which can be inquired at <http://mops.twse.com.tw>) based on Article 172 of the Company Act.
5. There are each one copy of Meeting Attendance Notice and Letter of Authorization for each Shareholder. If you decide to attend the Meeting in person, please sign or affix the private seal on the "Meeting Attendance Notice" (no need to send back) and present it on the date of the Meeting; If you would like to authorize the agent to attend, please sign or affix the private seal on the "Letter of Authorization", fill out the name and the address of the authorized agent in person, and submit the Letter to the Department of Agent of CTBC Bank Co., Ltd.- the Registrar of the Company five days prior to the date of the Meeting for the purpose of sending attendance signing card to the authorized agent.
6. If there is any Letter of Authorization for Shareholder Solicitation, the Company will issue the Compiled List of Materials Solicitation and disclose it on the website of Securities & Futures Institute on April 25, 2022. Shareholders may visit the link of "Free System for Related Materials Announcement of Letter of Authorization Inquiry" at <http://free.sfi.org.tw>, click "Inquiry for Meeting Materials of Letter of Authorization", and type in the inquiry conditions for precise and specific results.
7. The right to vote may be executed in the electronic approach at the meeting. And the execution period is from April 25, 2023 to May 22, 2023. Please directly log in "Platform for stockvote of Shareholders' Meeting" at <http://stockvote.com.tw> and follow related instructions.
8. The statistical verification authority of this Annual Shareholders' Meeting is Department of Agent of CTBC Bank Co., Ltd.
9. Please read the content of this Notice thoroughly and comply with its regulations.

Board of Directors
Machvision, Inc.

MACHVISION, INC.

Private Placement of Securities in the Year 2023

Assessment Opinion on Necessity and Reasonableness for Private Placement

MasterLink Securities

April 10, 2023

MACHVISION, INC.

Assessment Opinion issued by Securities Underwriter on Necessity and Reasonableness for Conducting a Private Placement

1. Preface

Machvision Inc. (hereinafter referred to as “the Company”) is a professional manufacturer of equipment for machine vision inspection and measurement systems. Presently, its products are mainly used in the industry of printed circuit board, which includes the measurement and inspection of PCB drilling and forming process, PCB circuit inspection, HDI and IC substrate inspection, equipment of header reading and others. In recent years, it also develops inspection products required for semiconductor assembly and test as well as optical lens industries. The Company plans to conduct a private placement upon adoption of the resolution by the general shareholders’ meeting in 2023, so as to enrich working capital or meet other funding needs for the long-term operation and development of the Company. It has the benefits of strengthening the Company’s competitiveness, improving the financial structure of the Company, and enhancing its operating effectiveness.

However, according to Article 6 of “Directions for Public Companies Conducting Private Placements of Securities”, if there is a significant change in managerial control with the one year period immediately preceding the day on which the Board of Directors resolves on the private placement, or there will be a significant change in managerial control after the introduction of a strategic investor through private placement, the assessment opinion issued by the securities underwriter on the necessity and reasonableness for conducting the private placement shall also be disclosed.

After evaluation, it was found that there were no significant changes in managerial control of the Company with the one year period immediately preceding the day on which the Board of Directors resolved on the private placement. Although the Company has not yet determined the placees, since a comprehensive election of directors will be held at the general shareholders’ meeting in 2023 due to the three-year term of office for directors and supervisors will be expired in 2023, and since proportion of equity held by the placees of private placement will reach 25.11%, if all the shares of 15,000,000 private placements approved by the Board of Directors are issued, there is a possibility that there will be changes in the number of directors or managerial control of the Company after the introduction of strategic investors through the private placement conducted this time. Therefore, MasterLink Securities Corporation (hereinafter referred to as “the Underwriter”) will provide herein the assessment opinion on necessity and reasonableness for conducting a private placement of securities in 2023.

The content of this opinion letter shall only be used as a reference for the resolution adopted by the Board of Directors of the Company on April 10, 2023 for the private placement of common shares, and shall not be used for other purposes. The explanation and analysis in this opinion letter are based on the information provided by the Company and those published on Market Observation Post System. This opinion letter hereby declares that it does not assume any legal responsibilities for any changes that may occur to its contents due to changes in the plan by the Company or other circumstances related to this private placement in the future.

2. Content of the plan of this private placement of securities

The Company plans to conduct a private placement of common shares with a maximum of 15,000,000 shares upon adoption of the resolution by the Board of Directors on April 10, 2023. The funds will be used to enrich working capital or meet other funding needs for long-term operation and development of the Company, which has the benefits of strengthening the Company's competitiveness, improving the financial structure of the Company, and enhancing its operating effectiveness.

The basis for setting of this private placement price of common shares 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, 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, on the principle that it shall not be lower than 80% of the average stock price. It is proposed that the Board of Directors shall be authorized by shareholders' meeting to determine the actual pricing date and actual private placement price based on situation when specific persons are determined and condition of markets.

3. Assessment on necessity and reasonableness for conducting this private placement of securities

A. Assessment on necessity for conducting the private placement of securities

a. Legal Compliance Assessment

The Company's net profit for the year 2022 was NT\$591,776,000 and there were no accumulated losses. However, since the capital raised

through this private placement is to be used entirely in the introduction of a strategic investor, there is no circumstance where the provisions of Article 3 of “Directions for Public Companies Conducting Private Placements of Securities” regarding public offering should be adopted.

On April 10, 2023, the Board of Directors of the Company resolved that the basis for the setting of this private placement price shall not be lower than 80% of the reference value. After evaluation, it also decided that the places of this private placement shall be limited to the specific persons stipulated in Article 43-6 of the Securities and Exchange Act. In addition, in order to expand the future product market of the Company and its competitiveness, the selection of specific persons shall be limited to strategic investors.

According to the existing laws and regulations prescribed in the Company Act and Securities and Exchange Act, the public offering shall target the original shareholders, employees and general investors. Since the Company currently is unable to introduce specific persons who can benefit its future operation and development through cash capital increase, for the Company to continue its business and plan for mid to long-term operation and development, it is necessary for the Company to introduce, through private placement, places who can benefit directly or indirectly the Company’s future operations.

b. Assessment on timeliness of the offering

According to Article 13 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, the registration for issuing new shares for cash capital increase shall become effective 12 business days after the date it was filed. If the Company uses the public offering method to issue securities, the document preparation time before filing, the review of competent authority, and the matters regarding underwriting after the registration becomes effective would make it difficult for the Company to obtain the funds needed in a short period of time. Private placement is relatively efficient in terms of speed and convenience.

c. Financial Assessment

As of the end of 2022, the cash and cash equivalents of the

Company on the account were NT\$1,855,258,000, with shareholders' equity at NT\$3,017,169,000 and current liabilities at NT\$691,060,000. Overall, the Company currently has sufficient cash and has no bank debts.

If the Company uses the method of borrowing money from the bank to meet its future capital needs, given the current financial condition of the Company, it may obtain loans with better terms and conditions, however, it will not achieve its purpose of introducing strategic investors. After taking sustainable operation into account, the Company decides to introduce strategic investors through private placement. With the resources supplied by the placees, the Company is able to strengthen the technology required for future operations as well as expand the markets. In addition to effectively enhancing shareholders' equity, it may further improve financial structure of the Company and reduce debt ratio. Thus, it is necessary.

- d. Summary: it is necessary for the Company to raise funds through private placement.

B. Assessment on reasonableness for conducting a private placement of securities

The Company plans to conduct a private placement within 15,000,000 shares of common shares this time. The Underwriter will evaluate the reasonableness for conducting this private placement of securities from three aspects as follows:

- a. Resolution process for private placement: after the evaluation by the Underwriter, it is determined that the content of resolution adopted by the Board of Directors and the pricing method are in compliance with the acts and regulations, and there are no significant unusual situations. After the approval by the shareholders' meeting in accordance with the law, the Company may proceed the private placement operation in accordance with the content of the resolution.
- b. Legal feasibility: Considering the effectiveness of introducing specific persons through public offering for capital increase and the time when the funds are in place, it is reasonable to obtain funds through private

placement this time.

- c. Working capital demand: considering the current financial status of the Company and future business development, it is reasonable to have private placement as one of the ways to obtain funds for sustainable operation.

C. Assessment of the impact of private placement of securities on the changes of managerial control of the Company

a. Impact on business, finance and shareholders' equity of the Company

- (A). Review of significant changes in managerial control during the period from one year preceding the day on which the Board of Directors resolves on the private placement

In the past year (from April 11, 2022 to April 10, 2023), the Board of Directors of the Company has not had any changes in directors, so there is no circumstance where the provision of Section 3, Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities" regarding significant changes in managerial control during the period from one year preceding the day on which the Board of Directors resolves on the private placement should be adopted.

- (B). It is unable to determine yet whether there will be a significant change in managerial control when specific persons are introduced through private placement.

Since the Company has not yet determined the placees, it is uncertain whether the specific investors introduced through private placement in the future will obtain a certain number of director seats to participate the management of the Company and cause a significant change in managerial control of the Company. However, since the Company has issued 44,728,000 shares of capital and the Board of Directors resolved to conduct a private placement within 15,000,000 shares of stocks on April 10, 2023, calculated on the assumption that the total issuance was subscribed by a single placee, it shall account for 25.11% of total shares of the Company, which is 59,728,000 shares after private placement.

Should there be any changes in the number of directors or managerial control of the Company in the future, relevant regulations will be followed by the Company for information disclosure to ensure shareholders' rights and interests.

(C). Assessment of the impact it may have on business, finance and shareholders' equity of the Company, if there is a significant change in managerial control after this private placement

(a). impact on business of the Company

Machvision Inc. (hereinafter referred to as "the Company") is a professional manufacturer of the equipment of machine vision inspection and measurement system. Presently, its products are mainly used in the industry of printed circuit board, which includes the measurement and inspection of PCB drilling and forming process, PCB circuit inspection, HDI and IC substrate inspection, equipment of header reading and others. In recent years, it also develops inspection products required for semiconductor assembly and test as well as optical lens industries. Considering the operation status of the Company and the perspective of the industry, the Company expects to introduce, through this private placement, the placees who can directly or indirectly benefit the future operations of the Company, so as to ensure the sustainable development of the Company and the long term relation it has with its investment partners, furthermore, to expand the business of the Company through the resources provided by the placees and enhance profitability. It has positive benefits to business.

(b). Impact on finance of the Company

The Company plans to conduct a private placement of common shares within the limit of 15,000,000 shares to increase capital. If they are issued in full, 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), and the basis of setting the private placement price shall not be lower than 80% of the reference price. The funds raised in this private placement will be used to enrich working capital or meet other funding needs for long-term operation and development of the Company, which has the benefits of strengthening the Company's competitiveness, improving the financial structure of the Company, and enhancing its operating effectiveness. Thus, given by the immediate and effective supply of funds raised through private placement for the Company, it should have positive benefits to the finance of the Company.

(c). Impact on shareholders' equity of the Company

Considering the operation status of the Company and the perspective of the industry, for sustainable development, the Company introduces, through this private placement, the places who can directly or indirectly benefit the future operations of the Company and assist the Company in improving technology, reducing costs, and expanding markets, so as to enhance the operational scale and profitability of the Company. The Company also upholds a prudent and practical principle that effectively enhances shareholders' equity. Therefore, the private placement conducted by the Company should have positive benefits on improving shareholders' equity.

4. Conclusion

In summary, considering the factors such as the operation status of the Company and feasibility of raising funds, it is deemed necessary and reasonable for the Company to issue new shares for cash capital increase through private placement. In addition, after examining the material proposed to the Board of Directors of the Company, the Underwriter found no significant violations or unreasonable circumstances in the content and procedures of the issuance plan, and after taking into

account all the factors such as anticipated benefits of the private placement, the selection of the placees, and the impact on the Company's business, finance, and shareholders' equity, it is concluded that it is necessary and reasonable for the Company to issue new shares for capital increase through private placement.