

TAIWAN SECOM COMPANY LTD.

Stock Symbol : 9917

2023 Annual Shareholders' Meeting Agenda



WE ARE THE FUTURE
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Time: 9:00 a.m. on May 30, 2023

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

Table of Contents

One.	Meeting Procedures	1
Two.	Meeting Agenda	
	I. Company Reports	3
	II. Proposals	26
	III. Discussion	29
	IV. Election	34
	V. Extemporaneous Motions	37
	VI. Adjournment	37
Three.	Appendices	
	I. Articles of Incorporation	38
	II. Procedures for the Election of Directors	45
	III. Rules of Procedures of Shareholders Meetings	50
	IV. Details on Directors' Shareholdings	60

Taiwan Secom Co., Ltd.
Procedures for 2023 Annual General Meeting

- I. Call the Meeting to Order
- II. Chairman Takes Chair
- III. Chairman Remarks
- IV. Company Reports
- V. Proposals
- VI. Discussion
- VII. Election
- VIII. Extemporaneous Motions
- IX. Adjournment

Taiwan Secom Co., Ltd.

Agenda for 2023 Annual General Meeting

Meeting method: Physical Meeting

Time: 9:00 a.m. on May 30, 2023 (Tuesday)

Location: No. 151, Section 5, Danjin Road, Tamsui District, New Taipei City (Training Center in Tamsui)

Chairman Remarks

I. Company Reports

- (I) 2022 Business Report
- (II) 2022 Audit Committee Report
- (III) 2022 Distribution of Employees and Directors' Remuneration
- (IV) Amendment to the provisions of the Rules of Procedures for Board of Directors Meetings

II. Proposals

- (I) Adoption of 2022 Business Report and Financial Statements
- (II) Adoption of the Proposal for Distribution of 2022 Earning

III. Discussion

Amendment to the provisions of the Procedures for Loaning of Funds and Making of Endorsements and Guarantees

IV. Election

Election of directors (including independent directors)

V. Extemporaneous Motions

VI. Adjournment

[Company Reports]

I. 2022 Business Report

Taiwan Secom Co., Ltd. and Subsidiaries

2022 Consolidated Business Report and Financial Reports

The Company's 2022 net revenue was NTD 15,357,445 thousand, an increase of NTD 1,222,548 thousand or 8.65% from NTD 14,134,897 thousand in 2021. The operating income was NTD 2,464,057 thousand, a decrease of NTD 201,829 thousand or 7.57% from NTD 2,665,886 thousand in 2021. The income before tax was NTD 3,131,193 thousand, an increase of NTD 45,748 thousand or 1.48% from NTD 3,085,445 thousand in 2021. The operating revenue from major segments are as follows:

1. Electronic system segment revenue was NTD 6,846,350 thousand, a 1.17% year-over-year increase compared with its revenue of 2021.
2. Security guard service segment revenue was NTD 2,342,017 thousand, a 0.66% year-over-year increase compared with its revenue of 2021.
3. Cash delivery segment revenue was NTD 1,212,755 thousand, a 4.26% year-over-year increase compared with its revenue of 2021.
4. Logistics service segment revenue was NTD 995,939 thousand, a 9.97% year-over-year decrease compared with its revenue of 2021.
5. Other operating segments' revenue was NTD 3,960,384 thousand, a 42.90% year-over-year increase compared with its revenue of 2021.

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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 2022 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\$15,357,445 thousand for the year ended December 31, 2022, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing of 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 2022 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 on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Liu, Hui-Yuan

Wang, Hsuan-Hsuan

Ernst & Young, Taiwan

March 14, 2023

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 Standards on Auditing of 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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$5,153,467	20	\$4,665,344	20
Financial assets at fair value through profit or loss, current	4, 5 and 6	64,472	-	1,020	-
Financial assets at fair value through other comprehensive income, current	4, 5 and 6	269,473	1	267,133	1
Financial assets measured at amortized cost, current	4, 6 and 8	257,783	1	352,269	2
Contract assets, current	4 and 6	456,121	2	327,088	1
Notes receivable, net	4, 5 and 6	190,244	1	182,628	1
Accounts receivable, net	4, 5 and 6	1,222,555	5	873,644	4
Accounts receivable from related parties, net	4, 6 and 7	261,564	1	258,183	1
Operating lease receivables	4, 5 and 6	26,819	-	86,766	-
Finance lease receivables	4, 5 and 6	81,465	-	69,685	-
Inventories, net	4 and 6	564,068	2	540,406	2
Prepayments		755,425	3	632,546	3
Other current assets		370,846	1	220,343	1
Total current assets		9,674,302	37	8,477,055	36
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4, 5 and 6	186,360	1	102,190	-
Financial assets at fair value through other comprehensive income, non-current	4, 5 and 6	173,375	1	207,080	1
Financial assets measured at amortized cost, non-current	4, 6 and 8	132,075	1	147,263	1
Investments accounted for using the equity method	4, 5 and 6	4,230,179	16	4,112,111	17
Property, plant and equipment	4, 6, 7 and 8	8,825,335	34	7,178,382	30
Right-of-use assets	4, 6 and 7	881,801	3	644,652	3
Investment property	4, 5, 6 and 8	23,661	-	38,758	-
Intangible assets	4 and 6	482,078	2	362,696	2
Deferred tax assets	4, 5 and 6	411,752	2	420,305	2
Prepayment for equipment		300,354	1	1,237,226	5
Refundable deposits	7	335,863	1	350,770	1
Long-term receivables	5 and 6	49,940	-	54,276	-
Long-term lease receivables	4, 5 and 6	143,621	1	181,414	1
Other assets, non-current		52,695	-	38,766	1
Total non-current assets		16,229,089	63	15,075,889	64
Total assets		\$25,903,391	100	\$23,552,944	100

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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6 and 8	\$830,000	3	\$500,000	2
Short-term bills payable	6	30,000	-	50,000	-
Contract liabilities, current	4 and 6	1,427,258	6	1,301,963	5
Notes payable		353,222	1	175,710	1
Accounts payable		805,122	3	636,401	3
Accounts payable to related parties	7	26,057	-	26,355	-
Other payables	6	2,327,855	9	2,370,494	10
Current tax liabilities	4, 5 and 6	265,088	1	264,729	1
Provisions, current	4 and 6	988	-	224	-
Lease liabilities	6	296,586	1	231,523	1
Lease liabilities to related parties	6 and 7	15,308	-	17,268	-
Current portion of long-term loans	4, 6 and 8	2,360,500	9	1,149,793	5
Other current liabilities	4, 6 and 7	132,708	1	123,933	1
Total current liabilities		8,870,692	34	6,848,393	29
Non-current liabilities					
Contract Liabilities, non-current	6	15,319	-	18,901	-
Long-term loans	4, 6 and 8	1,792,339	7	2,036,168	9
Provisions, non-current	4 and 6	117,102	-	7,200	-
Lease liabilities	6	553,729	2	371,605	1
Lease liabilities to related parties	6 and 7	10,287	-	23,184	-
Long-term payables		10,586	-	15,860	-
Net defined benefit liabilities, non-current	4, 5 and 6	1,372,487	6	1,564,993	7
Guarantee deposits	6	631,423	3	648,061	3
Total non-current liabilities		4,503,272	18	4,685,972	20
Total liabilities		13,373,964	52	11,534,365	49
Equity attributable to the parent					
Capital					
Common stock	6	4,511,971	17	4,511,971	19
Capital surplus	6	906,891	3	824,811	3
Retained earnings	6				
Legal reserve		4,220,058	16	3,970,792	17
Special reserve		15,352	-	100,384	-
Unappropriated earnings		2,741,795	11	2,504,000	11
Other components of equity	4 and 6	(91,087)	-	(15,352)	-
Treasury stock	4 and 6	(263,255)	(1)	(288,389)	(1)
Non-controlling interests	6	487,702	2	410,362	2
Total equity		12,529,427	48	12,018,579	51
Total liabilities and equity		\$25,903,391	100	\$23,552,944	100

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, 2022 and 2021

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

Item	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue	4 and 7	\$15,396,020	100	\$14,189,161	100
Less : Sales returns and allowances		(38,575)	-	(54,264)	-
Net revenue	6	15,357,445	100	14,134,897	100
Operating costs	6 and 7	(10,283,900)	(67)	(9,100,685)	(64)
Gross profit		5,073,545	33	5,034,212	36
Operating expenses	6 and 7				
Sales and marketing expenses		(869,303)	(6)	(805,649)	(6)
General and administrative expenses		(1,605,860)	(10)	(1,445,429)	(10)
Research and development expenses		(123,194)	(1)	(112,028)	(1)
Expected credit losses		(11,131)	-	(5,220)	-
Subtotal		(2,609,488)	(17)	(2,368,326)	(17)
Operating income		2,464,057	16	2,665,886	19
Non-operating income and loss					
Interest income	6	13,395		10,022	-
Other income	6	25,966	-	52,295	-
Other gains and losses	5 and 6	32,245	-	(37,631)	-
Finance costs	6	(66,244)	-	(49,384)	-
Share of profit or loss of associates accounted for using the equity method		661,774	4	444,257	3
Subtotal		667,136	4	419,559	3
Income before income tax		3,131,193	20	3,085,445	22
Income tax expenses	4, 5 and 6	(523,243)	(3)	(506,560)	(4)
Net income		2,607,950	17	2,578,885	18
Other comprehensive income	6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		61,477	-	(34,100)	-
Unrealized (losses) gains on financial assets at fair value through other comprehensive income		(43,785)	-	68,412	1
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss		(49,775)	-	21,562	-
Income tax related to items that will not be reclassified		(11,266)	-	3,981	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		1,303	-	5,379	-
Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss		41,256	-	(11,989)	-
Total other comprehensive (loss) income, net of tax		(790)	-	53,245	1
Total comprehensive income		\$2,607,160	17	\$2,632,130	19
Net income attributable to:					
Shareholders of the parent		\$2,578,741		\$2,526,684	
Non-controlling interests	6	29,209		52,201	
Comprehensive income attributable to:					
Shareholders of the parent		\$2,582,280		\$2,569,297	
Non-controlling interests	6	24,880		62,833	
Earnings per share (NT\$)	6				
Basic earnings per share		\$5.85		\$5.73	
Diluted earnings per share	6	\$5.84		\$5.73	

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Description	Equity Attributable to the Parent Company									Non-Controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Treasury Stock	Total		
			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, 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 (loss) 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 using 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
Balance as of January 1, 2022	\$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
Appropriations and distributions of 2021 unappropriated earnings											
Legal reserve	-	-	249,266	-	(249,266)	-	-	-	-	-	-
Special reserve	-	-	-	(85,032)	85,032	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,255,986)	-	-	-	(2,255,986)	-	(2,255,986)
Other changes in capital reserve											
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	5,020	-	-	-	-	-	-	5,020	17	5,037
Net income in 2022	-	-	-	-	2,578,741	-	-	-	2,578,741	29,209	2,607,950
Other comprehensive (loss) income, net of tax in 2022	-	-	-	-	50,271	41,253	(87,985)	-	3,539	(4,329)	(790)
Total comprehensive (loss) income	-	-	-	-	2,629,012	41,253	(87,985)	-	2,582,280	24,880	2,607,160
Acquisition of company's share by subsidiaries recognized as treasury stock	-	-	-	-	-	-	-	(5,824)	(5,824)	-	(5,824)
Disposal of company's share by subsidiaries recognized as treasury stock transaction	-	28,054	-	-	-	-	-	30,958	59,012	-	59,012
Parent company's cash dividends received by subsidiaries	-	49,006	-	-	-	-	-	-	49,006	-	49,006
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	28,900	-	(28,900)	-	-	-	-
Disposal of equity instrument at fair value through other comprehensive income of interests in subsidiaries	-	-	-	-	103	-	(103)	-	-	(40,053)	(40,053)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	92,496	92,496
Balance as of December 31, 2022	\$4,511,971	\$906,891	\$4,220,058	\$15,352	\$2,741,795	\$(61,108)	\$(29,979)	\$(263,255)	\$12,041,725	\$487,702	\$12,529,427

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities:		
Profit before tax from continuing operations	\$3,131,193	\$3,085,445
Income before tax	3,131,193	3,085,445
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	1,443,511	1,425,494
Amortization	69,665	61,731
Expected credit losses	11,131	5,220
(Gain) loss of financial assets at fair value through profit or loss	(17)	88
Interest expense	66,244	49,384
Interest income	(13,395)	(10,022)
Dividend income	(15,671)	(9,456)
Share of profit or loss of associates accounted for using the equity method	(661,774)	(444,257)
Loss on disposal of property, plant and equipment	28,676	6,327
Loss on disposal of intangible assets	-	193
Gain on disposal of investment property	(14,518)	-
Gain on disposal of investments	(52,041)	(38,718)
Impairment loss	45,000	22,330
(Gain) loss on lease modification	(618)	541
Changes in operating assets and liabilities:		
Contract assets	(127,994)	(206,772)
Notes receivable, net	(7,524)	41,417
Accounts receivable, net	(219,894)	(55,222)
Accounts receivable from related parties, net	4,342	(108,486)
Inventories, net	(232,256)	(268,041)
Prepayments	(123,355)	25,423
Other current assets	(148,390)	(30,216)
Operating lease receivables	59,947	(34,605)
Finance lease receivables	26,013	(32,758)
Long-term receivables	4,077	(13,735)
Contract liabilities	121,713	7,380
Notes payable	171,119	(13,965)
Accounts payable	39,824	170,199
Accounts payable to related parties	3,160	13,061
Other payables	(74,859)	184,792
Other current liabilities	19,987	72,466
Provisions	110,667	-
Net defined benefit liabilities, non-current	(125,303)	(90,366)
Cash generated from operations	3,538,660	3,814,872
Interest received	13,956	10,974
Interest paid	(55,743)	(39,343)
Income tax paid	(518,402)	(517,221)
Net cash provided by operating activities	2,978,471	3,269,282
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(28,117)	(64,431)
Proceeds from disposal of financial assets at fair value through other comprehensive income	46,345	22,167
Capital deducted by cash of financial assets at fair value through other comprehensive income	5,285	7,727
Acquisition of financial assets measured at amortized cost	(833,595)	(1,438,174)
Proceeds from disposal of financial assets measured at amortized cost	944,240	1,402,054
Acquisition of financial assets at fair value through profit or loss	(150,105)	(42,138)
Proceeds from disposal of financial assets at fair value through profit or loss	2,500	-
Acquisition of investments accounted for using the equity method	(16,139)	(370,665)
Proceeds from disposal of investments accounted for using the equity method	239,311	52,608
Acquisition of a subsidiary (deduct the cash from acquisition)	(488,903)	-
Acquisition of property, plant and equipment	(1,222,780)	(1,105,418)
Proceeds from disposal of property, plant and equipment	26,764	34,386
Decrease in refundable deposits	16,267	20,344
Acquisition of intangible assets	(110,202)	(62,606)
Proceeds from disposal of investment property	29,210	-
Increase in prepayment for equipment	(54,558)	(215,043)
(Increase) decrease in other assets	(9,006)	105,611
Dividends received	363,243	295,319
Net cash used in investing activities	(1,240,240)	(1,358,259)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	311,000	(1,100,000)
Decrease in short-term bills payable	(70,000)	(100,000)
Increase in long-term loans	1,608,500	1,400,000
Decrease in long-term loans	(641,622)	(230,039)
Decrease in guarantee deposits	(16,638)	(12,043)
Cash payments for the principal portion of lease liability	(346,703)	(345,217)
Cash dividends paid	(2,255,986)	(2,255,986)
Changes in non-controlling interests	39,870	(112,194)
Sale of treasury stock	121,471	-
Net cash used in financing activities	(1,250,108)	(2,755,479)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	488,123	(844,456)
Cash and cash equivalents at the beginning of the year	4,665,344	5,509,800
Cash and cash equivalents at the end of the year	\$5,153,467	\$4,665,344

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, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company 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 2022 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\$7,287,460 thousand for the year ended December 31, 2022, 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

7. 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.
8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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.
11. 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.
12. 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 2022 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.

Liu, Hui-Yuan

Wang, Hsuan-Hsuan

Ernst & Young, Taiwan

March 14, 2023

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 Standards on Auditing of 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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$936,635	4	\$719,608	4
Financial assets at fair value through profit or loss, current	4, 5 and 6	42,138	-	-	-
Financial assets at fair value through other comprehensive income, current	4, 5 and 6	39,919	-	37,029	-
Contract assets, current	4 and 6	11,900	-	23,082	-
Notes receivable, net	4, 5 and 6	162,986	1	138,957	1
Accounts receivable, net	4, 5 and 6	664,729	3	584,391	3
Accounts receivable from related parties, net	4, 6 and 7	199,737	1	161,551	1
Finance lease receivables, net	4, 5 and 6	80,831	1	69,127	-
Inventories, net	4 and 6	172,058	1	187,598	1
Prepayments		485,718	2	471,372	2
Other current assets		73,573	-	122,870	1
Total current assets		2,870,224	13	2,515,585	13
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4, 5 and 6	28,379	-	42,138	-
Financial assets at fair value through other comprehensive income, non-current	4, 5 and 6	57,641	-	81,108	1
Financial assets measured at amortised cost, non-current	4, 6 and 8	11,500	-	11,500	-
Investments accounted for using the equity method	4, 5 and 6	11,210,894	53	9,789,895	50
Property, plant and equipment	4, 6 and 7	5,799,589	28	4,774,395	24
Right-of-use assets, net	4, 6 and 7	236,322	1	156,720	1
Investment property, net	4, 5 and 6	281,674	1	281,900	1
Intangible assets	4 and 6	108,219	1	66,855	-
Deferred tax assets	4, 5 and 6	316,859	1	326,052	2
Prepayment for equipment		10,887	-	1,089,870	6
Refundable deposits	7	233,203	1	234,344	1
Long-term receivables	5 and 6	38,376	-	36,885	-
Long-term financial lease receivables	4, 5 and 6	143,359	1	180,836	1
Other assets, non-current		33,458	-	29,135	-
Total non-current assets		18,510,360	87	17,101,633	87
Total assets		\$21,380,584	100	\$19,617,218	100

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, 2022 and December 31, 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4 and 6	\$800,000	3	\$300,000	2
Contract liabilities, current	4 and 6	1,296,105	6	1,176,341	6
Notes payable		205,342	1	99,237	1
Notes payable to related parties	7	155,622	1	149,827	1
Accounts payable		200,247	1	266,504	1
Accounts payable to related parties	7	83,167	-	74,987	-
Other payables	7	653,409	3	615,554	3
Current tax liabilities	4, 5 and 6	142,437	1	142,065	1
Lease liabilities, current	6 and 7	133,137	1	81,825	-
Current portion of long-term loans	4 and 6	2,300,000	11	1,140,000	6
Other current liabilities		74,431	-	71,298	-
Total current liabilities		6,043,897	28	4,117,638	21
Non-current liabilities					
Contract liabilities, non-current	4 and 6	12,237	-	18,901	-
Long-term loans	4 and 6	1,400,000	7	1,900,000	10
Provisions, non-current	4	7,200	-	7,200	-
Lease liabilities, non-current	6 and 7	102,306	-	73,660	-
Long-term notes payables and accounts payables	4	-	-	15,860	-
Net defined benefit liabilities, non-current	4, 5 and 6	1,207,446	6	1,291,925	7
Guarantee deposits	6	565,773	3	583,817	3
Total non-current liabilities		3,294,962	16	3,891,363	20
Total liabilities		9,338,859	44	8,009,001	41
Equity attributable to the parent					
Capital					
Common stock	6	4,511,971	21	4,511,971	23
Capital surplus	6	906,891	4	824,811	4
Retained earnings	6				
Legal reserve		4,220,058	19	3,970,792	20
Special reserve		15,352	-	100,384	1
Unappropriated earnings		2,741,795	13	2,504,000	13
Other components of equity	4 and 6	(91,087)	-	(15,352)	-
Treasury stock	4 and 6	(263,255)	(1)	(288,389)	(2)
Total equity		12,041,725	56	11,608,217	59
Total liabilities and equity		\$21,380,584	100	\$19,617,218	100

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2022		2021	
		Amount	%	Amount	%
Operating revenue	4 and 7	\$7,318,357	100	\$7,215,142	100
Less : Sales returns and allowances		(30,897)	-	(35,111)	-
Net revenue	6	7,287,460	100	7,180,031	100
Operating costs	6 and 7	(3,848,618)	(53)	(3,742,818)	(52)
Gross profit		3,438,842	47	3,437,213	48
Operating expenses	6 and 7				
Sales and marketing expenses		(705,069)	(10)	(628,139)	(9)
General and administrative expenses		(1,181,626)	(16)	(1,139,324)	(16)
Research and development expenses		(108,624)	(1)	(100,143)	(1)
Expected credit losses		(10,987)	-	(4,900)	-
Subtotal		(2,006,306)	(27)	(1,872,506)	(26)
Operating income		1,432,536	20	1,564,707	22
Non-operating income and loss					
Interest income	6 and 7	1,206	-	1,622	-
Other income	6	25,471	-	17,868	2
Other gains and losses	6 and 7	50,047	1	91,674	-
Finance costs	6	(46,962)	(1)	(32,004)	(1)
Share of profit or loss of associates accounted for using the equity method		1,413,827	19	1,152,677	16
Subtotal		1,443,589	19	1,231,837	17
Income before tax		2,876,125	39	2,796,544	39
Income tax expenses	4, 5 and 6	(297,384)	(4)	(269,860)	(4)
Net income		2,578,741	35	2,526,684	35
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6	12,866	-	(35,485)	-
Unrealized (losses) gains on financial assets at fair value through other comprehensive income	6	(17,554)	-	34,385	-
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss	6	(31,482)	-	45,614	1
Income tax related to items that will not be reclassified	6	(1,544)	-	4,258	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures-may be reclassified subsequently to profit or loss	6	41,253	-	(6,159)	-
Total other comprehensive income (loss), net of tax		3,539	-	42,613	1
Total comprehensive income		\$2,582,280	35	\$2,569,297	36
Earnings per share (NT\$)	4 and 6				
Basic earnings per share		\$5.85		\$5.73	
Diluted earnings per share		\$5.84		\$5.73	

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 CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(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, 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>
Balance as of January 1, 2022	\$4,511,971	\$824,811	\$3,970,792	\$100,384	\$2,504,000	\$(102,361)	\$87,009	\$(288,389)	\$11,608,217
Appropriations and distributions of 2021 unappropriated earnings									
Legal reserve	-	-	249,266	-	(249,266)	-	-	-	-
Special reserve	-	-	-	(85,032)	85,032	-	-	-	-
Cash dividends	-	-	-	-	(2,255,986)	-	-	-	(2,255,986)
Other changes in capital reserve									
Share of changes in net assets of associates and joint ventures accounted for using the equity method	-	5,020	-	-	-	-	-	-	5,020
Net income in 2022	-	-	-	-	2,578,741	-	-	-	2,578,741
Other comprehensive (loss) income, net of tax in 2022	-	-	-	-	50,271	41,253	(87,985)	-	3,539
Total comprehensive income	-	-	-	-	2,629,012	41,253	(87,985)	-	2,582,280
Acquisition of company's share by subsidiaries recognized as treasury stock	-	-	-	-	-	-	-	(5,824)	(5,824)
Disposal of company's share by subsidiaries recognized as treasury stock transaction	-	28,054	-	-	-	-	-	30,958	59,012
Parent company's cash dividends received by subsidiaries	-	49,006	-	-	-	-	-	-	49,006
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	28,900	-	(28,900)	-	-
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	103	-	(103)	-	-
Balance as of December 31, 2022	<u>\$4,511,971</u>	<u>\$906,891</u>	<u>\$4,220,058</u>	<u>\$15,352</u>	<u>\$2,741,795</u>	<u>\$(61,108)</u>	<u>\$(29,979)</u>	<u>\$(263,255)</u>	<u>\$12,041,725</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 CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities:		
Profit before tax from continuing operations	\$2,876,125	\$2,796,544
Income before tax	2,876,125	2,796,544
Adjustments to reconcile income before tax to net cash provided by operating activities:		
Expected credit losses	10,987	4,900
Depreciation	1,023,718	1,022,230
Amortization	48,542	43,673
Interest expense	46,962	32,004
Interest income	(1,206)	(1,622)
Dividend income	(7,676)	(2,242)
Share of gain of associates and accounted for using the equity method	(1,413,827)	(1,152,677)
Gain on lease modification	(3)	-
Gain on disposal of property, plant and equipment	(5,110)	(2,851)
Gain on disposal of investments	-	(26,077)
Impairment loss	45,000	22,330
Changes in operating assets and liabilities:		
Contract assets	11,182	(4,279)
Notes receivable, net	(24,029)	4,450
Notes receivable from related parties, net	-	581
Accounts receivable, net	(91,325)	(23,959)
Accounts receivable from related parties, net	(38,186)	(62,927)
Finance lease receivables	25,773	(33,427)
Long-term receivables	(1,491)	(3,593)
Contract liabilities	113,100	(5,787)
Inventories, net	(172,931)	(198,503)
Prepayments	(14,346)	(146,596)
Other current assets	49,297	(57,751)
Notes payable	106,105	(53,329)
Notes payable to related parties	5,795	103,019
Accounts payable	(82,117)	102,357
Accounts payable to related parties	8,180	19,776
Other payables	37,855	62,154
Other current liabilities	3,133	3,187
Net defined benefit liabilities, non-current	(71,613)	(68,581)
Cash generated from operations	2,487,894	2,373,004
Interest received	1,206	1,622
Interest paid	(44,440)	(29,712)
Income tax paid	(289,362)	(295,748)
Net cash provided by operating activities	2,155,298	2,049,166
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(28,379)	(42,138)
Acquisition of financial assets at fair value through other comprehensive income	(152)	(17,260)
Disposal of financial assets at fair value through other comprehensive income	314	-
Capital deducted by cash of financial assets at fair value through other comprehensive income	2,860	2,178
Acquisition of investments accounted for using the equity method	(619,761)	(22,945)
Capital deducted by cash of investments accounted for using the equity method	-	358,200
Acquisition of property, plant and equipment	(727,095)	(705,595)
Proceeds from disposal of property, plant and equipment	7,756	7,353
Acquisition of intangible assets	(89,906)	(41,277)
(Increase) decrease in prepayment for equipment	87,553	(58,829)
Decrease (Increase) in refundable deposits	1,141	(16,788)
Increase in other assets	(4,323)	(25,343)
Dividends received	692,250	656,035
Net cash (used in) provided by investing activities	(677,742)	93,591
Cash flows from financing activities:		
Increase (decrease) in short-term loans	500,000	(1,100,000)
Increase in long-term loans	1,300,000	1,400,000
Decrease in long-term loans	(640,000)	(226,000)
Decrease in guarantee deposits	(18,189)	(15,061)
Cash payments for the principal portion of lease liability	(146,354)	(142,393)
Cash dividends paid	(2,255,986)	(2,255,986)
Net cash used in financing activities	(1,260,529)	(2,339,440)
Net increase (decrease) in cash and cash equivalents	217,027	(196,683)
Cash and cash equivalents at the beginning of the year	719,608	916,291
Cash and cash equivalents at the end of the year	\$936,635	\$719,608

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

II. 2022 Audit Committee Report

Audit Committee's Report on Financial Statements

The Board of Directors has prepared the Company's 2022 business report, financial statements (including parent-only and consolidated), and proposal for the distribution of earning. Ernst & Young Taiwan was engaged to audit the Company's Financial Statements and has issued an audit opinion. The aforementioned business report, financial statements, and proposal for the distribution of earning have been reviewed and determined to be correct and accurate by the Audit Committee in accordance with relative regulations of the Securities and Exchange Act and Company Act, we have by submit this report.

Taiwan Secom Co., Ltd.

Chairman of the Audit Committee:

CHEN Tien-Wen

March 14, 2023

III. 2022 Distribution of Employees and Directors' Remuneration

For 2022, employee remuneration totaled NTD 30,272,652 and the Board of Directors remuneration totaled NTD 121,090,607. The above-mentioned compensations were approved by the Board of Directors on March 14, 2023 and were all paid in cash.

IV. Amendment to the provisions of the Rules of Procedures for Board of Directors Meetings

Explanation: Comparison Table of the Rules of Procedures for Board of Directors Meetings Before and After Amendment.

Taiwan Secom Co., Ltd.

Comparison of Amendments to the Rules of Procedures for Board of Directors Meetings

Clauses	Amended Articles	Current Articles	Explanation
Article 4	<p>Board meetings are held at least once a quarter <u>as stipulated in the Rules of Procedures.</u></p> <p>A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of E-mail, fax, or other electronic transmissions.</p> <p>All matters set forth under Paragraph 1, Article 19 of the Rules of Procedures shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	<p>The board of directors shall meet at least quarterly.</p> <p>A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of E-mail, fax, or other electronic transmissions.</p> <p>All matters set forth under Paragraph 1, Article 19 of the Rules of Procedures <u>shall be specified in the notice of the reasons for convening a board meeting.</u> None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reasons.</p>	Amended in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
Article	The matters listed below as they relate	The matters listed below as they relate	Amended

Clauses	Amended Articles	Current Articles	Explanation
19	<p>to the Company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Corporation's business plan. 2. Annual financial reports. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. <u>The election or dismissal of the chairman if the board does not have an executive director.</u> 7. The appointment or discharge of a financial, accounting, or internal auditing officer. 8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or proposed to board meeting, or any material matter as may be prescribed by the competent authority. <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major</p>	<p>to the Company shall be raised for discussion at a board meeting:</p> <ol style="list-style-type: none"> 1. The Corporation's business plan. 2. Annual financial reports. 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or proposed to board meeting, or any material matter as may be prescribed by the competent authority. <p>The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports</p>	<p>in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

Clauses	Amended Articles	Current Articles	Explanation
	<p>donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director of the Company shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	

[Proposals]

(proposed by the Board of Directors)

I. Motion: Adoption of the 2022 business report and financial statements.

Explanation: (I) The Company's 2022 business report and financial statements (including parent-only 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 the Certified Public Accountants, LIU Hui-Yuan and WANG Hsuan-Hsuan 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 adoption.

(II) The 2022 business report, Independent Auditors' Report, and the aforementioned financial statements are attached hereto in page 4 ~21 of this meeting handbook.

The above is submitted for adoption.

Resolution:

(proposed by the Board of Directors)

II. Motion: Adoption of the proposal for Distribution of 2022 Earning.

Explanation: (I) According to Article 27 of the Articles of Incorporation, it is proposed to allocate the 2022 earnings. For details please refer to page 28 of this meeting handbook.

(II) For 2022, 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.

- (III) The Chairman is authorized to determine the cash dividend effective date and payment date upon the approval of the earnings distribution proposal at the Annual Meeting of Shareholders in 2023.
- (IV) 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 adoption.

Resolution:

Taiwan Secom Co., Ltd.
Distribution of Earnings for the year of 2022

Unit: NT\$

Items	Amount
Beginning retained earnings	83,780,813
Add: Disposal of equity instruments measured at fair value through other comprehensive income	103,553
Changes in the equity of associates and joint ventures accounted for under equity method	28,899,938
Other comprehensive income (actuarial gains and losses of the defined benefit plans)	50,269,718
Net income	2,578,741,115
Distributable earnings	<u>2,741,795,137</u>
Distribution:	
1. Legal reserve	(265,801,432)
2. Special reserve	(75,735,095)
3. Cash dividend (NTD 5 per share)	<u>(2,255,985,465)</u>
Total	<u>(2,597,521,992)</u>
Unappropriated retained earnings	<u>144,273,145</u>

Chairman:
LIN Hsiao-Hsin

CEO:
ONODERA Hirofumi

CAO:
CHEN Su-Ling

[Discussion]

(proposed by the Board of Directors)

Motion: Amendment to the provisions of the Procedures for Loaning of Funds and Making of Endorsements and Guarantees for Discussion.

Explanation: In order to meet the Company's operational needs, it is proposed to amend provisions of the Procedures for Loaning of Funds and Making of Endorsements and Guarantees. The comparison of amended articles is shown in the following table for discussion.

Clause	Clauses after the amendments	Clauses before the amendments	Explanation
Article 5	<p>Loan Procedures</p> <p>A. Credit Investigation: When the Company handles loan of funds, the borrower shall submit the necessary corporate information and financial information in prior, and apply to the Company in writing for the financing amount.</p> <p>After the Company receives the application, the <u>Treasury Department</u> shall investigate and evaluate the business scope, financial status, solvency and credit, profitability and loan purpose of the entity to which the loan is made and prepare a report.</p> <p>The <u>Treasury Department</u> shall conduct a detailed assessment and review of the entity to which the loan is made to, and the assessment items shall at least include:</p> <p>(1) The necessity of and reasonableness of extending loans to others.</p> <p>(2) The appropriateness of the loan amount is measured by the financial status of the entity to which the loan is made.</p> <p>(3) Whether the accumulated loaned amount remains within the limit.</p>	<p>Loan Procedures</p> <p>A. Credit Investigation: When the Company handles loan of funds, the borrower shall submit the necessary corporate information and financial information in prior, and apply to the Company in writing for the financing amount.</p> <p>After the Company receives the application, the <u>Accounting Department</u> shall investigate and evaluate the business scope, financial status, solvency and credit, profitability and loan purpose of the entity to which the loan is made and prepare a report.</p> <p>The <u>Accounting Department</u> shall conduct a detailed assessment and review of the entity to which the loan is made to, and the assessment items shall at least include:</p> <p>(1) The necessity of and reasonableness of extending loans to others.</p> <p>(2) The appropriateness of the loan amount is measured by the financial status of the entity to which the loan is made.</p> <p>(3) Whether the accumulated loaned amount remains within the limit.</p>	Amended in accordance with the current business needs of the Company.

Clause	Clauses after the amendments	Clauses before the amendments	Explanation
	<p>(4) The impact on the company's business operations, financial condition, and shareholders' equity.</p> <p>(5) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>(6) Credit status and risk assessment of the entity for which the loan is made.</p> <p>B. Security: When the Company handles loan of funds, it shall obtain a certificate of indebtedness or secured promissory notes, and if necessary, handle the mortgage registration of properties or real estate. For the guarantee of the creditor's rights specified in the preceding paragraph, instead of providing the collateral, the debtor may provide an individual or corporate with considerable solvency and credit as the guarantee; if having company as the guarantee, it is required to understand whether there are provisions in its articles of association that allow such guarantee.</p> <p>C. Scope of Authorization: The Company's handling of loans shall be submitted to the board of directors for approval after credit investigation and evaluation by the Company's <u>Treasury Department</u> and no other person shall be authorized to make related decisions.</p> <p>Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in</p>	<p>(4) The impact on the company's business operations, financial condition, and shareholders' equity.</p> <p>(5) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>(6) Credit status and risk assessment of the entity for which the loan is made.</p> <p>B. Security: When the Company handles loan of funds, it shall obtain a certificate of indebtedness or secured promissory notes, and if necessary, handle the mortgage registration of properties or real estate. For the guarantee of the creditor's rights specified in the preceding paragraph, instead of providing the collateral, the debtor may provide an individual or corporate with considerable solvency and credit as the guarantee; if having company as the guarantee, it is required to understand whether there are provisions in its articles of association that allow such guarantee.</p> <p>C. Scope of Authorization: The Company's handling of loans shall be submitted to the board of directors for approval after credit investigation and evaluation by the Company's <u>Accounting Department</u>, and no other person shall be authorized to make related decisions.</p> <p>Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in</p>	

Clause	Clauses after the amendments	Clauses before the amendments	Explanation
	<p>installments or to make a revolving credit line available for the counterparty to draw down.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10 percent of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with paragraph 4, Article 2.</p> <p>Where the Company has established the position of independent director, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>installments or to make a revolving credit line available for the counterparty to draw down.</p> <p>The "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10 percent of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with paragraph 4, Article 2.</p> <p>Where the Company has established the position of independent director, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	
Article 16	<p>Procedures for Endorsements/Guarantees</p> <p>A. Where the Company handles the endorsement and guarantee, the endorsed/guarantee company shall issue an endorsement/guarantee application to the <u>Treasury Department</u> of the Company, which shall then be submitted to the general manager for verification, and if necessary, collateral shall be provided and submitted to the board of directors for approval, which shall be handled in accordance with the resolution of the board of directors.</p> <p>B. The <u>Treasury Department</u> shall conduct credit investigation and risk assessment for the endorsed/guaranteed company. The assessment items shall include:</p> <p>(1) The necessity of and reasonableness of endorsements/guarantees.</p> <p>(2) The appropriateness</p>	<p>Procedures for Endorsements/Guarantees</p> <p>A. Where the Company handles the endorsement and guarantee, the endorsed/guarantee company shall issue an endorsement/guarantee application to the <u>Accounting Department</u> of the Company, which shall then be submitted to the general manager for verification, and if necessary, collateral shall be provided and submitted to the board of directors for approval, which shall be handled in accordance with the resolution of the board of directors.</p> <p>B. The <u>Accounting Department</u> shall conduct credit investigation and risk assessment for the endorsed/guaranteed company. The assessment items shall include:</p> <p>(1) The necessity of and reasonableness of endorsements/guarantees.</p> <p>(2) The appropriateness</p>	Amended in accordance with the current business needs of the Company.

Clause	Clauses after the amendments	Clauses before the amendments	Explanation
	<p>of the endorsed/guaranteed amount shall be measured by the financial status of the endorsed/guaranteed company.</p> <p>(3) Whether the accumulated endorsed/guaranteed amount remains within the limit.</p> <p>(4) If engaging in endorsement/guarantee due to business relationship, it is required to evaluate whether the amount of endorsement/guarantee and the amount of business transactions are within the limit.</p> <p>(5) The impact on the Company's business operations, financial condition, and shareholders' equity.</p> <p>(6) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>(7) Attach the records of endorsement/guarantee credit investigation and risk assessment.</p> <p>C. The <u>Treasury Department</u> shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of approval by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under the preceding paragraph.</p> <p>D. The <u>Treasury Department</u> shall evaluate and recognize the contingent loss of the endorsements/guarantees, properly disclose the endorsements/guarantees information in the financial report, and provide the relevant information to the certified public accountant to</p>	<p>of the endorsed/guaranteed amount shall be measured by the financial status of the endorsed/guaranteed company.</p> <p>(3) Whether the accumulated endorsed/guaranteed amount remains within the limit.</p> <p>(4) If engaging in endorsement/guarantee due to business relationship, it is required to evaluate whether the amount of endorsement/guarantee and the amount of business transactions are within the limit.</p> <p>(5) The impact on the Company's business operations, financial condition, and shareholders' equity.</p> <p>(6) Whether collateral must be obtained and appraisal of the value thereof.</p> <p>(7) Attach the records of endorsement/guarantee credit investigation and risk assessment.</p> <p>C. The <u>Accounting Department</u> shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of approval by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under the preceding paragraph.</p> <p>D. The <u>Accounting Department</u> shall evaluate and recognize the contingent loss of the endorsements/guarantees, properly disclose the endorsements/guarantees information in the financial report, and provide the relevant information to the certified public accountant to</p>	

Clause	Clauses after the amendments	Clauses before the amendments	Explanation
	<p>facilitate the adoption of necessary audit procedures and issuance of appropriate audit reports.</p> <p>E. Where as a result of changes of condition the entity for which an endorsement/guarantee is made originally complied with the provisions of these Procedures subsequently fail to comply with the provisions, or where the amount of endorsements/guarantees exceeds the limit set in these Procedures, the <u>Treasury Department</u> shall formulate an improvement plan for the endorsed/guaranteed amount or the part exceeding the limit, which shall be submitted to the audit committee and reported to the board of directors, and the improvement shall be completed according to the planned schedule.</p>	<p>facilitate the adoption of necessary audit procedures and issuance of appropriate audit reports.</p> <p>E. Where as a result of changes of condition the entity for which an endorsement/guarantee is made originally complied with the provisions of these Procedures subsequently fail to comply with the provisions, or where the amount of endorsements/guarantees exceeds the limit set in these Procedures, the <u>Accounting Department</u> shall formulate an improvement plan for the endorsed/guaranteed amount or the part exceeding the limit, which shall be submitted to the audit committee and reported to the board of directors, and the improvement shall be completed according to the planned schedule.</p>	
Article 17	<p>Cancellation of Endorsements/Guarantees</p> <p>A. If the relevant documents or instruments of the endorsement guarantee require to be released due to the repayment of debts or the renewal of the extended period, the endorsed/guaranteed company shall prepare a formal letter to deliver the original endorsement/guarantee-relevant documents to the <u>Treasury Department</u> of the Company, which shall be returned with the seal of "cancellation" affixed thereon for future reference.</p> <p>B. The <u>Treasury Department</u> shall record the cancellation of the endorsements/guarantees in the memorandum book at any time to reduce the amount of the endorsements/guarantees.</p>	<p>Cancellation of Endorsements/Guarantees</p> <p>A. If the relevant documents or instruments of the endorsement guarantee require to be released due to the repayment of debts or the renewal of the extended period, the endorsed/guaranteed company shall prepare a formal letter to deliver the original endorsement/guarantee-relevant documents to the <u>Accounting Department</u> of the Company, which shall be returned with the seal of "cancellation" affixed thereon for future reference.</p> <p>B. The <u>Accounting Department</u> shall record the cancellation of the endorsements/guarantees in the memorandum book at any time to reduce the amount of the endorsements/guarantees.</p>	Amended in accordance with the current business needs of the Company.

Resolution:

[Election]

(proposed by the Board of Directors)

Motion: Election of directors (including independent directors).

Explanation: (I) The term of the Company's 16th session of the board of directors will be ended on June 15, 2023, and the election of board shall be held in the 2023 general meeting of shareholders in accordance with the regulations. According to the Company's Articles of Incorporation, 11 directors (including 3 independent directors) will be elected, who will start serving their 3-year term immediately after the shareholder meeting, from May 30, 2023 to May 29, 2026.

(II) In accordance with the Company's Articles of Incorporation, the election is done by the nomination system, and the shareholders shall elect Directors and Independent Directors from the candidates list.

(III) Please refer to page 35-36 of this meeting handbook for a candidate list of Directors and Independent Directors.

Type	Name	Education background	Work Experience	Current position	Shareholding position
Director	Cheng Hsin Investment Co., Ltd.	N/A	N/A	N/A	21,851,337
	Yuan Hsin Investment Co., Ltd. Representative: LIN Ming-Sheng	Ph.D. in Law, University of California, Hastings College of the Law	Director of Taiwan Secom Co., Ltd. Vice chairman of Goldsun Building Materials Co., Ltd.	Director of Taiwan Secom Co., Ltd. Vice chairman of Goldsun Building Materials Co., Ltd.	8,076,190
	Hsin Lan Investment Co., Ltd. Representative: LIN Chien-Han	MA in Marketing Management, Middlesex University, UK	Vice Chairman of Taiwan Secom Co., Ltd.	Vice Chairman of Taiwan Secom Co., Ltd.	4,000,585
	SECOM CO., Ltd. Representative: SATO Sadahiro	BA in Economics, Waseda University, Japan	Executive Director of SECOM CO., Ltd.	Executive Director of SECOM CO., Ltd. Head of International Department	123,110,870
	SECOM CO., Ltd. Representative: NAKATA Takashi	Bachelor and Master of Science and Engineering, University of Tsukuba, Japan	Executive Director of SECOM Co., Ltd.	Executive Director of SECOM Co., Ltd. Deputy Head of International Department	123,110,870
	SECOM CO., Ltd. Representative: ONODERA Hirofumi	BS in Mechanics, Muroran Institute of Technology, Japan	General Chief Executive Officer of Taiwan Secom Co., Ltd. Director of Taiwan Secom Co., Ltd.	General Chief Executive Officer of Taiwan Secom Co., Ltd. Director of Taiwan Secom Co., Ltd.	123,110,870
	Shin Lan Enterprise Inc. Representative: HSU Lan-Ying	Bachelor of Oriental Languages, Fu Jen Catholic University	Chairman of Goldsun Building Materials Co., Ltd.	Chairman of Goldsun Building Materials Co., Ltd. General Manager of General Management Division at Taiwan Secom Co., Ltd.	14,605,063
	TU Heng-Yi	MBA in Business Administration, Hawaii National University, USA	Chairman of Wan Yuan Textiles Co., Ltd. Chairman of Taiwan-Japan Cultural and Economic Association Chairman of Young President's Organization (YPO) Country representation of International Cotton Advisory Committee (ICAC)	Chairman of Wan Yuan Textiles Co., Ltd. Chairman of Ting Fang Investment Co., Ltd. Chairman of Ting-Hsin Co., Ltd. Chairman of Chung-Tai Express Director of The Ambassador Hotel Co., Ltd.	50,750

Type	Name	Education background	Work Experience	Current position	Shareholding position
Independent Director	CHEN Tien-Wen	MBA in Business Administration, University of Southern California, USA	Founder and Chairman of Capital Financial Group Director of Cathay Financial Holdings Co., Ltd. Director of Taiwan Futures Exchange Consultant of Taiwan Securities Association Consultant of Straits Exchange Foundation Consultant of the Council for Economic Planning and Development, Executive Yuan	Chairman of San-He Industrial Co., Ltd. Chairman of Harvest Construction Co., Ltd. Independent director of Taita Chemical Co., Ltd. Independent director of Yeong Guan Energy Group Chairman of Liannan Wellness Management Co., Ltd. Director of Taipei Private Tsai Hsing School Consultant of the Chinese National Association of Industry and Commerce	0
	CHIANG Yung-Cheng	BL in Law, Soochow University	Judge of Kaohsiung Branch of Taiwan High Court Lawyer of Zhengbang and Zhengyang United Law Firm Independent director of Top High Image Crop. Independent director of Long Da Construction & Development Corp. Independent director of Nan Pao Resins Chemical Co., Ltd.	Lawyer of Zhengbang and Zhengyang United Law Firm Independent director of Top High Image Crop. Independent director of Long Da Construction & Development Corp. Independent director of Nan Pao Resins Chemical Co., Ltd.	0
	CHIANG Kuang-Tse	MBA in Business Administration, University of California, Berkeley	Chairman of Ai-She-Fung-Yi Co., Ltd. Chairman of BBMSL Taiwan Limited Independent director of Cayman Island Grand Galactica Corp Limited	Chairman of Ai-She-Fung-Yi Co., Ltd. Chairman of BBMSL Taiwan Limited	0

Election results:

[Extemporaneous 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 sixteenth amendment was effected on the twelfth of May 1989. The seventeenth 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. Procedures for the Election of Directors

Approved during the meeting of shareholders on June 22, 2017.

Article 1

Except as otherwise provided by law and regulation or by this Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2

The overall composition of the Board of Directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties. The abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Board of Directors of this Company shall consider adjusting its composition based on the results of performance evaluation.

Article 3

The qualifications for the Independent Directors of the Company shall comply with the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of Independent Directors of the Company shall comply with the “Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.

Article 4

Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.

When the number of Directors falls below five due to the dismissal of a Director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Company’s Articles of Incorporation, this Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining the Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5

The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in a number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 6

The Board of Directors shall prepare ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7

The number of Directors will be as specified in this Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot. For a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder

shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair or the person designated by the chair on the site.

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.

Article 12

Any matters that are not addressed in these Procedures shall be governed by The

Company Act and relevant laws.

Article 13

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

[Appendix 3]

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

Amended by Board of Directors on March 15, 2022.

Adoption by Shareholders Meeting on May 30, 2022.

- I. 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.
- II. Unless otherwise specified by law or the Articles of Incorporation, shareholder meetings of the Company shall proceed according to the terms of these Rules.
- III. Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors.

Any changes to the convening of a shareholder meeting shall be resolved in a board meeting, which should be completed at the latest before the notice of the shareholder meeting is sent.

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.

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.

Discussions concerning election or dismissal of directors and supervisors, amendment of Articles of Incorporation, capital 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.

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.

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. Shareholders may submit proposals which aim to urge the Company to promote the public interest or fulfill social responsibilities. The proposals 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.

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.

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.

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.

- IV. 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.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail.

However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement.

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. 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.
- V. 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. Independent directors' opinions on the meeting place and time shall also be fully considered.
- If the shareholder meeting is held by teleconferencing, it is not subject to the restriction on the revenue as specified in the preceding paragraph.
- VI. 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. 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.
- Shareholders shall attend shareholder meetings by presenting valid conference pass, attendance card or other 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.
- 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.
- 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.
- 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.
- Shareholders who would like to attend the teleconferencing of shareholder meeting should register with the Company at least two days before the shareholder meeting.
- 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.
- VII. 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 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.

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.

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.

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.

Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholders' meeting as non-voting delegates.

- VIII. 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.

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.

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.

- IX. Attendance at shareholders meeting shall be calculated based on shares. The number of shares in attendance is counted based on the submitted attendance cards and the shareholding reported on the teleconferencing platform, together with the shares with the written or electronic voting rights.

The chair is to call the meeting to order at the designated meeting time, and at the same time announce the number of non-voting rights and number of shares present and other relevant information.

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.

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.

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 vote in accordance with Article 174 of the Company Act.

- X. 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 regulations of the preceding paragraph may be applied to a meeting of shareholders convened by a party that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extemporaneous 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.

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 have been sufficiently discussed to proceed with the voting and arrange sufficient voting time.

- XI. 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.

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.

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

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.

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

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

For the shareholder meetings 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.

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.

- XII. Voting at a shareholders meeting shall be calculated based the number of shares. The shares of the shareholders without voting rights are not counted in the total issued shares for the resolution of the meeting.

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.

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.

Other than the trusts or securities agencies approved by the authorities, a person representing more than two shareholders as a proxy cannot have the shares exceeding 3% of the total voting shares. The exceeded voting rights will not be counted.

- XIII. Every share represents one vote unless it is restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

Shareholders may exercise their voting power in correspondence or by electronic transmission in shareholder meetings, and the exercise method shall be specified in the notice of shareholders meetings. 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 extemporary motions and amendments to original proposals of that meeting. It is therefore recommended that the Company avoids the submission of extemporary motions and amendments to original proposals.

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.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the 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.

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. 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.

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.

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.

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.

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.

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 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.

- XIV. 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. 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.

- XV. 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.

The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.

The resolution proceedings should correctly record the year, 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.

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.

- XVI. 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.

When the shareholder meeting by teleconferencing is announced to start, the number of voting rights of the attending shareholders is disclosed on the teleconferencing platform. The same applies to when the number of voting rights in attendance is compiled again during the meeting.

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).

- XVII. Staff handling administrative affairs of the shareholders meeting shall wear identification cards or armbands.

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" or an identification card.

For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that make statements from equipment not allocated to the Company.

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.

- XVIII. The chair may announce a break time during the meeting at his/her discretion. The chair is to rule a meeting suspension due to force majeure and announce another time to resume the meeting as appropriate.

If the meeting venue is no longer available for use before all agenda issues of the shareholders meeting (including Extemporaneous Motions) are addressed, the shareholders meeting shall determine another venue to resume the meeting.

The shareholders may decide to postpone or continue the meeting within five days in accordance with Article 182 of the Company Act.

- XIX. 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.

- XX. 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.

- XXI. 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.

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 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.

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.

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.

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 Shareholder Services of Public Companies, the Company shall postpone or resume the date of shareholder meeting in accordance with the provisions of Paragraph 2.

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.

Alternative measures should be taken for shareholders who may have difficulties joining the meeting by teleconferencing.

- XXII. These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.

[Appendix 4]

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

Book closure date:
April 1, 2023

Title	Accession Date	Term	Name	Book closure date Number of shares held
Chairman	2020.06.16	3 years	LIN Hsiao-Hsin	4,200,918
Vice Chairman	2020.06.16	3 years	Hsin Lan Investment Co., Ltd. Representative: LIN Chien-Han	4,000,585
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	8,076,190
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 (excluding independent directors)				140,539,508

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.

2023 Annual Shareholders' Meeting Agenda. Date: May 30, 2023
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