

Taiwan High Speed Rail Corporation
Minutes for 2024 Annual Shareholders' Meeting

Date and Time: 9:00 a.m., May 23, 2024

Venue: Cathay Financial Conference Hall (1F., No. 9, Songren Rd., Xinyi Dist., Taipei City)

Attending directors: Chairman Yao-Chung Chiang, Independent Director Duei Tsai (Convener of Audit Committee), Independent Director Kenneth Huang-Chuan Chiu (Convener of Remuneration Committee), Independent Director Ming-Teh Wang, Independent Director Yung-Cheng (Rex) Lai, Independent Director Pai-Ta Shih, Director Yu-Fen Hung, Director Shien-Quey Kao, and Director Yi-Ling Wu. (A total of 9 directors attended the Annual Shareholders' Meeting, representing more than half of all 15 Corporation directors.)

Other attendees:

PricewaterhouseCoopers: Chien-Hung Chou, Chih-Fan Yu

Baker McKenzie: Lindy Chern, Mark Tu

Railway Bureau, Ministry of Transportation and Communications guidance personnel:
Chief Secretary Patricia Chen, Senior Secretary Wen-Mei Chen, Associate Engineer Yi-Ju Lee

Chairman: Yao-Chung Chiang

Recorded by: Joe Wang

Attending shareholders: Total number of outstanding Corporation shares amounted to 5,628,293,058 shares, with 0 shares holding no voting rights. Of these, holders of 4,759,834,279 common shares attended in person, holders of 4,546,852,303 common shares attended electronically, 0 common shares were publicly solicited proxies, and 16,760,857 common shares were non-solicited proxies. The total number of participating common shares was 4,776,595,136 shares; the attendance rate was 84.86%.

Meeting commencement: The Chairman announced the commencement of the meeting as shares represented by attending shareholders had reached the number legally required for the shareholders' meeting.

Chairman's opening speech:

Good morning to all our shareholders and honored guests.

Thank you all for taking time out of your busy schedules to attend the THSRC 2024 Annual Shareholders' Meeting. I would like to welcome you on behalf of all Corporation directors.

Before the meeting begins, I would first like to report to all shareholders that THSRC's ridership volumes and revenues have continued to grow steadily, and we achieved new heights in 2023. Passenger numbers for the year exceeded 70 million for the first time, reaching 73.08 passengers. Our revenues were NT\$49.8 billion and net profit before

tax reached NT\$9.7 billion, both reaching record highs since THSRC commenced operations.

Additionally, our average daily ridership volumes have also continued to increase. In 2023, our daily ridership reached 200,000 passengers, an increase of more than 15,000 daily passengers compared to pre-pandemic levels in 2019. This growth has continued through the first quarter of this year: Average daily ridership volumes now exceed 214,000 passengers, showing that the safe, comfortable, punctual, and convenient passenger services provided by all THSRC employees has won the trust of passengers amid flourishing developments in commercial activities and continued vitality in Taiwan's society. We hope that all shareholders will continue to support and encourage our management team.

In response to continuing growth in travel demands, THSRC completed procurement of new generation rolling stock last year in accordance with overall ridership trends and capacity expansion plans. We also implemented "addition of regular trains" three times since July of last year, raising the total number of weekly train runs from 1,016 trains to 1,060 trains. During this period, we also implemented "addition of temporary trains" three times in response to short-term passenger needs. We previously announced that we would add 43 more train runs in July, bringing the total number of weekly train runs to 1,103 trains, thereby strengthening passenger services and bringing our ridership to new heights.

Secondly, I would like to report our important achievements in cost savings to all shareholders. We signed an additional agreement with our syndicated loan banks at the end of last year to lower our interest rate; this agreement took effect on January 3 of this year, and our syndicated loan interest rate has been adjusted to 0.45% from 0.92%. Therefore, in addition to recognition of a one-time contract modification benefit amounting to NT\$6.83 billion, our interest expenses for 2024 will also be reduced by NT\$1 billion. We also reduced interest fees through advance repayments of our syndicated loan. Since 2016, we have made advance repayments amounting to NT\$140.7 billion, which not only effectively mitigated the negative impacts of central bank interest rate hikes in recent years, but also directly benefited our current and future profitability.

Looking to 2024, our strategy for increasing revenues is to continue integrating smart technology, optimizing ticketing convenience, increasing the value of off-peak trains, and expanding the scale of our membership economy through cross-industry alliances to strengthen revenue effects. Our THSRC online T-Shopping service will soon be launched. This will not only provide passengers with an all-new shopping experience, but also open up business opportunities for the Corporation. We are also planning to adopt appropriate green financing tools based on our cash flow conditions and changes in financial markets, using financial sustainability to lower our operational costs and achieve our sustainable management targets.

Finally, I would like to report some more good news to all shareholders. The TWSE "10th Corporate Governance Evaluations" has ranked THSRC among the top 5% of companies for the seventh consecutive year. This is the result of THSRC working conscientiously and adhering to the highest standards since our public listing in 2016 and participation in these Evaluations for the first time in 2017. We ensure that our corporate governance aligns with current trends so that we can remain at the forefront of all listed companies. THSRC works to respond to shareholder expectations through practical actions and sincere business attitudes. We hope that all shareholders will

continue to support us as we to strive for excellence and progress on the path to corporate governance and ethical management. Thank you!

There are five management presentations, two proposals, and two discussion items on the agenda for today's shareholders' meeting. Please refer to the Meeting Handbook for more information. We hope all of you can provide your support for this meeting.

I would like to report to all shareholders that we posted public notice for shareholder proposals relating to this meeting in accordance with Article 172-1 of the Company Act, and no shareholders submitted proposals during the notice period.

According to FSC regulations, companies which have adopted electronic voting procedures at shareholder meetings are required to vote on motions for which shareholders with electronic voting rights have expressed objections or abstentions. To save time, we will vote on each respective motion after discussions for all proposal and discussion motions have concluded.

I will now ask the master of ceremonies to continue with the proceedings for today's shareholders' meeting. Thank you.

I. Management Presentations

Report No. 1: Report on Corporation Execution of Corporate Governance (Please refer to Appendix I).

Report No. 2: Report on Director Remuneration for 2023 (Please refer to Appendix II).

Report No. 3: Report on Allocation of 2023 Remuneration to Board of Directors and Employees (Please refer to Appendix III).

Report No. 4: Report on Adjustments to the Estimated Amortization Lives of Certain Operating Concession Assets (Please refer to Appendix IV).

Report No. 5: Report on contracts "Phase 3 Lease for Office Space at Nangang Software Park" and "Phase 3 Lease for Parking Spaces at Nangang Software Park" signed with related party Century Development Corporation (Please refer to Appendix V).

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Resolution: Following the first to fifth management presentations, the Chairman received no objections from all shareholders present, and the reports were acknowledged by the shareholders.

II. Proposals

Proposal No. 1: Proposed by the Board

Proposal: Proposal of 2023 Annual Business Report and Financial Statements of the Corporation.

Explanation: The Corporation's 2023 Business Report (please refer to Appendix VI) and Financial Statements (please refer to Appendix VII) were approved on February 21, 2024 at the 10th meeting of the 10th Board. The financial statements were audited by certified public accountants, and an audit report thereto was issued on February 21, 2024 (please refer to Appendix VIII), distributed to the Audit Committee for review (please refer to Appendix IX), and is hereby submitted for adoption at shareholders' annual general meeting.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Resolution: Voting results for this proposal was as follows:

(For proposals, holders of 4,759,834,279 common shares attended in person, holders of 4,546,852,303 common shares attended electronically, 0 common shares were publicly solicited proxies, and 16,760,857 common shares were non-solicited proxies. The total number of participating common shares was 4,776,595,136 shares, amounting to 84.86% of all outstanding common shares.)

Total number of shareholder votes present during vote: 4,776,595,136

Voting results	Number of shareholder votes	Proportion of shareholder votes present during vote (%)
Approval votes	4,620,076,201 (Including 4,390,951,368 electronic votes)	96.72%
Disapproval votes	1,931,848 (Including 1,929,848 electronic votes)	0.04%
Invalid votes	0	0.00%
Abstention votes/no votes	154,587,087 (Including 153,971,087 electronic votes)	3.23%
The motion was approved as proposed.		

Proposal No. 2: Proposed by the Board

Proposal: Proposal of 2023 Profit Distributions of the Corporation.

Explanation:

1. As of year-end 2023, our distributable earnings amounted to NT\$9,508,291,637.
2. In order to stabilize and balance payout policies and in consideration of long-term corporate financial planning, the Corporation proposes cash dividends of NT\$1.02 per share for 2023 profit distribution, amounting to NT\$5,740,858,919 on a basis of 5,628,293,058 common shares outstanding.
3. The Corporation's profit distribution table for 2023 was approved at the 11th meeting of the 10th Board on March 13, 2024, circulated to the Audit Committee for review (please refer to Appendix X), and is hereby submitted to the shareholders' annual general meeting for approval.

Taiwan High Speed Rail Corporation
PROFIT DISTRIBUTION TABLE

Fiscal Year 2023	Unit: TWD
Unappropriated retained earnings at the beginning of the period	2,472,822,140
Add: Net income for 2023	7,824,282,730
Add: Re-measurements of defined benefit plan	(7,094,400)
Undistributed earnings	10,290,010,470
Less: 10% legal reserve	(781,718,833)
2023 distributable earnings	9,508,291,637
Distributable items:	
Cash dividends (NT\$1.02 per share)	(5,740,858,919)
Current-year undistributed earnings	3,767,432,718

4. Following approval from the 2024 shareholders' annual general meeting, the ex-dividend date and cash dividend payment date will be determined by the Board.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Resolution: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote: 4,776,595,136

Voting results	Number of shareholder votes	Proportion of shareholder votes present during vote (%)
Approval votes	4,616,887,820 (Including 4,387,403,987 electronic votes)	96.65%
Disapproval votes	5,979,221 (Including 5,977,221 electronic votes)	0.12%
Invalid votes	0	0.00%
Abstention votes/no votes	153,728,095 (Including 153,471,095 electronic votes)	3.21%
The motion was approved as proposed.		

III. Discussion:

Discussion No. 1: Proposed by the Board

Proposal: Revision of Articles of Incorporation.

Explanation:

1. Additional wording has been added to Paragraph 3, Article 27-1 of the Articles of Incorporation to clarify chairman resignation (retirement) procedures and consolation payments.

2. A comparison of amended articles in the Articles of Incorporation is shown in Appendix XI.
3. This proposal was approved at the 10th meeting of the 10th Board dated February 21, 2024, and is hereby submitted to the shareholders' annual general meeting for approval.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Resolution: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote: 4,776,595,136

Voting results	Number of shareholder votes	Proportion of shareholder votes present during vote (%)
Approval votes	4,580,985,897 (Including 4,351,523,064 electronic votes)	95.9%
Disapproval votes	1,069,416 (Including 1,066,416 electronic votes)	0.02%
Invalid votes	0	0.00%
Abstention votes/no votes	194,539,823 (Including 194,262,823 electronic votes)	4.07%
The motion was approved as proposed.		

Discussion No. 2: Proposed by the Board

Proposal: Revision of Guidelines for Corporate Governance.

Explanation:

1. The Corporation actively promotes corporate sustainable development concepts and has compiled a five-year (2023 to 2027) medium and long-term strategic plan responding to domestic, international, and industrial concern for to sustainability issues which lists specific policies that adhere to the United Nations Sustainable Development Goals and incorporate ESG concepts into our business strategies. The Corporation's efforts in promoting corporate sustainable operations have been recognized and affirmed by professional independent institutions and stakeholders both at home and abroad. In order to further incorporate corporate sustainable development concepts into decision-making processes and business implementations, we plan to adjust the duties of the "Corporate Governance & Nominating Committee" and rename it the "Sustainable Development & Nominating Committee," as well as amend relevant articles of the Corporation's "Guidelines for Corporate Governance" in line with practical operational needs.
2. A comparison of amended articles in the Guidelines for Corporate Governance is shown in Appendix XII.
3. This proposal was approved at the 10th meeting of the 10th Board dated February

21, 2024 and the 11th meeting of the 10th Board on March 13, 2024, and is hereby submitted to the shareholders' annual general meeting for approval.

Summary of shareholder inquiries: No inquiries were raised by shareholders.

Resolution: Voting results for this proposal was as follows:

Total number of shareholder votes present during vote: 4,776,595,136

Voting results	Number of shareholder votes	Proportion of shareholder votes present during vote (%)
Approval votes	4,581,031,618 (Including 4,351,547,785 electronic votes)	95.9%
Disapproval votes	1,097,873 (Including 1,097,873 electronic votes)	0.02%
Invalid votes	0	0.00%
Abstention votes/no votes	194,465,645 (Including 194,206,645 electronic votes)	4.07%
The motion was approved as proposed.		

IV. Extraordinary Motions:

1. Chairman's statement: Shareholder No. 42986 submitted a request to speak at the meeting, so we will now open the floor to Shareholder No. 42986.
 - (1) Summary of Shareholder No. 42986 inquiries: Chairman and fellow shareholders, while we all recognize THSRC's efforts in implementing ESG and sustainable developments, I would like to ask if THSRC has any plans or schedules associated with the Science-Based Targets initiatives?
 - (2) Chairman's statement: Thank you for your question. Information on net zero emissions, energy conservation, and carbon reduction has been detailed in pages 180 and 181 of our Annual Report. I will also ask System Research Development Division Vice President Eric Cheng to provide additional explanations.
 - (3) System Research Development Division Vice President Eric Cheng: THSRC completed a Corporation-wide inventory of greenhouse gas emissions in advance of FSC requirements; the inventory scope encompassed Scope 1, 2, and 3 emissions, and covered the Corporation's mainline, stations, maintenance depots, and facilities. We have obtained external SGS verification. We are currently studying the latest energy-saving and carbon-reducing technologies, and will formulate more detailed net zero emissions pathways and schedules in future.
2. Chairman's statement: Shareholder No. 42989 submitted a request to speak at the meeting, so we will now open the floor to Shareholder No. 42989.
 - (1) Summary of Shareholder No. 42989 inquiries: I am grateful to the THSRC team led by Chairman Chiang for enabling us in Taiwan to enjoy convenient

transportation services. As the Chairman just said, the Corporation has been ranked among the top 5% of listed companies in the TWSE Corporate Governance Evaluations for seven consecutive years since becoming a publicly listed company. We recognize THSRC's commitment to sustainability, and we all know that the high-speed rail is a low-carbon transportation system, but the transportation industry is one of the main emitters of greenhouse gases. In response to the government's plan to achieve net zero emissions by 2050, as an institutional investor, we at First Commercial Bank recommend that THSRC formulate a 2050 net zero emission plan which can be regularly reviewed and adjusted on a rolling basis.

- (2) Chairman's statement: The high-speed rail is a low-carbon mode of transportation. THSRC uses electricity provided by Taiwan Power Company. If Taiwan Power Company supplies gray electricity or green electricity, this will improve our chances of achieving net zero emissions. At this stage, the ratio of green electricity supplied in Taiwan is growing every year. Apart from these expectations associated with power supplies, THSRC will also actively promote net zero emissions by 2050. System Research Development Division Vice President Eric Cheng will provide additional explanations of related plans.
- (3) System Research Development Division Vice President Eric Cheng: In terms of net zero emissions, THSRC is continuing to invest in carbon-reducing technologies that can improve operations or finances. For example, our new generation rolling stock requires 20% less power than our original rolling stock. THSRC will incorporate new technologies by replacing old equipment and actively reduce carbon emissions. We regularly review our latest carbon reduction targets at our Board meetings and disclose them in annual reports. THSRC will also align with global trends in achieving net zero emission targets.
3. Chairman's statement: Shareholder No. 323959 submitted a request to speak at the meeting, so we will now open the floor to Shareholder No. 323959.
 - (1) Summary of Shareholder No. 323959 inquiries: As a small shareholder, I would like to inquire about the progress of the high-speed rail east extension project. Will corporate bonds be issued? If there are insufficient funds, you could consider issuing corporate bonds or seek investment from Japanese companies.
 - (2) Chairman's statement: Thank you for your question. Regarding the high-speed rail east extension project, I would like to explain to all shareholders that the section from Zuoying to Nangang currently operated by THSRC was part of a BOT project where funding, construction, and operations were provided by private companies. The south extension, east extension, and round-island projects reported by the media are all major national transportation policies planned by the Ministry of Transportation and Communications. THSRC is not involved in these plans, but we will of course offer our experiences and data to the competent authorities if the Ministry of Transportation and Communications needs us to provide our expertise in construction and operation. To our knowledge, these projects are all currently still in the planning phases. If more concrete plans are formulated, THSRC will participate in these plans and provide related experiences to government authorities.
4. Chairman's statement: Shareholder No. 42983 submitted a request to speak at the meeting, so we will now open the floor to Shareholder No. 42983.
 - (1) Summary of Shareholder No. 42983 inquiries: THSRC has an excellent record in

ESG and corporate governance implementations, so I feel honored to be a shareholder, but ESG is currently an important social issue. I would like to know THSRC's specific plans regarding 2050 net zero emissions. I understand that THSRC has provided relevant information in the annual report, but I would still like to know more specific details.

- (2) Chairman's statement: Thank you for your comments. We understand your concern regarding THSRC's specific actions and plans for achieving net zero emissions by 2050. I will ask Planning Senior Vice President Rae Chung to provide additional explanations.
- (3) Planning Senior Vice President Rae Chung: Thank you for your question. We are highly focused on achieving net zero emissions by 2050. As System Research Development Division Vice President Eric Cheng explained, THSRC has completed the first stage of carbon inventories encompassing Scope 1, 2, and 3 emissions, and we have determined our total carbon emissions. Subsequently, we will seek out external experts and consulting companies to help us in completing carbon reduction pathways and blueprints. These plans are currently being implemented.

The Chairman provided full explanation and response to the above inquiries, and these were acknowledged by the shareholders.

V. Meeting closed: May 23, 2024 at 9:47 a.m.

Notes:

1. The proportion of shareholder votes present during vote for approval votes, disapproval votes, abstention votes, invalid votes, and no votes were automatically calculated and were rounded unconditionally to the second decimal place; this difference in decimal points may cause the total proportion to be unequal to 100.00%.
2. These meeting minutes only provide a summary of shareholder inquiries; full inquiries and responses taken from on-site audio and video recordings shall prevail.

Appendix I

Report No. 1: Report on Corporation Execution of Corporate Governance

According to Paragraph 3, Article 5-2-02 of the Corporation's "Guidelines for Corporate Governance," the Corporate Governance & Nominating Committee should prepare a report on the Corporation's implementation of corporate governance prior to each shareholders' annual general meeting. Following review by the Board of Directors, said report shall be included in the Annual Meeting Handbook. The Corporation's Report on Implementation of Corporate Governance for the current year was approved at the 10th meeting of the 10th Board on February 21, 2024, and is hereby presented to the shareholders' general meeting.

I. Background

For the purpose of sound corporate governance, as well as assurance of shareholder equity, consolidation of Board function, promotion of information transparency, and achievement of sustainable development, the Corporation Guidelines for Corporate Governance were formally approved at the shareholders' general meeting held on May 28, 2003. Additionally, independent directorship was introduced to establish an infrastructure for corporate governance. Accordingly, relevant corporate governance systems and measures were initiated and executed over the last 20 years with considerable effectiveness.

II. Corporate Governance Guidance

To achieve business autonomy, the Corporation referred to important corporate governance principles both at home and abroad, the corporate governance experiences of leading enterprises, and domestic applicable laws and regulations when formulating the Corporation Guidelines for Corporate Governance (hereinafter "GCG"). These standards were established and amended at the 2003, 2004, 2006, 2007, 2012, 2013, 2019, 2021, 2022, and 2023 shareholders' general meetings, as well as the 2016 extraordinary general meeting, and serve as the guiding principles for our corporate governance system and implementation of governance measures.

III. Execution of Corporate Governance System

Appendix I

In addition to the stipulation of independent directorship in our Articles of Incorporation, we have also established relevant functional committees in a sequential manner based on our actual business and stage-task requirements. Currently, our Board of Directors have established the Corporate Governance & Nomination, Audit, Remuneration, and Special Committees for functional purposes. The Board formulated applicable corporate governance bylaws and adopted specific corporate governance measures to establish a robust corporate governance system.

1. Establishment of Independent Directorship

In light of the observable effectiveness of our corporate governance system, the ability of independent directorship to progressively bring the functions set out in GCG into play, and for the purpose of alignment with legalization of independent directorship, we acted in concert with amendments to the Securities and Exchange Act by adding provisions to our Articles of Incorporation for establishing independent directorship at the 2006 shareholders' general meeting. Accordingly, following election of the 4th directors and supervisors at the 2007 shareholders' general meeting, two or more independent directors have been elected each year according to laws and regulations and our Articles of Incorporation. Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" was amended on December 8, 2021 to stipulate that the number of independent directors shall be no less than one-third the number of directors. Beginning in 2024, the Financial Supervisory Commission's Corporate Governance 3.0 Blueprint for Sustainable Development will require that the number of independent directors at listed companies with paid-in capital of more than NT\$ 10 billion be no less than one-third the number of directors. In consideration of Board terms, the Corporation has amended the Articles of Incorporation to stipulate that, starting from the 10th Board, the number of independent directors shall be no less than three and no less than one-third the number of directors. This amendment was approved by the 2022 shareholders' general meeting.

2. Restructuring of Board of Directors According to Shareholder Structure

In consideration of appropriate Board scale, representation of shareholder interests, business nature of BOT models, and corporate development, as well as shareholder structure and

Appendix I

discussion efficiency, a total of 15 directors are serving on the 10th Board, including 5 independent directors and 10 non-independent directors elected at the shareholders' general meeting held on May 25, 2023.

3. Institution of Functional Committees of Board of Directors for Business and Legal Compliance Needs

To implement efficient decision-making and robust supervision, our 4th Board of Directors established the Corporate Governance Committee and quasi Audit Committee in accordance with Article 5-1-01 of the GCG, and the Board thereafter established other functional committees such as the Procurement Committee, Finance Committee, Remuneration Committee, and Special Committee in line with business and regulatory demands. These committees preview relevant affairs and proposals prior to discussion at Board meetings. Additionally, in compliance with public listing regulations, the shareholders' extraordinary general meeting held on March 18, 2016 discussed and approved revisions to our Articles of Incorporation and GCG, wherein the Audit Committee was established to replace supervisors and the Corporate Governance Committee was renamed the Corporate Governance & Nominating Committee; the former quasi Audit Committee ceased to exist upon the amendment of the above bylaw and guidelines.

Furthermore, the 15 directors comprising the 10th Board were elected for three years of office (May 25, 2023 to May 24, 2026). The current Board oversees the Corporate Governance & Nominating Committee, Audit Committee (encompassing the duties of the Finance Committee), Remuneration Committee, and Special Committee (encompassing the duties of the Procurement Committee); of these, the Audit Committee and Remuneration Committee are convened by independent directors, and the members of each functional committee include at least two independent directors.

4. Primary tasks and execution responsibilities for Board of Directors and functional committees (from January 2023 to March 2024)

(1) Board of Directors

- ① Composition: 13 directors for the 9th Board and 15 directors for the 10th Board.

Appendix I

② Number of meetings: 16.

③ Primary tasks :

The Board is responsible for major Corporation financial, business, and operational decisions, and oversees the duties performed by Management (see Schedule for details).

④ Execution:

The Board of Directors adheres to applicable laws and regulations, resolutions of shareholders' meetings, and Corporation bylaws to faithfully perform the foregoing primary tasks. Board duties are diverse and therefore not enumerated here. The Board of Directors announces and discloses all major resolutions on the Market Observation Post System as required. Functional committees bring their respective preview functions into play, and independent directors also exert their independence and professionalism, enhancing Board discussions and promoting professionalism.

(2) Corporate Governance & Nominating Committee

① Composition: 5 directors for the 9th Board (including the Chairman) and all committee members elected the Chairman as convener; 7 directors for the 10th Board (including the Chairman) and all committee members elected the Chairman as convener.

② Number of meetings: 14.

③ Primary tasks:

Review diverse backgrounds and independent standards of independent directors, non-independent directors, and managers, including professional knowhow, technical knowledge, expertise, and gender; plan composition of the Board and functional committees; review succession plans for directors and managers; conduct performance evaluations of the Board, committees, directors, and managers; nominate independent directors and non-independent directors; research and analyze corporate governance systems; and review effectiveness of corporate governance systems and implementation of information disclosures (see Schedule for details).

④ Execution:

1) Discuss proposals for evaluating implementations of Board of Directors, functional committees, and annual work plans.

2) Discuss report on execution of corporate governance.

Appendix I

- 3) Discuss renewal of director and officer liability insurance.
- 4) Discuss corporate organizational structure adjustments and procedural amendments.
- 5) Discuss amendments or amendment proposals to internal rules and regulations relating to corporate governance.
- 6) Discuss director and manager succession plans.
- 7) Discuss Corporation corporate governance implementation performance, sustainable development and ethical management executions, and implementation of information disclosures.

(3) Audit Committee

- ① Composition: All 4 independent directors of the 9th Board, with the committee being convened by 1 of the independent directors; all 5 independent directors of the 10th Board, with the committee being convened by 1 of the independent directors.
- ② Number of meetings: 15.
- ③ Primary tasks:

Review and oversee corporate financial statements and risk control/management affairs (see Schedule for details).
- ④ Execution:
 - 1) Review annual budgets, budget implementation reports, and financial statements.
 - 2) Discuss amendments to or formulation of regulations relating to Audit Committee duties, including the “Charter of the Audit Committee,” “Regulation for Accounting Treatments,” “Assets for Operation and Equipment Management Regulation,” “Internal Control System,” “Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior,” “Procedures for Providing Endorsement and Guarantee,” and “Handling Procedure to Engage in the Amount Loaned to the Others.”
 - 3) Review results of annual self-evaluations of internal control systems and statements of internal control system at all levels of the organization. The Corporation’s 2023 “Final report on self-assessments of internal control systems” and self-assessment implementation reports from all levels of the organization were completed in accordance with the cyclical internal control procedures of each unit. The “2023

Appendix I

annual report on self-assessments of internal control systems” was submitted to the 9th Audit Committee meeting of the 10th Board on February 19, 2024 and the 10th meeting of the 10th Board on February 21, 2024 for confirmation of the Corporation’s internal control systems in 2023, including understanding of operational performance, efficiency, and goal attainment rates; and understanding of reliability, timeliness, transparency, and legal compliance of reporting measures; as well as efficient implementation to ensure that relevant goals are met.

- 4) Review transactions involving director conflicts of interest subject to recusal of exercise of voting rights, transactions with related parties, and transactions requiring prevention of conflicts of interest. The Corporation did not conduct any non-operating activities involving transactions with related parties in 2023 and only made donations to related parties. Related proposals for 2023 (including the Corporation's “Donation and Sponsorship Plan for 2023” and “Plan for Donation of Rail Components to the Preparatory Office of National Railway Museum”) were all approved by the Board following prior review by the Audit Committee in accordance with the regulations of the “Rules of Procedure for Board of Directors Meetings.”
- 5) Review assessments of Certified Public Accountants. Please refer to Sub-Item (6) Periodic Independence Assessments of Public Accountant (CPA) under Item 5 Measures Specific to Corporate Governance in Management Presentations for primary assessment results.
- 6) Review annual audit plans and executive reports thereof.
- 7) Periodically communicate with internal audit managers and accountants. Main communication items are shown in the Schedule.
- 8) Assess the Corporation’s risk management policies and risk evaluation criteria, and monitor existing and potential risks to the Corporation. The Audit Committee and the Board periodically review the Corporation’s risk management implementations. The “2023 Annual Progress Report of Risk Management Implementations” was submitted to the 4th Audit Committee meeting of the 10th Board on September 12, 2023 and the 5th meeting of the 10th Board on September 13, 2023 to confirm that all units responsible for risk management have adopted appropriate response measures, and have made appropriate records of risk management procedures and implementation

Appendix I

results.

(4) Remuneration Committee

① Composition: 3 independent directors for the 9th Board, with the committee being convened by 1 of the independent directors; 4 independent directors for the 10th Board, with the committee being convened by 1 of the independent directors.

② Number of meetings: 13.

③ Primary Tasks:

Formulate and regularly review evaluations of director and manager performance, salary, and compensation (see Schedule for details).

④ Execution:

The Remuneration Committee implements the foregoing primary tasks when considering the Corporation's proposals for performance management and compensation. For more information regarding director and manager remuneration policies, and connection between and rationale of remuneration and performance assessment results, please refer to Sub-Item (5) Formulation of Reasonable Remuneration Policies and Connection Between and Rationale of Remuneration and Performance Assessment Results under Item 5 Measures Specific to Corporate Governance in Management Presentations.

(5) Special Committee

① Composition: 6 directors for the 9th Board and convened by 1 director elected by committee members; 7 directors for the 10th Board and convened by 1 director elected by committee members.

② Number of meetings: 11.

③ Primary Tasks:

Provide advice on the Corporation's major legal or contractual disputes and important system reforms, assist the Board of Directors in supervising manager execution of decisions, and review the Corporation's procurement-related proposals to be submitted to the Board of Directors as required by procurement bylaws (see Schedule for details).

④ Execution:

The Special Committee implements the foregoing primary tasks when considering major

Appendix I

legal or contractual disputes and procurement-related proposals.

5. Measures Specific to Corporate Governance

(1) Formulation and Revision of Relevant Corporate Governance Rules:

In 2023, in order to strengthen our corporate governance system, the functional committees of the Corporation pre-assessed proposals to establish or revise fundamental and management bylaws relating to corporate governance and submitted these to the Board for approval; the corporate bylaws concerned included the “Sustainable Development Best Practice Principles,” “Regulations of Disclosure Information,” “General Rules of Corporate Auditing,” “THSRC Organizational Regulation,” “Internal Control System,” and “Regulation of Related Party Transaction.”

(2) Establishment of succession plan for Board members:

Unless otherwise stipulated by law or the Corporation’s Articles of Incorporation, selection and appointment of directors are based on regulations regarding Board diversity, succession plans, and overall Board capabilities in the Corporation’s “Charter of the Corporate Governance & Nominating Committee,” and also reference evaluations of Board performance. Director candidates are adjusted in accordance with these principles.

Director candidates are nominated for election by the Board or shareholders who hold more than 1% of shares; the professional backgrounds and skills of potential candidates are carefully considered prior to nomination. At re-elections, major shareholders recommend candidates based on relevant qualification criteria for Board reference and discussion, and candidates are then nominated in accordance with the Corporation’s diversity policies and succession plans.

Before recommending chairman candidates for selection and appointment, major shareholders reference selection, management, and assessment guidelines set out by the Corporation to conduct comprehensive evaluation, review, and confirmation of candidate qualifications and experience, as well as the responsibilities required for corporate operations, adhering to the highest principle of appointing appropriate talent to appropriate

Appendix I

positions when recommending successors for chairman. The president is also appointed in accordance with the aforementioned principles. Additionally, the Corporation arranges for senior managers to sit in on Board meetings so they can familiarize themselves with Board operations as well as expand their participation and work rotation experience in different operational units.

(3) Demarcation of Authority Between Board of Directors and Management:

The Corporation referenced corporate governance initiatives and established the following demarcation of authority for business decision-making: in principle, the Board of Directors is responsible for making decisions pertaining to the Corporation's "major operations and development," as well as matters relating to "major financial and business conduct"; other affairs are delegated to the Chairman and Management, and the Board of Directors takes responsibility for supervision thereof. The table governing the foregoing principle of Delegation of Responsibility and Authority of the Corporation's business is constantly reviewed and revised based on these principles.

(4) Purchase of Directors and Officers Liability Insurance (D&O):

- ① Purchase of D&O is considered a component of corporate governance. From the Corporation's perspective, D&O not only facilitates acquisition of talent, but also encourages dauntless service, thus contributing to corporate governance. For directors and officers, D&O helps to avoid legal damage from fault or neglect related to performance of duties.
- ② The current insured D&O amount is NT\$900 million.

(5) Formulation of Reasonable Remuneration Policies and Connection Between and Rationale of Remuneration and Performance Assessment Results:

Article 27-1 of the Corporation's "Articles of Incorporation" stipulates that the pay to the Directors for their services as Directors shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry. Additionally, if the final annual accounts of the Corporation show a net profit for a given

Appendix I

year, it shall allocate not more than 1 percent as profit-sharing compensation to Directors according to Article 35-1 of the Corporation's "Articles of Incorporation." Independent directors receive a fixed sum of monthly compensation as determined by the Board of Directors, and are not entitled to profit-sharing compensation when the Corporation is profitable.

Employee compensation is determined by individual work experience, work positions and work duties, work abilities and work performance, and the Corporation's financial status and business operations, and has a positive correlation with the Corporation's business performance. In addition, according to Article 35-1 of our "Articles of Incorporation," if the final annual accounts of the Corporation show a net profit for a given year, it shall allocate not less than 1 percent of the net profit as profit-sharing compensation to employees. Compensation standards for Corporation managers shall consider individual performance, contribution to overall operations, and stipulations of relevant Corporation bylaws, and are determined by the Board of Directors with reference to market standards for such compensation.

The remuneration of the Corporation's Chairman and President is determined in accordance with the "Reference Table of Remuneration Standards for Heads of Public Institutes under the Ministry of Transportation and Communications" and is submitted to the Board for approval. In order to fully reflect achievement of operational performance indicators, performance assessments for the Chairman are based on annual Corporation performance relating to operations, governance, and finances, and include four assessment items: net income before tax, credit ratings or Taiwan ratings, customer satisfaction, and corporate governance evaluations. Performance assessment items for the President include: management of operational safety, supervision of financial plan execution, revenue management, promotion of autonomous maintenance capabilities, strengthening of internal controls, and implementation and management of quality assurance.

Performance evaluations of Corporation directors and managers respectively reference our "Regulations Governing Board Performance Evaluations" and our "Regulations Governing

Appendix I

Performance Management” (applicable to managers and employees). Reasonable compensation is provided to directors and managers, and takes into account the Corporation’s overall business performance, future industrial risks, and development trends, as well as individual performance achievement rates and level of contribution to the Corporation. Relevant performance evaluations and rationality of compensation are reviewed by the Remuneration Committee and the Board of Directors; our compensation system is adjusted according to business operations and related laws and regulations when appropriate, and also considers current corporate governance trends so as to balance sustainable operations and risk management.

Results of performance self-assessments for the Corporation’s Board of Directors, Board members, and functional committees in 2023 all significantly exceeded standards. Additionally, results of performance assessments for managers in 2023 showed that all managers either met or exceeded set targets. Compensation for the Corporation’s Chairman, Board directors, President, and managers fully consider the professional capabilities of these individuals as well as Corporation operations and finances, and are linked to performance management and evaluation results.

The Corporation distributes year-end bonuses and performance bonuses according to business performance and has set salary adjustment policies to enhance compensation and welfare for all employees.

(6) Periodic Independence Assessments of Certified Public Accountant (CPA):

According to Article 5-3-06 of the Corporation’s GCG, the Audit Committee shall conduct assessments of CPA professionalism, independence, and reasonableness of audit fees at the end of each fiscal year, and these assessments shall be submitted to the Board of Directors. CPA assessment results for 2023 were approved by the 9th Audit Committee meeting of the 10th Board of Directors dated February 19, 2024 and the 10th meeting of the 10th Board of Directors dated February 21, 2024, confirming that the Corporation’s CPA fulfilled the following assessment standards for independence and competency:

Appendix I

No.	Evaluation Item	Evaluation Results	Passed Independence Assessment
1	As of the most recent audit, there have been no instances where CPA remained unchanged for 7 years, or where CPA was reassigned to the Corporation within 2 years.	Yes	Yes
2	CPA has no direct or indirect major financial stake in the Corporation.	Yes	Yes
3	CPA is not involved in any financing or financial guarantee agreements involving the Corporation or Corporation directors.	Yes	Yes
4	CPA does not have any potential employment relationship with the Corporation.	Yes	Yes
5	Accounting firm of CPA is not overly reliant on funds from the Corporation as a single client .	Yes	Yes
6	CPA and members of the audit team are not currently serving as Corporation directors, managers, or in positions that have major impact on Corporation audits, and have not done so over the past 2 years.	Yes	Yes
7	Non-audit services provided by CPA to the Corporation have no direct impact on the major items of audit services provided.	Yes	Yes
8	CPA does not promote or sell shares or other securities issued by the Corporation.	Yes	Yes
9	CPA is not representing the Corporation in litigation of a third party or other disputes.	Yes	Yes

Appendix I

No.	Evaluation Item	Evaluation Results	Passed Independence Assessment
10	CPA and members of the audit team have no familial relationships with directors, managers, or people in positions that have major impact on Corporation audits at the Corporation.	Yes	Yes
11	CPA has not served as company director, manager, or in positions that have major impact on Corporation audits within 1 year of termination.	Yes	Yes
12	The Corporation has not requested that members of the audit team accept improper accounting practices or improper disclosures on financial statements made by the Corporation.	Yes	Yes
13	The Corporation has not pressured accountants and facilitated improper reduction of audit duties in order to reduce audit fees.	Yes	Yes
14	CPA is not involved in decision-making managerial duties at the Corporation.	Yes	Yes

IV. Effectiveness of Corporate Governance System

1. Preliminary Review by Functional Committees

In accordance with the GCG, functional committees deliberate the respective proposals submitted by Management, perform relevant duties, and actively fulfill their preview role for the Board of Directors.

2. Independence and Professionalism of Independent Directors

When discussing official business with the Board of Directors and functional committees, independent directors promptly express their opinions, exert their independence and professionalism, and contribute to discussion efficiency and quality of decision making.

Appendix I

3. Management Implementation

The Management fully understands the framework and spirit of corporate governance, and complies with applicable bylaws and regulations and resolutions of shareholder and Board meetings when performing their duties and fulfilling their duty of care.

4. Strengthen Information Disclosure

For the convenience of shareholders and stakeholders, our corporate governance information is disclosed on the Market Observation Post System (<https://mops.twse.com.tw>). In addition, we release our corporate governance information on our corporate website (<https://www.thsrc.com.tw>) in both Chinese and English to further enhance transparency. Material information is disclosed on the Market Observation Post System in both Chinese and English so that domestic and overseas investors can receive timely updates on the latest Corporation information. Furthermore, we not only communicate all issues of concern to our stakeholders through multiple channels, but also established a stakeholder section and stakeholder contacts on our corporate website. Appropriate communication allows us to understand the reasonable expectations and needs of our stakeholders and respond accordingly to major issues of concern.

5. Achieving Sustainable Development and Maintaining Social Contribution

The Corporation has viewed achievement of sustainable development as the foundation of our core services since our establishment. We are committed to social care, environmental protection, and corporate governance, and consider sustainable development to be one of our core values for promoting balance and sustainability on economic, social, and ecological aspects for the purpose of achieving sustainable management.

The Corporation adheres to the spirit of international human rights conventions and the characteristics of the rail transportation industry. In 2018, we formulated our “Human Rights Policy” which adheres to labor laws and other relevant regulations, and supports and complies with the principles and essence of international human rights conventions such as the United Nation’s Universal Declaration of Human Rights, Guiding Principles on Business and Human

Appendix I

Rights, the UN Global Compact, and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. We also ensure that our human resource policies do not discriminate based on gender, race, social status, age, marital status, religion, or political affiliation. We have formulated clear regulations in accordance with the demands of human rights policies, and we identify important human rights issues to serve as a reference for promoting risk-mitigating measures. Furthermore, the Corporation’s Supplier Management Policy shows that apart from quality, cost, delivery date, and services, the Corporation also considers issues relating to reasonable profits, social responsibility, worker safety, human rights, and environmental protection when making management decisions and implementing procurement procedures.

V. Future Plans for Corporate Governance

In 2017, we drafted a strategic blueprint using our 4Ts (Transportation, Technology, Taiwan, and Touch) as the main pillars of our sustainable management strategy. In order to pursue greater excellence in sustainable implementations, we constantly review our Corporate Governance 3.0 Strategic Development Blueprint and align this with corresponding United Nations Sustainable Development Goals to strengthen and implement corporate governance and sustainable operations. In future, we will continue to reference international trends and local demands, using our 4Ts to formulate our short-, mid-, and long-term goals and action plans while incorporating ESG (Environment, Social, Governance) concepts into our operational plans and actively implementing sustainable actions in our business operations. We use various assessment mechanisms to periodically track the development and performance of various issues, and to promote and implement our sustainable concepts as we gradually solidify our determination and commitment to sustainable operations to realize our corporate vision, “To be the platform for advancement and enjoyment.”

VI. Concluding Remarks

Since going public, the Corporation has participated in the TWSE Corporate Governance Evaluations for six consecutive years (from 2017 to 2022) and was ranked among the top 5% of

Appendix I

publicly listed companies. In future, we will focus on the continuous functioning of functional committees and independent directors. Furthermore, we will uphold the principles of enterprise autonomy and consistently review the framework and mechanisms of corporate governance in order to improve our corporate governance system and set Taiwan High Speed Rail Corporation as a benchmark for corporate governance.

Appendix I

Schedule

Main duties of the Board of Directors and functional committees:

Item	Primary Tasks
Board of Directors	<p>As per Article 3-02 of the Guidelines for Corporate Governance of the Corporation, the Board of Directors has the following primary tasks:</p> <ol style="list-style-type: none"> 1). Reviewing and deliberating adoption and amendment of internal control systems, and evaluating effectiveness of internal control systems. 2). Reviewing and deliberating significant bylaws and rules. 3). Reviewing and deliberating the Corporation’s significant financial plans, long-term and short-term goals, business plans, and budgets and final accounts. 4). Drawing up proposals for the distribution of profits and offsetting of losses and for increases or decreases in capital. 5). Reviewing and deliberating the setting up, closing down, or change of branches. 6). Reviewing and deliberating matters that may involve the personal interest of a Director. 7). Reviewing and deliberating material asset or derivatives transactions and material loans of funds or endorsements or guarantees. 8). Reviewing and deliberating any offering, issuance, or private placement of securities. 9). Reviewing and deliberating the appointment, dismissal, and compensation of the attesting CPAs (external auditor). 10). Appointing, dismissing, and supervising senior managerial officers and the chief financial officer, chief accountant, and chief internal auditor. 11). Reviewing and deliberating any matter presented by the Chairman, or submitted by a functional committee, or submitted by a Managerial Officer and then presented by the Chairman.

Appendix I

Item	Primary Tasks
	<p>12). Supervising the Corporation’s operating results and risks, and ensuring compliance with relevant laws and regulations.</p> <p>13). Planning directions for future development.</p> <p>14). Enhancing the Corporation’s image and fulfilling social responsibility.</p> <p>15). Reviewing and deliberating other significant matters requiring resolution by the Board as provided by laws and regulations, the Articles of Incorporation, shareholders’ meeting resolutions, the Guidelines for Corporate Governance, or other relevant bylaws of the Corporation.</p>
<p>Corporate Governance & Nominating Committee</p>	<p>As per Article 3 of the Charter of the Corporate Governance & Nominating Committee, the Corporate Governance & Nominating Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"> 1). Review the diversified backgrounds of independent directors, non-independent directors, and managerial officers in terms of professional and technical knowledge, past experiences, and gender as well as standards of impartiality, and use these criteria to seek out, assess, and nominate candidates to serve as directors, independent directors, and managerial officers. 2). Plan composition of the Board and its functional committees; assess performance of the Board, committees, directors, and managerial officers; and assess independence of independent directors. 3). Be responsible for nominations of independent directors and non-independent directors. 4). Identify and evaluate potential candidates for independent and non-independent directors. 5). Review director training and succession plans for directors and managerial officers (succession planning). 6). Plan and review implementation performance of the Board and its committees.

Appendix I

Item	Primary Tasks
	<ol style="list-style-type: none"> 7). Devise and review liability insurance plans for directors and managerial officers. 8). Review status of information disclosures. 9). Analyze, implement, and provide recommendations relating to the Corporation's corporate governance system, and review the Corporation's Guidelines for Corporate Governance and relevant bylaws. 10). Review implementation performance of the corporate governance system, including execution of sustainable development tasks, ethical management, and stakeholder communication. 11). Other duties as required by the Corporation's Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.
Audit Committee	<p>As per Article 3 of the Charter of the Audit Committee, the Audit Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"> 1). Adopt or amend the internal control systems pursuant to Article 14-1 of the Securities and Exchange Act. 2). Evaluate the effectiveness of the Corporation's internal control system. 3). Adopt or amend the procedures for material financial or operational acts such as acquisition or disposal of assets, derivatives trading, monetary loans to others, or providing endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act. 4). Review matters that may involve the personal interest of directors. 5). Review material asset and derivatives transactions. 6). Review material monetary loans or endorsement, or provision of guarantees. 7). Review the public offering, issuance, or private placement of equity-type securities.

Appendix I

Item	Primary Tasks
	<ol style="list-style-type: none"> 8). Evaluate the appointment, dismissal, or compensation of attesting CPAs. 9). Evaluate the appointment and dismissal of the Corporation's chief financial officer, chief accountant, or chief internal auditor. 10). Review annual and quarterly financial reports signed by the Chairman, management, and accounting managers. 11). Review the Corporation's accounting system and financial condition. 12). Evaluate the Corporation's risk management policies and risk measurement standards. 13). Review the procedures for material financial and operational acts 14). Evaluate, examine, and monitor any existing or potential risks to the Corporation. 15). Examine the Corporation's compliance with laws, regulations and rules. 16). Review the Corporation's capital, financing, and credit plans. 17). Assess the Corporation's tax planning and compliance with tax laws and regulations. 18). Other major matters as required by the Corporation or the competent authority. 19). Other duties as required by the Corporation's Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.
Remuneration Committee	<p>As per Article 3 of the Charter of the Remuneration Committee, the Remuneration Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"> 1). Formulate and regularly review performance evaluation and remuneration policies, systems, standards, and structures for directors and managerial officers. 2). Regularly evaluate attainment of performance targets by the Corporation's directors and managerial officers, and formulate

Appendix I

Item	Primary Tasks
	individual remuneration standards and amounts in accordance with assessment results of performance evaluation criteria.
Special Committee	<p>As per Article 3 of the Charter of the Special Committee, the Special Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"><li data-bbox="448 703 1444 904">1). Provide counsel and suggestions in accordance with Board resolutions on major legal or contractual disputes and important management system changes of the Corporation, and assist the Board in supervising the implementation of said resolutions by managerial departments.<li data-bbox="448 927 1444 1084">2). Review proposals relating to procurement matters that should be submitted to the Board by managerial departments according to Corporation bylaws.<li data-bbox="448 1106 1444 1234">3). Other duties as required by the Corporation's Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.

Appendix I

Communication items between independent directors and chief internal auditor for 2023:

Date	Communication Method (Audit Committee Term-Sitting)	Report Highlight	Communication Results	The Corporation's Responses to Independent Director Opinions
2023/2/20	Audit Committee Meeting (9-33)	2022 Q4 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2023/5/8	Audit Committee Meeting (9-36)	2023 Q1 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2023/8/8	Audit Committee Meeting (10-3)	2023 Q2 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2023/10/17	Audit report (Independent report made by internal audit managers to independent directors)	Audit plans for 2024	Acknowledged by independent directors.	No objections from independent directors.
2023/10/17	Audit Committee Meeting (10-5)	Formulation of 2024 audit report for auditing office	Approved and acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2023/11/7	Audit Committee Meeting (10-6)	2023 Q3 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.

Appendix I

Communication items between independent directors and CPAs for 2023:

Date	Communication Method (Audit Committee Term-Sitting)	Report Highlight	Communication Results	The Corporation's Responses to Independent Director Opinions
2023/2/20	Audit Committee Meeting (9-33)	<ol style="list-style-type: none"> 1. 2022 financial report and conclusions of CPA audit report 2. Statement of Independence 3. Key audit items 4. New disclosures in 2022 financial report 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2023/5/8	Audit Committee Meeting (9-36)	<ol style="list-style-type: none"> 1. 2023 Q1 financial report and conclusions of CPA audit report 2. Statement of Independence 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2023/8/8	Audit Committee Meeting (10-3)	<ol style="list-style-type: none"> 1. 2023 Q2 financial report and conclusions of CPA audit report 2. Statement of Independence 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2023/11/7	Audit Committee Meeting (10-6)	<ol style="list-style-type: none"> 1. 2023 Q3 financial report and conclusions of CPA audit report 2. Statement of Independence 3. New disclosures in 2023 Q3 financial report 4. Audit plans and key audit items for 2023 financial reports 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2023/11/7	CPA audit report (Independent report made by CPAs to independent directors)	Report of audits on financial statements and audit plans	Acknowledged by independent directors.	No objections from independent directors.

Appendix II

Report No. 2: Report on Director Remuneration for 2023

1. According to Article 10-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, TWSE/TPEX listed companies shall report on director remuneration at shareholders' general meetings, including remuneration policies and the relationship between individual remuneration, remuneration amounts, and performance evaluation results.
2. The Corporation's director remuneration distribution policies adhere to Article 27-1 of the Articles of Incorporation, which stipulates that the pay to the Directors for their services as Directors shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry. Additionally, according to Article 35-1 of the Articles of Incorporation, if the Corporation is profitable in a given year, it should allocate not more than 1 percent as profit-sharing compensation to Directors. Independent Directors receive a fixed amount of remuneration every month as determined by the Board of Directors, and do not receive profit-sharing compensation.
3. Details of the Corporation's director remuneration and remuneration amounts for 2023 are shown in the following table.

Appendix II

Remuneration to directors and independent directors (names and method of payment disclosed)

Unit: NT\$ thousands (as of 2023/12/31)

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation		All companies included in financial statements		The Corporation	All companies included in financial statements	
																Cash	Stock	Cash	Stock			
China Aviation Development Foundation		0	0	0	0	13,449	13,449	0	0	13,449	13,449	0	0	0	0	0	0	0	0	13,449	13,449	None
Chairman Representative: Yao-Chung Chiang		7,068	7,068	0	0	0	0	481	481	7,549	7,549	0	0	0	0	0	0	0	0	7,549	7,549	None
Director Representative: Yu-Fen Hung		0	0	0	0	0	0	140	140	140	140	0	0	0	0	0	0	0	0	140	140	None
Director Representative: Wei-Cheng Hsieh		0	0	0	0	0	0	130	130	130	130	0	0	0	0	0	0	0	0	130	130	None
Director Former Representative: Lee-Ching Ko		0	0	0	0	0	0	16	16	16	16	0	0	0	0	0	0	0	0	16	16	None
Ministry of Transportation and Communications, R.O.C.		0	0	0	0	10,425	10,425	162	162	10,587	10,587	0	0	0	0	0	0	0	0	10,587	10,587	None
Director Representative: Cheng-Chung Young		0	0	0	0	0	0	60	60	60	60	0	0	0	0	0	0	0	0	60	60	None
Director Former Representative: Wen-Jong Chi		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Director Former Representative: Chin-Hong Pan		0	0	0	0	0	0	93	93	93	93	0	0	0	0	0	0	0	0	93	93	None

Appendix II

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation		All companies included in financial statements		The Corporation	All companies included in financial statements	
																Cash	Stock	Cash	Stock			
China Steel Corporation		0	0	0	0	5,213	5,213	100	100	5,313 0.07	5,313 0.07	0	0	0	0	0	0	0	0	5,313 0.07	5,313 0.07	None
Director Representative: Chien-Chih Hwang		0	0	0	0	0	0	0	0	0 0.00	0 0.00	0	0	0	0	0	0	0	0	0 0.00	0 0.00	None
Director Former Representative: Chao-Tung Wong		0	0	0	0	0	0	0	0	0 0.00	0 0.00	0	0	0	0	0	0	0	0	0 0.00	0 0.00	None
Taiwan Sugar Corporation		0	0	0	0	5,213	5,213	124	124	5,337 0.07	5,337 0.07	0	0	0	0	0	0	0	0	5,337 0.07	5,337 0.07	None
Director Representative: Ming-Jou Yang		0	0	0	0	0	0	0	0	0 0.00	0 0.00	0	0	0	0	0	0	0	0	0 0.00	0 0.00	None
Director Former Representative: Chao-Yih Chen		0	0	0	0	0	0	0	0	0 0.00	0 0.00	0	0	0	0	0	0	0	0	0 0.00	0 0.00	None
Management Committee of National Development Fund, Executive Yuan		0	0	0	0	5,213	5,213	81	81	5,294 0.07	5,294 0.07	0	0	0	0	0	0	0	0	5,294 0.07	5,294 0.07	None
Director Representative: Shien-Quey Kao		0	0	0	0	0	0	93	93	93 0.00	93 0.00	0	0	0	0	0	0	0	0	93 0.00	93 0.00	None
TECO Electric & Machinery Co., Ltd.		0	0	0	0	5,213	5,213	0	0	5,213 0.07	5,213 0.07	0	0	0	0	0	0	0	0	5,213 0.07	5,213 0.07	None
Director Representative: Mao-Hsiung, Huang		0	0	0	0	0	0	194	194	194 0.00	194 0.00	0	0	0	0	0	0	0	0	194 0.00	194 0.00	None
Taipei Fubon Commercial Bank Co., Ltd.		0	0	0	0	5,213	5,213	0	0	5,213 0.07	5,213 0.07	0	0	0	0	0	0	0	0	5,213 0.07	5,213 0.07	None

Appendix II

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation		All companies included in financial statements		The Corporation	All companies included in financial statements			
														Cash	Stock	Cash	Stock					
Director Former Representative: Chu-Min Hong		0	0	0	0	0	0	144	144	144 0.00	144 0.00	0	0	0	0	0	0	0	0	144 0.00	144 0.00	None
Director Former Representative: Kuo-Chih Liu		0	0	0	0	0	0	32	32	32 0.00	32 0.00	0	0	0	0	0	0	0	0	32 0.00	32 0.00	None
Independent Director Kenneth Huang-Chuan Chiu		720	720	0	0	0	0	420	420	1,140 0.01	1,140 0.01	0	0	0	0	0	0	0	0	1,140 0.01	1,140 0.01	None
Independent Director Dwei Tsai		317	317	0	0	0	0	470	470	787 0.01	787 0.01	0	0	0	0	0	0	0	0	787 0.01	787 0.01	None
Independent Director Ming-Teh Wang		434	434	0	0	0	0	240	240	674 0.01	674 0.01	0	0	0	0	0	0	0	0	674 0.01	674 0.01	None
Independent Director Pai-Ta Shih		720	720	0	0	0	0	420	420	1,140 0.01	1,140 0.01	0	0	0	0	0	0	0	0	1,140 0.01	1,140 0.01	None
Independent Director Yung-Cheng (Rex) Lai		720	720	0	0	0	0	394	394	1,114 0.01	1,114 0.01	0	0	0	0	0	0	0	0	1,114 0.01	1,114 0.01	None

1. Please describe policies, systems, standards, and structures for director and independent director remuneration, and connection between remuneration amounts and borne duties, risks, time invested, and other factors:
According to Article 2-07 of the Corporation's "Guidelines for Corporate Governance," the remuneration paid to Directors for their services as Directors, including Board meeting attendance fees, salary and pay, and profit-sharing compensation paid to Directors as set out in the Articles of Incorporation, shall be discussed and determined by the Board separately for each Director in accordance with laws and regulations, the Articles of Incorporation, and these Guidelines, with consideration to the level of involvement and value of the contribution of each Director, and taking into reference the usual pay level in the industry domestically and abroad. Remuneration for directors is based on overall operational performance, future industrial risks, and development trends, as well as the Corporation's "Regulation of Self-Evaluation of the Board of Directors." Relevant performance evaluations and rationality of compensation are reviewed by the Remuneration Committee and the Board of Directors; our compensation system is adjusted according to business operations and related laws and regulations when appropriate, and also considers current corporate governance trends so as to balance sustainable operations and risk management. Additionally, remuneration for independent directors not only adheres to the aforementioned policies, standards, and evaluations, but also references MOTC remuneration standards for privatized state-owned enterprises; independent directors are not entitled to profit sharing.

2. Remuneration paid to Corporation directors by all companies included in financial statements for services (such as non-employee consultants and others) other than disclosed in the table above: None.

Note 1: Includes expenses for meeting attendances and company cars, but not driver remuneration.

Note 2: The remuneration disclosed in this table uses a different concept to that of the Income Tax Act, and therefore the purpose of this table is merely to disclose the information. This information should not be used for tax purposes.

Note 3: The Corporation has no subsidiaries and therefore does not disclose any consolidated financial reports.

Appendix III

Report No. 3: Report on Allocation of 2023 Remuneration to Board of Directors and Employees

1. According to Article 235-1 of the Company Act and Letter No. 10402413890 dated June 11, 2015 issued by the Ministry of Economic Affairs, a fixed amount or ratio of profit of the current year distributable as employees' compensation as well as remuneration to directors and supervisors shall be stipulated in the Articles of Incorporation. However, the Corporation's accumulated losses should be offset prior to distribution. Distribution of director and employee compensation shall be undertaken by a resolution adopted by a majority vote at a Board meeting attended by at least two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.
2. Furthermore, according to Article 35-1 of the Articles of Incorporation, "If the final annual accounts of the Corporation show a net profit for a given year, it shall allocate not less than 1 percent of the net profit as profit-sharing compensation to employees and not more than 1 percent as profit-sharing compensation to directors; provided, however, that if the Corporation still has any accumulated loss, it shall first set aside the amount to offset the loss before such allocation."
3. The Corporation's profit for 2023 (i.e. pre-tax profit prior to deduction of distributable director and employee compensation) amounts to NT\$9,987,509,136 (no accumulated losses offset). In accordance with the provisions stipulated in the preceding regulations and Articles of Incorporation, a resolution was reached at the 9th meeting of the 10th Board on January 17, 2024, for the distribution of 2023 director and employee compensation, with the percentage and amount to be allocated as follows:

Appendix III

- (1) For directors' compensation:
 1. Percentage allocated: 0.5%.
 2. Amount allocated: NT\$49,937,546.
- (2) For employees' compensation
 1. Percentage allocated: 2 %.
 2. Amount allocated: NT\$199,750,183.

Appendix IV

Report No. 4: Report on Adjustments to the Estimated Amortization Lives of Certain Operating Concession Assets

1. According to Article 6 of the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” adjustments in amortization periods should be backed by supporting documents and reasons for adjustment, and attesting CPAs should be requested to provide an analysis and review opinion on the reasonableness of the nature of the changes. These changes shall then be submitted as a proposal for adoption by resolution of the board of directors and for recognition by the supervisors, after which they shall be publicly disclosed and filed, and shall also be submitted to the next following shareholders meeting.
2. As the Corporation has accumulated a wealth of experience since commencing operations and developed independence maintenance capabilities, internal and external technological environment changes and expected asset use benefits were assessed during mid-term rolling stock inspections and scheduled major inspections, and the estimated amortization periods of certain operating concession assets were found to differ from previous estimates. After requesting that attesting CPAs provide an item-by-item analysis and review opinion on the reasonableness of the nature of the changes, a proposal was submitted to the 8th meeting of the 10th Board on December 13, 2023, where it was approved then publicly disclosed and filed on the same day. The amortization lives of the operating concession assets were adjusted on December 1, 2023.
3. These adjustments increased amortization costs for 2023 by around NT\$81 million and increased amortization costs for 2024 by around NT\$775 million.

Appendix V

Report No. 5: Report on contracts “Phase 3 Lease for Office Space at Nangang Software Park” and “Phase 3 Lease for Parking Spaces at Nangang Software Park” signed with related party Century Development Corporation

1. Handled in accordance with Paragraph 1, Article 11 of the Corporation’s “Regulation of Related Party Transaction.”
2. The Corporation’s proposal to sign contracts “Phase 3 Lease for Office Space at Nangang Software Park” and “Phase 3 Lease for Parking Spaces at Nangang Software Park” with related party Century Development Corporation was approved at the 7th meeting of the 10th Board on November 8, 2023.
3. Actual transaction details were as follows:
 - (1) Location: 13~15F, No. 66, Jingmao 2nd Rd., Nangang District, Taipei City, Taiwan.
 - (2) Contract period: January 1, 2024 to December 31, 2026.
 - (3) Contract amount: NT\$216,534,000 (tax inclusive).

Appendix VI

Business Report for 2023

Business report and future prospects

Since Taiwan High Speed Rail Corporation (hereinafter “THSRC” or “the Corporation”) commenced operations in 2007, ridership has grown steadily year by year. However, the Corporation faced great challenges from the coronavirus (COVID-19) pandemic during 2020–2022. Following the easing of the pandemic, ridership volumes for the year reached greater heights and set a new record of 330,000 passengers per day. As one of the main transportation operators in Taiwan’s western corridor, THSRC has continuously implemented various preventive measures to ensure the safety and well-being of our passengers.

Looking ahead to the future, we will continue to adhere to our vision of “To be the Platform for Advancement and Enjoyment” and work to provide excellent service, comfortable travel, and customer satisfaction to our passengers while fulfilling our social responsibilities.

1. Business report for 2023

(1) Operational performance

1) Rail Operations

Pandemic control measures were gradually relaxed in 2023, normal life resumed, and our ridership volumes exceeded pre-pandemic levels. Starting from July 1, THSRC increased the number of weekly train services from 1,016 to 1,025, and began providing 1,039 train services starting from October 16, providing a total of 54,991 train services over the course of the year, an increase of 937 train services compared to 2022. Our loading factor for the year reached 70.67% (up by 17.36% compared to 2022) and passenger volumes reached 73.09 million, up by 34.95% compared to 2022. Our total passenger-kilometers were 12,565 million km, up by 34.56% compared to 2022. Average daily ridership reached 200,000 passengers, an increase of 52,000 passengers compared to 148,000 passengers in 2022.

In terms of operational safety, no accidents or injuries occurred in 2023. Our average punctuality rate (arrival within five minutes of scheduled time) was 99.58%, up by 0.11% compared to 2022, and our average reliability rate (excluding delays due to force majeure) was 100%.

Appendix VI

Operational Statistics

Indicators	2022	2023	Change
1. Train Services	54,054	54,991	+1.73%
2. Ridership (in millions)	54.16	73.09	+34.95%
3. Seat-Kilometers (in millions)	17,517	17,780	+1.50%
4. Passenger-Kilometers (in millions)	9,338	12,565	+34.56%
5. Punctuality Rate (as % of trains arriving within five minutes of scheduled time)	99.47%	99.58%	+0.11%
6. Loading Factor (Passenger-km/Seat-km)	53.31%	70.67%	+17.36%

2) Marketing and Passenger services

Products, services, and activities launched in 2023:

A. Product Promotions

- (a) We launched a range of T Holiday packages and combo tickets for hotels, transportation, and various travel commodities.
- (b) We subsequently launched a number of large-scale projects to meet new post-pandemic lifestyles, including the “Perfect travel on the HSR,” “Real face-to-face travel,” and “ITF International Travel Fair-Travel wishlist” projects.
- (c) Collaborated with the Ministry of Transportation and Communications (MOTC) Tourism Bureau to launch the “Go 2 Taiwan” promotional event, encouraging foreign travelers to visit Taiwan and drive local economic development.
- (d) We continued to maintain regular promotions such as early bird discounts, college student discounts, credit card discounts, and periodic/multi-ride tickets to meet different customer needs.

B. Service Diversification

- (a) We continued to launch cumulative rewards for corporate members as well as promotions for specific trains to increase ridership.
- (b) Launched new functions on our mobile ticketing app “T Express” to enable mobile ticket

Appendix VI

purchases of non-reserved seats in HSR stations and station entry through scanning of barcodes on smartwatches to provide new passenger experiences and convenient ticketing services.

(c) In response to aging societies, we optimized automated ticketing machine interfaces in all stations, enlarging fonts on all information page displays to provide elder-friendly ticketing services.

(d) Integrated mobile payment functions on train trolleys.

(e) Reduced plastic packaging for on-train products, for example by replacing rubber bands on HSR meal boxes with stickers, replacing disposable plastic tableware with bamboo tableware, eliminating use of plastic straws, replacing traditional bottled water with lightweight (reduced plastic) bottles, and offering bring-your-own-cup discounts for hot beverage purchases.

(2) Budget Implementation

Our estimated operating revenue for 2023 was NT\$45.17 billion. Due to the easing of the pandemic, our actual operating revenue was NT\$49.81 billion. Our budget achievement rate was 110.3% and our actual net income was NT\$7.82 billion.

(3) Revenue, Expenditure, and Profitability Analysis

Our revenue for 2023 reached NT\$49.81 billion, up by 34.1% compared to 2022; net income before tax was NT\$9.74 billion, up by 128.3% compared with the previous year.

Ridership volumes for 2023 continued to grow steadily, reflecting the high demand for intercity travel on the HSR along the western corridor.

Financial Data

Unit: NT\$ in billions

Indicators	2022	2023
Operating Revenue	37.13	49.81
Gross Profit	11.24	22.19
Operating Income	9.92	20.53
Income Before Income Tax	4.27	9.74

Appendix VI

Income Tax Expense	4.96	1.91
Net Income	3.77	7.82

(4) Research and Development

Main research and development activities in 2023 were as follows:

1) Civil Facilities:

- A. Establishment of artificial intelligence drone for HSR viaduct inspections.
- B. Updated and upgraded slope real-time monitoring system.
- C. Conducted research on amplification of seismic responses at viaducts in the Chiayi section.
- D. Conducted research on the reduction of seismic displacement after implementation of dampers on viaducts in the Tainan area (including construction improvements and analysis of quantitative feedback).
- E. Rectified differential vertical settlements between adjacent piers using pot bearings.

2) Operation and Maintenance System:

- A. Increased bandwidth of free Wi-Fi services at HSR stations and on trains.
- B. Development of Intelligent Passenger Information System (PIS).
- C. Added CCTV surveillance systems in front of THSR trains.
- D. Development of Railway Turnout Monitoring System (TMS).
- E. Establishment of intelligent repair and management system for track, power, and tram line systems.

3) Information Systems:

- A. Planning and establishment of new-generation information network architectures.
- B. Development of Advanced Open Reservation System (AORS).
- C. Establishment of non-reserved ticket purchase function on T Express.
- D. Establishment of Malware Scan Kiosk.

4) Localization of maintenance materials and equipment.

Appendix VI

2. Business Plan for 2024

(1) Business Strategy

We adhere to our corporate vision, “To be the platform for advancement and enjoyment,” and continue to provide safe, excellent, and innovative passenger services as well as work towards a better life in Taiwan. We formulated the following strategic projects that adhere to our “six major strategies”:

- 1) Respond to environmental changes and mitigate disaster risks.
- 2) Accelerate digital optimization and strive for digital transformation.
- 3) Refine services and operations management for demographic and technological changes.
- 4) Create demand in a post-pandemic environment to increase revenues.
- 5) Strengthen supplier management and build partnerships.
- 6) Implement carbon reduction actions and fulfill corporate social responsibilities

(2) 4T Main Strategies and Major Projects

1) Transportation

We continue to improve operational safety and actively respond to transportation impacts caused by climate change by establishing warning systems. We optimized our tangible and intangible assets related to passenger services in response to passenger needs and competition from autonomous cars to enhance our competitiveness and passenger comfort. Main implementation items include:

- A. Reinforce tunnel entrances and slopes along the HSR line, formulate slope grading mechanisms, and conduct professional slope inspection, investigation, and improvement projects in response to extreme climate threats.
- B. Assess safety impacts of the Chekualin Fault on bridge structures, implement design and improvement projects, and use drones to inspect civil structures and survey disaster sites to strengthen disaster resilience and warning capabilities.
- C. Update and upgrade core electrical engineering systems.
- D. Improve and optimize service facilities at HSR stations and on trains, including train and station restrooms, station lactation rooms, station waiting seats, train cushions, and curtains.

Appendix VI

- E. Procure new generation rolling stock and construct second rolling stock inspection plant at Zuoying maintenance depot to enhance HSR competitiveness.
- F. Plan installation of station platform gates, upgrade Passenger Information System, increase passenger service elevators, and optimize transportation service equipment.
- G. Establish and promote T-MaaS (Transportation Mobility as a Service) services to enhance passenger convenience and user experiences.

2) Technology

We strive to innovate, enhance our technological capabilities, utilize new technologies, and promote smart transportation as we continue to enhance our operations, services, safety, and decision-making efficiency and quality while using big data and digital tools to optimize customer experiences and provide better convenience. Main implementation items include:

- A. Develop Advanced Open Reservation System (AORS).
- B. Install new generation AFCS cloud-based equipment at HSR stations as well as paperless and digital multi-ride, periodic ticket, and e-coupon systems.
- C. Expand data transmission systems (DTS) and fiber optic cable (FOC) systems to optimize information management as well as management of tangible and intangible resources relating to passenger services.
- D. Establish HSR public and hybrid clouds, and use cloud solutions to achieve a zero-outage information architecture for THSRC.

3) Taiwan

We continue to work with local enterprises and institutes to promote economic growth. Main implementation items include:

- A. Promote localization of rail industries, including OCS maintenance vehicles, and foster development capabilities of local rail industries.
- B. Promote local cultural events and domestic travel.
- C. Integrate ESG concepts with train services, promote green procurement, achieve sustainable development, and fulfill corporate social responsibilities.
- D. Continue to revitalize affiliated businesses while strengthening collaboration with local

Appendix VI

brands and social enterprises.

4) Touch

We continue to cultivate talent to enhance employee development, establish management mechanisms for sustainable supply chains, and promote various energy-saving measures to generate positive environmental benefits. Main implementation items include:

- A. Expand space for Southern District Operations Section, redesign uniforms, formulate manpower adjustment plans for aging employees, and impart the professional experiences of senior employees to create a friendly workplace.
 - B. Maintain a talent pool of potential upper management talents and implement capability development programs for key personnel to enhance employee competitiveness and value.
 - C. Promote management of sustainable supply chains and collaborate with suppliers to jointly create social and environmental value.
 - D. Establish charging equipment for electric vehicles in station parking lots, install solar power generation equipment, and replace station elevators to enhance energy efficiency.
 - E. Issue green bonds to enhance environmental competitiveness.
- (3) Ridership Forecast

Due to economic growth, population growth, digital services, convenience of ticketing services, promotion of membership services, and improved travel products, we estimate that the annual ridership volume for 2024 will exceed 73.58 million passengers.

3. Future Outlook

THSRC will continue to incorporate the “4T” strategy into daily operations through proactive actions such as improving travel quality and innovative services. Faced with rapidly changing external environments, THSRC will continue to advance with the times and build more inclusive, resilient, and sustainable transportation operations.

4. Impacts of External Environment, Legal Environment, and Overall Business Environment

According to domestic economic outlook data released by the Directorate-General of Budget,

Appendix VI

Accounting and Statistics on November 28, 2023, continued improvements in the job market and salary levels, increases in cross-regional travel volumes, and new emerging technologies and applications are driving consumption abilities and willingness to consume. Economic growth rates for 2024 are estimated to reach 3.35%. THSRC will continue to formulate suitable operational strategies to achieve our business targets in the face of market changes.

In terms of the legal environment, the Ministry of Transportation and Communications recently amended the Railway Act and a number of sub laws. In 2023, revisions were made to the “Railway Act”, “Railway Operating Regulations”, and “Railway Train Driver Certification Management Rules.” The above amendments positively ensured the safety of railway operations and protected the rights and interests of passengers. THSRC is optimistic about related outcomes and abides by relevant laws and regulations; we will adjust internal by-laws accordingly to ensure regulatory compliance as we continue to make strides toward sustainable business operations.

THSRC complies with all relevant regulations. Under our legal compliance mechanisms, all units regularly identify and compile applicable laws for compliance. We have an effective grasp on and appropriate response measures to changes in legal environments. Amendments to relevant laws in 2023 had no significant impacts on our business operations. We will continue to stay abreast of legislative updates, refine our operations, strengthen our corporate governance, integrate legal compliance into our corporate culture, and adhere to the highest safety standards to provide high-quality passenger services as we strive for long-term sustainability and generate value for our shareholders.

Looking at overall operational conditions, it is expected that the two major economies of the United States and China will face adverse factors in consumption and investment, respectively. The performance of other major economies is expected to recover, and the economic performance of emerging markets and developing economies are also expected to be better than for 2023. Major international forecasting agencies believe that global economic growth rates for 2024 will be lower than the previous year as global inflationary pressures are still high. Faced with challenges from extreme climates, aging societies, low birthrates, and aging operating equipment, which raise maintenance costs and trigger different problems, THSRC will continue to focus on developing smart transportation, increasing safety and efficiency of emergency responses, establishing local

Appendix VI

maintenance capabilities, developing localization materials, and formulating other strategic plans. Additionally, we will continue to enhance our strengths through industry cooperation and integrate with local cultures to provide our passengers with better transportation quality.

Appendix VII

TAIWAN HIGH SPEED RAIL CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 17,569,018	4	\$ 16,558,946	4
1139	Financial assets for hedging	6(2)	94,908	-	72	-
1170	Notes and accounts receivable	6(15)	509,512	-	413,946	-
1220	Current tax assets	4(23)	28,217	-	180,600	-
130X	Inventories	6(3)	2,651,680	1	2,425,999	1
1476	Other financial assets	6(4) and 8	18,121,004	5	11,496,900	3
1479	Other current assets	7	1,012,975	-	1,060,231	-
11XX	Total current assets		<u>39,987,314</u>	<u>10</u>	<u>32,136,694</u>	<u>8</u>
Non-current assets						
1600	Property, plant and equipment	6(5)	251,631	-	128,514	-
1755	Right-of-use assets	6(6) and 7	447,510	-	405,315	-
1821	Operating concession assets	6(7) and 7	351,993,627	87	359,479,197	90
1801	Computer software, net	6(7)	148,496	-	134,962	-
1840	Deferred tax assets	4(23) and 6(17)	7,401,472	2	6,174,444	2
1980	Other financial assets	6(4) and 8	2,160,013	1	2,079,603	-
1990	Other non-current assets	6(2)	314,166	-	1,403	-
15XX	Total non-current assets		<u>362,716,915</u>	<u>90</u>	<u>368,403,438</u>	<u>92</u>
1XXX	Total assets		<u>\$ 402,704,229</u>	<u>100</u>	<u>\$ 400,540,132</u>	<u>100</u>

(Continued)

Appendix VII

TAIWAN HIGH SPEED RAIL CORPORATION
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 48,099	-	\$ 5,737	-
2110	Short-term notes and bills payable	6(8) and 7	21,938,192	6	21,960,820	6
2170	Accounts payable	7	237,135	-	403,869	-
2209	Operating concession liabilities	6(10) and 7	973,782	-	426,563	-
2200	Other payables	6(8)(12)	10,081,258	3	3,418,404	1
2211	Payable for construction	7	1,016,403	-	941,566	-
2230	Current tax liabilities	4(23)	3,092,765	1	-	-
2250	Provisions	6(11) and 7	4,371,701	1	284,781	-
2320	Current portion of long-term liabilities	6(9)	4,998,681	1	-	-
2399	Other current liabilities	6(6)(12)(15) and 7	1,104,374	-	1,508,643	-
21XX	Total current liabilities		<u>47,862,390</u>	<u>12</u>	<u>28,950,383</u>	<u>7</u>
Non-current liabilities						
2511	Financial liabilities for hedging	6(2)	367,963	-	-	-
2530	Bonds payable	6(9)	22,479,136	6	27,473,537	7
2541	Long-term debt	6(8), 7 and 8	199,852,375	50	217,622,140	54
2550	Provisions	6(11) and 7	10,000,000	2	3,149,335	1
2580	Lease liabilities	6(6) and 7	278,006	-	238,113	-
2611	Long-term interest payable	6(8)	-	-	5,390,517	1
2612	Operating concession liabilities	6(10) and 7	49,789,923	12	49,759,974	13
2670	Other non-current liabilities	6(12)(13)(17)	738,136	-	666,066	-
25XX	Total non-current liabilities		<u>283,505,539</u>	<u>70</u>	<u>304,299,682</u>	<u>76</u>
2XXX	Total liabilities		<u>331,367,929</u>	<u>82</u>	<u>333,250,065</u>	<u>83</u>
Equity						
		6(14)				
Share capital						
3110	Common stock		56,282,930	14	56,282,930	14
Capital surplus						
3200	Capital surplus		172,981	-	172,981	-
Retained earnings						
3310	Legal reserve		4,590,376	1	4,212,542	1
3350	Unappropriated retained earnings		10,290,013	3	6,621,614	2
3XXX	Total equity		<u>71,336,300</u>	<u>18</u>	<u>67,290,067</u>	<u>17</u>
3X2X	Total liabilities and equity		<u>\$ 402,704,229</u>	<u>100</u>	<u>\$ 400,540,132</u>	<u>100</u>

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

Appendix VII

TAIWAN HIGH SPEED RAIL CORPORATION
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 amounts)

		For the Year Ended December 31					
		2023		2022			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Operating revenue	\$ 49,812,023	100	\$ 37,133,233	100		
5000	Operating costs	(27,618,817)	(55)	(25,890,103)	(70)		
5900	Gross profit	22,193,206	45	11,243,130	30		
6000	Operating expenses	(1,661,185)	(3)	(1,322,722)	(4)		
6900	Net operating income	<u>20,532,021</u>	<u>42</u>	<u>9,920,408</u>	<u>26</u>		
Non-operating income and expense							
7100	Interest income	419,962	1	205,005	1		
7510	Interest expense	(6,815,554)	(14)	(6,231,824)	(17)		
7625	Stabilization reserve (expense) reverse	(11,220,855)	(23)	398,767	1		
7590	Other gains and losses	<u>6,822,247</u>	<u>14</u>	(26,731)	-		
7000	Total non-operating income and expense	(10,794,200)	(22)	(5,654,783)	(15)		
7900	Profit before income tax	9,737,821	20	4,265,625	11		
7950	Income tax expense	(1,913,538)	(4)	(496,288)	(1)		
8200	Profit for the year	<u>\$ 7,824,283</u>	<u>16</u>	<u>\$ 3,769,337</u>	<u>10</u>		
Other comprehensive income							
Other comprehensive income that will not be reclassified to profit or loss							
8311	(Losses) gains on remeasurements of defined benefit plan	(\$ 8,868)	-	\$ 11,256	-		
8349	Income tax relating to components item that will not be reclassified subsequently to profit or loss	<u>1,774</u>	<u>-</u>	(2,251)	-		
8300	Other comprehensive (loss) income for the year	<u>(\$ 7,094)</u>	<u>-</u>	<u>\$ 9,005</u>	<u>-</u>		
8500	Total comprehensive income for the year	<u>\$ 7,817,189</u>	<u>16</u>	<u>\$ 3,778,342</u>	<u>10</u>		
Basic earnings per share							
9750	Basic earnings per share	<u>\$ 1.39</u>	<u>1.39</u>	<u>\$ 0.67</u>	<u>0.67</u>		
Diluted earnings per share							
9850	Diluted earnings per share	<u>\$ 1.39</u>	<u>1.39</u>	<u>\$ 0.67</u>	<u>0.67</u>		

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

Appendix VII

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Share capital- common stock	Capital surplus	Retained Earnings		Total equity
			Legal reserve	Unappropriated retained earnings	
<u>For the year ended December 31, 2022</u>					
Balance at January 1, 2022	\$ 56,282,930	\$ 172,981	\$ 3,852,440	\$ 7,469,620	\$ 67,777,971
Appropriations of 2021 earnings					
Legal reserve	-	-	360,102	(360,102)	-
Cash dividends of NT\$0.758 per share	-	-	-	(4,266,246)	(4,266,246)
	-	-	360,102	(4,626,348)	(4,266,246)
Profit for the year	-	-	-	3,769,337	3,769,337
Other comprehensive income	-	-	-	9,005	9,005
Total comprehensive income	-	-	-	3,778,342	3,778,342
Balance at December 31, 2022	\$ 56,282,930	\$ 172,981	\$ 4,212,542	\$ 6,621,614	\$ 67,290,067
<u>For the year ended December 31, 2023</u>					
Balance at January 1, 2023	\$ 56,282,930	\$ 172,981	\$ 4,212,542	\$ 6,621,614	\$ 67,290,067
Appropriations of 2022 earnings					
Legal reserve	-	-	377,834	(377,834)	-
Cash dividends of NT\$0.67 per share	-	-	-	(3,770,956)	(3,770,956)
	-	-	377,834	(4,148,790)	(3,770,956)
Profit for the year	-	-	-	7,824,283	7,824,283
Other comprehensive loss	-	-	-	(7,094)	(7,094)
Total comprehensive income	-	-	-	7,817,189	7,817,189
Balance at December 31, 2023	\$ 56,282,930	\$ 172,981	\$ 4,590,376	\$ 10,290,013	\$ 71,336,300

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

Appendix VII

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	For the Year ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 9,737,821	\$ 4,265,625
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	230,040	223,028
Amortization	13,441,734	13,412,502
Interest expense	6,815,554	6,231,824
Interest income	(419,962)	(205,005)
(Gain) loss on foreign currency exchange, net	(35,640)	39,847
Stabilization reserve expense(reverse)	11,220,855	(398,767)
Loss on disposal of intangible assets	62,093	179,046
Gain on contract modification	(6,832,216)	-
Others	20,974	25,531
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets for hedging	72	(584)
Notes and accounts receivable	(95,566)	252,011
Inventories	(225,681)	(80,001)
Other current assets	50,067	164,523
Other non-current assets	(2,881)	(471)
Changes in operating liabilities		
Accounts payable	(160,740)	(140,111)
Other payables	644,242	268,275
Provisions	-	(885,959)
Other current liabilities	(410,549)	236,965
Other non-current liabilities	37,795	(5,897)
Cash inflow generated from operations	34,078,012	23,582,382
Interest received	417,285	188,183
Interest paid	(6,423,940)	(6,035,505)
Interest paid with respect to operating concession liabilities	(426,563)	(8,049,281)
Income tax refunded	106,641	141,601
Net cash flows from operating activities	27,751,435	9,827,380
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through profit or loss	(1,759,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	1,762,153	-
Acquisition of financial assets for hedging	(1,531,233)	-
Proceeds from disposal of financial assets for hedging	1,473,330	-
(Increase) decrease in other financial assets	(6,685,719)	12,705,174
Acquisition of property, plant and equipment	(54,346)	(46,898)
Acquisition of intangible assets	(6,080,530)	(5,191,424)
Proceeds from disposal of intangible assets	-	100
Net cash (used in) flows from investing activities	(12,875,345)	7,466,952
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	42,671	(10,922)
Increase in short-term notes and bills payable	-	7,000,000
Repayment of long-term debt	(10,000,000)	(25,000,000)
Repayment of the principal portion of lease liabilities	(168,690)	(165,693)
Increase in other non-current liabilities	24,997	93,945
Cash dividends paid	(3,770,956)	(4,266,246)
Net cash flows used in financing activities	(13,871,978)	(22,348,916)
Effects due to changes in exchange rate on the balance of cash held in foreign currency	5,960	(5,966)
Net increase (decrease) in cash and cash equivalents	1,010,072	(5,060,550)
Cash and cash equivalents at beginning of year	16,558,946	21,619,496
Cash and cash equivalents at end of year	\$ 17,569,018	\$ 16,558,946

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

Appendix VIII

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Taiwan High Speed Rail Corporation

Opinion

We have audited the accompanying balance sheet of Taiwan High Speed Rail Corporation (the "Company") as at December 31, 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the Company's 2023 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 financial statements are stated as follows:

Recognition of gain on contract modification

Description

Refer to Notes 4(20) and 6(8) of the financial statements for the accounting policies on borrowing costs and long-term debt, respectively. The Company entered into a Syndicated Loan Agreement with a group of eight syndicated banks, including the Bank of Taiwan, in January, 2010, and later signed the sixth amendment of the Syndicated Loan Agreement in December, 2023. According to the sixth amendment, the mark-up interest rate that was originally increased year by year was reduced and will be adjusted based on the annual Pre-Tax Income Margin. As a result, the Company recognized a gain on contract modification amounting to \$6,832,216 thousand in 2023. The calculation of gain on contract modification relies on the estimates of future cash flows. Given the estimates involve the preparation of medium and long-term financial forecasts which includes multiple assumptions and are subject to judgment and high uncertainty, which has significant impact on future cash flows and the estimation of the gain on contract modification. Thus, we consider the accuracy of the gain on contract modification as a key audit matter.

Appendix VIII

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Understand and evaluate the internal controls for signing amendment contracts and preparing medium and long-term financial forecasts.
2. Obtain the Syndicated Loan Agreement and related amendment contracts, and identify changes of rights and obligations.
3. Use the work of valuation experts to assist in evaluating the reasonableness of key assumptions used in medium and long-term financial forecasts, and compare them with historical experience, economic environment and industry forecasts.
4. Recalculate and verify the accuracy of gain on contract modification.

Other Matter – The prior year financial statements were audited by other auditors

The financial statements for the year ended December 31, 2022, were audited by other auditors who expressed an unmodified opinion on those statements dated February 22, 2023.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

As part of an audit in accordance with the 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 financial statements,

Appendix VIII

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 Company internal control.
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 Company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yu, Chih-Fan

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

February 21, 2024

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

Appendix IX

Audit Committee's Review Report on 2023 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2023 Business Report and Financial Statements. The CPA of PricewaterhouseCoopers, Taiwan, Chih-Fan Yu and Chien-Hung Chou, were retained to audit the Financial Statements of Taiwan High Speed Rail Corporation and have issued an audit report relating to the Financial Statements. The Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan High Speed Rail Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan High Speed Rail Corporation

Chairman of the Audit Committee: Duei Tsai

February 21, 2024

Appendix XI

Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2023 proposal for allocation of profits, and the proposal has been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan High Speed Rail Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan High Speed Rail Corporation

Chairman of the Audit Committee: Duei Tsai

March.13.2024

Appendix XI

Taiwan High Speed Rail Corporation Comparative Table for the Current and Amended Articles of Incorporation

Amended Articles	Current Articles	Description
<p>Article 27-1 All relevant laws, articles, bylaws, and rules, shareholders' meeting resolutions, Board of Directors resolutions, and the Corporation's Principles of Corporate Governance and associated provisions shall constitute the rights and obligations arising from the mandate relationship between the Directors and the Corporation, and the Directors shall have the obligation to fully comply and exercise fiduciary duty in the execution thereof.</p> <p>The pay to the Directors for their services as Directors, apart from for the profit-sharing compensation to Directors paid out of annual profits in accordance with Article 35-1 below, shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry.</p> <p><u>Regarding resignation (retirement) payments for the chairman and related matters, the fixed salary of the chairman's last month in office will be used as the calculation base, and two bases will be paid for each full year of service. The length of service is calculated as a half year when it is</u></p>	<p>Article 27-1 All relevant laws, articles, bylaws, and rules, shareholders' meeting resolutions, Board of Directors resolutions, and the Corporation's Principles of Corporate Governance and associated provisions shall constitute the rights and obligations arising from the mandate relationship between the Directors and the Corporation, and the Directors shall have the obligation to fully comply and exercise fiduciary duty in the execution thereof.</p> <p>The pay to the Directors for their services as Directors, apart from for the profit-sharing compensation to Directors paid out of annual profits in accordance with Article 35-1 below, shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry.</p>	<p>Added Paragraph 3 to clarify chairman resignation (retirement) procedures and consolation payments.</p>

Appendix XI

Amended Articles	Current Articles	Description
<p><u>less than six months and as one year when it is more than six months. If there is a need for consolation payments, the Board of Directors is authorized to determine payment amounts based on the Corporation's regulations relating to occupational accident compensation and consolation payments.</u></p>		
<p>Article 39 These Articles of Incorporation were adopted on 13 April 1998. The first amendment was made on 25 May 1999; the second on 27 June 2000; the third on 20 May 2002; the fourth on 10 September 2002; the fifth on 10 September 2002; the sixth on 28 May 2003; the seventh on 30 December 2003; the eighth on 28 May 2004; the ninth on 4 March 2005; the tenth on 4 March 2005; the eleventh on 25 June 2005; the twelfth on 25 June 2005; the thirteenth on 9 June 2006; the fourteenth on 16 August 2007; the fifteenth on 3 June 2009; the sixteenth on 23 June 2010; the seventeenth on 22 June 2012; the eighteenth on 10 September 2015; the nineteenth on 18 March 2016; the twentieth on 24 May 2018; the twenty-first on 26 May 2022; <u>the twenty-second on 23 May 2024</u>; and took effect after approval at a regular shareholders' meeting.</p>	<p>Article 39 These Articles of Incorporation were adopted on 13 April 1998. The first amendment was made on 25 May 1999; the second on 27 June 2000; the third on 20 May 2002; the fourth on 10 September 2002; the fifth on 10 September 2002; the sixth on 28 May 2003; the seventh on 30 December 2003; the eighth on 28 May 2004; the ninth on 4 March 2005; the tenth on 4 March 2005; the eleventh on 25 June 2005; the twelfth on 25 June 2005; the thirteenth on 9 June 2006; the fourteenth on 16 August 2007; the fifteenth on 3 June 2009; the sixteenth on 23 June 2010; the seventeenth on 22 June 2012; the eighteenth on 10 September 2015; the nineteenth on 18 March 2016; the twentieth on 24 May 2018; and took effect after approval at a regular shareholders' meeting.</p>	<p>Added date of current amendments to the Articles of Incorporation.</p>

Appendix XII

Taiwan High Speed Rail Corporation Comparative Table for the Current and Amended Guidelines for Corporate Governance

Amended Articles	Current Articles	Description
<p>1-04 (Functional committees) <u>The Corporation shall establish under the Board a Sustainable Development & Nominating Committee, an Audit Committee, and a Remuneration Committee, to strengthen active participation by the Directors and to increase the effectiveness and quality of oversight and decision-making by the Board.</u> (Remainder omitted)</p>	<p>1-04 (Functional committees) The Corporation shall establish under the Board a <u>Corporate Governance & Nominating Committee, an Audit Committee, and a Remuneration Committee, to strengthen active participation by the Directors and to increase the effectiveness and quality of oversight and decision-making by the Board.</u> (Remainder omitted)</p>	<p>To further incorporate corporate sustainable development concepts in all decision-making processes and business implementations, the “Corporate Governance & Nominating Committee” has been renamed the “Sustainable Development & Nominating Committee.”</p>
<p>2-01 (Protecting Shareholders' Rights and Interests) The Corporation's implementation of the corporate governance system shall protect the rights and interests of shareholders, treat all shareholders equitably, and seek to maximize the rights and interests of shareholders. <u>The Corporation shall establish internal regulations prohibiting company insiders from trading securities using undisclosed information.</u> (Remainder omitted)</p>	<p>2-01 (Protecting Shareholders' Rights and Interests) The Corporation's implementation of the corporate governance system shall protect the rights and interests of shareholders, treat all shareholders equitably, and seek to maximize the rights and interests of shareholders. (Remainder omitted)</p>	<p>Th Corporation formulated and implemented the “Regulations for Management of the Prevention of Insider Trading” in 2017. Paragraph 2 has been added to this article in accordance with Paragraph 3, Article 10 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
<p>3-01 (Size and composition of the Board) (Paragraph 1 omitted) When the Corporation is to hold elections, the <u>Sustainable Development & Nominating Committee</u> shall review the size of</p>	<p>3-01 (Size and composition of the Board) (Paragraph 1 omitted) When the Corporation is to hold elections, the <u>Corporate Governance & Nominating Committee</u> shall review the size</p>	<p>Amended Paragraph 2 in accordance with amendments made to Article 1-04.</p>

Appendix XII

Amended Articles	Current Articles	Description
<p>the Board under the preceding paragraph and its composition, with consideration to the Corporation's stage of development, the representativeness of shareholding ratios, the Board's current composition, and the social and economic environments domestically and abroad. If it deems any adjustment or amendment necessary, it shall make a timely recommendation to the Board.</p>	<p>of the Board under the preceding paragraph and its composition, with consideration to the Corporation's stage of development, the representativeness of shareholding ratios, the Board's current composition, and the social and economic environments domestically and abroad. If it deems any adjustment or amendment necessary, it shall make a timely recommendation to the Board.</p>	
<p>3-03 (Rules of procedure for Board meetings) (Paragraph 1 omitted) The rules of procedure for Board meetings under the preceding paragraph, and any amendments to those rules, shall be drafted by the <u>Sustainable Development & Nominating Committee</u> and submitted for a resolution by the Board.</p>	<p>3-03 (Rules of procedure for Board meetings) (Paragraph 1 omitted) The rules of procedure for Board meetings under the preceding paragraph, and any amendments to those rules, shall be drafted by the <u>Corporate Governance & Nominating Committee</u> and submitted for a resolution by the Board.</p>	<p>Amended Paragraph 2 in accordance with amendments made to Article 1-04.</p>
<p>3-08 (Secretariat Division under the Board) A Secretariat Division is installed under the Board to be in charge of corporate governance affairs, and provides the Board and the functional committees with the necessary resources or assistance to execute their duties, to facilitate the smooth operation of the Corporation's corporate governance system.</p>	<p>3-08 (Secretariat Division under the Board) A Secretariat Division is installed under the Board to be in charge of corporate governance affairs, and provides the Board and the functional committees with the necessary resources or assistance to execute their duties, to facilitate the smooth operation of the Corporation's corporate governance system. <u>Said Secretariat shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities,</u></p>	<p>Paragraph 1 of this article has been amended to maintain flexibility of corporate employment and structure.</p>

Appendix XII

Amended Articles	Current Articles	Description
<p>The Secretariat Division has the following primary missions:</p> <p>1. Administrative tasks</p> <p>(1) General administrative affairs relating to the calling of, notices for, holding of, and record-keeping for shareholders' meetings, Board meetings, and committee meetings.</p> <p>(2) Production and preservation of meeting documents, records, and other materials.</p> <p>(3) Liaison with management.</p> <p>(4) Assisting in onboarding and continuous development of directors.</p> <p>(Remainder omitted)</p>	<p><u>financial, or futures related institution or a public company in handling legal affairs, financial affairs, stock affairs, or corporate governance affairs.</u></p> <p>The Secretariat Division has the following primary missions:</p> <p>1. Administrative tasks</p> <p>(1) General administrative affairs relating to the calling of, notices for, holding of, and record-keeping for shareholders' meetings, Board meetings, and committee meetings.</p> <p>(2) Production and preservation of meeting documents, records, and other materials.</p> <p>(3) Liaison with management.</p> <p>(4) Assisting in onboarding and continuous development of directors.</p> <p>(Remainder omitted)</p>	
<p>3-15 (Director resignation)</p> <p>If a Director resigns during the Director's term of office, the Director shall do so by written notice to the Board. The <u>Sustainable Development & Nominating Committee</u> shall immediately ascertain the circumstances and reasons for the Director's resignation, and assess its impact on the Corporation's overall operations, and report the same to the Board.</p> <p>(Paragraph 2 omitted)</p>	<p>3-15 (Director resignation)</p> <p>If a Director resigns during the Director's term of office, the Director shall do so by written notice to the Board. The <u>Corporate Governance & Nominating Committee</u> shall immediately ascertain the circumstances and reasons for the Director's resignation, and assess its impact on the Corporation's overall operations, and report the same to the Board.</p> <p>(Paragraph 2 omitted)</p>	<p>Amended Paragraph 1 in accordance with amendments made to Article 1-04.</p>
<p>3-18 (Division of duties)</p> <p>(Paragraph 1 omitted)</p> <p>The <u>Sustainable Development & Nominating Committee</u> shall produce, and submit to the Board, analysis and recommendations for</p>	<p>3-18 (Division of duties)</p> <p>(Paragraph 1 omitted)</p> <p>The <u>Corporate Governance & Nominating Committee</u> shall produce, and submit to the Board, analysis and recommendations for</p>	<p>Amended Paragraph 2 in accordance with amendments made to Article 1-04.</p>

Appendix XII

Amended Articles	Current Articles	Description
the separation of powers and duties between the Board and the management and between the Chairman and the President referred to in the preceding paragraph.	the separation of powers and duties between the Board and the management and between the Chairman and the President referred to in the preceding paragraph.	
4-02 (Independent Director qualifications) (Paragraph 1 omitted) In addition to ensuring that candidates nominated for Independent Director meet the requirements of the preceding paragraph and the qualifications submitted by the <u>Sustainable Development</u> & Nominating Committee under Article 5-2-02 of these Guidelines and passed by a Board resolution, the Board when nominating candidates for Independent Director additionally shall thoroughly and carefully assess a candidate's suitability to serve as an Independent Director with consideration to the following matters: (Remainder omitted)	4-02 (Independent Director qualifications) (Paragraph 1 omitted) In addition to ensuring that candidates nominated for Independent Director meet the requirements of the preceding paragraph and the qualifications submitted by the <u>Corporate Governance</u> & Nominating Committee under Article 5-2-02 of these Guidelines and passed by a Board resolution, the Board when nominating candidates for Independent Director additionally shall thoroughly and carefully assess a candidate's suitability to serve as an Independent Director with consideration to the following matters: (Remainder omitted)	Amended Paragraph 2 in accordance with amendments made to Article 1-04.
4-03 (Nomination of Independent Director) (Paragraph 1 omitted) For nominations by the Board as referred to in the preceding paragraph, the <u>Sustainable Development</u> & Nominating Committee shall draft a recommended slate of candidates and submit it to the Board for deliberation. However, if the Corporate Governance & Nominating Committee is for some reason unable to assemble, or fails to submit a recommended	4-03 (Nomination of Independent Director) (Paragraph 1 omitted) For nominations by the Board as referred to in the preceding paragraph, the <u>Corporate Governance</u> & Nominating Committee shall draft a recommended slate of candidates and submit it to the Board for deliberation. However, if the Corporate Governance & Nominating Committee is for some reason unable to assemble, or fails to submit a recommended	Amended Paragraphs 2 and 3 in accordance with amendments made to Article 1-04.

Appendix XII

Amended Articles	Current Articles	Description
<p>slate of candidates within an adequate time before the Board deliberations, the Board may proceed directly to resolve to nominate candidates.</p> <p>With respect to matters in connection with the recommending of Independent Director candidate nominees, the <u>Sustainable Development & Nominating Committee</u>, may, based on the current composition and structure of the Board, and making accommodations for the Corporation's subsequent development needs, adopt rules for the recommendation of Independent Director nominees, and submit them to the Board for deliberation. (Paragraph 4 omitted)</p>	<p>slate of candidates within an adequate time before the Board deliberations, the Board may proceed directly to resolve to nominate candidates.</p> <p>With respect to matters in connection with the recommending of Independent Director candidate nominees, the <u>Corporate Governance & Nominating Committee</u>, may, based on the current composition and structure of the Board, and making accommodations for the Corporation's subsequent development needs, adopt rules for the recommendation of Independent Director nominees, and submit them to the Board for deliberation. (Paragraph 4 omitted)</p>	
<p>4-04 (Assessment of Independent Director Qualifications) When the <u>Sustainable Development & Nominating Committee</u> recommends Independent Directors, it shall first obtain the consent of each nominee, and then state its opinion on whether each nominee meets the qualifications and conditions set out in Article 4-02 of these Guidelines, and attach thereto each nominee's educational background, work experience, current occupation and any concurrent occupations, and submit the opinion and related documents to the Board for deliberation.</p> <p>When a shareholder nominates an</p>	<p>4-04 (Assessment of Independent Director Qualifications) When the <u>Corporate Governance & Nominating Committee</u> recommends Independent Directors, it shall first obtain the consent of each nominee, and then state its opinion on whether each nominee meets the qualifications and conditions set out in Article 4-02 of these Guidelines, and attach thereto each nominee's educational background, work experience, current occupation and any concurrent occupations, and submit the opinion and related documents to the Board for deliberation.</p> <p>When a shareholder nominates an Independent Director, the</p>	<p>Amended Paragraphs 1 and 2 in accordance with amendments made to Article 1-04.</p>

Appendix XII

Amended Articles	Current Articles	Description
<p>Independent Director, the shareholder shall duly submit the relevant documents in accordance with law. The <u>Sustainable Development</u> & Nominating Committee shall deliberate them and state its opinion on whether the nominee meets the statutory qualifications and conditions for an Independent Director, and submit the opinion and related documentation to the Board for deliberation.</p> <p>(Subsequent paragraphs omitted)</p>	<p>shareholder shall duly submit the relevant documents in accordance with law. The <u>Corporate Governance</u> & Nominating Committee shall deliberate them and state its opinion on whether the nominee meets the statutory qualifications and conditions for an Independent Director, and submit the opinion and related documentation to the Board for deliberation.</p> <p>(Subsequent paragraphs omitted)</p>	
<p>4-05 (Term of Independent Directors)</p> <p>Independent Directors shall serve the same term as the Directors, and may be re-elected to consecutive terms. However, in the case of an Independent Director who has served three or more consecutive terms the <u>Sustainable Development</u> & Nominating Committee shall report to the Board, and state whether it considered any alternative candidates when it prepared the slate of recommended candidates and its reasons for continuing to recommend the candidate's re-election.</p>	<p>4-05 (Term of Independent Directors)</p> <p>Independent Directors shall serve the same term as the Directors, and may be re-elected to consecutive terms. However, in the case of an Independent Director who has served three or more consecutive terms the <u>Corporate Governance</u> & Nominating Committee shall report to the Board, and state whether it considered any alternative candidates when it prepared the slate of recommended candidates and its reasons for continuing to recommend the candidate's re-election.</p>	<p>Amended wording in accordance with amendments made to Article 1-04.</p>
<p>5-1-01 (Establishment of committees)</p> <p>The Corporation shall establish under the Board a <u>Sustainable Development</u> & Nominating Committee, Audit Committee, and Remuneration Committee, and may in due course establish other functional committees.</p>	<p>5-1-01 (Establishment of committees)</p> <p>The Corporation shall establish under the Board a <u>Corporate Governance</u> & Nominating Committee, Audit Committee, and Remuneration Committee, and may in due course establish other functional committees.</p>	<p>Amended wording in accordance with amendments made to Article 1-04.</p>

Appendix XII

Amended Articles	Current Articles	Description
<p>5-1-03 (Selection of committee members) The <u>Sustainable Development & Nominating Committee</u>, after inquiring into the willingness of prospective committee members and considering the professional background of each prospective member, shall submit to the board proposals and recommendations for the members of each functional committee. (Subsequent paragraphs omitted)</p>	<p>5-1-03 (Selection of committee members) The <u>Corporate Governance & Nominating Committee</u>, after inquiring into the willingness of prospective committee members and considering the professional background of each prospective member, shall submit to the board proposals and recommendations for the members of each functional committee. (Subsequent paragraphs omitted)</p>	Amended Paragraph 1 in accordance with amendments made to Article 1-04.
<p>5-1-06 (Committee duties) Except as otherwise provided by law or regulation, the Articles of Incorporation, these Guidelines, or other basic bylaws of the Corporation, the procedures, content, and scope of the duties to be exercised by each functional committee shall be submitted by the <u>Sustainable Development & Nominating Committee</u> to the Board for adoption by resolution of the Board.</p>	<p>5-1-06 (Committee duties) Except as otherwise provided by law or regulation, the Articles of Incorporation, these Guidelines, or other basic bylaws of the Corporation, the procedures, content, and scope of the duties to be exercised by each functional committee shall be submitted by the <u>Corporate Governance & Nominating Committee</u> to the Board for adoption by resolution of the Board.</p>	Amended wording in accordance with amendments made to Article 1-04.
<p>Section 2 <u>Sustainable Development & Nominating Committee</u></p>	<p>Section 2 <u>Corporate Governance & Nominating Committee</u></p>	Amended section title in accordance with amendments made to Article 1-04.
<p>5-2-01 (<u>Sustainable Development & Nominating Committee</u> members) The <u>Sustainable Development & Nominating Committee</u> is composed of 5 to 7 members, at least half of whom shall be Independent Directors.</p>	<p>5-2-01 (<u>Corporate Governance & Nominating Committee</u> members) The <u>Corporate Governance & Nominating Committee</u> is composed of 5 to 7 members, at least half of whom shall be Independent Directors.</p>	Amended wording and article title in accordance with amendments made to Article 1-04.
<p>5-2-02 (Primary missions of the <u>Sustainable Development & Nominating Committee</u>) The <u>Sustainable Development &</u></p>	<p>5-2-02 (Primary missions of the <u>Corporate Governance & Nominating Committee</u>) The <u>Corporate Governance &</u></p>	Amended article title and wording of Paragraph 1, Subparagraphs 6 and 7

Appendix XII

Amended Articles	Current Articles	Description
<p>Nominating Committee has the following primary missions: (Paragraphs 1~5 omitted)</p> <p>6. Drafting, amendment, and review of these Guidelines and important <u>sustainable development</u> bylaws and rules.</p> <p>7. Planning and recommendations for the <u>sustainable development</u> system, and review of the effectiveness of its implementation.</p> <p>8. Other duties as set out in the Articles of Incorporation, these Guidelines, or Board resolutions. After the close of each fiscal year, the <u>Sustainable Development & Nominating Committee</u> shall report to the Board on its execution of duties. Before the annual general meeting of shareholders each year, the <u>Corporate Governance & Nominating Committee</u> shall issue a report on the implementation of corporate governance by the Corporation, and the report, after review by the Board, shall be included in the Shareholders' Meeting Agenda Handbook.</p>	<p>Nominating Committee has the following primary missions: (Paragraphs 1~5 omitted)</p> <p>6. Drafting, amendment, and review of these Guidelines and important <u>corporate governance</u> bylaws and rules.</p> <p>7. Planning and recommendations for the <u>corporate governance</u> system, and review of the effectiveness of its implementation.</p> <p>8. Other duties as set out in the Articles of Incorporation, these Guidelines, or Board resolutions. After the close of each fiscal year, the <u>Corporate Governance & Nominating Committee</u> shall report to the Board on its execution of duties. Before the annual general meeting of shareholders each year, the <u>Corporate Governance & Nominating Committee</u> shall issue a report on the implementation of corporate governance by the Corporation, and the report, after review by the Board, shall be included in the Shareholders' Meeting Agenda Handbook.</p>	<p>of Paragraph 1, and Paragraphs 2 and 3 in accordance with amendments made to Article 1-04, and added new sustainable development tasks.</p>
<p>5-2-03(Functional subcommittees of the <u>Sustainable Development & Nominating Committee</u>)</p> <p>For the execution of its duties in accordance with these Guidelines, the <u>Sustainable Development & Nominating Committee</u> may establish subcommittees for purposes of handling corresponding duties and</p>	<p>5-2-03(Functional subcommittees of the <u>Corporate Governance & Nominating Committee</u>)</p> <p>For the execution of its duties in accordance with these Guidelines, the <u>Corporate Governance & Nominating Committee</u> may establish subcommittees for purposes of handling corresponding duties and</p>	<p>Amended wording and article title in accordance with amendments made to Article 1-04.</p>

Appendix XII

Amended Articles	Current Articles	Description
functions.	functions.	
5-2-04 (Organizational charter) For the execution of its duties in accordance with these Guidelines, the <u>Sustainable Development & Nominating Committee</u> may adopt an organizational charter, and implement it after submitting it the Board for passage by a resolution. The content of the organizational charter shall include at least the <u>Sustainable Development & Nominating Committee's</u> purpose of establishment, authority and duties, and the procedures for exercising its powers.	5-2-04 (Organizational charter) For the execution of its duties in accordance with these Guidelines, the <u>Corporate Governance & Nominating Committee</u> may adopt an organizational charter, and implement it after submitting it the Board for passage by a resolution. The content of the organizational charter shall include at least the <u>Corporate Governance & Nominating Committee's</u> purpose of establishment, authority and duties, and the procedures for exercising its powers.	Amended wording in accordance with amendments made to Article 1-04.
5-2-05(Submitting a recommended slate of Director candidates) The <u>Sustainable Development and Nominating Committee</u> shall follow the provisions of Articles 2-06, 4-03, and 4-04 of these Guidelines to carry out the nomination and recommendation of Independent Director candidates. (Subsequent paragraphs omitted)	5-2-05(Submitting a recommended slate of Director candidates) The <u>Corporate Governance and Nominating Committee</u> shall follow the provisions of Articles 2-06, 4-03, and 4-04 of these Guidelines to carry out the nomination and recommendation of Independent Director candidates. (Subsequent paragraphs omitted)	Amended wording in accordance with amendments made to Article 1-04.
5-2-06 (Performance evaluation) After the close of each fiscal year, the <u>Sustainable Development & Nominating Committee</u> shall submit an evaluation and recommendations with respect to the execution of duties by all of the Board and the functional committees, and submit it to the Board for review.	5-2-06 (Performance evaluation) After the close of each fiscal year, the <u>Corporate Governance & Nominating Committee</u> shall submit an evaluation and recommendations with respect to the execution of duties by all of the Board and the functional committees, and submit it to the Board for review.	Amended wording in accordance with amendments made to Article 1-04.
5-2-08 (Reporting on any changes in the identity of the Independent Directors) If there is any change	5-2-08 (Reporting on any changes in the identity of the Independent Directors) If there is any change	Amended wording in accordance with amendments made to

Appendix XII

Amended Articles	Current Articles	Description
<p>in an Independent Director's occupation, identity/status, or shareholding, or something else occurs that could cause the person to no longer meet the qualifications and conditions for Independent Director as set out in these Guidelines, that Independent Director shall immediately report to the <u>Sustainable Development & Nominating Committee</u>.</p>	<p>in an Independent Director's occupation, identity/status, or shareholding, or something else occurs that could cause the person to no longer meet the qualifications and conditions for Independent Director as set out in these Guidelines, that Independent Director shall immediately report to the <u>Corporate Governance & Nominating Committee</u>.</p>	<p>Article 1-04.</p>
<p>5-3-06 (Evaluation of the attesting CPAs (external auditor)) <u>The Audit Committee shall reference Audit Quality Indicators (AQIs) and evaluate the independence and suitability of CPAs at the end of each year, and report findings to the Board.</u></p> <p>If the Corporation engages the same external auditor for <u>seven</u> years without replacement, or if the external auditor is subject to disciplinary action or another circumstance prejudicial to its independence, the Audit Committee shall consider the necessity of replacing the external auditor, and submit its conclusion to the board of directors. (Remainder omitted)</p>	<p>5-3-06 (Evaluation of the attesting CPAs (external auditor)) After the close of each fiscal year, the Audit Committee shall evaluate the <u>professionalism</u> and independence of the external auditor, and the <u>reasonableness of the remuneration paid for its engagement</u>, and report to the Board.</p> <p>If the Corporation engages the same external auditor for <u>numerous</u> years without replacement, or if the external auditor is subject to disciplinary action or another circumstance prejudicial to its independence, the Audit Committee shall consider the necessity of replacing the external auditor, and submit its conclusion to the board of directors. (Remainder omitted)</p>	<ol style="list-style-type: none"> 1. In compliance with Paragraph 3, Article 29 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” adjustments have been made to the reference evaluation indicators in Paragraph 1 of this article, and the time period in Paragraph 2 of this article has been adjusted in accordance with relevant regulations. 2. As evaluations related to CPA “suitability” (encompassing “professionalism” and “reasonableness of

Appendix XII

Amended Articles	Current Articles	Description
		the remuneration paid for engagement” has been added to Paragraph 1 of this article, the wording in Paragraph 1 has been simplified in accordance with relevant regulations.
<p><u>7-02-01 (Corporate Governance Officer)</u> <u>The Corporation shall establish one corporate governance officer who serves as the highest-ranking manager responsible for corporate governance affairs; said officer shall have obtained the qualifications of a practicing lawyer or accountant, or have served in a managerial position at a unit handling legal, legal compliance, internal audit, finance, shareholder, or corporate governance affairs at a securities, financial, or futures institute, or a publicly listed company for more than three years. The position can be held concurrently by other personnel within the Corporation.</u></p>		Qualifications for the corporate governance officer have been added in accordance with amendments to Article 3-1 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Article 3-08 of these Guidelines.
<p>8-01 (Definition of related parties) The Corporation shall adopt rules for handling related party transactions. <u>The aforementioned rules shall include management procedures for purchase and sales transactions, acquisition or disposal of assets, fund loans, or endorsements and guarantees.</u></p>	<p>8-01 (Definition of related parties) The Corporation shall adopt rules for handling related party transactions.</p>	Amendments have been made to the latter half of Paragraph 1 in this article in accordance with Paragraph 2, Article 17 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed

Appendix XII

Amended Articles	Current Articles	Description
(Remainder omitted)		Companies.”
<p>11-01 (Interpretation) The interpretation and practical implementation of these Guidelines shall seek the substantial spirit of corporate governance rather than paying excessive attention to literal wording. If any question arises, the <u>Sustainable Development & Nominating Committee</u> shall present it to the Board for deliberation and settlement.</p>	<p>11-01 (Interpretation) The interpretation and practical implementation of these Guidelines shall seek the substantial spirit of corporate governance rather than paying excessive attention to literal wording. If any question arises, the <u>Corporate Governance & Nominating Committee</u> shall present it to the Board for deliberation and settlement.</p>	<p>Amended wording in accordance with amendments made to Article 1-04.</p>
<p>11-02 (Adoption, amendment, repeal) These Guidelines, and any amendments hereto, shall take force after they have been submitted to the Board by the <u>Sustainable Development & Nominating Committee</u>, passed by the Board, and submitted to and approved by a shareholders' meeting.</p>	<p>11-02 (Adoption, amendment, repeal) These Guidelines, and any amendments hereto, shall take force after they have been submitted to the Board by the <u>Corporate Governance & Nominating Committee</u>, passed by the Board, and submitted to and approved by a shareholders' meeting.</p>	<p>Amended wording in accordance with amendments made to Article 1-04.</p>