

Ticker Symbol: 2633



# Taiwan High Speed Rail Corporation





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# AGENDA



- CURRENT OPERATION OVERVIEW
- FINANCIAL PERFORMANCE
- PROSPECT

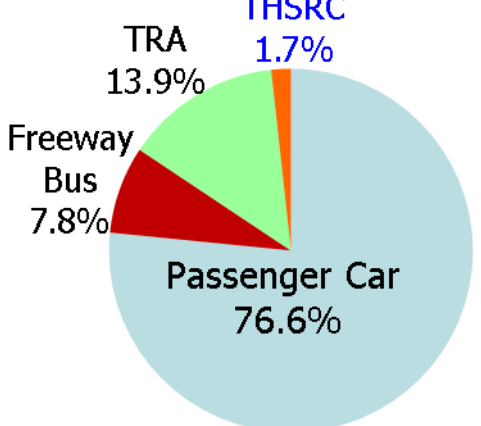
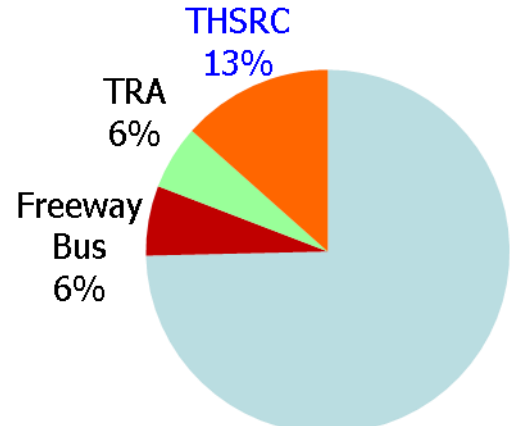
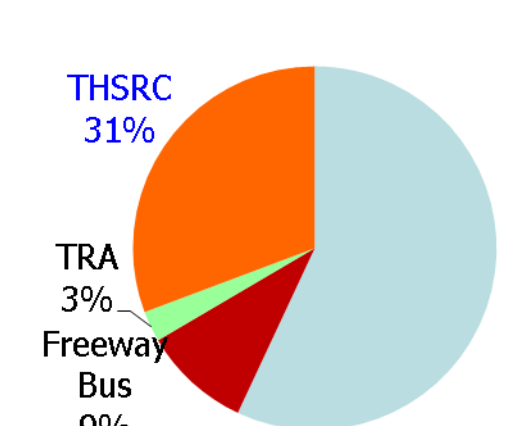
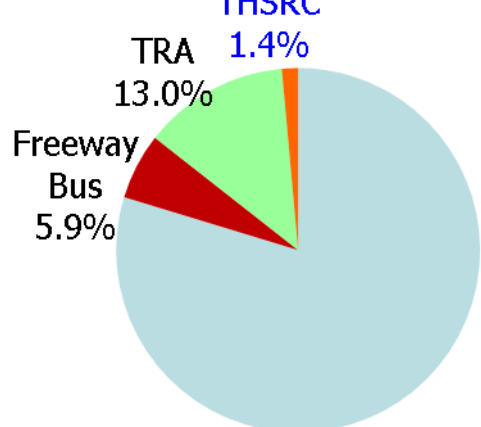
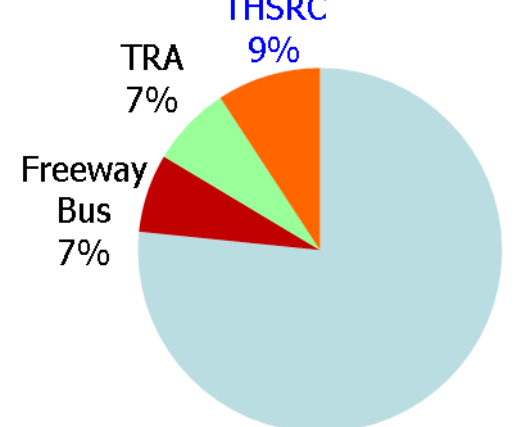
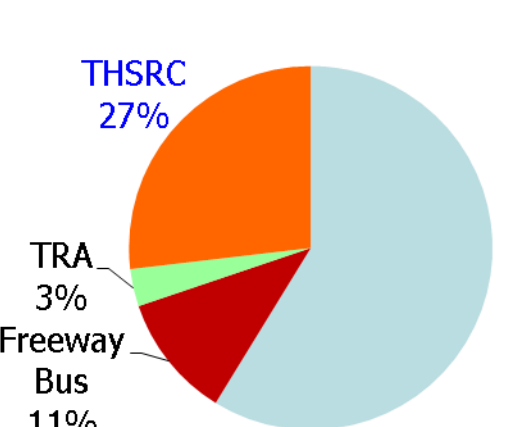


# CURRENT OPERATION OVERVIEW



# 1. MARKET SHARE



Year 2013	Short Distance ( 20~100km )	Medium Distance ( 100~200km )	Long Distance ( 200km+ )
Weekday	 <p>THSRC 1.7%</p> <p>TRA 13.9%</p> <p>Freeway Bus 7.8%</p> <p>Passenger Car 76.6%</p>	 <p>THSRC 13%</p> <p>TRA 6%</p> <p>Freeway Bus 6%</p>	 <p>THSRC 31%</p> <p>TRA 3%</p> <p>Freeway Bus 9%</p>
Weekend & Holiday	 <p>THSRC 1.4%</p> <p>TRA 13.0%</p> <p>Freeway Bus 5.9%</p>	 <p>THSRC 9%</p> <p>TRA 7%</p> <p>Freeway Bus 7%</p>	 <p>THSRC 27%</p> <p>TRA 3%</p> <p>Freeway Bus 11%</p>

Source: The 5th Taiwan Area Comprehensive Transportation Planning Research Series - Intercity Travel Survey and Preliminary Analysis, Institute of Transportation, MOTC

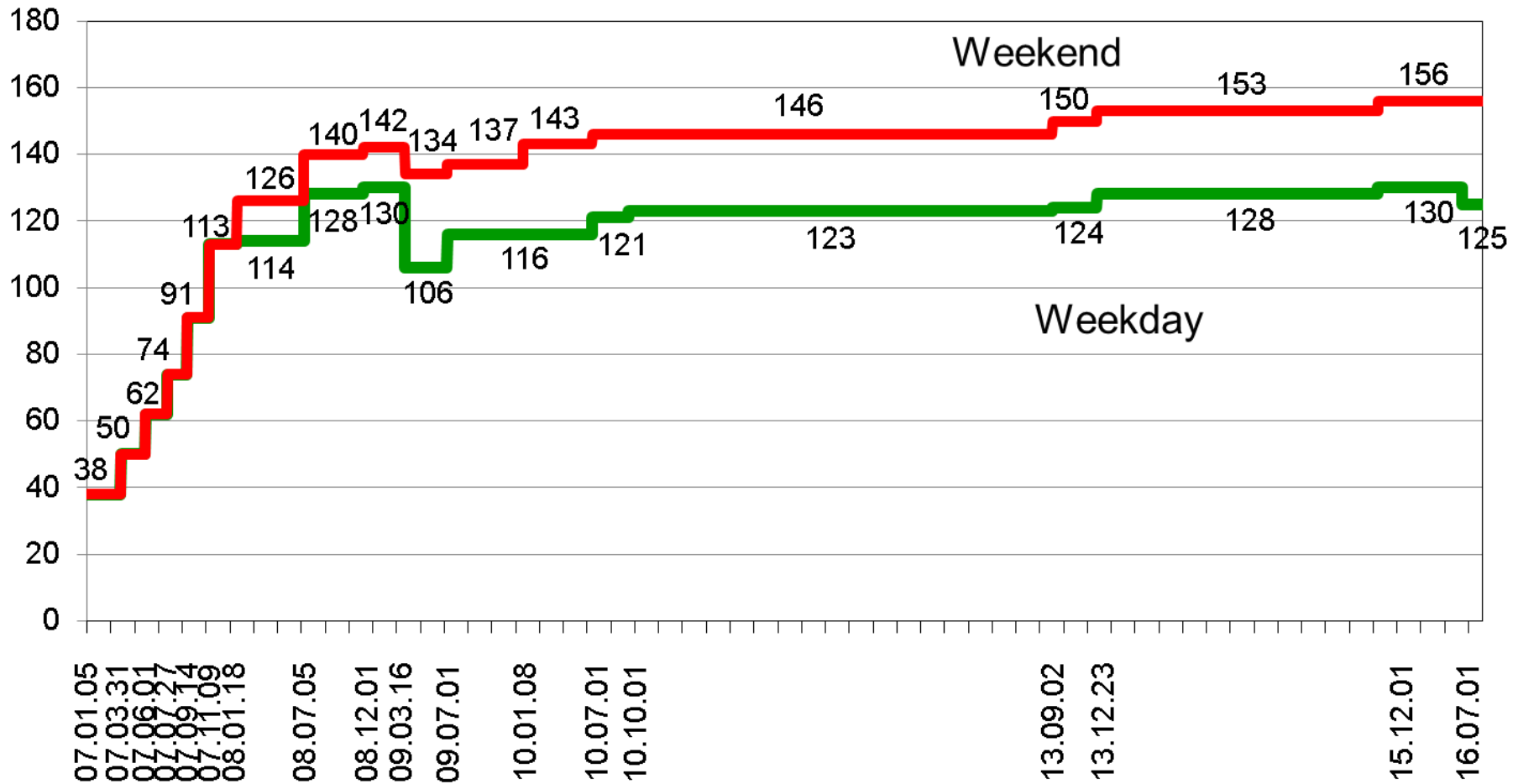


# 2. OPERATION PERFORMANCE



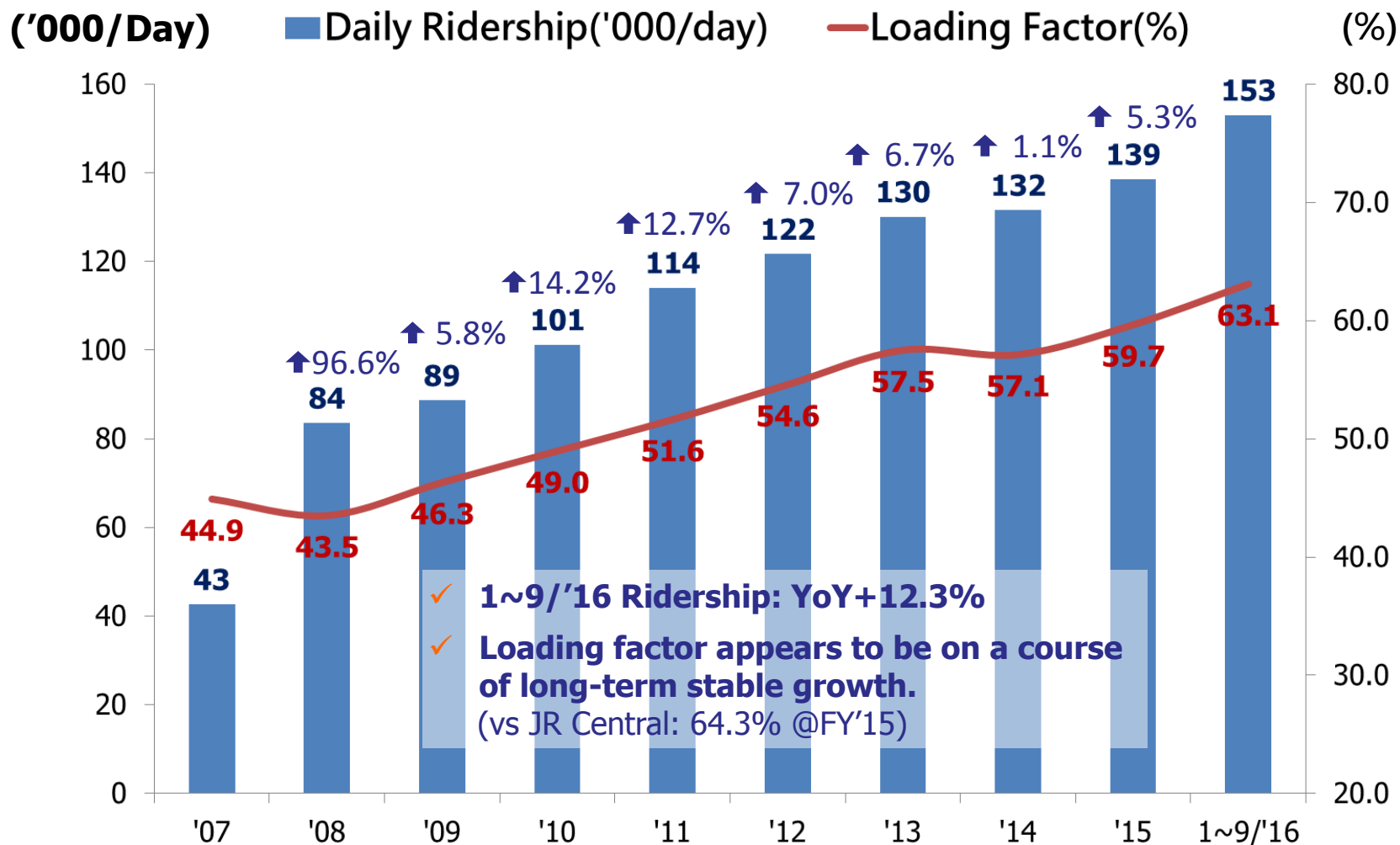
## 1) Train Frequency

Daily Frequency





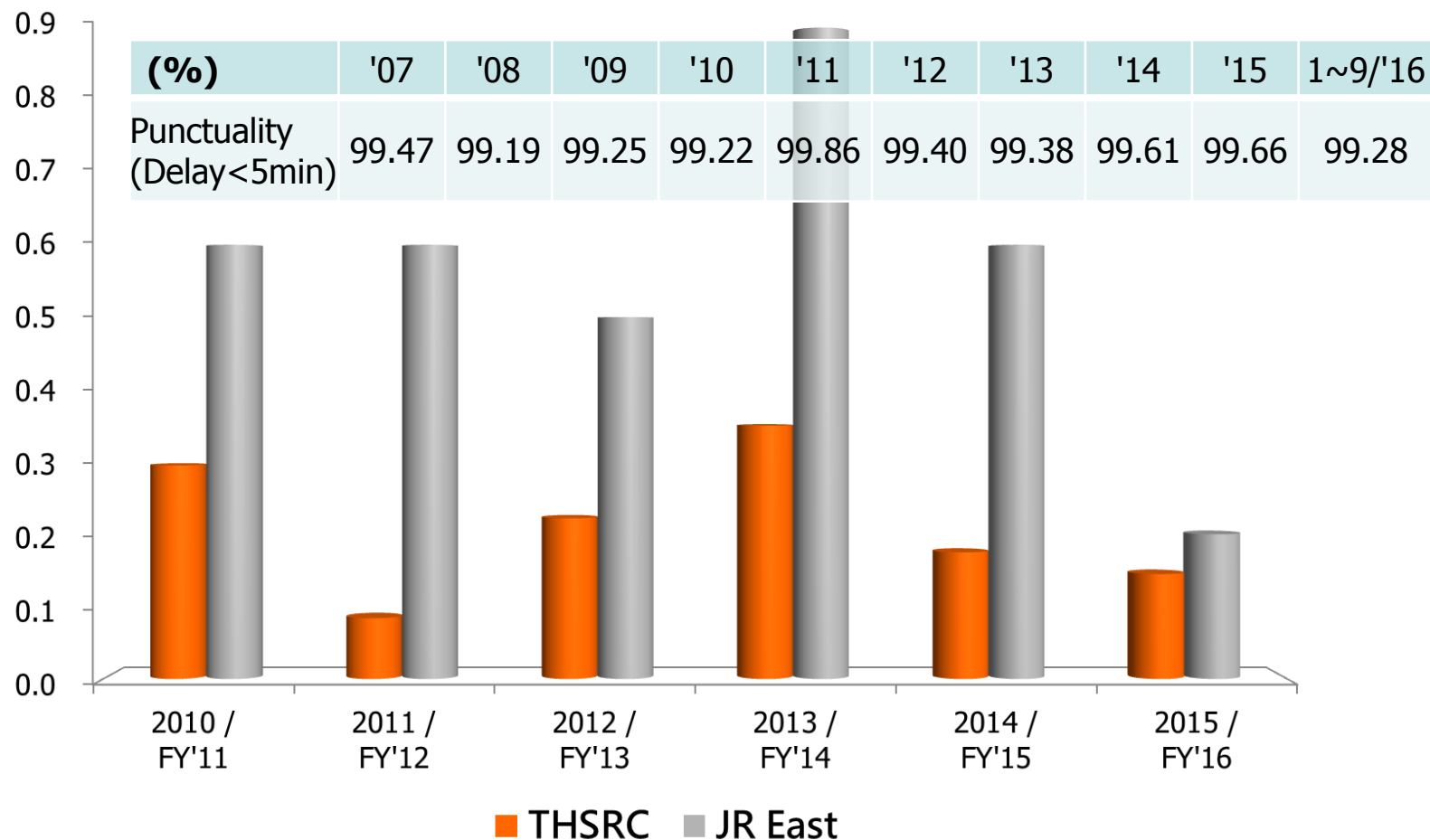
## 2) Ridership & Loading Factor





### 3) Average Train Delay Time

(min)







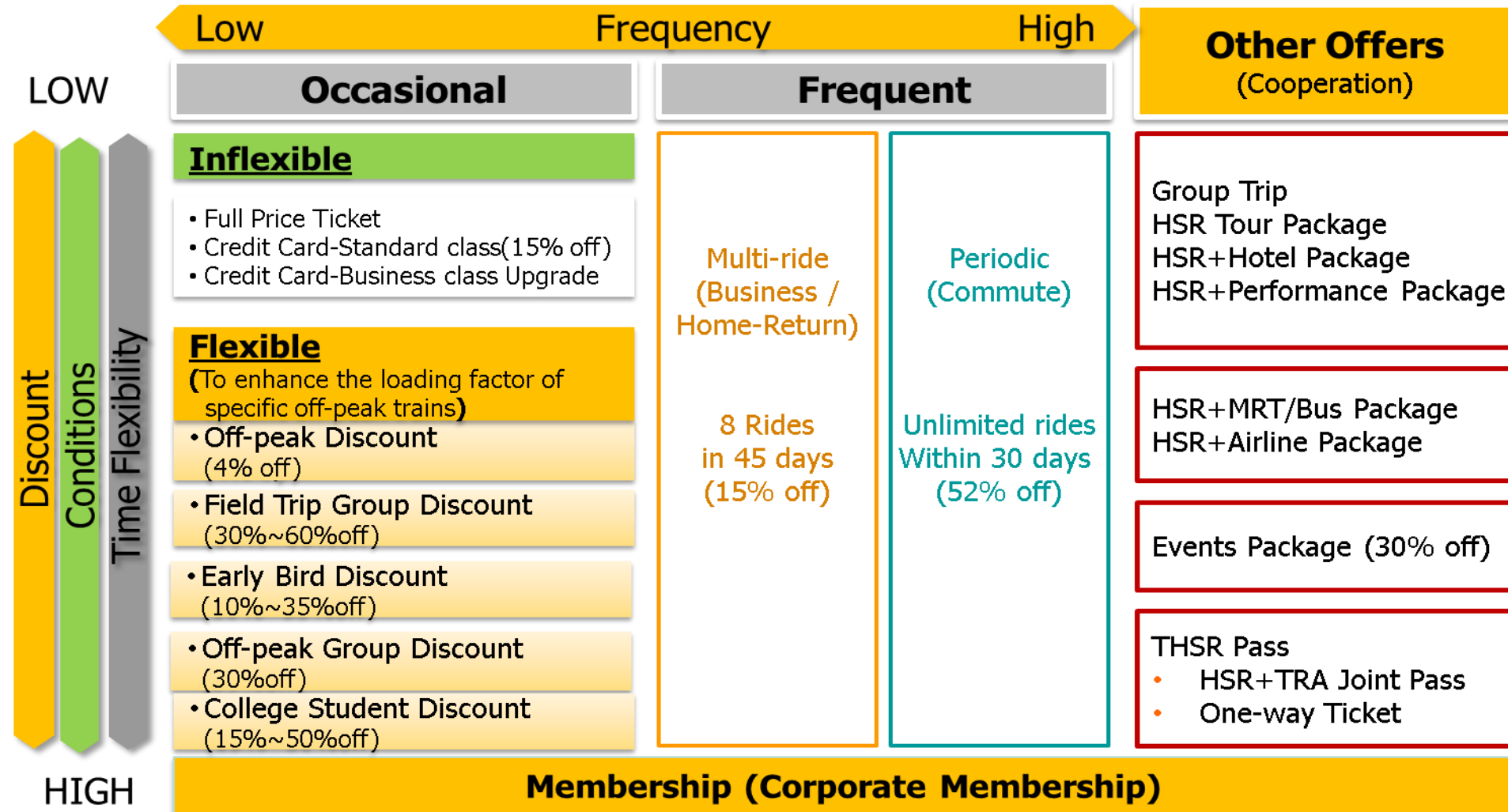
## 4) Operation Performance to Date

ITEM	2007.1 ~ 2016.10
Accidents with Liability	0
Train Services	452,362 Trains
Ridership	394 million passengers
Reliability	99.95% (excluding natural disaster)
Punctuality	99.57% (excluding natural disaster, delay<5 min.)
Average Train Delay Time	0.23 minutes (Per JR East 2015 annual report, average train delay time in FY'15 is 0.6 min)

# 3. MARKETING STRATEGIES

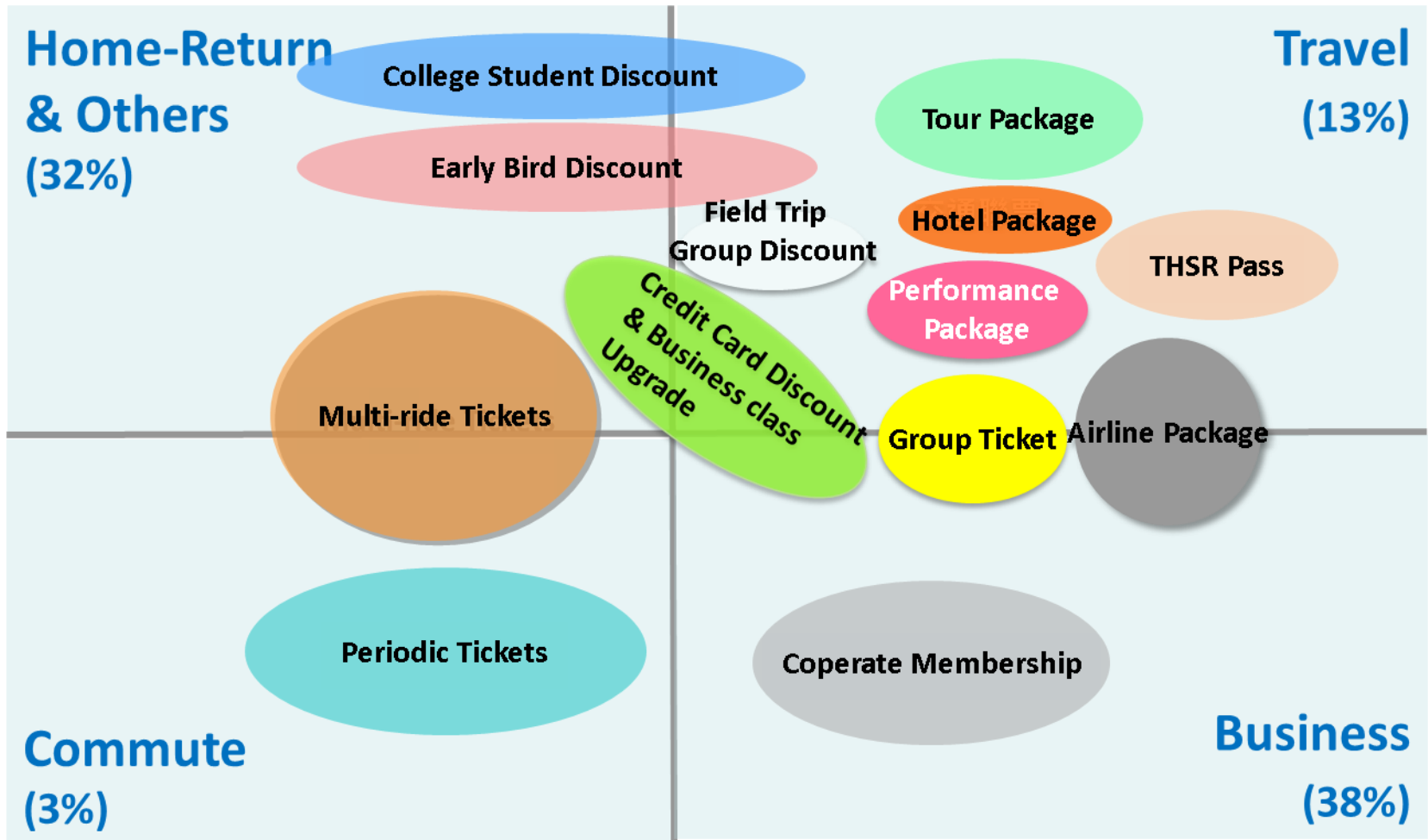


## 1) Structure





## 2) The Production against Trip Purpose



Source: Year 2015 high-speed rail passenger satisfaction survey.

# 4. CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY (1/2)



# 4. CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY (2/2)



# FINANCIAL PERFORMANCE

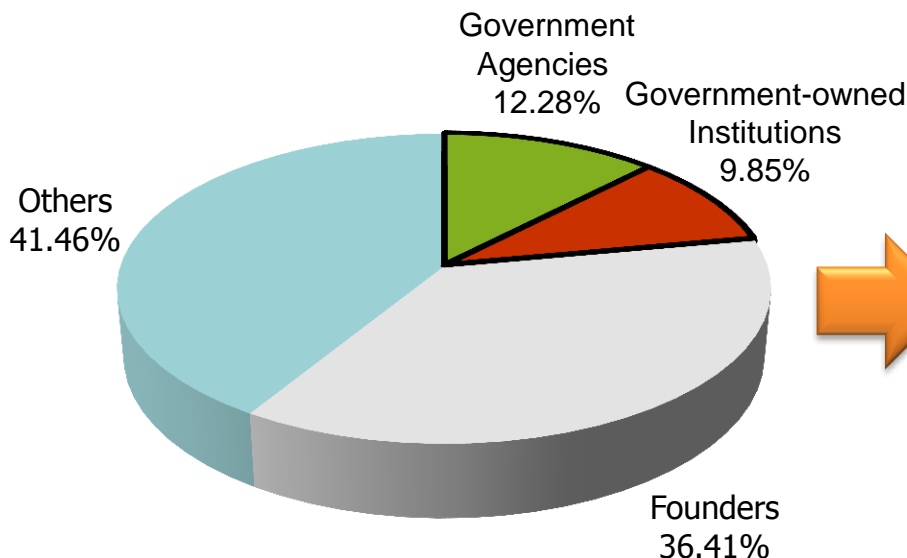


# 1. SHAREHOLDING STRUCTURE

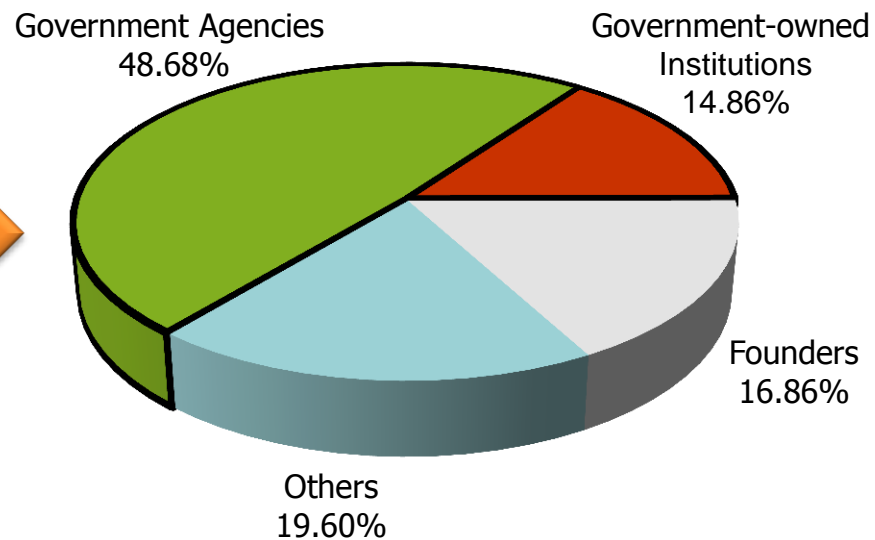


Gov't agencies and gov't-owned institutions hold 63.54% stake, ensuring the operation and finance stability.

**Before Financial Resolution Project**



**After Financial Resolution Project**





## 2. STATEMENTS OF INCOME



(NT\$m)	1-9/'16	1-9/'15	Variance Amount	Variance %
Operating Revenues	30,062	29,841	221	0.7%
Operating Costs	(19,126)	(22,828)	3,702	16.2%
Gross Profit	10,936	7,013	3,923	55.9%
Operating Expenses	(682)	(613)	(69)	-11.3%
Income from Operations	10,254	6,400	3,854	60.2%
Non-Operating Income & Expenses	(6,498)	(7,415)	917	12.4%
Income Before Income Tax	3,756	(1,015)	4,771	470.0%
Income Tax Benefit(Expense)	(629)	224	(853)	-380.8%
Net Income	<b>3,127</b>	<b>(791)</b>	<b>3,918</b>	<b>495.3%</b>
<b>EPS</b>	<b>0.56</b>	<b>(0.30)</b>		

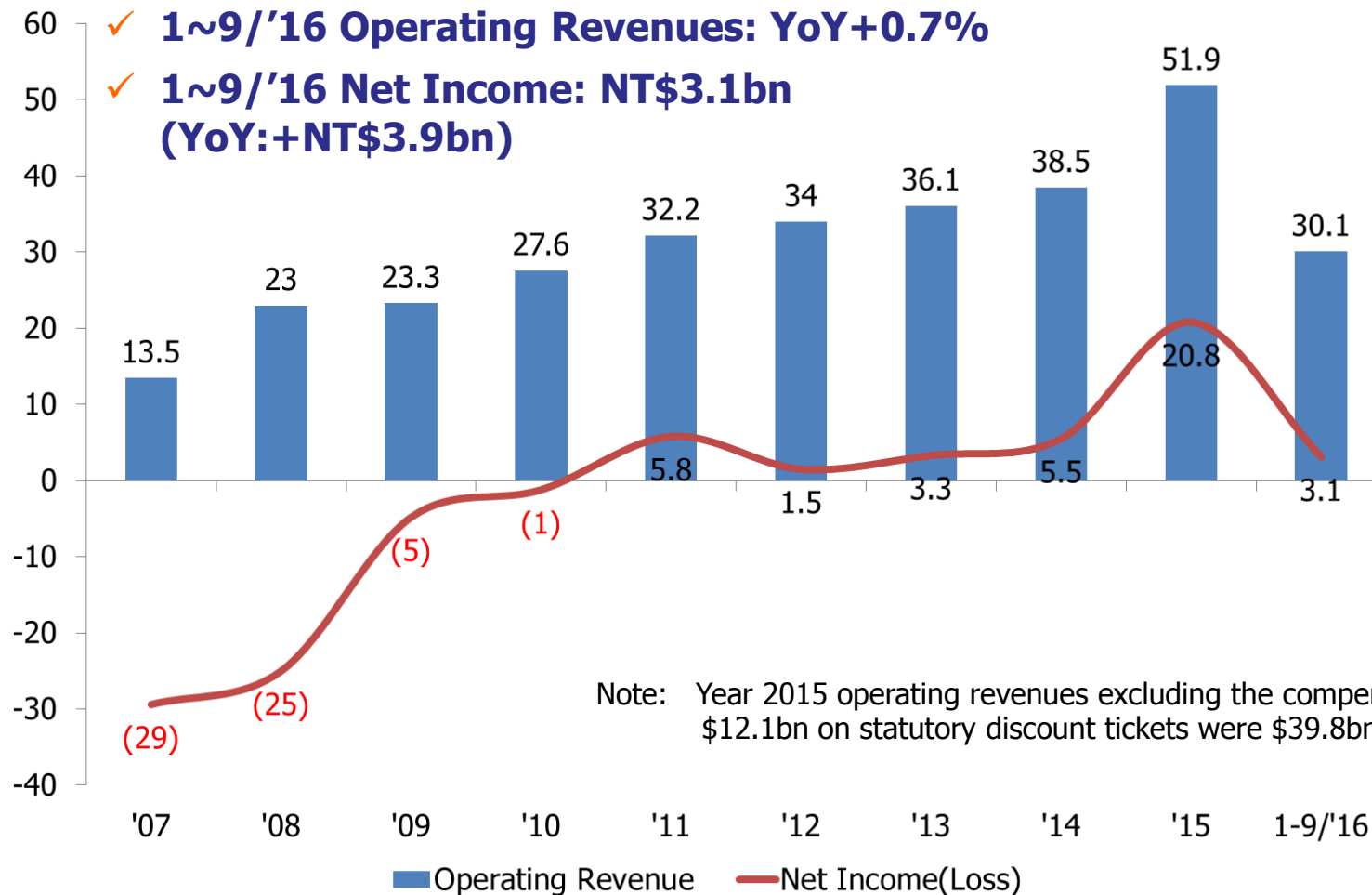
# 3. HISTORICAL OPERATING REVENUES & NET INCOME



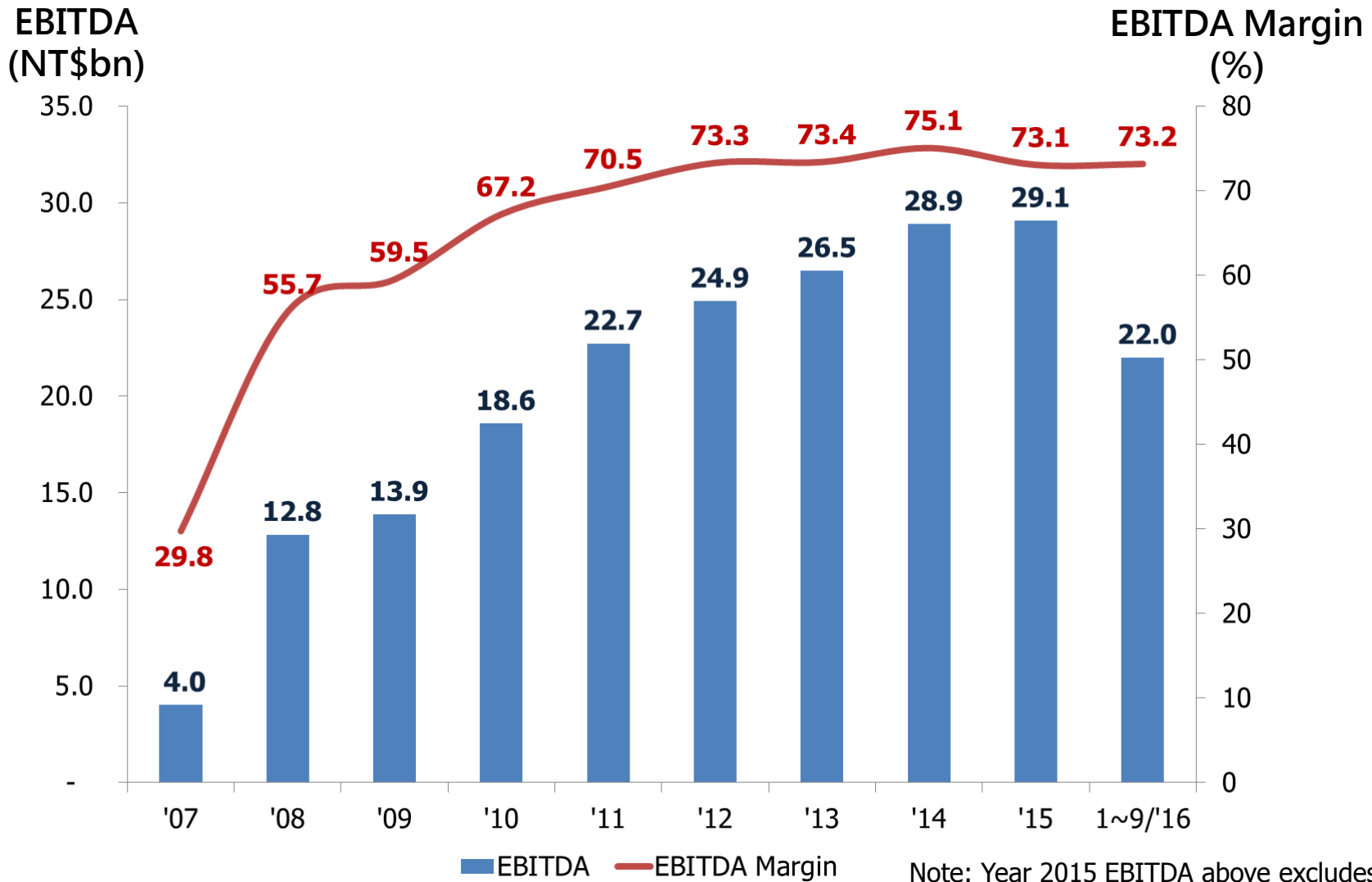
(NT\$bn)

✓ 1~9/'16 Operating Revenues: YoY+0.7%

✓ 1~9/'16 Net Income: NT\$3.1bn  
(YoY:+NT\$3.9bn)



# 4、EBITDA & EBITDA Margin



Note: Year 2015 EBITDA above excludes the compensation of \$12.1bn on statutory discount tickets.

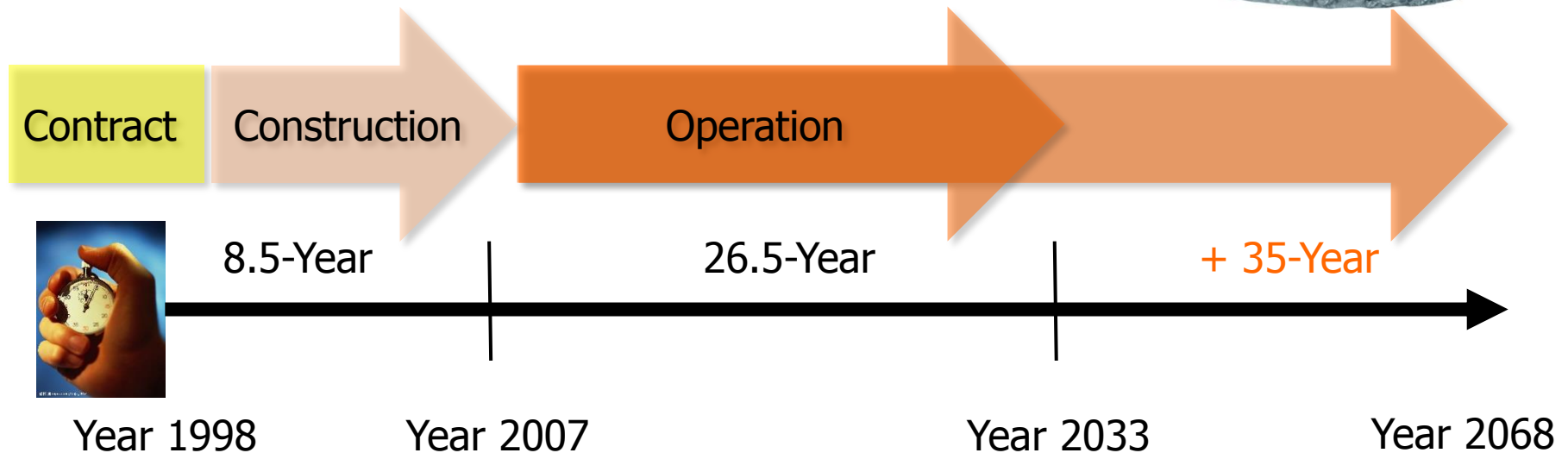
# PROSPECT





## FUTURE GROWTH MOMENTUM

- ❑ Creating Value for Customers.
- ❑ Increase ridership and revenue.
- ❑ Mutual benefits with the significant development and construction plans in the west corridor of Taiwan.
- ❑ Towards sustainable development.

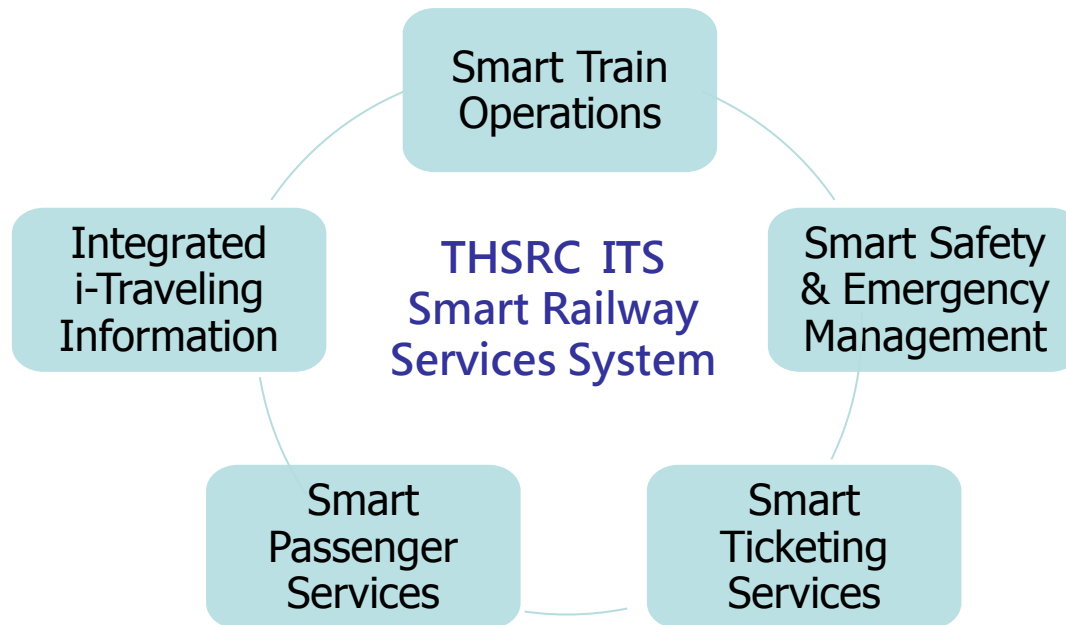


# 1、Creating Value for Customers



Apply advanced technologies including big data and Internet of Things (IoT) to:

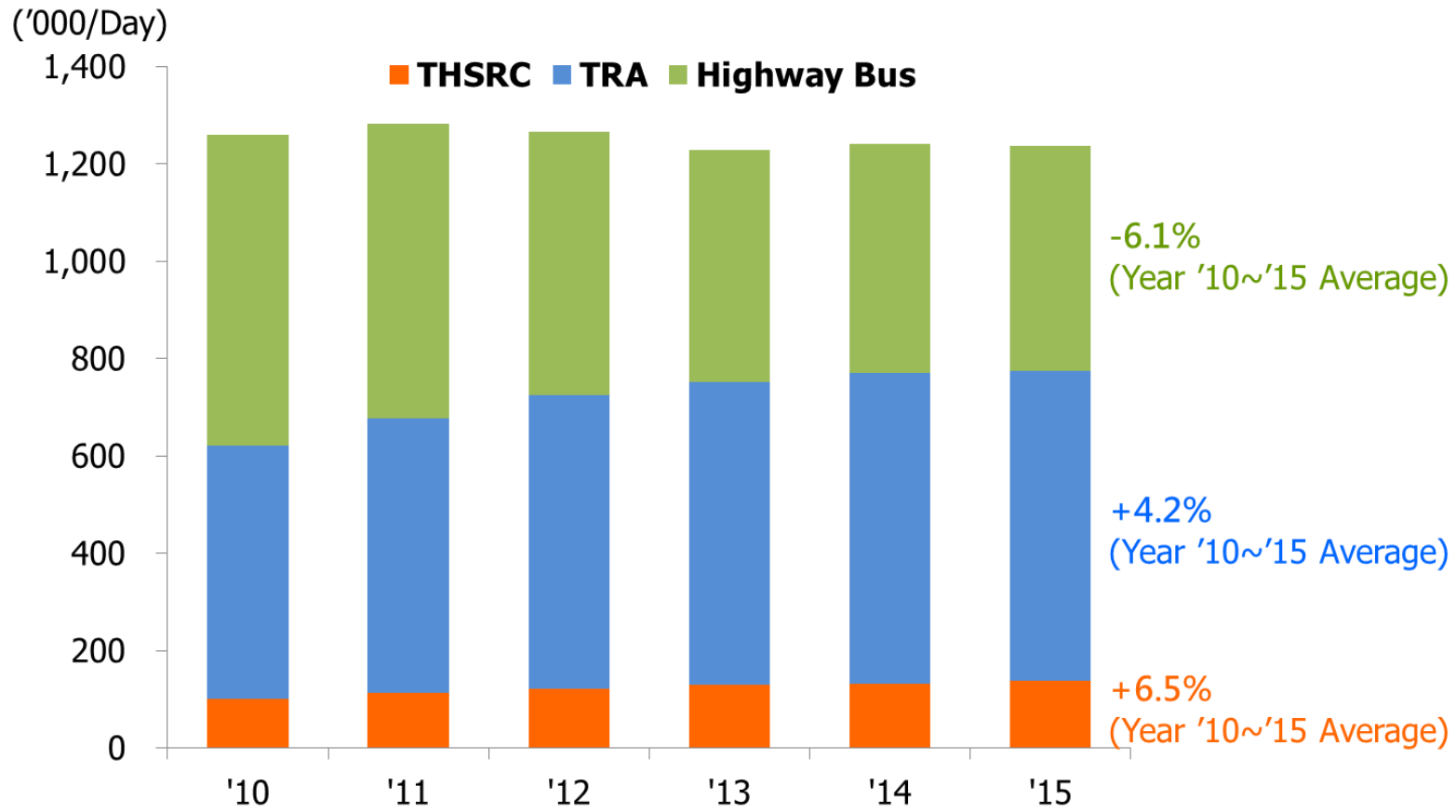
- ✓ Build intelligent transportation systems with Customer Service Cloud and Operation Management Cloud.
- ✓ Enhance operational safety and service quality, and bring excellent traveling experience to passengers.



## 2. INCREASE RIDERSHIP AND REVENUE



Strengthening service quality and launching effective marketing campaigns to increase the revenue and ridership.





# 3. MUTUAL BENEFITS WITH THE SIGNIFICANT DEVELOPMENT AND CONSTRUCTION PLANS IN THE WEST CORRIDOR OF TAIWAN



## Taoyuan Living Circle

Asian Silicon Valley  
Hsinchu Longtan Science Park  
Cross - domain Cooperation of Knowledge Economy Industry

Northeast and Yilan Coast National Scenic Area Project  
North Coast and Guanyinshan National Scenic Area Project

## Hsinchu Living Circle

Biomedical Park  
Taiwan's flagship knowledge - based economy park  
Cross - domain Integration Planning of Hakka Tea Trail in Hsinchu County

## Taipei Living Circle

Nangang National Biotechnology Research Park Project  
Sanxia-Yingge Area Cultural-Creative Core  
Xizhi Technology and Economic Trade Corridor Project

## Taichung Living Circle

Taiwan Photonics Valley  
Taichung City Industry 4.0 Project  
Double-Port Sub-city Center

Tri-Mountain National Scenic Area Project  
Sun Moon Lake National Scenic Area Project

## Chiayi Living Circle

Nursing & Health Park  
Southern Branch of the National Palace Museum  
Chiayi County Dongshih Fisherman's Wharf and Budai Yacht Harbor ROT project

## Changhua Living Circle

Green Energy County Project  
Google Data Center Project

## Tainan Living Circle

Shalun Green Energy Science City  
South Campus of the Academia Sinica

Alishan National Scenic Area Project  
Southwest Coast National Scenic Area Project  
Siraya National Scenic Area Project

## Kaohsiung Living Circle

Kaohsiung Biotechnology Research Park  
Kaohsiung port area third expansion  
Kaohsiung Harbor corridor light rail system

Maolin National Scenic Area Project  
Dapeng Bay National Scenic Area Project



# 4、 TOWARDS SUSTAINABLE DEVELOPMENT



## Strengthen In-House Maintenance Capability

- ✓ Cooperating with domestic universities and R&D institutions to set up a railway equipment laboratory.
- ✓ Cooperating with Japan Railways to accelerate technology convey.
- ✓ Establishing electronics, machinery, welding and other factories to strengthen in-house maintenance capacity.

## Implement Materials Localization

- ✓ Seeking alternative sources of key materials.
- ✓ Cooperating with domestic R&D institutions to develop alternative materials.

## Technology and Experience Exchange

- ✓ Hosting the International High-Speed Railway Association (IHRA) Annual Conference to enhance the international cooperation in the industry and export of operation and maintenance technology.
- ✓ Participating in International Union of Railways (UIC) to build a new benchmark for the railway industry in response to natural disasters with international railway operators.



# CONCLUSION

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To make Taiwan High Speed Rail as high-quality 4T cultural and creative life style, and as the model of domestic public transportation business.

- Transportation
- Technology
- Taiwan
- Touch

A train conductor in a dark uniform with a peaked cap and glasses stands on a platform, pointing towards a white high-speed train. The train is blurred, suggesting motion. The platform has a yellow safety line. The background shows the station's roof structure and a red signal light.

**The End**