

Handbook for the 2025 Annual Shareholders' Meeting

Stock Code: 2633

Method Of Convening: Physical Shareholders' Meeting

Date: May 22, 2025 at 9:00 a.m.

Place: Taipei Bioinnovation Park Multipurpose Hall (No. 508, Section 7, Zhongxiao East Road, Nangang Dist., Taipei City)

Taiwan High Speed Rail Corporation

Procedure for the 2025 Annual Shareholders' Meeting

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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 Sustainable Development & 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 23rd meeting of the 10th Board on February 19, 2025, 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 2024 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.

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III. Execution of Corporate Governance System

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 Sustainable Development & Nominating, 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.

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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 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 previewed 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. In 2024, to facilitate active promotion of corporate sustainable development concepts; respond to domestic, overseas, and industrial emphasis on sustainability issues; and to further incorporate corporate sustainable development concepts in all decision-making processes and business implementations, the "Corporate Governance & Nominating Committee" was renamed the "Sustainable Development & Nominating Committee" and related responsibilities were amended. Amendments to the Corporation's GCG were approved at the 2024 shareholders' general meeting.

The 15 directors comprising the 10th Board were elected for a term of three years (May 25,

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2023 to May 24, 2026). The Board oversees the Sustainable Development & Nominating Committee (formerly 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 2024 to March 2025)

(1) Board of Directors

① Composition: 15 directors on the 10th Board.

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) Sustainable Development & Nominating Committee

① Composition: 6 directors on the 10th Board, with the committee being convened by an independent director starting from 2025.

② Number of meetings: 14.

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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 sustainable development strategies and corporate governance systems; and review effectiveness and information disclosures of related management guidelines and specific promotion plans (see Schedule for details).

④ Execution:

- 1) Discuss proposals for evaluating implementations of Board of Directors, functional committees, and annual work plans.
- 2) Discuss reports on execution of corporate governance.
- 3) Discuss sustainability reports.
- 4) Discuss renewal of director and officer liability insurance.
- 5) Discuss corporate organizational structure adjustments and procedural amendments.
- 6) Discuss sustainable developments and amendments to or formulation of internal regulations relating to corporate governance.
- 7) Discuss director and manager succession plans.
- 8) Discuss Corporation corporate governance implementation performance, sustainable development and ethical management executions, and implementation of information disclosures.

(3) Audit Committee

- ① Composition: All 5 independent directors on the 10th Board, with the committee being convened by 1 of the independent directors.
- ② Number of meetings: 17.
- ③ Primary tasks:

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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 2024 “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 “2024 annual report on self-assessments of internal control systems” was submitted to the 22nd Audit Committee meeting of the 10th Board on February 18, 2025 and the 23rd meeting of the 10th Board on February 19, 2025 for confirmation of the Corporation’s internal control systems in 2024, 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 implementations 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 2024 and only made donations to related parties. Related proposals for 2024 (including the Corporation’s “Donation and Sponsorship Plan for 2024,”

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“Donation to relief efforts for Japan Noto earthquake,” and “Donation to relief efforts for Hualien earthquake”) 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 “2024 Annual Progress Report of Risk Management Implementations” was submitted to the 17th Audit Committee meeting of the 10th Board on September 9, 2024 and the 17th meeting of the 10th Board on September 11, 2024 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 results.

(4) Remuneration Committee

- ① Composition: 4 independent directors on the 10th Board, with the committee being convened by 1 of the independent directors.
- ② Number of meetings: 12.
- 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

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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: 7 directors on the 10th Board and convened by 1 director elected by committee members.
- ② Number of meetings: 15.
- ③ Primary Tasks:

Provide advice on the Corporation's major external legal or contractual disputes, labor-management agreements and 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 contractual disputes and procurement-related proposals.

5. Measures Specific to Corporate Governance

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

In 2024, for continued promotion of the Corporation's corporate governance systems, our functional committees 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 "Articles of Incorporation," "Guidelines for Corporate Governance," "Charter of the Special Committee," "Regulations of Disclosure Information," Rules of Procedure for Board of Directors Meetings," "THSRC Organizational Regulation," "Organization Structure

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Chart,” “Ethical Corporate Management Best Practice Principles,” and “Procedures for Ethical Management and Guidelines for Conduct.”

(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 Sustainable Development & 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 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

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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 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

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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 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

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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 2024 all significantly exceeded standards. Additionally, results of performance assessments for managers in 2024 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 individual performance management indicators 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 2024 were approved by the 22nd Audit Committee meeting of the 10th Board of Directors dated February 18, 2025 and the 23rd meeting of the 10th Board of Directors dated February 19, 2025, confirming that the Corporation's CPA fulfilled the following assessment standards for independence and competency:

No.	Evaluation Item	Evaluation Results	Passed Independence Assessment
1	CPA has no direct or indirect major financial stake in the Corporation.	Yes	Yes

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No.	Evaluation Item	Evaluation Results	Passed Independence Assessment
2	CPA is not involved in any financing or financial guarantee agreements involving the Corporation or Corporation directors.	Yes	Yes
3	CPA does not have any potential employment relationship with the Corporation.	Yes	Yes
4	Accounting firm of CPA is not overly reliant on funds from the Corporation as a single client.	Yes	Yes
5	Non-audit services provided by CPA to the Corporation have no direct impact on the major items of audit services provided.	Yes	Yes
6	CPA does not promote or sell shares or other securities issued by the Corporation.	Yes	Yes
7	CPA is not representing the Corporation in litigation of a third party or other disputes.	Yes	Yes
8	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
9	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
10	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

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No.	Evaluation Item	Evaluation Results	Passed Independence Assessment
11	CPA is not involved in decision-making managerial duties at the Corporation.	Yes	Yes
12	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
13	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
14	The Corporation has not pressured accountants and facilitated improper reduction of audit duties in order to reduce audit fees.	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.

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

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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 domestic 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 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

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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 "Sustainable Strategy 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 seven consecutive years (from 2017 to 2023) and was ranked among the top 5% of 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.

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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 the adoption and amendment of an internal control system, and evaluation of effectiveness of an internal control system.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.

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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, these Guidelines, or other relevant bylaws of the Corporation.</p>
Sustainable Development & Nominating Committee (formerly Corporate Governance & Nominating Committee)	<p>As per Article 3 of the Charter of the Sustainable Development & Nominating Committee, the Sustainable Development & Nominating Committee is responsible for the following tasks:</p> <p>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.</p> <p>2). Plan composition of the Board and its functional committees (hereinafter referred to as “committees”), and evaluate performance of the Board, committees, all directors, and managerial officers, and the independence of the independent directors. This Committee shall explore the willingness of potential candidates to serve on committees and consider candidate backgrounds and the duties of the respective committees before presenting its plans and suggestions regarding the composition of the committees to the Board.</p> <p>3). Be responsible for nominations of independent directors and non-independent directors.</p> <p>4). Identify and evaluate potential candidates for independent and non-</p>

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Item	Primary Tasks
	<p>independent directors.</p> <ol style="list-style-type: none"> 5). Review the basis programs for director continuing education and succession plans of directors and managerial officers (succession planning). 6). Plan and review implementation performance of the Board and its committees. 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 sustainable development strategy, Corporation's corporate governance system, related management policy and specific plan promotion and review the Corporation's Guidelines for Corporate Governance and relevant bylaws. 10). Review implementation performance of the sustainable development strategy, corporate governance system, related management policy and specific plan promotion including execution of corporate social responsibilities, 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,

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Item	Primary Tasks
	<p>monetary loans to others, or providing endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act.</p> <p>4). Review matters that may involve the personal interest of directors.</p> <p>5). Review material asset and derivatives transactions.</p> <p>6). Review material monetary loans or endorsement, or provision of guarantees.</p> <p>7). Review the public offering, issuance, or private placement of equity-type securities.</p> <p>8). Evaluate the appointment, dismissal, or compensation of attesting CPAs.</p> <p>9). Evaluate the appointment and dismissal of the Corporation's chief financial officer, chief accountant, or chief internal auditor.</p> <p>10). Review annual financial report and the first to third quarter financial reports, which are signed or sealed by the Corporation Chairperson, managerial officer, and chief accountant.</p> <p>11). Review the Corporation's accounting system and financial condition.</p> <p>12). Evaluate the Corporation's risk management policies and risk measurement standards.</p> <p>13). Review the procedures for material financial and operational acts.</p> <p>14). Evaluate, examine, and monitor any existing or potential risks to the Corporation.</p> <p>15). Examine the Corporation's compliance with laws, regulations and rules.</p> <p>16). Review the Corporation's capital, financing, and credit plans.</p> <p>17). Assess the Corporation's tax planning and compliance with tax laws and regulations.</p> <p>18). Other major matters as required by the Corporation or the competent authority.</p>

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Item	Primary Tasks
	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 the performance assessment criteria, performance goals, and the policies, systems, standards, and structure for the compensation of directors and managerial officers of the Corporation. 2). Regularly assess the degree to which performance goals for directors and Managerial officers of the Corporation have been achieved, set the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment 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"> 1). Provide counsel and suggestions in accordance with Board resolutions on major legal or contractual disputes of our company with external parties, significant labor-management disputes or agreements, and important institutional changes of the Corporation, and assist the Board in supervising the implementation of said resolutions by managerial departments. 2). Review proposals relating to procurement matters that should be submitted to the Board by managerial departments according to Corporation bylaws. 3). Other duties as required by the Corporation's Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.

Management Presentation

Communication items between independent directors and chief internal auditor for 2024:

Date	Communication Method (Audit Committee Term-Sitting)	Report Highlight	Communication Results	The Corporation's Responses to Independent Director Opinions
2024/2/19	Audit Committee Meeting (10-9)	2023 Q4 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2024/3/11	Audit Committee Meeting (10-10)	Audit office project implementation report for January to February, 2024	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2024/5/6	Audit Committee Meeting (10-13)	2024 Q1 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2024/8/5	Audit Committee Meeting (10-16)	2024 Q2 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2024/10/8	Audit report (Independent report made by internal audit managers to independent directors)	Audit plans for 2025	Acknowledged by independent directors.	No objections from independent directors.
2024/10/8	Audit Committee Meeting (10-18)	Formulation of 2025 Audit Office auditing plans	Acknowledged by all Audit Committee members in attendance.	Audit Office has executed implementations in accordance with independent director suggestions. No objections from independent directors.
2024/11/4	Audit Committee Meeting (10-19)	2024 Q3 audit office project implementation report	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.

Management Presentation

Date	Communication Method (Audit Committee Term-Sitting)	Report Highlight	Communication Results	The Corporation's Responses to Independent Director Opinions
2024/11/4	Audit Committee Meeting (10-19)	Authorization for the Corporation's ad hoc audits for 2025	Acknowledged by all attending Audit Committee members.	Audit Office has amended proposal content based on independent director suggestions. No objections from independent directors.

Management Presentation

Communication items between independent directors and CPAs for 2024:

Date	Communication Method (Audit Committee Term-Sitting)-	Report Highlight	Communication Results	The Corporation's Responses to Independent Director Opinions
2024/2/19	Audit Committee (10-9)	<ol style="list-style-type: none"> Summary of audits on financial report for 2023 Statement of Independence Key audit items Other disclosures for 2023 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2024/5/6	Audit Committee (10-13)	<ol style="list-style-type: none"> Summary of audits on financial report for first quarter of 2024 Statement of Independence 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2024/8/5	Audit Committee (10-16)	<ol style="list-style-type: none"> Summary of audits on financial report for second quarter of 2024 Statement of Independence 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2024/11/4	Audit Committee (10-19)	<ol style="list-style-type: none"> Financial report for third quarter of 2024. Statement of Independence Audit plans and key audit items for 2024 financial report 	Approved after discussion by all Audit Committee members in attendance.	No objections from independent directors.
2024/11/4	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.

Management Presentation

Report No. 2: Report on Director Remuneration for 2024

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 2024 are shown in the following table.

Management Presentation

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

Unit: NT\$ thousands (as of 2024/12/31)

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	
China Aviation Development Foundation		0	0	0	0	12,371	12,371	0	0	12,371 0.19	12,371 0.19	0	0	0	0	0	0	0	0	12,371 0.19	12,371 0.19	None
Director Representative: Yu-Fen Hung		0	0	0	0	0	0	230	230	230 0.00	230 0.00	0	0	0	0	0	0	0	0	230 0.00	230 0.00	None
Director Representative: Wei-Cheng Hsieh		0	0	0	0	0	0	240	240	240 0.00	240 0.00	0	0	0	0	0	0	0	0	240 0.00	240 0.00	None
Chairman Former Representative: Yao-Chung Chiang		7,279	7,279	6,506	6,506	0	0	510	510	14,294 0.22	14,294 0.22	0	0	0	0	0	0	0	0	14,294 0.22	14,294 0.22	None
Ministry of Transportation and Communications, R.O.C.		0	0	0	0	8,247	8,247	115	115	8,362 0.13	8,362 0.13	0	0	0	0	0	0	0	0	8,362 0.13	8,362 0.13	None
Director Representative: Cheng-Chung Young		0	0	0	0	0	0	102	102	102 0.00	102 0.00	0	0	0	0	0	0	0	0	102 0.00	102 0.00	None
Director Former Representative: Huan-Tung Tseng		0	0	0	0	0	0	94	94	94 0.00	94 0.00	0	0	0	0	0	0	0	0	94 0.00	94 0.00	None
Director Former Representative: Chin-Hong Pan		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
China Steel Corporation		0	0	0	0	4,124	4,124	120	120	4,244 0.07	4,244 0.07	0	0	0	0	0	0	0	0	4,244 0.07	4,244 0.07	None

Management Presentation

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	
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
Taiwan Sugar Corporation		0	0	0	0	4,124	4,124	80	80	4,204 0.07	4,204 0.07	0	0	0	0	0	0	0	0	4,204 0.07	4,204 0.07	None
Director Representative: Ming-Chang Wu		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: 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
Management Committee of National Development Fund, Executive Yuan		0	0	0	0	4,124	4,124	76	76	4,200 0.07	4,200 0.07	0	0	0	0	0	0	0	0	4,200 0.07	4,200 0.07	None
Director Representative: Shien-Quey Kao		0	0	0	0	0	0	94	94	94 0.00	94 0.00	0	0	0	0	0	0	0	0	94 0.00	94 0.00	None
TECO Electric & Machinery Co., Ltd.		0	0	0	0	4,124	4,124	0	0	4,124 0.06	4,124 0.06	0	0	0	0	0	0	0	0	4,124 0.06	4,124 0.06	None
Director Representative: Mao-Hsiung Huang		0	0	0	0	0	0	240	240	240 0.00	240 0.00	0	0	0	0	0	0	0	0	240 0.00	240 0.00	None
Taipei Fubon Commercial Bank Co., Ltd.		0	0	0	0	4,124	4,124	0	0	4,124 0.06	4,124 0.06	0	0	0	0	0	0	0	0	4,124 0.06	4,124 0.06	None
Director Representative: Yi-Ling Wu		0	0	0	0	0	0	100	100	100 0.00	100 0.00	0	0	0	0	0	0	0	0	100 0.00	100 0.00	None
Director Former Representative: Chu-Min Hong		0	0	0	0	0	0	10	10	10 0.00	10 0.00	0	0	0	0	0	0	0	0	10 0.00	10 0.00	None

Management Presentation

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			
Independent Director Kenneth Huang-Chuan Chiu		720	720	0	0	0	0	450	450	1,170 0.02	1,170 0.02	0	0	0	0	0	0	0	0	1,170 0.02	1,170 0.02	None
Independent Director Duei Tsai		330	330	0	0	0	0	570	570	900 0.01	900 0.01	0	0	0	0	0	0	0	0	900 0.01	900 0.01	None
Independent Director Ming-Teh Wang		720	720	0	0	0	0	480	480	1,200 0.02	1,200 0.02	0	0	0	0	0	0	0	0	1,200 0.02	1,200 0.02	None
Independent Director Pai-Ta Shih		720	720	0	0	0	0	450	450	1,170 0.02	1,170 0.02	0	0	0	0	0	0	0	0	1,170 0.02	1,170 0.02	None
Independent Director Yung-Cheng (Rex) Lai		720	720	0	0	0	0	460	460	1,180 0.02	1,180 0.02	0	0	0	0	0	0	0	0	1,180 0.02	1,180 0.02	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.

Management Presentation

Report No. 3: Report on Allocation of 2024 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 2024 (i.e. pre-tax profit prior to deduction of distributable employee and director compensation) amounts to NT\$8,247,304,022 (no accumulated losses offset). In accordance with the provisions stipulated in the preceding regulations and Articles of Incorporation, a resolution was reached at the 22nd meeting of the 10th Board on January 15, 2025, for the distribution of 2024 director and employee compensation, with the percentage and amount to be allocated as follows:

Management Presentation

(1) For directors' compensation:

1. Percentage allocated: 0.5%.
2. Amount allocated: NT\$41,236,520.

(2) For employees' compensation

1. Percentage allocated: 2%.
2. Amount allocated: NT\$164,946,080.

Proposals

Proposal No. 1: Proposed by the Board

Proposal: Proposal of 2024 Annual Business Report and Financial Statements of the Corporation.

Explanation: The Corporation's 2024 Business Report (please refer to p.33-p.41 of the Annual Meeting Handbook) and Financial Statements (please refer to p.42-p.47 of the Annual Meeting Handbook) were approved on February 19, 2025 at the 23rd meeting of the 10th Board. The financial statements were audited by certified public accountants, and an audit report thereto was issued on February 19, 2025 (please refer to p.48-p.50 of the Annual Meeting Handbook), distributed to the Audit Committee for review (please refer to p.52 of the Annual Meeting Handbook), and is hereby submitted for adoption at shareholders' annual general meeting.

Resolution:

Proposals

Business Report for 2024

Business report and future prospects

Taiwan High Speed Rail Corporation (hereinafter “THSRC” or “the Corporation”) achieved an average daily passenger volume of 214,000 passengers in 2024, exceeding the average daily passenger volume for 2023 (200,000 passengers per day), fully demonstrating the important role THSRC plays in domestic transportation. The HSR has become an essential component of public transportation, and we will continue to improve transportation quality and build a safe travel environment for 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 2024

(1) Operational performance

1) Rail Operations

Starting from March 1, THSRC increased the number of weekly train services from 1,039 to 1,060, and began providing 1,103 train services starting from July 1, providing a total of 57,729 train services over the course of the year, an increase of 2,738 train services compared to 2023. Our loading factor for the year reached 71.73% (up by 1.06% compared to 2023). Passenger volumes for 2024 reached 78.25 million, up by 7.06% compared to 2023. Our total passenger-kilometers amounted to 13,351 million km, up by 6.26% compared to 2023. Average daily ridership reached 214,000 passengers, an increase of 14,000 passengers compared to 200,000 passengers in 2023.

In terms of operational safety, no accidents or injuries occurred in 2024. Our average punctuality rate (arrival within five minutes of scheduled time) was 99.50%, down by 0.08% compared to 2023, and our average reliability rate (excluding delays due to force majeure) was 100%.

Proposals

Operational Statistics

Indicators	2023	2024	Change
1. Train Services	54,991	57,729	+4.98%
2. Ridership (in millions)	73.09	78.25	+7.06%
3. Seat-Kilometers (in millions)	17,780	18,614	+4.69%
4. Passenger-Kilometers (in millions)	12,565	13,351	+6.26%
5. Punctuality Rate (as % of trains arriving within five minutes of scheduled time)	99.58%	99.50%	-0.08%
6. Loading Factor (Passenger-km/Seat-km)	70.67%	71.73%	+1.06%

2) Marketing and Passenger services

Products, services, and activities launched in 2024:

A. Product Promotions

- (a) We launched a range of T Holiday packages and combo tickets for hotels, transportation, and various travel commodities, and continue to provide a rich range of diverse promotion packages.
- (b) Consecutively launched “All new T-Shopping website,” “Brand event-The Real Taiwan WAY,” “Online HSR Go Fun Travel Exhibition,” and other large-scale activities to demonstrate lifestyle attitudes and personalized brand experiences while building links between our brand and consumers.
- (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) Continued to implement our TGo member precision marketing program to strengthen customer loyalty, expand member economy, and collect member data; we also

Proposals

completed member information classification and automatic marketing system functions, and established a digital marketing environment for members. We adjusted early bird discounts, college student discounts, credit card discounts, and other promotions based on actual demand to achieve marketing goals such as expanding customer sources, consolidating price-sensitive customers, balancing peak and off-peak needs, and increasing revenues.

B. Service Diversification

- (a) We continued to launch cumulative rewards for corporate members as well as promotions for designated trains to increase loading factors for all trains.
- (b) Established an e-coupon system to replace paper coupons in consideration of environmental, plastic reduction, and digital marketing needs, which not only reduced costs for printing paper coupons, but also made it more convenient for passengers to use coupons at external channels.
- (c) In response to the needs of an aging society, we added a font size setting to our T Express app so passengers could adjust font sizes as needed, providing a senior-friendly ticketing channel service.
- (d) Reduced plastic packaging for on-train products: train seat headrest covers and cup lids for hot beverages sold on trains were respectively replaced with cellulose fiber and molded pulp materials, reducing plastic usage by around 67.23 tons per year.

(2) Budget Implementation

Our estimated operating revenue for 2024 was NT\$50.17 billion. Due to continued growth in the domestic economy, our actual operating revenue was NT\$53.19 billion. Our budget achievement rate was 106% and our actual net income after tax was NT\$6.45 billion.

(3) Revenue, Expenditure, and Profitability Analysis

Our revenues for 2024 reached NT\$53.19 billion, up by 6.8% compared to 2023; net income before tax was NT\$8.04 billion, a reduction of NT\$1.7 billion compared to 2023 (NT\$9.74 billion).

HSR passenger volumes continued to grow in 2024, so revenues for 2024 grew by 6.8%

Proposals

compared to 2023; in terms of net income before tax, modified gains of NT\$6.83 billion from adjustments of our syndicated loan contracts were recognized in 2023, and therefore net income before tax for 2024 was reduced by NT\$1.7 billion compared to 2023.

Financial Data

Unit: NT\$ in billions

Indicators	2023	2024
Operating Revenue	49.81	53.19
Gross Profit	22.19	23.36
Operating Income	20.53	21.49
Net Income Before Tax	9.74	8.04
Income Tax Expenses	1.91	1.59
Net Income After Tax	7.82	6.45

(4) Research and Development

Main research and development activities in 2024 were as follows:

1) Civil Facilities:

- A. Establishment of artificial intelligence drones for HSR viaduct inspections.
- B. Updated and upgraded slope real-time monitoring system.
- C. Conducted research on seismic displacement reductions after implementation of dampers on viaducts in the Tainan section (including construction improvements, damper performance monitoring, and analysis of quantitative feedback).
- D. Research and development project on localization of HSR viaduct locking devices.
- E. Chekualin Fault monitoring and viaduct structure optimization measures.
- F. Distributed optical fiber viaduct sensor and monitoring system.

2) Operation and Maintenance System:

- A. Increased bandwidth of Wi-Fi services at HSR stations and on trains, and continued to provide HSR passengers with free Wi-Fi services.
- B. Establishment of Intelligent Passenger Information System (PIS).

Proposals

- C. Installed CCTV surveillance systems in front of HSR trains.
- D. Research to improve train toilet spaces.
- E. Development and establishment of Turnout Monitoring System (TMS).
- F. Establishment of intelligent repair and management system for track, power, and catenary line systems.

3) Information Systems:

- A. Phase II installations of Advanced Open Reservation System (AORS).
- B. Paper-free digital transformation of automated fare collection system (AFCS) ticket window equipment (TWE).
- C. Predictions of travel & passenger needs and available seats.
- D. Passenger status information system for predicting passenger volumes and need for temporary trains.
- E. E-coupon system.
- F. E-commerce transaction controller system.

4) Continued localization of maintenance materials and equipment.

2. Business Plan for 2025

(1) Business Strategy

In 2025, we plan to adhere to our corporate vision, “To be the platform for advancement and enjoyment”; achieve ESG goals and strengthen corporate governance; provide safe, excellent, and innovative passenger services; and continue to work towards a better life in Taiwan. We formulated important projects based on 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 in response to demographic and technological changes.
- 4) Create demand in a post-pandemic environment to increase revenues.
- 5) Strengthen supplier management and build partnerships.

Proposals

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 from climate change by establishing warning systems. We optimize 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 inspections in response to extreme climate threats.
- B. Assess safety impacts of the Chekualin Fault on civil facility structures, execute design and improvement projects, implement intelligent monitoring of tunnel structures on Category 1 active faults, establish advance warning systems, implement subsequent projects for enhancing earthquake resistance on HSR viaducts, and expand applications of AI viaduct inspection drones to strengthen disaster resilience and warning capabilities.
- C. Install station platform gates, add passenger elevators in stations, upgrade station toilets, optimize station lactation room spaces, improve train toilet spaces, upgrade Passenger Information System, and optimize transportation service equipment.
- D. Purchase new generation rolling stock, and establish second rolling stock inspection and repair plant at Zuoying Depot to enhance HSR competitiveness.
- E. Establish and promote T-MaaS (Transportation Mobility as a Service) platform to enhance passenger convenience and user experiences.

2) Technology

We strive to innovate and enhance 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

Proposals

items include:

- A. Establish Advanced Open Reservation System (AORS).
- B. Install new generation AFCS cloud-based equipment at HSR stations as well as paper-free and digital multi-ride/periodic tickets and e-coupon systems.
- C. Expand data transmission systems (DTS) and fiber optic cable (FOC) systems to optimize information management.
- D. Establish HSR public and hybrid clouds, and use cloud solutions to achieve a zero-outage information architecture.

3) Taiwan

We continue to work with local enterprises and institutes to promote economic growth.

Main implementation items include:

- A. Promote industry localization based on sustainability, encompassing catenary maintenance cars, continuous welded rail plants, improvements to depot facilities, and upgrades to electrical substation control systems.
- B. Strengthen development of train trolley products and exclusive business products as well as selected local brands and products.
- C. Promote local cultures, activities, and national tourism, including through promotion of overseas products and strengthened marketing of weekday and weekend/peak and off-peak/designated-time products.
- D. Continue to revitalize affiliated businesses while strengthening collaboration with local 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, optimize Operation Control Center layout, redesign uniforms and accessories, and impart the professional experiences of senior employees to create a friendly workplace.

Proposals

- B. Maintain a talent pool of potential upper management personnel and implement capability development programs 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. Promote green procurement aligned with ESG concepts to achieve sustainable development and fulfill corporate social responsibilities.
- E. Replace site coolers and hydraulic lifters, and promote greenhouse gas reduction to enhance energy efficiency.
- F. 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 2025 will exceed 81.04 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 forecasts released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan on November 29, 2024, innovations in emerging technology applications, salary adjustments for servicemen and civil servants, and increases in minimum wages are expected to drive corporate wage adjustments in 2025, which will boost consumption capacities and willingness. Real private consumption is expected to grow by 2.09%. THSRC will continue to formulate suitable operational strategies to achieve business targets in the face of market changes.

In terms of the legal environment, the Ministry of Transportation and Communications amended

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the “Railway Motor Vehicle Inspection and Repair Regulations” in 2024 to strengthen the safety and reliability of maintenance vehicles by clarifying the levels and schedules for inspections and repairs of “powered vehicles” such as maintenance vehicles and shunting locomotives. These amendments were submitted to the Ministry of Transportation and Communications Railway Bureau for reference and to ensure implementation of supervision mechanisms.

To comply with international trends, the Ministry of Transportation and Communications referenced international standards, added optimized accessibility icons, and amended the “Regulations Governing Establishment of Accessible Facilities on Public Transportation” in August so accessibility signs would be replaced with newly added or revised optimized icons.

The above amendments positively ensured the safety of railway operations and protected passenger rights and interests. THSRC adjusted internal by-laws accordingly to ensure regulatory compliance, and we continue to make strides toward our sustainable business goals.

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. We will continue to stay abreast of legislative updates, refine related operations, strengthen corporate governance, integrate legal compliance into our core culture, and adhere to the highest safety standards to provide high-quality passenger services as we strive for corporate sustainability and generate value for our shareholders.

Rapid advances in smart transportation have enhanced operational efficiency and passenger experiences. THSRC will continue to focus on integrating smart systems and big data analysis capabilities, optimize train schedules, and realize precision services. Impacts from extreme climate conditions have highlighted the importance of disaster prevention capabilities. THSRC has strengthened infrastructure resilience and emergency response mechanisms to ensure that HSR trains are not affected by climate and environment impacts, and can continue to operate normally and stably, increasing passenger trust and dependence on the HSR. Rail industry localization developments have created many autonomous opportunities for innovation in HSR technologies and production. THSRC continues to build collaborations with local enterprises to reduce reliance on external companies, enhance overall competitiveness, stabilize business growth, and maintain market leadership.

TAIWAN HIGH SPEED RAIL CORPORATION

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,287,400	1	\$ 17,569,018	4
1139	Financial assets for hedging	6(2)	—	—	94,908	—
1170	Notes and accounts receivable	6(15)	420,209	—	509,512	—
1220	Current tax assets	4(22)	28,217	—	28,217	—
130X	Inventories	6(3)	2,762,472	1	2,651,680	1
1476	Other financial assets	6(4) and 8	17,411,332	5	18,121,004	5
1479	Other current assets	7	1,046,915	—	1,012,975	—
11XX	Total current assets		25,956,545	7	39,987,314	10
Non-current assets						
1600	Property, plant and equipment	6(5)	246,020	—	251,631	—
1755	Right-of-use assets	6(6) and 7	422,585	—	447,510	—
1821	Operating concession assets	6(7) and 7	345,659,449	90	351,993,627	87
1801	Computer software, net	6(7)	162,175	—	148,496	—
1840	Deferred tax assets	4(22) and 6(17)	8,262,191	2	7,401,472	2
1980	Other financial assets	6(4) and 8	2,073,939	1	2,160,013	1
1990	Other non-current assets	6(2)	1,088,408	—	314,166	—
15XX	Total non-current assets		357,914,767	93	362,716,915	90
1XXX	Total assets		\$ 383,871,312	100	\$ 402,704,229	100

(Continued)

TAIWAN HIGH SPEED RAIL CORPORATION

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

		December 31, 2024			December 31, 2023	
Liabilities and Equity		Notes	AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(8)	\$ —	—	\$ 48,099	—
2110	Short-term notes and bills payable	6(8) and 7	10,409,719	3	21,938,192	6
2126	Financial liabilities for hedging	6(2)	380,324	—	—	—
2170	Accounts payable	7	380,686	—	237,135	—
2209	Operating concession liabilities	6(10) and 7	804,112	—	973,782	—
2200	Other payables	6(8)(12)	4,793,714	1	10,081,258	3
2211	Payable for construction	7	880,820	—	1,016,403	—
2230	Current tax liabilities	4(22)	844,972	—	3,092,765	1
2250	Provisions	6(11) and 7	7,160,378	2	4,371,701	1
2320	Current portion of long-term liabilities	6(9)	3,999,410	1	4,998,681	1
2399	Other current liabilities	6(6)(12)(15) and 7	1,725,414	1	1,104,374	—
21XX	Total current liabilities		31,379,549	8	47,862,390	12
Non-current liabilities						
2511	Financial liabilities for hedging	6(2)	628,905	—	367,963	—
2530	Bonds payable	6(9)	18,481,633	5	22,479,136	6
2541	Long-term debt	6(8), 7 and 8	200,327,870	52	199,852,375	50
2550	Provisions	6(11) and 7	10,000,000	3	10,000,000	2
2580	Lease liabilities	6(6) and 7	237,674	—	278,006	—
2612	Operating concession liabilities	6(10) and 7	50,009,616	13	49,789,923	12
2670	Other non-current liabilities	6(12)(13)(17)	731,077	—	738,136	—
25XX	Total non-current liabilities		280,416,775	73	283,505,539	70
2XXX	Total liabilities		311,796,324	81	331,367,929	82
Equity		6(14)				
Share capital						
3110	Common stock		56,282,930	15	56,282,930	14
Capital surplus						
3200	Capital surplus		172,981	—	172,981	—
Retained earnings						
3310	Legal reserve		5,372,095	1	4,590,376	1
3350	Unappropriated retained earnings		10,246,982	3	10,290,013	3
3XXX	Total equity		72,074,988	19	71,336,300	18
3X2X	Total liabilities and equity		\$ 383,871,312	100	\$ 402,704,229	100

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

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Years Ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(15) and 7		\$ 53,185,664	100	\$ 49,812,023	100
5000 Operating costs	6(16) and 7		(29,828,709)	(56)	(27,618,817)	(55)
5900 Gross profit			23,356,955	44	22,193,206	45
6000 Operating expenses	6(16) and 7		(1,861,329)	(4)	(1,661,185)	(3)
6900 Net operating income			21,495,626	40	20,532,021	42
Non-operating income and expense						
7100 Interest income	6(16)		454,104	1	419,962	1
7510 Interest expense	6(8)(16) and 7		(6,633,022)	(13)	(6,815,554)	(14)
7625 Stabilization reserve expense	6(11)		(7,160,376)	(13)	(11,220,855)	(23)
7590 Other gains and losses	6(8)(16) and 7		(115,211)	—	6,822,247	14
7000 Total non-operating income and expense			(13,454,505)	(25)	(10,794,200)	(22)
7900 Income before income tax			8,041,121	15	9,737,821	20
7950 Income tax expense	6(17)		(1,589,693)	(3)	(1,913,538)	(4)
8200 Net income for the year			<u>\$ 6,451,428</u>	<u>12</u>	<u>\$ 7,824,283</u>	<u>16</u>
Other comprehensive income						
Other comprehensive income that will not be reclassified to profit or loss						
8311 Gains (losses) on remeasurements of defined benefit plan	6(13)		\$ 35,149	—	\$ (8,868)	—
8349 Income tax relating to components item that will not be reclassified subsequently to profit or loss	6(17)		(7,030)	—	1,774	—
8300 Other comprehensive income (loss) for the year			<u>\$ 28,119</u>	<u>—</u>	<u>\$ (7,094)</u>	<u>—</u>
8500 Total comprehensive income for the year			<u>\$ 6,479,547</u>	<u>12</u>	<u>\$ 7,817,189</u>	<u>16</u>
Basic earnings per share						
9750 Basic earnings per share	6(18)		<u>\$ 1.15</u>		<u>\$ 1.39</u>	
Diluted earnings per share						
9850 Diluted earnings per share	6(18)		<u>\$ 1.15</u>		<u>\$ 1.39</u>	

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

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	Retained Earnings				
	Share capital- common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total equity
<u>For the year ended December 31, 2024</u>					
Balance at January 1, 2024	\$ 56,282,930	\$ 172,981	\$ 4,590,376	\$ 10,290,013	\$ 71,336,300
Appropriations of 2023 earnings					
Legal reserve	—	—	781,719	(781,719)	—
Cash dividends of NT\$1.02 per share	—	—	—	(5,740,859)	(5,740,859)
	—	—	781,719	(6,522,578)	(5,740,859)
Net income for the year	—	—	—	6,451,428	6,451,428
Other comprehensive income	—	—	—	28,119	28,119
Total comprehensive income	—	—	—	6,479,547	6,479,547
Balance at December 31, 2024	<u>\$ 56,282,930</u>	<u>\$ 172,981</u>	<u>\$ 5,372,095</u>	<u>\$ 10,246,982</u>	<u>\$ 72,074,988</u>
<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)
Net income 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	<u>\$ 56,282,930</u>	<u>\$ 172,981</u>	<u>\$ 4,590,376</u>	<u>\$ 10,290,013</u>	<u>\$ 71,336,300</u>

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

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TAIWAN HIGH SPEED RAIL CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	Years Ended December 31	
	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Income before income tax	\$ 8,041,121	\$ 9,737,821
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	257,694	230,040
Amortization	14,219,644	13,441,734
Interest expense	6,633,022	6,815,554
Interest income	(454,104)	(419,962)
Gain on foreign currency exchange, net	(1,043)	(35,640)
Stabilization reserve expense	7,160,376	11,220,855
Loss on disposal of intangible assets, net	112,246	62,093
Gain on contract modification	—	(6,832,216)
Others	(4,977)	20,974
Changes in operating assets and liabilities		
Changes in operating assets		
Financial assets for hedging	—	72
Notes and accounts receivable	89,303	(95,566)
Inventories	(110,792)	(225,681)
Other current assets	(33,653)	50,067
Other non-current assets	(3,389)	(2,881)
Changes in operating liabilities		
Accounts payable	144,486	(160,740)
Other payables	550,551	644,242
Provisions	(4,371,705)	—
Other current liabilities	600,838	(410,549)
Other non-current liabilities	9,943	37,795
Cash inflow generated from operations	32,839,561	34,078,012
Interest received	453,823	417,285
Interest paid	(10,919,250)	(6,423,940)
Interest paid with respect to operating concession liabilities	(973,782)	(426,563)
Income tax (paid) refunded	(4,705,025)	106,641
Net cash flows from operating activities	16,695,327	27,751,435
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
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	(1,164,433)	(1,531,233)
Proceeds from disposal of financial assets for hedging	1,203,664	1,473,330
Decrease (increase) in other financial assets	795,674	(6,685,719)
Acquisition of property, plant and equipment	(64,564)	(54,346)
Acquisition of intangible assets	(8,154,670)	(6,080,530)
Proceeds from disposal of intangible assets	141	—
Increase in other non-current assets	(73,946)	—
Net cash flows used in investing activities	(7,458,134)	(12,875,345)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term borrowings	(48,287)	42,671
Decrease in short-term notes and bills payable	(11,575,000)	—

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Repayment of bonds	(5,000,000)	—
Repayment of long-term debt	—	(10,000,000)
Repayment of the principal portion of lease liabilities	(172,239)	(168,690)
Increase in other non-current liabilities	18,077	24,997
Cash dividends paid	<u>(5,740,859)</u>	<u>(3,770,956)</u>
Net cash flows used in financing activities	<u>(22,518,308)</u>	<u>(13,871,978)</u>
Effects due to changes in exchange rate on the balance of cash held in foreign currency	<u>(503)</u>	<u>5,960</u>
Net (decrease) increase in cash and cash equivalents	(13,281,618)	1,010,072
Cash and cash equivalents at beginning of year	<u>17,569,018</u>	<u>16,558,946</u>
Cash and cash equivalents at end of year	<u><u>\$ 4,287,400</u></u>	<u><u>\$ 17,569,018</u></u>

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

Proposals

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying balance sheets of Taiwan High Speed Rail Corporation (the "Company") as at December 31, 2024 and 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, 2024 and 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 2024 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 2024 financial statements are stated as follows:

Recognition of gain on contract modification

Description

Refer to Notes 4(17) and 6(15) of the financial statements for the accounting policies and the explanation of operating revenue, respectively. The Company primarily engages in the construction and operation of high-speed rail in Taiwan. Railway transportation revenue is the main source of operating revenue for the Company. During 2024, the net railway transportation revenue amounted to \$51,248,824 thousand, accounting for 96 percent of the operating revenue. Due to the various types of tickets and sales channels, the calculation of revenue is highly dependent on the operation of the ticketing system, which has a significant impact on the financial performance of the Company. Thus, we consider the accuracy of the recognition of railway transportation revenue as a key audit matter in the current period.

How our audit addressed the matter

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

Proposals

1. Test the operating effectiveness of automated controls and general information technology controls of ticket-related information technology systems, such as the automated ticketing system, revenue management system, accounting system, and so forth.
2. Test the operating effectiveness of internal control over the recognition of railway transportation revenue.
3. Perform sampling and examine the payment collecting record and ride record of railway transportation revenue to ensure the accuracy of the recognition of revenue.

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, 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

Proposals

- 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 19, 2025

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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Proposals

Audit Committee's Review Report on 2024 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2024 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 19, 2025

Proposals

Proposal No. 2: Proposed by the Board

Proposal: Proposal of 2024 Profit Distributions of the Corporation.

Explanation:

1. As of year-end 2024, our distributable earnings amounted to NT\$9,599,025,443.
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\$1.05 per share for 2024 profit distribution, amounting to NT\$5,909,707,711 on a basis of 5,628,293,058 common shares outstanding.
3. The Corporation's profit distribution table for 2024 was approved at the 24th meeting of the 10th Board on March 12, 2025, circulated to the Audit Committee for review (please refer to p.54 of the Annual Meeting Handbook), and is hereby submitted to the shareholders' annual general meeting for approval.

Taiwan High Speed Rail Corporation

PROFIT DISTRIBUTION TABLE

Fiscal Year 2024	Unit: NT\$
Unappropriated retained earnings at the beginning of the period	3,767,432,718
Add: Net income for 2024	6,451,428,272
Add: Re-measurements of defined benefit plan	28,119,200
Undistributed earnings	10,246,980,190
Less: 10% legal reserve	(647,954,747)
2024 distributable earnings	9,599,025,443
Distributable items:	
Cash dividends (NT\$1.05 per share)	(5,909,707,711)
Current-year undistributed earnings	3,689,317,732

Proposals

4. Following approval from the 2025 shareholders' annual general meeting, the ex-dividend date and cash dividend payment date will be determined by the Board.

Resolution:

Proposals

Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2024 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.12.2025

Discussion

Discussion: Proposed by the Board

Proposal: Revision of Articles of Incorporation.

Explanation:

1. In response to amendments made to Paragraph 6, Article 14 of the Securities and Exchange Act on August 7, 2024, the Corporation's Articles of Incorporation must specify that a certain percentage of annual earnings shall be allocated for compensation distributions for non-executive employees. Therefore, amendments were made to Article 35-1 of the Articles of Incorporation.
2. A comparison of amended articles in the Articles of Incorporation is shown in Attachment I (please refer to p.57 of the Annual Meeting Handbook).
3. This proposal was approved at the 24th meeting of the 10th Board dated March 12, 2025, and is hereby submitted to the shareholders' annual general meeting for approval.

Resolution:

Questions and Motions

Questions and Motions

Adjournment

Attachment I

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

Amended Articles	Current Articles	Description
<p>Article 35-1</p> <p>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, <u>and no less than 35 percent of said employee compensation shall be allocated to non-executive employees.</u> Furthermore, not more than 1 percent of the net profit shall be allocated 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.</p>	<p>Article 35-1</p> <p>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.</p>	<p>Paragraph 6, Article 14 of the Securities and Exchange Act were amended in 2024 to stipulate that TWSE/TPEX listed companies shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. We have therefore made corresponding amendments.</p>
<p>Article 39</p> <p>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</p>	<p>Article 39</p> <p>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</p>	<p>Added date of current amendments to the Articles of Incorporation.</p>

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Amended Articles	Current Articles	Description
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; the twenty-second on 23 May 2024; <u>the twenty-third on 22 May 2025</u> ; and took effect after approval at a regular shareholders' meeting.	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; the twenty-second on 23 May 2024; and took effect after approval at a regular shareholders' meeting.	

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Rules of Procedure for Shareholders' Meetings

Article 1 (Legal Basis)

Unless otherwise provided by applicable laws, regulations, bylaws, or rules, the proceedings of the shareholders' meetings of the Corporation shall be conducted in accordance with these Rules.

Article 2 (Attendance Sign-ins, Proxies, and Calculation of Shares Present at Shareholders' Meetings)

The Corporation shall start to process meeting attendance sign-ins by shareholders at least 30 minutes before the start of a meeting.

For each shareholders' meeting, a shareholder may appoint one person as proxy to attend the meeting in the place of the shareholder by issuing a proxy form printed and issued by the Corporation, stating therein the scope of authorization granted to the proxy.

A shareholder may issue only one proxy form and appoint only one proxy for a meeting and shall serve it on the Corporation by 5 days before the meeting. In the event there are multiple proxy forms, the one first served on the Corporation shall prevail. The same, however, does not apply in the case of a proxy stating that it revokes a prior proxy appointment.

After the service of a proxy form on the Corporation, if the shareholder decides to attend the shareholders' meeting in person or to exercise voting rights by electronic means, the shareholder shall give a written notice of revocation of proxy to the Corporation by 2 days before the meeting. If the revocation is made after the time limit, the voting rights exercised by the appointed proxy present at the meeting shall prevail.

A shareholder or a proxy appointed by a shareholder (hereinafter, "shareholder") shall attend the relevant shareholders' meeting by presenting a meeting attendance card, an attendance sign-in card, or other attendance document. The Corporation may not arbitrarily add

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requirements for other documents beyond those showing eligibility to attend presented by shareholders. The shareholder attending the meeting shall surrender the attendance sign-in card in place of signing the attendance sheet.

A non-shareholder proxy or proxy solicitor shall also carry an identity document for verification.

The number of shares present shall be calculated based on the attendance sign-in cards received from shareholders in combination with the number of shares whose voting rights are exercised by electronic means.

The Corporation shall provide each shareholder attending a shareholders' meeting with a meeting agenda handbook, an annual report (except in the case of a special shareholders' meeting), a meeting attendance card, speaker's slips, voting ballot, other meeting materials, and, if directors are to be elected at the meeting, the election ballot.

When a government agency or juristic person is a shareholder, more than one person may attend a shareholders' meeting as its representative. however, except with the consent of the Corporation, the upper limit of representative attendees is three persons; when there is a proposal for the election of directors at the current shareholders' meeting, the upper limit of representative attendees is as the number of directors is to be elected, if the number of proposed directors is less than three, the upper limit of representative attendees is still to be three persons. When a juristic person is appointed to attend a shareholders' meeting as a proxy, it may appoint only one person to attend the meeting on its behalf.

Shares considered to have no voting rights under Article 179 of the Company Act may not be included in calculating the total issued shares and the number of shares present.

Article 3 (Time and Place of Shareholders' Meetings)

Shareholders' meetings shall be held at the location of the Corporation or otherwise at a place convenient for the shareholders to attend and

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suitable for the holding of shareholders' meetings, and shall start at a time not earlier than 9 a.m. and not later than 3 p.m.

Article 3-1 (Recording of Shareholders' Meeting Proceedings by Audio or Video)

For each shareholders' meeting, the Corporation shall, beginning from the time it starts to process shareholder attendance sign-ins, make an uninterrupted audio or video recording of the shareholder attendance sign-in process, the proceedings of the meeting, and the voting and ballot counting process.

The recorded materials under the preceding paragraph shall be preserved for at least one year. Provided, however, that if any shareholder initiates litigation pursuant to Article 189 of the Company Act, they shall be preserved until the conclusion of the lawsuit.

Article 4 (Chair and Non-Voting Participants of Shareholders' Meetings)

If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors. When the Chairperson by reason of leave or otherwise is unable to exercise such power of office, the Chairperson shall designate a Director as chair of the meeting, failing which the Directors shall select one of their number to chair the meeting.

To chair a shareholders' meeting in the place of the Chairperson under the preceding paragraph, a Director shall have been in office for at least 6 months and shall be conversant with the financial and operational conditions of the Corporation. The same shall also apply if the person to chair the meeting is a representative of a juristic person Director.

If a shareholders' meeting is convened by any person, other than the Board of Directors, entitled to convene such a meeting, the meeting shall be chaired by that person. If the meeting is convened by two or more such persons, they shall select one of their number to chair the meeting.

The Corporation may appoint its attorneys at law or certified public accountants or other relevant persons to attend a shareholders' meeting

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as non-voting participants.

Article 5 (Maintenance of Order at Meetings)

All staff members working at shareholders' meetings shall wear identification cards or arm badges.

The chair may direct proctors or security guards to assist in maintaining order at the meeting. When discharging such duty, a proctor or security guard shall wear an arm band or identification card bearing the words "Proctor."

When the venue of the meeting is installed with sound amplification equipment, if a shareholder attempts to speak by any means other than through a device provided by the Corporation for that use, the chair may stop the shareholder from speaking.

When during a meeting a shareholder violates any rule of meeting procedure and continues to do so despite the chair's direction to the contrary, or otherwise obstructs the proceeding of the meeting and continues to do so despite being requested to stop, the chair may direct a proctor or security guard to request the shareholder to leave the venue.

Article 6 (Opening of Shareholders' Meetings)

The chair should announce the opening of a shareholders' meeting at the specified meeting time if the attending shareholders represent more than one-half of the total number of voting shares, and also announce the number of non-voting rights, the number of shares present, and other relevant information. The chair may declare the meeting postponed only in the event where attending shareholders represent less than one-half of the total number of voting shares, provided that no more than two postponements may be made and not for a combined total of more than one hour; if the meeting has been postponed twice and the shareholders present still do not represent at least one-third of the total issued shares, the chair shall declare the meeting aborted.

If the meeting has been postponed twice as stated in the preceding paragraph

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and if, despite the absence of the legal quorum, shareholders representing at least one-third of the total issued shares are present, a tentative resolution may be adopted with the approval of a majority of the voting rights of the shareholders present in accordance with Article 175, paragraph 1 of the Company Act, in which case a notice of the tentative resolution shall be given to each shareholder and the shareholders' meeting shall be convened again within one month.

If the number of shares represented by the shareholders present reaches more than one-half of the total number of voting shares before the close of the meeting, the chair may re submit the tentative resolution being adopted to the shareholders' meeting for voting in accordance with Article 174 of the Company Act.

Article 7 (Discussion of Agenda Items)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be determined by the Board of Directors; relevant agenda items (including extraordinary motions and amendments to original proposals) shall be voted on an item-by-item basis, and the meeting shall proceed in the determined order of the agenda, which may not be changed unless by resolution of the shareholders' meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* when a shareholders' meeting is convened by any person, other than the Board of Directors, entitled to convene such a meeting.

Before the conclusion of the pre-determined agenda items (including any extraordinary motion) under the preceding two paragraphs, the chair may not declare the meeting dissolved unless by resolution of the shareholders' meeting; the same, however, does not apply to such question-and-answer matters of a general nature as may be involved in an extraordinary motion. In the event that the chair dissolves the meeting in violation of the rules of meeting procedure, a new chair may be selected to continue the meeting with the approval of a majority of the voting rights of the shareholders present.

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The chair shall allow sufficient opportunity for the explanation and discussion of an agenda item or any amendment or extraordinary motion submitted by a shareholder, and when the chair thinks that any such item has been discussed sufficiently to put it to a vote, the chair may declare the discussion closed and call a vote.

Article 8 (Shareholders Speaking at Meetings)

To speak at a shareholders' meeting, a shareholder shall submit a speaker's slip specifying thereon the shareholder account number (or meeting attendance card number), account name of the shareholder, and the subject of speech. The chair shall determine the order of speaking for each such shareholder.

A shareholder who has not spoken at a meeting despite the submission of a speaker's slip shall be deemed to not have spoken. If the content of a shareholder's speech does not correspond to that specified on the speaker's slip, the spoken content shall prevail.

A shareholder present who has any question about a report item (non-voting item) listed on the agenda may speak only after all report items have been read out or reported by the chair or a person designated by the chair. A shareholder may not speak more than twice, and each time not more than five minutes, on the same agenda item except with the consent of the chair.

The latter part of the preceding paragraph shall apply *mutatis mutandis* to the frequency and time limit that a shareholder present is allowed to speak on any agenda item involving a matter for recognition or discussion at the meeting and on any item proposed during the extraordinary motion procedure.

The latter part of paragraph 3 shall apply *mutatis mutandis* to the frequency and time limit that a shareholder present is allowed to speak on any matter arising during the extraordinary motion procedure other than in the nature of an agenda item.

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If a shareholder appoints a non-shareholder juristic person as proxy to attend a shareholders' meeting in the place of the shareholder, the juristic person may appoint only one person as representative to attend and speak at the meeting on the same proposal. If a shareholder that is a government agency or juristic person appoints two or more representatives to attend a shareholders' meeting, either on its behalf or in the place of another shareholder appointing it as proxy to attend the meeting, only one person selected by and from the representatives present may speak at the meeting.

If a shareholder speaking at a shareholders' meeting goes beyond the allocated time or beyond the relevant issue, the chair may stop the shareholder from speaking. If the shareholder continues to speak or otherwise obstructs the proceeding of the meeting, the chair may direct a proctor or security guard to take necessary action to maintain order at the meeting or otherwise to ensure the smooth running of the meeting.

During a shareholders' meeting, no shareholder may interrupt another shareholder by speaking at the same time unless with the consent of the chair and the speaker; the chair shall stop any such interrupter and take necessary action under the preceding paragraph as applied *mutatis mutandis*.

When a shareholder finishes speaking, the chair may respond to, or designate a relevant person to respond to, any issue raised by the shareholder.

Article 9 (Shareholders' Meeting Proposals)

Before a regular shareholders' meeting, a shareholder holding 1 percent or more of the total issued shares of the Corporation may submit a proposal to the Corporation for inclusion as an agenda item, within the time period stated in the public notice of the Corporation regarding the receipt of such submissions, provided that only one proposal may be submitted by the same shareholder and that if more than one proposal is submitted, none of them shall be included on the agenda. The same shall

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apply to shareholder proposals for promoting public interests of the Corporation or fulfillment of social responsibilities. The Board of Directors may decide not to include on the agenda any proposal submitted by a shareholder that falls under any of the circumstances set forth in the subparagraphs of Article 172-1, paragraph 4 of the Company Act.

Prior to the book closure date before a regular shareholders' meeting, the Corporation shall give public notice regarding the submission of proposals by shareholders, acceptance of proposal in writing or by way of electronic transmission, and the place and time period for receiving such submissions, wherein the time period may not be less than 10 days.

A proposal submitted by a shareholder for inclusion as an agenda item of a regular shareholders' meeting shall not exceed 300 Chinese characters in length; otherwise, it shall not be included. The shareholder submitting the proposal shall, in person or by proxy, attend the meeting and participate in the discussion of the agenda item.

The Corporation shall, before the date of notice of a shareholders' meeting, inform each shareholder that has submitted a proposal of the status of the proposal (accepted or rejected) submitted by the shareholder, and shall include in the notice of the meeting a list of proposals that satisfy the requirements of this Article. For shareholder proposals not included on the agenda, the Board of Directors shall explain at the meeting the reasons why they are not included.

If the notice of the shareholders' meeting has stated the re-election of the directors and the date of appointment, when the re-election of directors, in the shareholders' meeting are completed, the same meeting may not change said appointment date by extraordinary motions or other proposals.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the

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company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Article 9-1 (Processing of Proposals Submitted Before Shareholders' Meetings)

For shareholder proposals submitted before a regular shareholders' meeting but not included as agenda items of the meeting, the Board of Directors shall in the meeting agenda handbook state the reasons why they are not included, and these proposals shall neither be presented separately on the agenda nor be recorded in the meeting minutes. Notwithstanding the foregoing, the Board of Directors shall at the meeting explain the reasons why they are not included.

Shareholder proposals that the Board of Directors may decide to include on the agenda shall, if belonging to the same type, be consolidated by the chair into one case and the provisions of Article 11, paragraph 7 shall apply *mutatis mutandis* thereto.

Article 10 (Putting to Vote)

When an agenda item is under discussion, the chair may at an appropriate time declare the discussion closed, or suspended if necessary, and put the matter to vote.

Article 11 (Votes on Agenda Items)

The votes on an agenda item shall be calculated on the basis of shares and each shareholder is entitled to one vote for each share held, except for restricted shares or for non-voting shares under Article 179, paragraph 2 of the Company Act.

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When convening a shareholders' meeting, the Corporation shall provide the option of exercising voting rights by electronic means and shall state the method of such voting in the notice of the meeting. A shareholder exercising voting rights by electronic means shall be deemed to be present in person at the shareholders' meeting. Said shareholders may still attend said meeting and raise extraordinary motions in accordance with Paragraph 5 of Article 172-5 of the Company Act, and may exercise their voting rights on extraordinary motions raised at the meeting, but shall be deemed to have waived the shareholder's rights to vote at that shareholders meeting on any amendment or alternative to an original proposal at the meeting.

A shareholder intending to exercise voting rights by electronic means under the preceding paragraph shall serve a notice of intent on the Corporation by 2 days before the meeting, and if more than one notice is given, the first one served on the Corporation shall prevail. The same, however, does not apply in the case of a notice stating that it revokes a prior notice of intent.

A shareholder who, after exercising voting rights by electronic means, intends to attend the relevant shareholders' meeting in person shall revoke the notice of intent to exercise voting rights under the preceding paragraph by 2 days before the meeting, in the same manner as the shareholder did to exercise the voting rights. If the revocation is made after the time limit, the voting rights exercised by electronic means shall prevail. If the shareholder exercises voting rights by electronic means and also, by a proxy form, appoints a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy present at the meeting shall prevail.

Unless otherwise provided by law or regulation, or by the Articles of Incorporation, an agenda item put to vote shall be passed with the approval of more than one-half of the voting rights of the shareholders present. Notwithstanding the foregoing, a vote on the election of

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Directors shall be subject to the Rules for the Election of Directors and the results of the vote, including a list of Directors elected and the numbers of votes they receive, and a list of unsuccessful candidates and the numbers of votes they received, shall be announced immediately at the voting place.

The agenda item shall be voted on an item-by-item basis. The chair may direct a vote to be held in multiple polls or a single poll on the various agenda items (including elections), with the ballots to be counted separately for each item.

When there is any amendment or alternative to a proposal on the agenda, the chair shall place the amended or alternative proposal together with the original one and determine the voting sequence. If any of these proposals is passed, the other(s) shall be deemed rejected, without the need of a separate vote.

The chair shall determine the order of discussion and voting for each proposal submitted as an extraordinary motion by a shareholder present. The result of the vote shall be announced immediately at the voting place and shall be recorded.

Article 12 (Inspection and Counting of Ballots; Preservation of Voting Ballots; Dispute Resolution)

For agenda items put to vote by a poll, the chair shall designate multiple ballot inspectors and ballot counters to discharge all relevant tasks, provided that only shareholders may be appointed as ballot inspectors. The vote on agenda items, and the counting of ballots in an election listed on the agenda, shall be conducted in a publicly accessible place on the site of the relevant shareholders' meeting and the voting ballots shall not be read out loud while being counted. The results of polls and the tallied numbers of votes shall be announced immediately at the voting place and shall be recorded; the ballot inspectors shall then place the voting ballots under seal, and after affixing their signatures or personal seals thereon, hand over the same to the Corporation for preservation.

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The ballots for the election referred to in the preceding paragraph shall be kept for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

In the event of any dispute by a shareholder present as to the voting process, manner of ballot counting, validity or invalidity of a voting ballot, or any other relevant matters, the ballot inspectors shall put on record the shareholder account number of the disputer, the number of voting rights involved, and the cause of the dispute and, after affixing their signature or personal seal thereon, and place the record under seal.

With respect to any dispute under the preceding paragraph, the shareholder present shall pursue the dispute through due legal process, and may not obstruct or interrupt the proceedings of the meeting on the basis of such a dispute.

Article 13 (Cause and Determination of Invalidity of Voting Ballots)

A voting ballot shall be invalid if determined by all ballot inspectors to fall in any of the following circumstances:

1. The ballot cast is not a ballot prepared and issued by the convener of the shareholders' meeting.
2. The ballot is not a ballot designated by the chair.
3. The ballot inserted into the ballot box is a blank ballot.
4. The handwriting on the ballot is unclear or indecipherable.
5. The ballot is altered or any text or mark other than allowed is placed on it.
6. Both "FOR" and "AGAINST" are marked on the ballot.
7. The ballot is torn such that it is incomplete.
8. The ballot is not inserted into the ballot box designated by the chair.

When in doubt a ballot counter shall first request a ballot inspector to

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verify whether a voting ballot is invalid. Voting ballots determined to be invalid shall be placed in a separate place. After all the ballots have been counted, the number of invalid ballots shall be tallied by the ballot counters, and delivered to the ballot inspectors, who shall mark them as invalid and affix them with their signature or personal seal.

Article 14 (Meeting Minutes of Shareholders' Meetings)

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the procedures by which resolutions were adopted, and a summary of the deliberations and their results (including the number of voting rights) for director elections, the number of votes for each candidate should be disclosed, and shall be retained for the duration of the existence of the Corporation.

Article 15 (Break and Resumption of Meetings)

During a shareholders' meeting the chair may announce a break at such time as the chair thinks fit. If a force majeure event occurs, the chair may decide to suspend the meeting and, having regard to the circumstances, announce the time for the resumption of the meeting.

If the venue of a shareholder's meeting becomes unavailable for use before the conclusion of all agenda items (including extraordinary motions), the shareholders at the meeting may resolve to continue the meeting at another venue.

A shareholders' meeting may, by a resolution made under Article 182 of the Company Act, be adjourned to or resumed on a date within the next

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five days.

Article 16 (Matters Not Covered)

All matters not covered by these Rules shall be subject to the direction of the chair, unless otherwise expressly provided by the Company Act, the Securities and Exchange Act, other applicable laws or regulations, or the Corporation's Articles of Incorporation, Rules of Procedure for Shareholders' Meetings, or Principles of Corporate Governance.

Article 17 (Supplementary Provisions)

These Rules, and any amendment hereto, shall take force after approval at a shareholders' meeting.

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Taiwan High Speed Rail Corporation

Articles of Incorporation

Chapter 1 General Provisions

Article 1 The Corporation is organized in accordance with the Company Act and its name is Taiwan High Speed Rail Corporation.

Article 2 The Corporation shall be established in Taipei City and may set up branches domestically or overseas when necessary and by resolution of the Board of Directors.

Article 3 The Corporation may, based on its business needs, provide guarantees for outside parties.

The Corporation may, based on its business needs, be a limited liability shareholder of other companies, without being subject to the restriction imposed by the Company Act that the total amount of its investments in such companies may not exceed 40 percent of the paid-in capital of the Corporation.

Article 4 Public announcements by the Corporation shall be made by a method in accordance with the Company Act and other applicable laws and regulations.

Chapter 2 Scope of Business

Article 5 The scope of business of the Corporation shall be as follows:

1. G104011 High Speed Railroad Business.
2. H701050 Public Works Investment and Construction.
3. CD01020 Tramway Cars Manufacturing.
4. CB01990 Other Machinery Manufacturing Not Elsewhere Classified.
5. E604010 Machinery Installation Construction.
6. I401010 General Advertising Services.
7. JE01010 Rental and Leasing Business.
8. H701010 Residence and Buildings Construction and Development, Lease, and Sale.

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9. H701020 Industrial Factory Buildings Construction and Development, Lease, and Sale.
10. H701040 Specialized Field Construction and Development.
11. J303010 Magazine and Periodical Publication.
12. F601010 Intellectual Property Rights.
13. F204110 Retail Sale of Cloths, Clothes, Shoes, Hats, Umbrellas, Apparel, Clothing Accessories, and Other Textile Products.
14. F215010 Retail Sale of Jewelry and Precious Metals.
15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Chapter 3 Shares

Article 6 The total capital of the Corporation shall be NT\$120,000,000,000, divided into 12,000,000,000 shares with a par value of NT\$10 each, and the Board of Directors is empowered to issue them in installments, and as common shares or preferred shares.

Article 7 The share certificates of the Corporation shall all be registered share certificates, affixed with the signature or seal of at least three Directors and assigned with serial numbers, and may be issued only after having been duly certified or authenticated by the competent authority or by a registrar authorized by the competent authority.

Any transfer, inheritance, gift or donation, creation or release of pledge, registration or deregistration of loss, or damage, destruction, or loss of possession of or on share certificates shall be handled in accordance with the Company Act and other applicable laws and regulations.

The Corporation may issue shares without physical printed certificates, or may in a new issue prepare a printed consolidated certificate representing the total number of shares of that issue, provided that it shall arrange for book-entry registration or custody with a central securities depository.

The preceding three paragraphs shall apply mutatis mutandis to the preparing and

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issuing of corporate bonds.

Article 7-1 (deleted)

Article 7-2 (deleted)

Article 8 Each shareholder of the Corporation shall complete and submit a specimen seal card to be kept on file with the shareholder services agent of the Corporation, and only that seal on file may be used to receive dividends or bonuses or otherwise to exercise shareholder rights in writing.

Transfer of shares shall be suspended during the 60 days before the date of a regular shareholders' meeting, during the 30 days before the date of a special shareholders' meeting, or during the 5 days before the record date decided by the Corporation for distribution of dividends, bonuses, or other interests.

Chapter 4 Shareholders' Meetings

Article 9 Shareholders' meetings of the Corporation are classified into two kinds: regular meetings and special meetings. Regular meetings shall be convened annually by the Board of Directors within 6 months after the close of each fiscal year, and special meetings, unless otherwise provided by the Company Act, shall be called by the Board of Directors when necessary and in accordance with law.

The shareholders' meeting of the preceding paragraph can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 10 Matters to be resolved at a shareholders' meeting shall be as follows:

1. Adoption of and amendment to these Articles of Incorporation.
2. Election of Directors.
3. Audit and recognition of financial statements and documents prepared by the Board of Directors under Article 228 of the Company Act.
4. Resolution on the distribution of profits or offsetting of losses.
5. Adoption of or amendment to the Corporation's Principles of Corporate Governance, Rules of Procedure for Shareholders' Meetings, and Rules for the

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Election of Directors.

6. Resolution on any other matter required by law or regulation.

Article 11 To convene a shareholders' meeting, a notice of the meeting shall be given to each shareholder by 30 days before a regular meeting, or by 15 days before a special meeting, stating the date and place of and the proposals to be considered at the meeting. Notwithstanding the foregoing, a public notice may be made in lieu of separate notice in the case of shareholders with less than 1,000 registered shares.

Article 12 A shareholder appointing a person as proxy to attend a shareholders' meeting in the place of the shareholder shall issue a proxy form printed and issued by the Corporation and serve it on the Corporation by 5 days before the meeting. A shareholder may issue only one proxy form and appoint only one proxy for a meeting. In the event there are multiple proxy forms, the one first served on the Corporation shall be valid; the same, however, does not apply in the case of a proxy stating that it revokes a prior proxy appointment.

Except in the case of a trust enterprise or of a shareholder services agent authorized by the competent authority in charge of the securities industry, if a person is appointed by two or more shareholders to attend a shareholders' meeting as proxy, the voting rights represented by the proxy may not exceed 3 percent of the number of voting rights of the total issued shares, and any portion exceeding such limit may not be included in the counting of voting rights.

Article 13 Unless otherwise provided by laws, regulations, bylaws, or rules, each shareholder of the Corporation is entitled to one vote for each share held.

Article 14 Unless otherwise provided by law, the Chairperson of the Board of Directors ("Chairperson") shall chair every shareholders' meeting. When the Chairperson by reason of leave or otherwise is unable to exercise such power of office, the Chairperson shall designate a Director as deputy to chair the meeting, failing which the Directors shall select one from among themselves to chair the meeting.

Article 15 Unless otherwise provided by the Company Act or other applicable laws or regulations, a resolution of a shareholders' meeting shall be made with the approval of a majority of the voting rights of the shareholders present at a meeting at which

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shareholders representing a majority of the total issued shares are present.

A shareholder of the Corporation may exercise voting rights by electronic means and, if so voting, shall be deemed to be present at the meeting in person; the method of such voting shall in all respects be subject to the provisions of applicable laws and regulations.

If the shareholders present at a meeting do not reach the quorum under paragraph 1 but still represent at least one-third of the total issued shares, a tentative resolution may be adopted with the approval of a majority of the voting rights of the shareholders present, in which case a notice of the tentative resolution shall be given to each shareholder and the shareholders' meeting shall be convened again within one month.

A tentative resolution under the preceding paragraph shall be deemed a resolution adopted under paragraph 1 if it is approved by a majority of the voting rights of the shareholders present at the shareholders' meeting subsequently convened in accordance with the preceding paragraph and at which shareholders representing at least one-third of the total issued shares are present.

Article 16 All resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes, and signed or sealed by the chair of the meeting and distributed to each shareholder within 20 days after the meeting. The meeting minutes shall state the year, month, day, place, name of the chair, method of resolution, number of shares represented by the shareholders present, a digest of the proceedings and discussions, and the results of the meeting.

The meeting minutes under the preceding paragraph may be made and distributed by electronic means.

The distribution of the meeting minutes under paragraph 1 may be made by means of public notice.

Chapter 5 Board of Directors

Article 17 The Board of Directors of the Corporation shall consist of not less than 9 and not more than 17 Directors, and the Board of Directors is empowered to determine the number of Directors. The Directors shall serve a term of office of 3 years and are

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eligible for re-election and re-appointment, and shall be elected at a shareholders' meeting from candidates with disposing capacity. The total percentage of shares held by the Directors shall be subject to the requirements of the competent authority in charge of the securities industry.

In an election of Directors at a shareholders' meeting, the number of votes exercisable in each share is equal to the number of Directors to be elected, with the total number of votes exercisable equally spread over the number of ballots equal to the number of Directors to be elected. A voter may cast all the voter's ballots for a single candidate or split them among multiple candidates. The candidate nomination system under Article 192-1 of the Company Act shall be adopted for the election of the Directors. The procedure, public notice, and other matters relating to the nomination of Director candidates shall be subject to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. The candidates who receive ballots representing the highest numbers of votes shall be elected separately as independent Directors or non-independent Directors, as the case may be, according to the respective numbers of independent Directors and non-independent Directors to be elected.

Article 17-1 Starting from the fourth term of office of Directors, the Corporation shall have independent Directors, whose number, to be included in the number of Directors under the preceding Article, shall be determined by the Board of Directors as empowered by the Corporation for that purpose, but in any event shall neither be less than two nor less than one-fifth of the number of Directors; starting from the tenth term, the number of independent Directors shall be no less than three, making up no less than one-third of the Directors.

Independent Directors and non-independent Directors shall be elected in the same election, with the numbers of elected Directors calculated separately for each group.

The professional qualifications, restrictions on shareholding and concurrent holding of office, determination of independence, method of nomination and election, exercise of power, and other compliance matters with respect to independent Directors shall be subject to the requirements of the Securities and

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Exchange Act and other applicable laws and regulations.

Article 18 When vacancies on the Board of Directors reach one-third of the total number of Directors or when all independent Directors are removed from office, the Board of Directors shall within 60 days conduct a shareholders' meeting to elect new Directors to serve the remainder of the unexpired term.

Article 19 The Directors shall elect one of their number as the Chairperson with the approval of a majority of the Directors present at a meeting of the Board of Directors at which at least two-thirds of the Directors are present.

Article 20 The Board of Directors is vested with the power to make significant financial, business, and operational decisions of the Corporation and to oversee the performance of functions by Managerial Officers, and is charged with the following duties:

1. Deliberation of all significant bylaws and rules.
2. Deliberation of business plans.
3. Deliberation of budgets and final accounts.
4. Drawing up proposals for the distribution of profits and offsetting of losses.
5. Drawing up proposals for increases or decreases in capital.
6. Deliberation of the setting up, closing down, or change of branches.
7. Deliberation of significant property transactions and investments.
8. Deliberation of significant business operations.
9. Deliberation of the appointment and removal of significant Managerial Officers.
10. Deliberation of all significant contracts.
11. Deliberation of any matter presented by the Chairperson, or submitted by a functional committee, or submitted by a Managerial Officer and then presented by the Chairperson.
12. Discharge of the powers and tasks of the Board of Directors specified in the Corporation's Principles of Corporate Governance.

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13. Discharge of any other powers conferred on it by law or regulation or at a shareholders' meeting.

Article 21 Except for the first meeting of each term of office of the Board of Directors, which shall be convened by the Director receiving ballots representing the highest numbers of votes, or except as otherwise provided by the Company Act, meetings of the Board of Directors shall be convened and chaired by the Chairperson. When the Chairperson by reason of leave or otherwise is unable to exercise such power of office, the Chairperson shall designate a Director as deputy to chair the meeting, failing which the Directors shall select one of their number to convene and chair the meeting in the place of the Chairperson.

Article 22 Directors shall be present in person at the meetings of the Board of Directors. If a meeting is conducted by means of video conference, Directors participating in the meeting by such means shall be deemed to be present in person at the meeting. Unless otherwise provided by law or regulation, a Director unable to be present at a meeting may appoint another Director to act at the meeting on behalf of such absent Director, but shall in each instance issue a proxy form specifying the scope of authorization with respect to the reasons of the meeting.

For the purpose of the preceding paragraph, a Director may accept only one appointment per meeting.

Article 23 Unless otherwise provided by law or regulation, a resolution of the Board of Directors shall be made with the approval of a majority of the Directors present at a meeting at which a majority of the Directors is present.

Article 24 (deleted)

Article 25 The proceedings of a meeting of the Board of Directors shall be recorded in the meeting minutes, to be signed or sealed by the chair of the meeting and distributed to each Director within 20 days after the meeting. The meeting minutes shall state the year, month, day, place, name of the chair, method of resolution, a digest of proceedings and discussions, and the results of the meeting.

The meeting minutes under the preceding paragraph may be made and distributed by electronic means.

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Article 26 To convene a meeting of the Board of Directors, a notice of the meeting shall state the reasons of the meeting and shall be given to each Director by 7 days before the meeting, provided that a meeting may be convened at any time in case of emergency.

The notice of a meeting under the preceding paragraph may be made by means of e-mail or facsimile in lieu of notice in hardcopy form.

Article 27 The Board of Directors may, based upon the operational status of the Corporation's corporate governance system, gradually establish various functional committees to strengthen the active involvement of the Directors and to enhance the effectiveness and quality of the oversight and decision-making functions of the Board of Directors.

The organization, functions, and operations of the functional committees under the preceding paragraph shall be subject to the Corporation's Principles of Corporate Governance and associated rules.

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.

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.

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 less than six months and as one year when it

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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.

Article 27-2 The Corporation shall set up an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, and all provisions of the Company Act, the Securities and Exchange Act, and any other law in relation to Supervisors shall apply mutatis mutandis to the audit committee.

Chapter 6 (deleted)

Article 28 (deleted)

Article 29 (deleted)

Article 30 (deleted)

Article 31 (deleted)

Article 32 (deleted)

Chapter 7 Managerial Officers

Article 33 The Corporation shall have one President and several other Managerial Officers. The President shall follow the resolutions of the Board of Directors, preside over the affairs of the Corporation pursuant to law, and is empowered to manage affairs and sign on behalf of the Corporation. Other Managerial Officers shall provide assistance to the President, but may not sign on behalf of the Corporation unless with the written authorization of the Corporation.

Article 34 The appointment and removal of the President and significant Managerial Officers shall be determined by resolution of the Board of Directors.

Chapter 8 Accounting

Article 35 The fiscal year of the Corporation shall begin on January 1 of each year and end on December 31 of the same year. After the end of each fiscal year, the Board of Directors shall prepare the following documents, have them audited and certified by a certified public accountant, and submit them to a regular shareholders'

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meeting for recognition:

1. A business report.
2. Financial statements.
3. A proposal for the distribution of profits or offsetting of losses.

Article 35-1 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.

Article 36 If the final annual accounts of the Corporation show a net profit for a given year, the profit-sharing compensation to employees and Directors shall first be allocated from the net profit pursuant to Article 35-1 above. If the Board of Directors then resolves to make distributions, it shall prepare an earnings distribution proposal, including therein the amount of any accumulated undistributed earnings and the amount equaling to the remainder of the net profit for the given year after further deduction for the payment of all taxes required by law, the allocation of the 10 percent legal reserve (no such allocation is necessary if the legal reserve is maintained at the level of the paid-in capital of the Corporation), and the provision or reversal for the special reserve pursuant to law or regulation, and submit the proposal to a shareholders' meeting for resolution on the distribution of dividends to shareholders.

When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders and the principles of stability and balance in the distribution of dividends. Each year it will set aside as shareholder dividends an amount of not less than 60 percent of the earnings available for distribution. Such distribution, however, is not obligatory if the earnings cumulatively available for distribution is less than 0.5 percent of its paid-in capital. Dividends to

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shareholders may be distributed in cash or shares, but in any event the amount of cash dividends may not be less than 50 percent of the total dividends.

Chapter 9 Supplementary Provisions

Article 37 The organizational rules of the Corporation shall be adopted separately by the Board of Directors.

Article 38 All matters not covered by these Articles of Incorporation shall be governed by the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.

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; the twenty-second on 23 May 2024; and took effect after approval at a regular shareholders' meeting.

Appendix III

Taiwan High Speed Rail Corporation Shareholding of All Directors		
All directors	Minimum required shareholding (number of common shares)	Shareholding as of March 24, 2025 (number of common shares)
Director	120,000,000	3,452,526,178
Title	Name	Shareholding as of March 24, 2025 (number of common shares)
Chairman	China Aviation Development Foundation	260,040,000
	Representative: James Jeng	
Director	China Aviation Development Foundation	
	Representative: Yu-Fen Hung	
Director	China Aviation Development Foundation	2,420,000,000
	Representative: Wei-Cheng Hsieh	
Director	Ministry of Transportation and Communications, R.O.C.	
	Representative: Tung-Lin Wu	
Director	Ministry of Transportation and Communications, R.O.C.	242,148,000
	Representative: Cheng-Chung Young	
Director	China Steel Corporation	
	Representative: Chien-Chih Hwang	
Director	Taiwan Sugar Corporation	200,000,000
	Representative: Ming-Chang Wu	
Director	Management Committee of National Development Fund, Executive Yuan	
	Representative: Shien-Quey Kao	
Director	TECO Electric & Machinery Co., Ltd.	190,060,578
	Representative: Mao-Hsiung Huang	
Director	Taipei Fubon Commercial Bank Co., Ltd.	
	Representative: Yi-Ling Wu	
Independent Director	Kenneth Huang-Chuan Chiu	—
Independent Director	Duei Tsai	—
Independent Director	Ming-Teh Wang	—
Independent Director	Pai-Ta Shih	—
Independent Director	Yung-Cheng (Rex) Lai	—
Shares held by all directors		3,452,526,178

