

2022 Annual Shareholders' Meeting Meeting Agenda (Translation)

智慧開門

社區公告

生活繳費

領取包裹

繳管理費

中保好生活
我包辦 你生活

中保無限 + 中保好生活

Time: 9:00 a.m. on May 30, 2022

Venue: No. 151, Sec. 5, Danjin Rd., Tamsui Dist., New Taipei City, Taiwan (R.O.C.)

(TAIWAN SECOM EMPLOYEE TRAINING CENTER)

Table of Content

One.	Meeting Procedures	1
Two.	Meeting Agenda	
I.	Report Items	3
II.	Matters for Ratifications	25
III.	Matters for Discussions	28
IV.	Extemporaneous Motions	65
V.	Adjournment	65
Three.	Appendices	
I.	Articles of Incorporation	66
II.	Rules and Procedures of Shareholders Meetings	72
III.	Details on Directors' Shareholdings	76

Taiwan Secom Co., Ltd.
Procedures for 2022 Shareholder General Meeting

- I. Call to Order
- II. Chairman to Take Place
- III. Chairman Remarks
- IV. Report Items
- V. Matters for Ratifications
- VI. Matters for Discussions
- VII. Extemporaneous Motions
- VIII. Adjournment

Taiwan Secom Co., Ltd.

Agenda for 2022 Annual General Meeting

Meeting: Shareholder Meeting in Person

Time: 09:00 am, May 30, 2022 (Monday)

Location: No. 151, Section 5, Danjin Road, Tamsui District, New Taipei City (Tamsui Training Center of Taiwan Secom Co., LTD)

Chairman Remarks

I. Report Items

- (I) 2021 Business Report
- (II) 2021 Audit Committee Report
- (III) 2021 Distribution of Employees and Directors' Remuneration

II. Matters for Ratifications

- (I) Ratification of 2021 Business Report and Financial Statements
- (II) Ratification of 2021 Distribution of Earnings

III. Matters for Discussions

- (I) Partial Amendments to Provisions of the Articles of Incorporation
- (II) Partial Amendments to Provisions of the Procedures for Acquisition or Disposal of Assets
- (III) Partial Amendments to the "Rules and Procedures of Shareholders Meetings".

IV. Extemporaneous Motions

V. Adjournment

[Report Items]

(I) 2021 Business Report.

Taiwan Secom Co., Ltd. and Subsidiaries

2021 Consolidated Business Report and Financial Reports

The Company's 2021 net operating revenue is NTD 14,134,897 thousand, an increase of NTD 428,532 thousand or 3.13% from NTD 13,706,365 thousand in 2020. The operating income is NTD 2,665,886 thousand, an increase of NTD 25,890 thousand or 0.98% from NTD 2,639,996 thousand in 2020. The profit before tax is NTD 3,085,445 thousand, an increase of NTD 100,487 thousand or 3.37% from NTD 2,984,958 thousand in 2020. The operating revenue from major segments are as follows:

1. Electronic system segment revenue is NTD 6,767,455 thousand, a 1.98% year-over-year increase compared with its revenue of 2020.
2. Security guard service segment revenue is NTD 2,326,606 thousand, a 2.04% year-over-year increase compared with its revenue of 2020.
3. Cash delivery segment revenue is NTD 1,163,160 thousand, a 5.73% year-over-year increase compared with its revenue of 2020.
4. Logistics service segment revenue is NTD 1,106,245 thousand, a 10.69% year-over-year decrease compared with its revenue of 2020.
5. Other operating segments' revenue is NTD 2,771,431 thousand, a 2.99% year-over-year increase compared with its revenue of 2020.

Chairman:

LIN Hsiao-Hsin

CEO:

ONODERA Hirofumi

CAO:

CHEN Su-Ling

Independent Auditors' Report Translated from Chinese

To Taiwan Secom Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Secom Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. 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.

Revenue Recognition

Revenue recognized by the Company and its subsidiaries' amounted to NT\$14,134,897 thousand for the year ended December 31, 2021, and the revenue consists of security system revenue which is the Company's main source of revenue. The customer contracts include various performance conditions and terms, due to the practice of the industry. The Company needed to make the judgment when the performance obligation is completed based on the terms of customer orders or contracts, and recognized revenue when the company satisfies a performance obligation. Due to the revenue derived from rendering service received in advance, the timing to recognize the revenue is significant judgment for the Company is determined as a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
2. Selecting samples to perform tests of details, reviewing significant terms and condition of contracts and assessing the performance obligation and the trading price to verify the occurrence of sales transaction.
3. Acquiring the detail of the revenue recognition for the contract liabilities for security system revenue by month, and selecting samples to renew the contract period and reassess the accuracy of the amount of revenue recognition to verify the reasonableness of the timing of revenue recognition.
4. Executing cut-off testing procedures.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 6.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent

the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company 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 2021 consolidated financial statements 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.

Others

We have audited and expressed an unqualified opinion including an Emphasis of Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020.

Wang, Yahn-Jyun

Hsu, Hsin-Min

Ernst & Young, Taiwan

March 15, 2022

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and December 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

No.	Assets	Notes	As of			
			December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6	\$4,665,344	20	\$5,509,800	24
1110	Financial assets at fair value through profit or loss, current	4 and 6	1,020	-	1,108	-
	Financial assets at fair value through other comprehensive income, current	4 and 6	267,133	1	246,822	1
1125	Financial assets measured at amortized cost, current	4 and 6	352,269	2	392,528	2
	Contract assets, current	4 and 6	327,088	1	120,316	-
1150	Notes receivable, net	4 and 6	182,628	1	224,045	1
1170	Accounts receivable, net	4 and 6	873,644	4	826,865	3
1180	Accounts receivable from related parties, net	4, 6 and 7	258,183	1	149,659	1
	Operating lease receivables	4 and 6	86,766	-	52,161	-
1175	Finance lease receivables	4 and 6	69,685	-	60,976	-
130x	Inventories, net	4 and 6	540,406	2	476,508	2
1410	Prepayments		632,546	3	650,154	3
1470	Other current assets		215,895	1	183,120	1
	Total current assets		<u>8,472,607</u>	<u>36</u>	<u>8,894,062</u>	<u>38</u>
15xx	Non-current assets					
1511	Financial assets at fair value through profit or loss, non-current	4 and 6	42,138	-	-	-
	Financial assets at fair value through other comprehensive income, non-current	4 and 6	207,080	1	142,692	1
1543	Financial assets measured at amortized cost, non-current	4 and 6	147,263	1	70,884	-
1550	Investments accounted for under the equity method	4 and 6	4,112,111	17	3,612,097	16
1600	Property, plant and equipment	4, 6, 7 and 8	7,178,382	30	7,067,044	31
	Right-of-use assets	4 and 6	644,652	3	818,900	4
1760	Investment property	4 and 6	38,758	-	39,166	-
1780	Intangible assets	4 and 6	362,696	2	384,104	2
1840	Deferred tax assets	4 and 6	420,305	2	435,195	2
1915	Prepayment for equipment	7	1,237,226	5	1,034,601	4
1920	Refundable deposits	7	350,770	1	371,114	2
	Long-term receivables	6	54,276	-	40,541	-
1935	Long-term lease receivables	4 and 6	181,414	1	157,365	-
1990	Other assets, non-current	6 and 8	163,266	1	101,662	-
	Total non-current assets		<u>15,140,337</u>	<u>64</u>	<u>14,275,365</u>	<u>62</u>
1xxx	Total assets		<u>\$23,612,944</u>	<u>100</u>	<u>\$23,169,427</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and December 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

No.	Liabilities and Equity	Notes	December 31, 2021	
			Amount	%
21xx	Current liabilities			
2100	Short-term loans	4, 6 and 8	\$500,000	
2110	Short-term bills payable	6	50,000	
	Contract liabilities, current	4 and 6	1,301,963	
2150	Notes payable		175,710	
2170	Accounts payable		636,401	
2180	Accounts payable to related parties	7	26,355	
2200	Other payables	6 and 7	2,370,494	
2230	Current tax liabilities	4 and 6	264,729	
	Lease liabilities	6	231,523	
	Lease liabilities to related parties	6 and 7	17,268	
2320	Current portion of long-term loans	4, 6 and 8	1,149,793	
2300	Other current liabilities	4 and 6	184,157	
	Total current liabilities		<u>6,908,393</u>	
25xx	Non-current liabilities			
	Contract Liabilities, non-current	6	18,901	
2540	Long-term loans	4, 6 and 8	2,036,168	
2550	Provisions, non-current	4	7,200	
	Lease liabilities	6	371,605	
2613	Lease liabilities to related parties	6 and 7	23,184	
	Long-term payables		15,860	
2640	Net defined benefit liabilities, non-current	4 and 6	1,564,993	
2645	Guarantee deposits	6	648,061	
	Total non-current liabilities		<u>4,685,972</u>	
2xxx	Total liabilities		<u>11,594,365</u>	
31xx	Equity attributable to the parent			
3110	Capital			
3200	Common stock	6	4,511,971	
3300	Capital surplus	6	824,811	
	Retained earnings			
3310	Legal reserve	6	3,970,792	
	Special reserve		100,384	
3350	Unappropriated earnings		2,504,000	
3400	Other components of equity	4 and 6	(15,352)	
3500	Treasury stock	4, 6 and 8	(288,389)	
36xx	Non-controlling interests	6	410,362	
3xxx	Total equity		<u>12,018,579</u>	
	Total liabilities and equity		<u>\$23,612,944</u>	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

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

No.	Item	Notes	2021		2020	
			Amount	%	Amount	%
4100	Operating revenue	4 and 7	\$14,189,161	100	\$13,750,813	100
4700	Less : Sales returns and allowances		(54,264)	-	(44,448)	-
4100	Net revenue	6	14,134,897	100	13,706,365	100
5000	Operating costs	6 and 7	(9,100,685)	(64)	(8,697,290)	(63)
5900	Gross profit		5,034,212	36	5,009,075	37
6000	Operating expenses	6 and 7				
6100	Sales and marketing expenses		(805,649)	(6)	(754,027)	(6)
6200	General and administrative expenses		(1,445,429)	(10)	(1,498,269)	(11)
6300	Research and development expenses		(112,028)	(1)	(111,575)	(1)
	Expected credit losses		(5,220)	-	(5,208)	-
	Subtotal		(2,368,326)	(17)	(2,369,079)	(18)
6900	Operating income		2,665,886	19	2,639,996	19
7000	Non-operating income and loss					
7100	Interest Income	6	10,022	-	17,577	-
7010	Other income	6	52,295	-	76,163	-
7020	Other gains and losses	6	(37,631)	-	(62,939)	-
7050	Finance costs	6	(49,384)	-	(40,325)	-
7370	Share of profit or loss of associates accounted for using the equity method		444,257	3	354,486	3
	Subtotal		419,559	3	344,962	3
7900	Income before income tax		3,085,445	22	2,984,958	22
7950	Income tax expenses	4 and 6	(506,560)	(4)	(547,730)	(4)
8200	Net income		2,578,885	18	2,437,228	18
8300	Other comprehensive income	6				
8310	Items that will not be reclassified subsequently to profit or loss					
	Remeasurements of defined benefit plans		(34,100)	-	(114,100)	(1)
	Unrealized gains on financial assets at fair value through other comprehensive income		68,412	1	(45,846)	-
	Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss		21,562	-	8,972	-
	Income tax related to items that will not be reclassified		3,981	-	16,229	-
8325	Items that may be reclassified subsequently to profit or loss					
8360	Exchange differences on translation of foreign operations		5,379	-	10,653	-
8370	Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss		(11,989)	-	(10,387)	-
8399	Total other comprehensive income (loss), net of tax		53,245	1	(134,479)	(1)
8500	Total comprehensive income		\$2,632,130	19	\$2,302,749	17
8600	Net income attributable to:					
8610	Shareholders of the parent		\$2,526,684		\$2,388,900	
8620	Non-controlling interests	6	52,201		48,328	
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$2,569,297		\$2,254,494	
8720	Non-controlling interests	6	62,833		48,255	
	Earnings per share (NT\$)	6				
	Basic earnings per share		\$5.73		\$5.42	
	Diluted earnings per share		\$5.73		\$5.41	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Description	Equity Attributable to the Parent Company									Non-Controllin g Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Treasury Stock	Total		
			Legal Reserve	Special Reserve	Unappropri d Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensiv e income				
Balance as of January 1, 2020	\$4,511,971	\$763,317	\$3,527,515	\$170,798	\$2,112,670	\$(102,657)	\$43,991	\$(288,389)	\$10,739,216	\$444,908	\$11,184,124
Appropriations and distributions of 2019 unappropriated earnings											
Legal reserve	-	-	213,656	-	(213,656)	-	-	-	-	-	-
Special reserve	-	-	-	(112,132)	112,132	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,804,788)	-	-	-	(1,804,788)	-	(1,804,788)
Other changes in capital reserve											
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	11,660	-	-	-	-	-	-	11,660	21	11,681
Net income in 2020	-	-	-	-	2,388,900	-	-	-	2,388,900	48,328	2,437,228
Other comprehensive (loss) income, net of tax in 2020	-	-	-	-	(97,430)	(1,940)	(35,036)	-	(134,406)	(73)	(134,479)
Total comprehensive income	-	-	-	-	2,291,470	(1,940)	(35,036)	-	2,254,494	48,255	2,302,749
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	4,742	-	(4,742)	-	-	-	-
Parent company's cash dividends received by subsidiaries	-	38,986	-	-	-	-	-	-	38,986	-	38,986
Difference between consideration given/received and carrying amount of interests in subsidiaries	-	-	-	-	-	-	-	-	-	(7,975)	(7,975)
Increase (decrease) through changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	11,425	11,425
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(37,590)	(37,590)
Balance as of December 31, 2020	\$4,511,971	\$813,963	\$3,741,171	\$58,666	\$2,502,570	\$(104,597)	\$4,213	\$(288,389)	\$11,239,568	\$459,044	\$11,698,612
Balance as of January 1, 2021	\$4,511,971	\$813,963	\$3,741,171	\$58,666	\$2,502,570	\$(104,597)	\$4,213	\$(288,389)	\$11,239,568	\$459,044	\$11,698,612
Appropriations and distributions of 2020 unappropriated earnings											
Legal reserve	-	-	229,621	-	(229,621)	-	-	-	-	-	-
Special reserve	-	-	-	41,718	(41,718)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,219,890)	-	-	-	(2,219,890)	-	(2,219,890)
Other changes in capital reserve											
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	32,830	-	-	-	-	-	-	32,830	7	32,837
Cash dividends of capital surplus	-	(36,096)	-	-	-	-	-	-	(36,096)	-	(36,096)
Net income in 2021	-	-	-	-	2,526,684	-	-	-	2,526,684	52,201	2,578,885
Other comprehensive (loss) income, net of tax in 2021	-	-	-	-	(33,679)	(6,158)	82,450	-	42,613	10,632	53,245
Total comprehensive income	-	-	-	-	2,493,005	(6,158)	82,450	-	2,569,297	62,833	2,632,130
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	(899)	-	899	-	-	(75)	(75)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	553	-	(553)	-	-	-	-
Parent company's cash dividends received by subsidiaries	-	48,732	-	-	-	-	-	-	48,732	-	48,732
Disposal of investments accounted for under the equity method	-	(34,618)	-	-	-	8,394	-	-	(26,224)	-	(26,224)
Difference between consideration given/received and carrying amount of interests in subsidiaries	-	-	-	-	-	-	-	-	-	(70,020)	(70,020)
Increase (decrease) through changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	885	885
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(42,312)	(42,312)
Balance as of December 31, 2021	\$4,511,971	\$824,811	\$3,970,792	\$100,384	\$2,504,000	\$(102,361)	\$87,009	\$(288,389)	\$11,608,217	\$410,362	\$12,018,579

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Description	2021	2020
Cash flows from operating activities:		
Profit before tax from continuing operations	\$3,085,445	\$2,984,958
Net income before tax	3,085,445	2,984,958
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	1,425,494	1,420,890
Amortization	61,731	57,993
Expected credit losses	5,220	5,208
Loss (gain) of financial assets at fair value through profit or loss	88	(412)
Interest expense	49,384	40,325
Interest income	(10,022)	(17,577)
Dividend income	(9,456)	(5,456)
Share of profit or loss of associates accounted for using the equity method	(444,257)	(354,486)
Loss on disposal of property, plant and equipment	6,327	5,806
Loss on disposal of intangible assets	193	-
(Gain) loss on disposal of investments	(38,718)	3,034
Impairment loss	22,330	45,381
Gain on disposal of investment property	-	(33,155)
Loss (gain) on lease modification	541	(1,933)
Changes in operating assets and liabilities:		
Contract assets	(206,772)	1,888
Notes receivable, net	41,417	(37,963)
Accounts receivable, net	(55,222)	(101,992)
Accounts receivable from related parties, net	(108,486)	12,681
Inventories, net	(268,041)	(222,715)
Prepayments	25,423	(231,570)
Other current assets	(30,216)	17,250
Operating lease receivables	(34,605)	3,441
Finance lease receivables	(32,758)	(35,886)
Long-term receivables	(13,735)	7,910
Contract liabilities	7,380	25,571
Notes payable	(13,965)	(26,909)
Accounts payable	170,199	21,952
Accounts payable to related parties	13,061	(2,081)
Other payables	184,792	492,365
Other current liabilities	72,466	3,490
Net defined liabilities, non-current	(90,366)	(67,806)
Cash generated from operations	3,814,872	4,010,202
Interest received	10,974	18,555
Interest paid	(39,343)	(29,960)
Income tax paid	(517,221)	(513,216)
Net cash provided by operating activities	3,269,282	3,485,581
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(64,431)	(97,376)
Proceeds from disposal of financial assets at fair value through other comprehensive income	22,167	56,630
Capital deducted by cash of financial assets at fair value through other comprehensive income	7,727	22,838
Acquisition of financial assets measured at amortized cost	(1,438,174)	(606,125)
Proceeds from disposal of financial assets measured at amortized cost	1,402,054	463,697
Acquisition of financial assets at fair value through profit or loss	(42,138)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	5,599
Acquisition of investments accounted for using the equity method	(370,665)	(296,878)
Proceeds from disposal of investments at equity method	52,608	29,873
Capital deducted by cash of investments accounted for using the equity method	-	291,092
Proceeds from disposal of subsidiaries	-	(290)
Acquisition of property, plant and equipment	(1,105,418)	(1,366,262)
Proceeds from disposal of property, plant and equipment	34,386	17,938
Decrease (increase) in refundable deposits	20,344	(82,772)
Acquisition of intangible assets	(62,606)	(68,251)
Proceeds from disposal of investment property	-	56,622
Increase in prepayment for equipment	(215,043)	(219)
Decrease in other assets	105,611	74,220
Dividends received	295,319	72,390
Net cash used in investing activities	(1,358,259)	(1,427,274)
Cash flows from financing activities:		
Decrease in short-term loans	(1,100,000)	(2,170,000)
Decrease in short-term bills payable	(100,000)	(200,000)
Increase in long-term loans	1,400,000	1,850,000
Decrease in long-term loans	(230,039)	(184,000)
(Decrease) increase in guarantee deposits	(12,043)	7,415
Cash payments for the principal portion of lease liability	(345,217)	(327,677)
Cash dividends paid	(2,255,986)	(1,804,788)
Changes in non-controlling interests	(112,194)	(35,140)
Net cash used in financing activities	(2,755,479)	(2,864,190)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net decrease in cash and cash equivalents	(844,456)	(805,883)
Cash and cash equivalents at beginning of year	5,509,800	6,315,683
Cash and cash equivalents at end of year	\$4,665,344	\$5,509,800

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

Independent Auditors' Report Translated from Chinese

To Taiwan Secom Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Secom Co., Ltd. (the "Company") as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Revenue recognized by the Company amounted to NT\$7,180,031 thousand for the year ended December 31, 2021, and the revenue consists of security system revenue which is the Company's main source of revenue. The customer contracts include various performance conditions and terms, due to the practice of the industry. The Company needed to make the judgment when the performance obligation is completed based on the terms of customer orders or contracts, and recognized revenue when the Company satisfies a performance obligation. Due to the revenue derived from rendering service received in advance, the timing to recognize the revenue is significant judgment for the Company is determined as a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
2. Selecting samples to perform tests of details, reviewing significant terms and condition of contracts and assessing the performance obligation and the trading price to verify the occurrence of sales transaction.
3. Acquiring the detail of the revenue recognition for the contract liabilities for security system revenue by month, and selecting samples to review the contract period and reassess the accuracy of the amount of revenue recognition to verify the reasonableness of the timing of revenue recognition.
4. Executing cut-off testing procedures.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 6.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, 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 or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

financial statements. We are responsible for the direction, supervision and performance of the Company 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 2021 parent company only financial statements 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.

Wang, Yahn-Jyun

Hsu, Hsin-Min

Ernst & Young, Taiwan

March 15, 2022

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2021 and December 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$719,608	4	\$916,291	5
Financial assets at fair value through other comprehensive income, current	4 and 6	37,029	-	20,312	-
Contract assets, current	4 and 6	23,082	-	18,803	-
Notes receivable, net	4 and 6	138,957	1	143,407	1
Notes receivable from related parties, net	4, 6 and 7	-	-	581	-
Accounts receivable, net	4 and 6	584,391	3	565,332	3
Accounts receivable from related parties, net	4, 6 and 7	161,551	1	98,624	-
Finance lease receivables, net	4 and 6	69,127	-	60,283	-
Inventories, net	4 and 6	187,598	1	162,284	1
Prepayments		471,372	2	324,776	2
Other current assets		122,870	1	65,119	-
Total current assets		<u>2,515,585</u>	<u>13</u>	<u>2,375,812</u>	<u>12</u>
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4 and 6	42,138	-	-	-
Financial assets at fair value through other comprehensive income, non-current	4 and 6	81,108	1	48,359	-
Financial assets measured at amortised cost, non-current	4, 6 and 8	11,500	-	11,500	-
Investments accounted for under the equity method	4 and 6	9,789,895	50	9,527,725	50
Property, plant and equipment	4, 6 and 7	4,774,395	24	4,782,198	25
Right-of-use assets, net	4, 6 and 7	156,720	1	230,393	1
Investment property, net	4 and 6	281,900	1	282,126	2
Intangible assets	4 and 6	66,855	-	69,251	-
Deferred tax assets	4 and 6	326,052	2	331,407	2
Prepayment for equipment		1,089,870	6	1,031,041	6
Refundable deposits	7	234,344	1	217,556	1
Long-term receivables	6	36,885	-	33,292	-
Long-term financial lease receivables	4 and 6	180,836	1	156,253	1
Other assets, non-current	8	29,135	-	3,792	-
Total non-current assets		<u>17,101,633</u>	<u>87</u>	<u>16,724,893</u>	<u>88</u>
Total assets		<u><u>\$19,617,218</u></u>	<u><u>100</u></u>	<u><u>\$19,100,705</u></u>	<u><u>100</u></u>

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

English Translation of Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2021 and December 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4 and 6	\$300,000	2	\$1,400,000	7
Contract liabilities, current	4 and 6	1,176,341	6	1,170,597	6
Notes payable		99,237	1	152,566	1
Notes payable to related parties	7	149,827	1	46,808	-
Accounts payable		266,504	1	150,035	1
Accounts payable to related parties	7	74,987	-	55,211	-
Other payables	7	615,554	3	553,400	3
Current tax liabilities	4 and 6	142,065	1	177,566	1
Lease liabilities, current	6 and 7	81,825	-	123,167	1
Current portion of long-term loans	4 and 6	1,140,000	6	126,000	1
Other current liabilities		71,298	-	68,111	-
Total current liabilities		<u>4,117,638</u>	<u>21</u>	<u>4,023,461</u>	<u>21</u>
Non-current liabilities					
Contract liabilities, non-current	4 and 6	18,901	-	30,432	-
Long-term loans	4 and 6	1,900,000	10	1,740,000	9
Provisions, non-current	4	7,200	-	7,200	-
Lease liabilities, non-current	6 and 7	73,660	-	106,262	1
Long-term notes payables and accounts payables	4	15,860	-	29,972	-
Net defined benefit liabilities, non-current	4 and 6	1,291,925	7	1,325,021	7
Guarantee deposits	6	583,817	3	598,789	3
Total non-current liabilities		<u>3,891,363</u>	<u>20</u>	<u>3,837,676</u>	<u>20</u>
Total liabilities		<u>8,009,001</u>	<u>41</u>	<u>7,861,137</u>	<u>41</u>
Equity attributable to the parent					
Capital					
Common stock	6	4,511,971	23	4,511,971	24
Capital surplus	6	824,811	4	813,963	4
Retained earnings	6				
Legal reserve		3,970,792	20	3,741,171	20
Special reserve		100,384	1	58,666	-
Unappropriated earnings		2,504,000	13	2,502,570	13
Other components of equity	4 and 6	(15,352)	-	(100,384)	-
Treasury stock	4 and 6	(288,389)	(2)	(288,389)	(2)
Total equity		<u>11,608,217</u>	<u>59</u>	<u>11,239,568</u>	<u>59</u>
Total liabilities and equity		<u>\$19,617,218</u>	<u>100</u>	<u>\$19,100,705</u>	<u>100</u>

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

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2021		2020	
		Amount	%	Amount	%
Operating revenue	4 and 7	\$7,215,142	100	\$7,044,289	101
Less : Sales returns and allowances		(35,111)	-	(35,411)	(1)
Net revenue	6	7,180,031	100	7,008,878	100
Operating costs	6 and 7	(3,742,818)	(52)	(3,570,729)	(51)
Gross profit		3,437,213	48	3,438,149	49
Operating expenses	6 and 7				
Sales and marketing expenses		(628,139)	(9)	(617,308)	(9)
General and administrative expenses		(1,139,324)	(16)	(1,086,175)	(15)
Research and development expenses		(100,143)	(1)	(107,329)	(2)
Expected credit losses		(4,900)	-	(6,448)	-
Subtotal		(1,872,506)	(26)	(1,817,260)	(26)
Operating income		1,564,707	22	1,620,889	23
Non-operating income and loss					
Interest income	6	1,622	-	3,101	-
Other income	6	120,095	2	91,776	1
Other gains and losses	6	(10,553)	-	(64,752)	(1)
Finance costs	6	(32,004)	(1)	(23,524)	-
Share of profit or loss of associates accounted for using the equity method		1,152,677	16	1,086,681	16
Subtotal		1,231,837	17	1,093,282	16
Income before income tax		2,796,544	39	2,714,171	39
Income tax expenses	4 and 6	(269,860)	(4)	(325,271)	(5)
Net income		2,526,684	35	2,388,900	34
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6	(35,485)	-	(82,388)	(1)
Unrealized gains on financial assets at fair value through other comprehensive income	6	34,385	-	(18,771)	-
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss	6	45,614	1	(41,194)	(1)
Income tax related to items that will not be reclassified	6	4,258	-	9,887	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss	6	(6,159)	-	(1,940)	-
Total other comprehensive income (loss), net of tax		42,613	1	(134,406)	(2)
Total comprehensive income		\$2,569,297	36	\$2,254,494	32
Earnings per share (NT\$)	4 and 6				
Basic earnings per share		\$5.73		\$5.42	
Diluted earnings per share		\$5.73		\$5.41	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Description	Equity Attributable to the Parent Company									Non-Controllin g Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Treasury Stock	Total		
			Legal Reserve	Special Reserve	Unappropriat ed Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensiv e income				
Balance as of January 1, 2020	\$4,511,971	\$763,317	\$3,527,515	\$170,798	\$2,112,670	\$(102,657)	\$43,991	\$(288,389)	\$10,739,216	\$444,908	\$11,184,124
Appropriations and distributions of 2019 unappropriated earnings											
Legal reserve	-	-	213,656	-	(213,656)	-	-	-	-	-	-
Special reserve	-	-	-	(112,132)	112,132	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,804,788)	-	-	-	(1,804,788)	-	(1,804,788)
Other changes in capital reserve											
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	11,660	-	-	-	-	-	-	11,660	21	11,681
Net income in 2020	-	-	-	-	2,388,900	-	-	-	2,388,900	48,328	2,437,228
Other comprehensive (loss) income, net of tax in 2020	-	-	-	-	(97,430)	(1,940)	(35,036)	-	(134,406)	(73)	(134,479)
Total comprehensive income	-	-	-	-	2,291,470	(1,940)	(35,036)	-	2,254,494	48,255	2,302,749
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	4,742	-	(4,742)	-	-	-	-
Parent company's cash dividends received by subsidiaries	-	38,986	-	-	-	-	-	-	38,986	-	38,986
Balance as of December 31, 2020	<u>\$4,511,971</u>	<u>\$813,963</u>	<u>\$3,741,171</u>	<u>\$58,666</u>	<u>\$2,502,570</u>	<u>\$(104,597)</u>	<u>\$4,213</u>	<u>\$(288,389)</u>	<u>\$11,239,568</u>	<u>\$459,044</u>	<u>\$11,698,612</u>
Balance as of January 1, 2021	\$4,511,971	\$813,963	\$3,741,171	\$58,666	\$2,502,570	\$(104,597)	\$4,213	\$(288,389)	\$11,239,568	\$459,044	\$11,698,612
Appropriations and distributions of 2020 unappropriated earnings											
Legal reserve	-	-	229,621	-	(229,621)	-	-	-	-	-	-
Special reserve	-	-	-	41,718	(41,718)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,219,890)	-	-	-	(2,219,890)	-	(2,219,890)
Other changes in capital reserve											
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	32,830	-	-	-	-	-	-	32,830	7	32,837
Cash dividends of capital surplus	-	(36,096)	-	-	-	-	-	-	(36,096)	-	(36,096)
Net income in 2021	-	-	-	-	2,526,684	-	-	-	2,526,684	52,201	2,578,885
Other comprehensive (loss) income, net of tax in 2021	-	-	-	-	(33,679)	(6,158)	82,450	-	42,613	10,632	53,245
Total comprehensive income	-	-	-	-	2,493,005	(6,158)	82,450	-	2,569,297	62,833	2,632,130
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries											
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	553	-	(553)	-	-	-	-
Parent company's cash dividends received by subsidiaries	-	48,732	-	-	-	-	-	-	48,732	-	48,732
Disposal of investments accounted for under the equity method	-	(34,618)	-	-	-	8,394	-	-	(26,224)	-	(26,224)
Balance as of December 31, 2021	<u>\$4,511,971</u>	<u>\$824,811</u>	<u>\$3,970,792</u>	<u>\$100,384</u>	<u>\$2,504,000</u>	<u>\$(102,361)</u>	<u>\$87,009</u>	<u>\$(288,389)</u>	<u>\$11,608,217</u>	<u>\$410,362</u>	<u>\$12,018,579</u>

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

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Description	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Treasury Stock	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income		
Balance as of January 1, 2020	\$4,511,971	\$763,317	\$3,527,515	\$170,798	\$2,112,670	\$(102,657)	\$43,991	\$(288,389)	\$10,739,216
Appropriations and distributions of 2019 unappropriated earnings									
Legal reserve	-	-	213,656	-	(213,656)	-	-	-	-
Special reserve	-	-	-	(112,132)	112,132	-	-	-	-
Cash dividends	-	-	-	-	(1,804,788)	-	-	-	(1,804,788)
Other changes in capital reserve									
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	11,660	-	-	-	-	-	-	11,660
Net income in 2020	-	-	-	-	2,388,900	-	-	-	2,388,900
Other comprehensive (loss) income, net of tax in 2020	-	-	-	-	(97,430)	(1,940)	(35,036)	-	(134,406)
Total comprehensive income	-	-	-	-	2,291,470	(1,940)	(35,036)	-	2,254,494
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	4,742	-	(4,742)	-	-
Parent company's cash dividends received by subsidiaries	-	38,986	-	-	-	-	-	-	38,986
Balance as of December 31, 2020	<u>\$4,511,971</u>	<u>\$813,963</u>	<u>\$3,741,171</u>	<u>\$58,666</u>	<u>\$2,502,570</u>	<u>\$(104,597)</u>	<u>\$4,213</u>	<u>\$(288,389)</u>	<u>\$11,239,568</u>
Balance as of January 1, 2021	\$4,511,971	\$813,963	\$3,741,171	\$58,666	\$2,502,570	\$(104,597)	\$4,213	\$(288,389)	\$11,239,568
Appropriations and distributions of 2020 unappropriated earnings									
Legal reserve	-	-	229,621	-	(229,621)	-	-	-	-
Special reserve	-	-	-	41,718	(41,718)	-	-	-	-
Cash dividends	-	-	-	-	(2,219,890)	-	-	-	(2,219,890)
Other changes in capital reserve									
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	32,830	-	-	-	-	-	-	32,830
Cash dividends of capital surplus	-	(36,096)	-	-	-	-	-	-	(36,096)
Net income in 2021	-	-	-	-	2,526,684	-	-	-	2,526,684
Other comprehensive (loss) income, net of tax in 2021	-	-	-	-	(33,679)	(6,158)	82,450	-	42,613
Total comprehensive income	-	-	-	-	2,493,005	(6,158)	82,450	-	2,569,297
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	(899)	-	899	-	-
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	553	-	(553)	-	-
Parent company's cash dividends received by subsidiaries	-	48,732	-	-	-	-	-	-	48,732
Disposal of investments accounted for under the equity method	-	(34,618)	-	-	-	8,394	-	-	(26,224)
Balance as of December 31, 2021	<u>\$4,511,971</u>	<u>\$824,811</u>	<u>\$3,970,792</u>	<u>\$100,384</u>	<u>\$2,504,000</u>	<u>\$(102,361)</u>	<u>\$87,009</u>	<u>\$(288,389)</u>	<u>\$11,608,217</u>

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

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Description	2021	2020
Cash flows from operating activities:		
Profit before tax from continuing operations	\$2,796,544	\$2,714,171
Net income before tax	2,796,544	2,714,171
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Expected credit losses	4,900	6,448
Depreciation	1,022,230	1,022,044
Amortization	43,673	43,541
Interest expense	32,004	23,524
Interest income	(1,622)	(3,101)
Dividend income	(2,242)	(684)
Share of gain of associates and accounted for using the equity method	(1,152,677)	(1,086,681)
Gain on lease modification	-	(4)
Gain of financial assets at fair value through profit or loss	-	(232)
Gain on disposal of property, plant and equipment	(2,851)	(31)
Gain on disposal of investments	(26,077)	-
Impairment loss	22,330	41,615
Changes in operating assets and liabilities:		
Contract assets	(4,279)	6,668
Notes receivable, net	4,450	7,720
Notes receivable from related parties, net	581	42
Accounts receivable, net	(23,959)	(65,521)
Accounts receivable from related parties, net	(62,927)	5,443
Finance lease receivables	(33,427)	(37,117)
Long-term receivables	(3,593)	213
Contract liabilities	(5,787)	47,985
Inventories, net	(198,503)	(110,030)
Prepayments	(146,596)	(38,431)
Other current assets	(57,751)	(7,850)
Notes payable	(53,329)	4,690
Notes payable to related parties	103,019	11,344
Accounts payable	102,357	(41,304)
Accounts payable to related parties	19,776	11,937
Other payables	62,154	7,383
Other current liabilities	3,187	(819)
Net defined liabilities, non-current	(68,581)	(62,867)
Cash generated from operations	2,373,004	2,500,096
Interest received	1,622	3,101
Interest paid	(29,712)	(21,020)
Income tax paid	(295,748)	(302,852)
Net cash provided by operating activities	2,049,166	2,179,325
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(42,138)	-
Acquisition of financial assets at fair value through other comprehensive income	(17,260)	(25,410)
Disposal of financial assets at fair value through other comprehensive income	-	21,798
Capital deducted by cash of financial assets at fair value through other comprehensive income	2,178	19,500
Disposal of financial assets at fair value through profit or loss	-	5,599
Acquisition of investments accounted for using the equity method	(22,945)	(56,606)
Capital deducted by cash of investments accounted for using the equity method	358,200	130,668
Acquisition of property, plant and equipment	(705,595)	(774,488)
Proceeds from disposal of property, plant and equipment	7,353	8,646
Acquisition of intangible assets	(41,277)	(48,364)
Increase in prepayment for equipment	(58,829)	(26,332)
Increase in refundable deposits	(16,788)	(417)
(Increase) decrease in other assets	(25,343)	2,042
Dividends received	656,035	480,666
Net cash provided by (used in) investing activities	93,591	(262,698)
Cash flows from financing activities:		
Decrease in short-term loans	(1,100,000)	(1,600,000)
Increase in long-term loans	1,400,000	1,700,000
Decrease in long-term loans	(226,000)	(184,000)
(Decrease) increase in guarantee deposits	(15,061)	8,249
Cash payments for the principal portion of lease liability	(142,393)	(131,636)
Cash dividends paid	(2,255,986)	(1,804,788)
Net cash used in financing activities	(2,339,440)	(2,012,175)
Net decrease in cash and cash equivalents	(196,683)	(95,548)
Cash and cash equivalents at beginning of year	916,291	1,011,839
Cash and cash equivalents at end of year	\$719,608	\$916,291

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

(II) 2021 Audit Committee Report

Audit Committee Report

The Board of Directors has prepared the Company's 2021 business report, financial statements (including standalone and consolidated), and proposal for the distribution of earnings. Ernst & Young Taiwan was engaged to audit the Company's Financial Statements and has issued an audit opinion. We have reviewed the aforementioned business report, financial statements, and proposal for the distribution of earnings, and have not found non-compliance matters hence present the audit report in accordance with relative regulations of the Securities and Exchange Act and Company Act.

Taiwan Secom Co., Ltd.

Audit Committee Convener:

Chen Tien-Wen (signature)

March 15, 2022

(III) 2021 Distribution of Employees and Directors' Remuneration

Description: For 2021, employee remuneration totaled NTD 29,435,307 and the Board of Directors remuneration totaled NTD 117,741,227. The above-mentioned compensations were approved by the Board of Directors on March 15, 2022 and were all paid in cash.

[Matters for Ratifications]

(Proposed by the Board of Directors)

(I) Summary: Ratification of the 2021 Business Report and Financial Statements.

Description: 1. The Company's 2021 business report and financial statements (including standalone financial statements and consolidated financial statements) have been prepared, and the financial statements that have been stamped by the Chairman, CEO and CAO are also attached. The financial statements are audited by Ian Wang and Hsin-Min Hsu of Ernst & Young Taiwan, and submitted to the Company's audit committee, together with the business report, for review, and then presented to the shareholder meeting for ratification.

2. The 2021 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto in page 3~23.

The above is submitted for ratification.

Resolution:

(Proposed by the Board of Directors)

(II) Summary: Ratification of Distribution of Earnings for 2021.

Description: 1. According to Article 27 of the Articles of Incorporation, it is proposed to allocate the 2021 earnings. For details please refer to page 27 of this meeting handbook.

2. For 2021, each common shareholder will be entitled to receive a cash dividend of NTD 5 per share. Amounts under one dollar due to rounding off are summed up and will be transferred to the Welfare Committee for Employees of the Company.

3. The Chairman is authorized to determine the cash dividend record date and payment date upon the approval of the earnings distribution proposal at the Annual Meeting of Shareholders in 2022.

4. In the event of the number of outstanding shares affected by the Company's subsequent capital increase by cash, share buyback of treasury stocks, or issuance of new shares because of convertible company bond or the exercise of employee stock options, the Chairman is authorized to determine the changes in dividend distribution and subsequent distribution matters.

The above is submitted for ratification.

Resolution:

Taiwan Secom Co., Ltd.
Distribution of Earnings for the year of 2021

Unit: NT\$

Items	Amount
Beginning Undistributed Earnings	11,340,630
Add: Disposal of equity instruments measured at fair value through other comprehensive income	552,938
Add: Reversal of special reserve - net deduction from other shareholders' equity	85,031,974
Less: Other comprehensive income (actuarial gains and losses of the defined benefit plans)	(33,678,462)
Less: Changes in the equity of associates and joint ventures accounted for under equity method (other items in the statement of changes in equity for this period that affect the retained earnings)	(898,581)
Add: Net income	2,526,683,743
Distributable earnings	2,589,032,242
Distribution:	
1. Legal reserve	(249,265,964)
2. Cash dividend (NTD 5per share)	(2,255,985,465)
Total	(2,505,251,429)
Ending Undistributed Earnings	83,780,813

Chairman: LIN Hsiao-Hsin

CEO: ONODERA Hirofumi

CAO: CHEN Su-Ling

[Matters for Discussions]

(Proposed by the Board of Directors)

- (I) Summary: Present Partial Amendments to Provisions of the Company's Article of Incorporation for Discussion.

Description: In order to make the convening of shareholder meetings more flexible, Paragraph 1 of Article 172-2 of the Compact Act specifies that the Articles of Incorporation may stipulate shareholder meetings be held through teleconferencing or other methods promulgated by the central authority, and it is proposed to amend the provisions of the Company's Articles of Incorporation. The comparison table for articles before and after the amendment is presented below for discussion.

Resolution:

Clauses	Amended Articles	Current Articles	Explanation
<u>Article 10-1</u>	<u>The shareholder meetings may be held by teleconferencing or other means announced by the Ministry of Economic Affairs.</u>		I. Added to this article. II. In line with the regulations.
Article 31	These Articles of Incorporation were drawn up on the thirty-first of August 1977. The first amendment was effected on the thirtieth of September 1977. The second amendment was effected on the twenty-first of October 1977. The third amendment was effected on the fifteenth of December 1978. The fourth amendment was effected on the fifth of February 1979. The fifth amendment was effected on the thirty-first of July 1979. The sixth amendment was effected on the thirty-first of March 1980. The seventh amendment was effected on the first of May	These Articles of Incorporation were drawn up on the thirty-first of August 1977. The first amendment was effected on the thirtieth of September 1977. The second amendment was effected on the twenty-first of October 1977. The third amendment was effected on the fifteenth of December 1978. The fourth amendment was effected on the fifth of February 1979. The fifth amendment was effected on the thirty-first of July 1979. The sixth amendment was effected on the thirty-first of March 1980. The seventh amendment was effected on	Add the date of the new amendment.

	<p>1980. The eighth amendment was effected on the twenty-seventh of June 1980. The ninth amendment was effected on the seventeenth of April 1981. The tenth amendment was effected on the ninth of December 1981. The eleventh amendment was effected on the twenty-first of January 1982. The twelfth amendment was effected on the seventh of June 1982. The thirteenth amendment was effected on the twenty-ninth of December 1982. The fourteenth amendment was effected on the thirty of June 1985. The fifteenth amendment was effected on the twenty-fifth of April 1987. The sixth amendment was effected on the twelfth of May 1989. The seventeen amendment was effected on the eighteenth of September 1989. The eighteenth amendment was effected on the twenty-fifth of April 1991. The nineteenth amendment was effected on the thirtieth of April 1992. The twentieth amendment was effected on the thirtieth of March 1993. The twenty-first amendment was effected on the twenty-ninth of April 1994. The twenty-second amendment was effected on the twenty-ninth of April 1995. The twenty-third amendment was effected on the twentieth of April 1996. The twenty-fourth amendment was effected on the twenty-fourth of May 1997. The twenty-fifth amendment was effected on the thirtieth of April 1998. The twenty-sixth amendment was effected on the thirtieth of April 1999. The twenty-seventh</p>	<p>the first of May 1980. The eighth amendment was effected on the twenty-seventh of June 1980. The ninth amendment was effected on the seventeenth of April 1981. The tenth amendment was effected on the ninth of December 1981. The eleventh amendment was effected on the twenty-first of January 1982. The twelfth amendment was effected on the seventh of June 1982. The thirteenth amendment was effected on the twenty-ninth of December 1982. The fourteenth amendment was effected on the thirty of June 1985. The fifteenth amendment was effected on the twenty-fifth of April 1987. The sixth amendment was effected on the twelfth of May 1989. The seventeen amendment was effected on the eighteenth of September 1989. The eighteenth amendment was effected on the twenty-fifth of April 1991. The nineteenth amendment was effected on the thirtieth of April 1992. The twentieth amendment was effected on the thirtieth of March 1993. The twenty-first amendment was effected on the twenty-ninth of April 1994. The twenty-second amendment was effected on the twenty-ninth of April 1995. The twenty-third amendment was effected on the twentieth of April 1996. The twenty-fourth amendment was effected on the twenty-fourth of May 1997. The twenty-fifth amendment was effected on the thirtieth of April 1998. The twenty-sixth amendment was effected on the thirtieth of</p>	
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	<p>amendment was effected on the nineteenth of May 2000. The twenty-eighth amendment was effected on the tenth of May 2001. The twenty-ninth amendment was effected on the nineteenth of June 2002. The thirtieth amendment was effected on the twelfth of June 2003. The thirty-first amendment was effected on the seventeenth of June 2005. The thirty-second amendment was effected on the twenty-second of June 2006. The thirty-third amendment was effected on the thirteenth of June 2008. The thirty-fourth amendment was effected on the nineteenth of June 2012. The thirty-fifth amendment was effected on the fourteenth of June 2013. The thirty-sixth amendment was effected on the twenty-fourth of June 2014. The thirty-seventh amendment was effected on the third of June 2016. The thirty-eighth amendment was effected on the twenty-second of June 2017. The thirty-ninth amendment was effected on the fourteenth of June 2019. <u>The fortieth amendment was effected on the thirtieth of May 2022</u> after approval during the shareholders' meeting and amendment.</p>	<p>April 1999. The twenty-seventh amendment was effected on the nineteenth of May 2000. The twenty-eighth amendment was effected on the tenth of May 2001. The twenty-ninth amendment was effected on the nineteenth of June 2002. The thirtieth amendment was effected on the twelfth of June 2003. The thirty-first amendment was effected on the seventeenth of June 2005. The thirty-second amendment was effected on the twenty-second of June 2006. The thirty-third amendment was effected on the thirteenth of June 2008. The thirty-fourth amendment was effected on the nineteenth of June 2012. The thirty-fifth amendment was effected on the fourteenth of June 2013. The thirty-sixth amendment was effected on the twenty-fourth of June 2014. The thirty-seventh amendment was effected on the third of June 2016. The thirty-eighth amendment was effected on the twenty-second of June 2017. The thirty-ninth amendment was effected on the fourteenth of June 2019 after approval during the shareholders' meeting and amendment.</p>	
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(II) Summary: Present Partial Amendments to Provisions of the Company's
Procedures for Acquisition or Disposal of Assets for Discussion.

Description: In accordance with the Jin-Guan-Zheng-Fa-Zi Ruling #1110380465 issued by the Financial Supervisory Commission on January 28, 2022, it is proposed to amend the provisions of the Company's Procedures for Acquisition or Disposal of Assets. The comparison table for articles before and after the amendment is presented below for discussion.

Resolution:

Clauses	Amended Articles	Current Articles	Explanation
Article 8	<p>Criteria for announcement and reporting that should be processed.</p> <p>Asset acquisitions and disposals that involve any of the following circumstances shall be announced and reported within 2 days of occurrence over the website designated by the Financial Supervisory Commission (FSC) using the prescribed format:</p> <p>I. Real estate properties or right-of-use assets thereof acquired from or disposed to related parties, or other non-real estate assets or right-of-use assets thereof acquired from or disposed to related parties that amount to 20% of the Company's paid-up capital, or 10% of total assets, or NTD 300 million or above. This excludes trading of domestic government bond, repurchase/resale agreement, and subscription or redemption of money market funds issued by domestic</p>	<p>Criteria for announcement and reporting that should be processed.</p> <p>Asset acquisitions and disposals that involve any of the following circumstances shall be announced and reported within 2 days of occurrence over the website designated by the Financial Supervisory Commission (FSC) using the prescribed format:</p> <p>I. Real estate properties or right-of-use assets thereof acquired from or disposed to related parties, or other non-real estate assets or right-of-use assets thereof acquired from or disposed to related parties that amount to 20% of the Company's paid-up capital, or 10% of total assets, or NTD 300 million or above. This excludes trading of domestic government bond, repurchase/resale agreement, and subscription or redemption of money market funds issued by domestic</p>	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	<p>securities investment trust companies.</p> <p>II. Mergers, spin-offs, business acquisitions or transfer of shares.</p> <p>III. Derivative transactions accumulating losses more than the aggregate or individual contract caps prescribed in the relevant procedures.</p> <p>IV. Acquisition or disposal of operating equipment or right-of-use assets thereof with an unrelated party, and the transaction amount exceeds NT\$500 million.</p> <p>V. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>VI. Acquisition of real estate property in the form of development over purchased land, development over leased land, joint development with separate ownership, joint development with proportional holding, or joint development with partial sale, where the counterparty is unrelated and in which the Company expects to invest NT\$500 million or more.</p> <p>VII. Transaction of assets other than the ones listed in the 6 subparagraphs above, disposal of debt entitlement by a financial institution, or investment into China that amounts to 20% of the</p>	<p>securities investment trust companies.</p> <p>II. Mergers, spin-offs, business acquisitions or transfer of shares.</p> <p>III. Derivative transactions accumulating losses more than the aggregate or individual contract caps prescribed in the relevant procedures.</p> <p>IV. Acquisition or disposal of operating equipment or right-of-use assets thereof with an unrelated party, and the transaction amount exceeds NT\$500 million.</p> <p>V. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.</p> <p>VI. Acquisition of real estate property in the form of development over purchased land, development over leased land, joint development with separate ownership, joint development with proportional holding, or joint development with partial sale, where the counterparty is unrelated and in which the Company expects to invest NT\$500 million or more.</p> <p>VII. Transaction of assets other than the ones listed in the 6 subparagraphs above, disposal of debt entitlement by a financial institution, or investment into China that amounts to 20% of the Company's paid-up capital or</p>	
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	<p>Company's paid-up capital or NT\$300 million or more. However, the following transactions can be excluded:</p> <p>(I) Trading domestic government bonds <u>or foreign government bonds with a credit rating no lower than Taiwan's sovereign credit rating.</u></p> <p>(II) Where the company specializes in the investment profession, any securities traded through exchange or through securities firms, <u>or foreign government bonds</u>, ordinary corporate bonds and ordinary bank debentures without equity attribute subscribed in the primary market (excluding subordinated bonds), <u>or subscription/redemption of securities investment or futures trust funds</u>, or subscription/redemption exchange-traded notes, or securities subscribed by a securities firm as part of its underwriting service or counseling service for Emerging Stock Market companies, as regulated by Taipei Exchange.</p> <p>(III) Re-purchase/re-sale agreement, or subscription or redemption of money market funds issued by domestic securities investment trust companies.</p> <p>Amounts of the above transactions shall be calculated based on the following:</p> <p>I. Amount of each transaction.</p>	<p>NT\$300 million or more. However, the following transactions can be excluded:</p> <p>(I) Trading of domestic government bonds.</p> <p>(II) Where the company specializes in the investment profession, any securities traded through exchange or through securities firms, or ordinary corporate bonds and ordinary bank debentures without equity attribute subscribed in the domestic primary market (excluding subordinated bonds), or subscription/redemption of securities investment or futures trust funds, or securities subscribed by a securities firm as part of its underwriting service or counseling service for Emerging Stock Market companies, as regulated by Taipei Exchange.</p> <p>(III) Re-purchase/re-sale agreement, or subscription or redemption of money market funds issued by domestic securities investment trust companies.</p> <p>Amounts of the above transactions shall be calculated based on the following:</p> <p>I. Amount of each transaction.</p>	
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	<p>II. Cumulative amount of similar assets acquired from or disposed to the same counterparty over the past one year.</p> <p>III. Cumulative amount of the same development project or right-of-use assets thereof acquired or disposed of (acquisitions and disposals accumulate separately) in the past one year.</p> <p>IV. Cumulative amount of the same securities acquired or disposed of (acquisitions and disposals accumulate separately) over the past one year.</p> <p>The "one-year" timeframe mentioned in the preceding Paragraph dates back one year from the date of occurrence. Transactions that have already been announced according to the Procedures can be excluded.</p> <p>The Company shall provide monthly reports on all derivative transactions undertaken by the Company and non-public domestic subsidiaries up until the end of the previous month, and submit such reports to the website designated by the FSC before the 10th calendar day of each month using the prescribed format.</p> <p>If errors or omissions are discovered in the mandatory announcements where rectifications are required, the Company shall start afresh and announce/report all items again within 2 days from the date of knowledge of such errors or omissions.</p> <p>All contracts, meeting minutes, transaction logs, valuation reports, and accountant's,</p>	<p>II. Cumulative amount of similar assets acquired from or disposed to the same counterparty over the past one year.</p> <p>III. Cumulative amount of the same development project or right-of-use assets thereof acquired or disposed of (acquisitions and disposals accumulate separately) in the past one year.</p> <p>IV. Cumulative amount of the same securities acquired or disposed of (acquisitions and disposals accumulate separately) over the past one year.</p> <p>The "one-year" timeframe mentioned in the preceding Paragraph dates back one year from the date of occurrence. Transactions that have already been announced according to the Procedures can be excluded.</p> <p>The Company shall provide monthly reports on all derivative transactions undertaken by the Company and non-public domestic subsidiaries up until the end of the previous month, and submit such reports to the website designated by the FSC before the 10th calendar day of each month using the prescribed format.</p> <p>If errors or omissions are discovered in the mandatory announcements where rectifications are required, the Company shall start afresh and announce/report all items again within 2 days from the date of knowledge of such errors or omissions.</p> <p>All contracts, meeting minutes, transaction logs, valuation reports, and accountant's,</p>	
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	lawyer's, or securities underwriter's opinions relevant to the acquisition or disposal of assets shall be retained within the Company for at least 5 years unless otherwise specified by law.	lawyer's, or securities underwriter's opinions relevant to the acquisition or disposal of assets shall be retained within the Company for at least 5 years unless otherwise specified by law.	
Article 10 Paragraph 1	<p>In the event of the Company's acquisition or disposal of real property, equipment and/or right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for the transactions with domestic governments, engaging others to build on their own lands, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, the Company shall, prior to the date of occurrence, obtain an appraisal report from a professional appraiser and shall comply with the following regulations:</p> <p>(I) If, for any reason, the Company is in need of using restrictive, specific or special pricing to serve as reference for the transaction price, the underlying transaction must be approved by the board resolution before proceeding. Any subsequent changes in transaction term shall also be subject to the same procedures.</p> <p>(II) For transactions that amount to NT\$1 billion or more, quotations from at least two professional appraisers are needed.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's</p>	<p>In the event of the Company's acquisition or disposal of real property, equipment and/or right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except for the transactions with domestic governments, engaging others to build on their own lands, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets for business use, the Company shall, prior to the date of occurrence, obtain an appraisal report from a professional appraiser and shall comply with the following regulations:</p> <p>(I) If, for any reason, the Company is in need of using restrictive, specific or special pricing to serve as reference for the transaction price, the underlying transaction must be approved by the board resolution before proceeding. Any subsequent changes in transaction term shall also be subject to the same procedures.</p> <p>(II) For transactions that amount to NT\$1 billion or more, quotations from at least two professional appraisers are needed.</p> <p>(III) If the appraisal concluded by the professional appraisers shows any one of the following circumstances,</p>	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	<p>appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the adequacy of the transaction price.</p> <ol style="list-style-type: none"> 1.The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. 2.The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. <p>(IV)Where professional appraisal is used, the appraisers' reports shall be dated no further than 3 months from the contract date. However, if the report still applies to the same current value announced by the government and is no more than six months old, an opinion can be accepted from the original appraiser instead.</p>	<p>a certified public accountant shall be engaged to provide opinions with regards to the cause of discrepancy and the rationality of the transaction price <u>in accordance with Statement on Auditing Standards No. 20 published by the Accounting Research and Development Foundation (referred to as the ARDF)</u>, except in situations where the appraised price is higher than the price of asset acquired or lower than the price of asset sold:</p> <ol style="list-style-type: none"> 1.The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount. 2.The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. <p>(IV)Where professional appraisal is used, the appraisers' reports shall be dated no further than 3 months from the contract date. However, if the report still applies to the same current value announced by the government and is no more than six months old, an opinion can be accepted from the original appraiser instead.</p>	
Article 10 Paragraph 2	Where the Company acquires or disposes of intangible assets or right-of-use assets or membership card and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the	Except in situations where the counterparty is a domestic government agency, the acquisition or disposal of intangible assets or right-of-use assets thereof or membership that amount to 20% of the Company's paid-up capital or NTD 300 million or above shall	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	be supported by the CPAs' opinions issued <u>in regards to the rationality of the transaction price according to Statement on Auditing Standards No. 20 published by ADRF before the date of occurrence.</u>	
Article 10 Paragraph 3	When acquiring or disposing of securities, the Company shall obtain the latest audited or auditor-reviewed financial statements of the securities issuer prior to the date of occurrence. Transactions that amount to 20% of the Company's paid-in capital or NT\$300 million or above shall be supported by the CPA's opinion with regards to the rationality of the transaction price prior to the date of occurrence. However, this requirement does not apply to securities that are openly quoted in an active market or in circumstances where the FSC has regulated otherwise.	When acquiring or disposing of securities, the Company shall obtain the latest audited or auditor-reviewed financial statements of the securities issuer prior to the date of occurrence. Transactions that amount to 20% of the Company's paid-in capital or NT\$300 million or above shall be supported by the CPA's opinion with regards to the rationality of the transaction price prior to the date of occurrence. <u>Should the CPA require an expert's opinion, one shall be obtained in accordance with Statement on Auditing Standards No. 20 published by ARDF.</u> However, this requirement does not apply to securities that are openly quoted in an active market or in circumstances where the FSC has regulated otherwise.	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies
Article 11 Paragraph 1	Acquiring or disposing of assets from related parties I. Acquisition and disposal of assets with related parties are subject to the relevant laws and regulations, resolution procedures and rationality assessments of the Procedures if they amount to 10% or more of the Company's total assets. In addition, an appraisal report from a professional appraiser or an opinion from a CPA shall be obtained in accordance with the Procedures to support the transaction. The calculation of transaction amount shall be done	Acquiring or disposing of assets from related parties I. Acquisition and disposal of assets with related parties are subject to the relevant laws and regulations, resolution procedures and rationality assessments of the Procedures if they amount to 10% or more of the Company's total assets. In addition, an appraisal report from a professional appraiser or an opinion from a CPA shall be obtained in accordance with the Procedures to support the transaction. The calculation of transaction amount shall be done	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	in accordance with the provisions of Paragraph 2 of Article 8. When determining whether the transaction counterparty is a related party, the legal form and the substantive relationship should both be considered.	in accordance with the provisions of Paragraph 2 of Article 8. <u>The one-year timeframe mentioned shall date back from the date of occurrence of the current transaction.</u> <u>Transactions that have already been supported with professional appraisers' valuation or CPAs' opinions in accordance with the procedures can be excluded from calculation.</u> When determining whether the transaction partner is a related party, the legal form and the substantive relationship should both be considered.	
Article 11 Paragraph 2	<p>II. With the exception of domestic government bonds, re-purchase/re-sale agreements, and subscription/redemption of money market funds issued by domestic securities investment trust enterprises, acquisition and disposal of real estate properties or usage rights thereof with related parties or non-real estate assets or usage rights thereof with related parties amounting to 20% of the Company's paid-up capital, 10% of total assets or NT\$300 million or more shall have the following information submitted to the audit committee for review and forwarded to the board for approval before the deal is signed or paid:</p> <p>(I) The purpose, necessity and expected benefits of the asset acquisition/disposal.</p> <p>(II) The reasons for transacting with a related party.</p> <p>(III) When acquiring real estate</p>	<p>II. With the exception of domestic government bonds, re-purchase/re-sale agreements, and subscription/redemption of money market funds issued by domestic securities investment trust enterprises, acquisition and disposal of real estate properties or usage rights thereof with related parties or non-real estate assets or usage rights thereof with related parties amounting to 20% of the Company's paid-up capital, 10% of total assets or NT\$300 million or more shall have the following information submitted to the audit committee for review and forwarded to the board for approval before the deal is signed or paid:</p> <p>(I) The purpose, necessity and expected benefits of the asset acquisition/disposal.</p> <p>(II) The reasons for transacting with a related party.</p> <p>(III) When acquiring real</p>	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	<p>or right-of-use assets thereof with a related party, any information that is relevant to establishing transaction rationality in accordance with the procedures.</p> <p>(IV) The date, price, and counterparty at/from which the related party had acquired the asset in the first place, and the relationship between the Company and the initial counterparty.</p> <p>(V) A cash projection report for the next 12 months starting from the contract month, with comments made on the necessity of the transaction and the rationality of capital usage.</p> <p>(VI) Professional valuer's report or CPAs' opinion obtained in accordance with the preceding Article.</p> <p>(VII) Restrictions and other important terms of this transaction.</p> <p>Any of the following transactions taking place between the Company and its subsidiaries, or between subsidiaries in which the Company has 100% direct or indirect shareholding or capital contribution may be carried out at the discretion of the chairman, subject to board of directors' prior authorization in accordance with Article 6 and up to NT\$500 million, and raised for ratification afterwards during the latest board meeting:</p> <p>I. Acquisition or disposal of operating equipment or usage rights thereof.</p>	<p>estate or right-of-use assets thereof with a related party, any information that is relevant to establishing transaction rationality in accordance with the procedures.</p> <p>(IV) The date, price, and counterparty at/from which the related party had acquired the asset in the first place, and the relationship between the Company and the initial counterparty.</p> <p>(V) A cash projection report for the next 12 months starting from the contract month, with comments made on the necessity of the transaction and the rationality of capital usage.</p> <p>(VI) Professional valuer's report or CPAs' opinion obtained in accordance with the preceding Article.</p> <p>(VII) Restrictions and other important terms of this transaction.</p> <p>Any of the following transactions taking place between the Company and its subsidiaries, or between subsidiaries in which the Company has 100% direct or indirect shareholding or capital contribution may be carried out at the discretion of the chairman, subject to board of directors' prior authorization in accordance with Article 6 and up to NT\$500 million, and raised for ratification afterwards during the latest board meeting:</p> <p>I. Acquisition or disposal of operating equipment or</p>	
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	<p>II. Acquisition or disposal of operating real estate or usage rights thereof.</p> <p><u>Independent directors' opinions shall be fully taken into consideration when the transaction is proposed for discussion among the board of directors in accordance with Subparagraph 1, Paragraph 2 of Article 11. Any objections or qualified opinions expressed by independent directors shall be detailed in board meeting minutes.</u></p> <p><u>In accordance with Subparagraph 1, Paragraph 2 of Article 11, any issues that are subject to the audit committee' acknowledgment shall be agreed upon by half or more of the Audit Committee members and proposed for resolution by the board of directors.</u></p> <p><u>If the Company or any of its non-domestic public subsidiaries has any transactions specified in Subparagraph 1, Paragraph 2 of Article 11 and the amount is more than 10% of the Company's total assets, the Company shall submit the relevant information of such transactions to the shareholder meeting for approval before signing the transaction contracts and making payments.</u></p> <p><u>Exception can be made, however, if the transactions are between the Company and its parent and subsidiaries or between the subsidiaries.</u></p> <p><u>The transaction amount in Subparagraph 1 of Paragraph 2 of Article 11 and Paragraph 1 shall be calculated in accordance with the provisions of Paragraph 2 of Article 8, the past one year retrospectively before the date of occurrence. Items that have been</u></p>	<p>usage rights thereof.</p> <p>II. Acquisition or disposal of operating real estate or usage rights thereof.</p> <p><u>The transaction amount in the preceding paragraph shall be calculated in accordance with the provisions of Paragraph 2 of Article 8, the past one year retrospectively before the date of occurrence. Items that have been submitted to the audit committee and approved by the board meeting in accordance with these procedures are exempt from being re-calculated.</u></p>	
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	submitted to and approved by the shareholder meeting, the audit committee and the board meeting in accordance with these procedures are exempt from being re-calculated.		
Article 11 Paragraph 3	<p>III. For all real estate properties <u>or right-of-use assets</u> thereof acquired from related parties, the rationality of transaction costs shall be evaluated using the following methods:</p> <p>(I) Add interests of necessary funding and any costs legally borne by the buyer onto the price of the related party transaction. Interests on capital is calculated at the weighted average interest rate that the Company would have incurred if it finances the asset purchase in the year acquired. However, this rate shall not exceed the maximum lending rate for non-financial institutions, as regulated by the Ministry of Finance.</p> <p>(II) If the related party had once pledged the property as collateral and borrowed from a financial institution, the value estimated by the financial institution should be used as reference, provided that the financial institution had lent more than 70% of the property value for more than 1 year. This does not apply if the financial institution is a</p>	<p>III. For all real estate properties acquired from related parties, the rationality of transaction costs shall be evaluated using the following methods:</p> <p>(I) Add interests of necessary funding and any costs legally borne by the buyer onto the price of the related party transaction. Interests on capital is calculated at the weighted average interest rate that the Company would have incurred if it finances the asset purchase in the year acquired. However, this rate shall not exceed the maximum lending rate for non-financial institutions, as regulated by the Ministry of Finance.</p> <p>(II) If the related party had once pledged the property as collateral and borrowed from a financial institution, the value estimated by the financial institution should be used as reference, provided that the financial institution had lent more than 70% of the property value for more than 1 year. This does not apply if the financial institution is a</p>	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	related party to one of the counterparties.	related party to one of the counterparties.	
Article 14	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. No previous violations against the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Regulations on Business Entity Accounting Handling and no conviction of fraud, breach of trust, misappropriation, forgery or any crime relating to business activities resulting in a sentence of one-year imprisonment or higher. This excludes situations where three years have passed since the subject has served the sentence, endured the probation period or is pardoned from the crime.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or parties that have a substantive relationship with one another.</p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding</u></p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. No previous violations against the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Regulations on Business Entity Accounting Handling and no conviction of fraud, breach of trust, misappropriation, forgery or any crime relating to business activities resulting in a sentence of one-year imprisonment or higher. This excludes situations where three years have passed since the subject has served the sentence, endured the probation period or is pardoned from the crime.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or parties that have a substantive relationship with one another.</p>	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	<p><u>paragraph shall comply with the self-discipline rules of trade associations they are affiliated with and the following matters:</u></p> <p><u>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p><u>II. When handling a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p><u>III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p><u>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</u></p>		
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(III) Summary: Present Partial Amendments to Provisions of the Company's Rules and Procedures of Shareholders Meetings for Discussion.

Description: In order to comply with the laws and regulations and meet and the current needs of the Company's operations, it is proposed to amend provisions of the Company's Rules and Procedures of Shareholders Meetings. The comparison table for articles before and after the amendment is presented below for discussion.

Resolution:

Clause	Amended Articles	Current Articles	Explanation
Article 1	These Rules have been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in order to build a strong board governance system for shareholders meetings and robust supervisory capabilities and reinforce management capabilities for the Company.		Article added.
Article 2	<u>Unless otherwise specified by law or the Articles of Incorporation, shareholder meetings of the Company shall proceed according to the terms of these Rules.</u>	<u>Article 1 of the original Procedures, and the Company's shareholder meetings are conducted in accordance with these rules.</u> <u>Article 20 of the original procedures. Any matters that are not addressed in these Rules of Procedures or contradicts with the law and regulations shall be governed by the existing Company Act and other relevant laws and regulations or the Article of Incorporation.</u>	I. Adjust order of articles (the original Article 1 and 20 are changed to Article 2) II. Amend the content of the articles.
Article 3	Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors. Any changes to the convening of a shareholder		Article added.

	<p>meeting shall be resolved in a board meeting, which should be completed at the latest before the notice of the shareholder meeting is sent.</p> <p>The Company shall compile an electronic file that contains the meeting advice, a proxy form, a detailed description of the agenda to be acknowledged or discussed during the meeting, and notes on re-election or dismissal of directors/supervisors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting or 15 days before an extraordinary shareholders' meeting, an electronic copy of the shareholders' meeting handbook and supplementary information shall be prepared and posted onto the MOPS. Physical copies of the shareholder meeting handbook and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the stock transfer agent, and distributed on-site during the shareholder meeting.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Discussions concerning election or dismissal of directors and supervisors, amendment of Articles of Incorporation, capital</p>		
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	<p>reduction, delisting, directors' competing business involvement, capitalization of earnings, capitalization of reserves, dismissal of the Company, merger, divestment, and any issues listed in Paragraph 1, Article 185 of The Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act; and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be notified in advance with a summary explained as part of the meeting agenda, and cannot be raised in the form of special motion.</p> <p>The notification for the convening of shareholder meeting has announced the re-election of directors and supervisors and the inauguration date. After the re-election at the shareholder meeting, the inauguration date shall not be changed by extraordinary motion or other means in the same meeting.</p> <p>Shareholders who hold over 1% of the total issued shares may propose issues in the Company's shareholder general meeting. Each shareholder is limited to one issue, and additional issues will not be included in the proposal discussion. Furthermore, if the issue raised by shareholders involves items in Paragraph 4, Article 172-1 of the Company Act, the board of directors can omit the proposal.</p> <p>Shareholders may submit proposals which aim to urge the Company to promote the public interest or fulfill social responsibilities. The proposals</p>		
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	<p>should cover one discussion item at a time in accordance with Article 172-1 of the Company Act, and those with more than one item in the proposal will not be included in the motion.</p> <p>The Company shall announce the acceptance of shareholders' proposals, methods of acceptance, either in writing or electronic format, venue of acceptance and period. The acceptance period shall not be less than ten days.</p> <p>Shareholder proposals shall be limited to 300 words. Proposals that exceed 300 words shall not be listed in the proposals. The proposing shareholders shall personally or entrust another to attend the regular shareholders meeting and participate in the proposal discussion.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, this Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. During the shareholders meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from the discussion.</p>		
Article 4	<p>For each shareholders' meeting, shareholders may offer to show the power of attorney issued by the Company that specifies the scope of authorization and authorize their proxy to attend the meeting.</p> <p>Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms</p>	<p><u>The original Article 3.</u> Shareholders may appoint proxies to attend shareholder meetings on their behalf by completing the Company's proxy form and specifying the scope of delegated authority. One shareholder is subject to one power of attorney form and one proxy only. The retaining of</p>	<p>I. Adjust order of articles (the original Article 3 is changed to Article 4)</p> <p>II. Add Paragraphs 3 and 4 in accordance with the laws and regulations.</p>

	<p>must be received by the Company <u>at least 5 days before the shareholder meeting</u>. In cases where multiple proxy forms are issued, the one <u>that arrives first shall prevail</u>.</p> <p><u>However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement.</u></p> <p><u>Should the shareholder decide to attend shareholder meeting personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.</u></p> <p><u>Should the shareholder decide to attend shareholder meeting by teleconferencing after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.</u></p>	<p><u>power of attorney and relevant information shall be handled in accordance with relevant laws and regulations.</u></p> <p><u>Shareholders (or their proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance.</u></p> <p><u>Solicitors soliciting proxy forms shall also bring identification documents for verification.</u></p>	
Article 5	<p>Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm. <u>Independent directors' opinions on the meeting place and time shall also be fully</u></p>	<p><u>The original Article 2.</u></p> <p>Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm.</p>	<p>I. Adjust order of articles (the original Article 2 is changed to Article 5)</p> <p>II. Paragraph 2 added in accordance with the laws and</p>

	<p><u>considered.</u></p> <p><u>If the shareholder meeting is held by teleconferencing, it is not subject to the restriction on the revenue as specified in the preceding paragraph.</u></p>		regulations.
Article 6	<p>The meeting notice shall specify details such as the check-in time, venue, and other important notes for shareholders, proxy solicitors and proxies (referred to as shareholders) where relevant. Shareholder meetings convened by teleconferencing shall specify the methods for shareholders to participate and exercise their rights, the methods used to handle the failure of teleconference platform or teleconferencing sessions due to force majeure, as well as the date and other requirements if the meeting needs to be postponed or resumed. The teleconferencing meeting should also specify the alternative measures taken for shareholders who may have difficulties joining the meeting by teleconferencing.</p> <p>Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly marked and stationed with competent personnel. Check in to the teleconferencing platform of the shareholder meeting should be completed at least 30 minutes before the meeting starts, those who complete the check-in are considered to have attended the meeting in person.</p> <p>Shareholders shall attend shareholder meetings by presenting valid conference pass, attendance card or other</p>		Article added.

	<p>document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.</p> <p>The Company shall provide an attendance register for the attending shareholders to sign in, or have the attending shareholders turn in their attendance cards as to sign in.</p> <p>The Company should deliver the meeting handbook, annual reports, attendance cards, speech notes, votes and other related information to the attending shareholders. Ballots should also be attached for electing directors and supervisors.</p> <p>Where the shareholder is a government agency or corporate entity, more than one proxy may attend the shareholders meeting. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend shareholder meeting.</p> <p>Shareholders who would like to attend the teleconferencing of shareholder meeting should register with the Company at least two days before the shareholder meeting.</p> <p>For shareholder meetings that are held by teleconferencing, the Company shall upload the meeting handbook, annual report and other relevant information to the teleconferencing platform of the shareholder meeting, and keep them disclosed until the end of the meeting.</p>		
Article 7	If a shareholders' meeting is convened by the Board of	<u>The original Article 6. If a shareholders' meeting is</u>	I. Change the order of

	<p>Directors, the meeting shall be chaired by the chairperson of the Board of Directors. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the delegation shall be handled in accordance with the Company Act.</p> <p>When a managing director or a director serves as chair, as referred to in the preceding paragraph managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply to a representative of legal directors.</p> <p><u>The shareholders' meeting convened by the board of directors shall be personally hosted by the chairman of the board. More than half of the directors (including at least one independent director) and at least one representing member of various functional committees shall attend the meeting, and the attendance shall be recorded in the meeting minutes.</u></p> <p>For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.</p> <p>Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholders' meeting as non-voting delegates.</p>	<p>convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board of Directors. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the delegation shall be handled in accordance with the Company Act.</p> <p>When a managing director or a director serves as chair, as referred to in the preceding paragraph managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply to a representative of legal directors.</p> <p>For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.</p> <p><u>The original Article 5. Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholders' meeting as non-voting delegates. Staff handling administrative affairs of the shareholders meeting shall wear identification</u></p>	<p>articles, and the original Article 6 and 5 are changed to Article 7.</p> <p>II. Amend the content of the article and add the third paragraph to specify the relevant requirements for the attendance of shareholder meetings convened by the board of directors.</p>
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		<u>cards or armbands.</u>	
Article 8	<p>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.</p> <p>The aforementioned recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> <p><u>For the shareholder meetings held by teleconferencing, the Company shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.</u></p> <p><u>The above-mentioned materials and audio and video recordings shall be properly retained by the Company during the period of existence, and they shall be provided to those who are entrusted with handling teleconferencing tasks.</u></p>	<p><u>The original Article 19.</u> The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.</p> <p>The aforementioned recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>I. Adjust order of articles (the original Article 19 is changed to Article 8).</p> <p>II. Add Paragraphs 3 and 4 in accordance with the laws and regulations.</p>
Article 9	<p>Attendance at shareholders meeting shall be calculated based on shares. The number of shares in attendance is counted based on the submitted <u>attendance cards and the shareholding reported on the teleconferencing platform</u>, together with the shares with the written or electronic voting rights.</p> <p><u>The chair is to call the meeting to order at the</u></p>	<p><u>The original Article 4.</u> Attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.</p> <p>The number of shares in attendance is counted based on the submitted attendance card, together with the shares with the written or electronic voting rights.</p> <p><u>The original Article 7. The chair shall call the meeting to order</u></p>	<p>I. Adjust order of articles (the original Article 4 and 7 are changed to Article 9)</p> <p>II. The original Article 7 is deleted in accordance with the laws and regulations, and Paragraphs 2-5</p>

	<p><u>designated meeting time, and at the same time announce the number of non-voting rights and number of shares present and other relevant information.</u></p> <p><u>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. The chair is to announce the meeting adjourned if still less than one third of the total issued shares are presented at the meeting after the postponement twice. For the shareholder meeting held by teleconferencing, the Company shall announce the adjournment of the meeting on the teleconferencing platform.</u></p> <p><u>If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. The tentative resolution may be sent to all shareholders to notify them of another shareholder meeting to be held within one month. Shareholders who wish to attend the shareholder meeting which is to be held by teleconferencing shall register with the Company in accordance with Article 6.</u></p> <p><u>If the attending shareholders representing more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholder's</u></p>	<p><u>when the attending shareholders represent a majority of the total number of issued shares. If the quorum is not met after the scheduled commencement time, the chair may announce a postponement. If the quorum is not met after two postponements (20 minutes given for the 1st and 10 minutes given for the 2nd) as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a “tentative resolution” may be adopted accordance to Article 175, Paragraph 1 of the Company Act.</u></p>	<p>are added.</p>
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	<u>vote in accordance with Article 174 of the Company Act.</u>		
Article 10	<p>If the shareholders' meeting is convened by the Board of Directors, the Board of Directors will determine the meeting proceedings, and motions (including special motions or amended motions) shall be passed one at a time. The proceedings cannot be changed unless resolved during the shareholders' meeting.</p> <p><u>The regulations of the preceding paragraph may be applied to a meeting of shareholders convened by a party that is not the board of directors.</u> The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chairperson must allow for sufficient time to explain and discuss the various motions, amendments or special motions proposed during the meeting. The chairperson may announce discontinuance of further discussions if the issue in question is considered to <u>have been sufficiently discussed to</u></p>	<p><u>The original Article 8.</u> The board should set the agenda for the meetings that it convenes. Relevant motions (including extemporary motions and amendments to the original motions) shall be decided on a case-by-case basis. The meeting should be carried out based on the agenda, and should be not changed without the resolution of the shareholders. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding paragraph (including extemporary motions), except by a resolution of the shareholders meeting. <u>If the chair declares the meeting adjourned in violation of the rules, a new chair shall be elected in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</u></p> <p><u>After meetings are resolved to be adjourned, shareholders may not elect a new chairman and continue the meeting at the original venue or at another venue.</u></p> <p><u>The original Article 15.</u> The chairperson shall give proposals and shareholder proposed revisions or provisional motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.</p>	<p>I. Adjust order of articles (the original Articles 8 and 15 are changed to Article 10)</p> <p>II. Amend the content of the articles.</p>

	<u>proceed with the voting and arrange sufficient voting time.</u>		
Article 11	<p>Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order to give the speech.</p> <p>The attending shareholders are considered to offer no statement if they only provide the statement slips without speaking. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.</p> <p>Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. <u>If</u> shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.</p> <p>When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chairman and the speaking shareholder. Violators shall be halted by the chairman.</p> <p>The corporate shareholders who assign more than two legal representatives to attend the meeting can only have <u>one</u> person giving speech for a motion.</p> <p>After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.</p> <p><u>For the shareholder meetings</u></p>	<p><u>The original Article 11.</u> Before speaking, the attending shareholders (<u>or proxies</u>) should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order to give the speech. The attending shareholders (<u>or proxies</u>) are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.</p> <p>When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chairman and the speaking shareholder. Violators shall be halted by the chairman.</p> <p><u>Original Article 12.</u> Each shareholder (or proxies) shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. <u>If</u> shareholder's statement violates <u>the rules or exceeds the scope of the issue</u>, the chairperson shall halt the statement.</p> <p><u>Original Article 10.</u> Corporate entities that have been appointed as proxy attendants can only appoint one representative to attend shareholder meeting.</p> <p>The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one</p>	<p>I. Change the number and order of articles (the original Articles 11, 12, 10, and 14 are changed to Article 11).</p> <p>II. Add Paragraphs 7 and 8 in accordance with the laws and regulations.</p>

	<p><u>held by teleconferencing, the shareholders who attend the meeting by teleconferencing may raise their questions in text form on the teleconferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. A shareholder may not raise their questions more than twice for a single motion, and each question is limited to 200 words. These do not apply to the requirements of Paragraphs 1 to 5.</u></p> <p><u>The abovementioned questions which do not violate the rules or do not exceed the scope of the motion should be disclosed on the teleconferencing platform as public knowledge.</u></p>	<p>person giving speech for a motion.</p> <p><u>Original Article 14.</u> After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.</p>	
Article 12	<p>Voting at a shareholders meeting shall be calculated based the number of shares.</p> <p>The shares of the shareholders without voting rights are not counted in the total issued shares for the resolution of the meeting.</p> <p>A shareholder who has a personal interest with the agenda of the meeting which may result in a conflict of interest with the Company shall not participate in the voting, nor shall he/she act on behalf of other shareholders to exercise the voting rights of other shareholders.</p> <p>The abovementioned shares of the shareholders without voting rights will not be counted towards the total number of shares with voting rights of shareholders attending the meeting.</p> <p>Other than the trusts or securities agencies approved by the authorities, a person representing more than two</p>		Article added.

	shareholders as a proxy cannot have the shares exceeding 3% of the total voting shares. The exceeded voting rights will not be counted.		
Article 13	<p><u>Every share represents one vote unless it is restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</u></p> <p>Shareholders may exercise their voting power in correspondence or by electronic transmission in shareholder meetings, <u>and the exercise method shall be specified in the notice of shareholders meetings.</u> Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, this is also considered to have waived his/her rights with respect to the <u>extemporary motions and amendments to original proposals of that meeting.</u> It is therefore recommended that the Company avoids the submission of <u>extemporary motions and amendments to original proposals.</u></p> <p><u>Shareholders exercising voting rights by correspondence or electronic means shall deliver their declaration of intent to the Company at least two days before the shareholders meeting. If there is a repetition of the declaration of intent, whichever delivered the first will be served. However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the</u></p>	<p><u>The original Article 16.</u> Shareholders shall exercise voting rights in electric form, or may exercise by correspondence for the Company's shareholder meetings. Except for provisions for special resolutions provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.</p>	<p>I. Change the number and order of articles (the original Articles 16, 18 and 17 are changed to Article 13).</p> <p>II. Amend the content of the articles in accordance with the laws and regulations.</p>

	<p><u>shareholder intends to attend the shareholders meeting in person or by teleconferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</u></p> <p>Unless otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. <u>During the voting process, the chair or the designated personnel announce the total number of the eligible voting rights of the attending shareholders case by case and then carry out the voting. On the same day of the meeting, the number of agree, disagree and abstain are entered into the Market Observation Post System.</u></p> <p>For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as</p>	<p><u>The original Article 18.</u> For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals</p>	
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	<p>denied and no more voting will be conducted.</p> <p>The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status.</p> <p>Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><u>For the shareholder meetings held by teleconferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.</u></p> <p><u>For the shareholder meetings also held by teleconferencing, shareholders, solicitors or entrusted proxies who have already registered to attend the meetings by teleconferencing in accordance with the provisions of Article 6 but wish to attend the physical meetings shall take the procedures same as the registration to cancel their registration at least two days before the meeting. Those who fail to cancel the registration on time can only attend the meetings by teleconferencing.</u></p> <p><u>Those who exercise their voting rights by correspondence or by electronic means without retracting their voting rights already exercised and participate in shareholder meetings by</u></p>	<p>has been passed, the other proposals are viewed as denied and no more voting will be conducted.</p> <p><u>The original Article 17. The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</u></p> <p><u>The election of Directors at a shareholders' meeting shall be held in accordance with the relevant rules of the Company. The voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u></p>	
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	<u>teleconferencing shall not exercise their voting rights on the original motion, propose amendment to the original motion or exercise their voting rights on the revision of the original motion, except for extemporary motions.</u>		
Article 14	<p>Shareholder meetings that involve election of directors and supervisors shall proceed according to the Company's election policy. Results of the elections, including the list of elected directors and the final tally, must be announced on-site, as well as those who are not elected and the number of shares they have.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>		Article added.
Article 15	<p>All resolutions of the shareholder's meeting shall be kept as minutes of the meeting on record, signed or sealed by the chair of the shareholders' meeting, and release to all shareholders within 20 days after the meeting. The production and the distribution of the resolution record can be made electronically.</p> <p>The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.</p> <p>The resolution proceedings should correctly record the year,</p>		Article added.

	<p>month, day, venue, name of the chair, voting method, the essentials of the proceedings and the voting results (including the statistical weights). If there is an election of directors and supervisors, the votes received by each nominee shall also be disclosed. These records are to be kept permanently during the Company's existence.</p> <p>The minutes of the shareholder meeting held by teleconferencing should record the items mentioned the preceding paragraph, the starting and ending time of the meeting, the convening method the meeting, the name of the chair and the meeting minute taker, the measures taken for those who have difficulties participating in the meeting by teleconferencing or when the teleconferencing platform or the teleconference experiences force majeure.</p>		
Article 16	<p>The number of shares owned by the solicitors, the entrusted proxies and shareholders attending the shareholder meeting in writing or electronically is compiled into a chart with a prescribed format on the meeting day and is disclosed clearly at the meeting venue. For shareholder meetings that are held by teleconferencing, the Company shall upload the above information to the teleconferencing platform at least 30 minutes before the start of the meeting, and keep them disclosed until the end of the meeting.</p> <p>When the shareholder meeting by teleconferencing is announced to start, the number of voting rights of the attending shareholders is disclosed on the</p>		Article added.

	<p>teleconferencing platform. The same applies to when the number of voting rights in attendance is compiled again during the meeting.</p> <p>The Company must disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).</p>		
Article 17	<p><u>Staff handling administrative affairs of the shareholders meeting shall wear identification cards or armbands.</u></p> <p>The chair is to direct proctors (or security guards) to help maintain order of the meeting. The proctors (or security personnel) help maintaining order at the meeting place shall wear an armband bearing the word "Proctor" <u>or an identification card.</u></p> <p><u>For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that make statements from equipment not allocated to the Company.</u></p> <p><u>Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue and will be escorted out by the proctors or the security personnel.</u></p>	<p><u>The original Article 13.</u> The chair is to direct proctors (or security guards) to help maintain order of the meeting. The proctors (or security personnel) help maintaining order at the meeting place shall wear an armband bearing the word "Proctor."</p>	<p>I. Adjust order of articles (the original Article 13 is changed to Article 17).</p> <p>II. Add Paragraphs 1, 3 and 4.</p>
Article 18	<p>The chair may announce a break time during the meeting at his/her discretion. <u>The chair is to rule a meeting suspension due to force majeure and announce another time to resume the meeting as appropriate.</u></p> <p><u>If the meeting venue is no longer available for use before</u></p>	<p><u>The original Article 9.</u> During the meeting, the chair may announce recess at set times.</p>	<p>I. Adjust order of articles (the original Article 9 is changed to Article 18).</p> <p>II. Add Paragraphs 2 and 3.</p>

	<p><u>all agenda issues of the shareholders meeting (including Extemporaneous Motions) are addressed, the shareholders meeting shall determine another venue to resume the meeting.</u></p> <p><u>The shareholders may decide to postpone or continue the meeting within five days in accordance with Article 182 of the Company Act.</u></p>		
Article 19	<p>For shareholder meetings that are held by teleconferencing, the Company immediately discloses the voting results of motions and election results to the teleconferencing platform of the shareholder meeting in accordance with the regulations, and keeps them disclosed for at least another 15 minutes after the chair announces the ending of the meeting.</p>		Article added.
Article 20	<p>Both the chairperson and the meeting minute keeper shall be at the same domestic location when holding teleconferencing shareholder meetings, and the chair should announce the address of the place at the beginning of the meeting.</p>		Article added.
Article 21	<p>For shareholder meetings that are held by teleconferencing, the Company shall provide shareholders with a simple connection test before the meeting, and provide relevant services before and during the meeting to resolve technical communication problems.</p> <p>For shareholder meetings that are held by teleconferencing, the chairperson should announce at the start of the meeting that except when there is no need to postpone or continue the meeting in accordance with Article 44-20 of the Regulations Governing the</p>		Article added.

	<p>Administration of Shareholder Services of Public Companies, the provisions of Article 182 of the Company Act is not applicable to the date of meeting postponement or resumption for the interruption to the teleconferencing platform or the meeting lasting more than 30 minutes due to force majeure, before the chair announces the end of the meeting.</p> <p>For the shareholder meeting that is postponed or resumed in accordance with the provisions of the preceding paragraph, it is not necessary to re-discuss or resolve the motions for which voting and counting of votes have been completed and the voting results and the election of directors and supervisors have been announced.</p> <p>If the Company postpones or resumes the meeting according to the provisions of Paragraph 2, the relevant preparation should be conducted based on the date of the original shareholder meeting in accordance with Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and the shareholders listed in the shareholder register by the stock stop-transfer date are eligible to attend the shareholder meeting.</p> <p>In accordance with period specified by the 2nd half of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of</p>		
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	<p>Shareholder Services of Public Companies, the Company shall postpone or resume the date of shareholder meeting in accordance with the provisions of Paragraph 2.</p> <p>If the teleconference shareholder meeting cannot resume as described in Paragraph 2, and the total number of shares represented in attendance still meet the statutory quorum for the resolutions conducted after subtracting the number of shares that attended the meeting by teleconferencing, the meeting may still continue without needing a postponement or resumption in accordance with Paragraph 2.</p> <p>Alternative measures should be taken for shareholders who may have difficulties joining the meeting by teleconferencing.</p>		
Article 22	These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.		Article added.
		<u>The original Article 21. Any amendments to these Rules of Procedures shall be effective after resolved by the board and submitted to the shareholders' meeting for approval.</u>	Article deleted

[Extemporary Motions]

[Adjournment]

[Appendix 1]

Taiwan Secom Co., Ltd.

Articles of Incorporation

Chapter One. General Provisions

- Article 1: The Company is incorporated in accordance with The Company Act, and is named Taiwan Secom Co., Ltd.
- Article 2: The business scope of the Company is as follows:
I. I901011 Private Security Service
- Article 3: The Company has established its headquarters in Taipei City. When necessary, the Company may set up new branches or production or logistic operating sites at suitable domestic or overseas locations.
- Article 4: The Company may act as a guarantor in favor of a third party outside the company for business purpose.

Chapter Two. Share Capital

- Article 5: The Company has an authorized capital of 5 billion New Taiwan Dollars in 500 million shares. Each share has a face value of ten New Taiwan Dollars, and may be raised in multiple issues.
- Article 6: The Company issues registered shares which are numbered and authorized with signatures/specimen seals of Chairman and more than 3 Directors representing the Company subject to certification as required by law before issuance. The stock shares are issued after being certified by the certification agency designated by the competent authority.
Shares of the Company is exempted from actual printing but shall be registered with the Taiwan Depository and Clearing Corporation.
- Article 7: The Company's Shareholders shall inform the Company of their real names and residential address, and enter them into the shareholder roster. The Company's Shareholders shall also provide the share-affair agencies appointed by the Company with their specimen seal cards.
- Article 8: Deleted
- Article 9: Transfers of the names of shares cannot be made within 60 days prior to shareholders' regular meetings, 30 days prior to special meetings, or 5 days before the Company's decision on dividend or bonus distribution or other ex dates.

Article 10: The Company's stock affairs are processed in accordance with the "Criteria Governing Handling of Stock Affairs by Public Stock Companies" provided by the competent authority.

Chapter Three Shareholder Meetings

Article 11: The shareholders' meetings are consisted of regular sessions and special sessions. Regular sessions are convened by the Board in accordance with the laws once a year within 6 months after the close of each fiscal year. Special sessions are called for at any time when necessary in accordance with the law.

Article 12: Shareholders unable to attend the meeting may offer to show the power of attorney issued by the Company that specifies the scope of authorization and authorize their proxy to attend the meeting. Shareholders who commission their proxy to attend meetings shall comply with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the securities authority, unless otherwise specified by Article 177 of the Company Act.

Article 13: The Company's shareholders' meeting is convened by the Board of Directors, and the Chairman shall preside over the meeting. In case the Chairperson is on leave or absent or cannot exercise his power and authority for any cause, such matter is conducted in accordance to the Company Act. For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by a convening authority. One person should be selected to chair the meeting if there are more than two present.

Article 14: Each share of the Company is entitled to 1 voting share. Matters regarding restricted or non-voting shares are conducted in accordance with the law.

The Company's shareholders may exercise his/her/its voting power by way of electronic transmission, and shall be deemed to have attended the shareholders' meeting in person. Such matters shall be handled in accordance with relevant laws and regulations.

Article 15: Unless otherwise specified by the Company Act or the securities authority, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 16: All resolutions of the shareholder's meeting shall be kept as minutes of the meeting on record, signed or sealed by the chair of the shareholders' meeting, and release to all shareholders within 20 days after the meeting. The meeting minutes may be produced and distributed in electronic form or announcement.

Article 17: Deleted

Chapter Four Board of Directors and Directors

Article 18: The Board of Directors of the Company shall appoint 11 directors by means of a candidate nomination system, and the shareholders shall elect directors from among the nominees for a three-year term who may be re-elected after the term. The number of appointed directors mentioned earlier shall have no less than three independent directors. The professional qualification, shareholding, part-time job restrictions, nominations, means of election, as well as other relevant issues should all be in accordance with the regulations of the competent authority. Independent directors and non-independent directors shall be elected at the same time to calculate the elected places separately.

Article 19: The Board of Directors is authorized to determine the remuneration to Chairman, Vice Chairman, and Directors with reference to their contribution to the Company. Regardless of profit or loss, the remuneration to independent directors is determined based on their contribution to the Company and the remuneration level of the peer companies. However, no additional remuneration that is stated in Article 26 may be distributed.

Article 20: The Board of Directors shall elect a chairman and a vice chairman of the Board of Directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors.

The Chairman shall preside over all business on behalf of the Company. In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, the matters related to designee shall be conducted in accordance to Article 208 of the Company Act.

Article 21: The board meets at least once a quarter, and in case of an emergency, a special meeting may be held if necessary. All prior meetings mentioned are all convened by the Chairman. When the director cannot attend the BOD meeting, he/she shall assign another director as a proxy. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

A notice of a BOD meeting may be made by fax, E-mail, or other methods of electronic communication.

Article 22: The Company has instituted a just, fair, and open Procedure for the Election of Directors in accordance with the Company Act.

If there is a shortfall of one-third of the directors, the Board of Directors shall convene a special shareholders' meeting for the by-election within 60 days. The tenure of

succeeding directors shall expire at the end of the original service period.

Article 23: The Company shall set up an Audit Committee pursuant to the Securities and Exchange Act. The Audit Committee consists of all Independent Directors. The duties and other related matters of the Audit Committee Company should be performed as stipulated by the Company Act, Securities and Exchange Act, and other regulations.

Chapter Five Officers

Article 24: The Company shall set up manager. The appointment, discharge and remuneration thereto shall be handled in accordance with Article 29 of the Company Act.

Chapter Six Final Accounts and Earnings Distribution

Article 25: The Board of Directors shall prepare the following statements at the end of each accounting period and submitted them to the annual shareholders' meeting for recognition in accordance with the law.

I. Business report.

II. Financial statements.

III. Proposal for the distribution of earnings or make-up for the loss.

Article 26: If the Company is profitable in the fiscal year (refers to pre-tax net profit before subtracting bonuses and remunerations allocated to employees and directors), no less than 1% of the profit shall be offered as bonuses for employees, and no more than 4% of the profit shall be allocated as remuneration for directors.

If the Company has accumulated deficits (including adjustment to undistributed earnings), earnings shall be used to offset such deficits first.

Employee compensation is mainly in the form of stocks or cash, and the recipients shall include the employees of subsidiaries who meet certain criteria defined by the Board of Directors. The remunerations for directors are to be paid in cash only.

The abovementioned two issues shall be determined by the board and reported to the shareholder meetings.

Article 27: The current year's earnings after year-end accounting, if any, shall first be used to offset prior years' operating losses (including adjustment to undistributed earnings), and then 10% of the remaining amount shall be set aside as legal reserve. This does not apply if the legal reserve has reached the Company's paid-in capital. Special reserve is then allocated or reversed in accordance with the law or regulations of the authority. Regarding the remaining retained earning along with the opening undistributed earnings (including adjustment to undistributed earnings), the Board of Directors shall propose the distribution of earnings and submit to the shareholders' meeting for resolution.

The Company is operating in a growing environment and will utilize the economic environment for its sustainable operation and long term development. The Board of Directors lays emphasis on the stability and growth of dividends when proposing an earnings distribution plan. The dividend policy will be a combination of cash or stock, where cash dividend shall account for no less than 10% of the total dividend.

Chapter Seven Supplementary Provisions

- Article 28: The Company may invest in other external entities when its business requires, and may act as a shareholder of limited liability of other entities. The total investment amount shall not be subject to the restrictions set forth in the Article 13 of the Company Act.
- Article 29: The organizational charter of the Board of Directors and other branches shall be formulated by the Board of Directors.
- Article 30: Issues that are not fully addressed in the Articles of Incorporation shall be processed in accordance with the Company Act.
- Article 31: These Articles of Incorporation were drawn up on the thirty-first of August 1977. The first amendment was effected on the thirtieth of September 1977. The second amendment was effected on the twenty-first of October 1977. The third amendment was effected on the fifteenth of December 1978. The fourth amendment was effected on the fifth of February 1979. The fifth amendment was effected on the thirty-first of July 1979. The sixth amendment was effected on the thirty-first of March 1980. The seventh amendment was effected on the first of May 1980. The eighth amendment was effected on the twenty-seventh of June 1980. The ninth amendment was effected on the seventeenth of April 1981. The tenth amendment was effected on the ninth of December 1981. The eleventh amendment was effected on the twenty-first of January 1982. The twelfth amendment was effected on the seventh of June 1982. The thirteenth amendment was effected on the twenty-ninth of December 1982. The fourteenth amendment was effected on the thirty of June 1985. The fifteenth amendment was effected on the twenty-fifth of April 1987. The sixth amendment was effected on the twelfth of May 1989. The seventeen amendment was effected on the eighteenth of September 1989. The eighteenth amendment was effected on the twenty-fifth of April 1991. The nineteenth amendment was effected on the thirtieth of April 1992. The twentieth amendment was effected on the thirtieth of March 1993. The twenty-first amendment was effected on the twenty-ninth of April 1994. The twenty-second amendment was effected on the twenty-ninth of April 1995. The twenty-third amendment was effected on the twentieth of April 1996. The

twenty-fourth amendment was effected on the twenty-fourth of May 1997. The twenty-fifth amendment was effected on the thirtieth of April 1998. The twenty-sixth amendment was effected on the thirtieth of April 1999. The twenty-seventh amendment was effected on the nineteenth of May 2000. The twenty-eighth amendment was effected on the tenth of May 2001. The twenty-ninth amendment was effected on the nineteenth of June 2002. The thirtieth amendment was effected on the twelfth of June 2003. The thirty-first amendment was effected on the seventeenth of June 2005. The thirty-second amendment was effected on the twenty-second of June 2006. The thirty-third amendment was effected on the thirteenth of June 2008. The thirty-fourth amendment was effected on the nineteenth of June 2012. The thirty-fifth amendment was effected on the fourteenth of June 2013. The thirty-sixth amendment was effected on the twenty-fourth of June 2014. The thirty-seventh amendment was effected on the third of June 2016. The thirty-eighth amendment was effected on the twenty-second of June 2017. The thirty-ninth amendment was effected on the fourteenth of June 2019 after approval during the shareholders' meeting and amendment.

[Appendix 2]

Taiwan Secom Co., Ltd. Rules and Procedures of Shareholders Meetings

Approved during the meeting of shareholders on June 16, 2020.

- I. The Company's shareholder's meetings shall be conducted in accordance with these Rules of Procedures.
- II. Shareholders' meeting should be held at the city or county of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm.
- III. For each shareholders' meeting, shareholders may offer to show the power of attorney issued by the Company that specifies the scope of authorization and authorize their proxy to attend the meeting. One shareholder is subject to one power of attorney form and one proxy only. The retaining of power of attorney and relevant information shall be handled in accordance with relevant laws and regulations.
Shareholders (or their proxies) shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- IV. Attendance and voting at a shareholders' meeting shall be calculated based on the number of shares.
The number of shares in attendance is counted based on the submitted attendance card, together with the shares with the written or electronic voting rights.
- V. Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholders' meeting as non-voting delegates.
Staff handling administrative affairs of the shareholders meeting shall wear identification cards or armbands.
- VI. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board of Directors. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the delegation shall be handled in accordance with the Company Act.
When a managing director or a director serves as chair, as referred to in the preceding paragraph managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply to a representative of legal directors.

For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two presents.

VII. The chair shall call the meeting to order when the attending shareholders represent a majority of the total number of issued shares. If the quorum is not met after the scheduled commencement time, the chair may announce a postponement. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a “tentative resolution” may be adopted accordance to Article 175, Paragraph 1 of the Company Act.

VIII. If the shareholders' meeting is convened by the Board of Directors, the Board of Directors will determine the meeting proceedings, and motions (including special motions or amended motions) shall be passed one at a time. The proceedings cannot be changed unless resolved during the shareholders' meeting. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding paragraph (including extemporary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules, a new chair shall be elected in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After meetings are resolved to be adjourned, shareholders may not elect a new chairman and continue the meeting at the original venue or at another venue.

IX. During the meeting, the chair may announce recess at set times.

X. Corporate entities that have been appointed as proxy attendants can only appoint one representative to attend shareholder meeting.

The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one person giving speech for a motion.

XI. Before speaking, the attending shareholders (or proxies) should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order to give the speech.

The attending shareholders (or proxies) are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chairman and the speaking shareholder. Violators shall be halted by the chairman.

- XII. Each shareholder (or proxies) shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes.

If shareholder's statement violates the rules, exceeds the scope of the issue, or violate the agenda order of the meeting, the chairman shall halt the statement.

- XIII. The chair is to direct proctors (or security guards) to help maintain order of the meeting. The proctors (or security personnel) help maintaining order at the meeting place shall wear an armband bearing the word "Proctor."

- XIV. After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.

- XV. The chairperson shall give proposals and shareholder proposed revisions or provisional motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.

- XVI. Shareholders shall exercise voting rights in electric form, or may exercise by correspondence for the Company's shareholder meetings.

Except for provisions for special resolutions provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

- XVII. The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

The election of Directors at a shareholders' meeting shall be held in accordance with the relevant rules of the Company. The voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- XVIII. For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other

proposals are viewed as denied and no more voting will be conducted.

- XIX. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The aforementioned recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- XX. Any matters that are not addressed in these Rules of Procedures or contradicts with the law and regulations shall be governed by the existing Company Act and other relevant laws and regulations or the Article of Incorporation.

- XXI. Any amendments to these Rules of Procedures shall be effective after resolved by the board and submitted to the shareholders' meeting for approval.

[Appendix 3]

Taiwan Secom Co., Ltd. Details on Directors' Shareholdings

Book closure date:
April 1, 2022

Title	Accession Date	Term	Name	Book closure date No. of shares held
Chairman	2020.06.16	3 years	LIN Hsiao-Hsin	4,150,918
Vice Chairman	2020.06.16	3 years	Hsin Lan Investment Co., Ltd. Representative: LIN Chien-Han	3,970,585
Director Director Director	2020.06.16	3 years	Secom Co., Ltd. Representative: SATO Sadahiro Representative: NAKATA Takashi Representative: ONODERA Hirofumi	123,110,870
Director	2020.06.16	3 years	TU Heng-Yi	50,750
Director	2020.06.16	3 years	Yuan Hsin Investment Co., Ltd. Representative: LIN Ming-Sheng	8,048,190
Director	2020.06.16	3 years	Chin Kuei Investment Co., Ltd. Representative: HSU Lan-Ying	1,100,195
Independent Director	2020.06.16	3 years	CHEN Tien-Wen	-
Independent Director	2020.06.16	3 years	CHIANG Yung-Cheng	-
Independent Director	2020.06.16	3 years	TUNG Chun-Yi	-
Total shareholdings of all Directors				140,431,508

Note: In accordance with Paragraph 2 of Article 26 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies, all Directors shall hold a minimum of 16,000,000 shares.



TAIWAN SECOM COMPANY LTD.

2022 Annual Shareholders' Meeting Meeting Agenda Date: May 30, 2022
6F., No. 139, Zhengzhou Rd., Datong Dist., Taipei City 103, Taiwan (R.O.C.)
TEL:(02)2557-5050 www.secom.com.tw