

TAIWAN SECOM COMPANY LTD.

Stock Symbol : 9917

2024

Annual Shareholders' Meeting Agenda (Translation)



Time: 9:00 a.m. on May 30, 2024

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

(TAIWAN SECOM EMPLOYEE TRAINING CENTER)

Table of Contents

I. Meeting Procedures	2
II. Meeting Agenda	
(I) Company Reports	4
(II) Proposals.....	27
(III) Discussion.....	30
(IV) Extemporaneous Motions	37
(V) Adjournment.....	37
III. Appendices	
(I) Articles of Incorporation	38
(II) Rules of Procedures of Shareholders Meetings	44
(III) Details on Directors' Shareholdings.....	53

Taiwan Secom Co., Ltd.
Procedures for 2024 Annual General Meeting

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

Taiwan Secom Co., Ltd.

Agenda for 2024 Annual General Meeting

Meeting method: Physical Meeting

Time: 9:00 a.m. on May 30, 2024 (Thursday)

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

Chairman Remarks

I. Company Reports

- (I) 2023 Business Report
- (II) 2023 Audit Committee Report
- (III) 2023 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 2023 Business Report and Financial Statements
- (II) Adoption of the Proposal for Distribution of 2023 Earning

III. Discussion

Amendment to the provisions of the Acquisition or Disposal of Assets Processing Procedure.

IV. Extemporaneous Motions

V. Adjournment

[COMPANY REPORTS]

I. 2023 BUSINESS REPORT

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES

2023 CONSOLIDATED BUSINESS REPORT AND FINANCIAL REPORTS

The Company's 2023 net revenue was NTD 17,073,977 thousand, an increase of NTD 1,716,532 thousand or 11.18% from NTD 15,357,445 thousand in 2022. The operating income was NTD 2,640,414 thousand, an increase of NTD 176,357 thousand or 7.16% from NTD 2,464,057 thousand in 2022. The income before tax was NTD 3,191,909 thousand, an increase of NTD 60,716 thousand or 1.94% from NTD 3,131,193 thousand in 2022. The operating revenue from major segments is as follows:

1. Electronic system segment revenue was NTD 7,181,462 thousand, a 4.89% year-over-year increase compared with its revenue of 2022.
2. Security service segment revenue was NTD 2,343,390 thousand, a 0.06% year-over-year increase compared with its revenue of 2022.
3. Cash delivery service segment revenue was NTD 1,252,598 thousand, a 3.29% year-over-year increase compared with its revenue of 2022.
4. Logistics service segment revenue was NTD 1,020,152 thousand, a 2.43% year-over-year increase compared with its revenue of 2022.
5. Catering services segment revenue was NTD 1,636,485 thousand, a 27.10% year-over-year increase compared with its revenue of 2022.
6. Other operating segments' revenue was NTD 3,639,890 thousand, a 36.18% year-over-year increase compared with its revenue of 2022.

Chairman:
LIN Chien-Han

CEO:
LIN Chien-Han

CAO:
CHEN Su-Ling

Independent Auditors' Report

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, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material 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, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 2023 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\$17,073,977 thousand for the year ended December 31, 2023, 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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, 2023 and 2022.

Liu, Hui-Yuan

Wang, Hsuan-Hsuan

Ernst & Young, Taiwan
March 12, 2024

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.

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and December 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$4,690,333	17	\$5,153,467	20
Financial assets at fair value through profit or loss, current	4, 5 and 6	1,062	-	64,472	-
Financial assets at fair value through other comprehensive income, current	4, 5 and 6	137,485	-	269,473	1
Financial assets measured at amortized cost, current	4, 6 and 8	155,553	1	257,783	1
Contract assets, current	4 and 6	773,229	3	456,121	2
Notes receivable, net	4, 5 and 6	174,145	1	190,244	1
Accounts receivable, net	4, 5 and 6	1,276,010	5	1,222,555	5
Accounts receivable from related parties, net	4, 6 and 7	239,911	1	261,564	1
Operating lease receivables	4, 5 and 6	36,431	-	26,819	-
Finance lease receivables	4 and 6	68,199	-	81,465	-
Inventories, net	4 and 6	524,559	2	564,068	2
Prepayments		873,479	3	755,425	3
Other current assets		222,539	1	370,846	1
Total current assets		9,172,935	34	9,674,302	37
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4, 5 and 6	256,355	1	186,360	1
Financial assets at fair value through other comprehensive income, non-current	4, 5 and 6	315,893	1	173,375	1
Financial assets measured at amortized cost, non-current	4, 6 and 8	132,085	1	132,075	1
Investments accounted for using the equity method	4, 5 and 6	4,481,643	17	4,230,179	16
Property, plant and equipment	4, 6, 7 and 8	9,480,823	35	8,825,335	34
Right-of-use assets	4, 6 and 7	1,119,158	4	881,801	3
Investment property, net	4, 5 and 6	23,317	-	23,661	-
Intangible assets	4 and 6	460,375	2	482,078	2
Deferred tax assets	4, 5 and 6	408,298	2	411,752	2
Prepayment for equipment		366,706	1	300,354	1
Refundable deposits	7	359,050	1	335,863	1
Long-term receivables	5 and 6	64,447	-	49,940	-
Long-term finance lease receivables	4 and 6	124,296	1	143,621	1
Other assets, non-current		95,009	-	52,695	-
Total non-current assets		17,687,455	66	16,229,089	63
Total assets		\$26,860,390	100	\$25,903,391	100

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6 and 8	\$125,000	1	\$830,000	3
Short-term bills payable	6	110,000	-	30,000	-
Contract liabilities, current	4 and 6	1,478,205	6	1,427,258	6
Notes payable		247,526	1	353,222	1
Accounts payable		936,360	3	805,122	3
Accounts payable to related parties	7	26,824	-	26,057	-
Other payables	6 and 7	2,387,420	9	2,327,855	9
Current tax liabilities	4, 5 and 6	282,712	1	265,088	1
Provisions, current	4 and 6	5,841	-	988	-
Lease liabilities	6	319,333	1	296,586	1
Lease liabilities to related parties	6 and 7	13,579	-	15,308	-
Current portion of long-term loans	4, 6 and 8	1,892,339	7	2,360,500	9
Other current liabilities	4, 6 and 7	136,870	1	132,708	1
Total current liabilities		<u>7,962,009</u>	<u>30</u>	<u>8,870,692</u>	<u>34</u>
Non-current liabilities					
Contract Liabilities, non-current	4 and 6	5,786	-	15,319	-
Long-term loans	4, 6 and 8	2,966,000	11	1,792,339	7
Provisions, non-current	4 and 6	80,886	-	117,102	-
Lease liabilities	6	773,450	3	553,729	2
Lease liabilities to related parties	6 and 7	9,815	-	10,287	-
Long-term payables		25,706	-	10,586	-
Net defined benefit liabilities, non-current	4, 5 and 6	1,334,130	5	1,372,487	6
Guarantee deposits	6	640,414	2	631,423	3
Total non-current liabilities		<u>5,836,187</u>	<u>21</u>	<u>4,503,272</u>	<u>18</u>
Total liabilities		<u>13,798,196</u>	<u>51</u>	<u>13,373,964</u>	<u>52</u>
Equity Attributable to the Parent Company					
Capital					
Common stock	6	4,511,971	17	4,511,971	17
Capital surplus	6	1,063,044	4	906,891	3
Retained earnings	6				
Legal reserve		4,485,859	17	4,220,058	16
Special reserve		91,087	-	15,352	-
Unappropriated earnings		2,725,093	10	2,741,795	11
Other components of equity	4 and 6	(56,445)	-	(91,087)	-
Treasury stock	4 and 6	(232,862)	(1)	(263,255)	(1)
Non-Controlling Interests	6	474,447	2	487,702	2
Total equity		<u>13,062,194</u>	<u>49</u>	<u>12,529,427</u>	<u>48</u>
Total liabilities and equity		<u>\$26,860,390</u>	<u>100</u>	<u>\$25,903,391</u>	<u>100</u>

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

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

For the years ended December 31, 2023 and 2022

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

Item	Notes	2023		2022	
		Amount	%	Amount	%
Operating revenue	4 and 7	\$17,118,060	100	\$15,396,020	100
Less : Sales returns and allowances		(44,083)	-	(38,575)	-
Net revenue	6	17,073,977	100	15,357,445	100
Operating costs	6 and 7	(11,495,601)	(67)	(10,283,900)	(67)
Gross profit		5,578,376	33	5,073,545	33
Operating expenses	6 and 7				
Sales and marketing expenses		(1,043,014)	(6)	(869,303)	(6)
General and administrative expenses		(1,770,868)	(10)	(1,605,860)	(10)
Research and development expenses		(118,886)	(1)	(123,194)	(1)
Expected credit losses		(5,194)	-	(11,131)	-
Subtotal		(2,937,962)	(17)	(2,609,488)	(17)
Operating income		2,640,414	16	2,464,057	16
Non-operating income and loss					
Interest income	6	28,416	-	13,395	-
Other income	6	16,288	-	25,966	-
Other gains and losses	5 and 6	78,488	-	32,245	-
Finance costs	6	(112,518)	(1)	(66,244)	-
Share of profit or loss of associates accounted for using the equity method	4	540,821	3	661,774	4
Subtotal		551,495	2	667,136	4
Income before income tax		3,191,909	18	3,131,193	20
Income tax expenses	4, 5 and 6	(569,915)	(3)	(523,243)	(3)
Net income		2,621,994	15	2,607,950	17
Other comprehensive income	6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		(75,062)	1	61,477	-
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		105,877	-	(43,785)	-
Share of other comprehensive (loss) income of associates and joint ventures- may not be reclassified subsequently to profit or loss		2,239	-	(49,775)	-
Income tax related to items that will not be reclassified		11,557	-	(11,266)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(1,329)	-	27,674	-
Share of other comprehensive (loss) income of associates and joint ventures- may be reclassified subsequently to profit or loss		680	-	14,885	-
Total other comprehensive (loss) income, net of tax		43,962	1	(790)	-
Total comprehensive income		\$2,665,956	16	\$2,607,160	17
Net income attributable to:					
Shareholders of the parent		\$2,591,253		\$2,578,741	
Non-Controlling Interests	6	30,741		29,209	
Comprehensive income attributable to:					
Shareholders of the parent		\$2,630,249		\$2,582,280	
Non-Controlling Interests	6	35,707		24,880	
Earnings per share (NT\$)					
Basic earnings per share	6	\$5.85		\$5.85	
Diluted earnings per share	6	\$5.85		\$5.84	

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(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, 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)	-	-	-	-	-	-
Reversal of 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 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	-	-	-	-	103	-	(103)	-	-	-	-
Disposal of equity instrument at fair value through other comprehensive income of interests in of interests in subsidiaries	-	-	-	-	-	-	-	-	-	(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
Balance as of January 1, 2023	\$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
Appropriations and distributions of 2022 unappropriated earnings											
Legal reserve	-	-	265,801	-	(265,801)	-	-	-	-	-	-
Special reserve	-	-	-	75,735	(75,735)	-	-	-	-	-	-
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	-	7,733	-	-	-	-	-	-	7,733	44	7,777
Overdue dividend collection	-	(74)	-	-	-	-	-	-	(74)	-	(74)
Net income in 2023	-	-	-	-	2,591,253	-	-	-	2,591,253	30,741	2,621,994
Other comprehensive income, net of tax in 2023	-	-	-	-	(62,037)	1,809	99,224	-	38,996	4,966	43,962
Total comprehensive income	-	-	-	-	2,529,216	1,809	99,224	-	2,630,249	35,707	2,665,956
Disposal of company's share by subsidiaries recognized as treasury stock transaction	-	105,618	-	-	-	-	-	30,393	136,011	-	136,011
Parent company's cash dividends received by subsidiaries	-	42,876	-	-	-	-	-	-	42,876	-	42,876
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	43,375	-	(43,375)	-	-	5,942	5,942
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	23,016	-	(23,016)	-	-	-	-
Disposal of equity instrument at fair value through other comprehensive income of interests in subsidiaries	-	-	-	-	(9,620)	-	-	-	(9,620)	(13,064)	(22,684)
Increase (decrease) through changes in ownership interests in subsidiaries	-	-	-	-	(5,167)	-	-	-	(5,167)	2,525	(2,642)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(44,409)	(44,409)
Balance as of December 31, 2023	\$4,511,971	\$1,063,044	\$4,485,859	\$91,087	\$2,725,093	\$(59,299)	\$2,854	\$(232,862)	\$12,587,747	\$474,447	\$13,062,194

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Description	2023	2022	Description	2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Profit before tax from continuing operations	\$3,191,909	\$3,131,193	Acquisition of financial assets at fair value through other comprehensive income	(115,023)	(28,117)
Income before tax	3,191,909	3,131,193	Proceeds from disposal of financial assets at fair value through other comprehensive income	186,455	46,345
Adjustments to reconcile net income before tax to net cash provided by operating activities:			Capital deducted by cash of financial assets at fair value through other comprehensive income	7,772	5,285
Depreciation	1,545,901	1,443,511	Acquisition of financial assets measured at amortized cost	(246,037)	(833,595)
Amortization	84,336	69,665	Proceeds from disposal of financial assets measured at amortized cost	348,257	944,240
Expected credit losses	5,194	11,131	Acquisition of financial assets at fair value through profit or loss	(68,513)	(150,105)
Gain of financial assets at fair value through profit or loss	(26)	(17)	Proceeds from disposal of financial assets at fair value through profit or loss	61,954	2,500
Interest expense	112,518	66,244	Acquisition of investments accounted for using the equity method	(69,904)	(16,139)
Interest income	(28,416)	(13,395)	Proceeds from disposal of investments accounted for using the equity method	3,940	239,311
Dividend income	(8,284)	(15,671)	Acquisition of a subsidiary (net of cash acquired)	-	(488,903)
Share of profit or loss of associates accounted for using the equity method	(540,821)	(661,774)	Acquisition of property, plant and equipment	(1,609,332)	(1,222,780)
Loss on disposal of property, plant and equipment	2,064	28,676	Proceeds from disposal of property, plant and equipment	17,096	26,764
Gain on disposal of investment property	-	(14,518)	Increase (decrease) in refundable deposits	(23,187)	16,267
Gain on disposal of investments	-	(52,041)	Acquisition of intangible assets	(62,633)	(110,202)
Impairment loss	-	45,000	Proceeds from disposal of investment property	-	29,210
Gain on lease modification	(224)	(618)	Increase in prepayment for equipment	(66,352)	(54,558)
Changes in operating assets and liabilities:			Increase in other current assets	(42,376)	(9,006)
Contract assets	(319,131)	(127,994)	Dividends received	377,688	363,243
Notes receivable, net	16,099	(7,524)	Net cash used in investing activities	(1,300,195)	(1,240,240)
Accounts receivable, net	(58,649)	(219,894)			
Accounts receivable from related parties, net	21,653	4,342	Cash flows from financing activities:		
Inventories, net	(199,980)	(232,256)	(Decrease) increase in short-term loans	(705,000)	311,000
Prepayments	(118,054)	(123,355)	Increase (decrease) in short-term bills payable	80,000	(70,000)
Other current assets	220,692	(148,390)	Increase in long-term loans	6,766,000	1,608,500
Operating lease receivables	(9,612)	59,947	Decrease in long-term loans	(6,060,500)	(641,622)
Finance lease receivables	32,591	26,013	Increase (decrease) in guarantee deposits	8,991	(16,638)
Long-term receivables	(14,507)	4,077	Cash payments for the principal portion of lease liability	(392,562)	(346,703)
Contract liabilities	41,414	121,713	Cash dividends paid	(2,255,986)	(2,255,986)
Notes payable	(105,696)	171,119	Disposal of treasury stock	136,011	121,471
Accounts payable	129,622	39,824	Changes in non-controlling interests	(67,225)	39,870
Accounts payable to related parties	2,384	3,160	Overdue dividend collection	(74)	-
Other current payables	57,657	(74,859)	Net cash used in financing activities	(2,490,345)	(1,250,108)
Provision	(33,632)	110,667			
Other current liabilities	18,863	19,987	Net (decrease) increase in cash and cash equivalents	(463,134)	488,123
Net defined benefit liabilities, non-current	(114,732)	(125,303)	Cash and cash equivalents at the beginning of the year	5,153,467	4,665,344
Cash generated from operations	3,931,133	3,538,660	Cash and cash equivalents at the end of the year	\$4,690,333	\$5,153,467
Interest received	27,662	13,956			
Interest paid	(96,745)	(55,743)			
Income tax paid	(534,644)	(518,402)			
Net cash provided by operating activities	3,327,406	2,978,471			

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

Independent Auditors' Report

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, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material 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, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 2023 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\$7,645,284 thousand for the year ended December 31, 2023, 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 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.

Auditors' 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 auditors' 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 professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' 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 12, 2024

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, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$579,718	3	\$936,635	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	-
Contract assets, current	4 and 6	22,595	-	11,900	-
Notes receivable, net	4, 5 and 6	142,664	1	162,986	1
Accounts receivable, net	4, 5 and 6	663,042	3	664,729	3
Accounts receivable from related parties, net	4, 6 and 7	191,105	1	199,737	1
Finance lease receivables, net	4, 5 and 6	67,865	-	80,831	1
Other receivables from related parties	7	400,000	2	-	-
Inventories, net	4 and 6	181,116	1	172,058	1
Prepayments		476,436	2	485,718	2
Other current assets		47,069	-	73,573	-
Total current assets		<u>2,771,610</u>	<u>13</u>	<u>2,870,224</u>	<u>13</u>
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4, 5 and 6	70,517	-	28,379	-
Financial assets at fair value through other comprehensive income, non-current	4, 5 and 6	67,252	-	57,641	-
Financial assets measured at amortized cost, non-current	4, 6 and 8	11,500	-	11,500	-
Investments accounted for using the equity method	4, 5 and 6	11,585,035	54	11,210,894	53
Property, plant and equipment	4, 6 and 7	5,687,452	27	5,799,589	28
Right-of-use assets	4, 6 and 7	173,630	1	236,322	1
Investment property, net	4, 5 and 6	281,448	1	281,674	1
Intangible assets	4 and 6	95,314	-	108,219	1
Deferred tax assets	4, 5 and 6	315,408	2	316,859	1
Prepayment for equipment		8,706	-	10,887	-
Refundable deposits	7	235,863	1	233,203	1
Long-term receivables	5 and 6	53,595	-	38,376	-
Long-term finance lease receivables	4, 5 and 6	123,561	1	143,359	1
Other assets, non-current		52,605	-	33,458	-
Total non-current assets		<u>18,761,886</u>	<u>87</u>	<u>18,510,360</u>	<u>87</u>
Total assets		<u>\$21,533,496</u>	<u>100</u>	<u>\$21,380,584</u>	<u>100</u>

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

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4 and 6	\$-	-	\$800,000	3
Contract liabilities, current	4 and 6	1,297,451	6	1,296,105	6
Notes payable		163,855	1	205,342	1
Notes payable to related parties	7	143,111	1	155,622	1
Accounts payable		219,649	1	200,247	1
Accounts payable to related parties	7	111,748	-	83,167	-
Other payables	7	635,984	3	653,409	3
Current tax liabilities	4, 5 and 6	148,961	1	142,437	1
Lease liabilities, current	6 and 7	86,174	-	133,137	1
Current portion of long-term loans	4 and 6	1,700,000	8	2,300,000	11
Other current liabilities		82,252	-	74,431	-
Total current liabilities		4,589,185	21	6,043,897	28
Non-current liabilities					
Contract Liabilities, non-current	4 and 6	3,813	-	12,237	-
Long-term loans	4 and 6	2,500,000	12	1,400,000	7
Provisions, non-current	4	7,200	-	7,200	-
Lease liabilities, non-current	6 and 7	88,180	-	102,306	-
Long-term notes payables and accounts payables	4	442	-	-	-
Net defined benefit liabilities, non-current	4, 5 and 6	1,193,710	6	1,207,446	6
Guarantee deposits	6	563,219	3	565,773	3
Total non-current liabilities		4,356,564	21	3,294,962	16
Total liabilities		8,945,749	42	9,338,859	44
Equity attributable to the parent					
Common stock	6	4,511,971	21	4,511,971	21
Capital surplus	6	1,063,044	5	906,891	4
Retained earnings	6				
Legal reserve		4,485,859	21	4,220,058	19
Special reserve		91,087	-	15,352	-
Unappropriated earnings		2,725,093	12	2,741,795	13
Other components of equity	4 and 6	(56,445)	-	(91,087)	-
Treasury stock	4 and 6	(232,862)	(1)	(263,255)	(1)
Total equity		12,587,747	58	12,041,725	56
Total liabilities and equity		\$21,533,496	100	\$21,380,584	100

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

TAIWAN SECOM CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

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

Item	Notes	2023		2022	
		Amount	%	Amount	%
Operating revenue	4 and 7	\$7,674,065	100	\$7,318,357	100
Less : Sales returns and allowances		(28,781)	-	(30,897)	-
Net revenue	6	7,645,284	100	7,287,460	100
Operating costs	6 and 7	(4,045,441)	(53)	(3,848,618)	(53)
Gross profit		3,599,843	47	3,438,842	47
Operating expenses	6 and 7				
Sales and marketing expenses		(855,606)	(11)	(705,069)	(10)
General and administrative expenses		(1,176,778)	(15)	(1,181,626)	(16)
Research and development expenses		(108,210)	(2)	(108,624)	(1)
Expected credit losses		(5,000)	-	(10,987)	-
Subtotal		(2,145,594)	(28)	(2,006,306)	(27)
Operating income		1,454,249	19	1,432,536	20
Non-operating income and loss					
Interest income	6 and 7	3,595	-	1,206	-
Other income	6	20,385	-	25,471	-
Other gains and losses	6 and 7	119,775	2	50,047	1
Finance costs	6	(76,385)	(1)	(46,962)	(1)
Share of profit or loss of associates accounted for using the equity method	4	1,373,923	18	1,413,827	19
Subtotal		1,441,293	19	1,443,589	19
Income before income tax		2,895,542	38	2,876,125	39
Income tax expenses	4, 5 and 6	(304,289)	(4)	(297,384)	(4)
Net income		2,591,253	34	2,578,741	35
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6	(43,192)	(1)	12,866	-
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6	33,068	-	(17,554)	-
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss	6	42,128	1	(31,482)	-
Income tax related to items that will not be reclassified	6	5,183	-	(1,544)	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income of associates and joint ventures	6	1,809	-	41,253	-
Total other comprehensive (loss) income, net of tax		38,996	-	3,539	-
Total comprehensive income		\$2,630,249	34	\$2,582,280	35
Earnings per share (NT\$)	4 and 6				
Basic earnings per share		\$5.85		\$5.85	
Diluted earnings per share		\$5.85		\$5.84	

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, 2023 and 2022
(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, 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)	-	-	-	-
Reversal of 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>
Balance as of January 1, 2023	\$4,511,971	\$906,891	\$4,220,058	\$15,352	\$2,741,795	\$(61,108)	\$(29,979)	\$(263,255)	\$12,041,725
Appropriations and distributions of 2022 unappropriated earnings									
Legal reserve	-	-	265,801	-	(265,801)	-	-	-	-
Special reserve	-	-	-	75,735	(75,735)	-	-	-	-
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	-	7,733	-	-	-	-	-	-	7,733
Overdue dividend collection	-	(74)	-	-	-	-	-	-	(74)
Net income in 2023	-	-	-	-	2,591,253	-	-	-	2,591,253
Other comprehensive income, net of tax in 2023	-	-	-	-	(62,037)	1,809	99,224	-	38,996
Total comprehensive income	-	-	-	-	2,529,216	1,809	99,224	-	2,630,249
Disposal of company's share by subsidiaries recognized as treasury stock transaction	-	105,618	-	-	-	-	-	30,393	136,011
Parent company's cash dividends received by subsidiaries	-	42,876	-	-	-	-	-	-	42,876
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	43,375	-	(43,375)	-	-
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	23,016	-	(23,016)	-	-
Increase (decrease) through changes in interests in subsidiaries	-	-	-	-	(14,787)	-	-	-	(14,787)
Balance as of December 31, 2023	<u>\$4,511,971</u>	<u>\$1,063,044</u>	<u>\$4,485,859</u>	<u>\$91,087</u>	<u>\$2,725,093</u>	<u>\$(59,299)</u>	<u>\$2,854</u>	<u>\$(232,862)</u>	<u>\$12,587,747</u>

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

II. 2023 Audit Committee Report

Audit Committee's Report on Financial Statements

The Board of Directors has prepared the Company's 2023 business report, financial statements (including parent-only and consolidated), and proposal for the distribution of earnings. Ernst & Young Taiwan was engaged to audit the Company's Financial Statements and has issued an audit opinion. 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:



March 12, 2024

III. 2023 Distribution of Employees and Directors' Remuneration

For 2023, employee remuneration totaled NTD 30,480,962 and the Board of Directors remuneration totaled NTD 121,923,850. The above-mentioned compensations were approved by the Board of Directors on March 12, 2024 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

Amended Articles	Current Articles	Explanation
<p>Article 7</p> <p>The meeting time has arrived. If more than half of the directors are absent, the chairman may announce a postponement of the meeting <u>on the same day</u>, with a maximum of two postponements. If the second postponement is still insufficient, the chairman may reconvene in accordance with the procedures specified in Article 4.</p> <p>The term “all directors” referred to in the preceding paragraph and Article 14, paragraph 2, subparagraph 2 shall be calculated based on the actual incumbents.</p>	<p>Article 7</p> <p>The meeting time has arrived. If more than half of the directors are absent, the chairman may announce a postponement of the meeting, with a maximum of two postponements. If the second postponement is still insufficient, the chairman may reconvene in accordance with the procedures specified in Article 4.</p> <p>The term “all directors” referred to in the preceding paragraph and Article 14, paragraph 2, subparagraph 2 shall be calculated based on the actual incumbents.</p>	<p>In accordance with the amendments to the regulations of the Taiwan Stock Exchange</p>
<p>Article 8</p> <p>The Board of Directors of the Company shall proceed in accordance with the agenda procedures set forth in the meeting notice. It may be changed with the consent of a majority of the attending directors.</p> <p>The chairman shall not adjourn the meeting without the consent of a majority of the directors present.</p> <p>During the Board meetings, if the number of directors present does not reach a majority, the chairman, upon proposal by a director present, shall announce a temporary adjournment of the meeting and apply the provisions of the preceding article, paragraph 1.</p> <p><u>The Board meeting is in progress. If the chairman is unable to preside over the</u></p>	<p>Article 8</p> <p>The Board of Directors of the Company shall proceed in accordance with the agenda procedures set forth in the meeting notice. It may be changed with the consent of a majority of the attending directors.</p> <p>The chairman shall not adjourn the meeting without the consent of a majority of the directors present.</p> <p>During the Board meetings, if the number of directors present does not reach a majority, the chairman, upon proposal by a director present, shall announce a temporary adjournment of the meeting and apply the provisions of the preceding article, paragraph 1.</p>	<p>In accordance with the amendments to the regulations of the Taiwan Stock Exchange</p>

Amended Articles	Current Articles	Explanation
<u>meeting or fails to adjourn the meeting as stipulated in Article 2, the appointment of a proxy shall be made in accordance with the provisions of Article 16, paragraph 3.</u>		

[Proposals]

(Proposed by the Board of Directors)

I. Motion: Adoption of 2023 business report and financial statements.

Explanation:

- (I) The Company's 2023 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 2023 business report, Independent Auditors' Report, and the aforementioned financial statements are attached hereto in page 5 ~22 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 2023 Earning

Explanation:

- (I) According to Article 27 of the Articles of Incorporation, it is proposed to allocate the 2023 earnings. For details, please refer to P29 of this meeting handbook.
- (II) For 2023, each common shareholder will be entitled to receive a cash dividend of NTD 5.2 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 2024.

(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.

Proposal for Distribution of 2023 Earning

Unit: NT\$

Items	Amount
Beginning retained earnings	144,273,145
Add: Current period net profit	2,591,253,315
Special reserve for reversal - Net decrease in equity	34,642,502
Recognition of changes in affiliates and joint ventures using equity method	28,587,510
Disposal of equity instruments measured at fair value through other comprehensive income or loss	23,015,912
Decrease: Other comprehensive income or loss (Actuarial gains and losses on defined benefit plans)	(62,037,554)
Distributable earnings	2,759,734,830
Distribution items:	
1. Provision for legal reserve	(258,081,918)
2. Cash dividend (NT\$5.2 per share)	(2,346,224,884)
Total	(2,604,306,802)
Ending retained earnings	155,428,028

Chairman: LIN Chien-Han CEO: LIN Chien-Han CAO: CHEN Su-Ling

[DISCUSSION]

(Proposed by the Board of Directors)

Motion: Amendment to the provisions of the Acquisition or Disposal of Assets

Processing Procedure, submitted to discussion.

Explanation: In order to meet the laws and the Company's operational needs, it is proposed to amend provisions of the Acquisition or Disposal of Assets Processing Procedure. The comparison of amended articles is shown in the following table for discussion.

Taiwan Secom Co., Ltd.

Comparison of Amendments to the Acquisition or Disposal of Assets Processing Procedure

Articles	Amended Articles	Current Articles	Explanation
Article 5	<p>Asset Acquisition or Disposal Process</p> <p>A. When acquiring or disposing of assets, the responsible unit should evaluate the reasons, subject matter, counterparty, transfer price, payment conditions, and price reference basis of the proposed acquisition or disposal. After evaluation, it should submit a request for decision to the competent authority and be implemented by the management department specified in paragraph 2 of this Article.</p> <p>B. <u>The execution units for long-term and short-term securities investments and derivative trading in the Company are designated by the finance and accounting department and the general manager. The execution units for real estate and other assets are assigned to the user departments and relevant responsibility units. The execution units for mergers, divisions, acquisitions, or share transfers are designated by the Chairman.</u></p> <p>C. The acquisition or disposal of assets shall be carried out in accordance with the relevant provisions of the Company's internal control system.</p>	<p>Asset Acquisition or Disposal Process</p> <p>A. When acquiring or disposing of assets, the responsible unit should evaluate the reasons, subject matter, counterparty, transfer price, payment conditions, and price reference basis of the proposed acquisition or disposal. After evaluation, it should submit a request for decision to the competent authority and be implemented by the management department specified in paragraph 2 of this Article.</p> <p>B. The Accounting Department is responsible for the execution of the Company's investments in securities, while the General Affairs Department and the respective departments are responsible for the execution of real estate and other fixed assets. Other assets that do not fall under investments in securities, real estate, or other fixed assets shall be evaluated by the relevant units before they can be obtained.</p> <p>C. The acquisition or disposal of assets shall be carried out in accordance with the relevant provisions of the Company's internal control system.</p>	Modified to align with the actual operations of the Company.

Articles	Amended Articles	Current Articles	Explanation
	If significant violations are found, relevant personnel should be disciplined according to the nature of the violations.	If significant violations are found, relevant personnel should be disciplined according to the nature of the violations.	
Article 12	<p>Engaged in derivatives transactions</p> <p><u>A. Principles and Policies of Transactions:</u></p> <p>(1) <u>Derivatives refer to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</u></p> <p>(2) <u>Business or hedging strategy: Strengthen the management of the Company’s assets and liabilities to improve the efficiency of capital utilization and hedging.</u></p> <p>(3) <u>Responsibility Allocation:</u></p> <p>a. <u>Transaction Execution Unit: The unit responsible for executing derivatives transactions for the Company, with personnel appointed by the Chairman. Responsible for formulating trading strategies within the authorized scope, executing trading orders, disclosing future trading risks, and providing real-time information for reference by relevant departments.</u></p> <p>b. <u>Accounting Department:</u></p>	<p>Engaged in derivatives transactions</p> <p><u>A. Derivatives refer to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</u></p> <p><u>B. If the Company engages in margin trading, it should be conducted in accordance with the processing procedures.</u></p> <p><u>C. Strategy of business is to strengthen the management of the Company’s assets and liabilities to improve the efficiency of capital utilization and hedging.</u></p> <p><u>D. The transaction execution unit is composed of an operational team authorized by the board of directors and led by the General Manager. The confirmation, delivery, and account management are handled by the Accounting Department. Risk management of transactions (including credit, market prices, liquidity, cash flow, operations, and legal risks) is the responsibility of the authorized audit unit, which is responsible for measuring, supervising, and controlling risks. The board of directors authorizes the department manager to oversee the risk management, and the audit</u></p>	Modified to align with laws and the actual operations of the Company.

Articles	Amended Articles	Current Articles	Explanation
	<p><u>Responsible for confirming transactions, recording them in accordance with relevant regulations, and maintaining transaction record data.</u></p> <p><u>Regularly assesses the fair market value of held positions and provides this information to the trading team. Discloses relevant information about derivative products in financial statements.</u></p> <p>(4) <u>Performance Evaluation Guidelines: Regularly evaluate and review operational performance based on market value, and report to the responsible supervisor for reviewing and improving the adopted hedging strategies.</u></p> <p>(5) <u>Contract Total:</u></p> <p>1. <u>Hedging transactions: The total amount of hedging contracts of the Company is limited to the net foreign exchange position of assets and liabilities.</u></p> <p>2. <u>Non-hedging transactions: The total amount of contracts in principle should not exceed 1% of the Company's paid-in capital.</u></p> <p>(6) <u>Limitation: The maximum loss limit for all contracts is set at USD 1 million, and the maximum loss limit for individual contracts is set at USD 500 thousand.</u></p> <p><u>B. Risk Management Measures: The Company engages in derivatives transactions. The scope of risk management and the measures to be adopted for risk management are as follows:</u></p> <p>(1) <u>Consideration of credit risk: The selection of trading partners is based on the principle of dealing with reputable financial institutions and futures commission merchants who can</u></p>	<p><u>unit is required to evaluate the positions held in the Company's derivatives at least once a week.</u></p> <p><u>However, for hedging transactions conducted for business needs, they should be evaluated at least twice a month. The evaluation report should be submitted to the manager of the Management Headquarters, who is responsible for regularly assessing whether the current risk management procedures are appropriate and being followed in accordance with the established procedures. If there are any abnormal conditions in the market price evaluation report (such as positions exceeding the loss limit), it should be reported to the board of directors immediately, and necessary measures should be taken. Derivative transactions should be approved by the General Manager and reported to the most recent Board meeting.</u></p> <p><u>E. Performance evaluation is based on the gains and losses generated between the company's book costs (such as exchange rates) and the derivatives transactions. To fully understand and express the evaluation risk of the transaction, the profit and loss will be assessed using a monthly evaluation method. The Accounting Department should provide the General Manager with evaluations of traded goods and analysis of market trends on a monthly basis for decision-making reference.</u></p> <p><u>F. Contract Total:</u></p> <p>(1) <u>Not for the purpose of trading (to avoid risks associated with existing assets or liabilities): The principle is that the amount should not exceed the total value of existing assets or liabilities. If there is an excess, it should be classified as for the purpose of trading.</u></p> <p>(2) <u>Purpose of trading: The total</u></p>	

Articles	Amended Articles	Current Articles	Explanation
	<p><u>provide professional information.</u></p> <p>(2) <u>Consideration of market risk: The potential losses resulting from future market price fluctuations of derivatives are uncertain. Therefore, it is important to set strict stop-loss points after establishing positions.</u></p> <p>(3) <u>Consideration of liquidity risk: In order to ensure the liquidity of traded commodities, trading institutions must have sufficient equipment, information, and trading capabilities to engage in transactions in any market.</u></p> <p>(4) <u>Consideration of cash flow risk: Authorized traders should strictly adhere to the limits of their authorization and also pay attention to the Company's cash flow regularly to ensure sufficient cash for settlement.</u></p> <p>(5) <u>Consideration of operational risks: It is essential to strictly adhere to authorized limits and operational procedures to avoid risks in operations.</u></p> <p>(6) <u>Consideration of legal risks: Any contract documents signed with financial institutions should use internationally standardized documents to avoid legal risks.</u></p> <p>(7) <u>Consideration of product risks: Internal traders should possess comprehensive and accurate expertise in derivatives to avoid losses caused by misuse.</u></p> <p>(8) <u>Trading personnel and personnel responsible for confirmation, delivery, and other operations shall not concurrently hold multiple positions.</u></p> <p>(9) <u>Personnel should regularly reconcile with the corresponding bank through bank statements or correspondence, and verify at all times whether the total amount of transactions exceeds the upper limit specified in the</u></p>	<p><u>amount of contracts in principle should not exceed 40% of the Company's paid-in capital.</u></p> <p><u>G. The maximum loss limit for all contracts is set at USD 1 million, and the maximum loss limit for individual contracts is set at USD 500 thousand.</u></p> <p><u>H. The transaction operation procedures are as follows:</u></p> <p>(1) <u>Line of credit: The unit supervisor should issue a written limit application based on the conditions and experience of the traders, and provide individual traders with trading limits and stop-loss limits, provided that the stop-loss limit does not exceed the aforementioned limit.</u></p> <p>(2) <u>Execution of transactions: After each transaction, traders should obtain transaction vouchers from the counterparty and submit them to their respective department supervisors for approval. Once approved, the vouchers should be forwarded to the Accounting Department and the audit unit.</u></p> <p>(3) <u>Transaction confirmation: The Accounting Department should confirm and verify transactions based on the signed transaction vouchers and counterparties. They should record the numbers and details from the confirmation document, prepare reports, and distribute them to the transaction units. The audit unit will handle the accounting and risk management.</u></p> <p>(4) <u>The Company engages in derivative transactions and should establish a memorandum book to record the types, amounts, approval by the General Manager or approval date by the board of directors, and matters that should be prudently evaluated in accordance with relevant laws</u></p>	

Articles	Amended Articles	Current Articles	Explanation
	<p><u>processing procedures.</u></p> <p>(10) <u>Risk measurement, supervision, and control personnel should be assigned to different departments from the personnel mentioned above and should report to the board of directors or senior executives responsible for trading or position decisions.</u></p> <p>(11) <u>Positions held by the derivatives transactions should be evaluated at least once a week. If hedging transactions are conducted for business purposes, they should be evaluated at least twice a month. The evaluation report should be submitted to the senior executive authorized by the board of directors.</u></p> <p><u>C. Internal audit system: Internal auditors should regularly assess the adequacy of internal controls for derivative transactions and monthly review the compliance of the financial planning team with the processing procedures for derivative transactions, analyze the transaction cycle, and prepare audit reports. If any significant violations are found, they should be reported to the Audit Committee in writing.</u></p> <p><u>D. Periodic Evaluation Methods and Handling of Abnormal Situations:</u></p> <p><u>(1) Regular monthly or weekly evaluations of derivative transactions are conducted, and the monthly or weekly profits and losses as well as the open positions of non-hedging transactions are summarized. These are presented to the senior executives authorized by the board of directors and the Chairman as a reference for performance evaluation and risk assessment.</u></p> <p><u>(2) The senior executives designated by the board of directors of the Company should always pay attention to the supervision and control of the</u></p>	<p><u>and the processing procedures. These details should be recorded in the memorandum book for reference.</u></p> <p><u>I. Trading personnel engaged in derivative transactions and personnel responsible for confirmation, delivery, and other operations shall not concurrently hold multiple positions.</u></p> <p><u>J. The senior executives authorized by the board of directors should always pay attention to the supervision and control of derivative transactions' risks and regularly evaluate whether the performance of derivative transactions aligns with the established business strategy and whether the risks undertaken are within the company's acceptable range. They should also regularly assess the adequacy and proper implementation of the current risk management procedures in accordance with the relevant provisions of this process. When supervising transactions and profit/loss situations, necessary measures should be taken and reported to the board of directors immediately upon discovering any abnormal situations. If Independent Directors have been appointed, they should attend the Board meetings and express their opinions.</u></p> <p><u>K. Internal auditors should regularly assess the adequacy of internal controls for derivative transactions and monthly review the compliance of the financial planning team with the processing procedures for derivative transactions, analyze the transaction cycle, and prepare audit reports. If any significant violations are found, they should be reported to the Audit Committee in writing and take disciplinary actions against relevant personnel in accordance with the violation.</u></p>	

Articles	Amended Articles	Current Articles	Explanation
	<p><u>risks associated with derivative transactions. The board of directors should also evaluate whether the performance of engaging in derivative transactions is in line with the established business strategy and whether the risks undertaken are within the company's acceptable range.</u></p> <p><u>(3) The senior executives authorized by the board of directors should manage derivative transactions in accordance with the following principles:</u></p> <p><u>a. Regularly assess whether the current risk management measures are appropriate and implemented in accordance with the Financial Supervisory Commission's "Regulations Governing the Acquisition and Disposal of Assets" and the relevant provisions of this processing procedure.</u></p> <p><u>b. When supervising transactions and profit/loss situations, necessary measures should be taken and reported to the board of directors immediately upon discovering any abnormal situations.</u></p> <p><u>(4) The Company engaged in derivative transactions should establish a record book, which details the types, amounts, and dates approved by the board of directors, monthly or weekly regular evaluation reports, and regular evaluation matters by the board of directors and authorized senior executives.</u></p>		

Articles	Amended Articles	Current Articles	Explanation
Article 15	<p>Provisions for Acquisition or Disposal of Subsidiary Assets</p> <p>A. Acquisition or disposal of subsidiary assets should be handled in accordance with <u>the</u> regulations of the Company.</p> <p>B. If a subsidiary is not a domestic public company and acquires or disposes of assets that meet the disclosure requirements set forth in Article 8, <u>the</u> Company shall handle the matters of disclosure and reporting.</p> <p>C. The applicable announcement and reporting standards for the subsidiary mentioned in the preceding paragraph regarding the requirements for reaching the paid-in capital or total assets shall be based on the paid-in capital or total assets of <u>the</u> Company.</p> <p>D. The Company should urge subsidiaries to establish procedures for acquisition or disposal of assets in accordance with regulations.</p>	<p>Provisions for Acquisition or Disposal of Subsidiary Assets</p> <p>A. Acquisition or disposal of subsidiary assets should be handled in accordance with the regulations of the <u>parent</u> company.</p> <p>B. If a subsidiary is not a domestic public company and acquires or disposes of assets that meet the disclosure requirements set forth in Article 8, the <u>parent</u> company shall handle the matters of disclosure and reporting.</p> <p>C. The applicable announcement and reporting standards for the subsidiary mentioned in the preceding paragraph regarding the requirements for reaching the paid-in capital or total assets shall be based on the paid-in capital or total assets of the <u>parent</u> company.</p> <p>D. The Company should urge subsidiaries to establish procedures for acquisition or disposal of assets in accordance with regulations.</p>	Text modification.

Resolution:

[EXTEMPORARY MOTIONS]

[ADJOURNMENT]

[Appendix 1]

Taiwan Secom Co., Ltd. Articles of Incorporation

Chapter I. 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 II. 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 III. Shareholders’ Meeting

- 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 11-1: The Company’s Shareholders’ Meeting may be conducted via video conference or other methods announced by the Ministry of Economic Affairs.
- 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 released 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 IV. Board of Directors and Directors

Article 18: The Board of Directors of the Company shall appoint 11-14 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 reelected after the term.

The number of appointed directors mentioned earlier shall have no less than three independent directors and shall not be less than one-fifth of the total number of 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 proxy shall act in accordance with 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 Board 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 V. Officers

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

Chapter VI. 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. The cash dividend shall account for no less than 10% of the total dividend.

Chapter VII. Supplementary Provisions

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

effected on the twelfth of May 1989. The seventeen amendment was effected on the eighteenth of September 1989. The eighteenth amendment was effected on the twenty-fifth of April 1991. The nineteenth amendment was effected on the thirtieth of April 1992. The twentieth amendment was effected on the thirtieth of March 1993. The twenty-first amendment was effected on the twenty-ninth of April 1994. The twenty-second amendment was effected on the twenty-ninth of April 1995. The twenty-third amendment was effected on the twentieth of April 1996. The twenty-fourth amendment was effected on the twenty-fourth of May 1997. The twenty-fifth amendment was effected on the thirtieth of April 1998. The twenty-sixth amendment was effected on the thirtieth of April 1999. The twenty-seventh amendment was effected on the nineteenth of May 2000. The twenty-eighth amendment was effected on the tenth of May 2001. The twenty-ninth amendment was effected on the nineteenth of June 2002. The thirtieth amendment was effected on the twelfth of June 2003. The thirty-first amendment was effected on the seventeenth of June 2005. The thirty-second amendment was effected on the twenty-second of June 2006. The thirty-third amendment was effected on the thirteenth of June 2008. The thirty-fourth amendment was effected on the nineteenth of June 2012. The thirty-fifth amendment was effected on the fourteenth of June 2013. The thirty-sixth amendment was effected on the twenty-fourth of June 2014. The thirty-seventh amendment was effected on the third of June 2016. The thirty-eighth amendment was effected on the twenty-second of June 2017. The thirty-ninth amendment was effected on the fourteenth of June 2019. The fortieth amendment was effected on the thirty of May 2022. The forty-first amendment was effected on the thirty-first of July 2023 after approval during the shareholders' meeting and amendment.

[Appendix 2]

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.

- Article 1: These Rules have been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in order to build a strong board governance system for shareholders meetings and robust supervisory capabilities and reinforce management capabilities for the Company.
- Article 2: Unless otherwise specified by law or the Articles of Incorporation, shareholders' meetings of the Company shall proceed according to the terms of these Rules.
- Article 3: Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors.

Any changes to the convening of a shareholder 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 shareholders' meeting has announced the re-election of directors and supervisors and the inauguration date. After the reelection 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.

Article 4: 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 shareholders' 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 no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Should the shareholder decide to attend shareholders' 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 the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 5: 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 9 a.m. or later than 3 p.m. 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.

Article 6: 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 passes, attendance cards or other documents 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 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.

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 shareholders' meeting.

Shareholders who would like to attend the teleconferencing shareholders' meeting should register with the Company at least two days before the shareholders' 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 at least thirty minutes before the start of the meeting, and keep them disclosed until the end of the meeting.

Article 7: 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 the 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.

Article 8: 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. However, if 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.

Article 9: 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 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.

Article 10: If the attending shareholders represent 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.

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.

Article 11: 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.

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 that 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 a 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 a 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.

Article 12: Voting at a shareholders' meeting shall be calculated based on 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 in 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 shares exceeding 3% of the total voting shares. The exceeded voting rights will not be counted.

Article 13: 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 the 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 is 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.

Article 14: Shareholder meetings that involve the 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 onsite.

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. However, if 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 15: All resolutions of the shareholders' meeting shall be kept as minutes of the meeting on record, signed or sealed by the chair of the shareholders' meeting, and released to all shareholders within 20 days after the meeting. The production and 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 in the preceding paragraph, the starting and ending time of the meeting, the convening method of 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.

Article 16: 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 the Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 17: 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 in the meeting. The proctors (or security personnel) who help maintain 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 makes statements from equipment not allocated to the Company.

Shareholders in violation of the rules and disobeying corrections 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.

Article 18: 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 extemporary 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.

Article 19: 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.

Article 20: 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.

Article 21: 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 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.

Article 22: These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for revision.

[Appendix 3]

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

Book closure date: April 1, 2024

Title	Accession date	Term	Name	Book closure date Number of shares held
Chairman	2023.05.30	3 years	Hsin Lan Investment Co., Ltd. Representative: LIN Chien-Han	4,080,585
Vice Chairman	2023.05.30	3 years	Yuan Hsin Investment Co., Ltd. Representative: LIN Ming-Sheng	8,106,190
Director	2023.05.30	3 years	Cheng Hsin Investment Co., Ltd. Representative: LIU Yun-Fang	21,621,337
Director Director Director	2023.05.30	3 years	SECOM Co., LTD. Representative: SATO Sadahiro Representative: MATSUI Hiromichi Representative: KOZAKI Junichi	123,110,870
Director	2023.05.30	3 years	Shin Lan Enterprise Inc. Representative: HSU Lan-Ying	14,115,063
Director	2023.05.30	3 years	TU Heng-Yi	50,750
Independent director	2023.05.30	3 years	CHEN Tien-Wen	-
Independent director	2023.05.30	3 years	CHIANG Yung-Cheng	-
Independent director	2023.05.30	3 years	CHIANG Kuang-Tse	-
Independent director	2023.05.30	3 years	WEI Chi-Lin	-
Total shareholdings of all directors (excluding independent directors)				171,084,795

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.

2024 Annual Shareholders' Meeting Agenda Date: May 30, 2024

6F., No. 139, Zhengzhou Rd., Datong Dist., Taipei City 103, Taiwan (R.O.C.)

TEL:(02)2557-5050 www.secom.com.tw