

2025
ANNUAL
REPORT



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Auditor Names: Chih-Fan Yu, Chien-Hung Chou

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Note: Following approval granted by the Board of Directors on February 25, 2026, the CPAs were changed to Chih-Fan Yu and Sheng-Chung Hsu. Please refer to the information on CPA changes in Chapter 3 of this annual report.

Public listings and securities trading in overseas stock exchanges: None

This English Annual Report is a translation of the original Chinese version. If any conflict, ambiguity, or discrepancy should arise between the Chinese and English versions, the Chinese version shall prevail.

THSRC Milestones

Date of Incorporation: **May 1998**

Construction Stage: **March 2000 – December 2006**

Operation Stage: **Started in January 2007**

Capitalization: **NT\$56.28 billion**

Key Operating Statistics for 2025

Number of Train Services: **59,606**

Punctuality (defined as arrival within five minutes of scheduled time): **99.31%**

Annual Ridership: **82.07 million passengers**

Annual Revenues: **NT\$54.65 billion**

Loading Factor: **71.59%**

Passenger Kilometers: **13,748 million km**

Total Route Length: **350 km**

Number of Cities/Counties Passed Through: **11**

Maximum Operating Speed: **300 km/hr**

Number of Seats Per Train: **977** (911 in standard and 66 in business carriages)

Stations in Service: **12** (Nangang, Taipei, Banqiao, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Yunlin, Chiayi, Tainan, and Zuoying)

Maintenance Depots in Service: **5** (Liujiia/Hsinchu, Wuri/Taichung, Taibao/Chiayi, Zuoying/Kaohsiung, and Yanchao Main Workshop/Kaohsiung)

Note:

$$\text{Loading Factor} = \frac{\text{Passenger-kilometers}}{\text{Seat-kilometers}} \times 100\%$$

Passenger-Kilometers = Sum of the mileage traveled by each passenger

Seat-Kilometers = \sum (Number of seats per trainset x sum of the mileage of trains operated in revenue service)



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1

Letter to Shareholders



Chairman

Business Report and Future Prospects

Looking back on 2025, operational performance at Taiwan High Speed Rail Corporation (hereinafter "THSRC" or "the Corporation") reached record heights due to stable economic expansions in Taiwan. Our average daily passenger volumes reached 225,000 passengers, an increase of more than 10,000 passengers per day compared to 2024 (214,000 passengers per day), demonstrating that THSRC is a critical transportation backbone along Taiwan's western corridor. THSRC not only effectively shortens intercity travel time and promotes balance in regional developments, but also plays an important role in supporting commuting, business travel, tourism, and other diverse transportation needs associated with domestic economic activities. We continue to improve transportation quality by optimizing our facilities and equipment, maintaining and upgrading our rolling stock and systems, and enhancing service quality to comprehensively strengthen operational efficiency and fulfill our commitment of providing passengers with safe, reliable, punctual, and comfortable travel experiences.

Looking to the future, we will continue to adhere to our corporate vision, "To be the platform for advancement and enjoyment," improve passenger-oriented service designs, strengthen operational management and risk resilience, and enhance transportation efficiency using smart technologies. We will also proactively implement sustainable development strategies, corporate social responsibilities, energy conservation and carbon reduction measures, and environmentally friendly and social inclusion actions to maintain stable operations over the long run; withstand changes in external environments and industries; and continue to generate long-term value for passengers, society, and stakeholders.



President

1. Business Report for 2025

(1) Operational Performance

1) Rail Operations

In response to continued growth in passenger numbers, THSRC added 25 train runs each week starting from July 1, 2025, increasing the number of weekly train services from 1,103 to 1,128 train runs, an increase of 1,877 train runs over the year compared to 2024. Our loading factor for the year reached 71.59%, down 0.14% compared to 2024. Passenger volumes for 2025 reached 82.07 million, up by 4.88% compared to 2024. Our total passenger-kilometers amounted to 13,748 million km, up by 2.97% compared to 2024. Average daily ridership reached 225,000 passengers, an increase of 11,000 passengers per day compared to average daily ridership in 2024 (214,000 passengers).

In terms of operational safety, no incidents involving passenger accidents or injuries attributable to the Corporation occurred in 2025. Our average punctuality rate (arrival within five minutes of scheduled time) was 99.31%, down by 0.19% compared to 2024 due to impacts from natural disasters, and our average reliability rate (excluding delays due to natural disasters) was 100%.

Operational Statistics

| Indicators | 2024 | 2025 | Change |
|--|--------|--------|--------|
| Train Services | 57,729 | 59,606 | +3.25% |
| Ridership (in millions) | 78.25 | 82.07 | +4.88% |
| Seat-Kilometers (in millions) | 18,614 | 19,203 | +3.16% |
| Passenger-Kilometers (in millions) | 13,351 | 13,748 | +2.97% |
| Punctuality Rate (as % of trains arriving within five minutes of scheduled time) | 99.50% | 99.31% | -0.19% |
| Loading Factor (Passenger-km/Seat-km) | 71.73% | 71.59% | -0.14% |

2) Marketing and Passenger Services

Main products and services in 2025:

A. Products

- (a) We continued to implement our TGo member precision marketing program to strengthen customer loyalty, expand member economy, and collect member data; we also 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 upgrades, credit card discounts, and other promotions based on actual demand to achieve our marketing goals of expanding customer sources, consolidating price-sensitive customers, balancing peak and off-peak needs, and increasing revenues.
- (b) We continued to provide a variety of travel products, including local T Holiday packages, eco-friendly low-carbon travel packages, and travel packages tied to designated off-peak trains to support local tourism, achieve sustainability goals, and increase off-peak revenues.

B. Services

- (a) We established an e-coupon system to replace paper coupons in consideration of environmental, plastic reduction, and digital marketing needs, which not only reduced printing costs associated with paper coupons, but also made it more convenient for passengers to use coupons at external channels.
- (b) 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.
- (c) We added an online group ticket booking function so customers could directly purchase group tickets (tickets for 11-20 people traveling to and from the same stations) 24 hours a day.
- (d) Reduced plastic packaging for on-train products: Seat headrest covers and cup lids for hot beverages sold on trains were respectively replaced with cellulose fiber and molded pulp materials.

(2) Budget Implementation

Our estimated operating revenue for 2025 was NT\$ 54.84 billion, and our actual operating revenue was NT\$ 54.65 billion. Our budget achievement rate was 99.65% and our actual net income after tax was NT\$ 6.58 billion.

(3) Revenue, Expenditure, and Profitability Analysis

Operating revenue in 2025 was NT\$ 54.65 billion, an increase of 2.75% compared with 2024, and net income before tax was NT\$ 8.12 billion, an increase of NT\$ 80 million compared to NT\$ 8.04 billion in 2024.

THSRC's transportation volumes in 2025 repeatedly exceeded previous records, reflecting the high demand for travel by high-speed rail between cities along Taiwan's western corridor. Revenues in 2025 grew by 2.75% compared to 2024.

Financial Data

Unit: NT\$ in billions

| Indicators | 2024 | 2025 |
|--------------------------------|--------|--------|
| Operating Revenue | 53.19 | 54.65 |
| Gross Profit | 23.36 | 23.64 |
| Operating Income | 21.49 | 21.50 |
| Net Income Before Tax | 8.04 | 8.12 |
| Income Tax (Expenses) Benefits | (1.59) | (1.54) |
| Net Income After Tax | 6.45 | 6.58 |

(4) Research and Development

Main research and development activities in 2025 were as follows:

1) Civil Facilities:

- A. High-speed rail (HSR) post-earthquake AI drone viaduct inspection applications.
- B. Optimizations of automatic slope cloud monitoring platform and development of smart AI applications.
- C. Localized research and development of HSR viaduct locking devices.
- D. Chekualin Fault monitoring and viaduct structure optimization measures.
- E. Distributed optical fiber sensors for active faults and integration of three-dimensional monitoring information.

2) Operation and Maintenance Systems:

- A. Integration of 5G Wi-Fi mobile network services at HSR stations and on trains.
- B. Establishment of smart Passenger Information System (PIS).
- C. Establishment of smart repair and management system for track, power, and catenary line systems.
- D. Establishment of smart public announcement (PA) system.
- E. Establishment of Operation Control Center (OCC) video wall system (VWS).

3) Information Systems:

- A. Phase II installations of Advanced Open Reservation System (AORS).
- B. Paper-free digital transformation of automated fare collection system (AFCS).
- C. Establishment of new-generation travel platform system.
- D. Development and establishment of e-coupon and promotion system (ECPS).
- E. Establishment of Track Area Monthly Schedule Coordination System (TASCS).

4) Continued localization of maintenance materials and equipment.

- A. Rolling stock system: Development of preventive/corrective rolling stock maintenance materials and 700T carriage service quality enhancement items, including development of light-filtering train carriage curtains, converters for seat sockets in business carriages, and lamp shades for toilets and vestibule lights.
- B. Track and power system: Development of rail fastening materials including thick railway baseplates and 8R rail bolts.
- C. Signaling and communications system: Development of switch-related components.

2. Business Plan for 2026

(1) Business Strategy

In 2026, 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 established important projects based on the "six major strategies" listed below, and developed strategies and business plans based on our four pillars of Transportation, Technology, Taiwan, and Touch.

- 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.
- 6) Implement carbon reduction actions and fulfill corporate social responsibilities.

To celebrate the 20th anniversary of the HSR, we plan to create a brand new HSR experience for passengers and respond to stakeholder expectations by enhancing our service values and corporate image while strengthening our operational performance. We plan to expand and increase our existing business plans under the "HSR 2.0" theme, which encompasses six aspects.

1. Brand 2.0: Build a brand new HSR experience and enhance brand value.
2. Train 2.0: Upgrade trains to optimize passenger experiences.
3. Station 2.0: Optimize passenger service facilities and upgrade service experiences.
4. Travel 2.0: Promote smart transportation to enhance passenger quality.
5. Business 2.0: Expand business spaces to provide immersive experiences.
6. Sustainability 2.0: Strengthen operational resilience and implement corporate sustainability actions.

(2) Main Implementations

- 1) Respond to environmental changes and mitigate disaster risks.

- Transportation

We continue to improve operational safety and actively respond to transportation impacts caused by climate change through establishment of early warning systems. Main implementations include:

- A. Introduce technology that strengthens disaster resilience and early warning capabilities: Reinforce tunnel entrances and slopes along the HSR line, implement safety assessments/designs/improvements of civil facility structures across the Chekualin Fault, and carry out plans for enhancing earthquake resistance of HSR viaducts.
- B. Inspect disaster prevention and response mechanisms in response to threats posed by extreme weather: Formulate slope grading mechanisms and conduct professional slope inspections.

- 2) Accelerate digital optimization and strive for digital transformation.

- Technology

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

- A. Optimize digital information management: Establish new-generation network solutions, HSR hybrid cloud platform, and HSR i-Vision smart imaging platform.
- B. Optimize digital maintenance management: Replace PLC turnout controllers, improve and add work train protection system (WTPS) functions, and enhance smart train maintenance information systems.
- C. Optimize digital operations management: Add new-generation station cloud equipment, introduce paper-free new-generation station equipment, include QR code ticketing function in automatic ticket vending machines, and establish train scheduling systems.
- D. Optimize digital marketing: Implement e-coupon program and establish digital multi-ride/periodic ticket system.

3) Refine services and operations management in response to demographic and technological changes.

● Transportation

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. Optimize tangible and intangible assets related to passenger services in response to passenger needs: Procure new-generation rolling stock, establish second rolling stock inspection and repair plant at Zuoying Depot, renovate OCC TCS for integration of new rolling stock, implement 700T renovations, connect HSR Zuoying Station and R16 on the Kaohsiung Mass Rapid Transit System, upgrade PIS, implement 2.0 station passenger service facility improvements, adjust and install platform gates, adjust canopies and bus stations at Hsinchu Station, implement renovations and optimizations at Taipei/Banqiao stations, introduce new-generation ticketing service system, and launch personalized travel information T-MaaS app.

● Touch

We continue to implement talent cultivation measures that enhance employee development, employee competitiveness, and output values. Main implementation items include:

- A. Promote talent cultivation and build a friendly workplace: Implement employee work-life balance program, OCC improvements, and uniform improvements and optimizations.
- B. Improve management mechanisms and enhance organizational efficiency: Add work train driver simulation training equipment, implement management competency development program for high-potential talent, and conduct HSR information security inspections.

4) Create demand in a post-pandemic environment to increase revenues.

● Taiwan

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

- A. Promote domestic travel by building connections with local cultures and activities: Strengthen promotion of weekday and weekend/peak and off-peak/designated-time products, and also promote overseas products.

5) Strengthen supplier management and build partnerships.

- Taiwan

We focus on sustainable development and corporate social responsibilities while promoting domestic and local procurement to drive industrial development and enable sustainable management. Main implementation items include:

A. Implement procurements based on sustainable development and corporate social responsibilities: Add catenary maintenance cars, upgrade train PA systems, expand data transfer system (DTS) and fiber optic cable (FOC) system, upgrade wireless base station system EBTS, upgrade electrical substation control & relay panel (CRP), implement localized development of traction power substation converters, develop on-train products and exclusive business products, promote selected local brands and products.

- Touch

We strive to establish sustainable supply chain management mechanisms. Main implementations include:

A. Strengthen and promote supply chain management: Introduce/establish supply chain risk assessment and on-site inspection mechanisms.

6) Implement carbon reduction actions and fulfill corporate social responsibilities.

- Touch

We promote various energy-saving measures to generate positive environmental benefits. Main implementation items include:

A. Transform energy structures and improve energy efficiency: Add passenger elevators in stations, replace ice water chillers, improve signaling & power system power supply equipment.

B. Reduce carbon emissions to improve competitive advantages associated with green and eco-friendly concepts: Add automated painting equipment at Yanchao Main Workshop painting factory, inventory and verify HSR greenhouse gas emissions/carbon footprints/water footprints, promote green procurement, issue sustainable development bonds, and obtain green loans.

(3) Ridership Forecast

Due to economic growth, population growth, digital services, convenience of ticketing services, promotion of membership services, and improvements in travel products, we estimate that the annual ridership volume for 2026 will exceed 83.877 million passengers.

3. Future Outlook

THSRC implements service upgrades on a foundation of stable transportation to convert business strategies into specific actions. We continue to improve our operations in response to rapid external environment changes, and strive to establish an inclusive, resilient, and sustainable transportation system.

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 28, 2025, economic growth is projected at 3.54% for 2026. THSRC will continue to formulate suitable operational strategies to achieve business targets in the face of market changes.

To facilitate effective execution of railway supervisory duties, align with the widespread adoption of digital information transmission procedures, and take advantage of advances in information and communications technology, the Ministry of Transportation and Communications (MOTC) deemed it sound policy to require that statutory reports (such as those concerning operational incidents) from railway institutions be submitted through online transmission systems. Therefore, the MOTC amended the "Implementation Measures for the Supervision of Local, Private and Special Railways" and "Railway Train-Control Rules" in 2025 to stipulate that railway institutions should upload reports to the cloud reporting system platform established by the MOTC Railway Bureau.

THSRC complies with all relevant regulations. Under our legal compliance mechanisms, all units regularly identify and compile applicable laws for compliance. We have keep abreast of changes in legal environments and adopt appropriate response measures. We will continue to track 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.

Our operations are impacted by many external factors, including environmental impacts from climate change, uncertainties in geological conditions, and accelerated developments in transportation technologies. THSRC continues to focus on infrastructure safety and mitigates operational impacts from climate and geological changes by enhancing the weather resistance of civil construction systems, strengthening topography management along the HSR line, and maintaining track stability and transportation quality. We also expanded information and communication systems to enhance precision and maintenance efficiency in response to increasing digitalization needs related to maintenance and operations.

As our transportation volumes continue to grow, we have expanded our fleet and added parking and maintenance facilities to increase transportation capacities and to meet future operating capacity needs. We continue to promote localized development and upgrades of existing systems to strengthen technological autonomy and equipment stability, and are working to implement environment sustainability promotions, complete greenhouse gas inventories, and execute energy conservation and carbon reduction measures that support sustainable management and operational resilience.





2

Company Overview

1. Board of Directors

(1) Directors

| Title | Nationality/ Place of Incorporation | Name | Gender/ Age | Date Elected | Term | Date First Elected | Shareholding When Elected | | Current Shareholding | | Spouse & Minor Shareholding | |
|----------|---|---|------------------|--------------|------------|-----------------------|------------------------------|------|-------------------------|------|--------------------------------|---|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Chairman | R.O.C. | China Aviation Development Foundation | — | 2023/05/25 | 2026/05/24 | 2006/01/20 | 260,040 | 4.62 | 260,040 | 4.62 | 0 | 0 |
| | R.O.C. | Representative: Che Shih | Male/ 51-60 | 2025/06/13 | 2026/05/24 | 2025/06/13 | 0 | 0 | 0 | 0 | 0 | 0 |
| Director | R.O.C. | Representative: Yu-Fen Hung | Female/ 61-70 | 2023/05/25 | 2026/05/24 | 2023/05/25 | 0 | 0 | 0 | 0 | 0 | 0 |
| | R.O.C. | Representative: Wei-Cheng Hsieh | Male/ 51-60 | 2023/05/25 | 2026/05/24 | 2023/05/25 | 0 | 0 | 0 | 0 | 0 | 0 |
| | R.O.C. | Former Representative: Kung-Yeun Jeng | Male/ 71-80 | 2025/01/10 | 2025/06/12 | 2025/01/10 | 21 | 0 | 0 | 0 | 0 | 0 |

Thousand shares; % (as of 2026/03/29)

| Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|-------------------------------------|---|---|---|---|------|----------|-------------------|
| Shares | % | | | Title | Name | Relation | |
| 0 | 0 | – | – | None | None | None | |
| 0 | 0 | Master of Computer Science, Tunghai University. • Minister without Portfolio, Executive Yuan, Republic of China (Taiwan). • Minister of Culture. • Deputy Mayor, Kaohsiung City Government. • Director, Taiwan International Ports Corporation, Ltd. • Director, iPASS Corporation. • Director, Bureau of Cultural Affairs, Kaohsiung City Government. • Director-General, Information Bureau, Kaohsiung City Government. • President, Bureau of Labor Insurance. • Secretary, Taichung City Government. • Secretary, Environmental Protection Bureau, Taichung City Government. | – | None | None | None | Note 2 |
| 0 | 0 | MBA from Institute of Business & Management, National Chiao Tung University. • Vice President, Taoyuan International Airport Corporation. • Director, Department of Accounting, Ministry of Economic Affairs. • Director, Department of Accounting, Ministry of Transportation and Communications. | • Supervisor, CECI Engineering Consultants, Inc. Taiwan. | None | None | None | |
| 0 | 0 | Department of Law, Soochow University. • Chief Executive Officer, Taoyuan Social Housing Service Center. • Senior Administrator, Taoyuan Metro Corporation. • Director, Rail Engineering Society of Taiwan. • Director, Taiwan International Ports Corporation. • Senior Specialist, Ministry of Transportation and Communications. | • Secretary-General, China Aviation Development Foundation. • Director, Taoyuan International Airport Services Co., Ltd. • Director, NEXT BANK. | None | None | None | |
| 0 | 0 | Ph.D. in Transportation Management, National Chiao Tung University. M.S. in Ocean Systems Management, Massachusetts Institute of Technology, USA. Master of Engineering in Transportation, National Chiao Tung University, Taiwan. B.S. in Naval Architecture & Marine Engineering, National Cheng Kung University • Chairman/President/Chief Executive Officer, Taiwan High Speed Rail Corporation . • Chairman/Vice Chairman/President, EVA Airways Corporation. • Chairman/President/Vice President, UNI Airways Corporation. • Vice Chairman, Italia Marittima S.p.A, a wholly-owned subsidiary of Evergreen Group. • Executive Vice President, Evergreen Marine Corporation. • Assistant Vice President, Corporate Planning Division and Operation Division, Taiwan High Speed Rail Corporation. • Deputy Project Director, Taiwan High Speed Rail Consortium. | • Chairman, Taiwan Railway Corporation, Ltd. • Director, Taipei Rapid Transit Corporation. | None | None | None | Note 1 and Note 2 |

| Title | Nationality/ Place of Incorporation | Name | Gender/ Age | Date Elected | Term | Date First Elected | Shareholding When Elected | | Current Shareholding | | Spouse & Minor Shareholding | |
|----------|---|--|----------------|--------------|------------|-----------------------|------------------------------|-------|-------------------------|-------|--------------------------------|---|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Director | R.O.C. | Ministry of Transportation and Communications, R.O.C. | — | 2023/05/25 | 2026/05/24 | 2017/05/24 | 2,420,000 | 43.00 | 2,420,000 | 43.00 | 0 | 0 |
| | R.O.C. | Representative: Kung-Yeun Jeng | Male/ 71-80 | 2025/06/23 | 2026/05/24 | 2025/06/23 | 21 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | (Note 5) | | | |
| | R.O.C. | Representative: Cheng-Chung Young | Male/ 61-70 | 2023/05/25 | 2026/05/24 | 2023/05/25 | 0 | 0 | 0 | 0 | 0 | 0 |
| | R.O.C. | Former Representative: Tung-Ling Wu | Male/ 51-60 | 2025/03/14 | 2025/06/23 | 2025/03/14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Director | R.O.C. | China Steel Corporation | — | 2023/05/25 | 2026/05/24 | 2009/11/10 | 242,148 | 4.30 | 242,148 | 4.30 | 0 | 0 |
| | R.O.C. | Representative: Chien-Chih Hwang | Male/ 61-70 | 2023/08/04 | 2026/05/24 | 2023/08/04 | 0 | 0 | 0 | 0 | 0 | 0 |
| Director | R.O.C. | Taiwan Sugar Corporation | - | 2023/05/25 | 2026/05/24 | 2000/06/27 | 200,000 | 3.55 | 200,000 | 3.55 | 0 | 0 |
| | R.O.C. | Representative: Ming-Chang Wu | Male/ 71-80 | 2024/12/11 | 2026/05/24 | 2024/12/11 | 0 | 0 | 0 | 0 | 0 | 0 |

| Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|-------------------------------------|---|---|--|---|------|----------|--|
| Shares | % | | | Title | Name | Relation | |
| 0 | 0 | — | — | None | None | None | |
| 0 | 0 | <p>Ph.D. in Transportation Management, National Chiao Tung University.</p> <p>M.S. in Ocean Systems Management, Massachusetts Institute of Technology, USA.</p> <p>Master of Engineering in Transportation, National Chiao Tung University, Taiwan.</p> <p>B.S. in Naval Architecture & Marine Engineering, National Cheng Kung University</p> <ul style="list-style-type: none"> Chairman/President/Chief Executive Officer, Taiwan High Speed Rail Corporation . Chairman/Vice Chairman/President, EVA Airways Corporation. Chairman/President/Vice President, UNI Airways Corporation. Vice Chairman, Italia Marittima S.p.A, a wholly-owned subsidiary of Evergreen Group. Executive Vice President, Evergreen Marine Corporation. Assistant Vice President, Corporate Planning Division and Operation Division, Taiwan High Speed Rail Corporation. Deputy Project Director, Taiwan High Speed Rail Consortium. | <ul style="list-style-type: none"> Chairman, Taiwan Railway Corporation, Ltd. Director, Taipei Rapid Transit Corporation. | None | None | None | Former representative for China Aviation Development Foundation (Note 4) |
| 0 | 0 | <p>M.S. in Institute of Traffic and Transportation, National Chiao Tung University.</p> <ul style="list-style-type: none"> Deputy Director-General, Railway Bureau, Ministry of Transportation and Communications. Deputy Director-General, Bureau of High Speed Rail, Ministry of Transportation and Communications. | <ul style="list-style-type: none"> Director-General, Railway Bureau, Ministry of Transportation and Communications. | None | None | None | |
| 0 | 0 | <p>Ph.D., Department of Transportation and Logistics Management, National Yang Ming Chiao Tung University.</p> <ul style="list-style-type: none"> Adjunct Assistant Professor, Department of Transportation and Logistics, Feng Chia University. Researcher, Deputy Division Chief, Division Chief, Transportation Technology and Information Division, Institute of Transportation, Ministry of Transportation and Communications. Section Assistant, Department of Transportation, Taipei City Government. Deputy Director, Department of Planning and Coordination, Ministry of Transportation and Communications. | <ul style="list-style-type: none"> Director, Department of Railways, Highways, and Road Safety, Ministry of Transportation and Communications. | None | None | None | Note 3 |
| 0 | 0 | — | — | None | None | None | |
| 0 | 0 | <p>Department of Economics, Tunghai University.</p> <ul style="list-style-type: none"> Vice President, Commercial Division, China Steel Corporation. Chairman, China Steel Global Trading Corporation. Vice President, Commercial Division, China Steel and Nippon Steel Vietnam Joint Stock Company. Representative of Osaka Office, China Steel Corporation/ President of CSGT Japan Co., Ltd. | <ul style="list-style-type: none"> Chairman, China Steel Corporation. Chairman, China Steel Chemical Corporation Director, China Steel Global Trading Corporation Director, GAINS Investment Corporation Director, Dragon Steel Corporation Director, China Ecotek Corporation | None | None | None | |
| 0 | 0 | — | — | None | None | None | |
| 0 | 0 | <p>Ph.D., Department of Horticulture and Landscape Architecture, National Taiwan University</p> <ul style="list-style-type: none"> President, Biomedical Co., Ltd. Dean, College of Agriculture, National PingTung University of Science and Technology. | <ul style="list-style-type: none"> Chairman, Taiwan Sugar Corporation | None | None | None | |

| Title | Nationality/ Place of Incorporation | Name | Gender/ Age | Date Elected | Term | Date First Elected | Shareholding When Elected | | Current Shareholding | | Spouse & Minor Shareholding | |
|-------------------------|---|--|------------------|--------------|------------|-----------------------|------------------------------|------|-------------------------|------|--------------------------------|---|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Director | R.O.C. | Management Committee of National Development Fund, Executive Yuan | — | 2023/05/25 | 2026/05/24 | 2009/11/10 | 120,000 | 2.13 | 120,000 | 2.13 | 0 | 0 |
| | R.O.C. | Representative: Shien-Quey Kao | Female/ 61-70 | 2023/05/25 | 2026/05/24 | 2016/10/14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Director | R.O.C. | TECO Electric & Machinery Co., Ltd. | — | 2023/05/25 | 2026/05/24 | 1998/04/13 | 190,060 | 3.38 | 190,060 | 3.38 | 0 | 0 |
| | R.O.C. | Representative: Mao-Hsiung Huang | Male/ 81-90 | 2023/05/25 | 2026/05/24 | 2011/03/14 | 0 | 0 | 0 | 0 | 0 | 0 |
| Director | R.O.C. | Taipei Fubon Commercial Bank Co., Ltd. | — | 2023/05/25 | 2026/05/24 | 1998/04/13 | 20,277 | 0.36 | 20,277 | 0.36 | 0 | 0 |
| | R.O.C. | Representative: Yi-Ling Wu | Female/ 51-60 | 2024/01/31 | 2026/05/24 | 2024/01/31 | 0 | 0 | 0 | 0 | 0 | 0 |
| Independent Director | R.O.C. | Kenneth Huang- Chuan Chiu | Male/ 61-70 | 2023/05/25 | 2026/05/24 | 2017/05/24 | 0 | 0 | 0 | 0 | 0 | 0 |
| Independent Director | R.O.C. | Duei Tsai | Male/ 71-80 | 2023/05/25 | 2026/05/24 | 2020/05/21 | 0 | 0 | 0 | 0 | 0 | 0 |

| Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|-------------------------------------|---|--|--|---|------|----------|---------|
| Shares | % | | | Title | Name | Relation | |
| 0 | 0 | — | — | None | None | None | |
| 0 | 0 | <p>M.S. in Economics, National Taiwan University. Bachelor's Degree in Economics, National Taiwan University.</p> <ul style="list-style-type: none"> Secretary General, National Development Council, Executive Yuan. Secretary-General, Council for Economic Planning and Development, Executive Yuan. Director, Department of Economics Research, Council for Economic Planning and Development. Deputy Director, Department of Overall Planning, Council for Economic Planning and Development. | <ul style="list-style-type: none"> Deputy Minister, National Development Council, Executive Yuan. | None | None | None | |
| 0 | 0 | — | — | None | None | None | |
| 0 | 0 | <p>MBA, The Wharton School, University of Pennsylvania. Bachelor of Economics, Keio University.</p> | <ul style="list-style-type: none"> Chairman, Century Development Corporation. Chairman, An-Shin Food Services Co., Ltd. Honorary Chairman, Chinese National Association of Industry & Commerce, Taiwan. | None | None | None | |
| 0 | 0 | — | — | None | None | None | |
| 0 | 0 | <p>MBA, Department of Finance, National Central University.</p> <ul style="list-style-type: none"> Senior Vice President/Deputy Director of Financial Markets Division, Senior Vice President/Chief Marketing Officer and Product Management Director, Senior Vice President/Personal Banking Chief Supervisor, Taipei Fubon Commercial Bank Co., Ltd. Deputy Director, Training Center, Taiwan Academy of Banking and Finance. | <ul style="list-style-type: none"> Director of Wealth Management Division, Executive Vice President, Taipei Fubon Commercial Bank Co., Ltd. Director, Fubon Asset Management Co., Ltd. Supervisor, Fubon Insurance Agency Co., Ltd. | None | None | None | |
| 0 | 0 | <p>LL.M, University of Cambridge. LL.B, National Taiwan University.</p> <ul style="list-style-type: none"> Managing Partner, Kew & Lord. Partner, Taiwan Commercial Law Offices. Attorney, Baker & McKenzie. Attorney, Huang & Associates. | <ul style="list-style-type: none"> Independent Director, Yang Ming Marine Transport Corporation Independent Director, Lungteh Shipbuilding Co., Ltd. Director, Ju-Kao Engineering Co., Ltd. Independent Director, Chungwa Precision Test Tech. Co., Ltd. | None | None | None | |
| 0 | 0 | <p>Ph.D. from Graduate Institute of Electrical Engineering, National Taiwan University.</p> <ul style="list-style-type: none"> Adjunct Professor, Department of Electronic Engineering, National Taiwan University of Science and Technology. Independent Director, Compal Electronics, Inc. Independent Director, TTY Biopharm Company Limited. Minister, Ministry of Transportation and Communications. Political Deputy Minister, Public Construction Commission, Executive Yuan. Political Deputy Minister, Ministry of Transportation and Communications. Administrative Deputy Minister, Ministry of Transportation and Communications. Technical Supervisor, Ministry of Transportation and Communications. Director-General, Civil Aeronautics Administration, Ministry of Transportation and Communications. Deputy Director-General, Directorate General of Telecommunications, Ministry of Transportation and Communications. | <ul style="list-style-type: none"> Independent Director for Public Welfare, Starlux Airlines. Co., Ltd. | None | None | None | |

| Title | Nationality/ Place of Incorporation | Name | Gender/ Age | Date Elected | Term | Date First Elected | Shareholding When Elected | | Current Shareholding | | Spouse & Minor Shareholding | |
|-------------------------|---|---------------|----------------|--------------|------------|-----------------------|------------------------------|---|-------------------------|---|--------------------------------|---|
| | | | | | | | Shares | % | Shares | % | Shares | % |
| Independent Director | R.O.C | Ming-Teh Wang | Male/ 61-70 | 2023/05/25 | 2026/05/24 | 2023/05/25 | 0 | 0 | 0 | 0 | 0 | 0 |
| Independent Director | R.O.C | Pai-Ta Shih | Male/ 51-60 | 2023/05/25 | 2026/05/24 | 2020/05/21 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | |
|-------------------------|-------|-------------------------|----------------|------------|------------|------------|---|---|---|---|---|---|
| Independent Director | R.O.C | Yung-Cheng (Rex) Lai | Male/ 41-50 | 2023/05/25 | 2026/05/24 | 2020/05/21 | 0 | 0 | 0 | 0 | 0 | 0 |
|-------------------------|-------|-------------------------|----------------|------------|------------|------------|---|---|---|---|---|---|

Note 1. China Aviation Development Foundation appointed Mr. Kung-Yeun Jeng to serve as its director representative on 2025/1/10, and the original representative Chairman Yao-Chung Chiang left office on the same day. The Board of Directors elected Mr. Kung-Yeun Jeng as temporary chairman of the Board on 2025/1/15. The Board of Directors elected Mr. Kung-Yeun Jeng as chairman of the Board on 2025/2/19.

Note 2. China Aviation Development Foundation sent a written request on 2025/6/12 to change its director representative to Mr. Che Shih starting on 2025/6/13, and Mr. Kung-Yeun Jeng left office on the same day. The Board of Directors elected Mr. Che Shih as chairman of the Board on 2025/6/13.

Note 3. The Ministry of Transportation and Communications changed its director representative to Mr. Tung-Ling Wu on 2025/3/14, and Mr. Huan-Tung Tseng left office on the same day.

Note 4. The Ministry of Transportation and Communications changed its director representative to Mr. Kung-Yeun Jeng on 2025/6/23, and Mr. Tung-Ling Wu left office on the same day.

Note 5. As directors serve as public officials, their shares are held in a mandated trust in accordance with regulations.

| Shareholding by Nominee Arrangement | | Experience (Education) | Other Positions | Executives, Directors or Supervisors Who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|-------------------------------------|---|---|---|---|------|----------|---------|
| Shares | % | | | Title | Name | Relation | |
| 0 | 0 | <p>Ph.D. in Civil Engineering, Massachusetts Institute of Technology.</p> <ul style="list-style-type: none"> Chairman, Taoyuan International Airport Corporation. Deputy Mayor, Taoyuan City Government. Chairman, Taiwan BIM Technology. Vice President and Dean of the School of Architecture and Planning, Chung Hwa University. Dean, Taiwan Construction Research Institute. President, Century Development Corporation. Deputy County Minister, Taoyuan County Government. Director, Public Works Bureau, Taoyuan County Government. Associate Professor, Department of Civil Engineering, National Taiwan University. | <ul style="list-style-type: none"> Chairman, Transformative Cell Processing Company Independent Director, ARBOR Technology Corporation Executive Supervisor, Taiwanese Institute of Built Environment Lifecycle Management. President, Taiwan BIM Technology. | None | None | None | |
| 0 | 0 | <p>Ph.D. in Economics, University of Texas at Austin.</p> <ul style="list-style-type: none"> Director, Taiwan Risk and Insurance Association. Independent Director, Central Reinsurance Corporation. Independent Director, Tway Communications, Inc. Independent Director, Nan Shan Life Insurance Co., Ltd. Independent Director, Edison Opto Corp. Chairperson, Department of Finance, National Taiwan University. Associate Professor, Department of Finance, National Taiwan University. Assistant Professor, Associate Professor, Department of Economics, National Dong Hwa University. | <ul style="list-style-type: none"> Director, Digital Finance and Industry Development Research Center, College of Management, National Taiwan University. Independent Director, Horizon Fixture Group Co., Ltd. Independent Director, Skytech Inc. Chairman, Taiwan Insurance Guaranty Fund. | None | None | None | |
| 0 | 0 | <p>Ph.D., Railroad Engineering Program, University of Illinois at Urbana-Champaign.</p> <ul style="list-style-type: none"> Associate Professor, Assistant Professor, Division of Transportation Engineering, Department of Civil Engineering, National Taiwan University. Chairman, Railroad Operating Technologies Committee, Transportation Research Board (TRB), USA. Committee Member, Academic Committee, Railway Engineering Society of Taiwan (RESOT), Taiwan. Committee Member, Review Committee for Technical Standards of High-Speed Rail Rolling Stock, Ministry of Transportation and Communications. Committee Member, Executive Yuan Investigative Team for 1021 Puyuma Incident. Committee Member, Railway Accident Investigation Team, Ministry of Transportation and Communications, Taiwan. Board Member, Railway Operational Safety Board, Taiwan Railways Administration (TRA), Taiwan. Visiting Professor, Faculty of Societal Safety Science, Kansai University, Japan. Visiting Professor, Research Institute for Sustainable Urban Development (RISUD), Hong Kong Polytechnic University (PolyU), Hong Kong. Visiting Scholar, TOMII Lab, Chiba Institute of Technology, Japan. | <ul style="list-style-type: none"> Professor, Railway Technology Research Center, National Taiwan University. Professor, Division of Transportation Engineering, Department of Civil Engineering, National Taiwan University. Director, Railway Technology Research and Certification Center. Co-Chair, SIG A3 Rail Transport, World Conference on Transport Research Society (WCTRS). Associate Editor, Transportation Research Record (TRR). Associate Editor, Journal of Rail Transport Planning & Management (JRTPM). Board Member, International Association of Railway Operations Research (IAROR). Executive Director, Railway Engineering Society of Taiwan (RESOT), Taiwan. Executive Director, Chinese Institute of Transportation, Taiwan. Committee Member, Review Committee for Mass Rapid Transit System Construction and Peripheral Land Development Plans, Ministry of Transportation and Communications, Taiwan. | None | None | None | |

(2) Major Institutional Shareholders

List of major institutional shareholders

| Name of institutional shareholder (Note 1) | Major shareholders (Note 2) |
|---|--|
| China Aviation Development Foundation | A non-corporate organization. In February 1988, all 27 shareholders of the Corporation donated shares held and 100% of shareholder equity to set up this Foundation, which was reported to the Ministry of Transportation and Communications on March 2 of the same year. Its establishment was approved on July 6 (Note 5). |
| Ministry of Transportation and Communications, R.O.C. | Governmental institute |
| China Steel Corporation | Ministry of Economic Affairs (MOEA) (20%), Employee's Stock Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd. (2.61%), Transglory Investment Corporation (1.63%), Chunghwa Post Co., Ltd. (1.20%), Yuanta Taiwan Top 50 ETF Feeder Fund (1.01%), Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.95%), Winning Investment Corporation (1.02%), Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.91%), Taiwan Life Insurance Co., Ltd. (0.78%), Labor Pension Fund (0.72%) |
| Taiwan Sugar Corporation | Ministry of Economic Affairs (MOEA) (86.15%), Northern Region Branch, National Property Administration, MOF (9.92%), First Commercial Bank (0.75%), Chang Hwa Commercial Bank (0.41%), Bank of Taiwan (0.36%), Taiwan Business Bank Co., Ltd. (0.30%), Hua Nan Commercial Bank (0.14%), Central Investment Co. (0.14%), Mega International Commercial Bank Co., Ltd. (0.13%), Land Bank of Taiwan (0.08%), Taiwan Cooperative Commercial Bank (0.08%) |
| TECO Electric & Machinery Co., Ltd. | PJ Asset Management (15.71%), Hon Hai Precision Industry Co., Ltd. (9.99%), Walsin Lihwa Corporation (9.62%), Jaryuan Investment Co., Ltd. (5.05%), Ho Yuan International Investment Co., Ltd. (2.12%), Creative Sensor Co., Ltd. (1.98%), Tong Kuang Investment Co., Ltd. (1.35%), Kuan Yuan Industrial Co., Ltd. (1.13%), Yinge Int. Inv. Co., Ltd. (0.95%), Yuban International Investment Co., Ltd. (0.86%) |
| Management Committee of National Development Fund, Executive Yuan | Governmental institute |
| Taipei Fubon Commercial Bank Co., Ltd. | Fubon Financial Holding Co., Ltd. (100%) |

Note 1: If directors are serving as representatives of institutional shareholders, the name of said institutional shareholder should be listed here.

Note 2: The major (top ten) shareholders and shareholding ratios of institutional shareholders are listed here. Major shareholders which are entities are listed below.

Note 3: The aforementioned disclosures of shareholder names and shareholding ratios should be replaced by investor or donor names and ratios of investments or donations for institutional shareholders which are not enterprises.

Note 4: The information shown above was mostly provided by institutional shareholders in March 2026, and some information was sourced from the Commerce Industrial Services Portal or institutional shareholder websites.

Note 5: Information sourced from the China Aviation Development Foundation website.

Major shareholders of the Corporation's major institutional shareholders

| Name of institutional shareholder (Note 1) | Major shareholders (Note 2) |
|---|--|
| Ministry of Economic Affairs | Governmental institute |
| China Steel Corporation | China Steel Express Corporation (48.28%), Chung Hung Steel Corporation (39.59%), China Steel Chemical Corporation (8.90%), United Steel Engineering & Construction Corp. (3.23%) |
| Chunghwa Post Co., Ltd. | Ministry of Transportation and Communications (100%) |
| Winning Investment Corporation | GAINS Investment Corporation (49%), Transglory Investment Corporation (30%), Maruichi Steel Tube Ltd. (21%) |
| Taiwan Life Insurance Co., Ltd. | CTBC Financial Holding Co., Ltd. (100%) |
| Taiwan Sugar Corporation | Ministry of Economic Affairs |
| Northern Region Branch, National Property Administration, MOF | Governmental institute |
| First Commercial Bank | First Financial Holding Co. Ltd. (100%) |
| Chang Hwa Commercial Bank | Ministry of Finance (12.19%), Chunghwa Post Co., Ltd. (7.50%), National Development Fund, Executive Yuan (5.42%), First Commercial Bank (4.09%), Taishin Financial Holding Co., Ltd. (2.68%), Excel Chemical Corporation (2.53%), Taiwan Cooperative Bank, Ltd. (2.39%), Bank of Taiwan (1.81%), Land Bank of Taiwan (1.80%), Taiwan Business Bank Co., Ltd. (1.40%) |
| Bank of Taiwan | Taiwan Financial Holdings Co., Ltd (100%) |

| Name of institutional shareholder (Note 1) | Major shareholders (Note 2) |
|--|--|
| Taiwan Business Bank Co., Ltd. | Bank of Taiwan (16.21%), National Development Fund, Executive Yuan (5.87%), Land Bank of Taiwan (2.29%), Ministry of Finance (2.08%), Taiwan Business Bank Trust Account for Employee Stock Ownership of Taiwan Business Bank (1.05%), Vanguard Total International Stock Index Fund a series of Vanguard Star Funds (0.92%), Jixiang Investment Co., Ltd. (0.91%), Norges Bank Investment Fund under the custody of Citibank (0.89%), Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index Funds (0.85%), New Labor Pension Fund (0.7%) |
| Hua Nan Commercial Bank | Hua Nan Financial Holding Co., Ltd. (100%) |
| Central Investment Co. | Kuomintang (100%) |
| Mega International Commercial Bank Co., Ltd. | Mega Financial Holding Co., Ltd. (100%) |
| Land Bank of Taiwan | Ministry of Finance (100%) |
| Taiwan Cooperative Commercial Bank | Taiwan Cooperative Financial Holding Co., Ltd. (100%) |
| PJ Asset Management | Ho Yang Management Consulting Co. (100%) |
| Hon Hai Precision Industry Co., Ltd. | Gou, Tai-Ming (12.54%), New Labor Pension Fund (1.77%), LGT Bank AG (1.27%), Citibank Hosting Government of Singapore Investment Account (1.25%), Standard Chartered Bank in custody for Vanguard Total International Equity Index (1.22%), Citibank Hosting Norges Bank Investment Account (1.16%), JPMorgan Chase Hosting Vanguard Developing Markets Index Fund (1.10%), CTBC Custody of Yuanta Taiwan Excellence 50 (1.00%), Deutsche Commerzbank Managed iShares Emerging Markets ETF Investment Account (0.77%), Chunghwa Post Co., Ltd. (0.69%) |
| Walsin Lihwa Corporation | Winbond Electronics Corporation (6.09%), Chin-Xin Investment Co., Ltd. (6.04%), Rong Chiang International Ltd. (5.00%), TECO Electric & Machinery Co., Ltd. (4.75%), Investment account of LGT Bank (Singapore) under the custody of Business Department of Standard Chartered Bank (4.13%), Hannstar Display Corporation (3.09%), Patricia Chiao (2.73%), Yu Xiang Investment Co., Ltd. (1.79%), Qing An Investment Co., Ltd. (1.79%), Yun Xing International Ltd. (1.78%) |
| Jaryuan Investment Co., Ltd. | Ho Yuan International Investment Co., Ltd. (99.89%), Chang Wei Management Consulting (0.11%) |
| TECO Electric & Machinery Co., Ltd. | Five Star Management Limited (100%) |
| Creative Sensor Co., Ltd. | TECO Image Systems Co., Ltd. (19.39%), Universal Cement Corporation (8.83%), Tien Da Investment Co., Ltd. (8.28%), Huan Ni Investment Co., Ltd. (6.04%), Koryo Electronics Co., Ltd. (3.82%), Creative Sensor Inc. (treasury stock 3.38%), Gao-Huang, Lin (1.56%), A-Jhong, Hou (1.29%), Han-Guei, Lai (0.75%), Rong-Huang, Liou (0.57%) |
| Tong Kuang Investment Co., Ltd. | Kuang Yuan Industrial Co., Ltd. (39.27%), Huo-Huei Lin Huang (35.01%), Bright Lane Investments, Ltd. (12.73%), Tong Ho Global Investment Co., Ltd. (6.00%), Other (6.99%) |
| Kuan Yuan Industrial Co., Ltd. | Tong Kuang Investment Co., Ltd. (34.46%), Huo-Huei Lin Huang (51.58%), Bright Lane Investments, Ltd. (10.0%), Tong Ho Global Investment Co., Ltd. (0.74%), Other (3.22%) |
| Yinge Int. Inv. Co., Ltd. | Po-Chih Huang (77.72%), Ttomaji Investment Co., Ltd. (8.62%), PHD International Investment Co., Ltd. (8.62%), SioLik Creative Co., Ltd. (4.31%), Fong-Mei Hsu (0.72%) |
| Yuban International Investment Co., Ltd. | Kuan Yuan Industrial Co., Ltd. (39.13%), Tong Kuang Investment Co., Ltd. (30.20%), Forward Electric Company Limited (8.44%), Jen Shing Huang (2.61%), Hui-Zi Liu (2.43%), Yu-Zhao Lin (2.11%), Li-Zhong Lin (2.00%), Yu-Ping Lin (1.89%), Lun-Pin Tseng (1.86%), Chong-Jen Chuang (1.80%) |
| Taipei Fubon Commercial Bank Co., Ltd. | Fubon Financial Holding Co., Ltd. (13.07%), Ming Dong Co., Ltd. (8.34%), Dao Ying Co., Ltd. (7.62%), Richard M. Tsai (3.15%), Daniel M. Tsai (2.90%), Hung Fu Investment Co., Ltd. (2.59%), New Labor Pension Fund (2.34%), Hope Fine Investments Ltd. (2.29%), Citigroup Taiwan is entrusted with the custody of the Singapore government investment account (1.42%), Chung Shing Development Co., Ltd. (1.40%) |

Note 1: Major Corporation institutional shareholders are listed here.

Note 2: The major (top ten) shareholders and shareholding ratios of institutional shareholders are listed here.

Note 3: The aforementioned disclosures of shareholder names and shareholding ratios should be replaced by investor or donor names and ratios of investments or donations for institutional shareholders which are not enterprises.

Note 4: The information shown above was mostly provided by institutional shareholders in March 2026, and some information was sourced from the Commerce Industrial Services Portal or institutional shareholder websites.

(3) Professional Expertise, Diversification Policy, and Independence Analysis of the Board of Directors

1) Disclosure of director qualifications and independence analysis of independent directors:

| Criteria Name | Professional qualifications and experience | Independence status (Note 2) | Concurrent independent director positions at other public companies |
|--|---|--|---|
| Chairman Che Shih | <ol style="list-style-type: none"> Area of expertise: Information science, business management, cross-departmental integration of sustainability policies Experience: <ol style="list-style-type: none"> Board/committee leadership experience Relevant industry experience in transportation No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Independent Director Kenneth Huang-Chuan Chiu | <ol style="list-style-type: none"> Area of expertise: Law, protection of human rights Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Experience in other industries No violations of Article 30 of the Company Act | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 3 |
| Independent Director Duei Tsai | <ol style="list-style-type: none"> Area of expertise: Electrical engineering, transportation management, government sustainability policies Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Relevant industry experience in transportation An instructor or higher position in a department related to the business needs of the Corporation in a public or private junior college, college, or university No violations of Article 30 of the Company Act | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 1 |
| Independent Director Ming-Teh Wang | <ol style="list-style-type: none"> Area of expertise: Civil engineering, environmental sustainability, and green buildings Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience An instructor or higher position in a department related to the business needs of the Corporation in a public or private junior college, college, or university No violations of Article 30 of the Company Act | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 1 |
| Independent Director Pai-Ta Shih | <ol style="list-style-type: none"> Area of expertise: Economics, finance, sustainable finance, and green economics Experience: <ol style="list-style-type: none"> Board member of other public companies Professor at Department of Finance, National Taiwan University No violations of Article 30 of the Company Act | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 2 |

| Criteria Name | Professional qualifications and experience | Independence status (Note 2) | Concurrent independent director positions at other public companies |
|--|--|--|---|
| Independent Director Yung-Cheng (Rex) Lai | <ol style="list-style-type: none"> Area of expertise: Civil engineering, transportation Experience: <ol style="list-style-type: none"> Relevant industry experience in transportation Professor at Railway Technology Research Center, National Taiwan University No violations of Article 30 of the Company Act | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 0 |
| Director Kung-Yeun Jeng | <ol style="list-style-type: none"> Area of expertise: Transportation management, business management, corporate sustainability, and carbon reduction Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Relevant industry experience in transportation No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Cheng-Chung Young | <ol style="list-style-type: none"> Area of expertise: Transportation Experience: Relevant industry experience in transportation No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Yu-Fen Hung | <ol style="list-style-type: none"> Area of expertise: Finance Experience: <ol style="list-style-type: none"> Board member of other public companies Relevant industry experience in shipping and engineering No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Wei-Cheng Hsieh | <ol style="list-style-type: none"> Area of expertise: Law, transportation Experience: Relevant industry experience in transportation No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Chien-Chih Hwang | <ol style="list-style-type: none"> Area of expertise: Economics, supply chain transformation Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Relevant experience in the steel industry No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Ming-Chang Wu | <ol style="list-style-type: none"> Area of expertise: Agricultural management, business management, innovation and development of food and agricultural technology Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Relevant industry experience An instructor or higher position in a department related to the business needs of the Corporation in a public or private junior college, college, or university No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Shien-Quey Kao | <ol style="list-style-type: none"> Area of expertise: Economics Experience: <ol style="list-style-type: none"> Relevant position at Council for Economic Planning and Development, Executive Yuan Relevant position at National Development Council No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |

| Criteria Name | Professional qualifications and experience | Independence status (Note 2) | Concurrent independent director positions at other public companies |
|---------------------------|---|---|---|
| Director Mao-Hsiung Huang | 1. Area of expertise: Business management 2. Experience: (1) Board member of other public companies (2) Board/committee leadership experience (3) Relevant industry experience 3. No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |
| Director Yi-Ling Wu | 1. Area of expertise: Finance, business management 2. Experience: Relevant industry experience 3. No violations of Article 30 of the Company Act | Director spouses and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. | 0 |

2) Diversification and Independence of the Board of Directors:

A. Diversification of the Board of Directors:

Article 14 in Chapter 2 of the Corporation's "Charter of the Sustainable Development and Nominating Committee" (Structural Composition of the Board and its Committees and Performance Assessments) stipulates a diversification policy for Board member composition and overall capabilities of Board members.

- (a) Composition of Board members shall be diverse, and appropriate diversification standards shall be set according to Corporation operations, mode of operation, and development needs, including but not limited to the following:
- I. Basic qualifications and values: gender, age, nationality, and culture.
 - II. Level of contribution to businesses or in other professional areas.
 - III. Personality, professional expertise and skills. Professional expertise and skills include professional backgrounds (such as in finance, accounting, legal practice, marketing, technology, business management, and so on), as well as professional skills and industry experience.
 - IV. Willingness and time to participate in corporate affairs.
 - V. Concurrent director and managerial officer positions held at other companies.
- (b) THSRC has established a Sustainable Development & Nominating Committee which is responsible for reviewing the diversified standards of professional knowledge, capabilities, experience, and gender distribution requirements for directors to ensure that the Board possesses appropriate professional knowledge and expertise. The Committee is also responsible for conducting regular evaluations of Board performance, reviewing director training plans, and reviewing manager succession plans.
- (c) Composition of the Corporation's 10th Board complies with our "Articles of Incorporation"; nominated candidates were selected, nominated, and elected through the rigorous processes stipulated in the Corporation's "Charter of the Sustainable Development and Nominating Committee" and "Rules for the Election of Directors," thus ensuring diversification and independence of Board members.
- (d) The Board is currently composed of 15 directors, including 5 independent directors and 10 non-independent directors. Our current directors are all industrial or academic experts with management experience in listed companies or in government institutes. Apart from possessing leadership and decision-making capabilities, crisis management capabilities, and an international outlook, of our 5 independent directors, Independent Director Kenneth Huang-Chuan Chiu is a partner at Kew & Lord, Independent Director Duei Tsai served as the Minister of Transportation and Communications, Independent Director Ming-Teh Wang served as the chairman of Taoyuan International Airport Corporation, Independent Director Pai-Ta Shih is the director of the Digital Finance and Industry Development Research Center at National Taiwan University and the chairman of the Taiwan Insurance Guaranty Fund, and Independent Director Yung-Cheng (Rex) Lai is a professor at the National Taiwan University Railway Technology Research Center. They therefore possess professional expertise in legal practice, finance and accounting, industry knowledge, and operational insights. Additionally, of the other 10 non-independent directors, directors Shien-Quey Kao and Yu-Fen Hung have finance and accounting expertise; Director Cheng-Chung Young is currently the Director-General of the

Railway Bureau, Ministry of Transportation and Communications; Director Kung-Yeun Jeng is the chairman of Taiwan Railway Corporation; Director Wei-Cheng Hsieh is the Secretary General of the China Aviation Development Foundation; Chairman Che Shih served as the Executive Yuan Minister without Portfolio, the Minister of Culture, and the Deputy Mayor of the Kaohsiung City Government; directors Chien-Chih Hwang, Ming-Chang Wu, Mao-Hsiung Huang, and Yi-Ling Wu all have significant management experience as a chairperson or executive vice president of listed companies in industries spanning from technology, construction, finance, steel, airlines, traditional manufacturing, and services; they therefore possess capabilities relating to marketing, technology, business management, industrial knowledge, and operational insights, as well as professional senior-level administrative experience in the public sector.

| Expertise | Related to the Corporation | Number of directors |
|--------------------------------------|--|---------------------|
| Board/committee leadership | Lead the Board and functional committees in formulating important corporate strategies, and supervise business implementations | 12 |
| Relevant industry experience | Supervise the Corporation's operational maintenance, financial planning, and project management | 10 |
| Legal expertise | Supervision, consulting, and operational experience in respective areas of expertise | 2 |
| Accounting expertise | Supervision, consulting, and operational experience in respective areas of expertise | 3 |
| Expertise in sustainable development | Supervision, consulting, and operational experience in respective areas of expertise | 7 |

- (e) We set the 4Ts (Transportation, Technology, Taiwan, and Touch) as our main developmental goals and select directors based on their management experience and professional expertise. Our current directors possess knowledge on corporate governance, the latest industrial insights, and expertise in business, finance, accounting, sustainable development, and corporate matters, fulfilling the goals set out by our 4Ts.
- (f) The Board currently has 15 directors, including 3 female directors (accounting for 20% of all directors). We have not yet achieved our goal of having directors of each gender account for at least one-third of all directors. In future, we will actively incorporate gender diversity considerations into our director nominations and adjust Board structure as appropriate to strengthen the diversity and governance effectiveness of the Board.
- (g) Four of our current five independent directors were reelected following a full term and the remaining director is a newly appointed independent director. We currently have 15 Board members, of which 33% (5) are under 60 years old, 7% (1) is between 60 to 65 years old, and 60% (9) are over 65 years old.

B. Independence of the Board of Directors:

The Corporation's 10th Board is composed of 15 directors, 5 of which are independent directors, accounting for approximately 33% of Board members.

All Corporation directors are elected following nomination, with nomination, election, and other compliance matters adhering fully to the relevant regulations of securities authorities. Members of the Corporation's 10th Board were submitted to the Board for discussion and approval by the Sustainable Development & Nominating Committee in accordance with the aforementioned regulations. Documentation relevant to nomination matters were submitted to the Corporation during the announced period for accepting nominations. Directors were elected from the list of nominees at the Shareholders General Meeting held on May 25, 2023. Documentation provided by Board members during the nomination process confirmed there were no violations of Article 26-3, paragraphs 3 and 4, of the Securities and Exchange Act, and none of the directors/independent directors had spousal relations or were relatives within second degree of kinship.

2. Management Team

Information on President, Vice Presidents, Assistant Vice Presidents, and all Department Heads

| Title | Nationality | Name | Gender | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | |
|--|-------------|-------------|--------|----------------------|--------------|---|-----------------------------|---|-------------------------------------|---|
| | | | | | Shares | % | Shares | % | Shares | % |
| President, and Operation Senior Vice President | R.O.C | Bob Chen | Male | 2025/06/13 (Note) | 0 | 0 | 0 | 0 | 0 | 0 |
| Administration Senior Vice President, and head of Human Resources and Administration Division, and Secretary-General, Secretariat Division, Board of Directors | R.O.C | Barret Wang | Male | 2006/12/01 | 12 | 0 | 3 | 0 | 0 | 0 |
| Business Senior Vice President, and head of Information Technology Division and Travel & Business Development Division | R.O.C | Calvin Yen | Male | 2016/04/01 | 7 | 0 | 0 | 0 | 0 | 0 |
| Planning Senior Vice President and Head of Corporate Planning Division | R.O.C | Rae Chung | Female | 2005/06/06 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chief Auditor, Corporate Audit Office | R.O.C | Tim Fu | Male | 2014/01/01 | 25 | 0 | 0 | 0 | 0 | 0 |
| Vice President, Finance Division | R.O.C | Allen Wang | Male | 2020/01/15 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vice President, Public Affairs Division and Spokesperson | R.O.C | Elaine Tsou | Female | 2016/07/15 | 8 | 0 | 0 | 0 | 0 | 0 |
| Vice President, Business Division | R.O.C | Simon Chen | Male | 2008/09/01 | 15 | 0 | 0 | 0 | 0 | 0 |

Unit: Thousand shares; % (as of 2026/3/29)

| Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|--|----------------|---|------|----------|---------|
| | | Title | Name | Relation | |
| Executive MBA, College of Management, National Sun-Yat-Sen University. • Vice President, Maintenance Management Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Depot & Station Facility Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Rolling Stock Maintenance Department, Taiwan High Speed Rail Corporation. • Section Chief, EVA Airways Corporation. | None | None | None | None | |
| Bachelor of Law, National Taiwan University. • Vice President, Human Resources Division, Taiwan High Speed Rail Corporation. • Vice President, Legal Office, Taiwan High Speed Rail Corporation. • Secretary-General, Secretariat Division of Board of Directors, Taiwan High Speed Rail Corporation. • Attorney-at-Law, Chun He Law Firm. | None | None | None | None | |
| B.S. in Computer Science, Tamkang University. • Spokesperson, Taiwan High Speed Rail Corporation. • Vice President, Information Technology Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Application System Department, Taiwan High Speed Rail Corporation. • Manager, Ever Rich D.F.S. Corporation. | None | None | None | None | |
| B.A. in Economics, Tamkang University. • Vice President, Corporate Planning Division, and Spokesperson, Taiwan High Speed Rail Corporation. • Vice President, Business Division, Taiwan High Speed Rail Corporation. • Vice President, Marketing Division, Taiwan High Speed Rail Corporation. • Marketing Manager, New Zealand Milk Products (Far East) Ltd., Taiwan Branch. | None | None | None | None | |
| B.S. in Computer Science, Tamkang University. • Vice President, Information Technology Division, Taiwan High Speed Rail Corporation. • Vice President, Human Resources and Administration Division, Taiwan High Speed Rail Corporation. • Vice President, Procurement Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Corporate Audit Office, Taiwan High Speed Rail Corporation. • Manager, Information Technology Department, Pfizer Inc. | None | None | None | None | |
| Executive MBA, College of Management, National Taiwan University. • Chief Finance Officer, IME Group Beijing. | None | None | None | None | |
| Executive MBA, College of Management, National Taiwan University. • Assistant Vice President, Public Affairs Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Public Affairs Department, Wei Chuan Foods Corporation. | None | None | None | None | |
| Ph.D., Division of Transportation Engineering, Institute of Civil Engineering, National Taiwan University. • Assistant Vice President, Business Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Affiliated Business Development Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Transportation Business Development Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Marketing Division, Taiwan High Speed Rail Corporation. • Research Fellow, Taiwan High Speed Rail Consortium Project, Transportation and Traffic Foundation | None | None | None | None | |

| Title | Nationality | Name | Gender | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | |
|---|-------------|------------------|--------|----------------|--------------|---|-----------------------------|---|-------------------------------------|---|
| | | | | | Shares | % | Shares | % | Shares | % |
| Vice President, System Research Development Division | R.O.C | Eric Cheng | Male | 2006/11/06 | 11 | 0 | 0 | 0 | 0 | 0 |
| Vice President, Operation Division | R.O.C | Paul Yang | Male | 2016/04/01 | 14 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Affiliated Business Development Department of Business Division | R.O.C | Wilson Ting | Male | 2008/02/25 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Quality Assurance Office | R.O.C | Paul Hwang | Male | 2006/11/06 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Core Technology Engineering Department, System Research Development Division | R.O.C | Sheng-Hsin Yu | Male | 2015/01/01 | 6 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Accounting Department of Finance Division | R.O.C | Griffin Huang | Male | 2017/10/19 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, System Operation Department, Information Technology Division | R.O.C | Beatrice Tsai | Female | 2020/06/01 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Operation Safety Office | R.O.C | Paul Hsu | Male | 2020/11/16 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Legal Office | R.O.C | Mandy Ko | Female | 2021/04/01 | 1 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Travel Planning and Products Development Department, Travel and Business Development Division | R.O.C | Athena Pao | Female | 2021/05/01 | 16 | 0 | 0 | 0 | 0 | 0 |

| Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|---|----------------|---|------|----------|---------|
| | | Title | Name | Relation | |
| Master's Degree in Department of Electrical Engineering, National Taiwan University of Science and Technology. • Assistant Vice President, System Research Development Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Signaling & Communication Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Track & Power Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Facility Maintenance Department, Taiwan High Speed Rail Corporation. • Electrical Engineering Plant Director & Power Supply Plant Director, Taipei Rapid Transit Corp. | None | None | None | None | |
| B.S. in Computer Science, Tamkang University. • Vice President, Maintenance Management Division, Taiwan High Speed Rail Corporation. • Vice President, Operation Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Operation Control Center, Taiwan High Speed Rail Corporation. • Assistant Vice President, Station Operation Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Train Operation Department, Taiwan High Speed Rail Corporation. • Engineer, EVA Airways Corporation. | None | None | None | None | |
| M.S., Finance, Golden Gate University, USA. • Assistant Vice President, Transportation Business Development Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Strategy Development Office, Taiwan High Speed Rail Corporation. • Assistant Vice President, Marketing Division, Taiwan High Speed Rail Corporation. • Sales/Channel Management Director, Far EasTone Telecommunications Co., Ltd. | None | None | None | None | |
| M.S., Transportation and Communication Management Science, National Cheng Kung University. • Assistant Vice President, Train Operation Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Operation Control Center, Taiwan High Speed Rail Corporation. • Assistant Vice President, Operation Planning Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Rail Operation Division, Taiwan High Speed Rail Corporation. • Assistant Vice President, Training Department, Taiwan High Speed Rail Corporation. • Director of Training Center, Deputy Director of OCC, Taipei Rapid Transit Corp. | None | None | None | None | |
| Master's Degree in Electrical Engineering, University of Memphis, USA. • Assistant Vice President, Core Technology Development Department, Taiwan High Speed Rail Corporation. • Assistant Vice President, Technology Development Department, Taiwan High Speed Rail Corporation. • Electronics Engineering Plant Director, Taipei Rapid Transit Corp. | None | None | None | None | |
| Master's Degree in Business Administration, National Taipei University. • Senior Manager, Deloitte Taiwan. | None | None | None | None | |
| M.S., Applied Chemistry, National Chiao Tung University • Chief Technology Officer, AFE-Solutions Corporation, HK | None | None | None | None | |
| M.S., Department of Civil Engineering, National Chung Hsing University. • Assistant Researcher, National Disaster Prevention and Technology Center. | None | None | None | None | |
| Master's Degree from Law Institute of Chinese Culture University • Legal Manager, EASYCARD Co., Ltd. | None | None | None | None | |
| Executive MBA, National Chiao Tung University • Assistant Vice President, Travel Business Related Department, Taiwan High Speed Rail Corporation. • Assistant Deputy Section Chief of EVA Airways Corporation. | None | None | None | None | |

| Title | Nationality | Name | Gender | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | |
|---|-------------|-----------------|--------|----------------|--------------|---|-----------------------------|---|-------------------------------------|---|
| | | | | | Shares | % | Shares | % | Shares | % |
| Assistant Vice President, Maintenance Management Division(Deputy Head) and Head of Maintenance Management Division and Head of Depot & Station Facility Department, Maintenance Management Division | R.O.C | Simon Chen | Male | 2023/06/01 | 2 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Operation Strategy Planning Department, Corporate Planning Division | R.O.C | Yi-Ming Chiu | Male | 2023/06/01 | 5 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Infrastructure Maintenance Department, Maintenance Management Division | R.O.C | Shin-Tsyr Wang | Male | 2024/09/01 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Human Resources and Administration Division (Deputy Head) | R.O.C | Yung-Chang Chen | Male | 2025/01/01 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assistant Vice President, Procurement Department II, Procurement Division | R.O.C | Amy Chiang | Female | 2025/06/05 | 1 | 0 | 15 | 0 | 0 | 0 |
| Senior Manager, Occupational Safety & Health Office | R.O.C | Vincent Ku | Male | 2022/12/01 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Manager, Procurement Planning & Warehousing Department, and Head of Procurement Division | R.O.C | Ying-Yun Lee | Female | 2026/02/26 | 0 | 0 | 0 | 0 | 0 | 0 |

Note: President Bob Chen joined the Corporation's executive management team on 2014/1/1 and became the Corporation President on 2025/6/13 while concurrently serving as the Operation Senior Vice President and Head of Maintenance Management Division.

| Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|---|----------------|---|------|----------|---------|
| | | Title | Name | Relation | |
| Department of Naval Architecture and Ocean Engineering, National Kaohsiung Marine University. • Assistant Engineer, Cargo Container Business Division & Steel Structure Business Division, Evergreen Heavy Industrial Corp. | None | None | None | None | |
| Master's Degree in Transportation Engineering, Department of Civil Engineering, National Taiwan University. • Assistant Vice President, Business Strategy Planning Department, Taiwan High Speed Rail Corporation. • Engineer, Taipei Rapid Transit Corp. | None | None | None | None | |
| Master's Degree in Construction Engineering and Management, Department of Civil Engineering, National Taiwan University. • Associate Engineer & Section Chief, Highway Bureau, Ministry of Transportation and Communications. | None | None | None | None | |
| Department of Mechanical and Materials Engineering, National Yunlin Institute of Technology • Director of TouLiu Office, EVA Airways Corporation. | None | None | None | None | |
| Department of Economics, Soochow University • Assistant Vice President, Procurement Planning & Warehousing Department, Taiwan High Speed Rail Corporation. • Director of MAXXIUM Taiwan Ltd. | None | None | None | None | |
| Master's Degree from Graduate Institute of National Development and Mainland China Studies, Chinese Culture University. • Assistant Deputy Section Chief, EVA Airways Corporation. | None | None | None | None | |
| M.S. in Civil and Environmental Engineering, Florida International University • Director of the Auditing Office and Administration Office, National Institutes of Applied Research. | None | None | None | None | |

3. Remuneration to Directors and Department Heads

(1) Remuneration to Directors (Including Independent Directors), President, Vice Presidents, and Others in the Most Recent Year

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

| Title | Name | Remuneration | | | | | | | |
|---|------|-----------------------|--|-------------------|--|----------------------------|--|----------------------------|--|
| | | Base Compensation (A) | | Severance Pay (B) | | Directors Compensation (C) | | Allowances (D) (Note 1) | |
| | | 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 | 12,486 | 12,486 | 0 | 0 |
| Chairman Representative: Che Shih | | 2,602 | 2,602 | 0 | 0 | 0 | 0 | 360 | 360 |
| Director Representative: Yu-Fen Hung | | 0 | 0 | 0 | 0 | 0 | 0 | 240 | 240 |
| Director Representative: Wei-Cheng Hsieh | | 0 | 0 | 0 | 0 | 0 | 0 | 260 | 260 |
| Director Former Representative: Yao-Chung Chiang | | 4,133 | 4,133 | 0 | 0 | 0 | 0 | 18 | 18 |
| Director Former Representative: Kung-Yeun Jeng | | 3,490 | 3,490 | 394 | 394 | 0 | 0 | 204 | 204 |
| Ministry of Transportation and Communications, R.O.C. | | 0 | 0 | 0 | 0 | 8,324 | 8,324 | 196 | 196 |
| Director Representative: Kung-Yeun Jeng | | 0 | 0 | 0 | 0 | 0 | 0 | 51 | 51 |
| Director Representative: Cheng-Chung Young | | 0 | 0 | 0 | 0 | 0 | 0 | 102 | 102 |
| Director Former Representative: Huan-Tung Tseng | | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 26 |
| Director Former Representative: Tung-Ling Wu | | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 26 |
| China Steel Corporation | | 0 | 0 | 0 | 0 | 4,162 | 4,162 | 110 | 110 |
| Director Representative: Chien-Chih Hwang | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Unit: NT\$ thousands (as of 2025/12/31)

| 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 |
|---|--|--|--|-------------------|--|---------------------------|-------|--|-------|---|--|--|
| | | 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 | |
| | | | | | | Cash | Stock | Cash | Stock | | | |
| 12,486 0.19 | 12,486 0.19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,486 0.19 | 12,486 0.19 | None |
| 2,962 0.05 | 2,962 0.05 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,962 0.05 | 2,962 0.05 | None |
| 240 0.00 | 240 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 240 0.00 | 240 0.00 | None |
| 260 0.00 | 260 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 260 0.00 | 260 0.00 | None |
| 4,151 0.06 | 4,151 0.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,151 0.06 | 4,151 0.06 | None |
| 4,088 0.06 | 4,088 0.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,088 0.06 | 4,088 0.06 | None |
| 8,520 0.13 | 8,520 0.13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,520 0.13 | 8,520 0.13 | None |
| 51 0.00 | 51 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 51 0.00 | 51 0.00 | None |
| 102 0.00 | 102 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 102 0.00 | 102 0.00 | None |
| 26 0.00 | 26 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26 0.00 | 26 0.00 | None |
| 26 0.00 | 26 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26 0.00 | 26 0.00 | None |
| 4,272 0.06 | 4,272 0.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,272 0.06 | 4,272 0.06 | None |
| 0 0.00 | 0 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 0.00 | 0 0.00 | None |

| Title | Name | Remuneration | | | | | | | |
|---|------|-----------------------|--|-------------------|--|----------------------------|--|----------------------------|--|
| | | Base Compensation (A) | | Severance Pay (B) | | Directors Compensation (C) | | Allowances (D) (Note 1) | |
| | | 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 |
| Taiwan Sugar Corporation | | 0 | 0 | 0 | 0 | 4,162 | 4,162 | 140 | 140 |
| Director Representative: Ming-Chang Wu | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Management Committee of National Development Fund, Executive Yuan | | 0 | 0 | 0 | 0 | 4,162 | 4,162 | 88 | 88 |
| Director Representative: Shien-Quey Kao | | 0 | 0 | 0 | 0 | 0 | 0 | 102 | 102 |
| TECO Electric & Machinery Co., Ltd. | | 0 | 0 | 0 | 0 | 4,162 | 4,162 | 0 | 0 |
| Director Representative: Mao-Hsiung Huang | | 0 | 0 | 0 | 0 | 0 | 0 | 260 | 260 |
| Taipei Fubon Commercial Bank Co., Ltd. | | 0 | 0 | 0 | 0 | 4,162 | 4,162 | 0 | 0 |
| Director Representative: Yi-Ling Wu | | 0 | 0 | 0 | 0 | 0 | 0 | 140 | 140 |
| Independent Director Kenneth Huang-Chuan Chiu | | 720 | 720 | 0 | 0 | 0 | 0 | 460 | 460 |
| Independent Director Duei Tsai | | 343 | 343 | 0 | 0 | 0 | 0 | 580 | 580 |
| Independent Director Ming-Teh Wang | | 720 | 720 | 0 | 0 | 0 | 0 | 490 | 490 |
| Independent Director Pai-Ta Shih | | 720 | 720 | 0 | 0 | 0 | 0 | 460 | 460 |
| Independent Director Yung-Cheng (Rex) Lai | | 720 | 720 | 0 | 0 | 0 | 0 | 480 | 480 |

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, considering the level of participation and value contributed by 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. The aforementioned "Regulation of Self-Evaluation of the Board of Directors" should at a minimum include the following six assessment aspects for directors: (1) Understanding of corporate goals and tasks; (2) Recognition of director responsibilities; (3) Participation in corporate operations; (4) Internal relations and communication; (5) Director knowledge and continued training; and (6) Internal control. 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 of parent companies/all companies included in financial statements/reinvestment companies) other than disclosed in the table above: None.

Note 1: Includes expenses for meeting attendances and company cars, but not driver remuneration of NT\$ 1,081 thousand.

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.

| 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 | |
|---|--|--|--|-------------------|--|---------------------------|-------|--|-------|---|--|--|------|
| | | 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 | | |
| | | | | | | Cash | Stock | Cash | Stock | | | | |
| 4,302 0.07 | 4,302 0.07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,302 0.07 | 4,302 0.07 | None |
| 0 0.00 | 0 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 0.00 | 0 0.00 | None |
| 4,250 0.06 | 4,250 0.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,250 0.06 | 4,250 0.06 | None |
| 102 0.00 | 102 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 102 0.00 | 102 0.00 | None |
| 4,162 0.06 | 4,162 0.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,162 0.06 | 4,162 0.06 | None |
| 260 0.00 | 260 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 260 0.00 | 260 0.00 | None |
| 4,162 0.06 | 4,162 0.06 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,162 0.06 | 4,162 0.06 | None |
| 140 0.00 | 140 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 140 0.00 | 140 0.00 | None |
| 1,180 0.02 | 1,180 0.02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,180 0.02 | 1,180 0.02 | None |
| 923 0.01 | 923 0.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 923 0.01 | 923 0.01 | None |
| 1,210 0.02 | 1,210 0.02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,210 0.02 | 1,210 0.02 | None |
| 1,180 0.02 | 1,180 0.02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,180 0.02 | 1,180 0.02 | None |
| 1,200 0.02 | 1,200 0.02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,200 0.02 | 1,200 0.02 | None |

2) Remuneration of President and Vice Presidents

| Title | Name | Base Compensation (A) (Note 2) | | Severance Pay (B) (Note 3) | | Bonuses and Allowances (C) (Note 4) | |
|-----------------------|----------------|-----------------------------------|--|-------------------------------|--|--|--|
| | | The Corporation | All companies included in financial statements | The Corporation | All companies included in financial statements | The Corporation | All companies included in financial statements |
| President | Bob Chen | | | | | | |
| Senior Vice President | Barret Wang | | | | | | |
| Senior Vice President | Calvin Yen | | | | | | |
| Senior Vice President | Rae Chung | | | | | | |
| Chief Auditor | Tim Fu | | | | | | |
| Vice President | Allen Wang | Total amount 33,089 | Total amount 33,089 | Total amount 3,265 | Total amount 3,265 | Total amount 23,593 | Total amount 23,593 |
| Vice President | Elaine Tsou | | | | | | |
| Vice President | Simon Chen | | | | | | |
| Vice President | Eric Cheng | | | | | | |
| Vice President | Paul Yang | | | | | | |
| Former President | Kung-Yeun Jeng | | | | | | |

Note 1: The number of people with decision-making management authority and people who were appointed to ranks of vice president and above following Board approval was 11; of these, 2 were changed during the year (Former President Kung-Yeun Jeng was promoted to Chairman on 2025/2/19, Senior Vice President Bob Chen was promoted to President on 2025/6/13).

Note 2: Remuneration (A) includes basic salaries and food allowances.

Note 3: Actual amounts of retirement pay for 2025 came to a total of NT\$ 0 and retirement pensions expenses came to NT\$ 3,265 thousand, making a total of NT\$ 3,265 thousand.

Note 4: The amount of performance bonuses for 2025 are disclosed as estimated figures. The remuneration, bonuses and special disbursements in this table are disclosed in accordance with regulations regarding information to be disclosed in annual reports. Special leave liability and non-business travel of NT\$ 3,713 thousand is not included. Includes expenses for company cars, but does not include driver remuneration amounting to NT\$ 553 thousand.

Note 5: Article 35-1 of the Articles of Incorporation states that "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." Employee compensation for 2025 was calculated based on profits for the year (pre-tax profits minus profits prior to distribution of employee and director compensation), and were estimated to be 2% of NT\$ 8,323,695 thousand (no accumulated losses to be offset). This proposal will be carried out in accordance with Corporation regulations following approval from the 2026 shareholders' meeting.

Unit: NT\$ thousands (as of 2025/12/31)

| Employee Compensation (D) (Note 5) | | | | Ratio of total compensation (A+B+C+D) to net income (%) | | Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company |
|---------------------------------------|-------|---|-------|--|---|--|
| The Corporation | | All companies included in financial statements | | The Corporation | All companies included in financial statements | |
| Cash | Stock | Cash | Stock | | | |

| | | | | | | |
|-----------------------|---|-----------------------|---|----------------|----------------|------|
| Total amount 1,477 | 0 | Total amount 1,477 | 0 | 61,424 0.93 | 61,424 0.93 | None |
|-----------------------|---|-----------------------|---|----------------|----------------|------|

3) Remuneration range table

Unit: NT\$

| Range of Remuneration | Names of President and Vice Presidents | |
|--|---|---|
| | The Corporation | All Companies Included in Financial Statements |
| Lower than 1,000,000 | - | - |
| 1,000,000 (Included) ~ 2,000,000 (Not included) | - | - |
| 2,000,000 (Included) ~ 3,500,000 (Not included) | Kung-Yeun Jeng | Kung-Yeun Jeng |
| 3,500,000 (Included) ~ 5,000,000 (Not included) | Tim Fu, Allen Wang, Elaine Tsou, Simon Chen | Tim Fu, Allen Wang, Elaine Tsou, Simon Chen |
| 5,000,000 (Included) ~ 10,000,000 (Not included) | Bob Chen, Barret Wang, Calvin Yen, Rae Chung, Eric Cheng, Paul Yang | Bob Chen, Barret Wang, Calvin Yen, Rae Chung, Eric Cheng, Paul Yang |
| 10,000,000 (Included) ~ 15,000,000 (Not included) | | |
| 15,000,000 (Included) ~ 30,000,000 (Not included) | - | - |
| 30,000,000 (Included) ~ 50,000,000 (Not included) | - | - |
| 50,000,000 (Included) ~ 100,000,000 (Not included) | - | - |
| Above 100,000,000 | - | - |
| Total | 11 | 11 |

Note 1: 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.

4) Names of managers who received employee compensation and status of distribution

Unit: NT\$ thousands (as of 2025/12/31)

| | Title | Name | Employee Compensation in Stock | Employee Compensation in Cash | Total | Ratio of Total Amount to Net Income (%) |
|----------|---------------------------------|-----------------|--------------------------------|-------------------------------|--------------------|---|
| | President | Bob Chen | | | | |
| | Senior Vice President | Barret Wang | | | | |
| | Senior Vice President | Calvin Yen | | | | |
| | Senior Vice President | Rae Chung | | | | |
| | Chief Auditor | Tim Fu | | | | |
| | Vice President | Allen Wang | | | | |
| | Vice President | Elaine Tsou | | | | |
| | Vice President | Simon Chen | | | | |
| | Vice President | Eric Cheng | | | | |
| | Vice President | Paul Yang | | | | |
| | Assistant Vice President | Wilson Ting | | | | |
| | Assistant Vice President | Paul Hwang | | | | |
| | Assistant Vice President | Sheng-Hsin Yu | | | | |
| | Assistant Vice President | Griffin Huang | | | | |
| Managers | Assistant Vice President | Beatrice Tsai | 0 | Total amount 3,496 | Total amount 3,496 | 0.05 |
| | Assistant Vice President | Paul Hsu | | | | |
| | Assistant Vice President | Mandy Ko | | | | |
| | Assistant Vice President | Athena Pao | | | | |
| | Assistant Vice President | Simon Chen | | | | |
| | Assistant Vice President | Yi-Ming Chiu | | | | |
| | Assistant Vice President | Shin-Tsyr Wang | | | | |
| | Assistant Vice President | Yung-Chang Chen | | | | |
| | Assistant Vice President | Amy Chiang | | | | |
| | Principal Specialist | Max Liu | | | | |
| | Principal Specialist | Shirley Lai | | | | |
| | Engineering Director | Marion Chi | | | | |
| | Former Assistant Vice President | Tom Tsai | | | | |
| | Former Assistant Vice President | Jason Chen | | | | |
| | Former Assistant Vice President | Edward Chen | | | | |

Note: The aforementioned employee compensation amounts for 2025 are estimated figures.

(2) The Ratio of Total-Remuneration-to-Net-Income for Remuneration Paid to Corporation Directors, President, and Vice Presidents for the Most Recent Two Fiscal Years, Remuneration Policy, Standards, Combinations, Manner of Determining Remuneration, and Relationship between Operational Performance and Future Risks

1) The ratio of total-remuneration-to-net-income for remuneration paid to directors and managers ranked above vice presidents for the most recent two years:

Unit: NT\$ thousands

| Item | 2024 | 2025 |
|---|--------|--------|
| Total remuneration paid to directors | 62,650 | 60,253 |
| Ratio of total remuneration paid to directors (Note 1) | 0.97% | 0.92% |
| Total remuneration paid to managers ranked above vice president (Note 2) | 70,335 | 61,424 |
| Ratio of total remuneration paid to managers ranked above vice president (Note 1) | 1.09% | 0.93% |

Note 1: Figures for 2024 were calculated based on after-tax profits of NT\$ 6,451,428 thousand, and figures for 2025 were calculated based on after-tax profits of NT\$ 6,580,187 thousand.

Note 2: Remuneration for managers ranked above vice presidents includes total remuneration for the president, senior vice presidents, and vice presidents.

2) Remuneration policies, standards, and packages

According to Article 27-1 of the Articles of Incorporation, remuneration for individual board directors should be determined by the Board based on the level of participation, value contributed, and remuneration levels of similar companies. Additionally, if the Corporation is profitable in a given year, it shall allocate not more than 1% of the net profit as profit-sharing compensation to Directors according to Article 35-1 of the Articles of Incorporation. Independent directors receive fixed monthly compensation as determined by the Board and are not entitled to profit sharing.

The Corporation's employee remuneration levels are set according to individual work experience, positions and job duties, work skills and work performance, and the Corporation's financial and operational status, and have a positive correlation with operational performance. Additionally, according to Article 35-1 of the Articles of Incorporation, if the Corporation is profitable in a given year, it shall allocate not less than 1% of the net profit as profit-sharing compensation to employees, and no less than 35% of said employee compensation shall be allocated to non-executive employees. Remuneration levels for Corporation managers are determined by the Board based on individual performance, contribution to Corporation operations, relevant regulations, and market standards. The Corporation's "Salary Payment Regulation" stipulates salary allowances and bonuses to reward employees for their contribution and hard work. Bonus levels are based on the Corporation's annual business performance, financial status, operating conditions, and individual work performance.

Remuneration as defined by the Charter of Remuneration Committee includes cash remuneration, stock options, dividends, retirement or redundancy benefits, allowances, and other substantial incentives; the scope of remuneration is consistent with that set out for director and manager remuneration in our publicly issued annual report.

3) Procedures for determining remuneration

For regular evaluation of director and managerial officer remuneration, the performance evaluations of Corporation directors and managers refer to our "Regulation of Self-Evaluation of Board of Directors" and our "Performance Appraisal Regulation" (applicable to managers and employees). Evaluation items for director performance include: understanding of corporate goals and tasks, recognition of director responsibilities, participation in corporate operations, internal relations engagement and communication, director knowledge and continued training, and internal controls. Evaluation items for annual performance of managers and employees adhere to performance indicators for their main work duties, and include evaluations of management capabilities and core capabilities. Manager assessment items include: the knowledge, techniques and behavioral items required for managers; planning and organizational capabilities; mentoring abilities; customer-oriented improvement capabilities; continuous improvement capabilities; performance improvement capabilities; and safety awareness. Employee assessment items include: the knowledge, techniques and behavioral items required by employees; problem analysis and resolution capabilities; work management capabilities; proactive

capabilities; adaptive capabilities; and capability to pursue excellence. Additionally, the remuneration of the Corporation's Chairman and President is determined using the "Reference Table of Remuneration Standards for Heads of Public Institutes under the Ministry of Transportation and Communications" and operational performance indicators, 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, customer satisfaction, and corporate governance evaluations. Performance assessment items for the President encompass achievement of various performance indicators related to main job responsibilities, including 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. Relevant performance evaluations and rationality of compensation are reviewed by the Remuneration Committee and the Board of Directors each year, 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. 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.

Performance self-evaluations of the Board, Board members, and functional committee members for 2025 all significantly exceeded standards. Manager performance evaluations for 2025 showed that all managers reached or exceeded predetermined target requirements, and the Corporation received excellent ratings on evaluations relating to annual operating targets. Remuneration for directors and managers fully considered their professional capabilities, as well as the Corporation's operational and financial conditions, overall corporate operational performance, management of individual performance goals, and evaluation results.

4) Links to operating performance and future risk exposure

Assessments of remuneration standards and systems consider the Corporation's overall operational status, individual performance achievement rates, and contribution levels to enhance overall organizational efficiency of the Board and managerial departments. Additionally, we reference industrial remuneration standards to ensure that the remuneration of managers is competitive within the industry and can help to retain talent.

Establishing linkages between remuneration levels and the Corporation's operational results and managerial performance have had positive effects on the Corporation's overall performance and are helping to maximize shareholder interests.

Manager performance indicators are linked with "risk controls" to ensure that all risks associated with manager duties can be managed and prevented. Evaluation results are based on actual performance and linked to related remuneration policies. Important management decisions at the Corporation are made after considering various risk factors, and the results of relevant decisions are reflected through profitability indicators, thereby achieving our aim of linking management remuneration with risk control performance.

5) Disclosure of policies linking remuneration for senior managers with ESG-related performance evaluations:

To realize THSRC's sustainable development vision, fulfill corporate social responsibilities, and respond to stakeholder expectations, we have formulated sustainable development policies and listed "ESG and Sustainable Development Performance Indicators" as a performance appraisal item for senior executives. THSRC's "Regulations Governing Performance Management" stipulate that annual performance appraisal results for senior executives should serve as an important reference for job rotations, promotions, salary adjustments, and bonus distributions. This mechanism directly links ESG-related performance with remuneration and motivates active promotion of ESG-related policies and actions by senior executives, thereby implementing and achieving our sustainable development goals.

THSRC has established a "Sustainable Development Promotion Committee" which is chaired by our President. The Committee is responsible for supervising overall sustainable development promotions at THSRC, and senior executives adhere to sustainable development policies when overseeing the business and action plans carried out by the units under their supervision. In 2025, the performance goals set for senior executives assigned a 25% weight to "Sustainable Development Performance Indicators" for the President, and weights of 5-17% to "Sustainable Development Performance Indicators" for other senior executives based on their positions and scopes of business.

| Target | ESG Sustainable Development Performance Indicators | Weight | Description |
|-------------------|--|--------|--|
| President | Environmental sustainability | 6% | Establish THSRC's overarching sustainable development strategy and supervise promotion of sustainable development policies. For more details on business plans, please refer to the "senior executives" section below. |
| | Service sustainability | 7% | |
| | Employee care and social inclusion | 6% | |
| | Corporate governance and ethical management | 6% | |
| Senior executives | Environmental sustainability | 2%~12% | Promote environmental sustainability action plans to fulfill social responsibilities, including: 1. Implementing replacements and upgrades for energy-consuming site facilities. 2. Implementing energy and carbon reduction plans. 3. Implementing adaptation plans in response to climate change impacts. 4. Implementing plans associated with greenhouse gases, carbon footprints, water footprints, and renewable energy. 5. Promoting low-carbon tourism projects. 6. Promoting sustainability and recycling activities. |
| | Service sustainability | 2%~8% | Promote service sustainability action plans for continued enhancement of travel quality and customer satisfaction, including: 1. Promoting digital optimization and transformation to provide safe, high-quality, and innovative travel services. 2. Optimizing tangible and intangible facilities associated with travel services. |
| | Employee care and social inclusion | 4%~10% | Promote employee care and social inclusion action plans to build a friendly workplace, improve social inclusion, and exert THSRC's positive influence, including: 1. Promoting friendly workplace projects. 2. Hosting courses and implementing professional personnel training plans associated with eradication of human rights violations. 3. Promoting local manufacturing of retail goods. 4. Promoting senior-themed tourism projects. |
| | Corporate governance and ethical management | 1%~9% | Promote corporate governance and ethical management policies and mechanisms to maximize stakeholder value, including: 1. Implementing investor relations enhancement plans. 2. Meeting corporate governance evaluation indicators, passing external evaluations, and obtaining verifications. 3. Implementing legal compliance plans. 4. Establishing corporate information security defense frameworks. 5. Hosting education and training courses associated with ethical management. |

4. Human Resources

(1) Human Resources Structure: An Overview of Employee Numbers, Seniority, Age, and Education Qualifications for the Past Two Years and up to the Publication Date of the Annual Report

| Year | | 2024 (2024/12/31) | 2025 (2025/12/31) | 2026 (As of 2026/03/31) |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------------|
| Employee Numbers | General Staff | 4,764 | 4,935 | 4,950 |
| | Domestic Contractors | 109 | 118 | 116 |
| | Expats | 1 | 0 | 0 |
| | Total | 4,874 | 5,053 | 5,066 |
| Average Age | | 40.8 | 41.1 | 41.7 |
| Average Seniority | | 12.1 | 12.4 | 12.6 |
| Education Distribution Ratios (%) | Doctorate | 0.3 | 0.2 | 0.2 |
| | Master | 12.9 | 13.1 | 13.2 |
| | Undergraduate | 80.3 | 79.8 | 79.8 |
| | High School | 6.3 | 6.7 | 6.6 |
| Below High School | | 0.2 | 0.2 | 0.2 |

Note: As our interns had not yet received their undergraduate degrees, they were included in the figures for high school graduates.

(2) Employee Benefits and Rights

1) Employee benefits

Friendly environment and establishing win-win solutions

Apart from employee labor and health insurance, vacation days, retirement, injury compensation, health checks, and other benefits stipulated by law, we believe that only happy employees can provide quality passenger services, and therefore we are committed to establishing a friendly work environment with competitive salaries and benefits. Employees can also apply for leave without pay to take care of their personal and family needs relating to childcare, major injuries, or personal calamities.

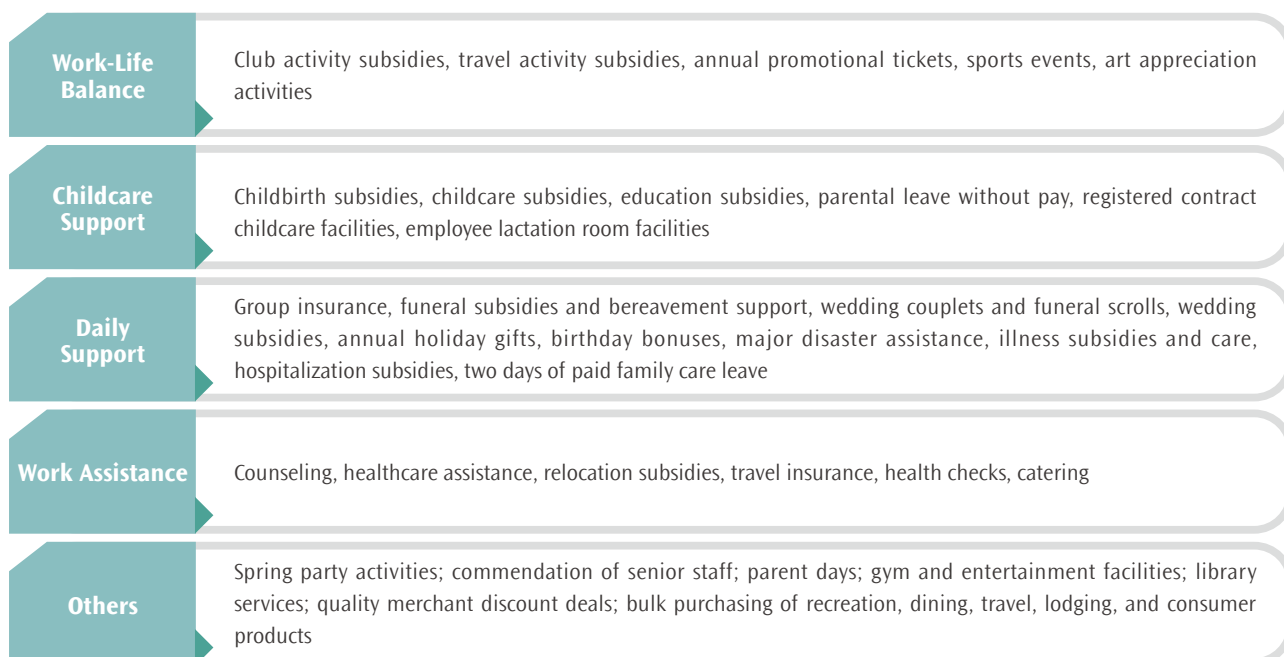
THSRC strives to build diverse and inclusive workplace environments, and actively promotes gender equality. We ensure our employees can navigate pregnancy, childbirth, and childcare with peace of mind through various welfare policies and friendly measures. In 2025, we launched the "THSRC Childcare Program" and initiated pregnancy, childcare, and education subsidy policies. After employees or their spouses give birth, they can apply for a NT\$ 100,000 maternity subsidy for each child. Employees with children under 18 years of age receive childcare and education subsidies ranging from NT\$ 6,000-12,000 per person per year. Apart from providing various subsidies, two days of paid family care leave, and other welfare policies that exceed regulatory requirements to attract and retain talent, THSRC has also signed contracts with multiple childcare institutes across Taiwan to provide employees with convenient childcare resources at special rates.

We attach great importance to the work-life balance of our colleagues and encourage them to participate in sports activities beneficial to their physical and mental health during their free time. We continued to organize online summer marathon events as well as softball, table tennis, badminton, basketball, and family soccer activities. Our colleagues enthusiastically enrolled in and enjoyed these activities to build exercise habits, relieve stress from work, strengthen their immune systems, and better their health.

In 2025, the employee welfare committee operated a total of 50 diverse clubs, including walking, softball, and table tennis clubs. Exercise-type clubs made up 90% of all clubs. Our corporate sports certification mark issued by the Sports Department of the Ministry of Education in 2023 continued to be valid in 2025, and we strive to create an environment where everyone can participate in exercise activities at any time.

Additionally, we provide dorms, shuttle buses, and exercise equipment at specific locations, and also provide registered childcare facilities, special business promotions, uniform cleaning services, and catering services which include dinner and breakfast for night workers.

THSRC Employee Benefits and Work Support Items



Note: The benefits mentioned above include benefits and facilities provided by both the Corporation and the employee welfare committee.

2) Education, training, and retirement systems:

A. Education and training:

- (a) To develop, cultivate, and evaluate talent, we have optimized management competency, core competency, and professional competency training items for all technical and service employees of all levels and all departments.
- (b) Safety, service, and quality are core competencies for all employees. Through routine promotion and implementation of safe driving procedures and physical & mental health, the Corporation has built a corporate culture which believes that "a focus on personal safety is the best safeguard of passenger safety and peace of mind."
- (c) We planned training programs for management and maintenance of regulated professional certifications and licenses to achieve various functional and strategic operational goals, and to meet various job requirements.
- (d) We established mobile learning services to enhance employee learning motivations and effectiveness, allowing employees to complete training through personal mobile devices, thereby shortening training schedules while strengthening timeliness and convenience of personnel training.

B. Implementation of retirement plan system:

To provide stable lifestyles for employees after retirement, the Corporation set retirement procedures in accordance with law and established a Pension Reserves Supervisory Committee which convenes every quarter to discuss distribution of pensions and other matters in accordance with law.

The Corporation has established a retirement benefits plan according to the Labor Standards Act and the Labor Pension Act:

- (a) Defined benefit plan: Includes pension plans under the Labor Standards Act and the Labor Pension Act, as well as prior pension plans where tenure of services rendered was retained. The Corporation places 2% of employee monthly salaries into pension funds, and these are turned over to the Pension Reserves Supervisory Committee and deposited in a special savings account at the Bank of Taiwan in the Committee's name. Qualified actuaries review pension reserves every year to protect the pensions and rights of our employees.
- (b) Defined contribution plan: Includes pension plans under the Labor Pension Act. The Corporation places 6% of employee monthly salaries in individual labor insurance accounts to serve as pension reserves.

(c) Pension contribution table:

| Pension Plan | Defined benefit plan | Defined contribution plan |
|-----------------------|---|--|
| Applicable Law | Labor Standards Act | Labor Pension Act |
| Pension Contributions | We contribute 2% of employee salaries into pension funds each month | We contribute 6% of employee salaries into pension funds each month |
| | We contributed a total of NT\$ 17,812 thousand to pension funds in 2025 | We contributed a total of NT\$ 247,339 thousand to pension funds in 2025 |

Retirement conditions:

- (a) Voluntary retirement: An employee may apply for voluntary retirement if they fulfill any of the following conditions:
 - I. Has reached the age of fifty-five and has worked for fifteen years.
 - II. Has worked for more than twenty-five years.
 - III. Has reached the age of sixty and has worked for ten years.
- (b) Forced retirement:
 - I. Has reached the age of sixty-five.
 - II. Is unable to perform his/her duties due to disability.

(c) Pension payments and standards:

- I. Defined benefit plan: Employers shall pay employee pensions within 30 days from the day of retirement. According to Article 55 of the Labor Standards Act, pensions are calculated according to bases of tenure of services rendered and the six-month average salary amount following approval of retirement application. Two bases are given for each full year of service rendered, except for the remainder of years over 15 years, where one base is given for each full year of service rendered. The total number of bases shall be no more than 45. An additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disabilities incurred from the execution of their duties.
- II. Defined contribution plan: According to the Labor Pension Act and relevant regulations, employees under the new pension system can collect pensions from their pension reserve accounts directly from the Bureau of Labor Insurance.

C. Employee Satisfaction and Opinion Surveys:

(a) Relevant implementations

THSRC emphasizes employee work-life balance and believes that a good work, learning, and living environment drives employee growth. We therefore conduct annual satisfaction surveys on the three aspects of catering, training, and activities (which encompassed four categories: health, sport, spring banquet, and charity). These surveys promote internal communication and dialogue within the organization, provide an opportunity for us to listen to employee voices, and serve as a basis for improving all benefits and activities. Please see the following table for further details:

| Aspect | Category | Survey Focus | Survey Administration Unit | Survey Frequency | Survey Period in 2025 | Survey Target | Coverage | Survey Items | Satisfaction Scores |
|----------|----------|---|--|------------------|------------------------------|--|-------------------|---|---|
| Catering | | Catering satisfaction surveys for THSRC Headquarters, Taoyuan OMC Building, and maintenance depots | Human Resources and Administration Division, Maintenance Management Division | Annually | July to November in 2025 | Employees who have eaten catered food | 54% (1,297/2,383) | Food amounts, taste and variety; dining area cleanliness and hygiene; staff service | 51.5% were very satisfied + satisfied |
| Training | | Satisfaction surveys encompassing training for three main competencies: core competencies, professional competencies, management competencies | Human Resources and Administration Division | Monthly | January to September in 2025 | Employees who participated in training courses | 76% (4,910/6,460) | Instructors, courses, equipment, venues, overall satisfaction | 4.7 (Scored on a scale from 1 to 5, with 5 being the highest score) |

| Aspect | Category | Survey Focus | Survey Administration Unit | Survey Frequency | Survey Period in 2025 | Survey Target | Coverage | Survey Items | Satisfaction Scores |
|------------|----------------|--|-------------------------------------|---------------------|----------------------------|---|-------------------|---|---|
| Activities | Health | Satisfaction survey encompassing maternal health protection and healthy lifestyle camp | Occupational Safety & Health Office | After each activity | January to October in 2025 | Employees who participated in relevant activities | 85% (270/319) | Overall suggestions regarding curriculum, health information, and educational value | Proportion of respondents who were very satisfied + satisfied 1. Maternal Protection in the Workplace: 100% 2. Healthy lifestyle camp: 100% |
| | Sport | Satisfaction survey on sport competitions (basketball, badminton, mini soccer) | Public Affairs Division | After each activity | March to September in 2025 | Employees who participated in relevant activities | 44% (117/266) | Venues, activity procedures, willingness to recommend said activity to colleagues, and willingness participate in said activity again | Proportion of respondents who were very satisfied + satisfied 1. Tsport basketball: 95% 2. Tsport badminton: 79% 3. Tsport mini soccer: 100% |
| | Spring banquet | Satisfaction survey on THSRC spring banquet | Public Affairs Division | Annually | March to April in 2025 | Employees who attended the spring banquet | 31% (1,496/4,789) | Spring banquet procedures, lottery prizes, and food | 90% were very satisfied + satisfied |
| | Charity | Satisfaction survey encompassing beach clean-up and farmer-for-a-day activities | Employee Welfare Committee | After each activity | April to November in 2025 | Employees who participated in relevant activities | 96% (120/125) | Activity procedures and event organization, introduction to marine waste and ocean hazards, feedback on the activities, and expectations for future Employee Welfare Committee activities | Proportion of respondents who were very satisfied + satisfied 1. Beach clean-up: 98% 2. Farmer-for-a-day: 100% |

(b) Improvement plans:

All survey administration units used survey results as a basis for formulating improvement plans to promote and optimize related measures and activities. Improvement goals and achievements were as follows:

I. Catering

Advance provision of information: Employee food preferences and past satisfaction survey results were provided to catering companies, and employees were invited to participate in menu planning based around seasonal ingredients.

Timely handling of feedback: Employee suggestions were reported to catering companies in a timely manner, and the number of menu options was increased (for example, a reduced rice option was added to vegetarian meals to reduce waste).

II. Training and activities

Detailed advance planning: Courses were planned around attendee needs and learning focuses to ensure our employees have clear expectations and learning goals, strengthening their learning motivations.

Post-activity reviews: In order to improve our activities, we adjusted activity processes and updated health information to help employees maintain physical and mental health, and also to improve employee vitality in the workplace.

(3) Labor-Management Relations

1) Labor-management negotiations:

A. In order to enhance labor relations, the Corporation management conducts monthly discussions with labor unions and works with various departments to handle and respond to issues.

B. The Corporation officially signed labor-management agreements with the THSRC Labor Union, and both parties participated in group negotiations before the agreements expired.

C. The THSRC Labor Union regularly organizes labor education activities for union members, and THSRC offers one day of official leave and commuting support on the HSR for union members participating in these activities. Each individual is provided with a maximum of ten half-price ticket vouchers for each event to support their participation in these labor education activities, and each labor union member can participate in up to 2 labor education activities every three years.

2) Legal compliance:

A. Convening of labor-management conferences:

Our first labor-management conference was held on December 24, 2003, and our first labor-management conference at headquarters was held on July 1, 2016, after which labor-management conferences were held quarterly and changes in labor representatives were reported to relevant authorities according to law.

B. Establishment of grievance appeals system:

We established and implemented our "Grievance Handling Procedures" on December 13, 2005 and revised these procedures on September 3, 2024 in order to effectively implement policies and maintain harmonious employee relations.

C. Sexual harassment prevention and appeals system:

We established and implemented our "Sexual Harassment Prevention and Handling Regulations" on May 14, 2015 in accordance with the Act of Gender Equality in Employment and Regulations for Establishing Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace. Revisions were made to our "Sexual Harassment Prevention and Handling Regulations" on April 29, 2022. Following approval of drafted amendments to the three sexual equality laws by the Executive Yuan on July 13, 2023, we released an updated version of our "Sexual Harassment Prevention and Handling Regulations" on March 8, 2024 to ensure physical and mental safety of all employees in the workplace, strengthen prevention of sexual harassment incidents, and disseminate related information. We promote relevant information through training programs for new employees and our e-learning platform, and also display the appeals hotline and fax number on our external websites, stations, and workplaces to effectively prevent external and internal incidences of sexual harassment.

D. Promotion of work equality:

Starting from June 2005, the Corporation began establishing lactation rooms for passengers and staff to encourage and support breastfeeding policies.

E. Healthcare management:

Infirmaries and employee healthcare personnel have been established at headquarters, the OMC building, and all maintenance bases in accordance with the "Labor Health Protection Regulations" to manage and enhance employee health. Additionally, health stations of higher quality than stipulated by law have been established at all HSR stations and are equipped with nurses that provide emergency medical assistance to passengers and employees.

F. The Corporation formulated the "Health Management Regulation," "Prevention Program of Human Factors Hazard," "Abnormal Workload Trigger Disease Prevention Plan," "Prevent Plan for Wrongful Physical or Mental Harm During the Execution of Job Duties," "Maternal Health Protection Plan," and "Mental Health Protection Regulation" in accordance with government labor laws to ensure the physical and mental health of employees as well as workplace safety.

3) Losses sustained as a result of labor disputes (including results of labor inspections found to be in violation of provisions in the Labor Standards Act, specifying the disposition date, disposition reference number, provisions of the regulations breached, description of the violation, and the disposition) in the most recent fiscal year and up to publication date of this annual report, disclosure of estimated losses incurred to date or likely to be incurred in the future, and indication of mitigation measures being or to be taken. If the loss cannot be reasonably estimated, make a statement to that effect: None.



3

Corporate Governance

1. Corporate Governance Status

(1) Status of Board Operations

1) The 10th Board of Directors convened 14 times in 2025. Director attendances were as detailed below:

| Title | Name | Actual Attendances | By Proxy | Required Attendances | Actual Attendance Rate (%) | Remarks |
|---|--|--------------------|----------|----------------------|----------------------------|--|
| Chairman | China Aviation Development Foundation Representative: Che Shih | 7 | 0 | 7 | 100 | Took office on 2025/6/13 |
| Director | Ministry of Transportation and Communications Representative: Cheng-Chung Young | 13 | 1 | 14 | 93 | |
| Director | Ministry of Transportation and Communications Representative: Kung-Yeun Jeng | 6 | 0 | 6 | 100 | Took office on 2025/6/23 |
| Former Director | Ministry of Transportation and Communications Representative: Tung-Ling Wu | 4 | 0 | 4 | 100 | Took office on 2025/3/14 Left office on 2025/6/23 |
| Former Director | Ministry of Transportation and Communications Representative: Huan-Tung Tseng | 4 | 0 | 4 | 100 | Left office on 2025/3/14 |
| Director | China Aviation Development Foundation Representative: Yu-Fen Hung | 14 | 0 | 14 | 100 | |
| Director | China Aviation Development Foundation Representative: Wei-Cheng Hsieh | 14 | 0 | 14 | 100 | |
| Former Director | China Aviation Development Foundation Representative: Kung-Yeun Jeng | 7 | 0 | 7 | 100 | Took office on 2025/1/10 Left office on 2025/6/13 |
| Director | China Steel Corporation Representative: Chien-Chih Hwang | 11 | 3 | 14 | 79 | |
| Director | Taiwan Sugar Corporation Representative: Ming-Chang Wu | 14 | 0 | 14 | 100 | |
| Director | Management Committee of National Development Fund, Executive Yuan Representative: Shien-Quey Kao | 12 | 2 | 14 | 86 | |
| Director | TECO Electric & Machinery Co., Ltd. Representative: Mao-Hsiung Huang | 14 | 0 | 14 | 100 | |
| Director | Taipei Fubon Commercial Bank Co., Ltd. Representative: Yi-Ling Wu | 14 | 0 | 14 | 100 | |
| Independent Director | Kenneth Huang-Chuan Chiu | 14 | 0 | 14 | 100 | |
| Independent Director | Duei Tsai | 14 | 0 | 14 | 100 | |
| Independent Director | Ming-Teh Wang | 14 | 0 | 14 | 100 | |
| Independent Director | Pai-Ta Shih | 14 | 0 | 14 | 100 | |
| Independent Director | Yung-Cheng (Rex) Lai | 14 | 0 | 14 | 100 | |
| Average actual director attendance rates of the 10th Board in 2025 (%) (Total actual attendances/Total required attendances) | | 204 | 6 | 210 | 97 | |

Attendances of Independent Directors at Board Meetings of the 10th Board of Directors in 2025: (◎ : Attended in person; ☆ : Proxy attendance; △ : Did not attend)

| Name/Date Session (Term-Sitting) | 2025/1/15 (10-21) | 2025/1/15 (10-22) | 2025/2/19 (10-23) | 2025/3/12 (10-24) | 2025/4/9 (10-25) | 2025/5/7 (10-26) | 2025/6/11 (10-27) | 2025/6/13 (10-28) | 2025/7/9 (10-29) | 2025/8/6 (10-30) | 2025/9/10 (10-31) | 2025/10/15 (10-32) | 2025/11/5 (10-33) | 2025/12/10 (10-34) |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------------|-------------------|--------------------|
| Kenneth Huang-Chuan Chiu | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ |
| Duei Tsai | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ |
| Ming-Teh Wang | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ |
| Pai-Ta Shih | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ |
| Yung-Cheng (Rex) Lai | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ | ◎ |

2) Average actual director attendance rate of the 10th Board in 2025 was 97%.

Other matters required to be recorded:

1. If any of the following circumstances occur during board meetings, the date of said meeting, session number, proposal content, all independent director opinions, and the Corporation's responses to said independent director opinions:

(1) Items listed according to Article 14-3 of the Securities and Exchange Act:

| Date | Session (Term-Sitting) | Agenda Content | Independent Director Comments | The Corporation's Responses to Independent Director Opinions | Resolutions |
|-----------|------------------------|--|-------------------------------|--|--|
| 2025/2/19 | 10-23 | Report on "Severance pay and total bonuses for former Chairman Yao-Chung Chiang" | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/2/19 | 10-23 | Procurement strategy suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal for review and recordation. |
| 2025/2/19 | 10-23 | Suggestions for adjustment and appointment of audit office manager | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/3/12 | 10-24 | Operational performance self-evaluation results for former Chairman Yao-Chung Chiang in 2024 | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 | 10-24 | Suggestions on remuneration payments to Chairman Kung-Yeun Jeng | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/3/12 | 10-24 | Contract award suggestions for HSR meal boxes from 2025 to 2026 | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/4/9 | 10-25 | Reinvestment in Taiwan Smart Electricity & Energy Co., Ltd. | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Date | Session (Term-Sitting) | Agenda Content | Independent Director Comments | The Corporation's Responses to Independent Director Opinions | Resolutions |
|-----------|------------------------|---|--------------------------------------|--|--|
| 2025/5/7 | 10-26 | Extension of quota for derivative assets that expired during the second half of 2025 | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/5/7 | 10-26 | Extension of letters of credit that expired during the second half of 2025 | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors. |
| 2025/5/7 | 10-26 | Suggestions for second amendments to contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot and construction supervision and consulting services | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors to ensure that the second inspection and repair plant could be completed on schedule and according to quality requirements. |
| 2025/5/7 | 10-26 | Suggestions on bonus payments to former Chairman Yao-Chung Chiang | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, it was decided that operational incentives, year-end bonuses, performance bonuses, and executive incentives for 2025 should be discussed separately, and the remainder of the proposal was approved after discussion by attending directors. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/6/11 | 10-27 | Chairman and president salary adjustments | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/6/13 | 10-28 | The former Corporation Chairman was discharged ipso facto due to change of institutional director representative, necessitating election of a new chairman in accordance with law | Approved. | Approved by the Board. | All attending directors unanimously elected Director Che Shih as the new Chairman of the Corporation. |
| 2025/6/13 | 10-28 | Chairman Kung-Yeun Jeng steps down from concurrent position as President | Approved for review and recordation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/7/9 | 10-29 | Contract award suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 | Approved. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/7/9 | 10-29 | Procurement strategy suggestions for Yanchao Main Workshop NGRS maintenance equipment and setup adjustment project | Approved. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/7/9 | 10-29 | Suggestions on remuneration payments to Chairman Che Shih | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, following discussion by attending directors, it was agreed that the proposal should be handled in accordance with the Remuneration Committee's preliminary conclusions, and the remainder of the proposal was approved. |

| Date | Session (Term-Sitting) | Agenda Content | Independent Director Comments | The Corporation's Responses to Independent Director Opinions | Resolutions |
|------------|------------------------|---|-------------------------------|--|--|
| 2025/7/9 | 10-29 | Suggestions on severance pay and severance package for former Chairman Kung-Yeun Jeng | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/8/6 | 10-30 | Amendments to the Corporation's "Internal Control System" and "Regulations Governing Self-Evaluations of Internal Control System" | Approved. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/8/6 | 10-30 | Procurement strategy suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, and to foster competition between vendors when promoting localization to increase supply sources. |
| 2025/9/10 | 10-31 | Contract award suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors. |
| 2025/10/15 | 10-32 | Contract award suggestions for director and officer liability insurance | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposal was approved after discussion by attending directors. |
| 2025/11/5 | 10-33 | Extension of quota for derivative assets that expired during the first half of 2026 | Approved. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/11/5 | 10-33 | Extension of letters of credit that expired during the first half of 2026 | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/11/5 | 10-33 | Contract award suggestions for CPA services contract from 2026 to 2028 | Approved. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 | 10-34 | Renewal of operating insurance for 2026 | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/12/10 | 10-34 | Amendments to "Procedures for the Acquisition or Disposal of Assets" | Approved. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 | 10-34 | Contract award suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the proposing unit provided additional explanation on final price reductions and discussed these with attending directors. The contract award amount for this proposal was revised to NT\$ 6,729,999,999, and the remainder of the proposal was approved. |
| 2025/12/10 | 10-34 | Contract award suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | Approved. | Approved by the Board. | Apart from directors who recused themselves from participating in discussions and voting according to legal requirements, the remaining attending directors approved the proposal. |
| 2025/12/10 | 10-34 | Procurement strategies for new BI/BG ground equipment subcontract agreement (clauses related to Mitsubishi Heavy Industries and Nabtesco) | Approved. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

(2) Other instances where an independent director expressed objections or reservations on record or through written opinions regarding board meeting proposals, apart from the aforementioned matters: None.

2. Implementation of director recusals on proposals due to conflicts of interest, including director names, proposal content, reasons for recusal, and participation in voting procedures:

| Date | Session (Term-Sitting) | Agenda Content | Names of Directors with Potential Conflicts of Interest | Reasons for Recusal and Participation in Voting Procedures | Resolutions |
|-----------|------------------------|---|--|--|--|
| 2025/2/19 | 10-23 | Procurement strategy suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | Director Chien-Chih Hwang | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Chien-Chih Hwang absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 | 10-24 | Suggestions on president performance evaluation results for 2024 | Chairman Kung-Yeun Jeng | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Chairman Kung-Yeun Jeng appointed an acting chair, absented from the proceedings, and was recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, president performance evaluations for 2024 were adjusted, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 | 10-24 | Suggestions on remuneration payments to Chairman Kung-Yeun Jeng | Chairman Kung-Yeun Jeng | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Chairman Kung-Yeun Jeng appointed an acting chair, absented from the proceedings, and was recused during the discussion and voting procedures for this proposal. | The proposal was approved after the acting chair confirmed there were no objections from all attending directors. |
| 2025/3/12 | 10-24 | Procurement strategy suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 | Directors Shien-Quey Kao and Yi-Ling Wu | This proposal involved transactions with related parties as well as director conflicts of interest, necessitating recusal of voting rights. Directors Yi-Ling Wu and Shien-Quey Kao absented from the proceedings and were recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to set the upper limit of credit card acquiring fees in accordance with the suggestions provided by attending directors. |
| 2025/3/12 | 10-24 | Contract award suggestions for HSR meal boxes from 2025 to 2026 | Chairman Kung-Yeun Jeng and directors Yu-Fen Hung, Wei-Cheng Hsieh, Cheng-Chung Young, Huan-Tung Tseng, and Shien-Quey Kao | This proposal involved transactions with related parties as well as director conflicts of interest, necessitating recusal of voting rights. Chairman Kung-Yeun Jeng and directors Yu-Fen Hung, Wei-Cheng Hsieh, Cheng-Chung Young, Huan-Tung Tseng, and Shien-Quey Kao absented from the proceedings and were recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and attending directors recommended that the proposing unit draw inspiration from the diverse menu options seen in Japan Railways (JR) bentos and incorporate seasonal and local ingredients from Taiwan when planning bento menu options in future. Additionally, the managerial departments were requested to consider whether the HSR bento business should be considered a purely passenger service or a profit-making business. |
| 2025/4/9 | 10-25 | Reinvestment in Taiwan Smart Electricity & Energy Co., Ltd. | Directors Chien-Chih Hwang, Mao-Hsiung Huang, Cheng-Chung Young, and Tung-Ling Wu | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Directors Chien-Chih Hwang, Mao-Hsiung Huang, Cheng-Chung Young, and Tung-Ling Wu absented from the proceedings and were recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Date | Session (Term-Sitting) | Agenda Content | Names of Directors with Potential Conflicts of Interest | Reasons for Recusal and Participation in Voting Procedures | Resolutions |
|-----------|------------------------|---|--|--|---|
| 2025/5/7 | 10-26 | Extension of quota for derivative assets that expired during the second half of 2025 | Director Shien-Quey Kao | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Shien-Quey Kao absented from the proceedings and was recused during the during the reading and review procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/5/7 | 10-26 | Extension of letters of credit that expired during the second half of 2025 | Director Shien-Quey Kao | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Shien-Quey Kao absented from the proceedings and was recused during the during the reading and review procedures for this proposal. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/5/7 | 10-26 | Suggestions for second amendments to contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot and construction supervision and consulting services | Directors Yu-Fen Hung, Tung-Ling Wu, and Cheng-Chung Young | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Additionally, Director Yu-Fen Hung is a supervisor at CECI Engineering Consultants, Inc. Taiwan. Given that directors and supervisors are considered responsible persons for a company, and to align with best corporate governance practices in avoiding conflicts of interest, directors Tung-Ling Wu, Cheng-Chung Young, and Yu-Fen Hung absented from the proceedings and were recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the supplementary fees for the contract were reduced. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, and was asked to ensure that the second rolling stock inspection and repair plant be completed on schedule and according to quality requirements. |
| 2025/6/11 | 10-27 | Chairman and president salary adjustments | Chairman Kung-Yeun Jeng | Chairman Kung-Yeun Jeng absented from the proceedings and was recused during the during the reading and review procedures for this proposal. The Chairman appointed an acting chair. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/7/9 | 10-29 | Suggestions on severance pay and severance package for former Chairman Kung-Yeun Jeng | Director Kung-Yeun Jeng | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Kung-Yeun Jeng absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/8/6 | 10-30 | Procurement strategy suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | Director Chien-Chih Hwang | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Chien-Chih Hwang absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, and to foster competition between vendors when promoting localization to increase supply sources. |
| 2025/9/10 | 10-31 | Contract award suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | Director Chien-Chih Hwang | This proposal involved transactions with related parties and director conflicts of interest, necessitating recusal of voting rights. Director Chien-Chih Hwang absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Date | Session (Term-Sitting) | Agenda Content | Names of Directors with Potential Conflicts of Interest | Reasons for Recusal and Participation in Voting Procedures | Resolutions |
|------------|------------------------|--|---|---|--|
| 2025/10/15 | 10-32 | Contract award suggestions for director and officer liability insurance | Director Yi-Ling Wu | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Yi-Ling Wu absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/11/5 | 10-33 | Extension of letters of credit that expired during the first half of 2026 | Director Shien-Quey Kao | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Director Shien-Quey Kao absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/12/10 | 10-34 | Contract award suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | Director Chien-Chih Hwang | This proposal involved transactions with related parties and director conflicts of interest, necessitating recusal of voting rights. Director Chien-Chih Hwang absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 | 10-34 | Contract award suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot | Director Chien-Chih Hwang | This proposal involved transactions with related parties and director conflicts of interest, necessitating recusal of voting rights. Director Chien-Chih Hwang absented from the proceedings and was recused during the discussion and voting procedures for this proposal. | The proposing unit provided additional explanation on final price reductions and discussed these with attending directors. The contract award amount for this proposal was revised to NT\$6,729,999,999, and the remainder of the proposal was approved. |
| 2025/12/10 | 10-34 | Renewal of operating insurance for 2026 | Directors Shien-Quey Kao and Yi-Ling Wu | This proposal involved director conflicts of interest, necessitating recusal of voting rights. Directors Yi-Ling Wu and Shien-Quey Kao absented from the proceedings and were recused during the reading and voting procedures for this proposal. | The proposal was approved following discussion by attending directors. |

3. Disclosures of exchange-listed or OTC-listed company self-evaluations (or peer evaluations) of the Board, including information on evaluation cycle and duration, scope of evaluation, method of evaluation, and content of evaluation, as well as implementation status of Board evaluations:

Implementations of Board Evaluations

Implemented in accordance with the "Regulation of Self-Evaluation of the Board of Directors" approved by the 27th meeting of the 7th Board held on March 21, 2017, and the amendments approved by the 18th meeting of the 9th Board on September 15, 2021. For more information regarding results of external evaluations on Board performance, please refer to (6) Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" in this chapter. The information has also been disclosed on our corporate website.

| Evaluation Cycle | Evaluation Duration | Scope of Evaluation | Method of Evaluation | Evaluation Content |
|--|--------------------------------------|---|---|--|
| Internal Board performance evaluations: Implemented once every year. | January 1, 2025 to December 31, 2025 | Includes performance evaluations of the Board, individual directors, and functional committees. | Internal self-evaluations were conducted on the Board, Board directors, and members of functional committees. | Assessment items for Board performance evaluations included 25 indicators across five main aspects: participation in corporate operations, enhancement of Board decision-making quality, Board composition and structure, director elections and continued training, and internal control. Assessment items for Board director performance evaluations included 25 indicators across six main aspects: understanding of corporate goals and tasks, recognition of director responsibilities, participation in corporate operations, internal relations and communication, director knowledge and continued training, and internal control. Assessment items for functional committee member performance evaluations included 25 indicators across five main aspects: participation in corporate operations, recognition of functional committee responsibilities, enhancement of functional committee decision-making quality, composition of functional committees and election of committee members, and internal control. |

4. Strengthening of functional goals (for example establishment of audit committee and enhancement of information transparency) for the Board for this year and in the most recent year, and assessment of implementation:

- (1) In consideration of appropriate Board scale, representation of shareholder interests, business nature of BOT projects, and corporate development, as well as implementation of Board diversification policies, shareholder structure, and meeting efficiency, the number of directors serving on the 10th Board were elected at the shareholders general meeting held on May 25, 2023. There are 15 directors on the Board; the number of independent directors were increased to 5 from the original 4, and the remaining 10 directors were non-independent directors. Functional committees such as the Sustainable Development & Nominating Committee, Audit Committee, Remuneration Committee, and Special Committee were established under the 10th Board. The Audit Committee, Remuneration Committee, and Sustainable Development & Nominating Committee are all convened by independent directors, while more than half of the members in the Sustainable Development & Nominating Committee are independent directors. The composition of these committees, their duties, and implementation statuses are disclosed in this Annual Report and on the Corporation website. All functional committees have a duty of pre-assessment and help to enhance meeting efficiency and quality. Independent directors exercise their independence and professionalism by sharing their professional opinions during meetings.
- (2) The Corporation has taken out a total of NT\$ 0.9 billion in D&O liability insurance for directors and important managerial officers to reduce legal liability risks and to enhance corporate governance capabilities.
- (3) In order to improve corporate governance systems, formulations of and amendments to a number of corporate governance rules and management regulations made in 2025 (including the Corporation's "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior," "Regulations of Responsibility & Authority," "Internal Control System," "Regulations Governing Self-Evaluations of Internal Control System," "General Rules of Corporate Auditing," and "Public Interest Whistleblower Protection Guidelines") were reviewed by functional committees prior to submission to the Board for approval.
- (4) Our corporate governance information is disclosed on the Market Observation Post System in accordance with relevant regulations, and we have also established ESG, Investor Relations, and Corporate Governance sections on our corporate website to provide detailed and timely disclosures of information that are of concern to our stakeholders. Additionally, we regularly review our "Regulations of Disclosure Information," "Guidelines for Disclosure of Material Information and Major News Submitted to Directors," "Regulation for Posting Information on Market Observation Post System," "Media Management Procedure," and other regulations relating to information disclosures, and make timely adjustments based on the latest laws and regulations and our actual operations.
- (5) Since going public, THSRC has been ranked among the top 5% of publicly listed companies by the TWSE Corporate Governance Evaluations for eight consecutive years (from 2017 to 2024). Additionally, the Corporation was awarded a "Platinum" certification by the Taiwan Corporate Governance Association under the CG6014 (2023) Corporate Governance System Assessment on December 27, 2024, the certification period being from December 27, 2024 to December 26, 2026.

(2) Operational Status of Audit Committee

1) The Corporation's Audit Committee was established on March 18, 2016 to replace our supervisor system, and the committee is composed of the independent directors on our Board of Directors. The number of committee members cannot be fewer than three, and at least one of them has to have professional expertise in accounting or finance. Additionally, following election of Board members by the shareholders general meeting on May 25, 2023, the 10th committee members will serve until May 24, 2026; there are five members on the committee and Independent Director Duei Tsai was elected as convener by all committee members. The committee operates according to the "Charter of the Audit Committee" and convenes at least once every quarter.

2) The main duties of the committee and focuses for 2025 included review and supervision of financial reports, risk management items, and financial proposals, as well as the auditing of financial reports; accounting and internal control systems; transactions of major assets or derivatives; offering and issuance of securities; appointment, dismissal, or compensation of Certified Public Accountants (CPAs); matters involving director conflicts of interest; and appointment, dismissal and performance of financial, accounting, or internal audit directors. (For more information on the professional qualifications and expertise of Audit Committee members, please refer to Chapter 2 of this Annual Report under Professional Expertise, Diversification Policy, and Independence Analysis of the Board of Directors.)

A. Review financial reports: The Corporation's business reports, annual financial reports, and surplus distribution proposals all have to be reviewed by the Audit Committee before submission to the Board for approval and the shareholders general meeting for recognition. The Corporation's financial report for 2025 was submitted to the 10th Board at the 35th Audit Committee Meeting held on February 23, 2026, was approved by the 10th Board at the 36th Board Meeting on February 25, 2026, and will be submitted to the 2026 shareholders general meeting for recognition. Additionally, all quarterly financial reports also have to be discussed and approved by the Audit Committee before submission to the Board.

B. Assess efficiency of internal control system: The self-assessment results for the Corporation's internal control system are completed by all units through cyclical procedures and submitted to the Audit Committee for confirmation of internal control systems, which includes understanding of operational performance, efficiency, and goal attainment rates; reliability, timeliness, transparency, and legal compliance of reporting measures; and efficient implementation to ensure that relevant goals are met. Results of self-assessments for our internal control system in 2025 were submitted to the 10th Board at the 35th Audit Committee Meeting held on February 23, 2026, and were approved by the 10th Board at the 36th Board Meeting on February 25, 2026.

C. Appoint and evaluate CPAs: The Audit Committee periodically assesses the professionalism, independence, and audit fees of CPAs at the end of each year. CPA assessment results for 2025 were approved by the 10th Board at the 35th Audit Committee Meeting held on February 23, 2026 and the 10th Board at the 36th Board Meeting on February 25, 2026, confirming that accountants Chih Fan Yu and Chien Hung Chou of PricewaterhouseCoopers Taiwan both fulfilled assessment standards for independence and competency.

3) The Audit Committee convened 13 times in 2025, and the operational status of the committee was as follows:

| Title | Name | Actual Attendances | By Proxy | Required Attendances | Actual Attendance Rate (%) | Remarks |
|---|--------------------------|--------------------|----------|----------------------|----------------------------|---------|
| Independent Director (Convener) | Duei Tsai | 13 | 0 | 13 | 100 | |
| Independent Director | Kenneth Huang-Chuan Chiu | 13 | 0 | 13 | 100 | |
| Independent Director | Ming-Teh Wang | 13 | 0 | 13 | 100 | |
| Independent Director | Pai-Ta Shih | 13 | 0 | 13 | 100 | |
| Independent Director | Yung-Cheng (Rex) Lai | 13 | 0 | 13 | 100 | |
| Average actual attendances of 10th Audit Committee members in 2025 (%) (Total actual attendances/Total required attendances) | | 65 | 0 | 65 | 100 | |

4) Average 10th Audit Committee member attendance rate was 100% in 2025.

Other matters required to be recorded:

1. If any of the following circumstances occur during Audit Committee meetings, the date of said meeting, session number, proposal content, Audit Committee resolutions, and the Corporation's responses to Audit Committee opinions should be recorded:

(1) Items listed according to Article 14-5 of the Securities and Exchange Act: As detailed in the following table.

| Audit Committee (Term-Sitting) | Agenda Content | Board Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions | Items not approved by the Audit Committee, but approved by more than two-thirds of directors |
|--------------------------------|---|---|---|---|--|--|
| 2025/2/17 (10-23) | 2024 financial report | 2025/2/19 (10-23) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/2/17 (10-23) | 2024 CPA audits | 2025/2/19 (10-23) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/2/17 (10-23) | Self-assessment results of internal control system for 2024 | 2025/2/19 (10-23) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/2/17 (10-23) | Procurement strategy suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | 2025/2/19 (10-23) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/2/17 (10-23) | Suggestions for adjustment and appointment of audit office manager | 2025/2/19 (10-23) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. | None |
| 2025/3/10 (10-24) | Procurement strategy suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 | 2025/3/12 (10-24) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/3/10 (10-24) | Contract award suggestions for HSR meal boxes from 2025 to 2026 | 2025/3/12 (10-24) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/3/10 (10-24) | Request for approval to sign joint venture letter of intent with Taiwan Smart Electricity & Energy Co., Ltd. | 2025/3/12 (10-24) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/5/5 (10-26) | Extension of quota for derivative assets that expired during the second half of 2025 | 2025/5/7 (10-26) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/5/5 (10-26) | Extension of letters of credit that expired during the second half of 2025 | 2025/5/7 (10-26) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/5/5 (10-26) | Suggestions for second amendments to contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot and construction supervision and consulting services | 2025/5/7 (10-26) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/8/4 (10-29) | Financial report for second quarter of 2025 | 2025/8/6 (10-30) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |

| Audit Committee (Term-Sitting) | Agenda Content | Board Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions | Items not approved by the Audit Committee, but approved by more than two-thirds of directors |
|--------------------------------|---|---|---|---|--|--|
| 2025/8/4 (10-29) | Amendments to "Internal Control System" and "Regulations Governing Self-Evaluations of Internal Control System" | 2025/8/6 (10-30) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. | None |
| 2025/9/8 (10-30) | Contract award suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | 2025/9/10 (10-31) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/10/14 (10-31) | Suggestions on fourth amendment to procurement contract for new HSR trainsets | 2025/10/15 (10-32) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/11/3 (10-32) | Extension of quota for derivative assets that expired during the first half of 2026 | 2025/11/5 (10-33) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/11/3 (10-32) | Extension of letters of credit that expired during the first half of 2026 | 2025/11/5 (10-33) | Approved by all attending committee members. | Approved by the Board. | Approved by all attending directors. | None |
| 2025/12/9 (10-33) | Amendments to "Procedures for the Acquisition or Disposal of Assets" | 2025/12/10 (10-34) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. | None |

(2) Operational status of Audit Committee for 2025 (excluding items listed in Article 14-5 of the Securities and Exchange Act) is detailed in the table below:

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|--|---|--|---|--|
| 2025/1/15 (10-22) | November 2024 periodic report on the Corporation's derivative transactions | 2025/1/14 (10-21) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/1/15 (10-22) | Implementation status of Audit Committee in 2024 | 2025/1/14 (10-21) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/2/19 (10-23) | Chief auditor's report on audit procedures during the chairman's temporary absence | 2025/2/7 (10-22) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|--|---|---|---|---|
| 2025/2/19 (10-23) | 2024 Q4 Audit Office project implementation report | 2025/2/17 (10-23) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged. |
| 2025/2/19 (10-23) | Report on stabilization mechanism optimization negotiations | 2025/2/17 (10-23) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/2/19 (10-23) | December 2024 periodic report on the Corporation's derivative transactions | 2025/2/17 (10-23) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/2/19 (10-23) | Report on year-end short-term investments for 2024 | 2025/2/17 (10-23) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/2/19 (10-23) | 2024 budget execution analysis report | 2025/2/17 (10-23) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/2/19 (10-23) | CPA non-audit services plans for 2025 | 2025/2/17 (10-23) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/2/19 (10-23) | 2024 business report | 2025/2/17 (10-23) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/2/19 (10-23) | Report of implementation status of corporate governance | 2025/2/17 (10-23) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/3/12 (10-24) | Report on risk management implementations | 2025/3/10 (10-24) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged. |
| 2025/3/12 (10-24) | 2024 annual safety performance report | 2025/3/10 (10-24) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged. |
| 2025/3/12 (10-24) | January 2025 periodic report on the Corporation's derivative transactions | 2025/3/10 (10-24) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/3/12 (10-24) | Suggestions regarding distributable surpluses for 2024 | 2025/3/10 (10-24) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|--|---|---|---|---|
| 2025/3/12 (10-24) | Suggestions on 2024 Finance Division, Audit Office, and Accounting Department manager performance appraisal results | 2025/3/10 (10-24) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/4/9 (10-25) | February 2025 periodic report on the Corporation's derivative transactions | 2025/4/8 (10-25) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/4/9 (10-25) | Submission of the Corporation's HSR Financial Resolution Plan 2024 implementation status table to the Ministry of Transportation and Communications. | 2025/4/8 (10-25) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/4/9 (10-25) | Reinvestment in Taiwan Smart Electricity & Energy Co., Ltd. | 2025/4/8 (10-25) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/5/7 (10-26) | 2025 Q1 Audit Office project implementation report | 2025/5/5 (10-26) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/5/7 (10-26) | Report on enhancements to auditing procedures | 2025/5/5 (10-26) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged. |
| 2025/5/7 (10-26) | Report on Ministry of Transportation and Communications announcement of assessment results for HSR ticket rate adjustment factors | 2025/5/5 (10-26) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/5/7 (10-26) | Strategy report on requirements for Yanchao Main Workshop NGRS maintenance equipment and setup adjustment project | 2025/5/5 (10-26) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/5/7 (10-26) | March 2025 periodic report on the Corporation's derivative transactions | 2025/5/5 (10-26) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/5/7 (10-26) | Financial report for first quarter of 2025 | 2025/5/5 (10-26) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|--|---|--|---|---|
| 2025/5/7 (10-26) | Equipment donation to industry-academia collaboration schools | 2025/5/5 (10-26) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/6/11 (10-27) | Report on information security governance, management, and implementations in 2025 | 2025/6/9 (10-27) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/6/11 (10-27) | April 2025 periodic report on the Corporation's derivative transactions | 2025/6/9 (10-27) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/6/11 (10-27) | Report on tax regulation compliance review and tax planning for 2025 | 2025/6/9 (10-27) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/6/11 (10-27) | Amendments to the Corporation's "General Rules of Corporate Auditing" | 2025/6/9 (10-27) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/6/11 (10-27) | Renewal of forestry adoption contract for Puxin section in Xiluo, Yunlin under the "Go Green Together" sustainable development program | 2025/6/9 (10-27) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/7/9 (10-29) | May 2025 periodic report on the Corporation's derivative transactions | 2025/7/8 (10-28) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/7/9 (10-29) | Board-authorized change in senior management personnel tasked with reviewing, supervising, and managing derivative transaction risks | 2025/7/8 (10-28) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/7/9 (10-29) | Contract award suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 | 2025/7/8 (10-28) | After the Board Secretariat reported on the resolutions of the Special Committee regarding this proposal, the proposal was discussed by attending committee members, who agreed to abide by the resolutions of the Special Committee. The proposal was submitted to the Board for deliberation and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the upper limit for credit card acquiring fees under this proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/7/9 (10-29) | Procurement strategy suggestions for Yanchao Main Workshop NGRS maintenance equipment and setup adjustment project | 2025/7/8 (10-28) | After the Board Secretariat reported on the resolutions of the Special Committee regarding this proposal, the proposal was discussed by attending committee members, who agreed to abide by the resolutions of the Special Committee. The proposal was submitted to the Board for deliberation and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|--|---|---|---|--|
| 2025/7/9 (10-29) | Revisions to the Corporation's "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior" | 2025/7/8 (10-28) | Following discussion by attending committee members, the proposal was submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Preliminary revisions made to the amended articles by the Audit Committee were approved after the chair confirmed there were no objections from all attending directors. |
| 2025/8/6 (10-30) | 2025 Q2 Audit Office project implementation report | 2025/8/4 (10-29) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged. |
| 2025/8/6 (10-30) | Planning report on private sector participation in construction and operation of Ministry of Transportation and Communications Railway Bureau "HSR extension to Yilan Comprehensive Planning Report" | 2025/8/4 (10-29) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/8/6 (10-30) | June 2025 periodic report on the Corporation's derivative transactions | 2025/8/4 (10-29) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/8/6 (10-30) | Report on short- and medium-term investment performance for the first half of 2025 | 2025/8/4 (10-29) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/8/6 (10-30) | Budget execution analysis report for the first half of 2025 | 2025/8/4 (10-29) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged. |
| 2025/8/6 (10-30) | Procurement strategy suggestions for CPA services contract from 2026 to 2028 | 2025/8/4 (10-29) | The proposal was approved in principle following discussion by attending committee members and was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the Audit Committee's preliminary conclusions and supplementary revisions provided by the proposing unit on the proposal were approved. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/8/6 (10-30) | Cash donation to the Taiwan Foundation for Disaster Relief for the "2025 Typhoon Danas Fundraiser" | 2025/8/4 (10-29) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/8/6 (10-30) | Procurement strategy suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | 2025/8/4 (10-29) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|---|---|---|---|--|
| 2025/8/6 (10-30) | Procurement strategy suggestions and supplements on contract for new rolling stock dynamic testing and trial operation contract | 2025/8/4 (10-29) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/9/10 (10-31) | July 2025 periodic report on the Corporation's derivative transactions | 2025/9/8 (10-30) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/10/15 (10-32) | August 2025 periodic report on the Corporation's derivative transactions | 2025/10/14 (10-31) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/10/15 (10-32) | Report on plans to enhance investor relations and corporate value | 2025/10/14 (10-31) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/10/15 (10-32) | Report on legal compliance system and implementations | 2025/10/14 (10-31) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/10/15 (10-32) | 2026 Audit Office auditing plans | 2025/10/14 (10-31) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by directors in attendance, the proposing unit was requested to revise and redraft auditing plans for 2026 in accordance with suggestions provided by attending directors before resubmitting the proposal to the Board for deliberation. |
| 2025/10/15 (10-32) | Donation of full-scale 700T carriage model to the National Railway Museum Preparatory Office | 2025/10/14 (10-31) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/10/15 (10-32) | Audit Committee work plans for 2026 | 2025/10/14 (10-31) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/10/15 (10-32) | Procurement strategy suggestions for preventive maintenance materials for rolling stock repairs from 2027 to 2028 | 2025/10/14 (10-31) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/11/5 (10-33) | 2025 Q3 Audit Office project implementation report | 2025/11/3 (10-32) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|--|---|---|---|---|
| 2025/11/5 (10-33) | Final settlement report for construction of Yanchao Main Workshop automated painting plant equipment contract | 2025/11/3 (10-32) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members, confirm items not attributable to Party B, and report said items to the Board. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/11/5 (10-33) | September 2025 periodic report on the Corporation's derivative transactions | 2025/11/3 (10-32) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/11/5 (10-33) | Financial report for third quarter of 2025 | 2025/11/3 (10-32) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/11/5 (10-33) | Annual budget for 2026 | 2025/11/3 (10-32) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to reference the following suggestions provided by attending directors: |
| 2025/11/5 (10-33) | Contract award suggestions for CPA services contract from 2026 to 2028 | 2025/11/3 (10-32) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/11/5 (10-33) | 2026 auditing plans | 2025/11/3 (10-32) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/12/10 (10-34) | Implementation status of 2025 intellectual property management plan and intellectual property management plan for 2026 | 2025/12/9 (10-33) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/12/10 (10-34) | October 2025 periodic report on the Corporation's derivative transactions | 2025/12/9 (10-33) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/12/10 (10-34) | Procurement strategies for new BI/BG ground equipment subcontract agreement (clauses related to Mitsubishi Heavy Industries and Nabtesco) | 2025/12/9 (10-33) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Procurement strategies for new long lead time spare parts and ground equipment testing parts subcontract agreements (clauses related to Toshiba) | 2025/12/9 (10-33) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Audit Committee Meeting Date & Session (Term-Sitting) | Audit Committee Resolutions | The Corporation's Responses to Audit Committee Opinions | Board Resolutions |
|---|---|---|--|---|--|
| 2025/12/10 (10-34) | Contract award suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | 2025/12/9 (10-33) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Contract award suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot | 2025/12/9 (10-33) | The proposing unit provided additional explanation on final price reductions and discussed these with attending committee members. The contract award amount for this proposal was revised to NT\$6,729,999,999, and the remainder of the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposing unit provided additional explanation on final price reductions and discussed these with attending directors. The contract award amount for this proposal was revised to NT\$6,729,999,999, and the remainder of the proposal was approved. |
| 2025/12/10 (10-34) | Contract award suggestions for consulting services related to localized manufacturing and development of alternative technologies for HSR viaduct locking devices project | 2025/12/9 (10-33) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Submission of HSR Financial Resolution Plan 2026 implementation status table to the Ministry of Transportation and Communications | 2025/12/9 (10-33) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Donation and sponsorship plan for 2026 | 2025/12/9 (10-33) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/12/10 (10-34) | Renewal of operating insurance for 2026 | 2025/12/9 (10-33) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Suggestions on performance targets for Finance Division, Audit Office, and Accounting Department managers in 2026 | 2025/12/9 (10-33) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

(3) Other instances apart from the aforementioned matters where the Audit Committee did not approve a proposal, but more than two-thirds of directors approved said proposal: None.

- Implementation of independent director recusals on proposals due to conflicts of interest, including independent director names, proposal content, reasons for recusal, and participation in voting procedures: None.
- Communication status between independent directors, chief internal auditor, and certified public accountants (CPAs) (should include communication of major items, methods, and results relating to corporate finance and business affairs):

(1) THSRC's chief internal auditor presents internal audit reports to the Audit Committee each quarter and fully communicates audit implementation, follow-up of improvements to errors, and implementation results. The chief internal auditor not only periodically provides independent directors with written audit reports, but also presents business reports based on suggestions from independent directors.

(2) CPAs periodically present annual and quarterly audits of financial reports and audit reports to the Audit Committee each quarter, and also communicate other matters according to relevant laws.

(3) Individual meetings between independent directors, the chief internal auditor, and CPAs are convened at least once a year. The chief internal auditor and CPAs respectively make independent reports to the independent directors regarding audit items, annual plans, financial reports, and details of annual audit plans.

(4) The chief internal auditor and CPAs directly communicate with independent directors via email, phone, or face-to-face meetings as necessary; periodically review the Corporation's financial and business conditions according to regulations of competent authorities; and directly communicate with management and governance units.

1) The independent directors communicated well with the chief internal auditor; a list of reported items for 2025 is summarized below:

| Date | Communication Method (Audit Committee Term-Sitting) | Report Highlight | Communication Results | The Corporation's Responses to Independent Director Opinions |
|-----------|---|--|--|---|
| 2025/2/7 | Audit Committee (10-22) | Review of internal audit operations | Acknowledged by all Audit attending committee members. | No objections from independent directors. |
| 2025/2/17 | Audit Committee (10-23) | 2024 Q4 Audit Office project implementation report | Acknowledged by all Audit attending committee members. | No objections from independent directors. |
| 2025/5/5 | Audit Committee (10-26) | 2025 Q1 Audit Office project implementation report | Acknowledged by all Audit attending committee members. | No objections from independent directors. |
| 2025/5/5 | Audit Committee (10-26) | Report on enhancements to auditing procedures | Acknowledged by all Audit attending committee members. | No objections from independent directors. |
| 2025/8/4 | Audit Committee (10-29) | 2025 Q2 Audit Office project implementation report | Acknowledged by all Audit attending committee members. | No objections from independent directors. |
| 2025/11/3 | Audit report (Independent report made by chief internal auditor to independent directors) | 2026 Audit Office auditing plans | Acknowledged by all Audit attending committee members. | Auditing plan preparation processes were optimized and implemented in accordance with independent director suggestions. |

2) The independent directors communicated well with CPAs; a list of reported items for 2025 is summarized below:

| Date | Communication Method (Audit Committee Term-Sitting) | Report Highlight | Communication Results | The Corporation's Responses to Independent Director Opinions |
|-----------|---|---|---|--|
| 2025/2/17 | Audit Committee (10-23) | 1. Summary of audit report on financial report for 2024 2. Statement of Independence 3. Key audit items | Approved after discussion by all Audit Committee members in attendance. | No objections from independent directors. |
| 2025/5/5 | Audit Committee (10-26) | 1. Summary of review report on financial report for first quarter of 2025 2. Statement of Independence | Approved after discussion by all Audit Committee members in attendance. | No objections from independent directors. |
| 2025/8/4 | Audit Committee (10-29) | 1. Summary of review report on financial report for second quarter of 2025 2. Statement of Independence | Approved after discussion by all Audit Committee members in attendance. | No objections from independent directors. |

| Date | Communication Method (Audit Committee Term-Sitting) | Report Highlight | Communication Results | The Corporation's Responses to Independent Director Opinions |
|-----------|---|---|---|--|
| 2025/11/3 | Audit Committee (10-32) | 1. Summary of review report on financial report for third quarter of 2025 2. Statement of Independence | Approved after discussion by all Audit Committee members in attendance. | No objections from independent directors. |
| 2025/11/3 | 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. |

(3) Composition, Duties, and Operational Status of Remuneration Committee

1) 10th Remuneration Committee Members

2025/12/31

| Criteria | | Professional Qualifications and Experience | Independence Status | Number of other public companies in which the individual is concurrently serving as a remuneration committee member |
|------------------------------------|--------------------------|--|--|---|
| Title | Name | | | |
| (Convener) Independent Director | Kenneth Huang-Chuan Chiu | <ol style="list-style-type: none"> Area of expertise: Law, protection of human rights Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Experience in other industries No violations of Article 30 of the Company Act. | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 3 |
| Independent Director | Duei Tsai | <ol style="list-style-type: none"> Area of expertise: Electrical engineering, transportation management, government sustainability policies Experience: <ol style="list-style-type: none"> Board member of other public companies Board/committee leadership experience Relevant industry experience in transportation An instructor or higher position in a department related to the business needs of the Corporation in a public or private junior college, college, or university No violations of Article 30 of the Company Act. | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 1 |

| Criteria | | Professional Qualifications and Experience | Independence Status | Number of other public companies in which the individual is concurrently serving as an remuneration committee member |
|----------------------|----------------------|--|--|--|
| Title | Name | | | |
| Independent Director | Pai-Ta Shih | <ol style="list-style-type: none"> Area of expertise: Economics, finance, sustainable finance and green economics Experience: <ol style="list-style-type: none"> Board member of other public companies Professor at Department of Finance, National Taiwan University No violations of Article 30 of the Company Act. | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 2 |
| Independent Director | Yung-Cheng (Rex) Lai | <ol style="list-style-type: none"> Area of expertise: Civil engineering, transportation Experience: <ol style="list-style-type: none"> Relevant industry experience in transportation Professor at Railway Technology Research Center, National Taiwan University No violations of Article 30 of the Company Act. | <ol style="list-style-type: none"> The independent director, their spouse, and relatives within second degree of kinship do not serve as directors, supervisors, or employees of the Corporation or its affiliated companies. The independent director, their spouse, and relatives within second degree of kinship do not hold Corporation shares in their own or nominee accounts. The independent director does not serve as a director, supervisor, or employee at companies which have a special relationship with the Corporation. The independent director has not provided business, legal, financial, accounting, or other services to the Corporation over the past two years. | 0 |

2) Operational Status of Remuneration Committee

- A. The Corporation's Remuneration Committee is composed of three to five people, and committee members are appointed in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter." Following election of Board members by the shareholders general meeting on May 25, 2023, the 10th committee members will serve until May 24, 2026; there are four members on the committee and Independent Director Kenneth Huang-Chuan Chiu was elected as convener by all committee members. The committee operates according to the "Charter of the Remuneration Committee" and convenes at least twice every year.
- B. The main duties of the committee and focuses for 2025 included formulating and regularly reviewing policies, systems, standards, and structures of evaluations on director and manager performance, salaries, and compensation, as well as regular assessment and formulation of director & manager salaries and compensation.

C. The 10th Remuneration Committee convened 9 times in 2025, and the operational status of the committee was as follows:

| Title | Name | Actual Attendances | By Proxy | Required Attendances | Actual Attendance Rate (%) | Remarks |
|--|--------------------------|--------------------|----------|----------------------|----------------------------|---------|
| Convener | Kenneth Huang-Chuan Chiu | 9 | 0 | 9 | 100 | |
| Independent Director | Duei Tsai | 9 | 0 | 9 | 100 | |
| Independent Director | Pai-Ta Shih | 9 | 0 | 9 | 100 | |
| Independent Director | Yung-Cheng (Rex) Lai | 9 | 0 | 9 | 100 | |
| Average actual attendances of 10th Remuneration Committee members in 2025 (%) (Total actual attendances/Total required attendances) | | 36 | 0 | 36 | 100 | |

3) Average 10th Remuneration Committee member attendance rate was 100% in 2025.

Other matters required to be recorded:

1. Matters discussed and resolved during Remuneration Committee meetings in 2025, and the Corporation's responses to Remuneration Committee opinions:

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Remuneration Committee Date & Session (Term-Sitting) | Remuneration Committee Resolutions | The Corporation's Responses to Remuneration Committee Opinions | Board Resolutions |
|---|--|--|--|--|--|
| 2025/1/15 (10-22) | Report on self-evaluations of Board performance for 2024 | 2025/1/14 (10-15) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | Acknowledged by all attending directors. |
| 2025/1/15 (10-22) | Suggestions on bonus distributions for 2024 | 2025/1/14 (10-15) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | Acknowledged by all attending directors. |
| 2025/1/15 (10-22) | Distribution suggestions for 2024 employee compensation | 2025/1/14 (10-15) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/1/15 (10-22) | Distribution suggestions for 2024 director remuneration | 2025/1/14 (10-15) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/1/15 (10-22) | Implementation status of Remuneration Committee in 2024 | 2025/1/14 (10-15) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/2/19 (10-23) | Report on "Severance pay and total bonuses for former Chairman Yao-Chung Chiang" | 2025/2/17 (10-16) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to provide detailed explanations of the rationale behind the total bonus amount to the Board. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Operational performance self-evaluation results for former Chairman Yao-Chung Chiang in 2024 | 2025/3/10 (10-17) | The proposal was approved and submitted to the Board for review and approval. | Approved by the Board. | Following discussion by all attending directors, the proposal was approved for review and recordation. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Remuneration Committee Date & Session (Term-Sitting) | Remuneration Committee Resolutions | The Corporation's Responses to Remuneration Committee Opinions | Board Resolutions |
|---|--|--|---|--|--|
| 2025/3/12 (10-24) | President performance evaluation results for 2024 | 2025/3/10 (10-17) | The proposal was approved after the chair confirmed there were no objections from all attending committee members. Attending committee members suggested adjusting the president performance evaluations for 2024 before submitting the proposal to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, president performance evaluations for 2024 were adjusted, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Suggestions on results of manager performance appraisals for 2024 | 2025/3/10 (10-17) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Submission of suggestions regarding annual compensation competitiveness (including manager compensation) review and salary adjustment suggestions for 2025 | 2025/3/10 (10-17) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, with the exception of the adjustment suggestions for the salary range table. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Suggestions on remuneration payments to Chairman Kung-Yeun Jeng | 2025/3/10 (10-17) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the acting chair confirmed there were no objections from all attending directors. |
| 2025/3/12 (10-24) | Submission of amendments to the Corporation's "Articles of Incorporation" and request for approval of "Definitions of Entry-Level Employees Formulated by the Proposing Unit" for discussion at the shareholders general meeting on May 22, 2025 | 2025/3/10 (10-17) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/4/9 (10-25) | Adjustments of division managers | 2025/4/8 (10-18) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Remuneration Committee Date & Session (Term-Sitting) | Remuneration Committee Resolutions | The Corporation's Responses to Remuneration Committee Opinions | Board Resolutions |
|---|---|--|---|--|---|
| 2025/5/7 (10-26) | Distribution of manager performance bonuses for 2024 | 2025/5/5 (10-19) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/5/7 (10-26) | Bonus payments to former Chairman Yao-Chung Chiang | 2025/5/5 (10-19) | Following discussion by attending committee members, it was decided that operational incentives, year-end bonuses, performance bonuses, and executive incentives for 2025 should be discussed separately, and the remainder of the proposal was approved. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, it was decided that operational incentives, year-end bonuses, performance bonuses, and executive incentives for 2025 should be discussed separately, and the remainder of the proposal was approved. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/6/11 (10-27) | Chairman and president salary adjustments | 2025/6/9 (10-20) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/7/9 (10-29) | Suggestions on remuneration payments to Chairman Che Shih | 2025/7/8 (10-21) | Following discussion by attending committee members, committee members suggested removing Note 3 (3), and the remainder of the proposal was approved and submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, it was agreed that the proposal should be handled in accordance with the Remuneration Committee's preliminary conclusions, and the remainder of the proposal was approved. |
| 2025/7/9 (10-29) | Suggestions on severance pay and severance package for former Chairman Kung-Yeun Jeng | 2025/7/8 (10-21) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/7/9 (10-29) | Suggestions on remuneration payments to President Bob Chen | 2025/7/8 (10-21) | Following discussion by attending committee members, committee members suggested removing Note 3 (3) and Note 5, and the remainder of the proposal was approved and submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, it was agreed that the proposal should be handled in accordance with the Remuneration Committee's preliminary conclusions, and the remainder of the proposal was approved. Additionally, all statements in the presentation referring to "involuntary resignation" should be removed and adjusted. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Remuneration Committee Date & Session (Term-Sitting) | Remuneration Committee Resolutions | The Corporation's Responses to Remuneration Committee Opinions | Board Resolutions |
|---|--|--|--|--|--|
| 2025/10/15 (10-32) | Remuneration Committee work plans for 2026 | 2025/10/14 (10-22) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Performance goals for managers in 2026 | 2025/12/9 (10-23) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

2. If the Board declines to adopt, or modifies, a recommendation of the Remuneration Committee, the date of said Board meeting, session number, proposal content, Board resolutions, and the Corporation's responses to Remuneration Committee opinions should be recorded: None.
3. Other instances where committee members expressed objections or reservations on record or through written opinions regarding Remuneration Committee proposals, and date of said Remuneration Committee meeting, session, proposal content, opinions of all committee members, and response to committee member opinions: None.

(4) Operational Status of Sustainable Development & Nominating Committee

1) The Corporation's Sustainable Development & Nominating Committee is composed of five to seven committee members, and more than half of committee members should be independent directors. Following election of Board members by the shareholders' general meeting on May 25, 2023, the 10th committee members will serve until May 24, 2026; there are seven members on the committee, four of whom are independent directors. On June 12, 2025, institutional director China Aviation Development Foundation submitted a written request to replace Mr. Kung-Yeun Jeng with Mr. Che Shih as its director representative on the 10th Board starting from June 13, 2025. Former Chairman Kung-Yeun Jeng therefore also resigned from his position as convener on the Sustainable Development & Nominating Committee.

All committee members elected Independent Director Ming-Teh Wang as convener of the Sustainable Development & Nominating Committee at the 18th Sustainable Development & Nominating Committee meeting of the 10th Board held on January 14, 2025. Additionally, an election for the new chairman was held at the 28th meeting of the 10th Board on June 13, 2025. All attending directors unanimously elected Director Che Shih as the new chairman of the Corporation. A by-election was also held for the open Sustainable Development & Nominating Committee member position on the 10th Board. All committee members elected Chairman Che Shih as a member of the Sustainable Development & Nominating Committee. The committee operates according to the "Charter of the Sustainable Development & Nominating Committee" and convenes at least four times every year.

2) More than half of Sustainable Development & Nominating Committee members are independent directors. Of the seven committee members, excepting the four independent directors who respectively possess expertise in legal affairs, finance and accounting, industrial knowledge, and operational insights, Director Yu-Fen Hung has professional expertise in finance and accounting; Chairman Che Shih served as the Executive Yuan Minister without Portfolio, the Minister of Culture, and the Deputy Mayor of the Kaohsiung City Government; and directors Chien-Chih Hwang and Ming-Chang Wu currently serve as the chairpersons of listed companies and public companies, and have significant executive management experience. They possess professional corporate governance and management capabilities, have sufficient experience to assess the professional criteria necessary for directors and managers, and are capable of planning and reviewing implementation of corporate governance, thereby meeting the professional requirements for this committee.

| Title | Name | Professional Sustainability Knowhow and Capabilities |
|---------------------------------|--------------------------|--|
| Independent Director (Convener) | Ming-Teh Wang | Industry knowledge, sustainable environment, and green buildings |
| Independent Director | Duei Tsai | Industry knowledge, corporate governance, operational management, government sustainability policies |
| Independent Director | Kenneth Huang-Chuan Chiu | Law, protection of human rights |
| Independent Director | Pai-Ta Shih | Finance, sustainable finance, and green economy |
| Chairman | Che Shih | Business management, public governance, cross-departmental integration of government sustainability policies |
| Director | Kung-Yeun Jeng | Corporate governance, business management, corporate sustainability, and carbon reduction |
| Director | Yu-Fen Hung | Corporate governance, operational management, industrial knowledge |

3) The main duties of the committee and focuses for 2025 included: Establishment of sustainable development strategies and corporate governance systems; review diverse background and independent standards including professional knowhow, technical knowledge, expertise, and gender of independent directors, non-independent directors, and managers; plan composition of the Board and functional committees; review succession plans for directors and managers; conduct performance evaluations of the Board, committees, directors, and managers; nominate independent directors and non-independent directors; research and analyze corporate governance systems; and review effectiveness of corporate governance systems and implementation of information disclosures.

4) The Sustainable Development & Nominating Committee convened 10 times in 2025, and the operational status of the committee was as follows:

| Title | Name | Professional Qualifications and Experience | Actual Attendances | By Proxy | Required Attendances | Actual Attendance Rate (%) | Remarks |
|---------------------------------|--------------------------|--|--------------------|----------|----------------------|----------------------------|----------------------------------|
| Independent Director (Convener) | Ming-Teh Wang | 1. Area of expertise: Civil engineering, environmental sustainability and green buildings 2. Experience: (1) Board member of other public companies (2) Board/committee leadership experience (3) Relevant industry experience in transportation 3. No violations of Article 30 of the Company Act. | 10 | 0 | 10 | 100 | Elected as convener on 2025/1/14 |
| Chairman | Che Shih | 1. Area of expertise: Information science, business management, cross-departmental integration of sustainability policies 2. Experience: (1) Director of other state-owned enterprises and public companies (2) Board/committee experience (3) Relevant industry experience in central and local governments 3. No violations of Article 30 of the Company Act. | 5 | 0 | 5 | 100 | Took office on 2025/6/13 |
| Independent Director | Kenneth Huang-Chuan Chiu | 1. Area of expertise: Law, protection of human rights 2. Experience: (1) Board member of other public companies (2) Board/committee leadership experience (3) Experience in other industries 3. No violations of Article 30 of the Company Act. | 10 | 0 | 10 | 100 | |

| Title | Name | Professional Qualifications and Experience | Actual Attendances | By Proxy | Required Attendances | Actual Attendance Rate (%) | Remarks |
|--|----------------|--|--------------------|----------|----------------------|----------------------------|--|
| Independent Director | Duei Tsai | 1. Area of expertise: Electrical engineering, transportation management, government sustainability policies 2. Experience: (1) Board member of other public companies (2) Board/committee leadership experience (3) Relevant industry experience in transportation 3. No violations of Article 30 of the Company Act. | 10 | 0 | 10 | 100 | |
| Independent Director | Pai-Ta Shih | 1. Area of expertise: Economics, finance, sustainable finance and green economics 2. Experience: (1) Board member of other public companies (2) Professor at Department of Finance, National Taiwan University 3. No violations of Article 30 of the Company Act. | 10 | 0 | 10 | 100 | |
| Director | Kung-Yeun Jeng | 1. Area of expertise: Business management, transportation, corporate environmental sustainability 2. Experience: (1) Board member of other public companies (2) Board/committee leadership experience (3) Relevant industry experience in transportation 3. No violations of Article 30 of the Company Act. | 6 | 0 | 6 | 100 | Relieved of duties as the representative of China Aviation Development Foundation on 2025/6/13 and assumed duties as the representative of Ministry of Transportation and Communications on 2025/6/23. |
| Director | Yu-Fen Hung | 1. Area of expertise: Finance 2. Experience: (1) Board member of other public companies (2) Relevant industry experience in shipping and engineering 3. No violations of Article 30 of the Company Act. | 10 | 0 | 10 | 100 | |
| Average actual attendances of 10th Sustainable Development & Nominating Committee in 2025 (%) (Total actual attendances/Total required attendances) | | | 61 | 0 | 61 | 100 | |

5) Average 10th Sustainable Development & Nominating Committee member attendance rate was 100% in 2025.

Other matters required to be recorded:

1. Matters discussed and resolved during Sustainable Development & Nominating Committee meetings in 2025, and the Corporation's responses to Sustainable Development & Nominating Committee opinions:

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Sustainable Development & Nominating Committee Meeting Date & Session (Term-Sitting) | Sustainable Development & Nominating Committee Resolutions | The Corporation's Responses to Sustainable Development & Nominating Committee Opinions | Board Resolutions |
|---|--|--|--|--|--|
| 2025/1/15 (10-22) | Report on self-evaluations of Board performance for 2024 | 2025/1/14 (10-18) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/1/15 (10-22) | Suggestions regarding Board and functional committee performance evaluations in 2024 | 2025/1/14 (10-18) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/1/15 (10-22) | Sustainable Development & Nominating Committee, Audit Committee, and Remuneration Committee implementations in 2024 | 2025/1/14 (10-18) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/2/19 (10-23) | Election of convener for the Sustainable Development & Nominating Committee of the 10th Board | 2025/1/14 (10-18) | All committee members unanimously elected Independent Director Ming-Teh Wang as the convener of the Sustainable Development & Nominating Committee of the 10th Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/2/19 (10-23) | Audit Office reviewed whether job promotions and adjustments approved by the former chairman aligned with corporate promotion principles | 2025/2/17 (10-19) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | The proposal was acknowledged. | The proposal was acknowledged. |
| 2025/2/19 (10-23) | Suggestions for adjustment and appointment of audit office manager | 2025/2/17 (10-19) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/2/19 (10-23) | Report of implementation status of corporate governance | 2025/2/17 (10-19) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/3/12 (10-24) | Implementations to integrate IFRS Sustainability Disclosure Standards in 2024 Q4 | 2025/3/10 (10-20) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Sustainable Development & Nominating Committee Meeting Date & Session (Term-Sitting) | Sustainable Development & Nominating Committee Resolutions | The Corporation's Responses to Sustainable Development & Nominating Committee Opinions | Board Resolutions |
|---|--|--|---|--|--|
| 2025/3/12 (10-24) | Operational performance self-evaluation results for former Chairman Yao-Chung Chiang in 2024 | 2025/3/10 (10-20) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | President performance evaluation results for 2024 | 2025/3/10 (10-20) | Following discussion by all attending committee members, it was suggested that adjustments be made to the president performance evaluations for 2024 before submitting the proposal to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, president performance evaluations for 2024 were adjusted, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Suggestions on results of manager performance appraisals for 2024 | 2025/3/10 (10-20) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Submission of amendments to the Corporation's "Articles of Incorporation" for discussion at the shareholders general meeting on May 22, 2025 | 2025/3/10 (10-20) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Request for approval to sign joint venture letter of intent with Taiwan Smart Electricity & Energy Co., Ltd. | 2025/3/10 (10-20) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/4/9 (10-25) | Adjustments of division managers | 2025/4/8 (10-21) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/4/9 (10-25) | Request for approval to sign joint venture agreement with Taiwan Smart Electricity & Energy Co., Ltd. | 2025/4/8 (10-21) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Sustainable Development & Nominating Committee Meeting Date & Session (Term-Sitting) | Sustainable Development & Nominating Committee Resolutions | The Corporation's Responses to Sustainable Development & Nominating Committee Opinions | Board Resolutions |
|---|--|--|---|--|--|
| 2025/6/11 (10-27) | Report on sustainable development operations and implementations in 2024 | 2025/6/9 (10-22) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/6/11 (10-27) | Implementations to integrate IFRS Sustainability Disclosure Standards in 2025 Q1 | 2025/6/9 (10-22) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/6/11 (10-27) | Adjustment and appointment of Board secretariat and corporate governance officer | 2025/6/9 (10-22) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by all attending directors, the proposal was approved, and the managerial departments were requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/7/9 (10-29) | Amendments to the Corporation's "Regulations of Responsibility & Authority" | 2025/7/8 (10-23) | Following discussion by attending committee members, amendments to Article 6.3.3 were approved, and the proposal was submitted to the Board for deliberation. | Approved by the Board. | Preliminary revisions made to the amended articles by the Sustainable Development & Nominating Committee were approved after the chair confirmed there were no objections from all attending directors. |
| 2025/8/6 (10-30) | Planning report on private sector participation in construction and operation of Ministry of Transportation and Communications Railway Bureau "HSR extension to Yilan Comprehensive Planning Report" | 2025/8/4 (10-24) | The proposal was acknowledged and reported to the Board. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members to safeguard the rights and interests of the original shareholders, review potential for adjustments to stabilization mechanisms, and increase the frequency of reports made to the Board regarding subsequent developments of this proposal. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to revise and handle the proposal in accordance with suggestions provided by attending directors. |
| 2025/8/6 (10-30) | Sustainability Report for 2024 | 2025/8/4 (10-24) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/9/10 (10-31) | Report on review and implementation of information disclosure system | 2025/9/8 (10-25) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Sustainable Development & Nominating Committee Meeting Date & Session (Term-Sitting) | Sustainable Development & Nominating Committee Resolutions | The Corporation's Responses to Sustainable Development & Nominating Committee Opinions | Board Resolutions |
|---|--|--|---|--|--|
| 2025/9/10 (10-31) | Implementations to integrate IFRS Sustainability Disclosure Standards in 2025 Q2 | 2025/9/8 (10-25) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/10/15 (10-32) | Contract award suggestions for director and officer liability insurance | 2025/10/14 (10-26) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |
| 2025/10/15 (10-32) | Sustainable Development & Nominating Committee work plans for 2026 | 2025/10/14 (10-26) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Self-assessment results for 2025 12th Corporate Governance Evaluations and external Board performance evaluations for 2024 | 2025/12/9 (10-27) | The proposal was acknowledged, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. | Approved by the Board. | The proposal was acknowledged. |
| 2025/12/10 (10-34) | Implementations to integrate IFRS Sustainability Disclosure Standards in 2025 Q3 | 2025/12/9 (10-27) | The proposal was acknowledged and reported to the Board. | Approved by the Board. | The proposal was acknowledged. |
| 2025/12/10 (10-34) | Signing of collective agreement between the Corporation and the THSRC Labor Union | 2025/12/9 (10-27) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Performance goals for managers in 2026 | 2025/12/9 (10-27) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

- If the Board declines to adopt, or modifies, a recommendation of the Sustainable Development & Nominating Committee, the date of said Board meeting, session number, proposal content, Board resolutions, and the Corporation's responses to Sustainable Development & Nominating Committee opinions should be recorded: None.
- Other instances where committee members expressed objections or reservations on record or through written opinions regarding Sustainable Development & Nominating Committee proposals: None.

(5) Operational Status of Special Committee

- 1) The Corporation's Special Committee is composed of five to seven members, at least one of whom must be an independent director. Following election of Board members by the shareholders general meeting on May 25, 2023, the 10th committee members will serve until May 24, 2026. There are seven committee members, and all committee members elected Director Mao-Hsiung Huang as convener. The committee operates according to the "Charter of the Special Committee."
- 2) The main duties of the committee and focuses for 2025 included providing advice on the Corporation's major legal or contractual disputes, major labor-management negotiations, and important system reforms; assisting the Board in supervising implementation of decisions by managers; and reviewing the Corporation's procurement-related proposals to be submitted to the Board as required by Corporation bylaws.
- 3) The Special Committee convened 12 times in 2025, and the operational status of the committee was as follows:

| Title | Name | Actual Attendances | By Proxy | Required Attendances | Actual Attendance Rate (%) | Remarks |
|---|----------------------|--------------------|----------|----------------------|----------------------------|---------|
| Director (Convener) | Mao-Hsiung Huang | 12 | 0 | 12 | 100 | |
| Independent Director | Duei Tsai | 12 | 0 | 12 | 100 | |
| Independent Director | Ming-Teh Wang | 12 | 0 | 12 | 100 | |
| Independent Director | Yung-Cheng (Rex) Lai | 12 | 0 | 12 | 100 | |
| Director | Cheng-Chung Young | 9 | 3 | 12 | 75 | |
| Director | Wei-Cheng Hsieh | 12 | 0 | 12 | 100 | |
| Director | Shien-Quey Kao | 7 | 5 | 12 | 58 | |
| Average actual attendances of 10th Special Committee members in 2025 (%) (Total actual attendances/Total required attendances) | | 76 | 8 | 84 | 90 | |

- 4) Average 10th Special Committee member attendance rate was 90% in 2025.

Other matters required to be recorded:

1. Matters discussed and resolved during Special Committee meetings in 2025, and the Corporation's responses to Special Committee opinions:

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|--|---|--|--|---|
| 2025/1/15 (10-22) | Procurement strategy suggestions for Phase II catenary maintenance car domestic manufacturing contract | 2025/1/13 (10-18) | Following discussion by attending committee members, it was agreed that the proposal should be withdrawn. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | The proposal was withdrawn with the approval of the Board. | The proposal was withdrawn after the chair confirmed there were no objections from all attending directors. |
| 2025/1/15 (10-22) | Procurement strategy suggestions for HSR meal boxes from 2025 to 2026 | 2025/1/13 (10-18) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members, to actively expand supply sources, adhere to diversity principles, pay special attention to the seasonality and locality of ingredients and menu options, and provide the best and most convenient services to passengers. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, to actively expand supply sources and facilitate competition between vendors, adhere to diversity principles, pay special attention to the seasonality and locality of ingredients and menu options, and provide the best and most convenient services to passengers. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|---|---|--|---|--|
| 2025/2/19 (10-23) | Procurement strategy suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | 2025/2/14 (10-19) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the managerial department was requested to be attentive of decreases in industrial production costs caused by time and development scale, and consider more than price indices when evaluating costs. Additionally, attending committee members reminded the managerial department that it is important to actively seek out potential collaborators while maintaining good relationships with existing vendors. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Procurement strategy suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 | 2025/3/11 (10-20) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to explore the feasibility of setting upper limits for credit card acquiring fees to lower procurement costs in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to set the upper limit of credit card acquiring fees in accordance with the suggestions provided by attending directors. |
| 2025/3/12 (10-24) | Contract award suggestions for HSR meal boxes from 2025 to 2026 | 2025/3/11 (10-20) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members, to actively formulate creative business ideas, draw inspiration from Japan Railways's experiences in the bento business, and incorporate local and seasonal ingredients and menu options to provide the best quality meals that are unique to Taiwan. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and attending directors recommended that the proposing unit draw inspiration from the diverse menu options seen in Japan Railways (JR) bentos and incorporate seasonal and local ingredients from Taiwan when planning bento menu options in future. Additionally, the managerial departments were requested to consider whether the HSR bento business should be considered a purely passenger service or a profit-making business. |
| 2025/3/12 (10-24) | Request for approval to sign joint venture letter of intent with Taiwan Smart Electricity & Energy Co., Ltd. | 2025/3/11 (10-20) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to provide more detailed and comprehensive analysis and evaluation results from the Corporation's perspective for this investment proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|---|---|--|---|---|
| 2025/4/9 (10-25) | Procurement strategy suggestions for Operation Control Center TCS system in conjunction with modifications for new rolling stock | 2025/4/7 (10-21) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference the suggestions provided by attending committee members, explore the feasibility of directly signing a contract with the Japanese parent company, and consider whether the proportion of project management fees compared to the total procurement costs for this proposal are reasonable. | Approved by the Board. | Following discussion by attending directors, the proposal was approved. The proposing unit was also requested to handle the proposal in accordance with suggestions from attending directors. |
| 2025/4/9 (10-25) | Reinvestment in Taiwan Smart Electricity & Energy Co., Ltd. | 2025/4/7 (10-21) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/5/7 (10-26) | Suggestions for second amendments to train body and train equipment general maintenance technician services contract at Yanchao Main Workshop from 2023 to 2027 | 2025/5/2 (10-22) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/5/7 (10-26) | Suggestions for second amendments to contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot and construction supervision and consulting services | 2025/5/2 (10-22) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference suggestions from attending committee members, clarify the Corporation's needs, and cultivate in-house design capabilities. Attending committee members also suggested that the managerial department could invite directors to participate in and provide assistance meetings and negotiations with contractors. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the supplementary fees for the contract were reduced. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, and was asked to ensure that the second rolling stock inspection and repair plant be completed on schedule and according to quality requirements. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|---|---|---|--|--|
| 2025/6/11 (10-27) | Procurement strategy suggestions for automatic cleaning equipment at Zuoying Depot second rolling stock inspection & repair plant | 2025/6/6 (10-23) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference the suggestions provided by attending committee members, build professional capabilities in chemistry, and explore fully enclosed cleaning methods. The managerial department was also requested to be attentive of interface issues with the second inspection & repair plant. | The proposing unit was requested to submit the proposal to the next Board meeting for deliberation in accordance with the suggestions provided by attending directors. | Following discussion by attending directors, the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, prepare supplementary explanations regarding the reasonableness of adding the proposal budget due to fluctuations in material costs, and submit the proposal for deliberation at the next Board meeting. |
| 2025/7/9 (10-29) | Contract award suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 | 2025/7/8 (10-24) | Following discussion by attending committee members, the managerial department was requested to continue negotiations with potential contract awardees to reduce credit card acquiring fees. Apart from enhancing the efficiency of passenger services, the managerial department was also reminded to be attentive of the qualification, specification, and technical criteria stipulated in this and other similar proposals, to avoid situations where only one or a few specific vendors could meet the requirements, to expand supply sources, and to maintain the Corporation's image of objective and fair handling in procurement operations. | Approved by the Board. | Following discussion by attending directors, an upper limit was set for credit card acquiring fees. The managerial departments were instructed to seek assistance from Director Mao-Hsiung Huang in negotiations with potential contract awardees to further lower acquiring fees, and report subsequent negotiations, contract award results, and handling progress to the Board at the next meeting. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/7/9 (10-29) | Procurement strategy suggestions for Yanchao Main Workshop NGRS maintenance equipment and setup adjustment project | 2025/7/8 (10-24) | Following discussion by attending committee members, the proposal was submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members, streamline the proposal content, and faithfully reflect budgeting procedures, budget details, and price adjustment mechanisms. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/7/9 (10-29) | Procurement strategy suggestions for automatic cleaning equipment at Zuoying Depot second rolling stock inspection & repair plant | 2025/7/8 (10-24) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved after the chair confirmed there were no objections from all attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|--|---|--|---|---|
| 2025/7/9 (10-29) | Procurement strategy suggestions for train and factory cleaning services contract at HSR Wuri and Zuoying maintenance depots from 2026 to 2028 | 2025/7/8 (10-24) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors with regard to avoiding outsourcing for the Corporation's core business tasks. |
| 2025/8/6 (10-30) | Procurement strategy suggestions for Operation Control Center renovations and air-conditioning enhancements | 2025/8/1 (10-25) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference the suggestions provided by attending committee members, evaluate future use of newer technologies such as Busway in the power distribution system, use BIM to improve efficiency and reduce costs, and report to the Board as appropriate. | Approved by the Board. | Following discussion by attending directors, the proposal was approved after revisions were made to P.28 of the presentation, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. The managerial department was requested to organize a director visit after the project was completed. |
| 2025/8/6 (10-30) | Procurement strategy suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | 2025/8/1 (10-25) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors; gain an understanding of the technology transfers, knowhow, and complete intellectual property rights for this proposal as soon as possible; facilitate participation and competitiveness of other local vendors; and expand supply sources. The managerial department was requested to report the Corporation's localization achievements to the Board as soon as possible. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, and to foster competition between vendors when promoting localization to increase supply sources. |
| 2025/8/6 (10-30) | Procurement strategy suggestions for Phase II of communication system wireless base station upgrading project | 2025/8/1 (10-25) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference the suggestions provided by attending committee members, prevent wireless communication systems from being limited to specific vendors in future, keep track of industry prices, and strive to negotiate better terms. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|---|---|--|---|---|
| 2025/8/6 (10-30) | Procurement strategy suggestions and supplements on contract for new rolling stock dynamic testing and trial operation contract | 2025/8/1 (10-25) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference the suggestions provided by attending committee members, formulate price negotiation strategies, and seek assistance from Director Mao-Hsiung Huang during the negotiation process as necessary. The managerial department was requested to report the Corporation's localization achievements to the Board as soon as possible. | Approved by the Board. | Following discussion by attending directors, the proposal was approved. However, as the price quoted by the vendor differed significantly from the budget approved by the Board, the Board fully supported the managerial departments in continuing price negotiations, and instructed said departments to seek assistance from Director Mao-Hsiung Huang if necessary. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/9/10 (10-31) | Bid solicitation strategies for THSRC media management contract | 2025/9/9 (10-26) | Following discussion by attending committee members, the proposal was approved in principle, and the proposing unit was requested to submit the proposal to the Board for deliberation along with responses to the queries raised by attending committee members. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. | Approved by the Board. | Following discussion by attending directors, the proposal was approved after revisions were made to P.10 of the presentation, and the remainder of the proposal was approved. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/9/10 (10-31) | Procurement strategy suggestions regarding renewal of operating insurance for 2026 | 2025/9/9 (10-26) | Following discussion by attending committee members, the proposal was approved. The proposal was submitted to the Board for deliberation with the understanding that the goal was to reduce current premiums by a certain percentage after renewal. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members, and explore the possibility of obtaining more favorable insurance premium rates in future through roadshows. | Approved by the Board. | Following discussion by attending directors, the proposal was approved. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members, and strive to reduce current premiums by a certain percentage after renewal. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|--|---|--|---|---|
| 2025/9/10 (10-31) | Contract award suggestions for catenary maintenance car manufacturing and supply contract (Phase II) | 2025/9/9 (10-26) | Following discussion by attending committee members, the proposal was approved with a contract award price of NT\$1.606 billion and was submitted to the Board for deliberation. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. Additionally, the managerial department was requested to clarify and compile information on the ownership and use of the intellectual property rights involved in this other localized development proposals, and report the same to the Board. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/9/10 (10-31) | Procurement strategy suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot | 2025/9/9 (10-26) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/10/15 (10-32) | Procurement strategy suggestions for preventive maintenance materials for rolling stock repairs from 2027 to 2028 | 2025/10/13 (10-27) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation. The proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, analyze the reasonableness of prices for all maintenance items, select core items for localization, formulate specific implementations, and make long-term strategic procurement plans to ensure economic efficiency and expand supply sources. Additionally, localization implementations should be reported to the Board on a regular basis. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/10/15 (10-32) | Procurement strategy suggestions for HSR security services contract from 2026 to 2029 | 2025/10/13 (10-27) | Following discussion by attending committee members, the proposal was approved, and the proposing unit was requested to reference the suggestions provided by attending committee members and submit the proposal to the Board for deliberation along with supplementary explanations regarding the benefits of improving security coverage rates on trains. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|--|---|--|---|---|
| 2025/10/15 (10-32) | Suggestions on fourth amendment to procurement contract for new HSR trainsets | 2025/10/13 (10-27) | Following discussion by attending committee members, the proposal was approved, and the proposing unit was requested to reference the suggestions provided by attending committee members and submit the proposal to the Board for deliberation along with supplementary explanations regarding the reasons and needs for design changes. | Approved by the Board. | Following discussion by attending directors, the proposal was approved, and the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors. |
| 2025/11/5 (10-33) | Contract award suggestions for project to establish new solar photovoltaic power generation equipment leasing sites | 2025/11/4 (10-28) | Following discussion by attending committee members, the proposing unit was requested to submit the proposal to the Board for deliberation along with supplementary information on potential contract awardees, market positions, market sizes, and market shares in accordance with the suggestions provided by attending committee members. Additionally, the managerial department was requested to actively cultivate personnel familiar with the energy industry to handle related matters. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Procurement strategies for new BI/BG ground equipment subcontract agreement (clauses related to Mitsubishi Heavy Industries and Nabtesco) | 2025/12/8 (10-29) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Procurement strategies for new long lead time spare parts and ground equipment testing parts subcontract agreements (clauses related to Toshiba) | 2025/12/8 (10-29) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Contract award suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project | 2025/12/8 (10-29) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|--|---|--|---|--|
| 2025/12/10 (10-34) | Contract award suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot | 2025/12/8 (10-29) | The proposing unit provided additional explanation on final price reductions and discussed these with attending committee members. The contract award amount for this proposal was revised to NT\$6,729,999,999, and the remainder of the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending committee members. | Approved by the Board. | The proposing unit provided additional explanation on final price reductions and discussed these with attending directors. The contract award amount for this proposal was revised to NT\$6,729,999,999, and the remainder of the proposal was approved. |
| 2025/12/10 (10-34) | Renewal of operating insurance for 2026 | 2025/12/8 (10-29) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |
| 2025/12/10 (10-34) | Signing of collective agreement between the Corporation and the THSRC Labor Union | 2025/12/8 (10-29) | The proposal was approved after the chair confirmed there were no objections from all attending committee members, following which the proposal was submitted to the Board for deliberation. | Approved by the Board. | The proposal was approved following discussion by attending directors. |

2. If the Board declines to adopt, or modifies, a recommendation of the Special Committee, the date of said Board meeting, session number, proposal content, Board resolutions, and the Corporation's responses to Special Committee opinions should be recorded:

| Board Meeting Date & Session (Term-Sitting) | Agenda Content | Special Committee Meeting Date & Session (Term-Sitting) | Special Committee Resolutions | The Corporation's Responses to Special Committee Opinions | Board Resolutions |
|---|---|---|---|--|---|
| 2025/6/11 (10-27) | Procurement strategy suggestions for automatic cleaning equipment at Zuoying Depot second rolling stock inspection & repair plant | 2025/6/6 (10-23) | Following discussion by attending committee members, the proposal was approved and submitted to the Board for deliberation; the proposing unit was requested to reference the suggestions provided by attending committee members, build professional capabilities in chemistry, and explore fully enclosed cleaning methods. The managerial department was also requested to be attentive of interface issues with the second inspection & repair plant. | The proposing unit was requested to submit the proposal to the next Board meeting for deliberation in accordance with the suggestions provided by attending directors. | Following discussion by attending directors, the proposing unit was requested to handle the proposal in accordance with the suggestions provided by attending directors, prepare supplementary explanations regarding the reasonableness of adding the proposal budget due to fluctuations in material costs, and submit the proposal for deliberation at the next Board meeting. |

3. Other instances where committee members expressed objections or reservations on record or through written opinions regarding Special Committee proposals: None

(6) Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons |
|--|-----------------------|----|---|--|
| | Yes | No | Summary Description | |
| 1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies? | ✓ | | <p>■ The Corporation has established the "Guidelines for Corporate Governance" which are disclosed on the "Investor Relations" and the "Corporate Governance" sections of our corporate website, as well as on the Market Observation Post System. Revisions to our "Guidelines for Corporate Governance" were approved at the 11th meeting of the 10th Board (convened on March 13, 2024) and the shareholders general meeting convened on May 23, 2024.</p> | ■ None. |
| 2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? | ✓ | | <p>■ The Corporation has a shareholder services unit that is responsible for providing shareholder services, handling shareholder suggestions, and responding to shareholder queries; our legal unit handles shareholder disputes and litigation matters. All related matters are handled according to our operating procedures.</p> | ■ None. |
| (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? | ✓ | | <p>■ The Corporation regularly maintains a list of its major shareholders as well as the ultimate owners of those shares. At present, most of our major shareholders are board members or financial institutions, and the list of major shareholders and ultimate owners are closely monitored to ensure the stability of the Corporation's operating policies.</p> | ■ None. |
| (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? | ✓ | | <p>■ The Corporation currently has no affiliated businesses. Additionally, to avoid conflicts of interest, the Corporation has established the "Regulation of Related Party Transaction" and our Audit Committee is responsible for auditing transactions of related parties and other transactions that necessitate avoidances of conflicts of interest.</p> <p>■ The Corporation has established the Rules Governing Transactions with Affiliated Enterprises, Procedures for the Acquisition or Disposal of Assets, Operational Procedures for Loaning Funds to Others, and other written regulations relating to financial and business transactions between the Corporation and affiliated enterprises. Amendments were made to the "Rules Governing Transactions with Affiliated Enterprises" on November 8, 2023 to include a new requirement: "Actual transaction statuses for major purchases, sales, asset acquisitions and disposals, and other transactions with individual affiliated enterprises which have been approved by the Board shall be reported to the most recent shareholders meeting after the end of the year."</p> <p>■ The aforementioned amendment encompasses management procedures for purchase and sale transactions, asset acquisitions and disposals, and stipulates that the aforementioned major transactions should be approved by the Board prior to commencement.</p> <p>■ The aforementioned amendment also stipulates that actual transaction statuses for major purchases, sales, asset acquisitions and disposals, and other transactions with individual affiliated enterprises which have been approved by the Board shall be reported to the most recent shareholders meeting after the end of the year.</p> | ■ None. |

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons |
|---|-----------------------|----|---|--|
| | Yes | No | Summary Description | |
| (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information? | ✓ | | <p>■ The Corporation has established the "Regulations for Management of the Prevention of Insider Trading," which stipulate that corporate insiders, quasi-insiders, and tippees must abide by the provisions of the Securities and Exchange Act, and any trade of securities conducted using undisclosed information is prohibited. Article 12 of these Regulations were amended in 2022 to stipulate that insiders shall not trade Corporation stocks during closed periods (30 days prior to release of annual financial reports and 15 days prior to the release of quarterly financial reports). Additionally, Article 11 of our "Code of Ethical Conduct" and Article 6.1.2, Paragraph 3, Subparagraph (d) of our "Code of Conduct" also contain stipulations inhibiting insider trading.</p> | ■ None. |
| <p>3. Composition and responsibilities of the board of directors</p> <p>(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p> | ✓ | | <p>■ Article 14 in Chapter 2 of the Corporation's "Charter of the Sustainable Development & Nominating Committee" (Structural Composition of the Board and its Committees and Performance Assessments) stipulates a diversification policy for board member composition and overall capabilities of board members. Article 17 of the Charter also stipulates succession plans for directors.</p> <p>■ The Corporation's diversification policy for board member composition states that appropriate diversification standards for the Board should be set according to corporate operations, mode of operations, and development needs, including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Basic qualifications and values: Gender, age, nationality, and culture. 2. Level of contribution to businesses or in other professional areas. 3. Personality, professional expertise, and skills. Professional expertise and skills include professional backgrounds (such as in finance, accounting, legal practice, marketing, technology, business management, and so on), as well as professional skills and industry experience. 4. Willingness and time to participate in corporate affairs. 5. Concurrent director and manager positions held at other companies. <p>■ Overall, the Board as a whole should possess the following capabilities:</p> <ol style="list-style-type: none"> 1. Operational insight capabilities. 2. Accounting and financial analysis capabilities. 3. Management capabilities. 4. Crisis management capabilities. 5. Industry knowledge. 6. International outlook. 7. Leadership and decision-making ability. <p>■ The Corporation has established a Sustainable Development & Nominating Committee which is responsible for reviewing the diversified standards of professional knowledge, technical expertise, experience, and gender distribution required by directors to ensure that the Board possesses appropriate professional knowledge and expertise. The Committee is also responsible for conducting regular evaluations of Board performance, reviewing director training plans, and reviewing director and manager succession plans.</p> <p>■ Composition of the Corporation's 10th Board complies with our "Articles of Incorporation"; nominated candidates are selected, nominated, and elected through the rigorous processes stipulated in the Corporation's "Charter of the Sustainable Development & Nominating Committee" and "Rules for the Election of Directors," thus ensuring diversification and independence of Board members.</p> | ■ None. |

| Evaluation Item | Implementation Status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons |
|-----------------|-----------------------|----|---|
| | Yes | No | |
| | | | <p>■ The Board is currently composed of 15 directors, including 5 independent directors and 10 non-independent directors. Apart from possessing leadership and decision-making capabilities, crisis management capabilities, sustainable management capabilities, and an international outlook, of our 5 independent directors, Independent Director Kenneth Huang-Chuan Chiu is a partner at Kew & Lord, Independent Director Duei Tsai served as the Minister of Transportation and Communications, Independent Director Ming-Teh Wang served as the chairman of Taoyuan International Airport Corporation, Independent Director Pai-Ta Shih is the director of the Digital Finance and Industry Development Research Center at National Taiwan University and the chairman of the Taiwan Insurance Guaranty Fund, and Independent Director Yung-Cheng (Rex) Lai is a professor at the National Taiwan University Railway Technology Research Center. They therefore possess professional expertise in legal practice, finance and accounting, industry knowledge, and operational insights. Additionally, of the other 10 non-independent directors, Director Yu-Fen Hung was a vice president at Taoyuan International Airport Corporation and Director Shien-Quey Kao is a deputy minister at the National Development Council, so both have finance and accounting expertise; Director Cheng-Chung Young is currently the Director-General of the Railway Bureau, Ministry of Transportation and Communications; Director Kung-Yeun Jeng is the chairman of Taiwan Railway Corporation; Director Wei-Cheng Hsieh is the Secretary General of the China Aviation Development Foundation; Chairman Che Shih served as the Executive Yuan Minister without Portfolio, the Minister of Culture, and the Deputy Mayor of the Kaohsiung City Government; directors Chien-Chih Hwang, Ming-Chang Wu, Mao-Hsiung Huang, and Yi-Ling Wu all have significant management experience as a chairperson or executive vice president of listed companies or public companies in industries spanning from technology, finance, construction, automobiles, steel, airlines, traditional manufacturing, and services; they therefore possess capabilities relating to marketing, technology, business management, industrial knowledge, and operational insights, as well as professional senior-level administrative experience in the public sector. THSRC adheres to the main axes of the 4T development strategy (Transportation, Technology, Taiwan, and Touch) and bases selection of directors on relevant business management experience and professional qualifications. Our current directors fully possess the professional expertise related to corporate governance, latest industrial information, and business, finance, accounting, and corporate matters, complying with our 4T development goals.</p> <p>■ The Board currently has 15 directors, including 3 female directors (accounting for 20% of all directors). We have not yet achieved our goal of having directors of each gender account for at least one-third of all directors. In future, we will actively incorporate gender diversity considerations into our director nominations and adjust Board structure as appropriate to strengthen the diversity and governance effectiveness of the Board.</p> <p>■ Currently, four of our five independent directors were reelected following a full term and the remaining independent director is a newly appointed independent director. We currently have 15 Board members, of which 33% (5) are under 60 years old, 7% (1) is between 60 to 65 years old, and 60% (9) are over 65 years old.</p> <p>■ Board members are all active in attending Board meetings, and the average actual attendance rate for 2024 was 95%, while the average actual attendance rate for 2025 was 97%, showing that our Board is indeed exercising its supervisory duties.</p> <p>■ Overall, our Board possesses capabilities aligned with the Corporation's future developments, and our policy of board diversification has been well implemented. (For details on the implementation status of our board diversification policy, please refer to Note 1 and Chapter 2.) Additionally, the "Corporate Governance Implementation Status" subsection under the "Corporate Governance" section of our corporate website has also disclosed details of our board diversification policy and implementation status.</p> |

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons |
|---|-----------------------|----|--|--|
| | Yes | No | Summary Description | |
| (2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? | ✓ | | <p>■ The Corporation has established a Remuneration Committee and Audit Committee in accordance with law, and we have also voluntarily established other functional committees including our Sustainable Development & Nominating Committee and Special Committee in consideration of corporate matters and development. The Audit Committee, Remuneration Committee, and Sustainable Development & Nominating Committee are convened by independent directors. The Audit Committee and Remuneration Committee are composed of independent directors, while more than half of the members in the Sustainable Development & Nominating Committee are independent directors. All functional committees are well operated, exercise sound supervisory duties, and strengthen the functions of the Board.</p> | ■ None. |
| (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? | ✓ | | <p>■ On March 21, 2017, the Corporation's "Regulation of Self-Evaluation of the Board of Directors" was approved at the 27th meeting of the 7th Board and amendments were approved at the 18th meeting of the 9th Board on September 15, 2021. The Corporation's Sustainable Development & Nominating Committee serves as the implementation unit for these evaluations, and the Secretariat Division of the Board of Directors assists the Sustainable Development & Nominating Committee in collecting information on Board activities at the end of each year for internal self-assessments of Board performance. Self-assessments on Board operations, Board members, and all functional committees (including the Sustainable Development & Nominating Committee, Audit Committee, Remuneration Committee, and Special Committee) are conducted via surveys. Survey results are organized and submitted to the Board as a basis for review and improvement. Additionally, assessment results on the Board and its functional committees serve as a reference for selecting or nominating directors (and independent directors), while assessment results on individual directors may be used in future as a reference when setting salaries and remuneration. Furthermore, the aforementioned Corporation bylaw stipulates that an external assessment should take place at least once every three years.</p> <p>■ The Corporation completed all self-assessments of the Board, Board members, and functional committee members for 2025 in January 2026. The full score for assessments was 100. Please refer to the table below for more details on self-assessment results, major improvement suggestions, and areas that require continued strengthening in future.</p> | ■ None. |

| Evaluation Item | Implementation Status | | Summary Description | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons |
|-----------------|-----------------------|----|---------------------|--|
| | Yes | No | | |

2025 Board performance self-assessment results

| Evaluation Cycle and Duration | Evaluation Content | Performance self-assessment results |
|--|--|--|
| <ul style="list-style-type: none"> ■ Once a year ■ January 1, 2025 to December 31, 2025 | Five assessment aspects for the Board <ul style="list-style-type: none"> • Participation in corporate operations. • Enhancement of Board decision-making quality. • Board composition and structure. • Director elections and continued training. • Internal control. | Total score is 100 points Board: 98.33 Director self-assessments: 98.46 Sustainable Development & Nominating Committee: 99.43 Audit Committee: 98.6 Remuneration Committee: 98.75 Special Committee: 98.29 |
| Scope of Evaluation | Six assessment aspects for directors <ol style="list-style-type: none"> 1. Understanding of corporate goals and tasks. 2. Recognition of director responsibilities. 3. Participation in corporate operations. 4. Internal relations and communication. 5. Director knowledge and continued training. 6. Internal control. | Improvements and suggestions |
| <ul style="list-style-type: none"> • Board of Directors • Sustainable Development & Nominating Committee • Audit Committee • Remuneration Committee • Special Committee | | Board- Continue to strengthen the integrity and substance of Board meeting materials, realize diversity in director selection, implement continued education mechanisms, improve the content of proposals related to internal control and risk management, and enhance Board supervision and decision-making capabilities. Directors- Strengthen the content of proposals related to internal control and risk management, improve Board operational assessment and supervision, improve communications and interactions between managerial departments and directors, and continue to provide diversified professional training courses for directors. |
| Method of Evaluation | Five assessment aspects for functional committees <ol style="list-style-type: none"> 1. Participation in corporate operations. 2. Recognition of functional committee responsibilities. 3. Enhancement of functional committee decision-making quality. 4. Composition of functional committees and election of committee members. 5. Internal control. | improve communications and interactions between managerial departments and directors, and continue to provide diversified professional training courses for directors. Functional committees- Strengthen interactions and communications between managerial departments and directors, improve risk assessments for important proposals, enhance the quality of meeting materials, strengthen management and tracking of committee resolutions, and continue to optimize Board meeting attendance. |
| Reported to the Board | 2026/1/14 at the 35th meeting of the 10th Board | |

| Evaluation Item | Implementation Status | | Summary Description | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons |
|-----------------|-----------------------|----|---|--|
| | Yes | No | | |
| | | | <p>■ According to the stipulations of our "Regulation of Self-Evaluation of the Board of Directors," an evaluation of Board performance should be conducted by external units at least once every three years. The Corporation commissioned the "Taiwan Corporate Governance Association" to evaluate Board effectiveness and performance for the most recent external evaluation of Board performance, which was completed in March 2025. The Taiwan Corporate Governance Association and evaluating experts were independent units that had no business dealings with the Corporation; a report on Board performance was provided to all directors on April 15, 2025. Results of the aforementioned external evaluation were reported to the Board on December 10, 2025. Implementation details were as follows:</p> <ol style="list-style-type: none"> 1. Evaluation duration: January 1, 2024 to December 31, 2024. 2. Evaluation method: The Taiwan Corporate Governance Association conducted reviews of the relevant documents submitted by the Corporation for evaluations, and also commissioned four experts to conduct on-site evaluations and interviews with the Corporation's Chairman and President, independent directors, corporate governance officer, the head of the Corporate Planning Division, and CPAs on March 3, 2025. 3. Evaluation standards: Evaluation standards included eight aspects: board composition, board guidance, board authority, board supervision, board communication, internal control and risk management, self-discipline of the board, and other aspects (board meetings and supporting systems). The experts conducting the evaluations referenced information provided by the Corporation and publicly available information regarding implementations for each indicator and carried out on-site interviews before submitting evaluation reports. 4. Corporate governance highlights: <ol style="list-style-type: none"> (1) The Corporation's Board approved a second 5-year plan in 2022, reviews implementations each year at Board meetings, and executes rolling adjustments which are implemented following Board approval, ensuring that all directors fully oversee corporate strategies and implementation progress. (2) The Corporation values the professional opinions of directors. All independent directors take a proactive role and actively participate in issues associated with corporate operations, working closely with management to provide relevant suggestions and assistance. Functional committee divisions of labor and pre-evaluations ensure that major proposals are fully communicated and discussed so consensus can be formed before submission to the Board for deliberation. This not only enhances the efficiency of Board meetings, but also allows the Board to fully exert its independent supervisory capabilities to help the Corporation make optimal decisions. | |

| Evaluation Item | Implementation Status | | Summary Description | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons |
|-----------------|-----------------------|----|---|--|
| | Yes | No | | |
| | | | <p>(3) The Corporation's "Succession System for Major Management Positions" has been approved by the Board and develops succession talent through five stages which identify and inventory key talent capabilities. Job rotation mechanisms are used to build professional capabilities and strengthen training based on 3-year rotation proportion goals. Promotions and adjustments of senior management are proposed to the Remuneration Committee and Sustainable Development & Nominating Committee for pre-evaluation on an individual basis to systematically build the succession team and reserve talent for sustainable corporate developments.</p> <p>(4) The Corporation values communication with stakeholders and has established a Stakeholder Communication section on its corporate website to disclose stakeholder identification and communication performance, as well as information on communication channels (such as grievance reporting channels and a mailbox to contact the Audit Committee). Implementations are reported periodically to the Board.</p> <p>(5) The Corporation's Audit Committee actively supervises internal controls, risk management, and verification and review of financial reports, working smoothly with the Audit Office and CPAs through regular communication meetings. The Audit Committee is also responsible for reviewing re-assignments and performance assessments of audit managers. Our chief internal auditor provides quarterly internal audit reports to independent directors so they have comprehensive information to facilitate their supervisory capabilities.</p> <p>(6) The Corporation has established the "Regulation of Self-Evaluation of the Board of Directors," which is regularly reviewed and amended. Self-evaluations of Board performance are carried out each year in accordance with these regulations. The Corporation plans to add a section for anonymous suggestions to identify items that should be reviewed and discussed in addition to current scoring mechanisms. The Corporation has been ranked in the top 5% of companies by the TWSE Corporate Governance Evaluations for eight consecutive years. We commission professional institutes to conduct external Board performance evaluations every three years to demonstrate our commitment to self-improvement and enhanced efficiency of Board operations.</p> <p>5. Recommendations and improvements implemented:</p> <p>(1) The Corporation's Chairman concurrently serves as the President (Note), and 10 of the 15 Board members are institutional representatives. It is recommended that the Corporation continue to consider increasing the proportion of independent directors and female directors on the Board based on operational development needs and the Financial Supervisory Commission "ESG Sustainable Development Action Plan for TWSE and TPEX Listed Companies" to further enhance Board independence and diversity. ---The Corporation will continue to monitor the proportion of independent directors and female directors, and invite industrial and academic experts with supervisory and evaluation capabilities associated with sustainability issues to join the Board.</p> <p>(2) The Corporation's "Succession System for Major Management Positions" has been approved by the Board and develops succession talent through five stages. It is recommended that the Corporation reference the regulations of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and regularly report succession training plans and implementations for senior management to the Board to strengthen Board supervision of important management successors. ---The Corporation references the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" when formulating succession training plans for senior managers.</p> | |

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons |
|--|-----------------------|----|---|--|
| | Yes | No | Summary Description | |
| | | | <p>(3) The Corporation has established grievance reporting channels and a mailbox for the Audit Committee which are respectively handled by the Audit Office and the Board Secretariat, and case handling results are submitted to independent directors and the chairman. However, the whistleblower system should have direct links with the Board and particularly independent directors. It is recommended that the Corporation consider establishing direct links with independent directors to strengthen the supervisory functions of independent directors and ensure stakeholder interests. --- The Corporation has set up a dedicated mailbox for the Audit Committee and a grievance mailbox to serve as a channel for stakeholders to communicate relevant matters. Received letters are appropriately handled by the Audit Committee or Audit Office based on communicated matters and kept confidential in accordance with corporate regulations; case handling results are submitted to independent directors and the Chairman.</p> <p>(Note) Chairman Kung-Yeun Jeng concurrently served as the Corporation President from 2025/2/19-2025/6/12.</p> <p>■ We have disclosed the "Regulation of Self-Evaluation of the Board of Directors" on the Market Observation Post System and on our corporate website. Results of performance evaluations for the Board have also been disclosed on the "Corporate Governance Implementation Status" page in the "Corporate Governance" section of our corporate website.</p> | |
| (4) Does the Company regularly evaluate its external auditors' independence? | ✓ | | <p>■ Handled in accordance with Article 5-3-06 of the Corporation's Guidelines for Corporate Governance, which stipulates that the Audit Committee shall conduct assessments of CPA independence and suitability at the end of each fiscal year in accordance with Audit Quality Indicators (AQIs), and report the results to the Board.</p> <p>■ The Corporation's Audit Committee annually assesses the independence and suitability of CPAs, requires CPAs to provide signed "Statements of Independence," and conducts assessments based on independence standards (Note 2) and AQIs.</p> <p>■ Results of CPA service evaluations for 2025 were approved by the 10th Board at the 35th Audit Committee meeting held on February 23, 2026 and the 36th Board meeting held on February 25, 2026. CPAs Chih-Fan Yu and Chien-Hung Chou of PricewaterhouseCoopers Taiwan both fulfilled the Corporation's assessment standards for independence and suitability, and a letter of declaration was provided by PricewaterhouseCoopers Taiwan (Note 3).</p> | ■ None. |

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons |
|---|-----------------------|----|---|--|
| | Yes | No | Summary Description | |
| 4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)? | ✓ | | <p>■ The Corporation designated the Board Secretariat Division as the unit responsible for corporate governance, and set up an appropriate number of qualified corporate governance personnel according to Article 7-02-01 of the Corporation's Guidelines for Corporate Governance. The qualifications and duties of the Board Secretariat manager comply with the criteria for corporate governance officers. On June 11, 2025, the Board appointed Senior Vice President Barret Wang to be Board Secretariat and Corporate Governance Officer, taking office on June 12, 2025. Senior Vice President and Corporate Governance Officer Barret Wang serves as the highest ranking officer responsible for corporate governance matters associated with protection of shareholder rights and strengthening of Board functions; he possesses legal qualifications and served in managerial capacities for more than three years, handling the legal, shareholding, and corporate governance affairs of listed companies. The main duties of the corporate governance officer are to handle Board and shareholder meeting matters in accordance with law, prepare meeting handbooks for Board and shareholder meetings, assist directors in taking office and continued training, provide directors with information necessary for implementation of business matters, and assist directors in complying with laws and regulations. Corporate governance implementations were reported at the 27th meeting of the 10th Board on June 11, 2025, and will be periodically reported to the Board every year. Main implementations for 2025 included:</p> <ol style="list-style-type: none"> (1) Assisting the Board or its committees with drawing up annual work plans and meeting agendas, and collecting, researching, analyzing, or providing related materials. (2) Providing analysis and opinions on the legality, appropriateness, and feasibility of proposals to be deliberated by the Board or its committees, for reference by the Board and its committees during deliberations. (3) Ensuring that the operations of the Corporation's shareholders meetings, Board meetings, and committees do not violate laws or regulations, the Corporation's Articles of Incorporation, shareholders meeting resolutions, and the Corporation's Guidelines for Corporate Governance. (4) Assisting with deliberation, supervision, or other processes relating to the planning and review of systems for liaison and interaction between the Corporation and shareholders, employees, consumers, stakeholders, and the general public. (5) Assisting with the general administrative affairs of shareholders' meetings and the calling of, notices for, holding of, and record-keeping for Board meetings and committee meetings. (6) Ensuring that Board members have timely knowledge of material information by notifying Board members upon publication of such information. (7) Formulating Board meeting agendas and notifying directors seven days in advance of meetings, convening meetings and providing meeting information, providing prior reminders of conflicts of interest, and compiling Board meeting handbooks within 20 days of meetings. (8) Assisting directors in organizing other training plans and courses. (9) Assessing and taking out appropriate D&O liability insurance for directors, supervisors, and managers. (10) Conducting performance assessments in accordance with the Corporation's Regulation of Self-Evaluation of the Board of Directors. <p>■ Training undertaken by the Corporation's corporate governance officer in 2025 included the following:</p> | ■ None. |

| Evaluation Item | Implementation Status | | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons | | | |
|---|-----------------------|----|---|---|--|--------------|----------------|---------|
| | Yes | No | Summary Description | | | | | |
| | | | Date of Attendance | Hosting Organization | | Course Title | Training Hours | |
| | | | 2025/8/6 | Securities and Futures Institute | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | | |
| | | | 2025/10/21 | Independent Director Association Taiwan | Latest trends and analysis of digital empowerment and innovation transformation cases | 3 | | |
| | | | 2025/11/12 | Greater Chinese Financial Development Association | Accelerating Talent Development to Ensure Corporate Sustainability | 3 | | |
| | | | 2025/11/13 | Taiwan Corporate Governance Association | Impact of ESG Risks and Opportunities on Financial Performance | 3 | | |
| | | | Total training hours for 2025: 12 hours | | | | | |
| | | | <p>■ Review the qualifications of independent directors during nomination, election, and tenure periods with regard to relevant regulations, and report the same to the Board: The Board Secretariat reviewed the Board-nominated candidates for the 5 independent directors and 10 non-independent directors of the 11th Board, and ensured that their qualifications adhere to relevant regulations. The results were reported to the 10th Board at the 38th Board meeting held on March 31, 2026.</p> <p>■ Director changes are handled by the Board Secretariat in accordance with related regulations.</p> <p>■ The Corporation has established a shareholder services unit under the Finance Department; this unit is responsible for providing shareholder services, handling matters relating to shareholders meetings, making changes to Corporation registration details, and publishing information on shareholder matters in accordance with law.</p> | | | | | |
| 5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues? | ✓ | | <p>■ A "Stakeholders Communications" sub-section has been established under the "ESG" section of our corporate website to uphold the rights of stakeholders. We periodically assess stakeholder categories, establish designated units and communication channels for stakeholders, use appropriate communication measures to understand the reasonable expectations and needs of stakeholders, and provide fitting responses to major CSR issues of concern.</p> <p>■ Communication with stakeholders and handling of major disputes for 2024 were reported to the Corporation's 27th meeting of the 10th Board on June 11, 2025, and will continue to be reported to the Board on an annual basis.</p> <p>■ For more information on stakeholders, please refer to the "Stakeholder" sub-section in the "ESG" section of our corporate website and the "Stakeholders and Sustainability Topics" section in our sustainability report.</p> | | | | | ■ None. |
| 6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings? | ✓ | | <p>■ The Corporation has appointed Fubon Securities Transfer Agency Department as our professional shareholder service agency.</p> | | | | | ■ None. |

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons |
|---|-----------------------|----|--|--|
| | Yes | No | Summary Description | |
| 7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? | ✓ | | <ul style="list-style-type: none"> ■ The Corporation's corporate website has an "Investor Relations" section and a "Corporate Governance" section which both disclose information regarding the Corporation's finances, business matters, and corporate governance. This information is updated periodically and in a timely manner. | ■ None. |
| (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? | ✓ | | <ul style="list-style-type: none"> ■ The Corporation discloses information by publishing annual reports and prospectuses in accordance with law, and also publicly discloses and files the information to websites designated by governing authorities and on our corporate website. Additionally, information is also disclosed in the following ways: <ul style="list-style-type: none"> (1) The Corporation has established an English language website (https://en.thsrc.com.tw/) to disclose important information on the Corporation's finances, business matters, and corporate governance. (2) The Corporation has implemented a spokesperson system. (3) The Corporation's Investor Conference notices and related information are disclosed on our corporate website. | ■ None. |
| (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines? | ✓ | | <ul style="list-style-type: none"> ■ The Corporation publicly disclosed and filed the financial report for 2025 on February 25, 2026, and financial reports for the first, second, and third quarters of 2025; monthly operational status reports for the same year were publicly disclosed and filed prior to the time limits set by regulations. | ■ None. |
| 8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)? | ✓ | | <ul style="list-style-type: none"> ■ Since going public, THSRC has been ranked among the top 5% of publicly listed companies by the TWSE Corporate Governance Evaluations for eight consecutive years (from 2017 to 2024). ■ Additionally, the Corporation was awarded a "Platinum" certification by the Taiwan Corporate Governance Association under the CG6014 (2023) Corporate Governance System Assessment on December 27, 2024, the certification period being from December 27, 2024 to December 26, 2026. ■ The Corporation continued to be selected as a constituent of the FTSE4Good TIP Taiwan ESG Index and was granted the right to use the "FTSE4Good TIP Taiwan ESG Index Exclusive Label" from December 22, 2025 to June 19, 2026, demonstrating external recognition of our developments in E (Environment), S (Social), and G (corporate Governance) sustainability. ■ Participated in the "2025 18th TCSA Awards" hosted by the Taiwan Institute for Sustainable Energy, and received the Platinum Award, the highest level of recognition for corporate sustainability reports. ■ In January 2026, the Corporation was listed in the Corporate Knights Global 100 Most Sustainable Companies for the fourth time, ranking fifth globally and first in the Asia Pacific 50 Most Sustainable Corporations. ■ In 2021, the Corporation began implementing the Taiwan Intellectual Property Management System and obtained TIPS Level A verification for the first time (effective until December 31, 2022). In order to maintain the validity of this qualification, we reapplied for and successfully passed TIPS Level A verification in September 2024. This qualification is now valid until December 31, 2026. | ■ None. |

| Evaluation Item | Implementation Status | | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons |
|-----------------|-----------------------|----|---|--|
| | Yes | No | Summary Description | |
| | | | <p>■ The Corporation's "Charter of the Sustainable Development & Nominating Committee" stipulates succession plans for Board of Director members. In order to pass on the professionalism and experiences of our Board members, the Corporation has organized plans for director successors through a variety of appropriate methods and has placed a list of director candidates in our talent pool database; nominees are submitted to the Board for review when appropriate and serve as a reference for the Board to nominate director candidates. For more information, please refer to the "Succession Plan for Board of Director Members" page under the "Board of Directors" sub-section in the "Corporate Governance" section of our corporate website. Additionally, the Corporation plans annual training courses for directors in accordance with changes in external and internal environmental conditions and development needs to enhance the professional knowledge of new and returning directors and to strengthen Board capabilities.</p> <p>■ The Corporation has also established succession plans for senior management in accordance with the "Succession Plan for Senior Management" passed by the 33rd meeting of the 8th Board on December 18, 2019, which is implemented through five stages (identification of key skills, availability of current talent, development of successors, evaluation of successors, and approval of management personnel), the purpose being to ensure sustainable management and growth, establish a succession system for important management personnel to pass on the professionalism and experiences of important management personnel, maintain organizational efficiency, and achieve operational goals. In order to cultivate successors, the Corporation has conducted evaluations of management skills for all department managers, and will formulate management competency training courses based on the availability of important management positions, operational goals, and organizational needs once evaluations have concluded. Evaluation results will be submitted to the Board for review following approval from the Chairman, and project progress will be reported to the Board periodically. For more information, please refer to the "Succession System for Important Management Personnel" page under "Corporate Governance Structure and Organization Chart" in the "Corporate Governance" section of our corporate website.</p> <p>■ The Corporation's Guidelines for Corporate Governance stipulate that the Corporation shall devote attention to public policy, economic development, consumer rights and interests, community concerns, environmental protection and sanitation, public safety, and other public interest issues, to enhance the Corporation's image, and to faithfully fulfill its social responsibilities. The Corporation participates in social contributions through a number of measures, for example through subsidies to preserve jacanas and other wildlife, providing care to communities alongside the HSR line, and support of other environmental hygiene and public policies.</p> <p>■ The Corporation has established the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Code of Conduct," "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior," "Regulations for Management of the Prevention of Insider Trading," "Reward and Discipline Regulation," "Grievance Regulation," and "Procurement Staff Ethical Regulation," which not only govern the ethical standards and codes of conduct for Corporation personnel when carrying out their duties, but also ensure that the corporate activities of the Corporation do not interfere with social contributions, thus maintaining the rights of the Corporation and our shareholders, fulfilling our corporate social responsibilities, and helping our stakeholders to understand relevant regulations.</p> <p>■ The Corporation has established an Occupational Health and Safety Policy and is committed to compliance with government health and safety laws, regulations, and procedures to ensure the safety of passengers, employees, and other members of the public. We periodically conduct employee health checks, promote health-enhancing activities, and implement health management actions every year to enhance the physical and mental health of employees.</p> | |

| Evaluation Item | Implementation Status | | Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons |
|-----------------|-----------------------|----|--|
| | Yes | No | |
| | | | <p>■ The Corporation has established health and safety policies, relevant procedures, and implementation results, which are regularly reviewed each year to further our goal of continued safety improvements. All employees have to undergo training in accordance with our safety regulations and operating procedures so that they can continue to demonstrate and be aware of safety measures when carrying out daily tasks. Our contractors are carefully selected, supervised, and managed to ensure that their operations fulfill the Corporation's safety goals.</p> <p>■ The Corporation is committed to appropriate utilization of internationally recognized risk assessments and safety management methods in our safety management system to actualize control and minimize hazards. We are committed to maintaining the highest quality control standards and are active in exercising safety management policies as we strive to implement various health and safety measures.</p> <p>■ The Corporation has established a Supply Chain Management Policy which states that when collaborating with suppliers, we should gradually integrate environmental, social, and corporate governance needs into our supplier regulations in hopes of creating more sustainable collaborations with our suppliers. Our management policies are disclosed on our corporate website.</p> <p>■ Since 2004, the Corporation has complied with the "Guidelines for Corporate Governance" approved by the shareholders' meeting and taken out liability insurance for all directors, supervisors, and managers with respect to their liability under the law for their actions when exercising their duties. D&O liability insurance policies were reported to the 32nd meeting of the 10th Board on October 15, 2025, and the total insurance amount was NT\$ 0.9 billion.</p> <p>■ The continued education of all current Corporation directors complies with the number of training hours stipulated by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. In 2025, Corporation directors underwent a total of 130 hours of training as detailed in Note 4.</p> |

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement:

The Corporation was ranked among the top 5% listed companies in the 11th Corporate Governance Evaluations (2024). We list improvements to evaluation items that we did not achieve below:

| Item No. | Evaluation Item | Improvements |
|----------|---|--|
| 1.17 | Is it true that the company did not have any government agencies or any single legal entity and its subsidiaries accounting for one-third or more of the board? [If the company did not have any government agency, juristic person, or representative thereof serve as a director, one additional point will be added to the total score.] | [Did not fulfill criteria for additional points] Government agencies, single legal entities, and associated subsidiaries do not currently make up more than one-third of Corporation directors on the 10th Board, but not all Corporation directors are natural persons, and therefore we do not fulfill the criteria for additional points. |
| 2.6 | Did the company's board members include at least one director of different gender? [If directors of each gender accounted for at least one-third of all of the directors, one additional point will be added to the total score.] | The Corporation currently has three female directors serving on the 10th Board, fewer than one-third of board members, which is the criteria for additional points. In future, we will strive to increase the number of directors of different genders and continue to promote diversity of Board members to strengthen gender equality. |
| 2.7 | Did the company's independent directors reach one-third or more of all of the directors? [If the company's independent directors reached one-half or more of all of the directors, one additional point will be added to the total score.] | The Corporation's 10th Board has five independent directors, which complies with the requirements of this indicator, but is less than one-half of all directors, so does not fulfill the criteria for additional points. Future additions of independent directors will adhere to board composition requirements and regulations. |
| 3.21 | Did the company voluntarily disclose in the annual report the individual remuneration details of the general manager (chief executive officer) and assistant general manager(s)? | The Corporation temporarily maintains summary disclosures for remuneration of our president and managers ranking above vice president. |

Note 1: Implementation of board diversification policy

| Core diversity indicators Director Name | Basic Composition | | | | | Professional Background and Capabilities | | | | | | |
|--|-------------------|--------|----------------------|-------------------------------------|---------------------|--|---------------|--------------------------|---------------------|--------------------------------|---|---|
| | Nationality | Gender | Corporation employee | Independent director time in office | | Finance and accounting | Legal affairs | Marketing and technology | Business management | Leadership and decision-making | Industry knowledge and operational judgment | Crisis management and international outlook |
| | | | | Less than 3 years | Three to nine years | | | | | | | |
| Che Shih | ROC | M | None | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Kenneth Huang-Chuan Chiu | ROC | M | None | | ✓ | | ✓ | | ✓ | ✓ | | ✓ |
| Duei Tsai | ROC | M | None | | ✓ | | | | | ✓ | ✓ | ✓ |
| Ming-Teh Wang | ROC | M | None | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Pai-Ta Shih | ROC | M | None | | ✓ | ✓ | | | | ✓ | ✓ | ✓ |
| Yung-Cheng (Rex) Lai | ROC | M | None | | ✓ | | | | | ✓ | ✓ | ✓ |
| Kung-Yeun Jeng | ROC | M | None | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cheng-Chung Young | ROC | M | None | | | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Yu-Fen Hung | ROC | F | None | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Wei-Cheng Hsieh | ROC | M | None | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chien-Chih Hwang | ROC | M | None | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ming-Chang Wu | ROC | M | None | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Shien-Quey Kao | ROC | F | None | | | ✓ | | | | ✓ | ✓ | ✓ |
| Mao-Hsiung Huang | ROC | M | None | | | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Yi-Ling Wu | ROC | F | None | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |

Note 2: Independence assessment indicators of CPA

| No. | Evaluation Item | Evaluation Results | Passed Independence Assessment? |
|-----|---|--------------------|---------------------------------|
| 1 | CPA has no direct or indirect major financial stake in the Corporation. | Yes | Yes |
| 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 any single client, including the Corporation. | 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 |
| 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 |

Auditor's Independence Letter of Declaration

1. The Standards on Auditing require the auditor to communicate with those charged with governance in Taiwan High Speed Rail Corporation all relationships and other matters between the audit firm, and Taiwan High Speed Rail Corporation that, in the auditor's professional judgment, may reasonably be thought to bear on independence.
2. Our firm is committed to maintaining auditor independence, and we believe that Taiwan High Speed Rail Corporation plays an equally important role in this effort. Our independence protocols and monitoring processes are designed to address risks related to maintaining the independence of our firm and its partners and staff. Management should have protocols to monitor auditor independence including discharging responsibilities with regard to monitoring the provision of permissible services you engage with PwC for, notifying us of any concerns, regularly monitoring corporate structural changes or other operational events that may result in the identification of new officers, directors, related entities or business relationships, and notifying us in advance of the expected occurrence of such events. Such protocols are important to effectively protect auditor independence and your ability to rely on our report. In particular, if Taiwan High Speed Rail Corporation offers a position of employment to an audit team member or to a PwC partner (including former PwC partner) for a position of director, officer, or any other role in which a person can or does exert significant influence over the preparation of Taiwan High Speed Rail Corporation's accounting records or the financial statements on which we will express an opinion, it may impair our independence. For this reason, Taiwan High Speed Rail Corporation should notify us prior to entering employment negotiations with such individuals so that the impact on independence can be jointly evaluated.
3. Based on our professional judgment, we are not aware of any relationships or matters between our firm and Taiwan High Speed Rail Corporation, that may be reasonably perceived to impair our independence.
4. We confirm that our firm have maintained independence with respect to Taiwan High Speed Rail Corporation in accordance with No.10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China as of the date of this declaration.
5. The communication is solely for the use of providing information to the audit committee, board of directors, management and other relevant personnel of Taiwan High Speed Rail Corporation to determine if the auditors of the financial statements of Taiwan High Speed Rail Corporation have the required Auditor's independence and not for any other use.

Yu, Chih-Fan

Yu, Chih-Fan

Chou, Chien-Hung

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan
January 6, 2026

Note 4: Continued training of directors in 2025

| Director Name | Date of Attendance | Course Title | Training Hours | Remarks |
|--------------------------|--------------------|--|----------------|---------|
| Che Shih | 2025/12/04 | Outlook on Global and Taiwan Economic, Financial, and Investment Trends in 2026 | 3 | |
| | 2025/11/17 | Digital Transformation and AI Applications | 3 | |
| | 2025/11/12 | Accelerating Talent Development to Ensure Corporate Sustainability | 3 | |
| | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| Kenneth Huang-Chuan Chiu | 2025/11/07 | Analysis of Taiwan's Corporate Mergers and Acquisitions Practices (Including Insider Trading Cases) | 3 | |
| | 2025/08/08 | Latest ESG Trends, Regulations, and Corporate Response Practices in the New Era of Net Zero | 3 | |
| | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/07/29 | Sustainable Enterprise Policy - Taiwan Green Energy Trading System and Procurement Practices | 3 | |
| | 2025/04/29 | Prospects for US-China Economies and Taiwan's Industrial Landscape in the Trump 2.0 Era | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| Duei Tsai | 2025/10/16 | The 15th Taipei Corporate Governance Forum | 6 | |
| | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| Ming-Teh Wang | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| Pai-Ta Shih | 2025/12/10 | Core Value Protection: IP and Trade Secret Risks for Board Directors | 3 | |
| | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/07/22 | (Corporate governance lectures) Negotiation and mediation: Psychology and neuroscience applications | 3 | |
| | 2025/03/04 | NVIDIA's Three-Trillion Miracle: A New Perspective on the Semiconductor Industry Revolution Behind Artificial Intelligence | 2 | |
| Yung-Cheng (Rex) Lai | 2025/11/25 | Ethical corporate management and anti-money laundering compliance | 3 | |
| | 2025/11/13 | Latest practical analysis of trade secrets and operational risks for directors and supervisors | 3 | |
| Kung-Yeun Jeng | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| | 2025/03/26 | Seminar on Building a Sustainable Future | 2 | |
| Cheng-Chung Young | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| Yu-Fen Hung | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| Wei-Cheng Hsieh | 2025/06/25 | Trump's tariff policies, global economics and trade, and response strategies of Taiwanese businesses | 3 | |
| | 2025/04/23 | Taiwan's future under the changing global order | 3 | |
| Chien-Chih Hwang | 2025/11/11 | Exploring the legal liabilities of business decisions based on business judgment principles | 3 | |
| | 2025/08/14 | Corporate sustainability and risk management | 3 | |
| Ming-Chang Wu | 2025/11/07 | Corporate governance officer and board assessment development | 3 | |
| | 2025/10/28 | Board of directors and corporate governance practice | 3 | |
| | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |

| Director Name | Date of Attendance | Course Title | Training Hours | Remarks |
|----------------------------------|--------------------|---|----------------|---------|
| Shien-Quey Kao | 2025/11/25 | Corporate governance and directors' duties of care, duty of loyalty, and conflict of interest prevention | 3 | |
| | 2025/07/16 | How the board responded to the ESG issue | 3 | |
| Mao-Hsiung Huang | 2025/08/13 | Challenges and responses to the new global trade and economic order | 3 | |
| | 2025/08/06 | Honest business practices, employee fraud and reporting system (including gender equality) | 3 | |
| | 2025/04/09 | Sustainability disclosure trends: Implications and strategic responses to IFRS S1 and S2 standards | 3 | |
| Yi-Ling Wu | 2025/11/21 | Fubon anti-money laundering lectures (FinTech): The future of blockchain impacts on financial systems beyond cryptocurrencies | 3 | |
| | 2025/10/14 | Fubon advanced treating customers fairly course: Fair treatment of customers and sustainable governance from a consumer perspective | 3 | |
| Director training hours for 2025 | | | 130 | |

(7) Sustainable Development Implementation and Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

| Item | Implementation Status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| 1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board? | ✓ | | <p>■ Following approval from the Board in September 2018, the Corporation established the Corporate Governance Promotion Committee, which was renamed the "Sustainable Development Promotion Committee" in May 2024, and Committee functions and frameworks were adjusted. The "Sustainable Development Promotion Committee" is overseen by the Board and Chairman, and is chaired by the President. Executives from our managerial departments serve as committee members, and meetings are convened quarterly to discuss sustainable development promotions. The Committee reports to the Chairman every six months; makes annual sustainable development implementation and achievement reports to the Board; and conducts risk evaluations and management of environmental, social, and corporate governance issues relating to operations by materiality principles every year. Details on the operational status of the Sustainable Development Promotion Committee can be found on our corporate website on the "Corporation Governance and Organizational Structure" page under our "Corporate Governance" section.</p> <p>■ Six teams, including the Environmental Sustainability Team, Sustainable Service Planning Team, Employee Care Team, Social Integration Team, Corporate Governance Team, and Ethical Management Team have been established under the Sustainable Development Promotion Committee. Details of relevant duties can be found on our corporate website on the "Corporation Governance and Organizational Structure-Corporate Governance Structure" page under our "Corporate Governance" section.</p> <p>■ The Corporation fulfills corporate social responsibilities in accordance with the "Corporate Social Responsibility Best Practice Principles" approved by the Board of Directors in March 2016, and is active in promotion of corporate governance, social welfare, and environmental sustainability, concepts which are integrated in our operational strategies and management goals. The Board approved amendments to the "Corporate Social Responsibility Best Practice Principles," which was renamed the "Sustainable Development Best Practice Principles" in March 2022.</p> <p>■ Specific sustainable development results and promotions for 2024 encompassed ESG strategic themes, items, main implementations, stakeholder communications, and materiality matrix analysis. An associated report was submitted to the 27th meeting of the 10th Board on June 11, 2025. The Board expressed support for current implementations and planned sustainable development promotions.</p> | ■ None. |

| Item | Implementation Status | | Summary Description | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|---|---|
| | Yes | No | | |
| | | | <p>■ The Corporation's 2024 Sustainability Report was published on August 6, 2025 after receiving approval from the 30th meeting of the 10th Board. For more information on the Corporation's specific sustainable development implementations and results, please refer to the "Sustainable Development" page of our "ESG" section of our corporate website.</p> | |
| 2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? | ✓ | | <p>■ These disclosures encompass our sustainable development performance from January to December 2025, with the risk assessment boundary encompassing the Corporation.</p> <p>■ In order to build a complete risk management system; strengthen effectiveness of corporate governance; ensure comprehensiveness, effectiveness, and reasonableness of risk management; and effectively evaluate and oversee risk-bearing capabilities of the Corporation to determine risk response strategies and implementation of risk management procedures, the Corporation's "Risk Management Regulation" and related "Risk Management Policies" were established following approval of the 27th meeting of the 8th Board on June 19, 2019. The "Risk Management Measures" were revised to "Risk Management Procedures" in 2024 and were approved by the 15th meeting of the 10th Board on July 10 to provide reasonable assurance of the Corporation's mid- to long-term strategic plans and target achievements, and to support stable operations and sustainable development.</p> <p>■ The Corporation's Audit Committee assists the Board of Directors in supervising relevant risk management operating mechanisms.</p> <p>■ The Corporation has inventoried and identified, in a proactive and cost-effective manner, possible risks that may impact operations and profits due to Corporation business and operational activities, the main considerations being business environments, operations, finances, hazardous incidents, and other aspects. We have also reviewed the comprehensiveness of corporate risk management procedures and effectiveness of risk management controls, and conducted risk evaluations of material environmental, social, and corporate governance issues relating to operations; these evaluations were used to establish implementation systems and identify seven risk categories (Note 1). For more information regarding these risks and relevant response measures and actions, please refer to the following table (Note 2).</p> <p>■ The Corporation's various committees (such as the Audit Committee, Safety Committee, Information Security Committee, and Sustainable Development Promotion Committee) and operating units all helped to establish and promote the aforementioned risk management measures, issues, evaluations, and policies.</p> <p>■ Implementation Status</p> <p>The Corporation began actively promoting risk management procedures in 2018 and reports on implementations to the Board of Directors once every year. Main implementations in 2025 included:</p> <ol style="list-style-type: none"> 1. An annual risk management implementation report was presented to the Audit Committee and the Board of Directors in March 2025, encompassing the Corporation's risk categories, important items for risk management, and risk assessments. Units responsible for management of different risk categories have all adopted appropriate response measures and made suitable records of risk management procedures and implementation results. 2. To strengthen risk management mechanisms, risk management courses have been organized for relevant personnel. A total of 9,412 personnel underwent 9,617 hours of training to strengthen their awareness and understanding of corporate risk management. | ■ None. |

| Item | Implementation Status | | Summary Description | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | | |
| 3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics? | ✓ | | <p>■ The Corporation has established an environmental management system in accordance with the ISO14001 Environmental Management System, and our Environmental Management Manual lays out specific implementations for all environmental management requirements. We passed ISO14001:2015 Environmental Management System verification and obtained a certificate in 2020, and subsequently passed re-verification in 2023. Our current certificate is valid from September 24, 2023 to September 24, 2026.</p> <p>■ By establishing an applicable environmental management system, we strengthened our pollution risk prevention and resource conservation management capabilities, and increased our responses to internal (such as organizational changes) or external (such as climate change and stricter laws & regulations) environmental impacts.</p> <p>■ The Environment Management Committee conducted one Environmental Management Committee meeting, four Environmental Management Working Meetings, and 21 environmental quality management audits in 2025 and inspected the environmental management systems implemented at all maintenance depots and stations to enhance environmental quality.</p> | ■ None. |
| (2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact? | ✓ | | <p>■ The Corporation has established environmental management objectives and strategies based on principles of safety, comfort, environmental protection, energy conservation, and carbon reduction. We implement environmental management, energy conservation and carbon reduction, water conservation and waste reduction, green buildings, ecological conservation, environmental education, green procurement, and local environmental care actions to enhance our environmental performance. We conduct periodical reviews of environmental objective progress and implementations through environmental management meetings and apply appropriate measures to protect the environment from possible negative impacts in accordance with environmental protection laws. We continued to enhance our energy efficiency in 2025 by implementing a number of energy-saving improvements (switching to LED lights, hydraulic elevators, split-type air-conditioners, and magnetic-bearing variable-frequency centrifugal chillers) that reduced our energy usage. We also established energy management personnel at maintenance depots and stations with contracted electricity capacities exceeding 800 kW and set an average annual electricity saving rate target of 1% in accordance with the "Energy Management Act." We also set optimal operational conditions and schedules for our electromechanical equipment using our station and depot building management systems, and continue to monitor the operations of electric and water facilities.</p> | ■ None. |
| (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them? | ✓ | | <p>■ The Corporation actively works to mitigate the impacts of climate change. The Environmental Sustainability Team established under the Sustainable Development Promotion Committee is chaired by our President, who is responsible for convening meetings to assess potential risks and opportunities of climate change on current and future operations, review implementations of corresponding response measures, and discuss future plans. In accordance with the "Adaptation Strategy to Climate Change in Taiwan" proposed by the National Development Council, we continue to work with the Ministry of Transportation and Communications in establishing climate change adaptation action plans for lifeline infrastructure and discuss methods for strengthening railway adaptation capabilities with the MOTC Institute of Transportation to better understand climate change impacts on railway systems and formulate railway system adaptation guidelines, frameworks, and exercises. The Corporation has also signed the "Memorandum of Cooperation on Cross-border Disaster Prevention" with the MOTC Central Weather Bureau to enhance meteorological interpretation capabilities through mutual cooperation. These capabilities serve as an important reference for the Corporation to make traffic dispersion decisions and assess track safety during disasters.</p> | ■ None. |

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|--|-----------------------|----|--|---|
| | Yes | No | | |
| | | | <p>■ The Corporation also strives to take advantage of climate change opportunities. Since 2013, the Corporation has cooperated with the government to promote renewable energy policies by leasing out the rooftop areas of the Wuri and Zuoying maintenance depots and the Yanchao Main Workshop to energy suppliers for the installation of solar power equipment, with a total power generation capacity of 5,328 kWp. Beginning in 2018, we sequentially established solar power generation systems at six locations (Wuri Depot, Zuoying Depot, Liujia Depot, Taoyuan Station, Chiayi Station, and Tainan Station) by utilizing depot flood basins, station outdoor parking spaces, and station roofs. Total annual power generation capacity was approximately 3,659 kWp. The solar equipment was connected to the grid in 2020. In 2024, plans were made to install five leased solar power generation systems on the outdoor parking lots of Miaoli Station, Changhua Station, Yunlin Station, and Chiayi Station, as well as on the rooftop of the Taibao Depot, with a total estimated generation capacity of 3,870 kWp. The contracts were signed in 2025, and design and construction processes are currently ongoing. In future, we plan to install solar power generation equipment on the rooftops and outdoor car/scooter parking lots of the Zuoying Depot's second maintenance plant (D296), Liujia Depot, Taibao Depot, and Wuri Depot.</p> <p>■ Additionally, we installed rooftop solar panels on the sun and rain shelters at Miaoli, Changhua, and Yunlin stations with a total power generation capacity of 258 kWp to generate electricity for use at these stations and to reduce carbon emissions. In 2018, the Corporation also applied for and obtained Renewable Electricity Certificates for the solar energy generated at these three stations.</p> <p>■ The main risks brought about by climate change include severe weather phenomenon such as extreme high temperatures and rising sea levels, as well as increased rainfall, rainfall intensity, typhoons, cyclones, and lightning, which impact the vulnerability of our railway operations. These climate events have increased in frequency and intensity and may impact HSR operations.</p> <p>■ At present (2023~2026), our adaptive actions toward climate change impacts include the following three items, and progress reports are provided annually:</p> <ol style="list-style-type: none"> 1. Update and upgrade slope safety monitoring systems. 2. Reinforce protections for tunnel entrances and steep vegetated slopes along the HSR line. 3. Implement risk assessments and protection designs for scoured cross-river viaducts. <p>■ For information on the potential risks, opportunities, and corresponding measures of climate change for the Corporation now and in the future, please see Note 3. More details are disclosed on the "Climate Change Mitigation and Adaptation" page under the "Environmental Sustainability" section of the "ESG" section on our corporate website.</p> | |
| (4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes? | ✓ | | <p>■ The Corporation continues to promote the four major energy-saving programs (autonomous energy saving, reduction of power consumption, transfer peak power demands, and reasonable power usage) and has implemented a number of energy-saving improvements such as switching to LED lights, hydraulic elevators, split-type air-conditioners, and magnetic-bearing variable-frequency centrifugal chillers. We have established energy-saving goals for depots and stations (reduction of at least 0.86% in average annual power consumption per trip).</p> <p>■ In terms of water management, we implement water conservation, water reduction, and water recycling policies, and set an annual water-saving goal of at least 3.42% reduction in average water consumption per trip.</p> <p>■ Additionally, in order to quantify our carbon emissions from energy consumption, we established the "passenger-kilometer emissions" indicator and have set a "target greenhouse gas reduction rate" of at least 1.50% every year.</p> <p>■ In terms of circular economy and waste management policies and promotions, THSRC promotes resource recycling, advocates for waste reduction at the source, and has strengthened waste classification and recycling as part of our waste management policies. We reduce and classify waste to increase reuse and recycling rates. Under our "100% THSRC RECYCLED" initiative, plastic bottles recycled in stations were used to make staff uniforms and we replaced the plastic lids on hot drink cups with lids made from plastic-reducing materials in 2025.</p> | ■ None. |

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|------|-----------------------|----|---------------------|---|
| | Yes | No | | |

■ Implementation results for the aforementioned targets in 2025 were as follows: Reduced station power consumption by 5.025% (>0.86%); reduced station water consumption by 3.399% (<3.42%); and reduced carbon emissions by 5.450% (>1.50%).

■ The Corporation calculates greenhouse gas emissions, water usage, and waste volumes every year; these indicators are disclosed in annual sustainability reports. Statistical data for the past two years (2024-2025) were as follows:

| Year | Indicator | Greenhouse gas emissions (tCO ₂ e) | Scope 1 (tCO ₂ e) | Scope 2 (tCO ₂ e) |
|------|-----------|---|------------------------------|------------------------------|
| 2024 | | 321,893.73 | 8,637.63 | 313,256.10 |
| 2025 | | 324,893.91 | 7,779.93 | 317,113.98 |

Note: Includes Scope 1 and 2 emissions for the entire Corporation. Figures for 2024 were updated after verification. Figures for 2025 are awaiting third-party verification, and complete assurance information will be disclosed in our Sustainability Report.

| Year | Indicator | Water usage volumes (cubic meters) |
|------|-----------|------------------------------------|
| 2024 | | 748,321 |
| 2025 | | 758,530 |

| Year | Indicator | Total waste volumes (metric tons) | Hazardous waste volumes (metric tons) | Non-hazardous waste volumes (metric tons) | Recycled waste volumes (metric tons) | Waste recycling rates |
|------|-----------|-----------------------------------|---------------------------------------|---|--------------------------------------|-----------------------|
| 2024 | | 7,081.93 | 23.64 | 7,058.29 | 1,852.42 | 26.2% |
| 2025 | | 7,376.32 | 2.97 | 7,373.35 | 1,807.75 | 24.5% |

| Year | Indicator | Gasoline (CJ) | Diesel (CJ) | Electricity (CJ) | Green electricity (CJ) | Total energy volumes (CJ) | Renewable Energy Share |
|------|-----------|---------------|-------------|------------------|------------------------|---------------------------|------------------------|
| 2024 | | 2,878.60 | 15,092.18 | 2,379,160.23 | 634.65 | 2,397,765.66 | 0.027% |
| 2025 | | 3,925.58 | 13,054.21 | 2,408,458.23 | 320.86 | 2,425,758.88 | 0.013% |

Note: Data encompassed the whole Corporation, including 12 stations, 5 maintenance depots, our headquarters, our Operational Management Center, and mainline (including train electricity consumption and line equipment). Figures for 2025 are currently awaiting third-party verification, and complete assurance information will be disclosed in our Sustainability Report.

■ THSRC conducted Corporation-wide greenhouse gas inventories and external verifications based on ISO14064-1:2018 standards and the Ministry of Environment Greenhouse Gas Inventory Guidelines, and obtained an ISO14064-1 verification statement. Corporation-wide greenhouse gas inventory and verification procedures for 2024 were conducted in 2025, and an ISO 14064-1:2018 verification statement was obtained in June 2025.

| Item | Implementation Status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| 4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions? | ✓ | | <p>■ Article 18 in Chapter 4 (Maintaining Social Welfare) of the Corporation's "Sustainable Development Best Practice Principles" stipulates compliance with the International Bill of Human Rights in gender equality, right to work, and prohibition of discrimination, as well as establishment of relevant management policies and procedures.</p> <p>■ The Corporation complies with the spirit of the International Bill of Human Rights and established a "Human Rights Policy" corresponding to the characteristics of the rail transportation industry in 2018, which is disclosed on our corporate website. We adhere to local labor laws while also supporting and complying with the principles and spirit underlying the UN's Universal Declaration of Human Rights, the 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, including freedom of association, right to unionize and collective bargaining, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment discrimination, and elimination of all forms of discrimination towards women, while also confirming that our human resource utilization policies do not discriminate on the basis of gender, race, social class, age, marital status, and family conditions.</p> <p>■ The Corporation has established various regulations for corporate governance, environmental protection, public affairs, procurement, and human resources. We have specific regulations relating to human rights policies to serve as a basis for identifying important human rights issues and to promote risk-reducing measures. The Corporation's "Supply Chain Management Policy" stipulates that in addition to procurement quality, costs, delivery date, and services, the Corporation should also consider factors such as reasonable profits, social responsibility, labor safety, human rights, and environmental protection when making management and implementation decisions. When inviting bids, the Corporation stipulates that companies submitting bids should not discriminate on the basis of gender, should not discriminate against indigenous people or vulnerable groups, and should not use child labor. We work with all collaborating partners in continuing to enhance and improve management of human rights issues so as to mitigate potential crises and impacts. We actively contribute to society and participate in local activities to the best of our limited abilities, in hopes of maintaining sustainable interactions with our collaborating organizations to implement social care and strengthening of local culture. The Corporation has provided effective and appropriate grievance mechanisms for matters that infringe upon labor rights to ensure the equality and transparency of grievance procedures. The Human Resources and Administration Division is responsible for implementing our "Human Rights Policy." Relevant human rights concerns and specific management plans and actions are detailed in Chapter 6 of this Annual Report. Additional information is disclosed on the "Human Rights Policy" and "Implementation of Mitigation Measures for Human Rights Risks" pages under the "Policy" sub-section in the "About Us" section of our corporate website.</p> | ■ None. |

| Item | Implementation Status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| (2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation? | ✓ | | <p>■ The Corporation has established a "Welfare Regulation," and not only provides employee vacation days, insurance, funeral subsidies, and health checks according to these regulations, but also works actively to establish a friendly work environment with catering, relocation subsidies, shuttle buses, uniform cleaning services, and even employee counseling, healthcare assistance, employee discounts, and employee benefits so that employees can enjoy their work. We launched the "THSRC Childcare Program" in 2025 and initiated pregnancy, childcare, and education subsidy policies. We also provide two days of paid family care leave and other welfare policies that exceed regulatory requirements, and have signed contracts with multiple childcare institutes across Taiwan to provide employees with convenient childcare resources at special rates. The Corporation and the THSRC Labor Union initiated collective bargaining processes on February 20, 2025 to stabilize labor-management relations, promote harmonious labor-management relations, and enhance labor welfare. Both parties upheld labor autonomy and integrity principles throughout the process, and negotiated labor-management matters relating to labor conditions, welfare measures, occupational safety, internal grievance systems, and union activities. A total of 10 negotiation meetings were held over 10 months, and both parties reached a collective agreement on January 1, 2026. The collective agreement is effective for three years, from the date of signing to December 31, 2028. Terms superior to labor laws include allocation and distribution of "annual total bonuses" following negotiation by both parties and the approval of the Board to enable profit sharing and effective links between operational achievements and employee compensation; annual project bonuses to reward employees for their hard work during peak periods; designating the date of annual health checks for all employees as "Employee Health Day" to promote employee health management and enhance workplace safety; the Corporation also provides employees with 1 day of paid official leave and HSR travel support on the day they undergo health checks. Additionally, we annually assess and compare related market information to gain a better understanding of employee welfare to provide comprehensive benefits. For more information on employee benefits, please refer to Chapter 2 of this Report.</p> <p>■ The Corporation has established a "Retirement Regulation" and deposits pension funds for employees under prior pension plans according to law. A Pension Reserves Supervisory Committee was established and convenes every quarter to review pension reserves and other matters stipulated by law. We place deposits in individual labor insurance accounts established by the Bureau of Labor Insurance according to law so that employees under the (new) pension plans of the Labor Pension Act can be protected after retirement. For more information on retirement systems and implementation status, please refer to Chapter 2 of this Report.</p> <p>■ The Corporation offers two days off per week, national holidays, and other holidays as stipulated by central competent authorities. Employee annual leaves are granted pursuant to the Labor Standards Act.</p> <p>■ The Corporation actively complies with laws and regulations to achieve diversity in human resources by utilizing a variety of recruitment channels. We have also established a section for recruiting disabled personnel on our recruitment website and hire employees with disabilities for specific jobs.</p> <p>■ The Corporation employed 48 employees with disabilities in 2025, including 9 severely disabled employees, surpassing legal requirements. We also employed 59 employees with indigenous backgrounds in 2025.</p> <p>■ To help our employees maintain a work-life balance, the Corporation guarantees salaries and career development statuses of employees on leave without pay, regardless of gender, so that our employees can implement family planning and childcare with peace of mind. Regardless of gender, all employees who apply for (childcare, injury, or military service) leave without pay can enjoy applicable salary adjustments and guaranteed labor conditions when they return to work.</p> | ■ None. |

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|--|-----------------------|----|--|---|
| | Yes | No | | |
| | | | <p>■ Our "Charter of the Remuneration Committee" stipulates periodic reviews of director and manager performance; remuneration policies, systems, standards, and structures; and general compensation levels in the industry. To ensure competitiveness and motivation, employee remuneration is determined by the Corporation's financial conditions, business performance and policies, as well as the work duties, work abilities, and performance of the positions held. In addition, according to our "Articles of Incorporation," if the Corporation is profitable in a given year, it shall allocate no less than 1% of net profits as profit-sharing compensation to employees, and no less than 35% of said employee compensation shall be allocated to non-executive employees.</p> <p>■ The Corporation is attentive of market remuneration standards, regularly reviews remuneration policies, and sets out salaries, allowances, and bonuses according to the "Salary Payment Regulation" to reward employees for their contribution and hard work. Year-end bonuses and performance bonuses are distributed based on the Corporation's annual business performance, financial conditions, operating conditions, and individual work performance, and we also have established remuneration adjustment policies to enhance employee remuneration and benefits. Annual salary adjustments have been implemented for 2025 to realize our goal of rewarding and caring for our employees; overall salaries were adjusted by an average increase of 4.5%.</p> | |
| (3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees? | ✓ | | <p><u>Health and safety policies</u></p> <p>■ Safety is the cornerstone of THSRC. Without safety, there is no THSRC. All decisions and actions at THSRC are based on the highest guiding principle of safety. THSRC maintains proactive health and safety management in tandem with staff participation on improvements to achieve our goal of zero disasters and accidents.</p> <p>■ We comply with laws, regulations, and procedures, and stipulate clear safety responsibilities for employees of all levels to ensure the safety of our personnel, passengers, and THSRC assets.</p> <p>■ We apply internationally recognized risk assessments for health and safety management systems to control and minimize risk hazards as much as reasonably practicable.</p> <p>■ We provide all staff members with required training, as well as health and safety information to maintain attention and awareness of health and safety in performance of all daily duties.</p> <p>■ We carefully select, supervise, and manage contractors and suppliers to ensure that their operations, machinery, equipment, tools, and materials comply with law and THSRC's safety management requirements.</p> <p>■ We establish and maintain high-quality working and operational environments, and coordinate with necessary external support systems to maintain the physical and mental health of all staff members, passengers, and the general public.</p> <p>■ THSRC reviews health and safety policies, rules, procedures, and implementations regularly to enhance management performance and achieve continuous improvement of safety.</p> <p><u>Monitoring of labor environments</u></p> <p>■ We conduct periodic inspections of working environments at our headquarters, Taoyuan OMC Building, 12 stations, and 5 maintenance depots every six months to provide our employees with a healthy and safe work environment.</p> | ■ None. |

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|---|-----------------------|----------------|---|---|--|---|-------------|---|--------------|------|-----------------------|----------------|------|-------|--------|------|-------|--------|------|-------|--------|--|
| | Yes | No | Summary Description | | | | | | | | | | | | | | | | | | | |
| | | | <p><u>Health and safety management regulations</u></p> <p>■ The Corporation has established the "Employee Safety and Health Work Instructions," "Occupational Safety and Health Management Plan," "Railway Operation Safety Rulebook," "THSRC Operation Regulation," "THSRC Operation Rules," and "OCC Working Manual/Station Control Room Working Manual/Maintenance Depot Working Manual" to serve as a basis for management of safety operations at THSRC. Our operating procedures are reviewed and updated at least once every three years in accordance with the aforementioned regulations.</p> <p><u>Health and safety monitoring and guidance</u></p> <p>■ The Corporation has formulated annual health and safety monitoring and guidance plans to provide suggestions on and track specific improvement items.</p> <table border="1"> <thead> <tr> <th colspan="2">Health and safety monitoring and guidance in 2025</th> </tr> </thead> <tbody> <tr> <td>Occupational Safety & Health Office health and safety inspections (patrols)</td> <td>42 Sessions</td> </tr> <tr> <td>Maintenance safety management section health and safety courses</td> <td>522 Sessions</td> </tr> </tbody> </table> <p><u>Equipment safety management</u></p> <p>■ The Corporation has classified all equipment and listed hazardous machinery and equipment in accordance with law. We conduct detailed inspections to ensure safe usage of all equipment. In 2025, we conducted regular inspections on our 38 pieces of hazardous machinery in accordance with the Regulations for Safety Inspection of Hazardous Machines and Equipment to ensure safe usage of all equipment.</p> <p><u>Corporate verifications</u></p> <p>■ The Corporation established and has maintained an occupational health and safety management system since the Construction Stage.</p> <p>■ THSRC successfully passed LRQA audits in July 2017 and obtained both TOSHMS (Taiwan Occupational Safety and Health Management System) CNS 15506 and OHSAS (Occupational Health and Safety Assessment Series) 18001 verifications. In June 2020, THSRC passed BSI (British Standards Institution) reviews, completed CNS 45001 (TOSHMS) and ISO 45001 transfer verifications, and passed all annual routine verifications. THSRC passed DNV (DNV GL Business Assurance) reviews in December 2025, and received a certificate which is valid until July 18, 2026.</p> <p>■ The Corporation's occupational health and safety management system verification scope encompasses all sites under HSR management along Taiwan's western corridor, including train stations, maintenance depots, trackside equipment, and offices.</p> <p><u>Health and safety training</u></p> <p>■ Every year, the Corporation establishes an Annual Health and Safety Training Plan which includes relevant health and safety training courses. Additionally, the Corporation also notifies all employees of the latest updates on health and safety standards, regulations, and operational procedures.</p> <p>■ The Corporation hosted a number of traffic safety activities including traffic safety lectures and safe-driving promotional training for scooter drivers. We also provide shuttle buses for some employees at certain stations or depots. THSRC occupational health and safety training and promotions over the past three years</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Training participants</th> <th>Training hours</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>4,934</td> <td>22,457</td> </tr> <tr> <td>2024</td> <td>4,712</td> <td>21,270</td> </tr> <tr> <td>2025</td> <td>5,357</td> <td>22,710</td> </tr> </tbody> </table> | Health and safety monitoring and guidance in 2025 | | Occupational Safety & Health Office health and safety inspections (patrols) | 42 Sessions | Maintenance safety management section health and safety courses | 522 Sessions | Year | Training participants | Training hours | 2023 | 4,934 | 22,457 | 2024 | 4,712 | 21,270 | 2025 | 5,357 | 22,710 | |
| Health and safety monitoring and guidance in 2025 | | | | | | | | | | | | | | | | | | | | | | |
| Occupational Safety & Health Office health and safety inspections (patrols) | 42 Sessions | | | | | | | | | | | | | | | | | | | | | |
| Maintenance safety management section health and safety courses | 522 Sessions | | | | | | | | | | | | | | | | | | | | | |
| Year | Training participants | Training hours | | | | | | | | | | | | | | | | | | | | |
| 2023 | 4,934 | 22,457 | | | | | | | | | | | | | | | | | | | | |
| 2024 | 4,712 | 21,270 | | | | | | | | | | | | | | | | | | | | |
| 2025 | 5,357 | 22,710 | | | | | | | | | | | | | | | | | | | | |
| | | | <p>Note: Starting in 2022, we began including trainee numbers and training hours for legally mandated external occupational health and safety certification training.</p> | | | | | | | | | | | | | | | | | | | |

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|------|-----------------------|----|--|---|
| | Yes | No | | |
| | | | <p><u>Health checks, management, and promotion</u></p> <p>■ The Corporation provides health checks beyond those mandated by regulations. Employees aged above 45 years undergo annual health checks, while those under 45 years of age undergo health checks every two years. Train staff undergo annual health checks. Annual health checks for general and train personnel in 2025 were completed during March to October, and the health check completion rate for train personnel was 100%.</p> <p>■ We established an online occupational health check reservation system facilitate a more convenient process for our colleagues. In 2025, 161 on-site service sessions with occupational health physicians providing hazard assessment, health consultation, home and work injury care, returning worker assessment, and worker fitness services were organized to ensure comprehensive healthcare benefits for employees.</p> <p>■ Infirmaries staffed by labor health management professionals who facilitate employee health management and promotion have been established at headquarters, the OMC building, and all maintenance bases. Health stations of higher quality than stipulated by law have been established at all HSR stations and are equipped with nurses that provide emergency medical assistance to passengers and employees.</p> <p>■ Every year, we implement programs relating to prevention of human hazards, prevention of disorders brought on by abnormal workloads, and maternal health protection. We also conduct health management surveys to analyze employee health risks to provide timely interventions and offer preventive care to our colleagues.</p> <p>■ The Corporation has formulated the Prevent Plan for Wrongful Physical or Mental Harm During the Execution of Job Duties in accordance with the Occupational Safety and Health Act to guide implementations of all units and to ensure work safety, physical health, and mental health.</p> <p>■ In terms of preventive care for mental health, we have established hotlines and dedicated email addresses to provide multiple communication channels and care for our employees.</p> <p>1. We have established multiple promotional channels as well as a 24-hour hotline, counseling services, crisis interventions, and other psychological support programs for our employees to help them handle issues that may affect their work performance. A total of 190 people received counseling in 2025.</p> <p>2. We worked with related departments to provide health consultations, work fitness recommendations, and psychological counseling for employees nearing retirement, employees with severe injuries or illnesses, and employees returning to work. A total of 83 employees benefited from our employee care programs.</p> <p>3. We organized online sexual harassment prevention courses which were attended by 5,053 participants over a total of 2,526.5 hours, accounting for 100% of all 5,053 employees.</p> <p>4. We organized in-person courses on illegal infringement, interpersonal boundaries, and interpersonal communication which were attended by 500 participants over a total of 2,295 hours, accounting for 9.89% of all 5,053 employees.</p> | |

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|------|-----------------------|----|--|---|
| | Yes | No | | |
| | | | <p>■ Health promotion activities and achievements</p> <p>1. Weight loss activities</p> <ul style="list-style-type: none"> •As obesity is a major cause of chronic diseases, we continued to organize weight-loss activities in 2025. A total of 1,164 people participated in these activities. <p>2. Lifestyle assessment and experiential camp</p> <ul style="list-style-type: none"> •We collaborated with Chi Mei Hospital to host consecutive lifestyle medicine activities and invited colleagues listed as high risk based on the results of health examinations conducted in 2024. The guidance provided by the professional medical team helped our colleagues adjust their diets, exercise regimens, and other lifestyle modes to prevent and prolong the occurrence of chronic diseases without using medication. A total of 100 people participated in this activity. <p>3. Human hazard prevention</p> <ul style="list-style-type: none"> •To help our colleagues understand their physical fitness conditions and suitable exercises, we hosted this activity for the first time in 2025 and invited a professional team to discuss human hazard prevention (including body posture detection analysis), practical training (body posture adjustment and muscle relaxation training), and AI body posture detection and analysis report interpretation with our employees. A total of 40 people participated in this activity. <p>4. Health lectures</p> <ul style="list-style-type: none"> •We hosted 9 health lectures in 2025 covering topics such as lifestyle medicine, healthy diets, the three hyperts, and metabolic syndrome. A total of 1,385 people participated in these lectures. <p><u>Investigation, handling, and statistical analysis of occupational disasters and near misses</u></p> <p>■ In 2025, 1 occupational disabling injury occurred inside our working environments, resulting in 3 days lost to disabling injuries and a Frequency-Severity Indicator (FSI) of 0.005; there were 13 traffic-related occupational disabling injuries attributed to employees which resulted in 74 days lost to disabling injuries and a Frequency-Severity Indicator (FSI) of 0.09. No incidents of work-related ill health were recorded.</p> <p>■ The Corporation provides substantial incentives and encourages employees to propose management solutions for near misses under our Rewards Program for Reporting Near Misses of Occupational Safety and Health Hazards to enhance occupational health and safety awareness.</p> <p><u>Operational Safety</u></p> <p>■ Refine operational safety management</p> <p>1. Revisions made to the "Regulations for Train Operations" in 2022 stipulated that rail institutions should establish safety management systems. The Corporation referenced the latest regulations, safety guidelines from international transportation organizations, and safety management system implementations from domestic and overseas benchmark enterprises in the transportation industry. Following a review of previously implemented safety management systems, revisions were made to the Corporation's "Operational Safety Plan," which officially took effect on January 1, 2024, serving as an important strategic guide for subsequent strengthening of safety management at the Corporation.</p> <p>2. In 2025, we conducted 7 planned rail operational safety audits; audit results and improvements were reported and tracked by the Operational Safety Committee.</p> <p>■ Continued enhancement of operational safety</p> <p>1. To maintain safety of HSR operational systems, train reliability, and punctuality, we conducted investigations on the 0 general operational incidents and 42 abnormal operational incidents that occurred over the year. Improvement measures for these incidents were reviewed and tracked at relevant meetings.</p> <p>2. We continued to organize safety promotion activities in 2025, including autonomous safety reporting incentive activities and contests to enhance passenger safety performance, thereby strengthening awareness of autonomous reporting in our colleagues while facilitating cross-departmental collaborations to discuss proposals for reducing passenger injury incidents.</p> | |

| Item | Implementation Status | | Summary Description | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons |
|------|-----------------------|----|--|---|
| | Yes | No | | |
| | | | <p>■ Strengthen security operations</p> <p>1. In accordance with Article 56-4 of the Railway Act and to strengthen the security response, support, and handling capabilities of our station managers, supervisors, and operating personnel (including contractors), we organized one training seminar that covered "Safety Protections and Resilience of Critical HSR Infrastructure," "Handling of and Responses to Safety Incidents," "Handling of and Responses to Suspicious Objects" to facilitate employee interaction and communication, and to build safety awareness. The seminar was attended by 105 participants.</p> <p>2. We conducted 16 supervisory audits of our security contractors over the year in accordance with the THSRC security management system and "Security Management Plan." We conduct quarterly audits of access controls for all stations/maintenance depots/workshop factories to ensure that HSR security and access controls are well-managed.</p> <p>3. The Corporation has formulated the "Plan Of Security Measures For The Personal Information File" to guide protection of personal information provided by passengers. We conducted 11 training sessions related to personal information awareness for new employees over the year, and 5,109 personnel also participated in annual refresher training programs for personal information.</p> <p>■ Continue refinement of responses and preparations</p> <p>1. In 2025, we established 10 response centers due to natural disasters, but no employees or passengers were injured.</p> <p>2. To strengthen response capabilities in first-line commanders, we held one training seminar for on-site commanders and emergency engineers in 2025 which was attended by 57 participants.</p> <p>3. This year, we invited external support units (including police, fire, environmental protection, and medical units) along the HSR line, as well as 77 people from supervising units such as the Executive Yuan Office of Disaster Management, MOTC Taiwan Transportation Safety Board, and Railway Bureau to participate in lectures on HSR disaster prevention and relief mechanisms so they could familiarize themselves with evacuation & rescue procedures and relevant regulations.</p> <p>4. To strengthen response capabilities to various abnormal operational incidents, we conducted 100 disaster prevention drills and training exercises in our stations, maintenance depots, and tracks this year, including 3 joint drills, which were conducted in tandem with external supporting units.</p> <p>■ Each station invites external supporting units and emergency passenger transport operators to jointly conduct surveys of the 184 emergency exits along the high-speed rail line once every six months. Surveys for 2025 were completed in April and December.</p> <p>■ For more information on work environments, operational safety training, and training activities related to operational safety, please refer to Chapter 5 of this Annual Report.</p> | |

| Item | Implementation Status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| (4) Has the Company established effective career development training programs for employees? | ✓ | | <p>■ The Corporation established a training program based on the two major themes of safety and service, which encompassed the three aspects of core competencies, professional competencies, and management competencies. We also implemented cross-training for specific personnel and formulated manager learning passports to provide our employees with a comprehensive occupational training course that is beneficial for sustainable corporate development.</p> <p>■ Employees are the Corporation's most important assets; therefore, the Corporation places great emphasis on employee development and cultivation. Each year, an annual training plan is formulated based on employee competency development needs. In 2025, a total of 573 training programs were planned and categorized into three (core, professional, and management) competencies. The programs provided training to 86,308 participants. The following training programs were classified according to our training regulations and management guidelines:</p> <p>1. Core Competencies: Encompassed new employee training, occupational safety and health training, and safety-related programs. In 2025, a total of 68 training programs were conducted, providing training to 34,013 participants. Examples included:</p> <p>① New employee training; source of requirement: THSRC Training Management Guidelines Objective: To help new employees understand company policies and regulations, internalize the corporate culture and values, accelerate onboarding through group discussions and site visits, and learn to use relevant information platforms. Achievements in 2025: Trained 449 participants, achieving a 100% completion rate.</p> <p>② Occupational safety and health certification training encompassing 31 training programs Source of requirement: Government regulations (Occupational Safety and Health Education and Training Rules) Objective: To comply with legal requirements and strengthen OSH management. Achievements in 2025: Trained 1,987 participants (initial vs. refresher ratio 14:86), achieving 100% employee training coverage, and ensuring all employees obtained required OSH certifications.</p> <p>③ HSROR safety training at all levels encompassing 8 training programs Source of requirement: THSRC regulations on certification requirements for entering restricted areas (HSROR qualification) Objective: To strengthen professional competencies and safety awareness. Achievements in 2025: Trained 8,589 participants (including contractors); 100% of employees requiring access to restricted areas were trained.</p> <p>2. Professional Competencies: Covered professional training for operation and maintenance personnel, as well as other specialized programs and knowledge-enhancement courses. In 2025, a total of 501 training programs were conducted for 21,774 participants. Examples included:</p> <p>① Professional training for operation and maintenance personnel (including initial/refresher training, overseas training, and knowledge enhancement programs for Maintenance Division and Operations Division personnel), encompassing 261 training programs Source of requirement: Corporate policies, corporate strategy, departmental business plans, and individual competency development. Objective: To enhance technical proficiency in operation and maintenance personnel in response to environmental changes and to accelerate talent mobility and development. Achievements in 2025: Trained 18,859 participants, including 97 overseas trainees (73 of whom underwent JRC practical training in Japan for new rolling stock projects).</p> <p>② Professional training for administrative support and R&D personnel (excluding personnel from Maintenance and Operations Divisions), encompassing 240 training programs Source of requirement: Corporate strategy, departmental business plans, and individual competency development. Objective: To enhance employee professional capabilities in response to business and environmental changes and to accelerate talent growth and exchange. Achievements in 2025: Trained 2,915 participants.</p> | ■ None. |

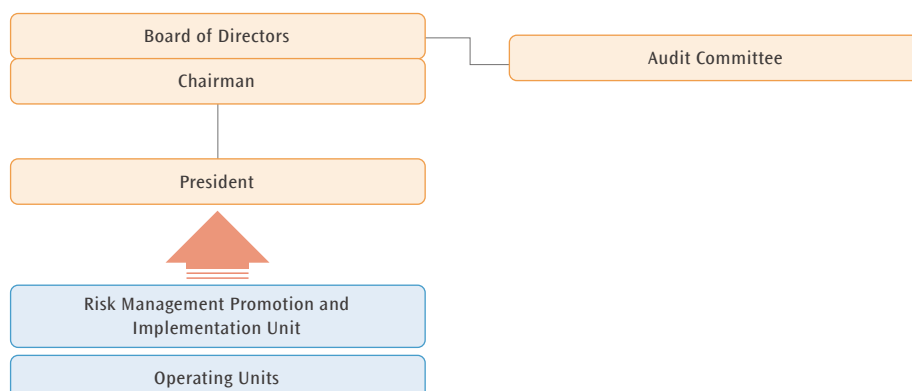
| Item | Implementation Status | | Summary Description | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | | |
| | | | <p>3. Managerial Competencies: Covered supervisory training and leadership development programs. In 2025, a total of 4 training programs were conducted for 238 participants. Examples included:</p> <p>① TWI training for successor development among first-line supervisors; source of requirement: Annual corporate strategic objectives Objective: To equip supervisors with Job Instruction (JI) skills, Job Methods (JM) for task breakdown, and Job Relations (JR) for establishing positive working relationships. Achievements in 2025: Trained 59 participants.</p> <p>② Training for high-potential managerial talent (innovation and accountability); source of requirement: Annual corporate strategic objectives Objective: To enhance management capabilities through key position benchmarking and personalized development plans, focusing on innovation competency and practical problem-solving. Achievements in 2025: Trained 105 participants and supported THSRC's succession planning goals for HIPO employees.</p> <p>③ Supervisor training (communication, cognitive skills, and coaching competencies); source of requirement: Annual corporate strategic objectives Objective: To strengthen communication, cognitive, and coaching skill groups included in the learning passports for division/section-level supervisors through task-based scenario training. Achievements in 2025: Trained 55 participants and supported competency enhancement in THSRC supervisors.</p> <p>4. The aforementioned training programs were conducted through internal and external in-person and online training activities. THSRC also provides employees with diverse digital learning opportunities through internal e-learning platforms and external digital resources such as the Commonwealth Learning Academy. These diverse learning channels help create a strong learning environment and support employees in enhancing their career competencies.</p> | |
| (5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? | ✓ | | <p>■ The Corporation manages developmental processes for THSRC retail products and provides high-quality and safe products to consumers through establishment of internal review and external inspection management systems. We also clearly stipulate intellectual property ownership, invest in product liability insurance, strictly adhere to all governmental regulations, and also formulate internal operational procedures to ensure protection of customer health and safety.</p> <p>■ The Corporation has established the Plan of Security Measures for the Personal Information File, a Personal Information Protection Implementation Team, and personal information operation representatives. We fully respect customer privacy and protect the personal information of our customers through internal audits, external verifications, and training associated with personal information.</p> <p>■ Marketing and labeling of all THSRC products and services adhere to the Railway Act, relevant regulations, and international standards. We have also formulated the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Code of Conduct," and other policies and review management mechanisms. Our Passenger Transportation Contract also contains clear stipulations which are disclosed on our corporate website and stations for consumer reference and protection of customer interests. Apart from the aforementioned channels, we have also established a THSRC customer service hotline (4066-3000), digital customer services, a customer suggestion box, and internal handling procedures for transparent and effective handling of consumer suggestions.</p> <p>■ Grievance procedures: Passengers can submit inquiries, feedback or suggestions on operations through a variety of platforms, including our corporate email, digital customer services, customer service hotline, customer suggestion forms, and station/train staff. A dedicated unit accepts customer feedback and completes unit investigations, handling, and responses within specified timelines, and also reports said feedback to the quality management units of all departments as well as at cross-departmental customer feedback review meetings to ensure protect of customer and company interests.</p> | ■ None. |

| Item | Implementation Status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| (6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation? | ✓ | | <p>↔Supplier management strategies</p> <p>THSRC's mission and vision adheres to sustainable management principles and the five core principles of "Discipline, Integrity, Efficiency, Innovation, and Sensibility"; and we strive to realize our four brand characteristics, "Real, Progressive, Passionate, and Premium." THSRC invites all suppliers and business partners to drive sustainable operations in Taiwan's railway transportation industry and align with international trends.</p> <p>■ Focus on corporate management and business conduct: Suppliers should strictly abide by laws and regulations, comply with the highest ethical and moral standards, eliminate illegal benefits, and severely punish illegal activities.</p> <p>■ Human rights and labor requirements: Eliminate forced labor, child labor, and discrimination; provide workers with reasonable wages and benefits; and establish a friendly working environment in accordance with international and local human rights conventions and labor standards, and respect worker freedom of association and right to collective bargaining.</p> <p>■ Enhance safety awareness: Emphasize worker health and safety awareness, provide tools and equipment that meet THSRC safety management requirements, enable workers to perform their duties correctly and safely, and establish and maintain a high-quality working environment.</p> <p>■ Emphasize environmental issues: Fulfill environmental protection responsibilities, promote green low-carbon supply chains, and enhance energy efficiency to mitigate climate change impacts. Relevant environmental protection regulations are as follows: (1) Environmental permits Obtain and maintain all necessary environmental permits, licenses, and registration documents, and comply with all requirements. (2) Environmental protection mechanisms Effective environmental protection mechanisms should be established to manage environmental issues, and environmental improvement performance plans should be developed and implemented. Inspections of environmental protection measures should be carried out, relevant personnel should be supervised to ensure they are executing their work in accordance with relevant requirements, and inspection results, improvement measures, and achievements should be recorded and submitted to THSRC. (3) Toxic chemicals and chemicals of concern Toxic chemicals and chemicals of concern that pose risks to human health or the environment should be identified, labeled, and managed to ensure that they are safely handled, transported, stored, used, recycled or reused, and disposed of. All suppliers should manage toxic chemicals and chemicals of concern in accordance with the Ministry of Environment's Toxic and Concerned Chemical Substances Control Act. (4) Waste and emissions Suppliers should comply with environmental protection laws and regulations during operational processes. Wastewater, waste emissions, and waste generated from operations must be processed using legal procedures, and suppliers should consider how to achieve resource circulation goals; suppliers should also implement responsible disposal and recycling procedures. (5) Enhance environmental performance Appropriate processes and resources should be utilized during material production and service provision processes by improving production, maintenance, and facility procedures; replacing, reusing, conserving, recycling materials; or other methods to enhance the energy efficiency, prevent or mitigate environmental impacts, and minimize energy consumption and greenhouse gas emissions.</p> <p>■ Enhance industry competitiveness: Assist qualified domestic suppliers in developing HSR materials and technology transfers to enhance their technical capabilities and international competitiveness, and fulfill our corporate social responsibilities by supporting domestic industries.</p> | ■ None. |

| Item | Implementation Status | | Summary Description | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|------|-----------------------|----|---|---|
| | Yes | No | | |
| | | | <p>■ Information security: Suppliers should utilize information protections and ensure the security of information systems from unauthorized access, use, disclosure, damage, modification, viewing, recording, and destruction.</p> <p>◇ Assessment of supplier sustainable management capabilities The Corporation referenced international initiatives, industry standards, and regulatory requirements imposed by competent authorities to promote management of integrity and ethics, human rights and labor, health and safety, and environmental protection aspects. We established the "Supply Chain Management Policy" to provide guidelines for all our suppliers and business partners.</p> <p>■ Implementation guidelines:</p> <ul style="list-style-type: none"> • Adhere to the Corporation's "Supplier Code of Conduct." • Evaluations are based on four aspects (integrity and ethics, human rights and labor, health and safety, and environmental protection). • THSRC regularly provides self-assessment surveys to suppliers. <p>■ Risk identification:</p> <ul style="list-style-type: none"> • Establish vendor grading system and identify risk levels. • Distribute self-assessment surveys. <p>We continue to optimize supplier self-assessment surveys, and have completed survey distributed for 2025 and 2026. We are currently compiling survey results to analyze supplier compliance on various aspects.</p> <ul style="list-style-type: none"> • Established different supplier qualification criteria for different projects. • For projects involving foods sold on train trolleys, suppliers or manufacturers should have obtained ISO 22000 or HACCP certification. • For localized rail industry procurement projects, suppliers should hold ISO9001 or other international quality certifications. • For verification and inspection service projects, suppliers should hold TAF ISO/IEC 17025 laboratory accreditation or TAF ISO 17020 inspection body accreditation. • Generate a supplier risk map; conduct written reviews for high-risk key suppliers, suppliers with procurement amounts exceeding NT\$ 10 million, and suppliers with poor sustainable performance; and implement on-site audits for some vendors undergoing written reviews. <p>■ On-site audits and tracking:</p> <ul style="list-style-type: none"> • Establish a supply chain team and external consultants. • Provide guidance and suggestions during audit processes. • Provide suggested improvements to vendors. <p>■ Interviews with key suppliers:</p> <ul style="list-style-type: none"> • Reference supplier scores on written review responses. • Review supplier labor and environmental penalty records. • Confirm whether suppliers belong to high-risk industries. • Organize on-site supplier visits. <p>■ Implementation status In 2025, all vendors participating in public tenders complied with THSRC's corporate social responsibility commitments, and a total of 1,149 vendors bidding on publicly announced procurement projects complied with THSRC's anti-corruption requirements.</p> <p>THSRC continued to optimize supplier self-assessment surveys in 2025. Survey themes were consistent with the Supplier Code of Conduct, and our supply chain partners could jointly focus on important sustainable development issues. In 2025, we used the 116 valid responses collected in 2024 to grade our suppliers, and we improved supplier sustainability actions through written reviews and on-site audits to enhance the sustainable resilience of our supply chain. THSRC conducted on-site audits of 2 suppliers in 2025 (a total of 19 on-site audits were conducted from 2022 to 2025) and completed interviews with 3 key suppliers. Main audit items encompassed integrity and ethics, human rights and labor, health and safety, and environmental protection aspects. These audits did not reveal any significant deficiencies in the audited suppliers, and no suppliers were identified as having significant potential negative impacts on society. Please refer to the Supplier Management section on our website for more information on our supplier management policies and requirements.</p> | |

| Item | Implementation Status | | | Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| | | | <p>↔ Human rights due diligence procedures and implementations</p> <p>The Corporation has established the "Supplier Code of Conduct," which is applicable to all suppliers/contractors/subcontractors/service providers that provide products/services to THSRC. THSRC regularly distributes supplier self-assessment surveys to assess supplier compliance with the Supplier Code of Conduct, and occasionally conducts on-site audits on selected suppliers. Business relations may be terminated with suppliers found to be in violations of the Supplier Code of Conduct.</p> <p>In terms of human rights management:</p> <p>1. Protection of human rights and anti-discrimination and anti-harassment policies</p> <p>Suppliers should uphold core values, align with the Universal Declaration of Human Rights (UDHR) and related international conventions that stipulate respect for human rights, adhere to local laws, treat all employees with respect and dignity, and commit to building workplaces that are free from discrimination and harassment.</p> <p>2. Salaries, benefits, and working hours</p> <p>Minimum wages, overtime pay, and statutory benefits must be provided to workers in accordance with local laws and collective agreement requirements. Working hours and overtime limits for workers should comply with local laws and regulations, and overtime pay or compensatory time off should be provided for overtime work in accordance with regulations.</p> <p>3. Occupational health and safety</p> <p>Suppliers should comply with local regulations; provide safe, hygienic, and healthy working environments to achieve zero hazard and zero accident goals; control and minimize hazard risks within reasonable and feasible limits; strive for continuous improvement in safety performance; and regularly review and update safety plans and practices to ensure ongoing compliance with legal and industry standards.</p> | |
| 5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above? | ✓ | | <p>■ The Corporation's sustainability report follows the requirements of the Global Reporting Initiative Sustainability Reporting Standards (2021 GRI Standards) developed by the Global Sustainability Standards Board (GSSB), the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Sustainability Accounting Standards Board (SASB) Transportation Standard Index.</p> <p>■ Our sustainability report has been verified by the British Standards Institute (BSI), a third-party certification entity, which ensures that our report complies with GRI Standards and AA1000 Type 2 High and Moderate level assurance. The Independent Assurance Statement issued by BSI has also been included in the appendix to the report.</p> | ■ None. |
| 6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None. | | | | |
| 7. Other important information to facilitate better understanding of the company's promotion of sustainable development: | | | | |
| <p>(1) The solar power facilities of Miaoli, Changhua, and Yunlin stations generated 87 RECs in 2025 (3 for Miaoli Station, 26 for Changhua Station, and 58 for Yunlin Station).</p> <p>(2) THSRC worked with domestic colleges and universities to promote a number of collaborative measures that shared our rich industrial expertise and comprehensive training resources for railway services, providing internship programs, railway equipment laboratories, industry-academia collaboration memorandums of understanding, and rail transportation career opportunities to young students. In 2025, THSRC worked with 32 colleges and universities to establish internship programs, providing 145 students with one-year maintenance and operational internship opportunities. We also worked with National Taipei University of Technology, National Kaohsiung University of Science and Technology, Asia Eastern University of Science and Technology, National Chin-Yi University of Technology and Cheng Shiu University to recruit a total of 24 students for training. (For more details, please refer to the "Talent Cultivation" page of the "Social Value" sub-section under the "Corporate Sustainable Development" section of our corporate website.</p> <p>(3) The Corporation has been a constituent of the FTSE4Good TIP Taiwan ESG Index since 2018 and was once again selected as a FTSE4Good TIP Taiwan ESG Index constituent in 2025. We have also been ranked among the top 5% of publicly listed companies by the TWSE Corporate Governance Evaluations for eight consecutive years. We were listed in the Corporate Knights Global 100 Most Sustainable Companies for the fourth consecutive year in 2026, ranking fifth globally and first in the Asia Pacific 50 Most Sustainable Corporations. In 2025, we received the TCSA Platinum Award, the highest level of recognition for corporate sustainability reports. These sustainability awards show that THSRC's operational performance, corporate governance, environmental, and social achievements have been recognized by domestic and international investors and evaluation institutes.</p> | | | | |

Note 1: Implementation structure for risk management



Note 2: Main risk categories, assessment items, and response measures

| Main Risk Category | Risk Assessment Items | Risk Management Strategies and Related Response Measures |
|---------------------|--|--|
| Strategic Risks | Assess possible impacts from the Corporation adopting alternate renewable energies or other measures to reduce greenhouse gas emissions due to green energy policies. | <ol style="list-style-type: none"> 1. We have established an Environmental Management Committee which convenes regularly to supervise environmental management system operations. 2. We conduct annual greenhouse gas inventories and verifications, continue to promote optimizations of operational equipment to achieve carbon and energy reductions, and initiated a project to disclose financial information associated with sustainability. 3. We organize education and training to familiarize employees with environmental regulations and strengthen their environmental awareness. |
| Operational Risks | Assess possible impacts to HSR systems from internal and external factors such as facility and equipment failures, human error, intentional damage, or other external factors which could affect operational safety and result in physical or mental damage to employees/passengers/contractors/members of the public, or cause delays or interruptions to railway operations. | <ol style="list-style-type: none"> 1. We have formulated health and safety policies, corporate quality policies, and configuration management policies; declared zero tolerance for illegal infringements in the workplace; and implement management according to our Operational Safety Plan, Occupational Safety and Health Management Plan, Grievance Handling Procedures, Corporate Quality Manual, HSR System Configuration Management Manual, Corporate RAMS Manual, Railway Operational Security Management Plan, and Corporate Security Assurance Plan. 2. We have established an Operational Safety Committee which convenes every quarter and have also established an Occupational Health and Safety Committee which convenes every quarter. 3. We continue to promote a culture of occupational safety to all employees to prevent illegal infringement in the workplace. 4. We implement railway safety training, occupational health and safety education and training, hazard management training, and disaster rescue drills, as well as climate change hazard prevention lectures when appropriate. 5. We implement railway operational safety, occupational health and safety, quality management, configuration management, system assurance, and other internal audits and safety checks. |
| Environmental Risks | Assess possible service quality impacts and operational cost increases from legal amendments, system damages, regional blackouts, and water shortages caused by various environmental risks, including global warming, extreme climate, earthquakes, land subsidence, new faults, and natural resource consumption. | <ol style="list-style-type: none"> 1. We have formulated environmental policies and implement management in accordance with our Environmental Management Manual, applied for ISO14001 Environmental Management System certification, and established an associated environmental management system. 2. We have identified climate change risks, estimated future mid- to long-term risks from climate change, formulated energy-saving plans and measures, and worked with professional institutes to discuss and formulate climate change adaptation strategies that effectively reduce possible operational impacts to the Corporation from climate change. 3. We worked with professional institutes to establish an early warning system for earthquakes. 4. We assess and formulate improvements required for land subsidence, new faults, flood prevention, and earthquake prevention capabilities. 5. We use our DWS disaster warning system to keep abreast of environmental disasters and conduct annual disaster prevention audits and periodic/non-periodic large-scale drills. |

| Main Risk Category | Risk Assessment Items | Risk Management Strategies and Related Response Measures |
|--------------------|---|---|
| Financial Risks | Assess possible impacts to Corporation earnings, losses, and cash flows from domestic and foreign economic and financial changes that affect corporate revenues, operating costs, interests, and exchange rates. | <ol style="list-style-type: none"> 1. We comply with the International Financial Reporting Standards, International Accounting Standards, and government regulations. 2. We undergo regular annual financial audits conducted by competent authorities. 3. Our managerial departments conduct monthly budget and account reviews, and submit reports to the Board every six months. 4. We publish quarterly and annual financial reports. 5. Important financial activities are reviewed by the Board in accordance with relevant regulations and internal control systems. |
| Information Risks | THSRC is a key national information infrastructure provider, and therefore our information and communications security responsibility levels are approved by the Executive Yuan following proposal by the Ministry of Transportation and Communications. We assess possible impact aspects to the confidentiality, integrity, availability, and legal compliance of HSR information systems based on these security levels. | <ol style="list-style-type: none"> 1. We formulated information security policies and computer software copyright protection policies, and implement management in accordance with our Information Security Management Manual. 2. We established an Information Security Management Committee which convenes regular information security management review meetings every six months. 3. We have established management procedures and systems in accordance with international ISO27001 information security standards. 4. We implement internal information security audits, drills and evaluations, information security checks, penetration testing, defense in depth, and education and training in accordance with national information and communications security responsibility level requirements. |
| Compliance Risks | Track and assess regulations issued by competent authorities to effectively update internal bylaws and reduce possible impacts. | <ol style="list-style-type: none"> 1. The Corporation's policies stipulate compliance with regulations. To reduce legal risks, we have built a culture of legal and regulatory compliance as well as formulated applicable regulation identification management regulations to ensure that our business activities comply with related laws and regulations. 2. All of our business units regularly review applicable laws and formulated related regulations in accordance with the regulations of competent authorities, and our internal control systems conduct self-evaluations of legal compliance risks and implementations. 3. We convene legal compliance representative meetings each quarter, and continue to improve and track legal compliance conditions. |
| Goodfaith Risks | Assess possible impacts to corporate reputation, finances, and shareholder trust from corporate personnel who directly or indirectly provide, accept, commit to, or request any inappropriate benefits, or engage in any behaviors that are unethical, illegal, or a breach of their fiduciary obligations when carrying out their business duties. | <ol style="list-style-type: none"> 1. We have established an "Ethical Management Team" which is responsible for reviewing and improving corporate ethical management policies and promotion measures, as well as regular review of unethical behaviors and reporting systems. 2. We have established our Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, Code of Employee Conduct, Work Rules, and Rules Governing Rewards and Disciplinary Action to prevent behaviors that do not comply with ethical principles or which violate internal regulations. 3. We have formulated supply chain management policies and procurement procedures, as well as handling principles for irregular vendor behaviors to strengthen sustainable supply chain management, and also provide notice of anti-corruption policies and procedures during tender processes to ensure fair, impartial, and open bidding behaviors. 4. We continue to host training courses and promotion activities for all employees and new employees to communicate correct values and corporate regulations. |

Note 3: Potential climate change risks, opportunities, and corresponding measures of the Corporation

| Current and future potential climate change risks, opportunities, and corresponding measures of the Corporation | | | | |
|---|---|--|---|--|
| Climatic Risks | Potential Financial Impacts | Climatic Opportunities | Potential Financial Impacts | Corresponding Measures in 2025 |
| (1) Typhoons (2) Heavy rains (3) Droughts (4) Rising sea levels | (1) Severe weather can damage railway facilities and increase maintenance costs (2) Operational impacts cause decreases in revenue (3) Rising temperatures increase electricity consumption, operating costs, and carbon emissions. | (1) THSRC signed the "Memorandum of Cooperation on Cross-Border Disaster Prevention" with the MOTC Central Weather Bureau to enhance meteorological interpretation capabilities. (2) Collaborated with power companies to set up leased solar power generation systems at our maintenance depots and stations. (3) Conducted evaluations for setting up self-use solar power generation systems at our maintenance depots and stations, and applied for renewable energy certificates. | (1) Strengthened adaptability towards climate change reduce probabilities of operational interruptions and possible losses. (2) Energy savings and carbon reductions reduce costs. (3) Increased use of renewable energies. | (1) Completed optimizations of slope cloud monitoring platform and development of AI applications, and continued to add IoT monitoring stations. (2) Completed improvements for three steep slopes at TK96 and continued to implement slope prevention measures at 10 locations near TK125~127, TK28, TK101, TK107, and TK70~81. (3) Completed viaduct scour prevention measures at Daan River, Dali River, and Wu River. (4) Formulated plans to set up leased solar power generation systems at Miaoli, Changhua, and Yunlin stations for self-use. |

(8) Climate Information of Listed Companies

Information on climate-related implementations

| Indicators | Implementation Status |
|--|--|
| 1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (1) Governance. |
| 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (2) Strategy. |
| 3. Describe the financial impact of extreme weather events and transformative actions. | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (2) Strategy. |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (3) Risk management. |
| 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (2) Strategy. |
| 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (2) Strategy. |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. | THSRC formulated and began implementing internal carbon pricing mechanisms in 2025, adopting the shadow pricing methodology and referencing the Ministry of Environment Standard Carbon Fee Rate under the Regulations Governing the Collection of Carbon Fees. We set our internal carbon price as NT\$ 300/tCO ₂ e, with implementation scope encompassing Scope 2 greenhouse gas emissions. We also regularly consider the impacts of international and domestic standards, laws, carbon taxes, and carbon prices to review the rationality of our internal carbon prices. |
| 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. | Please refer to Information associated with IFRS S2 Sustainability Disclosure Standards (4) Metrics and targets. |
| 9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan. | Please refer to 1-1 and 1-2 |

Information associated with IFRS S2 Sustainability Disclosure Standards

| (1) Governance: | A. The governance body responsible for oversight of climate-related risks and opportunities | | | | | | | | | | | | |
|--|--|------------|---|---|--|-------------|--|--|---|---|--|-----------|------------------------------------|
| | <p>THSRC has established the "Sustainable Development & Nominating Committee" under the Board of Directors to oversee governance of climate risks and opportunities, and the "Sustainable Development Promotion Committee" has been established under the "Sustainable Development & Nominating Committee." The Sustainable Development Promotion Committee is overseen by the Board and the Chairman, and is composed of the President and senior executives from managerial departments. The Sustainable Development Promotion Committee's six sustainability teams continue to focus on sustainable management issues, and report implementations and achievements to the Sustainable Development & Nominating Committee and the Board every year.</p> | | | | | | | | | | | | |
| | B. Management's role in governance of climate-related risks and opportunities | | | | | | | | | | | | |
| | <p>In order to align with the IFRS Sustainability Disclosure Standards S2 "Climate-related Disclosures," the Corporation has incorporated climate risk items into risk management frameworks and adopted a dual-track management mechanism. The quality assurance office implements general risk management items and reports regularly to the Audit Committee. Strategies, indicators, and goals related to climate risks are planned and executed by the Environmental Sustainability Team under the Sustainable Development Promotion Committee, which also reports regularly to the Board and the Sustainable Development & Nominating Committee.</p> | | | | | | | | | | | | |
| (2) Strategy: | A. The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects | | | | | | | | | | | | |
| | <p>THSRC used the IFRS S2 "Climate-related Disclosures" framework to identify corporate risks and opportunities brought about by climate change, and continues to incorporate and disclose the results of scenario analyses and quantitative financial risk analyses. We completed our latest climate risk and opportunity assessment in 2024. After considering the characteristics of the rail transportation industry and focusing on internal management actions for natural disasters, we identified 3 moderate risks and 3 severe risks from 12 climate risk items, including 2 transition risks and 4 physical risks. Climate change brings potential business opportunities in addition to corporate risks. We make good use of our industrial advantages as a low carbon transportation carrier and continue to enhance our energy efficiency while expanding our investments in renewable energy devices for stations and maintenance depots. We also identified 2 climate-related opportunities, and have incorporated timelines for potential impacts from climate risks and opportunities into our transition plan. Impact timelines are set as short term (2024-2026), medium term (2027-2035), and long term (2036-2050):</p> | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th data-bbox="363 1061 740 1097">Short term</th> </tr> </thead> <tbody> <tr> <td data-bbox="363 1097 740 1151">■ Physical risk: Increased frequency of extreme weather events—Typhoons</td> </tr> <tr> <td data-bbox="363 1151 740 1236">■ Physical risk: Increased frequency of extreme weather events—Heavy rainfall</td> </tr> </tbody> </table> | Short term | ■ Physical risk: Increased frequency of extreme weather events—Typhoons | ■ Physical risk: Increased frequency of extreme weather events—Heavy rainfall | <table border="1"> <thead> <tr> <th data-bbox="740 1061 1107 1097">Medium term</th> </tr> </thead> <tbody> <tr> <td data-bbox="740 1097 1107 1182">■ Transition risk: Increased costs from greenhouse gas emissions—Carbon pricing mechanisms</td> </tr> <tr> <td data-bbox="740 1182 1107 1236">■ Transition risk: Transition to low carbon technology</td> </tr> <tr> <td data-bbox="740 1236 1107 1290">■ Physical risk: Increased frequency of extreme weather events—Droughts</td> </tr> <tr> <td data-bbox="740 1290 1107 1352">■ Technology opportunity: Enhance energy efficiency</td> </tr> </tbody> </table> | Medium term | ■ Transition risk: Increased costs from greenhouse gas emissions—Carbon pricing mechanisms | ■ Transition risk: Transition to low carbon technology | ■ Physical risk: Increased frequency of extreme weather events—Droughts | ■ Technology opportunity: Enhance energy efficiency | <table border="1"> <thead> <tr> <th data-bbox="1107 1061 1481 1097">Long term</th> </tr> </thead> <tbody> <tr> <td data-bbox="1107 1097 1481 1133">■ Physical risk: Rising sea levels</td> </tr> <tr> <td data-bbox="1107 1133 1481 1218">■ Market opportunity: Changes in consumer demands for green products and services</td> </tr> </tbody> </table> | Long term | ■ Physical risk: Rising sea levels |
| Short term | | | | | | | | | | | | | |
| ■ Physical risk: Increased frequency of extreme weather events—Typhoons | | | | | | | | | | | | | |
| ■ Physical risk: Increased frequency of extreme weather events—Heavy rainfall | | | | | | | | | | | | | |
| Medium term | | | | | | | | | | | | | |
| ■ Transition risk: Increased costs from greenhouse gas emissions—Carbon pricing mechanisms | | | | | | | | | | | | | |
| ■ Transition risk: Transition to low carbon technology | | | | | | | | | | | | | |
| ■ Physical risk: Increased frequency of extreme weather events—Droughts | | | | | | | | | | | | | |
| ■ Technology opportunity: Enhance energy efficiency | | | | | | | | | | | | | |
| Long term | | | | | | | | | | | | | |
| ■ Physical risk: Rising sea levels | | | | | | | | | | | | | |
| ■ Market opportunity: Changes in consumer demands for green products and services | | | | | | | | | | | | | |

B. The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain

| Risk/opportunity | Impacts on business model | | Impacts on value chain | | |
|--|---|---|------------------------|-----------|------------|
| | Current impacts | Anticipated impacts | Upstream | Midstream | Downstream |
| Increased costs from greenhouse gas emissions: Carbon pricing mechanisms | Currently, THSRC's annual carbon emissions exceed 25,000 metric tons, reaching the threshold for carbon fees set by the Ministry of Environment, although THSRC was not included in the first batch of companies subject to carbon levies. | <ul style="list-style-type: none"> ■ THSRC may become a carbon levy target in future as the Ministry of Environment expands the scope of industries subject to carbon charges, which would incur additional fees. ■ THSRC's upstream construction and engineering industries were among the first to be subject to carbon fees. Therefore, contractors may transfer costs from carbon fees to the Corporation, which would increase civil construction and maintenance costs for tracks, stations, and buildings in future. | V | V | V |
| Transition to low carbon technology | Gradually replace energy-consuming equipment to reduce energy consumption, and procure new energy-efficient trains. | Taiwan has set a national target to achieve net-zero emissions by 2050. Additional costs may be incurred if THSRC does not make plans to transit to low-carbon operations and replace high-energy-consuming equipment with energy-saving equipment and trains. | | V | V |
| Increased frequency of extreme weather events-Typhoons | Heavy rains from typhoons may cause damage to viaducts, tunnels, and mainlines due to landslides, which could cause service delays and operational interruptions. | <ul style="list-style-type: none"> ■ Heavy rains may cause flooding in stations and maintenance depots, making it difficult for employees, passengers, and station vendor personnel to enter and exit. ■ Strong winds from typhoons may cause disruptions to mainline equipment, signaling equipment, and communication systems, affecting train operations. ■ Extreme weather events may increase the intensities of typhoons and rainfall in future, causing worsening impacts to mainline operations and station vendor businesses. | | V | V |
| Increased frequency of extreme weather events-Heavy rainfall | The times and frequencies of heavy rainfall are hard to predict, so it is difficult to issue warnings and make advance preparations. Heavy rainfall exacerbated by extreme weather events may cause damage to viaducts, tunnels, and mainlines due to landslides, which could cause service delays and operational interruptions. | <ul style="list-style-type: none"> ■ Heavy rains may cause flooding in stations and maintenance depots, making it difficult for employees, passengers, and station vendor personnel to enter and exit. ■ Extreme weather events may increase rainfall intensity in future, worsening impacts to mainline operations, station vendor businesses, and asset losses. | | V | V |

| Risk/opportunity | Impacts on business model | | Impacts on value chain | | |
|---|--|--|------------------------|-----------|------------|
| | Current impacts | Anticipated impacts | Upstream | Midstream | Downstream |
| Increased frequency of extreme weather events-Droughts | No impacts at present. | <ul style="list-style-type: none"> Insufficient rainfall due to droughts will directly affect residents along the HSR mainline, causing them to overdraft groundwater, worsening land subsidence in these areas, which would impact civil facilities and track safety, affect train punctuality, and increase refund risks. Extreme weather events may exacerbate droughts in future, worsening impacts to mainline operations, civil facility safety, and asset losses. | | v | |
| Rising sea levels | No impacts at present. | <ul style="list-style-type: none"> Rising sea levels may cause flooding of areas surrounding HSR operations, resulting in disruptions to transportation systems, financial losses from decreases in real estate values, and operational interruptions. Extreme weather events may cause flooding to stations and maintenance depots as sea levels continue to rise, worsening impacts to mainline operations, civil facility safety, and asset losses. | | v | v |
| Enhance energy efficiency | Enhance energy efficiency at maintenance depots and stations, and utilize high-performance trainsets and equipment. | <ul style="list-style-type: none"> Incorporate high-performance equipment to optimize energy efficiency, which would increase equipment/system integrations costs over the short term. Energy consumption as well as costs from operations and carbon fees will be reduced in the long term. | | v | v |
| Changes in consumer demands for green products and services | Consumers are becoming more environmentally conscious and give priority to environmentally sustainable and low-carbon transportation products, which will increase our revenues. | <ul style="list-style-type: none"> Enhance brand value, improve corporate evaluation scores, and increase investor and shareholder confidence. Passenger volumes and revenues will increase as passengers choose to use more sustainable transportation methods. | | v | v |

C. The effects of those climate-related risks and opportunities on the entity's strategy and decision-making

| Risk/opportunity | Business model and resource allocation changes | |
|--|--|---|
| | Current implementations | Transition plans |
| Increased costs from greenhouse gas emissions: Carbon pricing mechanisms | <ul style="list-style-type: none"> ■ THSRC has implemented an energy management system, established a rooftop solar panel system, and actively purchased energy-efficient equipment and new generation rolling stock, which will assist THSRC in improving energy efficiency. Costs of replacing energy-consuming equipment at all sites in 2025 exceeded NT\$ 193,555 thousand. ■ We continually assess and increase our renewable energy usage ratios by expanding renewable energy investments and signing corporate power purchase agreements to reduce our carbon emissions and environmental impacts. ■ We continually communicating with upstream contractors to track costs that may be passed on to us due to regulatory compliance. | <ul style="list-style-type: none"> ■ We purchase products with low carbon emissions and energy-efficient equipment. ■ Rooftop solar panel system. ■ Procurement of new generation rolling stock. |
| Transition to low carbon technology | THSRC has gradually replaced aged equipment over the years to improve energy efficiency and also purchased new generation rolling stock which is scheduled to commence operations in 2027. | <ul style="list-style-type: none"> ■ We purchase products with low carbon emissions and energy-efficient equipment. ■ Procurement of new generation rolling stock. |
| Increased frequency of extreme weather events-Typhoons | THSRC continues to incorporate technologies that strengthen our disaster resilience and early warning capabilities. We collaborated with the Industrial Technology Research Institute to develop a drone track inspection system, conducted flood elevation inspections for old underground emergency exits, and implemented improvements based on flood prevention requirements. | <ul style="list-style-type: none"> ■ Continue to optimize drone track inspection system. ■ Flood elevation inspection and subsequent optimizations. |
| Increased frequency of extreme weather events-Heavy rainfall | <ul style="list-style-type: none"> ■ Slope improvements were completed for three sites at TK96 in 2025. | <ul style="list-style-type: none"> ■ Annual HSR slope safety inspections. ■ We will continue to implement preventive slope reinforcements and improvements at 6 sites in 2026 to strengthen slope stability. ■ Enhance slope monitoring and protection mechanisms by introducing digital technologies, and by updating and upgrading automated slope monitoring systems. |
| Increased frequency of extreme weather events-Droughts | Continue to monitor water levels in high-risk areas. | |
| Rising sea levels | THSRC continues to monitor flooding risks at stations and maintenance depots in low-lying areas. Plans for drills and training are formulated every year, and we implement regular and unannounced drills for various scenarios to assess employee familiarity with contingency measures for various emergency situations, as well as the effectiveness of related plans and regulations. | |
| Enhance energy efficiency | THSRC has initiated an "Advanced Energy Conservation Program" for 2024 to 2030 which replaces energy-consuming equipment and incorporates new energy-saving equipment through several phases to generate energy-saving benefits. The seven projects under the program include replacements of station chiller units and split-type air conditioners. | |
| Changes in consumer demands for green products and services | HSR per capita carbon emissions are far lower than passenger cars, freeway buses, and airplanes, making this an environmentally friendly and green transportation option. THSRC continues to promote diverse marketing promotions and low-carbon travel packages in response to rising awareness toward environmental protection, energy efficiency, and carbon reduction to attract passengers. | |

D. The effects of those climate-related risks and opportunities on the entity's current and expected financial position, financial performance and cash flows

The Corporation's strategies for managing climate-related risks (typhoons, heavy rainfall, and carbon pricing mechanisms) are expected to generate the following short-term, medium-term, and long-term financial impacts:

(1) Short-term (2024-2026): We expect short-term financial impacts to be around 0.2-0.4% of revenues due to one-time repair costs from landslides after heavy rains and recurring expenses from preventive slope reinforcements.

(2) Medium term (2027-2035): The competent authorities will begin collecting carbon fees in 2026. Although THSRC is not among the first group of entities subject to carbon levies, we may become a carbon levy target in future. Assuming that THSRC begins paying carbon fees between 2027-2035, expected medium-term financial impacts will be less than 0.4% of revenues.

(3) Long-term (2036-2050): Climate change is increase the intensity of typhoons, so we expect future typhoons to reduce ticket revenues, increase personnel costs, and raise equipment maintenance and facility reinforcement costs. Therefore, our long-term financial impacts from typhoons will be around 0.6-1.0% of revenues.

E. The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties

THSRC selected the top three risks based on climate risk identification results, and assessed the potential financial impacts from these risks on corporate operations under different scenarios.

In terms of transition risks, the Ministry of Environment will begin imposing carbon fees starting in 2026. THSRC referenced Ministry of Environment Carbon Fee Rate Review Committee records and simulated financial impacts for 2030, assuming that the transportation industry is included in carbon levies. In terms of our two physical risks, we referenced research on changes in typhoon activities in East Asia from "Tropical Cyclone Research and Review"^[1] and adopted the medium (SSP2-4.5) and very high (SSP5-8.5) emission scenarios from the IPCC Sixth Assessment Report (AR6) to assess mid-century and end-of-century financial impacts to THSRC from typhoons. As heavy rainfall is also one of our physical risks, we assessed one-time slope maintenance costs incurred by heavy rainfall in the past and annual fixed expenditures for preventive slope reinforcements to estimate potential financial impacts of heavy rainfall in the future.

(1) Transition risk—Increased costs from greenhouse gas emissions: Carbon pricing mechanisms

THSRC referenced current carbon fee mechanisms and simulated financial impacts of carbon fees in 2030 under the "Middle of the Road" scenario, which falls between net zero emissions and current policies. The competent authorities will begin imposing carbon fees in 2026. Prior to 2031, fee rates will start at NT\$ 300/tCO₂e and gradually rise to NT\$ 700/tCO₂e by 2030 in two stages according to the conclusions of the sixth meeting of the Ministry of Environment Carbon Fee Rate Review Committee. As the competent authorities have not yet announced carbon fee rates beyond 2030, THSRC calculated financial impacts for this transition risk in 2030 using financial impact-to-revenue ratios for 2025 under the Middle of the Road scenario. Under this scenario, the estimated financial impacts^[2] of carbon fees to THSRC would be less than 0.4% of revenues. We only assessed financial impacts from carbon fee rates, and did not consider costs from carbon reduction measures adopted by THSRC.

(2) Physical risk—Increased frequency of extreme weather events: Typhoons

THSRC's scenario analyses adopted the IPCC AR6 medium (SSP2-4.5) and very high (SSP5-8.5) emission scenarios, and referenced "Tropical Cyclone Research and Review" research on changes in typhoon activity in East Asia. We reviewed the financial impacts on our operations from typhoons that occurred between 2022 to 2024, and used these empirical parameters to estimate potential mid-century and end-of-century financial impacts on THSRC under different scenarios for varying typhoon frequencies and intensities. We considered a number of factors that included reduced ticket revenues, increased personnel costs, and equipment maintenance and facility reinforcement costs. These costs were used to calculate the financial impacts from physical risks caused by typhoons. Research and scenario analysis on future long-term trends indicate that the frequency of typhoons will decrease over time, but the intensities will increase, especially under the SSP5-8.5 scenario. Mid-century typhoon frequencies will be higher than end-of-century frequencies, and typhoon frequencies will be higher for the mid-century SSP2-4.5 scenario compared to the SSP5-8.5 scenario. Therefore, financial impacts from the mid-century SSP2-4.5 scenario will be higher than the SSP5-8.5 scenario, but financial impacts from both scenarios will be less than 1% of revenues. Financial impacts from the end-of-century SSP2-4.5 and SSP5-8.5 scenarios are similarly and significantly higher than for mid-century scenarios, indicating that operational impacts from typhoons will increase over time.

| Climate scenario | Estimated financial impacts in 2050 (mid-century) | Estimated financial impacts in 2100 (end-of-century) |
|------------------|---|--|
| SSP2-4.5 | 0.8%~1.0% | 1.4%~1.6% |
| SSP5-8.5 | 0.6%~0.8% | 1.4%~1.6% |

Note:

[1] Liu, K.S., Chan, J. C. L, Chong, B. & Wong, H. (2024). Projections of future tropical cyclone landfalling activity in the East Asia region. Tropical Cyclone Research and Review, 13(4), 328-343.

[2] Financial impact-to-revenue ratios were calculated by dividing the estimated financial impacts by revenues for 2025.

(3) Physical risk—Increased frequency of extreme weather events: Heavy rainfall

THSRC reviewed financial impacts on operations from heavy rainfall events in 2022 to 2024 which activated the Disaster Warning System (DWS), and used these empirical parameters to estimate possible financial impacts in the future in our scenario analysis, focusing our analysis on one-time repair costs from landslides following disasters as well as recurring expenses from preventive slope reinforcements. Short-term financial impacts were estimated to be around 0.2-0.4% of revenues.

| <p>(3) Risk management:</p> | <p>A. The processes an entity uses to identify, assess, prioritize and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process</p> <p>Processes for identifying, assessing, and prioritizing climate-related risks THSRC references TCFD guidelines and disclosures from international rail transportation industries. Following interdepartmental interviews and discussions, we ranked climate risks by building a climate risk matrix based on levels of impact, vulnerability levels, and likelihood of occurrence, then re-examined and incorporated internal existing management and response mechanisms for natural disasters to complete identification procedures for climate risks and opportunities, using qualitative assessment methods to assess operational and financial impacts from climate change. We plan to incorporate these results into our risk review and decision-making processes in future to formulate more comprehensive climate risk management measures for THSRC, thereby strengthening our response capabilities to climate change.</p> <p>Processes for identifying, assessing, and monitoring climate-related risks, and integrated management systems THSRC has established "Risk Management Policies" and "Risk Management Procedures." We established an operational framework by inventorying and identifying possible operational and profitability risks based on operational and business activities, mainly considering the seven aspects of strategy, operations, environment (including climate change risks), finances, information, legal compliance, and ethics; reviewing the integrity of corporate risk management measures and effectiveness of risk controls; and assessing risks from material domestic and overseas environmental, social, and governance issues. In future, we will continue to respond to internal and external environmental changes, review and amend our risk management policies, strive to implement mid- and long-term strategic plans and targets, strengthen risk awareness at THSRC, and advance towards our vision of sustainable management.</p> <p>Our risk management promotion and execution units are responsible for compiling risk categories, risk items, risk scenarios, and control measures submitted by our business units; assessing impact levels and occurrence likelihoods for these risks; scoring the adequacy of control measures; and integrating risk analysis and management highlights for recent years to prepare risk management implementation reports. These reports are presented to our President and Chairman once every year, and are also submitted to the Audit Committee and Board.</p> | | | | | | |
|---------------------------------|--|------------|----------|----------|----------|------------|------------|
| <p>(4) Metrics and targets:</p> | <p>A. Information relevant to the cross-industry metric categories (climate-related indicators)—(1) Climate-related indicators associated with greenhouse gases</p> <p>THSRC's greenhouse gas emissions are calculated using the method specified in ISO 14064-1:2018 and the operational control approach. We conducted greenhouse gas inventories each year and obtained external third-party ISO 14064-1:2018 verification statements. Our greenhouse gas inventories for 2025 achieved a coverage rate of 100% and encompassed our 12 stations, 5 maintenance depots, our headquarters, our OMC, and mainline (including trains and line equipment). THSRC continues to implement greenhouse gas inventories, verifications, and carbon reduction measures, and has lowered carbon emissions per passenger-kilometer in accordance with our short, medium, and long term reduction targets. Scope 1, Scope 2, and Scope 3 greenhouse gas emissions during the reporting period of 2025 are shown below: (Figures for 2025 are awaiting third-party verification; complete assurance information will be disclosed in our Sustainability Report.) Unit: tCO₂e</p> <table border="1" data-bbox="298 1272 1390 1328"> <thead> <tr> <th>Scope 1:</th> <th>Scope 2:</th> <th>Scope 3:</th> </tr> </thead> <tbody> <tr> <td>7,793.93</td> <td>317,113.98</td> <td>110,730.43</td> </tr> </tbody> </table> <p>*Please refer to the footnotes for the table in "C. Targets set by the entity to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities" for more information on greenhouse gas emissions calculation methods and parameters.</p> <p>A. Information relevant to the cross-industry metric categories (climate-related indicators)—(2) Remuneration</p> <p>The Corporation has included "ESG sustainable development performance indicators" in performance evaluations for senior executives based on their positions and the scope of their responsibilities. "Environmental sustainability" indicators and climate-related indicators have been included in the "ESG sustainable development performance indicators" for the President and some senior executives. In 2025, these indicators held weights of 2-12% for relevant senior executives. Indicators included implementations of energy conservation and carbon reduction plans, executing climate change adaptation plans, and other action plans.</p> <p>THSRC's "Regulations Governing Performance Management" stipulate that annual performance appraisal results for all senior executives will be used as an important reference for job rotations, promotions, salary adjustments, and bonus distributions, serving as a mechanism that directly links climate change indicator targets with remuneration, strengthening senior executive awareness of climate-related risks. Senior executives also regularly review these indicators to ensure that they align with corporate sustainable development policies.</p> <p>B. Industry-based metrics</p> <p>THSRC is a passenger railway transportation provider, but does not align with the IFRS Rail Transportation industry (which pertains to rail freight shipping and support services), and therefore there are no applicable industry-based metrics.</p> <p>C. Targets set by the entity to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities (climate-related metrics)</p> <p>THSRC strives to respond to global and domestic carbon reduction and net zero targets by formulating greenhouse gas, water resource management, and energy usage reduction targets as shown in the table below; regularly tracking and reviewing the achievement rates for all indicators; and conducting rolling adjustments of internal management mechanisms each year to mitigate climate change impacts through our sustainability performance.</p> | Scope 1: | Scope 2: | Scope 3: | 7,793.93 | 317,113.98 | 110,730.43 |
| Scope 1: | Scope 2: | Scope 3: | | | | | |
| 7,793.93 | 317,113.98 | 110,730.43 | | | | | |

THSRC climate-related targets

| | Indicator | Average annual electricity savings per trip (Note 2) | | |
|--|---|---|-------------|------------|
| | Target | >0.86% | | |
| | Evaluation item | 2023 | 2024 | 2025 |
| Energy Management (Note 1) | Total electricity consumption (10,000 kWh) | 9,138.384 | 9,389.449 | 9,352.951 |
| | Average electricity consumption per trip (kWh) | 1.250 | 1.200 | 1.140 |
| | Electricity savings (million joules) | 98.8607 | -9,038.3303 | 1,313.9316 |
| | Electricity savings rate (%) | 25.916% | 4.033% | 5.025% |
| | | | | |
| | Indicator | Average annual water savings per trip (Note 3) | | |
| | Target | >3.42% | | |
| | Evaluation item | 2023 | 2024 | 2025 |
| Water resource management (Note 1) | Total water consumption (cubic meters) | 709,144 | 743,719 | 753,511 |
| | Average water consumption per trip (cubic meters) | 0.0097 | 0.0095 | 0.00918 |
| | Water savings rate (%) | 19.014% | 2.045% | 3.399% |
| | | | | |
| | Indicator | Average annual carbon reductions per passenger-kilometer (Note 4) | | |
| | Target | >1.50% | | |
| | Evaluation item | 2023 | 2024 | 2025 |
| Greenhouse gas management (Note 1) | Total emissions (tCO ₂ e) (Note 5 and Note 6) | 317,679.09 | 325,887.55 | 317,285.15 |
| | Average gCO ₂ e per passenger-kilometer (gCO ₂ e/passenger-kilometer) | 25.284 | 24.409 | 23.079 |
| | Carbon reduction rate (%) | 25.507% | 3.460% | 5.450% |
| | | | | |

Notes:

- Electricity saving rates, water saving rates, and carbon reduction rates for 2023~2025 were calculated using the previous year as a base year.
- The scope for all formulated indicators and targets includes all stations (including the Taoyuan OMC Building, but not shared public electricity consumption in commercial areas, parking lots, or areas shared with TRC in Nangang, Taipei, and Banqiao stations) and maintenance depots.
- The scope for all formulated indicators and targets includes all stations (including the Taoyuan OMC Building, but not shared public water consumption in commercial areas, parking lots, or areas shared with TRC in Nangang, Taipei, and Banqiao stations) and maintenance depots.
- The scope for all formulated indicators and targets includes electricity, gasoline, and diesel usage in all trains, stations (including shared public electricity consumption in areas shared with TRC in Nangang, Taipei, and Banqiao stations, as well as the Taoyuan OMC Building, but does not include commercial areas and parking lots), maintenance depots, and our corporate headquarters.
- The electricity carbon emission factors used in this table referenced the latest values published by the Ministry of Economic Affairs.
- The figures in this table are used for internal management, were sourced from THSRC self-surveys of carbon emissions from electricity and gasoline usage across the entire Corporation, and do not include emissions from refrigerants, welding rods, carbon dioxide fire extinguishers, or Scope 3 emissions.
- Emission factors for gasoline and diesel for 2023-2024 were taken from the Emission Factors for Greenhouse Gas Inventories (version 6.0.4, released June 2019) released by the Ministry of Environment; emission factors for 2025 used the latest figures from the Ministry of Environment "Emission Factors for Greenhouse Gas Inventories Released on February 5, 2024."
- Greenhouse gas emissions were calculated using electricity consumption or gas and diesel usage x greenhouse gas emission factors x greenhouse gas warming potential (GWP) = tCO₂e. GWP values used in greenhouse gas inventories were taken from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report published in 2021.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

- In 2024, Corporation-wide greenhouse gas emissions amounted to 321,893.73 tCO₂e. Scope 1 emissions amounted to 8,637.63 tCO₂e; Scope 2 emissions amounted to 313,256.10 tCO₂e, and emissions per passenger-kilometer amounted to 24.11 gCO₂e. Corporation-wide greenhouse gas inventory data encompassed 12 stations, 5 maintenance depots, our headquarters, our OMC, and the mainline (including trains and line equipment).
- In 2025, Corporation-wide greenhouse gas emissions amounted to 324,893.91 tCO₂e. Scope 1 emissions amounted to 7,779.93 tCO₂e; Scope 2 emissions amounted to 317,113.98 tCO₂e, and emissions per passenger-kilometer amounted to 23.63 gCO₂e.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

Note 5: Figures for 2024 were updated after verification. Figures for 2025 are awaiting third-party verification, and complete assurance information will be disclosed in our Sustainability Report.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

1. Corporation-wide greenhouse gas emissions for 2024 included Scope 1 emissions of 8,637.55 tCO₂e (3% of total emissions) and Scope 2 emissions of 325,884.84 tCO₂e (97% of total emissions); these emissions were verified with reasonable assurance by a verification unit (SGS) using ISO14064-3 standards. A third-party verification unit issued an ISO14064-1:2018 verification statement for Corporation-wide greenhouse gas emissions on June 11, 2025, encompassing the entire Corporation, 12 stations, 5 maintenance depots, our headquarters, our OMC, and the mainline (including trains and line equipment).
2. Verifications of Corporation-wide greenhouse gas emissions for 2025 are scheduled to be completed before June 2026.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

In terms of greenhouse gas reduction policies, we completed Corporation-wide greenhouse gas emission surveys and verifications for 2024 in 2025. We set 2024 as our base year and formulated reduction targets including reduction of annual average carbon reduction rate per passenger-kilometer by more than 1.50%, as well as carbon-reducing strategies related to train energy conservation, station energy conservation, service energy conservation, and use of green energies. We adopted specific actions including energy-efficient driving techniques, switching to LED lights, and paper-free tickets. Our carbon reduction rate for 2025 was 5.450%, achieving our target.

(9) Implementation of Ethical Corporate Management and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

| Evaluation Item | Implementation Status | | | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|--|--|
| | Yes | No | Summary Description | |
| 1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? | ✓ | | <p>■ THSRC's corporate culture adheres to the five core values of Discipline, Efficiency, Innovation, Integrity, and Sensibility, and we have established basic bylaws including the Code of Ethical Conduct; Ethical Corporate Management Best Practice Principles; Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior; Regulations for Management of the Prevention of Insider Trading, as well as the Code of Conduct, Reward and Discipline Regulation, and Grievance Regulation for our employees to abide by.</p> <p>■ The Corporation established the "Ethical Corporate Management Best Practice Principles" following approval at the Extraordinary General Meeting held on March 18, 2016 to stipulate that directors and managers shall implement the commitments of ethical management policies. These Principles will be adjusted on a rolling basis in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."</p> <p>■ To implement ethical management policies and actively prevent unethical behaviors, the Corporation established the "Procedures for Ethical Corporate Management and Guidelines for Conduct" following approval at the 36th meeting of the 8th Board on March 18, 2020, with specific stipulations regarding compliance with ethical management policy items by Corporation personnel. These Procedures are adjusted as necessary in accordance with the Corporation's ethical management policies.</p> | ■ None. |

| Evaluation Item | Implementation Status | | Summary Description | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|---|--|
| | Yes | No | | |
| (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? | ✓ | | <p>■ The Corporation has established assessment mechanisms for risks from unethical conduct through our "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Corporate Management and Guidelines for Conduct." A dedicated unit plans internal organization, formulation, and respective responsibilities according to the needs of individual cases, and monitors operational activities with higher risks of unethical conduct within the business scope. Articles 6 to 12 of our "Procedures for Ethical Corporate Management and Guidelines for Conduct" stipulate the preventive measures for unethical behaviors stated in Article 2, paragraph 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." The Sustainable Development Promotion Committee oversees the Corporation's formulation and implementation of ethical management policies and reports to the Board of Directors on a regular basis.</p> | ■ None. |
| (3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan? | ✓ | | <p>■ The Corporation has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct," which contains detailed stipulations to prevent unethical behavior, including operational procedures, codes of conduct, disciplinary actions for violations, and appeals systems, and we periodically review and revise whether preventive measures are operating effectively.</p> <p>■ The Corporation has established the "Procurement Regulation" containing articles relating to business confidentiality and conflicts of interests for procurement staff, and employees who exhibit dishonest behaviors are subject to disciplinary actions under the "Rules Governing Rewards and Disciplinary Action" depending on severity of the cases.</p> | ■ None. |
| 2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts? | ✓ | | <p>■ The Corporation's "Procurement Regulation" has established an assessment system for suppliers and business partners, and stipulates that vendors shall have no record of returned checks, and shall not be blacklisted by the Corporation and government agencies. Our transaction contracts clearly prohibit unfair benefits, and stipulate that vendors shall not require, pledge, accept, or give bribes, commissions, proportional fees, agency fees, brokerage fees, kickbacks, gifts, hospitality, or other improper benefits to our personnel or persons related to contract procurement. The Corporation may terminate contracts at any time if violations are discovered.</p> | ■ None. |
| (2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation? | ✓ | | <p>■ The Corporation has established a Sustainable Development & Nominating Committee under the Board of Directors to review the effectiveness of sustainable development implementations, including ethical management operations and executions. The Corporation has also established a Sustainable Development Promotion Committee which is supervised by the Board of Directors and the Chairman, and is composed of the President and senior managers. The Committee convenes quarterly meetings to discuss sustainable development promotion matters, and regularly reports to the Sustainable Development & Nominating Committee and the Board of Directors. In order to fulfill our supervisory obligations of ethical management, we established six functional teams under the Sustainable Development Promotion Committee on June 15, 2024. The Ethical Management Team is led by our Legal Office, and is composed of members from our Corporate Planning Division, Finance Division, and Human Resources and Administration Division.</p> <p>■ Specific performance and promotion measures associated with ethical management for 2024 were reported at the 27th meeting of the 10th Board on June 11, 2025. The main promotion plans and implementations of the Ethical Management Team were reported as follows:</p> | ■ None. |

| Evaluation Item | Implementation Status | | Summary Description | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|-----------------|-----------------------|----|---|--|
| | Yes | No | | |
| | | | <p>(A) Promotion Plans:</p> <ol style="list-style-type: none"> 1. Reviewed systems and established preventive measures for ethical management in accordance with laws and regulations. 2. Promoted and ensured implementation of the Ethical Corporate Management Best Practice Principles according to the duties of each unit. 3. Implemented legal compliance and bylaw review measures; all units conduct monthly surveys of regulatory changes and have established relevant management systems. 4. Strengthened awareness of anti-corruption and corruption prevention capabilities within the Corporation by promoting relevant education and training, and disseminating ethical management philosophies to all employees. <p>(B) Implementation Status:</p> <ol style="list-style-type: none"> 1. Legal compliance: <ol style="list-style-type: none"> (1) Established mechanisms to manage legislative and regulatory changes, implemented monthly updates, and completed reviews in accordance with the Corporation's "Compilation of Laws and Regulations Relevant to High-Speed Railway Operations." (2) Convened quarterly legal compliance representative meetings, which include briefings on important regulations. (3) Reported implementation statuses of the Corporation's legal compliance system to the Board of Directors regularly every October. 2. Review internal by-laws: <ol style="list-style-type: none"> (1) Revised the "Intellectual Property Management Standards" and incorporated the Taiwan Intellectual Property Management System (TIPS) verification specifications into these standards in March 2023, and refined relevant content to meet TIPS verification requirements. (2) Revised the "Law Compliance Management Regulation." Considering that the regular reviews of the "Compilation of Laws and Regulations Relevant to High-Speed Railway Operations" and provisional tracking measures for draft amendments to applicable laws have matured, we began planning to incorporate continuous tracking and management into these regulations starting from January 2024 and optimized regulation provisions. 3. Training and communication: <p>To strengthen understanding of ethical business practices in all employees, we conducted the following ethical management training activities in 2025:</p> <ol style="list-style-type: none"> (1) Organized digital courses on ethics, integrity, and insider trading prevention for all employees. (2) Provided written educational materials on insider trading prevention to insiders and quasi-insiders on a quarterly basis. (3) Internal by-laws such as "Code of Ethical Conduct" and "Code of Conduct" were introduced to all new employees during orientation sessions conducted throughout the year. 4. Information disclosure: <ol style="list-style-type: none"> (1) In accordance with the regulations of securities regulatory authorities, major information and general announcements were posted to MOPS in a timely manner. A total of 40 major announcements were released in 2025. (2) Information on ethical corporate management, legal compliance, and related education and training has been disclosed on the Corporation's website and is updated in a timely manner. Relevant information is regularly updated in the Corporation's annual reports and sustainability reports. Detailed information on the Ethical Management Team can be found under the "Corporation Governance and Organizational Structure" sub-section of the Corporate Governance section, and the "Ethical Governance" page under the "Sustainable Development" sub-section in the "ESG" section of our corporate website. | |

| Evaluation Item | Implementation Status | | Summary Description | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|---|-----------------------|----|--|--|
| | Yes | No | | |
| (3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies? | ✓ | | <p>■ Our "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Code of Conduct" all contain prohibitive obligations related to conflicts of interest. Apart from reporting to department heads, all employees can also avoid conflicts of interest through the grievance reporting channels established under the "Grievance Regulation" and "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior."</p> <p>■ Additionally, shareholders, investors and other external stakeholders or vendors who discover violations of the Corporation's "Ethical Corporate Management Best Practice Principles" or other non-compliances with laws and regulations can also provide information to dedicated Corporation units through our "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior."</p> | ■ None. |
| (4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits? | ✓ | | <p>■ The Corporation has established an effective accounting system in accordance with law. We implement internal control mechanisms on an annual basis. Each office carries out self-inspections that are reviewed by internal audit units to ensure the continued effectiveness of our internal control system.</p> <p>■ The Corporation's "Ethical Corporate Management Best Practice Principles" stipulate that internal audit units should formulate audit plans based on risk assessments of unethical conduct. These audit plans can be used to review compliance with measures for preventing unethical conduct, and may be audited by CPAs. Assistance may be obtained from professionals when necessary.</p> | ■ None. |
| (5) Does the company provide internal and external ethical corporate management training programs on a regular basis? | ✓ | | <p>■ The Corporation hosts periodic training and promotion activities for directors, managers, employees, and fiduciaries to help them fully understand the Corporation's ethical management policies, preventions, and consequences of ethical violations. Ethical management and anti-corruption training for new employees and all employees, number of participants, and training hours in 2025 were as follows:</p> <ol style="list-style-type: none"> 1. A total of 449 new employees participated in anti-corruption policy promotions, accounting for 8.9% of all employees. 2. A total of 5,025 employees participated in digital integrity and ethics training courses, accounting for 100% of all employees, and total training hours amounted to 2,512.5 hours. 3. A total of 5,053 employees participated in digital insider trading prevention training courses, accounting for 100% of all employees, and total training hours amounted to 2,526.5 hours. <p>■ All Corporation directors and senior executives have signed the "Declaration of Compliance with Ethical Management Policies."</p> | ■ None. |
| 3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers? | ✓ | | <p>■ The Corporation has established the "Grievance Regulation" and "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior." Related matters are handled by respective dedicated units and separate service hotlines manned by dedicated personnel have been set up to handle feedback in accordance with established processes.</p> | ■ None. |

| Evaluation Item | Implementation Status | | | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons |
|--|-----------------------|----|--|--|
| | Yes | No | Summary Description | |
| (2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? | ✓ | | ■ The Corporation's "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior" has clear stipulations on the appeals process and dedicated reviewing units. Apart from committing to confidentiality for whistleblowers and related evidence, a special task force may be set up to investigate details based on the nature of each case, and to report investigation results and handling suggestions. | ■ None. |
| (3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints? | ✓ | | ■ The Corporation's "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior" clearly stipulates that the identities of whistleblowers shall be strictly protected, and whistleblowers shall be prevented from improper treatment (including threats, intimidation, or other unfair treatment) due to their reports. If such incidents are discovered, the Corporation shall immediately take appropriate preventive measures, and those involved in violations will be disciplined in accordance with the "Reward and Discipline Regulation." If criminal liabilities are involved, the same shall be reported to the police for further handling in accordance with law. | ■ None. |
| 4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)? | ✓ | | ■ The Corporation's "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Corporate Management and Guidelines for Conduct," and promotion results related to ethical corporate management are publicly available for review on the Corporate Governance sections on our internal and external websites. When revisions are made to our "Procedures for Ethical Corporate Management and Guidelines for Conduct," these are announced to all staff members and our website is simultaneously updated. The Corporation has established a dedicated unit responsible for promptly disclosing major announcements. Major announcements related to the Corporation's ethical management policies are disclosed in accordance with our "Regulations of Disclosure Information" and the "Regulation for Posting Information on the 'Market Observation Post System'" to fulfill the Corporation's responsibilities and obligations for information disclosure. | ■ None. |
| 5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: We formulated the "Ethical Corporate Management Best Practice Principles" in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," and our operations to date have not deviated significantly from these principles. | | | | |
| 6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The «Public Interest Whistleblower Protection Act" took effect on July 22, 2025. The Corporation fits the definition of a "government-controlled enterprise" under Article 5 and is also considered "an agency responsible for receiving disclosures" under Article 4, Paragraph 1 of the Act, and is therefore subject to the stipulations of said Act. | | | | |

(10) Other Important Information for Further Understanding Implementation Status of Corporate Governance

Besides promptly publishing material information on the Market Observation Post System (MOPS) (<https://mops.twse.com.tw/mops/web/index>) in accordance with laws and regulations, all other material information for further understanding of our corporate governance implementation status is regularly updated on the "Investor Relations" section on our corporate website in a timely manner along with other information relating to the Corporation's finances, business matters, and corporate governance.

Additionally, the Corporation has established 7 core policies (Supply Chain Management Policy, Health and Safety Policy, Information Security Policy, Environmental Policy, Risk Management Policy, Human Rights Policy, and Corporate Quality Policy), which have all been approved by our Chairman and are being fully implemented. These policies are disclosed on the "Policy" page under the "About Us" section on our corporate website. Announcements of these core policies enable all of our colleagues to work together for continual strengthening of corporate governance to achieve our goal of sustainable business operations.

2. Implementation Status of Internal Control System

(1) Internal Control System Letter of Declaration

Taiwan High Speed Rail Corporation

Statement of Internal Control System

Date: Feb 25, 2026

Based on the findings of a self-assessment, Taiwan High Speed Rail Corporation (THSRC) states the following with regard to its internal control system during the period from January 1, 2025 to December 31, 2025:

1. THSRC is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. THSRC has established such a system aimed at providing reasonable assurance regarding the achievement of the following objectives: effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets); reliability, timeliness, and transparency of reporting in compliance with relevant specifications; and compliance with applicable laws and regulations.
2. All internal control systems have inherent limitations. No matter how carefully designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes in environment or circumstances. Nevertheless, the internal control system of THSRC contains self-monitoring mechanisms, and THSRC takes corrective actions whenever a deficiency is identified or an enhancement becomes necessary.
3. THSRC evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") of the Republic of China. The Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring, with each component containing several further elements. Please refer to the Regulations for additional details.
4. THSRC has evaluated the design and operating effectiveness of its internal control system according to the aforementioned criteria.
5. Based on the results of the evaluation mentioned in the preceding paragraph, THSRC believes that during the period from January 1, 2025 to December 31, 2025, the design and operation of its internal control system has reasonably achieved the objectives mentioned in Item 1 above, including the monitoring of operational effectiveness and efficiency, as well as the reliability, timeliness, and transparency of reporting in compliance with relevant specifications, and compliance with applicable laws and regulations.
6. This Statement is a public document that constitutes an integral part of THSRC's Annual Reports and the THSRC Prospectus. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was approved by the Board of Directors at the meeting held on Feb 25, 2026, and all content contained in this Statement was affirmed by the 15 Board members present at the meeting, with no dissenting opinions.

Taiwan High Speed Rail Corporation

Chairman of the Board of Directors:



President:



Notice to Readers

For the convenience of readers, the Statement has been translated into English from the original Chinese version prepared and used in the Republic of China.

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language Statement shall prevail.

- (2) Items to be disclosed in the CPA's audit report relating to evaluations of internal controls system entrusted to CPA: None.

3. Important Governance Information for 2025 and as of Publication Date of This Annual Report

(1) Important Resolutions of Shareholders' Meetings and the Board of Directors during current year and up to the publication date of the annual report:

1) Important resolutions of Shareholders' Meetings and implementation status in 2025:

Proposals

Proposal No. 1: Proposed by the Board

Proposal: Proposals of the 2024 Annual Business Report and financial statements of the Corporation.

Resolution: Attending shareholders represented more than one-half of the total number of outstanding Corporation shares, and voting rights in favor came to 97.47%. The proposal was approved.

Implementation status: Implemented in accordance with proposal resolutions.

Proposal No. 2: Proposed by the Board

Proposal: Proposals of 2024 profit distribution of the Corporation.

Resolution: Attending shareholders represented more than one-half of the total number of outstanding Corporation shares, and voting rights in favor came to 97.48%. The proposal was approved.

Implementation status: Cash dividends per share were NT\$1.05, the ex-dividend date was set as July 21, 2025, and the cash dividend distribution date was set as August 14, 2025.

Discussions

Discussion No. 1: Proposed by the Board

Proposal: Revision of Articles of Incorporation.

Resolution: Attending shareholders represented more than one-half of the total number of outstanding Corporation shares, and voting rights in favor came to 96.82%. The proposal was approved.

Implementation status: Implemented in accordance with proposal resolutions.

2) Important Board resolutions for January 2025-March 2026

| Date | Session (Term-Sitting) | Important Resolutions |
|-----------|------------------------|---|
| 2025/1/15 | 10-21 | The former Corporation Chairman was discharged ipso facto due to change of institutional director representative and the directors elected from among themselves one director to temporarily execute the chairman's duties in accordance with law |
| 2025/1/15 | 10-22 | <ol style="list-style-type: none"> Distribution suggestions for 2024 employee compensation and bonuses Distribution suggestions for 2024 director remuneration Procurement strategy suggestions for HSR meal boxes from 2025 to 2026 Implementation status of Sustainable Development & Nominating Committee, Audit Committee, and Remuneration Committee in 2024 Evaluations and suggestions regarding Board and functional committee performance in 2024 |
| 2025/2/19 | 10-23 | <ol style="list-style-type: none"> Election of new chairman in accordance with law 2024 Financial Report 2024 CPA audits CPA non-audit services plans for 2025 Self-assessment results of internal control system for 2024 Procurement strategy suggestions for catenary maintenance car manufacturing and supply contract (Phase II) Election of committee members for vacant seats on the "Sustainable Development & Nominating Committee" of the 10th Board Suggestions for adjustment and appointment of Audit Office manager 2024 Business Report Report of implementation status of corporate governance Announcement to accept shareholder proposals for 2025 shareholders general meeting 2025 shareholders general meeting date, venue, and agenda topics. |

| Date | Session (Term-Sitting) | Important Resolutions |
|-----------|------------------------|---|
| 2025/3/12 | 10-24 | <ol style="list-style-type: none"> 1. Operational performance self-evaluation results for former Chairman Yao-Chung Chiang in 2024 2. Suggestions on president performance evaluation results for 2024 3. Suggestions on remuneration payments to Chairman Kung-Yeun Jeng 4. Results of manager performance audits for 2024 5. Annual compensation competitiveness (including manager compensation) review and salary adjustment suggestions for 2025 6. Submission of amendments to the Corporation's "Articles of Incorporation" and request for approval of "Definitions of Entry-Level Employees Formulated by the Proposing Unit" for discussion at the shareholders general meeting on May 22, 2025 7. Suggestions regarding distributable surpluses for 2024 8. Procurement strategy suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 9. Contract award suggestions for HSR meal boxes from 2025 to 2026 10. Request for approval to sign joint venture letter of intent with Taiwan Smart Electricity & Energy Co., Ltd. 11. Report on Director Remuneration for 2024 |
| 2025/4/9 | 10-25 | <ol style="list-style-type: none"> 1. Re-signing of Corporate Quality Policy and Risk Management Policy by Corporation Chairman 2. Submission of the Corporation's HSR Financial Resolution Plan 2024 implementation status table to the Ministry of Transportation and Communications 3. Procurement strategy suggestions for Operation Control Center TCS system in conjunction with modifications for new rolling stock 4. Reinvestment in Taiwan Smart Electricity & Energy Co., Ltd. 5. Adjustments of division managers |
| 2025/5/7 | 10-26 | <ol style="list-style-type: none"> 1. Fare discount implementations for 2024 2. Financial report for first quarter of 2025 3. Extension of quota for derivative assets that expired during the second half of 2025 4. Extension of letters of credit that expired during the second half of 2025 5. Suggestions for second amendments to contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot and construction supervision and consulting services 6. Suggestions for second amendments to train body and train equipment general maintenance technician services contract at Yanchao Main Workshop from 2023 to 2027 7. Equipment donation to industry-academia collaboration schools 8. Suggestions regarding distribution of manager performance bonuses for 2024 9. Suggestions on bonus payments to former Chairman Yao-Chung Chiang |
| 2025/6/11 | 10-27 | <ol style="list-style-type: none"> 1. Establishment of 2024 surplus distribution ex-dividend date and cash dividend distribution date. 2. Revisions to the Corporation's "General Rules of Corporate Auditing." 3. Procurement strategy suggestions for automatic cleaning equipment at Zuoying Depot second rolling stock inspection & repair plant 4. Renewal of forestry adoption contract for Puxin section in Xiluo, Yunlin under the "Go Green Together" sustainable development program 5. Chairman and president salary adjustments 6. Adjustment and appointment of Board secretariat and corporate governance officer |
| 2025/6/13 | 10-28 | <ol style="list-style-type: none"> 1. Chairman Kung-Yeun Jeng steps down from concurrent position as President 2. The former Corporation Chairman was discharged ipso facto due to change of institutional director representative, necessitating election of a new chairman in accordance with law 3. Election of committee members for vacant seats on the "Sustainable Development & Nominating Committee" of the 10th Board 4. Proposal to appoint Mr. Bob Chen as the Corporation President. |
| 2025/7/9 | 10-29 | <ol style="list-style-type: none"> 1. Contract award suggestions for HSR passenger credit card ticketing payment acquisition service contract from 2027 to 2032 2. Board-authorized change in senior management personnel tasked with reviewing, supervising, and managing derivative transaction risks 3. Procurement strategy suggestions for Yanchao Main Workshop NGRS maintenance equipment and setup adjustment project 4. Procurement strategy suggestions for automatic cleaning equipment at Zuoying Depot second rolling stock inspection & repair plant 5. Procurement strategy suggestions for train and factory cleaning services contract at HSR Wuri and Zuoying maintenance depots from 2026 to 2028 6. Asset replacement and change strategies for rolling stock IID (Internal Information Display)/EID (External Information Display) passenger display system development and PA system 7. Revisions to the Corporation's "Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior" 8. Amendments to the Corporation's "Regulations of Responsibility & Authority" 9. Suggestions on remuneration payments to Chairman Che Shih 10. Suggestions on severance pay and severance package for former Chairman Kung-Yeun Jeng 11. Suggestions on remuneration payments to President Bob Chen |

| Date | Session (Term-Sitting) | Important Resolutions |
|------------|---------------------------|--|
| 2025/8/6 | 10-30 | <ol style="list-style-type: none"> 1. Re-signing of Corporate Quality Policy and Risk Management Policy by Chairman Che Shih 2. Amendments to "Internal Control System" and "Regulations Governing Self-Evaluations of Internal Control System" 3. Election of additional committee members for the "Sustainable Development & Nominating Committee" of the 10th Board 4. Cash donation to the Taiwan Foundation for Disaster Relief for the "2025 Typhoon Danas Fundraiser" 5. Sustainability Report for 2024 6. Financial report for second quarter of 2025 7. Procurement strategy suggestions for CPA services contract from 2026 to 2028 8. Procurement strategy suggestions for Operation Control Center renovations and air-conditioning enhancements 9. Procurement strategy suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project 10. Procurement strategy suggestions for Phase II of communication system wireless base station upgrading project 11. Procurement strategy suggestions and supplements on contract for new rolling stock dynamic testing and trial operation contract |
| 2025/9/10 | 10-31 | <ol style="list-style-type: none"> 1. Scrapping procedures for old assets after completion of TCS system replacement 2. Bid solicitation strategies for THSRC media management contract 3. Procurement strategy suggestions regarding renewal of operating insurance for 2026 4. Contract award suggestions for catenary maintenance car manufacturing and supply contract (Phase II) 5. Procurement strategy suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot |
| 2025/10/15 | 10-32 | <ol style="list-style-type: none"> 1. Contract award suggestions for director and officer liability insurance 2. 2026 Audit Office auditing plans 3. Donation of full-scale 700T carriage model to the National Railway Museum Preparatory Office 4. Sustainable Development & Nominating Committee, Audit Committee, and Remuneration Committee work plans for 2026 5. Procurement strategy suggestions for preventive maintenance materials for rolling stock repairs from 2027 to 2028 6. Procurement strategy suggestions for HSR security services contract from 2026 to 2029 7. Suggestions on fourth amendment to procurement contract for new HSR trainsets |
| 2025/11/5 | 10-33 | <ol style="list-style-type: none"> 1. Financial report for third quarter of 2025 2. Annual budget for 2026 3. Extension of quota for derivative assets that expired during the first half of 2026 4. Extension of letters of credit that expired during the first half of 2026 5. Contract award suggestions for CPA services contract from 2026 to 2028 6. 2026 Audit Office auditing plans 7. Contract award suggestions for project to establish new solar photovoltaic power generation equipment leasing sites |
| 2025/12/10 | 10-34 | <ol style="list-style-type: none"> 1. Procurement strategies for new BI/BG ground equipment subcontract agreement (clauses related to Mitsubishi Heavy Industries and Nabtesco) 2. Procurement strategies for new long lead time spare parts and ground equipment testing parts subcontract agreements (clauses related to Toshiba) 3. Contract award suggestions for ATP0~ATP5 Traction Power Substation Controlled Electric Stage Upgrading Project 4. Contract award suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot 5. Contract award suggestions for consulting services related to localized manufacturing and development of alternative technologies for HSR viaduct locking devices project 6. Amendments to "Procedures for the Acquisition or Disposal of Assets" 7. Submission of HSR Financial Resolution Plan 2026 implementation status table to the Ministry of Transportation and Communications 8. Donation and sponsorship plan for 2026 9. Renewal of operating insurance for 2026 10. Signing of collective agreement between the Corporation and the THSRC Labor Union 11. Performance goals for managers in 2026 |
| 2026/1/14 | 10-35 | <ol style="list-style-type: none"> 1. Procurement strategies for ground equipment subcontract agreement (clauses related to domestic procurement of foreign magnetic particle testing equipment, hollow shaft ultrasonic testing equipment, and two-axis underground lathes) 2. Procurement strategies for ground equipment testing parts subcontract agreement (clauses related to Hitachi) 3. Procurement strategies regarding additional training requirement contract to supplement main agreement 4. Report on issuance of unsecured corporate bonds in 2025 5. Renewal of medium-term bank loan from Bank of Taiwan 6. New transaction quota for MUFJ Taipei Branch derivatives 7. Formulation of "Public Interest Whistleblower Protection Guidelines" 8. Distribution suggestions for 2025 employee compensation and bonuses 9. Distribution suggestions for 2025 director remuneration 10. Suggestions regarding distributions of chairman and president bonuses for 2025 11. Procurement strategy for leasing 16th floor of Nangang Software Park Phase 3 office building 12. Evaluation and suggestions regarding Board and Committee performance in 2025 |

| Date | Session (Term-Sitting) | Important Resolutions |
|-----------|------------------------|---|
| 2026/2/25 | 10-36 | <ol style="list-style-type: none"> 1. 2025 financial report 2. 2025 CPA audits 3. Changed CPA starting from the first quarter of 2026 in accordance with internal adjustments at PricewaterhouseCoopers Taiwan 4. CPA non-audit services plans for 2026 5. Implementation results for internal control system self-assessments in 2025 6. First supplemental agreement and contract award suggestions for Yanchao Main Workshop setup adjustments and turnkey project for new plant and multi-level parking lot 7. Procurement strategy suggestions for long lead time spare parts subcontract agreement (clauses related to Hitachi) 8. Procurement strategy suggestions for BI/BG ground equipment subcontract agreement (clauses related to Toshiba) 9. Procurement and contract award suggestions for BI/BG ground equipment subcontract agreement (clauses related to Mitsubishi Heavy Industries) 10. Procurement and contract award suggestions for BI/BG ground equipment subcontract agreement (clauses related to Nabtesco) 11. Contract award suggestions for supplements to rolling stock dynamic testing and trial operation contract 12. Procurement strategy suggestions for dynamic ground interface measurement agreement 13. Contract award suggestions for THSRC media management contract 14. Contract award suggestions for leasing 16th floor of Nangang Software Park Phase 3 office building 15. 2025 business report 16. Announcement to accept shareholder proposals and director (including independent director) nominations for 2026 shareholders' general meeting. 17. 2026 shareholders general meeting date, venue, and agenda topics 18. Report of implementation status of corporate governance 19. Determination of director (and independent director) candidates for the 11th Board. 20. Suggestions for adjustments to head of Procurement Division |
| 2026/3/18 | 10-37 | <ol style="list-style-type: none"> 1. Chairman operational performance self-evaluation results for 2025 2. Suggestions on president performance evaluation results for 2025 3. Suggestions on results of manager performance appraisals for 2025 4. Annual compensation competitiveness (including manager compensation) review and salary adjustment suggestions for 2026 5. Suggestions regarding distributable surpluses for 2025 6. Application to increase post-release duty payment import duty guarantees 7. Suggestions for third amendments to construction contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot 8. Suggestions for fourth amendments to contract for second rolling stock inspection & repair plant and affiliated buildings at Zuoying Depot and construction supervision and consulting services 9. Amendments to "Sustainable Development Best Practice Principles" 10. Report on director remuneration for 2025 |
| 2026/3/31 | 10-38 | List of Board-nominated candidates for the 5 independent directors and 10 non-independent directors on the 11th Board |

(2) Any Recorded or Written Dissenting Opinions of Directors in the Current Year and up to the Publication Date of the Annual Report in Relation to Important Resolutions and the Content of Said Dissenting Opinion: None.

4. Information on CPA Professional Fees

(1) Audit Fees

Unit: NT\$ in thousands

| Accounting Firm | Name of CPA | Period Covered by CPA's Audit | Audit Fee | Non-Audit Fee (Note) | Total | Remarks |
|--------------------------------|-----------------|-------------------------------|-----------|----------------------|-------|---------|
| PricewaterhouseCoopers, Taiwan | Chih-Fan Yu | 2025.1.1~2025.12.31 | 3,900 | 3,856 | 7,756 | |
| | Chien-Hung Chou | | | | | |

Note: Non-audit fees amounted to NT\$ 3,856 thousand for financial reporting collaborative compilation system services, tax compliance audit fees, and other services required for independent auditor's reports.

(2) In the Event of a Change in Accounting Firm Where the Audit Fees Paid for the Fiscal Year in Which Such Change Took Place are Lower Than Those for the Previous Fiscal Year, the Amount of Audit Fees Before and After Said Change and The Reasons Should Be Disclosed: None.

(3) In the Event Where Audit Fees Paid for the Current Fiscal Year are Lower Than Those of the Previous Fiscal Year by More Than 10 Percent, Reductions in the Amount of Audit Fees, Reduction Percentage, and Reason(s) Should be Disclosed: None.

5. Replacement of CPA

(1) Regarding the former CPA

| | | | |
|--|--|------------------------------------|----------------|
| Replacement Date | Approved by the Board of Directors on February 25, 2026. | | |
| Replacement reasons and explanations | CPA change made effective beginning in the first quarter of 2026 due to internal rotation at PricewaterhouseCoopers, Taiwan. | | |
| Describe if the Company terminated the CPA or if the CPA did not accept the appointment | Status | Parties | THSRC |
| | Termination of appointment | CPA | Not applicable |
| | No longer accepted (continued) appointment | CPA | Not applicable |
| Reasons for issuing audit reports other than unqualified audit reports over the past two years | None | | |
| Differences with the company | Yes | Accounting principle or practices | |
| | | Disclosure of Financial Statements | |
| | | Audit scope or procedures | |
| | | Others | |
| | None | V | |
| | Remarks/specify details: None | | |
| Other disclosures (according to Items 1-4 to 1-7 of Paragraph 6, Article 10 of these principles) | None | | |

(2) Regarding the successor CPA

| | |
|---|---|
| Name of accounting firm | PricewaterhouseCoopers, Taiwan |
| Name of CPA | Chih-Fan Yu and Sheng-Chung Hsu |
| Date of appointment | Approved by the Board of Directors on February 25, 2026 |
| Consultant comments and opinions on accounting treatments or principles regarding specific transactions and possible comments issued by the CPA on Company financial reports prior to engagement. | None |
| Succeeding CPA's written opinion of disagreement with former CPA | None |

(3) Response of former CPAs on Articles 10.6.1 and 10.6.2.3 of these principles: None.

6. In the Event Where the Corporate Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of its Certified Public Accountant or at an Affiliated Enterprise of Said Accounting Firm, the Name and Position of the Person, and the Period During Which the Position was Held, Should be Disclosed: None.

7. Information on Share Transfers and Pledge Changes

Changes in shareholding and pledge holdings of directors, managers, and shareholders holding more than 10% of shares in the current year and up to the publication date of this annual report. If the shares were traded with related parties, the name of the transferee, relationship between transferee and directors, managers and major shareholders, and obtained or pledged shares should be disclosed.

(1) Changes in Shareholding of Directors, Managers and Major Shareholders

1. Changes in the number of shares held: Please refer to the Market Observation Post System/Individual Company/Shareholding Changes/Securities Issuance/Shareholding Transfer Search/Application Form for Insider Shareholding Changes (https://mops.twse.com.tw/mops/#/web/query6_1).
2. Changes in the number of pledged shares: Please refer to the Market Observation Post System/Individual Company/Shareholding Changes/Securities Issuance/Insider Pledged and Released Shares/Announcement of Insider Pledged and Released Shares (Individual Companies) (https://mopsov.twse.com.tw/mops/web/STAMAK03_1#).

(2) Information on Transfers of Shareholding: None.

(3) Information on Pledges of Shareholding: None.

8. Information Disclosing the Spouse, Kinship within the Second Degree, and Relationship between any of the Top Ten Shareholders:

Information Relating to Relationships Between Any of the Top Ten Shareholders

Unit: thousand shares, % (as of 2026/3/29)

| Name (Note 1) | Current Shareholding | | Spouse's/ Minor's Shareholding | | Shareholding by Nominee Arrangement | | Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees of Kinship | | Remarks |
|---|----------------------|-------|--------------------------------------|---|---|---|--|--------------|---|
| | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| Ministry of Transportation and Communications, R.O.C. | 2,420,000 | 43.00 | 0 | 0 | 0 | 0 | None | None | Corporation institutional director |
| Kung-Yeun Jeng | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| Cheng-Chung Young | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| China Aviation Development Foundation | 260,040 | 4.62 | 0 | 0 | 0 | 0 | None | None | Corporation institutional director |
| Che Shih | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| Yu-Fen Hung | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| Wei-Cheng Hsieh | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| CMC Magnetics Corporation | 253,242 | 4.50 | 0 | 0 | 0 | 0 | None | None | Corporation institutional shareholder |
| Ming-Sen Wong | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Mr. Ming-Sen Wong is the chairman of CMC Magnetics Corporation |
| China Steel Corporation | 242,148 | 4.30 | 0 | 0 | 0 | 0 | None | None | Corporation institutional director |
| Chien-Chih Hwang | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| Taiwan Sugar Corporation | 200,000 | 3.55 | 0 | 0 | 0 | 0 | None | None | Corporation institutional director |
| Ming-Chang Wu | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| TECO Electric & Machinery Co. Ltd. | 190,060 | 3.38 | 0 | 0 | 0 | 0 | None | None | Corporation institutional director |
| Mao-Hsiung Huang | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| Management Committee of National Development Fund, Executive Yuan | 120,000 | 2.13 | 0 | 0 | 0 | 0 | None | None | Corporation institutional director |
| Shien-Quey Kao | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Representative of Corporation institutional director |
| Mega International Commercial Bank Co., Ltd. | 71,100 | 1.26 | 0 | 0 | 0 | 0 | None | None | Corporation institutional shareholder |
| Ray-Beam Dawn | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Mr. Ray-Beam Dawn is the chairman of Mega International Commercial Bank Co., Ltd. |
| CHC International Investment Corporation | 65,855 | 1.17 | 0 | 0 | 0 | 0 | None | None | Corporation institutional shareholder |
| Tsung-An Cheng | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Mr. Tsung-An Cheng is the chairman of CHC International Investment Corporation |

| Name (Note 1) | Current Shareholding | | Spouse's/ Minor's Shareholding | | Shareholding by Nominee Arrangement | | Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees of Kinship | | Remarks |
|-------------------------------|----------------------|------|--------------------------------------|---|---|---|--|--------------|--|
| | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| Hua Nan Commercial Bank, Ltd. | 53,300 | 0.95 | 0 | 0 | 0 | 0 | None | None | Corporation institutional shareholder |
| Fen-Len Chen | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Ms. Fen-Len Chen is the chairperson of Hua Nan Commercial Bank, Ltd. |
| First Commercial Bank | 53,300 | 0.95 | 0 | 0 | 0 | 0 | None | None | Corporation institutional shareholder |
| Ye-Chin Chiou | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Ms. Ye-Chin Chiou is the chairperson of First Commercial Bank |
| Taiwan Cooperative Bank | 53,300 | 0.95 | 0 | 0 | 0 | 0 | None | None | Corporation institutional shareholder |
| Yen-Mao Lin | 0 | 0 | 0 | 0 | 0 | 0 | None | None | Mr. Yen-Mao Lin is the chairman of Taiwan Cooperative Bank |

9. Shareholding of Corporation Director, Management and the Business that is Controlled by the Corporation Directly or Indirectly on Re-Invested Enterprises and Total Shareholding Ratio: None.



4

Financing Information

1. Capital and Share Information

(1) Sources of Capital

| Year/ Month | Issue Price | Authorized Capital | | Paid-Up Capital | | Remarks | | |
|----------------|----------------|--------------------------------|------------------------------|--------------------------------|---------------------------|--|--|--------|
| | | Shares (thousand shares) | Amount (NT\$ thousand) | Shares (thousand shares) | Amount (NT\$ thousand) | Capital Source (NT\$ thousand) | Collateral of assets other than cash provided for shares | Other |
| 1998/5 | 10 | 5,000,000 | 50,000,000 | 1,250,000 | 12,500,000 | Founding capital stock 12,500,000 | - | - |
| 1999/4 | 10 | 5,000,000 | 50,000,000 | 2,000,000 | 20,000,000 | Cash capital increase 7,500,000 | - | - |
| 1999/8 | 10 | 5,000,000 | 50,000,000 | 2,017,350 | 20,173,500 | Surplus to capital increase 173,500 | - | - |
| 2000/5 | 10 | 5,000,000 | 50,000,000 | 3,017,350 | 30,173,500 | Cash capital increase 10,000,000 | - | - |
| 2000/7 | 10 | 5,000,000 | 50,000,000 | 4,072,100 | 40,721,000 | Cash capital increase 10,547,500 | - | - |
| 2001/9 | 10 | 5,000,000 | 50,000,000 | 4,999,900 | 49,999,000 | Cash capital increase 9,278,000 | - | Note 2 |
| 2003/1 | 10 | 10,000,000 | 100,000,000 | 7,689,900 | 76,899,000 | Cash capital increase 26,900,000 (Series A Registered Preferred Stock) | - | - |
| 2003/9 | 10 | 10,000,000 | 100,000,000 | 7,824,149.5 | 78,241,495 | Cash capital increase 1,342,495 (Series B Registered Preferred Stock) | - | - |
| 2004/1 | 9.3 | 10,000,000 | 100,000,000 | 7,985,449.5 | 79,854,495 | Cash capital increase 1,613,000 (Type 1 Series C Registered Preferred Stock) | - | - |
| 2004/2 | 9.3 | 10,000,000 | 100,000,000 | 8,136,849.5 | 81,368,495 | Cash capital increase 1,514,000 (Type 2 Series C Registered Preferred Stock) | - | - |
| 2004/3 | 9.3 | 10,000,000 | 100,000,000 | 8,211,449.5 | 82,114,495 | Cash capital increase 746,000 (Type 3 Series C Registered Preferred Stock) | - | - |
| 2004/4 | 9.3 | 10,000,000 | 100,000,000 | 8,319,069.5 | 83,190,695 | Cash capital increase 1,076,200 (Type 4 Series C Registered Preferred Stock) | - | - |
| 2004/8 | 9.3 | 10,000,000 | 100,000,000 | 8,956,146.5 | 89,561,465 | Cash capital increase 6,370,770 (Type 5 Series C Registered Preferred Stock) | - | - |
| 2004/9 | 9.3 | 10,000,000 | 100,000,000 | 9,020,646.5 | 90,206,465 | Cash capital increase 645,000 (Type 6 Series C Registered Preferred Stock) | - | - |
| 2004/11 | 9.3 | 10,000,000 | 100,000,000 | 9,057,656.5 | 90,576,565 | Cash capital increase 370,100 (Type 7 Series C Registered Preferred Stock) | - | - |
| 2005/4 | 9.3 | 11,500,000 | 115,000,000 | 9,703,556.5 | 97,035,565 | Cash capital increase 6,459,000 (Type 8 Series C Registered Preferred Stock) | - | - |
| 2005/9 | 9.3 | 12,000,000 | 120,000,000 | 10,510,056.5 | 105,100,565 | Cash capital increase 8,065,000 (Type 9 Series C Registered Preferred Stock) | - | - |
| 2008/4 | 10 | 12,000,000 | 120,000,000 | 10,510,089.8 | 105,100,898 | 332.85 First investor application of conversion for convertible unsecured overseas corporate bonds in 2007 | - | - |
| 2008/6 | 10 | 12,000,000 | 120,000,000 | 10,532,224 | 105,322,243 | 221,345 First investor application of conversion for convertible unsecured overseas corporate bonds in 2007 | - | - |
| 2015/8 | 10 9.3 | 12,000,000 | 120,000,000 | 6,513,232 | 65,132,326 | Capital reduction (40,189,917) (Withdrawal of preferred shares) | - | - |
| 2015/10 | 10 | 12,000,000 | 120,000,000 | 2,605,293 | 26,052,930 | Capital reduction (39,079,396) (Withdrawal of common stock) | - | Note 3 |

| Year/ Month | Issue Price | Authorized Capital | | Paid-Up Capital | | Remarks | | |
|----------------|----------------|--------------------------------|------------------------------|--------------------------------|---------------------------|--|--|--------|
| | | Shares (thousand shares) | Amount (NT\$ thousand) | Shares (thousand shares) | Amount (NT\$ thousand) | Capital Source (NT\$ thousand) | Collateral of assets other than cash provided for shares | Other |
| 2015/11 | 10 | 12,000,000 | 120,000,000 | 5,605,293 | 56,052,930 | Cash capital increase 30,000,000 (Privately placed common stock) | - | - |
| 2016/10 | 10 | 12,000,000 | 120,000,000 | 5,628,293 | 56,282,930 | Cash capital increase 230,000 | - | Note 4 |

Notes:

1. The Corporation completed effective registration as a public company under reissued Securities & Futures Institute (90) Tai Tsai Cheng (1) Decree No. 120792 on 2001/4/30.
2. Effective date and decree of 2001/9 cash capital increase: 2001/7/6 Tai Tsai Cheng (1) No. 144286.
3. Effective date and decree of 2015/10 common stock capital reduction: 2015/10/2 Financial-Supervisory-Securities-Fa No. 1040039751.
4. Effective date and decree of 2016/10 cash capital increase: 2016/9/12 Tai-Zheng-Shang-Yi-Zi No. 1051804339.
5. Current issued stocks in circulation are: 5,628,293,058 shares of common stock, including 2,628,293,058 shares of publicly issued common stock and 3,000,000,000 shares of privately placed common stock.

(2) Share Types

Unit: thousand shares (As of 2026/03/29)

| Share Type | Authorized Capital | | | Remarks |
|---------------|--------------------|-----------------|--------------|------------------|
| | Issued Shares | Unissued Shares | Total Shares | |
| Common shares | 2,628,293 | 6,371,707 | 12,000,000 | Publicly issued |
| | 3,000,000 | | | Privately placed |

Note: The Corporation went public on 2016/10/27.

Information for Shelf Registration: Not applicable.

(3) List of Major Shareholders

Unit: thousand shares (As of 2026/03/29)

| Shareholder Name | Shareholding | Shareholding | Shareholding Ratio (%) |
|------------------|--------------|--------------|------------------------|
| MOTC | | 2,420,000 | 43 |

Note 1: Shareholders holding more than 5% of shares.

Note 2: For more information on the top ten shareholders by shareholding ratio, shareholdings, and shareholding ratios, please refer to Chapter 3 of this Annual Report.

(4) The Corporation's Dividend Policy and Implementation Status

1) Dividend Policy in Articles of Incorporation

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. 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 interests 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, however, this is not obligatory if the earnings cumulatively available for distribution is less than 0.5 percent of its paid-in capital. Dividends to 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.

2) Implementation Status

The proposal for the distribution of 2025 profits was passed at the meeting of the Board of Directors:

The proposed distribution of cash dividends is NT\$ 1.15 per share to a total of NT\$ 6,472,537 thousand. An ex-dividend date will be set following approval by the shareholders general meeting.

(5) Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders Meeting:

Not applicable. The shareholders meeting has not proposed any stock dividend distribution.

(6) Employee Compensation and Director Remuneration

1) The percentage or range with respect to employee and director compensation, as set forth in the Corporation's 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 no less than 35 percent of said employee compensation shall be allocated to non-executive employees. Furthermore, not more than 1 percent as profit-sharing compensation to Directors; however, that if the Corporation still has any accumulated loss, it shall first set aside the amount to offset the loss before such allocation.

2) The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

A. In 2025, 2% of net profit was set as employee compensation, amounting to NT\$ 166,474 thousand in cash; 0.5% of net profit was set as director remuneration, amounting to NT\$ 41,618 thousand in cash.

B. Material differences between estimated amounts and amounts resolved by the Board of Directors on or before the date that annual financial statements are approved are adjusted in the year where compensation and remuneration were recognized. If a change in resolved amounts occurs after annual financial statements were approved, the differences are recorded as a change in accounting estimates and adjusted in the following year.

3) Board resolutions on employee and director compensation distributions:

A. Amount of any employee compensations distributed in cash or stocks and amount of compensation for directors; if there are any discrepancies between these amounts and estimated figures for the fiscal year where these expenses are recognized, the discrepancies, their causes, and accounting treatment should be disclosed:

On January 14, 2026, the Board approved a resolution for employee compensation of NT\$ 166,474 thousand and director remuneration of NT\$ 41,618 thousand, payable in cash, for the year ended December 31, 2025. There were no discrepancies between such amounts and the respective amounts recognized in the financial statements for the year ended December 31, 2025.

B. The amount of any employee compensation distributed in stock and the size of that amount as a percentage of the sum of the after-tax net income stated in individual financial reports for the current period and total employee compensation:

Not applicable. There are no plans to pay employee compensation in stock.

4) Information on 2024 distribution of compensation of employees and directors (with an indication of the number of shares, monetary amount, and stock price of the shares distributed) and, if there is any discrepancy between the actual distribution and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated:

Employee compensation of NT\$ 164,946 thousand and director remuneration of NT\$ 41,237 thousand for 2024 was distributed in 2025 in cash. There was no discrepancy between said amounts and respective amounts recognized in the financial statements for 2024.

(7) Corporate buy-back of corporation shares: None.

2. Information on Corporate Debts

(1) Unpaid domestic corporate bonds:

Issuance of Corporate Bonds

| Issuance | | First unsecured corporate bond for 2019 |
|--|--|--|
| Issuing Date | | 2019/11/14 |
| Denomination | | NT\$ 10 million |
| Issuance and Transaction Location | | Not Applicable |
| Offering Price | | Par |
| Total Amount | | NT\$ 8 billion |
| Coupon Rate | | Fixed Rate: 1.60% |
| Maturity | | 30 years Maturity date: 2049/11/14 |
| Guarantor | | None |
| Trustee | | Taishin International Bank |
| Underwriter | | Yuanta Securities |
| Legal Counsel | | LCS & PARTNERS |
| Auditor | | Deloitte & Touche |
| Repayment | | Bullet |
| Outstanding | | NT\$ 8 billion |
| Redemption or Early Repayment Clause | | None |
| Covenants | | None |
| Credit Rating | | Taiwan Ratings Corp. Date: 2019/10/7 Rating: twAA+ (Issuer rating) |
| Other Rights of Bondholders | Amount of Converted or Exchanged Common Shares, ADRs or other securities | None |
| | Conversion Right | None |
| Dilution Effect and Other Adverse Effects on Existing Shareholders | | None |
| Custodian | | None |

| Issuance | | First unsecured corporate bond for 2020 |
|-----------------------------------|--|---|
| Issuing Date | | 2020/7/1 |
| Denomination | | NT\$ 10 million |
| Issuance and Transaction Location | | Not Applicable |
| Offering Price | | Par |
| Total Amount | | NT\$ 10.5 billion |
| Coupon Rate | | Fixed Rate: 1.30% |
| Maturity | | 30 years Maturity date: 2050/7/1 |
| Guarantor | | None |
| Trustee | | Taishin International Bank |
| Underwriter | | Yuanta Securities |
| Legal Counsel | | LCS & PARTNERS |
| Auditor | | Deloitte & Touche |
| Repayment | | Bullet |
| Outstanding | | NT\$ 10.5 billion |

| Issuance | | First unsecured corporate bond for 2020 |
|--|--|--|
| Redemption or Early Repayment Clause | | None |
| Covenants | | None |
| Credit Rating | | Taiwan Ratings Corp. Date: 2019/10/7 Rating: twAA+ (Issuer rating) |
| Other Rights of Bondholders | Amount of Converted or Exchanged Common Shares, ADRs or other securities | None |
| | Conversion Right | None |
| Dilution Effect and Other Adverse Effects on Existing Shareholders | | None |
| Custodian | | None |

| Issuance | | First unsecured corporate bond for 2025 |
|--|--|--|
| Issuing Date | | 2025/9/30 |
| Denomination | | NT\$ 10 million |
| Issuance and Transaction Location | | Not Applicable |
| Offering Price | | Par |
| Total Amount | | NT\$ 1 billion |
| Coupon Rate | | Fixed Rate: 1.55% |
| Maturity | | 4 years Maturity date: 2029/9/30 |
| Guarantor | | None |
| Trustee | | Taishin International Bank |
| Underwriter | | MasterLink Securities |
| Legal Counsel | | LCS & PARTNERS |
| Auditor | | PwC Taiwan |
| Repayment | | Bullet |
| Outstanding | | NT\$ 1 billion |
| Redemption or Early Repayment Clause | | None |
| Covenants | | None |
| Credit Rating | | Taiwan Ratings Corp. Date: 2024/9/13 Rating: twAAA (Issuer rating) |
| Other Rights of Bondholders | Amount of Converted or Exchanged Common Shares, ADRs or other securities | None |
| | Conversion Right | None |
| Dilution Effect and Other Adverse Effects on Existing Shareholders | | None |
| Custodian | | None |

(2) Current corporate bonds: None.

3. Information on Preferred Stock

(1) Preferred stock in circulation: None.

(2) Current preferred stock: None.

4. Information on Overseas Depositary Receipts: None.

5. Information on Employee Stock Option Certificates: None.

6. Information on Restricted Stock Awards: None.

7. Information on Mergers or Acquisitions and Issuance of New Shares Due to Share Acquisitions from Other Companies: None.

8. Implementation of Capital Utilization Plans

The funds raised by the Corporation's domestic issuance of corporate bonds are allocated according to relevant fund utilization plan and actual needs. As of the fourth quarter of 2025, the implementations of unfinished fund utilization plans are as listed below:

| Item | Funds Raised | Fund Utilization | Implementations |
|--|----------------|---|---|
| First unsecured corporate bond for 2025 (Accreditation for the qualification of sustainable development bonds by the consortium juristic person of the Republic of China Securities OTC Trading Center on August 27, 2025, Zhenggui Bond No. 1140007705) | NT\$ 1 billion | Investment plan supporting social benefits (installing station platform gates). | As of the fourth quarter of 2025, the cumulative implementation progress of scheduled fund utilization for this plan was 0.0%, the cumulative actual implementation progress was 0.0%, and unspent funds amounted to NT\$ 1,000,000 thousand. Fund utilizations under this social benefits investment plan were scheduled to commence in the fourth quarter of 2025 and the actual expenditure amount for this year was NT\$ 0. Quarterly reports on fund utilization were completed within ten days after the end of each quarter. The use of funds was carried out according to the original plan, and there were no significant differences between the expected benefits and the actual benefits. |





5

Operational Overview

1. Operations Scope and Review of Current Operations

(1) Business Scope

Our main scope of business encompasses high-speed rail operations and affiliated businesses.

1) High-speed rail operations

Since commencing operations, THSRC has aimed to provide passengers with safe and speedy transportation. After more than 19 years of effort, we have now become the transportation backbone of Taiwan's western corridor. THSRC provides convenient intercity high-speed rail services via 12 stations: Nangang, Taipei, Banqiao, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Yunlin, Chiayi, Tainan, and Zuoying, and we are constantly enhancing passenger services through service planning, promotional activities, and multiple ticket-purchasing channels to expand our market share. Starting on July 1, 2025, we began adding 25 train runs each week, and the total number of weekly train services was increased to 1,128 trains from 1,103 trains.

2) Operation of affiliated business services

To enhance HSR value and increase revenues from affiliated business, THSRC operates a number of affiliated businesses, encompassing retail space leasing (including convenience stores, restaurants, and service counters), station parking lots, advertisement media leasing (such as lightboxes, column spaces, wall spaces, product displays, and train decorations), retail businesses, trolley sales, and other businesses.

(2) Operational Performance

1) Operational overview

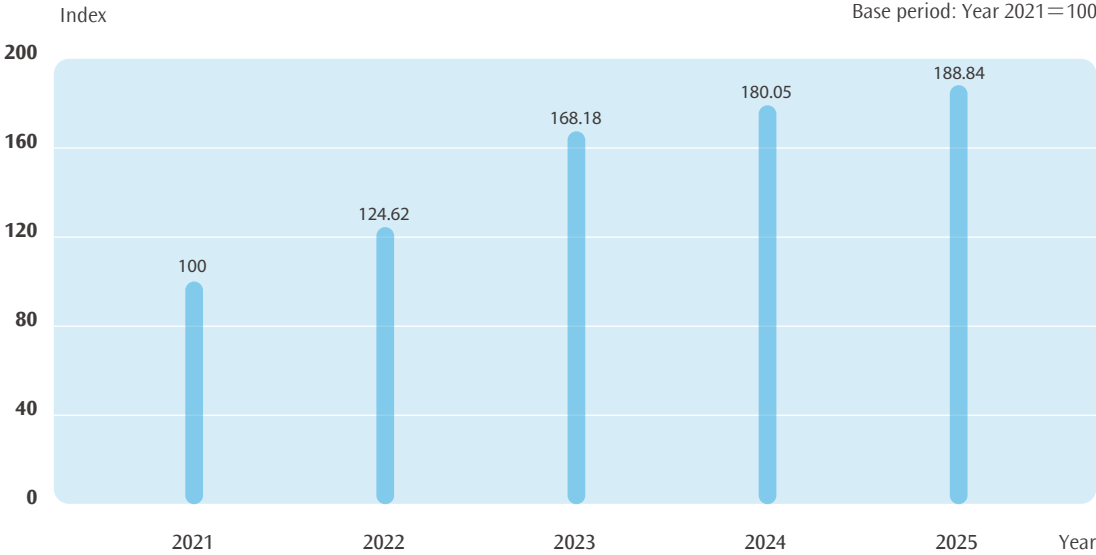
A. Passenger services

In 2025, THSRC carried over 82.07 million passengers, an increase of 4.88% over the prior year, reaching a total of 13,748 million passenger-kilometers. We operated a total of 59,606 train runs, an increase of 3.25% over the prior year, and our total service capacity amounted to 19,203 million seat-kilometers. Our loading factor was 71.59%, down by 0.14% compared to the prior year, and our punctuality rate was 99.31%, down by 0.19% compared to the prior year.

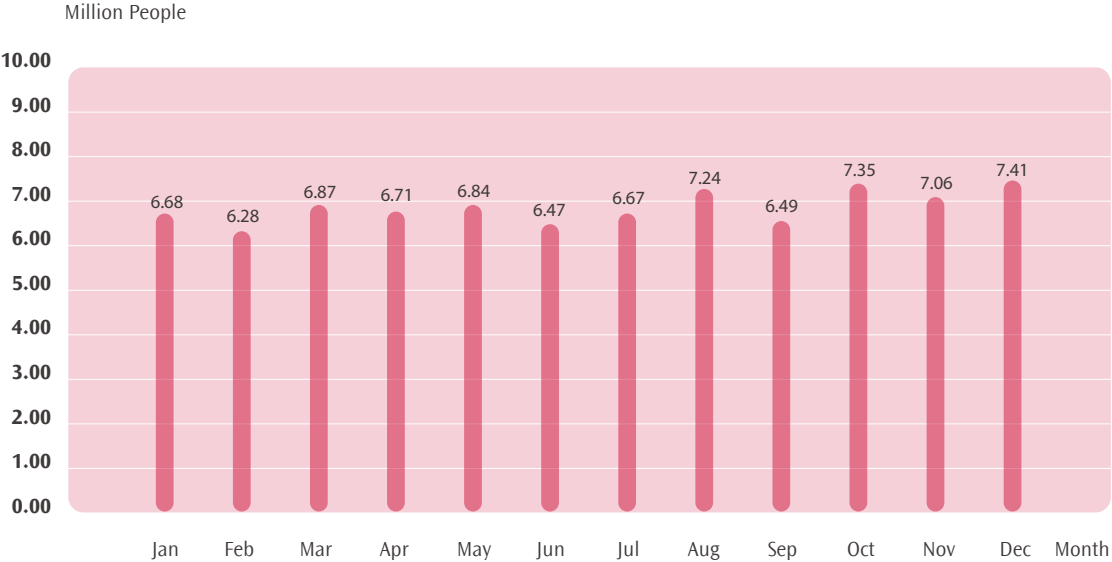
Measures of Operational Performance, 2024-2025

| | 2024 | 2025 |
|--|--------|--------|
| 1. Train Services | 57,729 | 59,606 |
| 2. Ridership (in millions) | 78.25 | 82.07 |
| 3. Seat-kilometers (in millions) | 18,614 | 19,203 |
| 4. Passenger-kilometers (in millions) | 13,351 | 13,748 |
| 5. Punctuality (as % of trains arriving within five minutes of scheduled time) | 99.50% | 99.31% |
| 6. Loading factor (passenger-km/seat-km) | 71.73% | 71.59% |

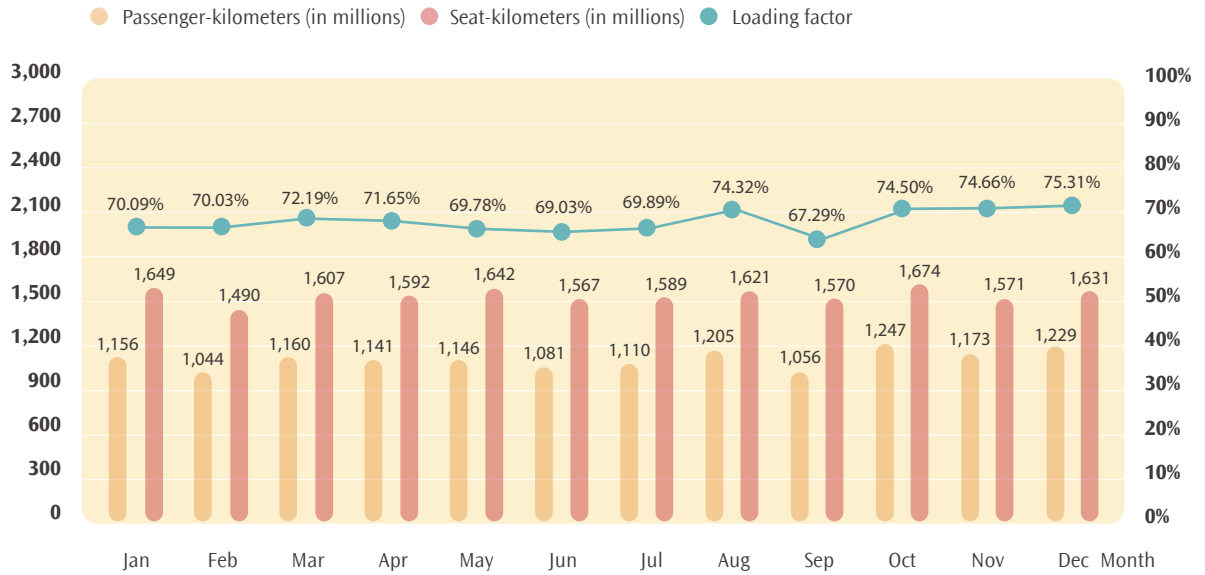
HSR Operational Growth Index 2021-2025



Monthly Ridership in 2025



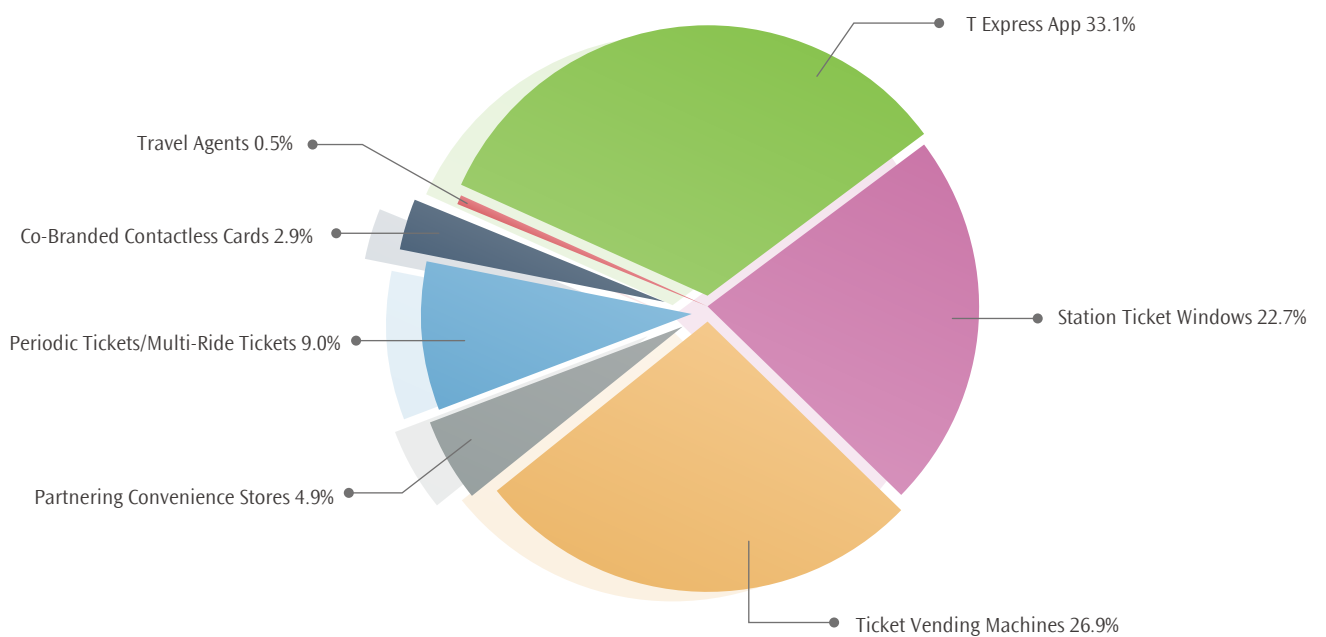
Monthly passenger kilometers, seat kilometers, and loading factor in 2025



B. Multiple booking and ticketing options

We offer a number of channels to make booking and paying for tickets easy and convenient. Passengers can choose to book, pay for, and collect tickets through station ticket windows, ticket vending machines, convenience store ticketing systems, our online booking website, or the T Express app, which supports a chatbot-based booking feature. Passengers may also board trains using contactless EasyCard and iPass co-branded credit cards with automatic top-up functions via ticket gates.

Ticket Volumes by Channel in 2025



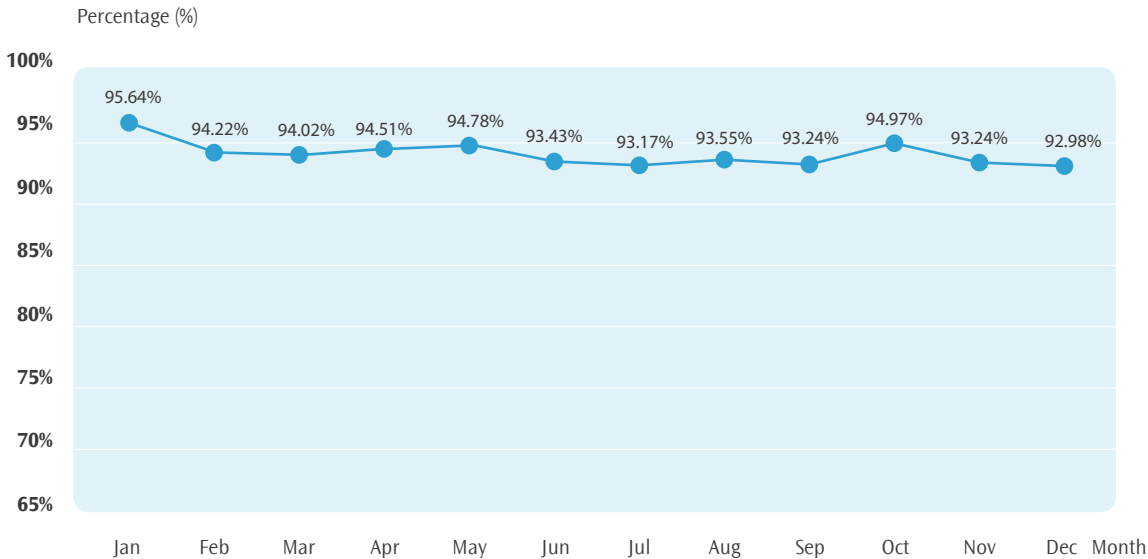
C. Maintenance

In order to ensure that passengers can travel safely and comfortably on the HSR, all repairs and maintenance work comply with a comprehensive Rolling Stock Maintenance Plan. Our maintenance cycle for rolling stock is as follows:

- (a) Daily inspection (Level 1 inspection): every 2 days
- (b) Monthly inspection (Level 2 inspection): every 30 days or every 30,000 km
- (c) Bogie inspection (Level 3 inspection): every 18 months or every 600,000 km
- (d) General inspection (Level 4 inspection): every 3 years of operations or every 1,200,000 km

Note: Maintenance frequency is determined by the condition that occurs first.

Trainset availability in 2025



D. Operational safety

The primary objective of THSRC is to build, manage, and maintain high-speed rail operations that meet international safety standards by establishing internationally recognized risk assessment and safety management systems that facilitate continuous improvements in our safety culture and provide our customers with fast, punctual, and highly reliable transportation services.

(a) Safety management system

THSRC adhered to domestic and international best practices and standards when formulating a risk-based safety management system which encompasses 12 safety management elements used to identify, eradicate, and control potential risks stemming from HSR operations and operational personnel, thereby ensuring the continued safety and excellence of our operations, maintenance, and services. Following a review conducted this year, a new "Safety and Health Policy" was signed on June 23, 2025. We continue to implement safety & health policies and implementation strategies that demonstrate our commitment to safety management and highlight the safety goals all our employees strive to meet.

Each unit uses the 12 safety management elements to formulate safety plans and associated mechanisms according to unit missions, operational characteristics, and scope of duties, while also using the P-D-C-A (Plan-Do-Check-Act) cycle to manage and execute safety management systems on a rolling basis. The managers of each unit review and confirm that unit activities and operations adhere to THSRC's Safety and Health Policy. THSRC has also established safety committees with different functions and levels to provide a platform for managers and employees to jointly participate in reviews of safety performance, safety management implementations, and related improvement measures, thereby ensuring rail safety while protecting the safety of our employees, passengers, and the public.

(b) Train operation and passenger safety

As of December 31, 2025, there have been no passenger casualties caused by rail operation accidents since THSRC commenced operations. We are constantly seeking to improve and enhance passenger services through equipment upgrades, and strive to prevent accidents such as falls or collisions from occurring at stations or on trains due to personal carelessness.

In order to maintain our high reliability, punctuality, and operational safety, any operational events that cause delays of more than 5 minutes in scheduled arrival time or abnormal operational events (including natural disasters) that senior executives deem worthy of investigation are immediately submitted for investigation by the THSRC Operation Safety Office. Investigations cover the various aspects of train operation and dispatch, passenger services, emergency repairs and maintenance work, original designs, and construction concepts. Possible causes are cross-checked and analyzed, and the resulting suggestions and improvement measures for the incident are reported to all supervisors during weekly management meetings. In addition, further investigations are conducted to identify incident causes, and various improvement measures, contingency techniques, and follow-ups are discussed in relevant safety management meetings.

(c) Safety audits and hazard management

In order to review whether relevant operational safety implementations were consistent with announced and written procedures, the THSRC Operation Safety Office conducted 7 audits of railway operation safety in internal operation and maintenance units in 2025. Audits covered train operation and dispatch, passenger services, facility maintenance, and disaster prevention preparation. Improvements have already been made to all relevant audit findings.

Hazard management serves as an important cornerstone to THSRC's successful establishment of a safety management system. Continuous encouragement and our reward system incentivize employees to actively report hazards, false alarms, and other abnormalities that could affect operational safety. Monthly hazard review meetings put forward systematic management suggestions for operation, maintenance, and engineering projects that reduce hazard levels to reasonable ranges and ensure the safety of high-speed rail operations and passengers.

(d) HSR line security

In order to ensure smooth operation of passenger services and to protect the safety of passengers and THSRC operational assets, we commissioned a professional security company that works with railway police and local police to patrol stations, trains, depots, and all areas serviced by the HSR.

There have been many malicious attacks and online threats in recent years, as criminals often use the privacy and anonymity of the Internet to spread irresponsible statements on corporate websites, online customer service platforms, and other communication platforms, which not only causes public panic, but also increases corporate operational costs. To maintain our "safe, comfortable, and punctual" corporate brand image, we used "two-factor" and "OTP" network authentication methods to block malicious interference and fraudulent information. We also provide our passengers with professional "digital customer services" and began implementing "THSRC Network Security Mechanisms" in July 2022. We have significantly lowered the number of malicious online comments, and the Executive Yuan Office of Homeland Security and MOTC Railway Bureau have shared our implementations with other domestic transportation institutes.

This year, in order to obtain the latest and most critical information on infrastructure protection and preventive measures for new threats and attacks, THSRC dispatched staff members to participate in drills, lectures, seminars, and symposiums organized by government and academic units such as the Executive Yuan Office of Homeland Security, the Ministry of Transportation and Communications, and the Railway Bureau. We subsequently formulate response and notification procedures in accordance with governmental assistance and suggestions, as well as feedback from safety inspections of key protection infrastructure, working with government units to establish joint prevention systems that ensure adequate protections for critical infrastructures and operational units while facilitating timely responses to maintain our operational capabilities.

(e) Disaster response drills

At the end of each year, THSRC reviews abnormal operational events and responses for the year, domestic and international railway incidents, and major local activities or competitions for the upcoming year, then begins planning passenger support and evacuation drills for emergency events. We plan and promote various disaster prevention training and rescue drills in collaboration with local police, firefighting, environmental protection, medical, and special external supporting units so that they can familiarize themselves with our "HSR Overall Disaster Prevention and Contingency Plan" (including joint disaster relief operation procedures and response command mechanisms for various types of major disasters), develop a tacit understanding, enhance on-site rescue competencies, and work together to prepare for disaster prevention and damage control.

To instill command and response capabilities in our staff, we held one training seminar for on-site commanders and emergency engineers in 2025 which was attended by 29 participants. On November 4 and December 30, we also invited external supporting units along the HSR mainline (firefighters; police; medical units; environmental protection units; North, Central, South District REMOCs; and EPA Toxic and Chemical Substances Bureau environmental incident specialist teams), the Executive Yuan Office of Disaster Management, the Taiwan Transportation Safety Board, the Ministry of Transportation and Communications, the Railway Bureau, and other supervising units to participate in our "HSR Emergency Response Symposium." A total of 77 people participated in this event, which helped seed instructors of external supporting units familiarize themselves with HSR emergency response mechanisms and equipment, as well as better understand important precautions for different emergency response tasks.

To familiarize emergency personnel with emergency escape exits, emergency routes, and operational environments along the HSR line, each station invites police, firefighters, medical units, environmental protection units, other external supporting units, and emergency shuttle bus transport operators to jointly survey the 184 emergency escape exits along the HSR line every six months. Surveys for 2025 were completed in April and December. During these surveys, we examined the emergency routes, available parking locations, and spaces for large-scale rescue vehicles (such as large cranes and trucks); this information was used as a basis for revising the emergency maps which were subsequently provided to relevant external emergency support personnel at all regions along the HSR line.

In 2025, we completed 100 disaster prevention drills at all stations, depots, and along the mainline, as shown in the following table, including three joint drills (train earthquake response drill held at the Yunlin section on June 27, 2025; drill for an explosion and fire caused by a suspicious package held at Hsinchu Station on September 19, 2025; and a comprehensive technical drill held on December 17, 2025). One of these joint drills is described in detail below.

Number of disaster prevention drills in 2025

| Location | Station/Depot Area | Mainline Area | HQ & OMC Buildings | No-Warning Response Tests | Other | Total |
|-----------|--------------------|---------------|--------------------|---------------------------|-------|-------|
| Frequency | 81 | 7 | 5 | 6 | 1 | 100 |

THSRC conducts various drills each year to simulate response measures following different disasters, reduce incident impacts, and improve overall disaster prevention and response capabilities. Following three months of discussion and preparation, the "Train Earthquake and Response Drill at the Yunlin Section" was held on the evening of June 27, 2025, simulating a scenario where an earthquake with a magnitude of 6.9 occurred near the Tachienshan Fault located at Zhushan, Nantou, triggering a level 3 earthquake alarm on the HSR disaster warning system. The train shook violently and many passengers were injured. THSRC set up a response center to assess the situation and issued an evacuation order for train passengers. Train staff were authorized to guide passengers through emergency exits. External supporting units and station disaster prevention teams promptly arrived on the scene and assisted with passenger evacuations. Apart from THSRC personnel and security contractors, we also invited participants from the Yunlin County Fire Department, Police Department, and Department of Health; the Railway Police Bureau; and the Railway Bureau. More than 190 people participated in this drill.



The fire brigade sends injured patients to the hospital for further treatment



On-site commander from the Ministry of Transportation and Communications takes command at the command center



The on-site commander from the Ministry of Transportation and Communications arrives at the command center; the on-site THSRC commander explains the situation and transfers command



Emergency response engineers and technical engineering teams arrive at the command center

(f) Response Preparations

Upon occurrence of disaster incidents (including natural disasters, equipment malfunctions, or man-made disasters), THSRC establishes response centers based on the severity of operational interruptions and possible impacts to coordinate and direct response procedures, deploy operations, and provide resources necessary for on-site assistance. Response center secretarial personnel undergo refresher training each year to familiarize themselves with operational procedures and equipment usage. Since official commencement of operations up to December 31, 2025, we have maintained a record of no passenger injuries caused by operational accidents.

In 2025, THSRC established a total of ten response centers for (i) Chiayi earthquake on January 21, (ii) Tainan earthquake on January 25, (iii) Tainan earthquake on January 26, (iv) Chiayi earthquake on January 30, (v) Tainan earthquake on April 3, (vi) Typhoon Danas on July 5, (vii) Typhoon Podul on August 12, (viii) Typhoon Ragasa on September 21, (ix) Typhoon Fung-Wong on November 10, and (x) Yilan earthquake on December 27.

| Type of Incident | Date | Impacts and Responses |
|-----------------------|--|---|
| Earthquake | January 21, January 25, January 26, January 30, April 3, December 27 | <ul style="list-style-type: none"> The disaster warning system was triggered by these earthquakes and automatically set temporary speed limits of 0 mph within affected areas, which automatically activated emergency brakes on all trains in affected areas. The Operation Control Center implemented standard operating procedures and conducted necessary checks. Trains gradually increased speed and post-earthquake track inspections were conducted. Normal operations were resumed once trains had completed body sway tests and inspections. |
| Typhoon or heavy rain | July 5, August 12, September 21, November 10 | <ul style="list-style-type: none"> The disaster warning system was triggered by wind speed, rainfall volume, or water level detectors, and the Operation Control Center set temporary speed limits within affected areas in accordance with standard operating procedures. Normal operations were resumed once necessary checks were completed. |

E. Safety, Operations, and Maintenance Training

To fulfill operational and maintenance needs for 2025, we continued to conduct safety training and professional training for operations/maintenance personnel to meet personnel safety requirements and professional operations/maintenance training needs.

Professional training courses conducted in 2025: A total of 8,589 participants (including contractors) completed initial and refresher High Speed Rail Operations Regulations (HSROR) training.

A total of 8,616 train, station, and controller operations personnel completed 504 initial and refresher training courses, while a total of 10,243 rolling stock, signaling, communications, power, and track maintenance personnel completed 935 initial and refresher training courses. Overall, 18,859 people completed 1,439 training courses.



(G55) Train Attendant Professional Training Certification

(2) Marketing Events

1) Product promotions

- A. Our TGo membership program was launched in October 2017. In order to enhance member loyalty, activity participation, and income sources, we not only maintained member benefits, provided discount programs for designated trains, and organized bonus promotion programs on designated dates, but also continued to participate in cross-brand collaborations to expand our member economy. TGo members can redeem points for items on the TGo 365 platform, purchases on the "T-Shopping" platform, HSR ticket discounts, and T Holiday packages. We hope to continue boosting member contributions through a variety of marketing activities.
- B. We continued to provide regular promotions such as early bird discounts, student discounts, credit card discounts, and periodic/ multi-ride tickets. Several short-term promotions were also launched to increase ridership and revenues.
- C. Flexible peak and off-peak ticket prices were offered based on train numbers, time periods, and travel distances. Our T Holiday packages, hotel combo tickets, domestic travel packages, airline packages, and group travel products meet the needs of different passengers, and we work with travel agencies, online travel agencies (OTAs), and hotels to provide a rich range of diverse promotion packages. We also conduct rolling reviews and adjustments to increase passenger numbers and revenues.

2) Service improvement plans

- A. We continue to conduct annual customer satisfaction surveys to understand customer evaluations across major service dimensions and specific details. By integrating daily customer feedback and fostering cross-departmental collaboration, we advance the refinement of service processes and facilities to enhance overall quality and operational efficiency. In 2026, we will remain customer-centric, implementing various service strategies and facility upgrade plans while promoting automation and digitalization of service workflows. Our goal is to establish a virtuous cycle for the continuous improvement of service quality and customer experience.
- B. Crowd alert notifications were added to the T Express app in March 2025 to help passengers keep informed of station crowd conditions and avoid peak periods. An identical ticket purchase reminder function was added in May 2025 to prevent passengers from making repeat ticket purchases.

(3) Five Years in Review

This section provides a review of THSRC operations and performance over the past five years from 2021 to 2025:

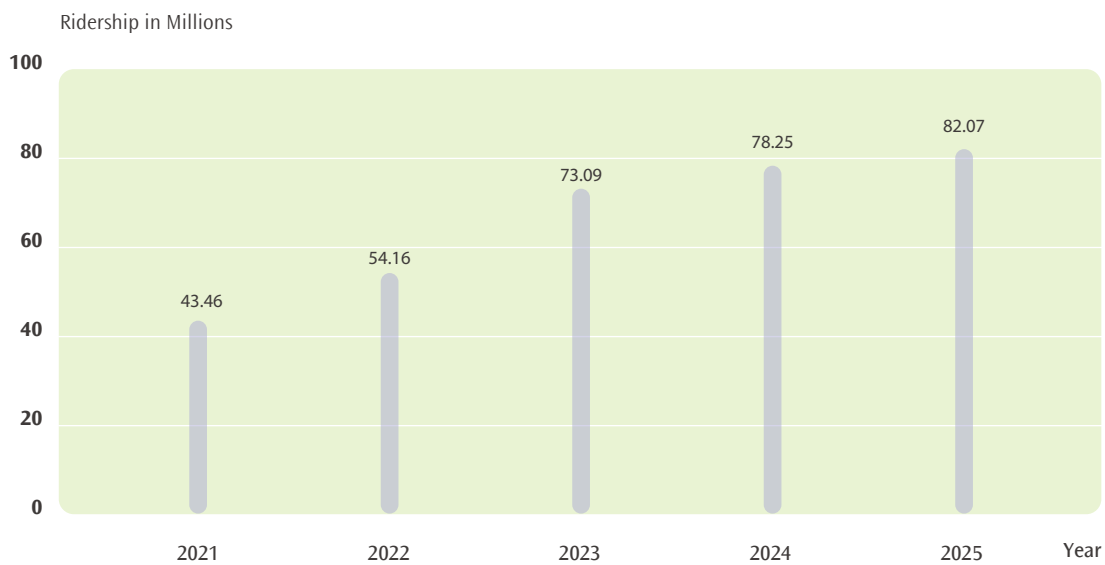
- Provided a total of 273,172 train services
- Average reliability rate: 99.98%
- Achieved a total of 56.571 billion passenger-kilometers and 88.289 billion seat-kilometers. Average loading factor: 64.07%
- Average punctuality rate: 99.38%.



Key Operating Statistics, 2021-2025

| Year/Key Performance Indicator | Total Ridership (in Millions) | Train Services per Year | Loading Factor (Passenger- Km/ Seat-Km) | Punctuality (as % of Trains Arriving Within Five Minutes of Scheduled Time) | Passenger-Kilometers (in Millions) | Seat-Kilometers (in Millions) |
|--------------------------------|-------------------------------|-------------------------|---|---|------------------------------------|-------------------------------|
| 2021 | 43.46 | 46,792 | 49.88% | 99.00% | 7,569 | 15,175 |
| 2022 | 54.16 | 54,054 | 53.31% | 99.47% | 9,338 | 17,517 |
| 2023 | 73.09 | 54,991 | 70.67% | 99.58% | 12,565 | 17,780 |
| 2024 | 78.25 | 57,729 | 71.73% | 99.50% | 13,351 | 18,614 |
| 2025 | 82.07 | 59,606 | 71.59% | 99.31% | 13,748 | 19,203 |

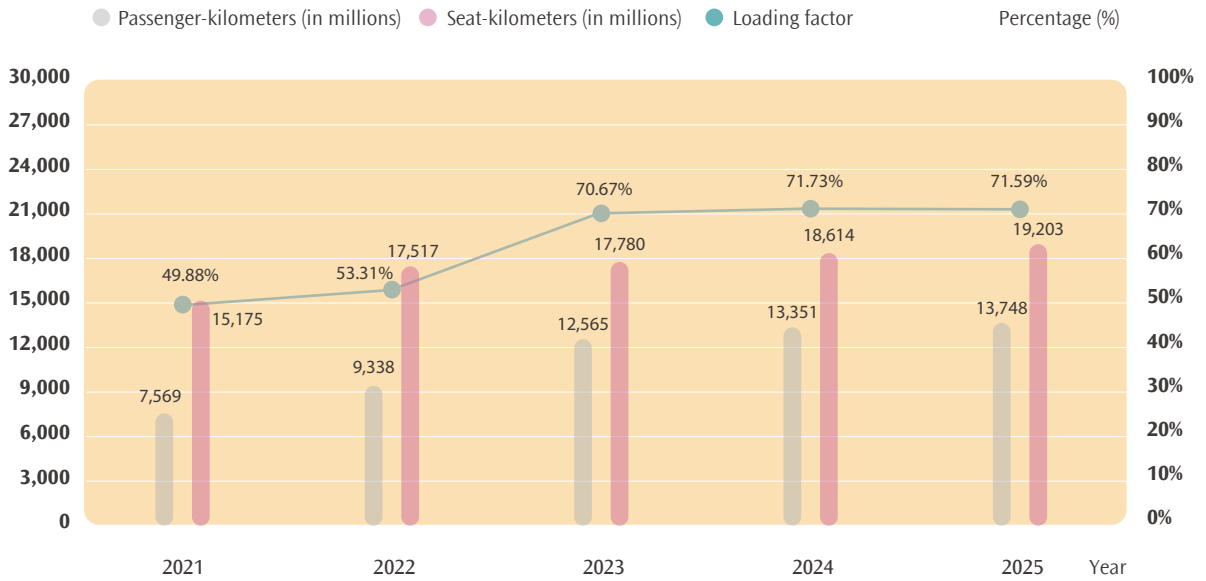
Total Ridership, 2021-2025



Punctuality, 2021-2025
(shown as % of trains arriving within five minutes of scheduled time)



Passenger kilometers, seat kilometers, and loading factor for 2021-2025



2. Industrial Overview & Development

(1) Operational Overview

Current industry conditions and development

Intercity public transit service providers in Taiwan mainly include Taiwan High Speed Rail Corporation, Taiwan Railway Corp. Ltd., and freeway bus companies. Changes in intercity transportation volumes for 2025 show that post-pandemic recoveries in passenger volumes for THSRC and TRC have surpassed freeway buses.

Passenger index for main public transportation



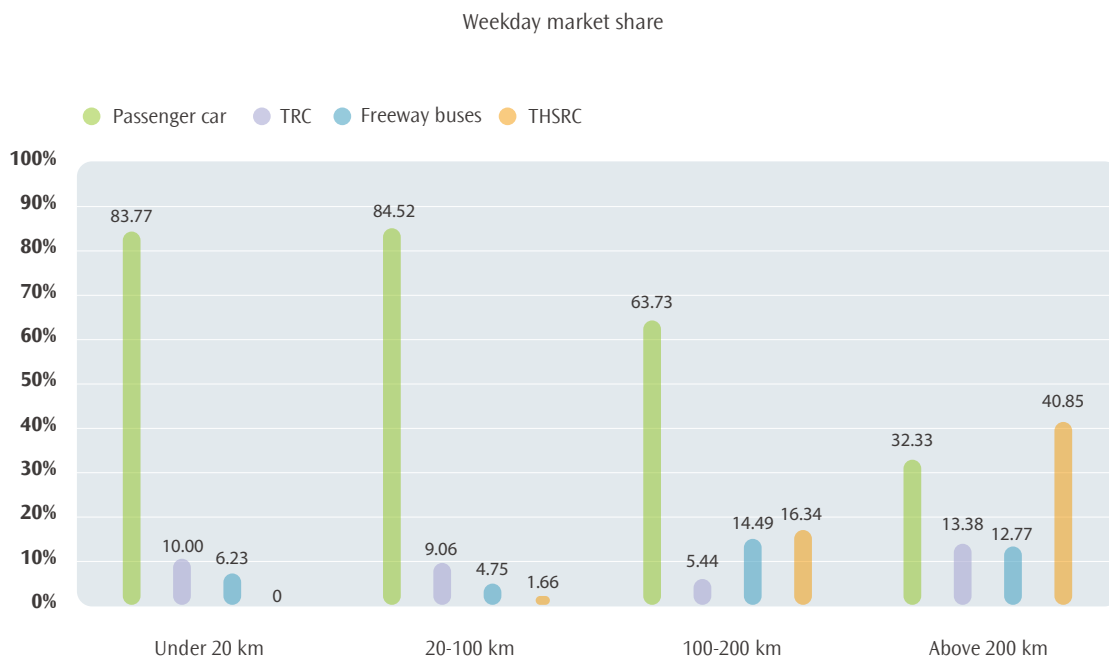
The intercity transportation market showed a marked disequilibrium after the COVID-19 pandemic. Freeway bus routes and number of bus runs were reduced compared to pre-pandemic (2019) levels due to driver shortages. TRC passenger volumes have gradually recovered and surpassed pre-pandemic (2019) volumes in 2025. THSRC saw an increase in short- and mid-distance passengers following the pandemic, and passenger volumes for 2025 reached record heights. We transported 80 million passengers over the year and achieved an average load factor of 71.59%.

THSRC passenger volumes have grown since the pandemic, and we have increased the number of regular trains, trains for peak periods during consecutive holidays, and short-term seasonal trains. We also implemented flexible increases of non-reserved carriages from Nangang to Taichung during peak periods as well as promotions for off-peak trains to accommodate passenger demand. Over the long term, we are faced with possible impacts to transportation volumes from low birthrates and aging populations. In order to attract more passengers, THSRC plans to enhance digital services, increase convenience of ticketing services, provide senior-friendly ticketing channels, and promote TGo membership services and travel products.

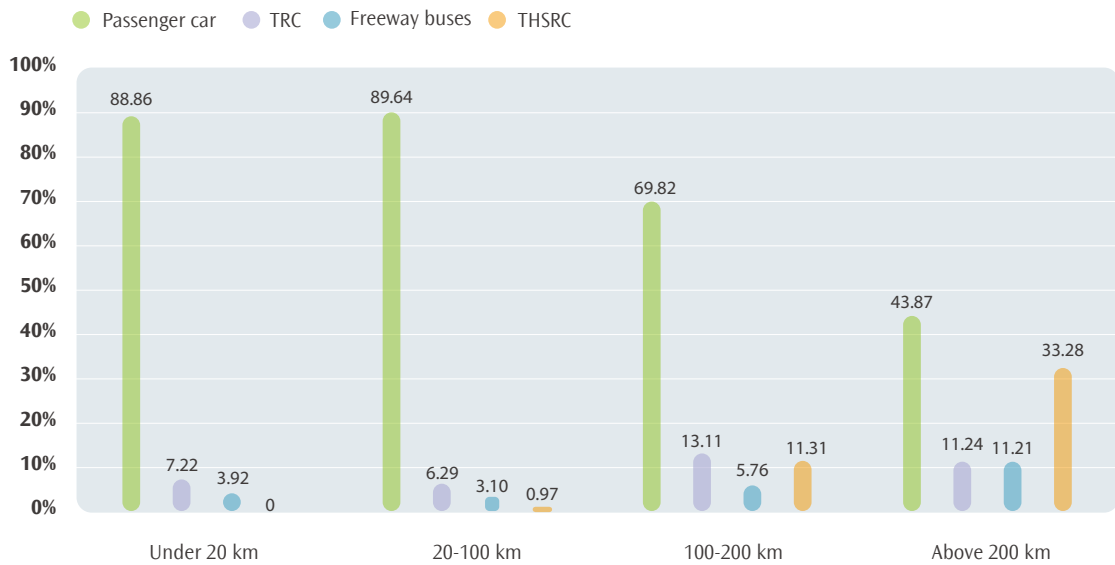
(2) Market Analysis

1) Market scope and market share

The weekday/weekend market shares for passenger cars, TRC, freeway buses, and THSRC in 2019 over varying distances based on the "Observations of Inter-city Transportation Growth and Decline from 2018 to 2022" report published by the Ministry of Transportation and Communications Institute of Transportation in April 2025 is shown as follows (statistics for 2020-2022 are not referenced due to impacts from the pandemic):



Holiday market share



2) Future demand & supply and market growth

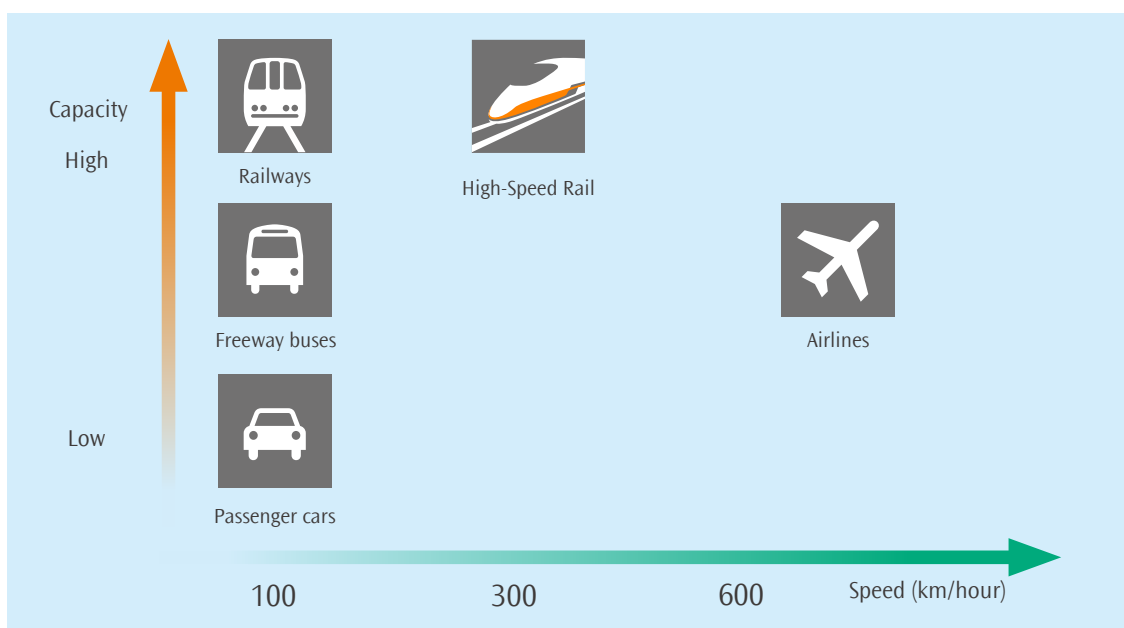
We estimate passenger volumes for 2026 will reach 83.87 million passengers, an increase of 3.5% compared to 2025, based on domestic and overseas economic environments, growth in HSR passenger volumes, and product/service promotions.

(3) Competitive Capabilities, Advantages and Disadvantages of Future Development, and Response Measures

1) Intercity transportation market in western Taiwan

THSRC provides intercity passenger transportation services along Taiwan's western corridor. Transportation providers in this market include THSRC, TRC, airline companies, and freeway buses, as well as passenger cars. Currently, there are no passenger airline transport services along Taiwan's western corridor. The market competitive status of each transportation type is as shown in the image below:

Market advantages of each transportation type



The advantages and disadvantages of different transportation types along Taiwan's western corridor are analyzed in the table below:

| | Advantages | Disadvantages |
|----------------|--|---|
| Passenger cars | <ul style="list-style-type: none"> Not limited by fixed routes, stations, or schedules, so offers the highest accessibility and convenience Fixed total costs; per-person fuel costs decrease as the number of passengers increases, making this a transportation option suitable for large groups | <ul style="list-style-type: none"> Easily affected by road conditions; travel time is difficult to control Physical and mental fatigue on long trips Higher risk of accidents compared to railways High holding costs |
| TRC | <ul style="list-style-type: none"> Stations are located in city centers, and therefore provide convenient access Mid-range fare prices | <ul style="list-style-type: none"> Longer travel times and increased travel fatigue during long-distance travel Addition of commuting stations and shuttle trains affect intercity passenger capacities and travel time |
| Freeway buses | <ul style="list-style-type: none"> Many stations and intercity routes provide higher accessibility compared to TRC and THSRC Lower fare prices Some routes operate 24 hours a day | <ul style="list-style-type: none"> Longer travel times Easily affected by traffic conditions; travel time is difficult to control Higher risk of accidents compared to railways |
| THSRC | <ul style="list-style-type: none"> Fast, comfortable, punctual, reliable, and safe Varied services that fulfill the needs of different passengers | <ul style="list-style-type: none"> Most stations are not located in city centers, and therefore provide lower levels of accessibility Higher fare prices |

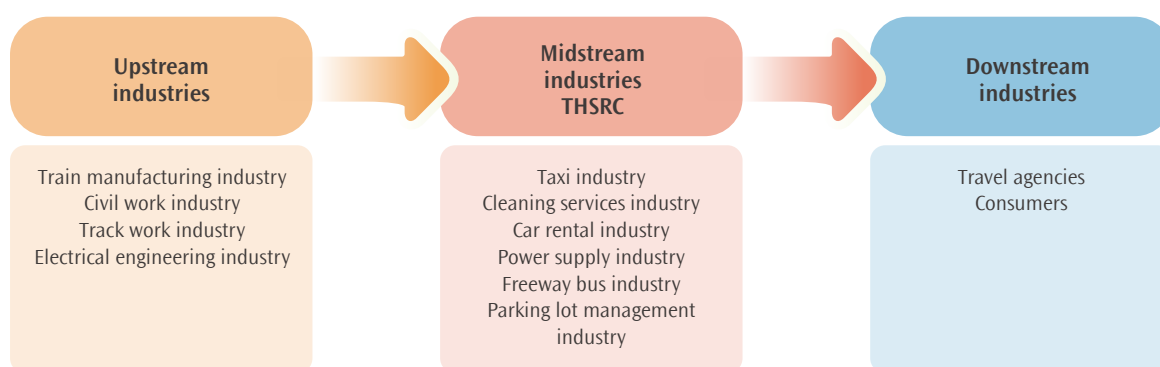
2) Competitive status

Outward expansions of metropolitan populations and shortages in intercity transportation following the pandemic have increased post-pandemic HSR passenger volumes. Average daily passenger volumes reached 225,000 passengers in 2025, and the number of short- and mid-distance passengers have increased for stations north of Taichung, causing crowding of non-reserved carriages between Taichung to Taipei during peak hours.

Over the long term, the "one-day living circle" effect continues to thrive, and taking north- and south-bound trips via the HSR has been integrated into the lives of the general public. Gradually improving convenience and the rise of large-scale commercial, entertainment, and leisure complexes around HSR stations have increased the number of large exhibitions and activities held near HSR stations and boosted the number of tourist passengers. The government has actively promoted developments of domestic high-tech industries in recent years, and the central and southern high-tech corridors have gradually developed and formed. In future, major science parks and industrial parks will create employment opportunities, drive demand for business trips and commutes, and generate long-term benefits for HSR development. In response to the aforementioned opportunities and barriers, we will continue to expand our membership economy and integrate smart transportation technologies to strengthen mobile travel information services and establish a foundation for sustainable operations.

3) Industry supply chain

THSRC mainly provides passenger transportation services. Our upstream industries mainly provide rolling stock, civil construction work, track work, and other services related to the manufacturing and maintenance of service facilities and equipment. Midstream industries include THSRC and other supporting operators that provide electricity, train maintenance services, and transit services such as parking lot management services, freeway bus services, car rental services, and taxi services. Downstream industries comprise clients or sales channels that provide services to railway companies, including passengers who purchase tickets and travel agencies that promote and sell THSRC vacation packages.



4) Development of various products

In response to growing passenger demand, clear disparities in ridership during peak and off-peak times, continued growth in elderly populations, and advances in mobile and digital technologies, and to strengthen customer relationships, we have developed the following product plans:

- Continue to provide various personalized travel packages, services, and promotions to satisfy the needs of different customer segments.
- Differentiate promotions for peak and off-peak times to increase overall revenues.
- Continue to enhance off-site integration strategies, and expand mobile/electronic payment capabilities to enhance the convenience of ticketing services.
- Use diverse promotion and point redemption programs to enhance TGo member benefits, increase convenience and usefulness of point redemption, and enhance TGo membership economy.

(4) Main Purpose of Products and Production Process

The main product provided by THSRC is convenient and high-quality railway passenger transport services. These constitute part of the transport service industry, are not part of the manufacturing industry, and therefore have no production processes.

(5) Main Supply Conditions for Raw Materials

THSRC is a transportation service provider and requires no raw materials for manufacturing. Our main energy source is electricity supplied by Taiwan Power Company (TPC).

Each mainline bulk substation (BSS) has a double feeder power supply comprising of a regular line and a standby line. The bulk substations for the Wuri and Zuoying Depots are fed from a single circuit, but these are for depot maintenance use only and provide sufficient amounts of power.

(6) Major Clients with Procurement (Sales) Amounts Exceeding 10% for Any Given Year Over the Past Two Years, Procurement (Sales) Amounts and Ratios, and the Reasons for Changes in Said Amounts and Ratios

We provide high speed rail services for passengers and are not a manufacturing business. Our operating costs primarily include depreciation and amortization expenses, personnel expenses, electricity fees, and costs of maintenance and materials. Consequently, there are no reportable major customers and vendors.

The Corporation provides railroad transportation services to the public and has no specific major sales customers.

3. Analysis of Macroeconomic Environments

According to domestic economic forecasts released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan on November 28, 2025, economic growth for 2026 is projected at 3.54%. THSRC will continue to formulate suitable operational strategies to achieve business targets in the face of market changes.

4. Long- and Short-Term Business Development Plans

(1) Short-Term Business Development Plans

- In 2026, 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 established important projects based on the "six major strategies" listed below, and developed strategies and business plans based on our four pillars of Transportation, Technology, Taiwan, and Touch.

- 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.
- 6) Implement carbon reduction actions and fulfill corporate social responsibilities.

- To celebrate the 20th anniversary of the HSR, we plan to create a brand new HSR experience for passengers and respond to stakeholder expectations by enhancing our service values and corporate image while strengthening our operational performance. We plan to expand and increase our existing business plans under the "HSR 2.0" theme, which encompasses six aspects.

1. Brand 2.0: Build a brand new HSR experience and enhance brand value.
2. Train 2.0: Upgrade trains to optimize passenger experiences.
3. Station 2.0: Optimize passenger service facilities and upgrade service experiences.
4. Travel 2.0: Promote smart transportation to enhance passenger quality.
5. Business 2.0: Expand business spaces to provide immersive experiences.
6. Sustainability 2.0: Strengthen operational resilience and implement corporate sustainability actions.

- Main Implementations

- 1) Respond to environmental changes and mitigate disaster risks.

- Transportation

We continue to improve operational safety and actively respond to transportation impacts caused by climate change through establishment of early warning systems. Main implementations include:

- A. Introduce technology that strengthens disaster resilience and early warning capabilities: Reinforce tunnel entrances and slopes along the HSR line, implement safety assessments/designs/improvements of civil facility structures across the Chekualin Fault, and carry out plans for enhancing earthquake resistance of HSR viaducts.
- B. Inspect disaster prevention and response mechanisms in response to threats posed by extreme weather: Formulate slope grading mechanisms and conduct professional slope inspections.

2) Accelerate digital optimization and strive for digital transformation.

- Technology

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

- A. Optimize digital information management: Establish new-generation network solutions, HSR hybrid cloud platform, and HSR i-Vision smart imaging platform.
- B. Optimize digital maintenance management: Replace PLC turnout controllers, improve and add work train protection system (WTPS) functions, and enhance smart train maintenance information systems.
- C. Optimize digital operations management: Add new-generation station cloud equipment, introduce paper-free new-generation station equipment, include QR code ticketing function in automatic ticket vending machines, and establish train scheduling systems.
- D. Optimize digital marketing: Implement e-coupon program and establish digital multi-ride/periodic ticket system.

3) Refine services and operations management in response to demographic and technological changes.

- Transportation

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. Optimize tangible and intangible assets related to passenger services in response to passenger needs: Procure new-generation rolling stock, establish second rolling stock inspection and repair plant at Zuoying Depot, renovate OCC TCS for integration of new rolling stock, implement 700T renovations, connect HSR Zuoying Station and R16 on the Kaohsiung Mass Rapid Transit System, upgrade PIS, implement 2.0 station passenger service facility improvements, adjust and install platform gates, adjust canopies and bus stations at Hsinchu Station, implement renovations and optimizations at Taipei/Banqiao stations, introduce new-generation ticketing service system, and launch personalized travel information T-MaaS app.

- Touch

We continue to implement talent cultivation measures that enhance employee development, employee competitiveness, and output values. Main implementation items include:

- A. Promote talent cultivation and build a friendly workplace: Implement employee work-life balance program, OCC improvements, and uniform improvements and optimizations.
- B. Improve management mechanisms and enhance organizational efficiency: Add work train driver simulation training equipment, implement management competency development program for high-potential talent, and conduct HSR information security inspections.

4) Create demand in a post-pandemic environment to increase revenues.

- Taiwan

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

- A. Promote domestic travel by building connections with local cultures and activities: Strengthen promotion of weekday and weekend/peak and off-peak/designated-time products, and also promote overseas products.

5) Strengthen supplier management and build partnerships.

- Taiwan

We focus on sustainable development and corporate social responsibilities while promoting domestic and local procurement to drive industrial development and enable sustainable management. Main implementation items include:

- A. Implement procurements based on sustainable development and corporate social responsibilities: Add catenary maintenance cars, upgrade train PA systems, expand data transfer system (DTS) and fiber optic cable (FOC) system, upgrade wireless base station system EBTS, upgrade electrical substation control & relay panel (CRP), implement localized development of traction power substation converters, develop on-train products and exclusive business products, promote selected local brands and products.

- Touch

We strive to establish sustainable supply chain management mechanisms. Main implementations include:

- A. Strengthen and promote supply chain management: Introduce/establish supply chain risk assessment and on-site inspection mechanisms.

6) Implement carbon reduction actions and fulfill corporate social responsibilities.

- Touch

We promote various energy-saving measures to generate positive environmental benefits. Main implementation items include:

- A. Transform energy structures and improve energy efficiency: Add passenger elevators in stations, replace ice water chillers, improve signaling & power system power supply equipment.
- B. Reduce carbon emissions to improve competitive advantages associated with green and eco-friendly concepts: Add automated painting equipment at Yanchao Main Workshop painting factory, inventory and verify HSR greenhouse gas emissions/carbon footprints/water footprints, promote green procurement, issue sustainable development bonds, and obtain green loans.

(2) Long-Term Business Development Plans

1) THSRC strategic plans for 2023~2027 are as follows:

Our corporate vision adheres to our 4T program of Transportation, Technology, Taiwan and Touch, and our business plans are as follows:

Transportation

- A. Introduce technology that strengthens disaster resilience and early warning capabilities.
- B. Inspect disaster prevention and response mechanisms in response to threats posed by extreme weather.
- C. Optimize tangible and intangible assets related to passenger services in response to passenger needs.
- D. Enhance HSR competitiveness in response to competition from smart vehicles.
- E. Instill a sense of security in passengers.
- F. Assist passengers in returning to physical interactions and normal life.

Technology

- A. Optimize digital information management.
- B. Optimize digital maintenance management.
- C. Optimize digital operations management.
- D. Optimize digital marketing.

Taiwan

- A. Promote domestic travel by building connections with local cultures and activities.
- B. Review business models and marketing strategies of affiliated business services.
- C. Implement procurements based on sustainable development and corporate social responsibilities.

Touch

- A. Promote talent cultivation and build a friendly workplace.
- B. Improve management mechanisms and enhance organizational efficiency.
- C. Strengthen and promote supply chain management.
- D. Transform energy structures and improve energy efficiency.
- E. Reduce carbon emissions to improve competitive advantages associated with green and eco-friendly concepts.

5. Important Contracts

| Contract | Contracting Party | Signing Date | Summary | Restrictive Covenants |
|--|--|--------------|--|---|
| Taiwan North-South High Speed Rail Construction and Operation Contract | Ministry of Transportation and Communications, R.O.C. | 1998/07/23 | 35-year high-speed rail Build- Operate- Transfer (BOT) contract from Taipei (Xizhi) to Kaohsiung (Zuoying) with Ministry of Transportation and Communications, and Union Passenger Terminal contracts with Taiwan Railway Administration and Mass Rapid Transit | THSRC assets and equipment obtained for the construction and operation of the high-speed rail cannot be transferred, leased or reallocated without approval from the Ministry of Transportation and Communications. |
| Taiwan North-South High Speed Rail Construction and Operation Tripartite Agreement | Ministry of Transportation and Communications and Bank of Taiwan | 2010/01/08 | In order to protect the rights of the financing institutions, this agreement was signed in accordance with the provisions of the Taiwan North-South High-Speed Rail Construction and Operation Agreement | There are certain restrictions on the Corporation's assets, equipment collateral, and changes in Syndicated Loan Agreements. |
| Taiwan North-South High Speed Rail Construction and Operation Project NT\$ 382 billion Syndicated Loan Agreement | 8 syndicated loan banks, including Bank of Taiwan | 2010/01/08 | In order to reduce the financial risks of the Corporation, the leading bank was appointed to form a bank syndicate to provide a syndicated loan of no more than NT\$ 382 billion. The lending banks shall provide credit to the Corporation within the scope of their individual credit lines in accordance with the provisions of the Syndicated Loan Agreement | There are certain restrictions on the Corporation's assets, equipment collateral, and increases in debt and principal interest coverage. |
| Construction of HSR Changhua Station No. S260 | Joint venture between TECO Corporation and Century Development Corporation | 2013/01/08 | Construction of HSR Changhua Station | Confidentiality |

| Contract | Contracting Party | Signing Date | Summary | Restrictive Covenants |
|---|---|--------------|---|-----------------------|
| Modification of THSRC AFCS S-Software System and Maintenance Contract No. M7-17-007 | IBM Co. | 2017/06/12 | AFCS software system maintenance | Confidentiality |
| Supply and Manufacturing of Maintenance Vehicles No. E5-18-003 | China Steel Co. | 2018/08/10 | Manufacturing and supply of maintenance vehicles | Confidentiality |
| Bogie Running Tester Manufacture and Supply Contract No. L1-18-039 | Industrial Technology Research Institute (ITRI) | 2019/03/29 | Manufacture and supply of bogie running testers which help THSRC technicians in judging bogie conditions during operations and in early detection of potential hazard factors | Confidentiality |
| Upgrade of TCS and Related Subsystems Package 3 FTC-OCC: ARS/ TD Contract No. E231 | Taiwan Hitachi Asia Pacific Co., Ltd. | 2019/04/23 | Phase 3 upgrades to Taiwan High Speed Rail OCC traffic control system FTC main computer. | Confidentiality |
| Credit Card Payment Service for Passenger Tickets (2022~2027) No. 01-19-017 | Taishin International Commercial Bank Co., Ltd. | 2020/03/26 | Credit card payment services for passenger tickets | Confidentiality |
| Procurement Announcement for the Automated Construction Equipment of Paint Shop in Yanchao Main Workshop No. T2-20-009 | Industrial Technology Research Institute (ITRI) | 2021/01/26 | Procurement of automated construction equipment for paint shop in Yanchao Main Workshop | Confidentiality |
| Research and Development of Traction Power Substation ATP6 Controlled Electric Stage No. E4-20-005 | InfoChamp Systems Corporation | 2021/03/02 | Tender package 1 for upgrading of CRP core power systems and related subsystems | Confidentiality |
| Modification of THSRC AFCS Software System and Maintenance Contract from 2017~2027 No. M7-17-007 | Kyndryl Taiwan Corporation | 2021/10/14 | Transfer of maintenance service agreement for upgrading the host computer of the automated ticketing system (IBM Co. transferred the contract to Kyndryl Taiwan Corporation) | Confidentiality |
| Procurement of Data Transmission System & Fiber Optic Cable System Extension Project No. PCDL-22-0043 | Chunghwa Telecom Corporation | 2022/08/03 | Procurement of data transmission system & fiber optic cable system extension project | Confidentiality |
| Procurement of New Generation Train Sets No. E321/E322 | Hitachi Toshiba Supreme Consortium, HTSC | 2023/05/18 | Purchased 12 new generation train sets (144 carriages) | Confidentiality |
| Civil Engineering Construction Contract for the Second Vehicle Inspection and Repair Shop at Zuoying Depot No. PCDL-23-0114 | Formosa Builders, Inc. | 2023/12/01 | Civil engineering construction contract for second vehicle inspection and repair shop at Zuoying Depot | Confidentiality |
| Office Space and Parking Space Leases at Nangang Software Park (Phase 3) No. PCDD-23-1292/1293 | Century Development Corporation | 2023/12/08 | Leases for office and parking spaces in Nangang Software Park (Phase 3) | Confidentiality |
| Turnkey Project for New Rolling Stock Inspection Shop Track and Core System at Zuoying Depot No. E292 | Mitsubishi Heavy Industries, Ltd. | 2024/11/29 | Turnkey project for second rolling stock inspection shop track and core system | Confidentiality |
| THSRC Turnkey Project to Establish Platform Gates at All 11 Stations on the HSR Line No. PCDL-24-0292 | Panasonic Taiwan Co., Ltd | 2024/12/11 | Turnkey project to establish platform gates at all 11 stations on the HSR line | Confidentiality |

| Contract | Contracting Party | Signing Date | Summary | Restrictive Covenants |
|---|---|--------------|---|-----------------------|
| Insurance Advisor Contract | Marsh Ltd., Taiwan Branch | 2025/06/01 | Insurance advisory services for Master Operational Insurance Program (MOIP) | Confidentiality |
| HSR Passenger Credit Card Ticketing Payment Acquisition Service Contract (2027-2032) No. PCDL-25-0117 | Taishin International Commercial Bank Co., Ltd. | 2025/08/13 | Connect all credit card machines in HSR stations to collect ticket payment information from passengers using credit cards and debit cards in stations, handle acquiring operations related to payment authorization and debit processing for the aforementioned cards, and give THSRC priority access to testing environments and network connections for testing and training purposes | Confidentiality |
| OCS Maintenance Vehicle Manufacturing and Supply Phase II Procurement Contract No. PCDL-25-0063 | China Steel Corporation | 2025/11/27 | To enhance reliability and on-site maintenance capabilities of maintenance vehicles, thus achieving our goals of autonomous maintenance and localized rail transportation development and manufacturing | Confidentiality |
| Control and Relay Panel (CRP) and Related Subsystems at Substations ATP0 ~ ATP5 Upgrading Project No. PCDL-25-0290 (Reference No. E4-25-022) | InfoChamp Systems Corporation | 2025/12/18 | Upgrade hardware and software of control & relay panel to improve system performance and reduce time troubleshooting equipment faults | Confidentiality |
| Yanchao Main Workshop Space Reconfiguration Turnkey Project and Establishment of New Integrated Factory Building and Multistorey Parking No. PCDL-25-0193 (Reference No. T2-25-026 & No. M2-25-027) | United Steel Engineering & Construction Corp. | 2025/12/23 | Aligned with the introduction of New Generation Rolling Stock (NGRS), the requirements for inspection equipment and processes necessary for maintenance operations, integrations of overall maintenance capacity from existing 700T trains, and considering improvements in operational efficiency and safety, as well as the need for adjustments in related inspection equipment and space planning | Confidentiality |
| Insurance Contracts | Fubon Insurance Company Ltd.; ShinKong Insurance Company Ltd.; Taiwan Fire & Marine Insurance Company Ltd.; Mingtai Insurance Company Ltd.; Chung Kuo Insurance Company Ltd.; Cathay Century Insurance Company Ltd.; Tokio Marine Nawa Insurance Company Ltd. | 2025/12/23 | Master Operational Insurance Program (MOIP) | Confidentiality |

6. Status of Technological Research and Development

Research and development for 2025 were as follows:

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|--|---|---|---|---|
| Civil Construction Facilities Research & Development | HSR Intelligent Drone Viaduct Inspection and Maintenance System | Developed in collaboration with ITRI, and will be implemented in two stages over 24 months. | Established management regulations for drone inspection operations and a professional drone operator team in accordance with the regulations of the Civil Aeronautics Administration to implement HSR facility inspections, maintenance, and emergency surveys, and set up an extensive records database for inspection targets to enhance information management and inspection quality. | Completed final inspections in November 2024. We used AI sensing and 3D mapping to strengthen the precision and efficiency of viaduct inspections, integrated world-class industrial drones and newly established cloud security architecture, and conducted technician training and regulatory certifications, making HSR viaduct inspections a more digitalized and intelligent process while reducing risk, shortening working hours, and setting a new benchmark for drone viaduct inspection technologies. |
| | Relevant Research on the Reduction of Seismic Displacement After Implementation of Dampers on Viaducts in the Tainan Area (Including Construction Improvements and Analysis of Quantitative Feedback) | Viscous dampers were designed according to the structural characteristics of the high-speed rail to prevent displacements and movements during earthquakes. | Phase 1: Avoid track damage caused by relative lateral displacements and establish a structural monitoring system. Phase 2: Continue structural evaluations and improvements; project commenced in 2024. | Completed improvements in 2024 and added new dampers to reduce relative lateral displacement by 80% based on monitoring records and feedback analysis. |
| | Research on the Amplification Effects of Chiayi Section Viaduct During Seismic Events | Measure vibrations from ground surfaces, viaduct piers, and viaduct decks to study amplification effects on viaduct structures during earthquakes. | After identifying locations where viaduct structures transmit vertical forces between piers and decks, accelerometers will be installed to check the validity and improvement of anti-pulling devices. | Completed installation of measurement equipment in 2019 and completed 3 years of measurements in 2023 (2021-2023). Monitoring data indicated that local amplification effects were significant at the cantilever slab of the main girder, but normal at viaduct piers and at the bottom slab of the main girder. The research project was concluded. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|---|---|---|--|--|
| | Use of Pot Bearings to Improve Differential Settlements of Adjacent Viaduct Foundations | Research on improving vertical track irregularities using thickened pot bearings. | Resolve track irregularities caused by differential settlements of adjacent viaducts and limitations in track maintenance using thickened pot bearings. | On-site inspections, assessments, and improvement designs were completed in 2021. Construction commenced in 2022 and concluded in 2023. Viaduct pier supporting thickness was increased by 50 mm. |
| | Expansive Slope Surveys and Safety Assessments | Use satellites, GPS, LiDAR, and other emerging remote technologies to track external environmental factors along our routes. | Identify sensitive slope areas for subsequent follow-up, monitoring, management, and implementation of prevention measures and improvements, thereby enhancing slope stability and operational safety. | Equipment installation and technology integration were implemented during 2022-2024. The HSR slope maintenance and management manual was written during 2024-2025, and we plan to determine slope maintenance & management boundaries and establish information management systems in future. |
| Signaling System Research & Development | Improvement, Innovation, and R&D of PLC Switch Controls | In order to improve the reliability of turnout control boxes and reduce reliance on foreign manufacturers, the Corporation researched and developed proprietary innovative technology products to construct alternative turnout control boxes. Highly reliable PLC mainframes were used to replace traditional relays to achieve sequential control functions. | Decrease relay numbers and strengthen reliability of existing turnout controllers, reducing impacts on customer service caused by turnout failures. | Replaced existing Siemens enclosures at 145 existing turnouts (including 3 training enclosures) with locally developed turnout control enclosures. This project was designed in-house using 100% domestic products. The project commenced on January 13, 2021 and the construction period lasted for 70 months. Replacements of the 145 turnouts (including 3 training enclosures) on the entire line will be completed by the fourth quarter of 2026. |
| | R&D on Railway Intelligent Turnout Monitoring System (TMS) | In order to improve detection of turnout fault warnings and reduce reliance on foreign manufacturers, the Corporation researched and developed a turnout monitoring system to replace the original imported monitoring system with innovative technology products. Highly reliable industrial grade controllers were used to replace traditional circuit board components to strengthen weather resistance and stability. | Monitor trends of changes in turnout sensor values for advance maintenance and adjustment before turnout failure to prevent failures during operations. | Replaced 82 existing TMS with locally developed and redesigned intelligent TMS systems which used 100% domestic products and was designed by THSRC. Construction for the project commenced on April 19, 2021 and the construction period lasted for 48 months. Replacements of the 82 turnouts on the whole line were completed in the third quarter of 2025. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|----------|---|---|---|---|
| | Innovative Developments of Intelligent Passenger Information System (PIS) | To strengthen provision of real-time information by our Passenger Information System (PIS) for efficient operational management and to lower our dependence on foreign R&D capabilities, we conducted our own R&D and used innovative technological products to build a PIS. Phase one updated and upgraded control software and servers. Phase two updated and upgraded display units (PIDS) in lobbies and on platforms. Phase three added new platform display units near carriage doors for stations north of Taichung (included). Phase four added new platform display units near carriage doors for stations south of Taichung. Phases five and six will update and upgrade PIS systems and add platform display units at four new stations. | Improve passenger experiences and operational management; new technologies and products enhance service quality. | Phases 1 and 2 were initiated on December 27, 2018; R&D was completed in 2019, construction commenced in 2020, and installations were completed for 8 stations in October 2022. Phases 3 and 4 were initiated on December 11, 2019, and PIS upgrades for 8 stations were completed in October 2022. Equipment upgrades for all 12 stations will be completed in 2026. |
| | Digitalization of TETRA Main Radio System (MSO) and Network IP Upgrade | To improve wireless communication quality between our Operation Control Center, train drivers, station personnel, train personnel, and maintenance personnel when trains are in operation, and to enable wireless communication for night maintenance and construction work, our original TETRA wireless communication system, which was fully reliant on a system developed by a Japanese company, was replaced with a self-developed and upgraded wireless radio system. During the first phase of the project, a Taiwanese company implemented system host upgrades in accordance with THSRC requirements, while the original Japanese company acted as a contractor, allowing us to achieve initial localization goals. The localization rate for the entire project was set at no less than 18%. | <ul style="list-style-type: none"> (1) Improved Operation Control Center wireless communication quality by integrating new digital technologies, new products, and IP network technologies to provide better and safer system services. (2) Achieved initial localization goals and a localization rate of at least 18%. (3) The overall stability and reliability of our wireless communication system was improved by a stable and reliable new-generation TETRA MSO system with no issues related to discontinuation of production and maintenance support. | <ul style="list-style-type: none"> (1) The new system went live on August 29, 2022. (2) The system passed stability testing and verification on December 9, 2022. (3) The project was completed on March 5, 2023 and entered a 2-year warranty period spanning from March 6, 2023 to March 5, 2025. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|---|---|---|--|--|
| Electronic Service Center (ESC) | Test Bench for Dual-Power UPS in Earthquake Early Warning System | Developed a test bench for the dual-power UPS in the earthquake early warning system to ensure maintenance quality. | Reduce maintenance costs, establish autonomous repair capabilities, and ensure repair quality. | Completed and currently in use. |
| | Test Bench for TMC (Turnout Monitor Cabinet) ADAM-3016 Adjustment Tool | Developed a test bench for the TMC (Turnout Monitor Cabinet) ADAM-3016 adjustment tool to ensure maintenance quality. | Reduce maintenance costs, establish autonomous repair capabilities, and ensure repair quality. | Completed and currently in use. |
| | Test Bench for Prerecorded Public Address (PA) System | Developed a test bench for the prerecorded public address (PA) system to ensure maintenance quality. | Reduce maintenance costs, establish autonomous repair capabilities, and ensure repair quality. | Completed and currently in use. |
| | Test Bench for Wireless Slave-Clock GPS Signal Transmitter | Developed a test bench for the wireless slave-clock GPS signal transmitter to ensure maintenance quality. | Reduce maintenance costs, establish autonomous repair capabilities, and ensure repair quality. | Completed and currently in use. |
| Signaling System Research & Development | Localized Development of Switch Machine Repair Components | Development of alternative components. | Reduce maintenance costs, establish autonomous repair capabilities, and ensure repair quality. | Under development. |
| | Turnout Switch Assembly Review | Inspected and reviewed switch development progress with a collaborating university. | Ensure availability and reliability of developed materials. | Completed and currently in use. |
| | Fork-Type Terminal Crimping Machine | Independent development of test machines to ensure component quality. | Establish autonomous repair capabilities and ensure repair quality. | Completed and currently in use. |
| | Resistance Measuring Machine | Independent development of test machines to ensure component quality. | Establish autonomous repair capabilities and ensure repair quality. | Completed and currently in use. |
| Rolling Stock Research & Development | Improvement of Train Toilet Spaces | Upgrade train toilet equipment, FRP wall trim, and toilet floors. | Maintain system functions and enhance the quality of passenger services. | Completed R&D in 2024 and completed work on 3 trainsets in 2025. |
| | Train Public Address (PA) System Components | Commissioned local university to develop components. | Maintain system functions while reducing repair costs. | Completed development and currently procuring materials for mass production. Installations have been completed for 11 trainsets. |
| | Light-Filtering Train Carriage Curtains | Commissioned local manufacturer to develop materials. | Reduce repair costs and improve quality of passenger services. | Completed installations for the entire fleet (all 26 trainsets). |
| | Train Seat Cushion Materials | Commissioned local manufacturer to develop materials. | Reduce repair costs and improve quality of passenger services. | Completed and installed on all trains. |
| | Rolling Stock IID (Internal Information Display)/ EID (External Information Display) Passenger Display System Development | Commissioned local manufacturer to develop materials. | Maintain rolling stock operations and train service quality. | Completed and currently procuring materials for mass production. EID installations have been completed for 115 carriages and IID installations have been completed for 16 trainsets. |
| | Development of Train Side and Base Cover Locks | Commissioned local manufacturer to develop materials. | Maintain system functionality and reduce maintenance costs. | Completed. |
| | Obstacle Detection Sensor Control Box | Commissioned local manufacturer to develop materials. | Reduce repair costs and improve quality of passenger services. | Mainline testing in progress. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|---|--|--|---|---|
| Track & Power System Research & Development | Phase II Procurements of OCS Maintenance Vehicles | Purchased 8 MV type vehicles and 2 sets of CS vehicles (4 vehicles). | Improve repair efficiency and personnel safety. | Completed contract signing procedures in 2025 and plan to accept delivery of 12 maintenance vehicles within 66 months. |
| | Real-Time GIS Insulating Gas Monitoring System | Adopt industry-standard and commercially available real-time insulating gas monitoring system for use with GIS switchgear. | As GIS switchgear is a critical extra-high-voltage facility, a real-time insulating gas monitoring system was installed to enable early detection of internal issues and gas leaks. | Technical specifications and site selections were confirmed in 2025, and contract awarding and construction is scheduled to take place in 2026. |
| | AI System for Partial Discharge Detection in High-Speed Rail Power Transformers | This project will establish a real-time partial discharge monitoring system and pattern database, and an AI algorithm will be developed for noise filtering, database integration, and trend analysis. | The system will facilitate early detection of internal partial discharges, enhancing system stability as well as warning and response capabilities. | Technical specifications were confirmed in 2025, and the industry-academic cooperation agreement is scheduled to be signed in 2026. |
| | Development of OCS Composite Insulator Information Management System and Aged Equipment Analysis | Establish composite insulator information management system platform for the entire main line. | Establish maintenance data management and analysis platform to provide recommendations for maintenance strategies. | Completed MS4 Phase 3 and MS5 Phase 4 interim reports in 2025. |
| | Development of OCS Measurement Data Management and Trend Analysis System | Develop a system for management of OCS testing data and to predict abrasion trends. | Integrate maintenance data to establish predictions of maintenance trends. | Completed all tasks and commenced education and training in 2025. |
| | Development of Track Area Monthly Schedule Coordination System (TASCS) | Establish Track Area Monthly Schedule Coordination System with visualization and scheduling optimization functions. | Digitalize and optimize maintenance management. | Completed system developments in 2024, and the system was still under warranty in 2025. |
| | Establishment of Maintenance Vehicle Simulation Training Equipment | Establish "Maintenance Vehicle Simulation Training Equipment" for dynamic training simulations. | Refine management mechanisms to enhance organizational efficiency. | Completed detailed MS2 designs in 2025. |
| | Domestic R&D for Automatic Measurement System for Rolling Stock Vibrations (Phase II) | Installed measurement devices on 10 trains to increase prevalence of rolling stock vibration monitoring. | Reduce manpower required for post-earthquake speed adjustment testing. | Completed MS2 preliminary system designs and prototype demonstrations in 2025. |
| | Development of AI Software for Track Visual Imaging System | Development of AI-based learning and training software for automatic optical inspection data defect recognition on EM120-I track inspection vehicles. | Eliminate known defect patterns using AI-based learning to reduce re-confirmation loads, thereby lowering manpower demands and improving overall operational efficiency. | Completed MS1 AI module script integration in 2025. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|-------------------------------|---|--|--|--|
| System Research & Development | Advanced Open Reservation System (AORS) Phase II Transfer of Core Functions | Transfer core ticket reservation module functions from the current mainframe system to a private cloud-based open platform microservices architecture to establish a flexible and scalable open system architecture that enables autonomous operations in the future. The main components of this project include the system infrastructure, the Business Strategy Management (BSM) module, and the core functions of the Advanced Open Reservation System (AORS). | <ul style="list-style-type: none"> (1) Transfer core ticket reservation functions from the current mainframe to a private cloud-based open platform microservices architecture. (2) Enable flexible adjustment of system operating capacity according to transaction volumes. (3) Enable autonomy of system maintenance and operations. | Main project items included <ul style="list-style-type: none"> (1) BSM Version 2.0 and core functionality migration. (2) Both items were originally scheduled for simultaneous launch in September 2025, but the launch date was adjusted to September 2026 to ensure the quality and stability of the new system. |
| | Paper-Free/QR Code Digital Transformation of Automatic Fare Collection System (AFCS) Ticket Windows Equipment (TWE) | Changed Ticket Windows Equipment (TWE) magnetic tickets to QR code tickets. | Halting issuance of Ticket Windows Equipment (TWE) magnetic tickets can extend the service lives of ticket barrier MTT modules by an estimated 0.5 years per year, reducing service downtime due to maintenance by approximately 716 hours annually. | This project was completed in March 2025. |
| | Phase II New-Generation Network Management and Performance Monitoring Platform | This project aims to build an advanced network management platform that can create an intelligent and automated network environment. Development and integration of network performance analysis tools, a network automation management system, and a network integration and visualization platform commenced on April 9, 2024, and the entire system is scheduled to go live in September 2026. | Real-time data analysis and monitoring of network devices and critical services significantly reduce the time required to resolve issues; automation of routine operations minimize manual interventions; and data visualizations provide administrators with a clear overview of current network statuses. | This project is scheduled for launch in September 2026 and is currently ongoing. |
| | Track Area Monthly Schedule Coordination System | Enables automatic generation of maintenance job schedules optimized for implementation dates, facilities and locations. The visualization tools make it easy to review schedules, and the user-friendly interface can be used to make manual adjustments. | <ul style="list-style-type: none"> (1) The optimization engine automatically generates monthly job schedules, enhancing implementation efficiency. (2) The user-friendly visualization interface reduces the complexity of manual adjustments. | The system went live on January 8, 2025. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress |
|----------|---|---|---|--|
| | TPD Geographic Information System | The TPD Geographic Information System (TPGIS) module was added to the Disaster Prevention Geographic Information System (DPGIS), and the geographic data coverage was expanded to include rail tracks, overhead contact lines, and power substation equipment. TPD equipment maintenance work orders were integrated to enable hotspot identification and analysis. | <ol style="list-style-type: none"> (1) Visual representations of track equipment, power systems, overhead contact line equipment, and other linear systems provide comprehensive information and enhance analysis capabilities, strengthening management of linear assets and analysis of problem distributions. (2) Visualizations of maintenance work order information enable real-time updates of field maintenance progress, shortening operation times and improving accuracy. (3) When equipment failures require emergency repairs, the system can use geographic data to pinpoint incident locations and guide maintenance personnel to the nearest emergency exit, reducing repair times and minimizing service disruptions. | The project was completed at the end of December 2025. |
| | Establishment of Station Ticket Window Credit Card Electronic Slip System | All previous credit card transactions required two credit card slips to be printed out (one slip for the customer and one slip for the merchant). This system replaced signatures on paper slips with a Sign on Screen function that enabled digital signatures to be transmitted to acquirer banks. The system (1) negates the need to print out merchant slips and (2) saves time by eliminating manual filing tasks. | <ol style="list-style-type: none"> (1) HSR stations facilitate 5.8 million credit card transactions each year. As each merchant slip is about 13.2 cm in length, the total length of all merchant slips accumulated in a year is around 765.6 km, roughly twice the length of Taiwan. This system negated the need to print out these merchant slips. (2) A total of 2,102 man-hours were saved under this system, including 1,606 hours required by station staff to organize credit card slips and 496 hours required for accounting personnel to process, store, and retrieve credit card information. | The system went live at all 12 stations in January 2025. |
| | Information Technology Service Management System (ITSM) | This project provides the following functions: automatic configuration collection, new Configuration Management Database (CMDB), and correlation model diagramming for hosts and services. | <ol style="list-style-type: none"> (1) Automated tools collect related information component configuration data, reducing manpower loads and improving data immediacy. (2) Improve operational convenience of the current configuration database, enhancing operational efficiency and ensuring better data storage. (3) Service models enable quick location of issues, shortening the time required for reporting and diagnosing malfunctions. | The project was completed in September 2025. We are now gradually expanding the number of devices included in the management scope and transferring existing business data into the new system. |
| | Establishment of API Platform | The project aims to establish a centralized API management platform which uses centralized controls to manage integrations between application systems. | The platform is expected to improve system integration efficiency, strengthen information security, and reduce risk. The centralized controls will improve resource consolidation, enhance collaboration efficiency, and increase management flexibility. | The project went live in November 2025, incorporating APIs from two back-end service systems under centralized management, and providing services to 17 front-end client systems. We plan to refine management policies and expand governance scope in future. |

7. Information and Communication Security Management

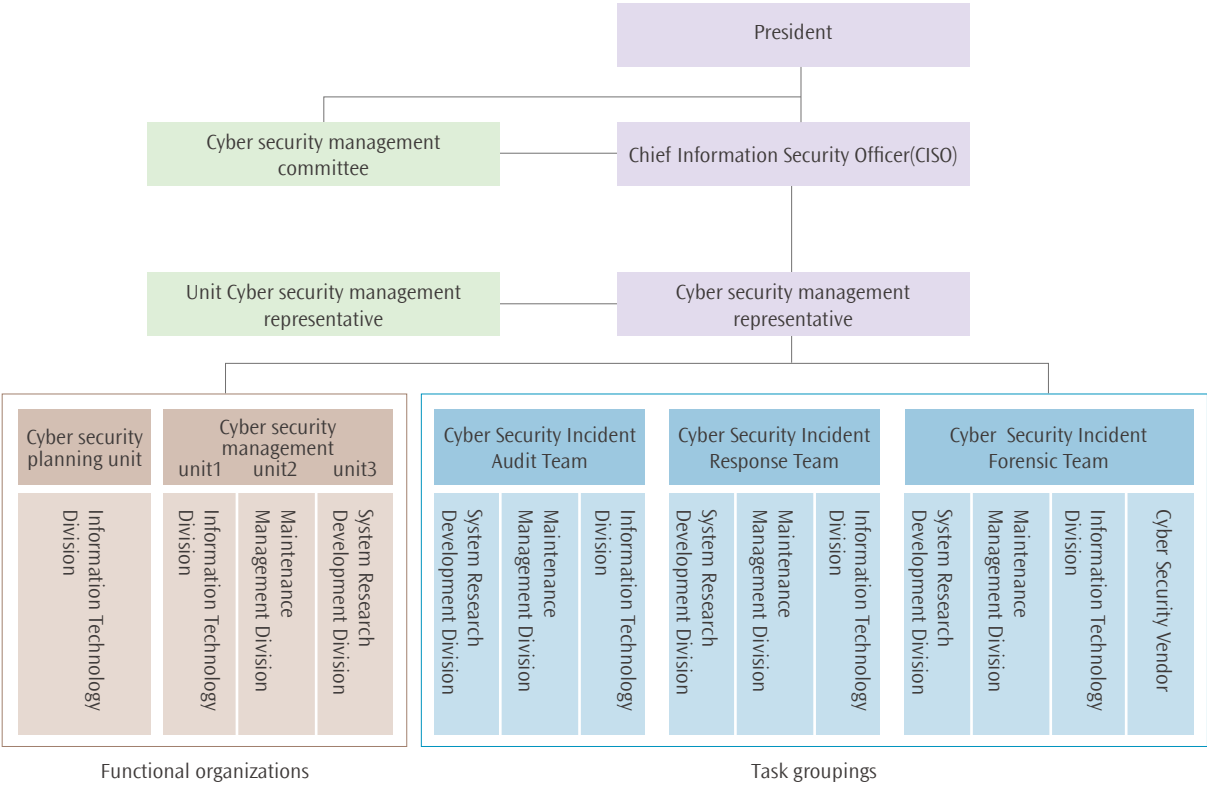
(1) Management measures relating to information security implemented in 2025 were as follows:

1) Information Security Management System:

In order to ensure that information security is effectively implemented within daily operations, the Corporation established an "Information Security Management Committee" to review information security strategies, goals, and operations. The President invites department heads to act as committee members, and the committee is chaired by the CISO (Chief Information Security Officer). Apart from one Corporation Information Security Representative, we have also established four dedicated information security personnel who are responsible for managing and overseeing the planning, promotion, and implementation of information security operations as well as compliance with the "Cyber Security Management Act" and "Guidelines for Information and Communication Security Management for Exchange-Listed and OTC-Listed Companies"; implementation results were as follows:

- A. The Senior Vice President of Sales acts as the CISO and the Information Security Management Committee chairperson. Regular meetings are held every 6 months to assess information security developments and strategies, ensuring that information security management systems can continue to operate in a stable manner. The Committee also makes annual reports to the Board regarding information security implementation results.
- B. Each office and department unit assigns at least one information security representative, and the head of the System Operation Department under the Information Technology Division acts as the Corporation's information security management representative. These representatives convene "Information Security Representative Meetings" once every quarter to report on information security plans, implementation results, promotions of relevant information security policies, and implementation highlights.
- C. Relevant information security management reports and implementation results for 2025 were submitted to the 27th meeting of the 10th Board on June 11.

D. Information Security Management Framework



2) Information Security Policies:

The Corporation assesses associated information security policies every year. Following approval from our Chairman, our information security policies were published on our corporate website on June 27, 2025.

3) Specific Management Plans and Resources Invested in Information Security Management:

A. The Corporation established the "Regulations for Governing Information Security" to ensure that all hardware, software, data, documents, and personnel adhere to C (Confidentiality), I (Integrity), A (Accessibility), and C (Legal Compliance) principles. Our information security governance and management system is based on three aspects: Maintaining operations, Cyber security challenges, and Legal compliance, and we are gradually improving relevant management measures.



B. In 2025, the Corporation took out electronic equipment insurance policies for operational assets relating to maintenance of information systems and network equipment; security monitoring measures and access controls were also implemented to prevent incidents of theft and malicious destruction.

C. The Corporation implements defense-in-depth strategies by deploying multi-layered information security protections on networks, endpoint devices (including personal computers, laptops, and mobile devices), servers, data protection systems, and other information services to prevent third-party malignant cyber-attacks or breaches. However, the Corporation can neither claim nor guarantee total invincibility against cyber-attacks such as APT (Advanced Persistent Threat) attacks, DDoS (Distributed Denial of Service) attacks, ransomware, social engineering attacks, and information theft, which could result in disruptions to information service systems. We have established a Security Operation Center (SOC); leveraged a Security Information and Event Management (SIEM) platform; integrated active defense mechanisms such as network threat protections and Endpoint Detection and Response (EDR) measures; and set up Security, Orchestration, Automation, and Response (SOAR) mechanisms for collaborative defense, enhancing real-time identification and rapid analysis capabilities against potential threats. The Corporation continues to assess the benefits of taking on cyber-insurance as additional backing. After considering all issues relating to insurance scope, claim scope for damages, identification of damages, and qualifications of forensic institutes, the Corporation chose to use annual external and internal audits, internal control systems, regulation reviews, procedural reviews, and other auditing and verification methods to respond to information security challenges. The following strategies have been adopted:

- ☑ Continued annual reviews of trends in information environments and technical information in accordance with our corporate information security policies, and established protective measures and solutions.
- ☑ Implemented annual security checks (including penetration testing, vulnerability assessment, and source code analysis), information and communication security health checks, and information security incident drills to strengthen employee awareness of information security crises and response capabilities to efficiently prevent threats, detect breaches, and halt proliferation at the first instance.
- ☑ Conducted quarterly information security training and social engineering drills for all employees along with non-periodic information security disseminations. Employees who fall victim to phishing scams during social engineering drills are required to undergo additional information security education and training to strengthen their awareness of information security crises and response capabilities.
- ☑ Established cyber security incident notification and response protocols for information security incidents of different levels that facilitate internal and external notifications, creation of incident response teams, assessments of incident impact scope, damage control, and post-incident investigation. Implementation of these protocols minimize impacts on service coverage and service times, prioritizing passenger rights.

D. The Corporation passed the annual ISO27001:2022 Information Security Management System review following BSI transition validation in October 2025. Our current ISO27001 certificate is valid from December 28, 2023 to December 27, 2026, and we plan to undergo re-certification procedures in October 2026.

- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: None.

8. The Corporation's Intellectual Property Management Plan and Its Implementation

(1) Foreword

Pursuant to Article 37-2 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Item 2.27 of the "Corporate Governance Evaluation Indicators," the Corporation began developing annual intellectual property management plans linked to our operational strategies starting from 2020. We formulate comprehensive asset management plans based on five dimensions (establishment of policy objectives, establishment of management systems, provision and maintenance of resources, assessment of risk and opportunities, and formulation of continuous improvement mechanisms) to ensure that our intellectual property management systems not only effectively respond to internal and external opportunities and risks, but also fully protect and utilize our research and development achievements, reduce operating costs and damages, and enhance our corporate competitiveness. Our intellectual property management plans and implementation results are regularly reported to the Board of Directors each year.

(2) Intellectual Property Management Plan for 2025

The Corporation's 2025 Intellectual Property Management Plan was reported to the 19th meeting of the 10th Board on November 6, 2024, and is summarized below:

1) Intellectual Property Management Policy

In accordance with the core strategies of the Corporation's five-year medium to long-term plan for 2023 to 2027, we set the 4Ts (Transportation, Technology, Taiwan, and Touch) as the main pillars of our corporate strategy and objectives, and used the "Technology" and "Taiwan" pillars to formulate our intellectual property management policies.

2) Intellectual Property Management Objectives

The Corporation developed the following two intellectual property management objectives based on the two aforementioned management pillars.

A. Achieve 80% completion rate for departmental innovative business development projects during the year; and

B. Maintain Taiwan Intellectual Property Management System (TIPS) certification Level A qualification.

3) Potential Intellectual Property Risks and Countermeasures

In order to ensure effective achievement of intellectual property management goals, we identified the following internal and external issues as well as potential risks and opportunities related to intellectual property management according to our operating conditions, and formulated various response measures and an intellectual property management system which is adjusted on a rolling basis to serve as a foundation for future implementation.

| Stakeholders | External/Internal Issues | Solutions | Risk or Opportunity | Policy | Objectives |
|---------------------------------------|--|--|---------------------|----------------------|---|
| Employees | Legal changes Technological developments | 1. Implement the Corporation's intellectual property management system and promote intellectual property management concepts through regular intellectual property representative meetings and educational training. 2. Confirm management effectiveness through internal audits. | Risk/Opportunity | Taiwan Technology | <ul style="list-style-type: none"> Maintain Taiwan Intellectual Property Management System (TIPS) certification Level A qualification. |
| Investors | Legal changes Social environment | 1. Apply for certifications in accordance with Article 37-2 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Item 2.27 of the "Corporate Governance Evaluation Indicators." 2. Strengthen the Corporation's intellectual property management and confirm management effectiveness through internal audits. | Risk/Opportunity | Taiwan | <ul style="list-style-type: none"> Maintain Taiwan Intellectual Property Management System (TIPS) certification Level A qualification. |
| Suppliers (Original manufacturers) | Legal changes Technological developments Rail industry | 1. Reduce R&D costs and dependence on original manufacturers through collaborative R&D. 2. Strengthen the Corporation's intellectual property management, ensure effectiveness through internal audits, and protect corporate R&D results. | Risk/Opportunity | Taiwan Technology | <ul style="list-style-type: none"> Achieve 80% completion rate for departmental innovative business development projects during the year. Maintain Taiwan Intellectual Property Management System (TIPS) certification Level A qualification. |
| Competent authorities | Legal changes Social environment | 1. Cooperate with the MOTC Railway Bureau to promote policies for development of local technical capabilities in the rail industry. 2. Reduce R&D costs and dependence on original manufacturers through collaborative R&D. | Risk/Opportunity | Taiwan Technology | <ul style="list-style-type: none"> Achieve 80% completion rate for departmental innovative business development projects during the year. |

4) Determine and Provide the Necessary Resources to Ensure Implementation and Maintenance of Intellectual Property Management Systems

A. Expenses invested in research and development projects

In 2025, the Corporation approved a budget of approximately NT\$ 1,974,000 for intellectual property management related expenses, including trademark and patent applications, maintenance fees, research fees, and education and training fees.

B. Manpower allocations for intellectual property management

(a) The head of the Legal Office serves as the intellectual property management representative of the Corporation, and is responsible for promotion of intellectual property management plans. We have appointed one dedicated personnel and two concurrent personnel from the Legal Office to assist with implementation of intellectual property management system matters. Annual implementation results are reported to the Board.

(b) Relevant units appointed a total of 13 personnel familiar with intellectual property management systems to serve as intellectual property representatives; these representatives convene intellectual property representative meetings each quarter to track annual implementations of intellectual property management plans.

(c) Seven designated colleagues who have undergone Institute for Information Industry intellectual property management training (Level A) and obtained self-assessor qualifications assist with handling internal audits and TIPS verification processes of intellectual property management systems.

5) Formulate Continuous Improvement Mechanisms

A. The Legal Office convenes quarterly intellectual property representative meetings to track annual intellectual property management plan implementations.

B. The Legal Office formulates annual internal audit plans each year which are implemented in accordance with the "Management System Internal Audit Regulation" to verify the validity and continued improvement of our intellectual property management system.

C. If non-conformities or observations are discovered during external verifications, the Legal Office will report the same at intellectual property representative meetings, implement regular tracking of correction measures, and review the validity of said measures.

D. The Legal Office provides an interim report to the management and review meeting each year to assess whether intellectual property management policy goals, efficiency processes, or efficiency improvement measures need to be revised/improved/enhanced.

E. Implement improvement measures for intellectual property management plans in accordance with Board requirements.

(3) Implementation Status of 2025 Intellectual Property Management Plan

Implementations of the Corporation's Intellectual Property Management Plan were reported at the 34th meeting of the 10th Board on December 10, 2025, and are summarized below:

1) Implementations of intellectual property management goals

A. Goal 1: Achieve 80% completion rate for departmental innovative business development projects during the year.

(a) Departmental innovative development business projects for the year included a total of 5 projects: ① Turnout monitoring system (TMS) replacement and innovation R&D project; ② Tram line detection data management and trend analysis system development project; ③ Localization of BS-RTU system equipment in electrical substation and signaling rooms (equipment certification project); ④ 700T PA broadcast microphone and communication microphone development and design project; and ⑤ HSR station ticketing equipment function cloudification project (establishment of AFC station equipment cloud services). These projects were all completed according to schedule, achieving a completion rate of 100%.

B. Goal 2: Maintain Taiwan Intellectual Property Management System (TIPS) certification Level A qualification.

- (a) The Corporation began implementing the Taiwan Intellectual Property Management System in 2021 for verification of patents and trademarks, and successfully passed TIPS Level A verification for the first time that same year. In order to maintain the validity of the TIPS Level A certification, we reapplied for TIPS Level A verification in August 2024 and expanded verification scope to our system R&D Division. We successfully passed verifications and our certificate is valid until December 31, 2026.
 - (b) The Corporation has obtained a cumulative total of 62 patents (25 invention patents and 37 utility model patents) and 169 trademarks. We submitted 22 trademark applications (in 22 different categories) for our N700ST three-dimensional trademark in 2025.
 - (c) In 2025, five of our colleagues attended Institute for Information Industry intellectual property management refresher training (Level A) courses and successfully obtained self-assessor qualifications. We now have a total of seven self-assessors.
 - (d) The Legal Office convened quarterly intellectual property representative meetings in January, April, July, and October of 2025 as scheduled to track annual intellectual property management plan implementations.
 - (e) Non-conformities discovered during TIPS external verifications in 2024 were all corrected in 2025.
 - (f) Internal audits implemented in 2025 reported 1 audit observation for one unit; no non-conformities or suggestions for improvement were reported for any other units.
 - (g) Convened annual intellectual property asset management review meeting on August 14, 2025, where management representatives made an interim implementation report. The meeting agreed to submit review results to the Board.
 - (h) Licensing income from intellectual properties from January 1 to September 15 in 2025 included royalties from trademarked products (trademarked train products) amounting to NT\$ 387,175; royalties from co-branded products amounting to NT\$ 1,666,701; and other royalties (from media and print products) amounting to NT\$ 564,404.
- 2) Conclusion: The Corporation's intellectual property management plan meets set policy targets and did not require any major corrections. The existing management system is sufficient for current conditions.





6

Value Propositions



Environmental

1. Establishing A Sustainable Environment

In order to implement comprehensive environmental protection throughout the Construction to Operation stages, THSRC has constantly promoted multiple aspects of environmental care (including the establishment of an environmental management system, formulation of environmental policies, establishment of an environmental management organization, and evaluation of related goals and implementation strategies). We encourage environmental actions such as environmental management, energy reduction, water conservation, waste reduction, green construction, ecological conservation, environmental education, and green procurement, and we strive to adapt to the impacts of climate change. Furthermore, in 2019, we established an Environmental Management Committee, which is responsible for supervising the implementation and periodic review of environmental objectives, as well as communicating matters associated with our environmental management system. Our environmental management system obtained ISO14001:2015 verification in 2020 and passed re-verification in 2023 (certificate valid from September 24, 2023 to September 24, 2026), making us the first rail company in Taiwan to obtain this verification.

(1) Green Buildings

THSRC strives to integrate the four pillars of "ecology, energy saving, waste reduction, and health" with the nine indicators of green buildings while building new sustainable green buildings that can become potential landmarks over the next century. HSR Miaoli, Changhua, and Yunlin stations were designed in accordance with the "Green Chapter of the Building Construction Regulations" and the "Green Building Evaluation Manual"; these stations received Green Building Candidate Certificates in 2013. Green designs were implemented during construction and we applied for Green Building Certificates in 2016 after construction was completed.


Miaoli station applied for 7 indicators and was awarded a Diamond level certificate from the Ministry of the Interior (MOI). Changhua and Yunlin stations applied for 6 indicators and both stations were awarded a Gold level certificate from the MOI. Green Building Certificates are valid for 5 years, and we extended the validity of our certificates for 5 years in 2021.



(2) Energy Saving and Carbon Reduction

1) Energy Management

In order to improve energy consumption efficiency and promote energy conservation measures at HSR stations and maintenance depots, we established an "Energy Conservation Project Team" which convenes regular "Energy Conservation Meetings" every three months to track implementation of energy management measures, review quarterly electricity usage, and formulate energy management indicators and targets.

|  Energy Management | Indicator | Average annual electricity savings per trip | | |
|--|-----------------|---|------------|------|
| | Target | >0.86% | | |
| | Evaluation item | 2023 | 2024 | 2025 |
| Total electricity consumption (10 MWh) | 9,138.384 | 9,389.449 | 9,352.951 | |
| Average electricity consumption per trip (kWh) | 1.250 | 1.200 | 1.140 | |
| Electricity savings (million joules) (Note) | 98.8607 | -9,038.3303 | 1,313.9316 | |

Note: Decreases in electricity savings are denoted using "positive" values and increases are denoted using "negative" values.

2) High-Speed Rail Carbon Footprint

In 2025, we petitioned the Ministry of Environment to extend the 2-year validity period of our "Carbon Footprint Label Certificate of High Speed Rail Transportation Services" from December 17, 2025 to December 16, 2027 and was awarded a renewed carbon footprint label certificate (Certificate label No. 2014910001-01). Our carbon footprint was verified to be 29 gCO₂e per passenger-kilometer. The "footprint" logo on the back of our tickets clearly informs HSR passengers that carbon emissions per person per kilometer are 0.029 kgCO₂e. A comparison with other transportation vehicles indicates that this emission level is one-third that of passenger cars, one-half of buses, and one-eighth of national airlines. In 2025, THSRC's total passenger traffic volumes amounted to 13,748 million passenger-kilometers, and carbon reductions compared to passenger cars amounted to 1,182,327 tCO₂e, equivalent to the carbon absorption level of 3,039 Daan Forest Parks.



3) CO₂ or Other Greenhouse Gas Emissions

We continue to promote our four major energy-saving programs (autonomous energy saving, reduction of power consumption, transfer peak power demands, and reasonable power usage), and have set a power-saving target to reduce "average electricity consumption per trip" by at least 0.86% each year. We further established the indicator "carbon emissions per passenger-kilometer" for the purpose of quantifying carbon emissions generated by overall energy consumption. We plan to reduce carbon emissions by more than 1.50% each year. In 2024, the Corporation's greenhouse gas emissions amounted to 321,893.73 tCO₂e, with 97% coming from purchased electricity. We plan to complete verifications for our emissions in 2025 by April 2026. Relevant verification information for the past three years are as follows:


| Year | Scope 1: Direct greenhouse gas emissions (emissions from usage of diesel, gasoline, and refrigerants) (CO ₂ e) | Scope 2: Indirect greenhouse gas emissions from energy purchased and consumed (emissions from purchased electricity) (CO ₂ e) | Verification unit |
|------|---|--|-------------------|
| 2023 | 8,373.3549 | 318,094.6858 | SGS Taiwan Ltd. |
| 2024 | 8,637.6283 | 313,256.0974 | SGS Taiwan Ltd. |
| 2025 | 7,779.93 | 317,113.98 | SGS Taiwan Ltd. |

Note: Inventory scope for 2023-2025 encompassed the whole Corporation, including our 12 stations, 5 maintenance depots, headquarters, Operational Management Center, and main line (including train electricity consumption and line equipment). Figures for 2024 were updated after verification. Figures for 2025 are awaiting third-party verification, and complete assurance information will be disclosed in our Sustainability Report.



Carbon-reducing efficiency of electronic documentation system:

1. Signing rate for documents in the electronic documentation exchange system was more than 99%.
2. In 2025, we used 60,057 electronic documents, saving 720,684 pieces of paper, conserving 86 trees, and reducing 1,032 kg of carbon emissions.

|  Greenhouse Gas Management | Indicator | Annual average carbon reduction rate per passenger-kilometer | | |
|--|-----------------|--|------------|------|
| | Target | >1.5% | | |
| | Evaluation item | 2023 | 2024 | 2025 |
| Total emissions (tCO ₂ e)(Note) | 317,679.09 | 321,893.73 | 324,893.91 | |
| Average carbon dioxide emissions per passenger-kilometer (gCO ₂ /passenger-kilometer) | 25.284 | 24.409 | 23.079 | |

Note: The total greenhouse gas emissions listed in this table are used for internal management, and are estimated amounts based on the Corporation's total electricity, gasoline, and diesel consumption for the year. These figures do not include emissions from refrigerants and carbon dioxide fire extinguishers. Electricity carbon emission factors were based on coefficient values for the previous year.

(3) Adaptations to Climate Change Impacts


The main risks from climate change include severe weather phenomenon such as extreme high temperatures, rising sea levels, increased rainfall and rainfall intensity, increased frequency and intensity of typhoons, cyclones, and even lightning, which raise tensions and enhance vulnerability levels of the railway industry, impacting our operations. We continue to work with the MOTC in establishing climate change adaptation action plans for lifeline infrastructure and discuss methods for strengthening railway adaptation capabilities with the MOTC Institute of Transportation to better understand climate change impacts on railway systems, so we can formulate railway system adaptation guidelines, frameworks, and exercises in accordance with the "Adaptation Strategy to Climate Change in Taiwan" proposed by the National Development Council. The Corporation has also signed the "Memorandum of Cooperation on Cross-border Disaster Prevention" with the MOTC Central Weather Bureau to enhance meteorological interpretation capabilities through mutual cooperation. These capabilities serve as an important reference for the Corporation to make traffic dispersion decisions and assess track safety during disasters. All the facilities built by THSRC for flood prevention, earthquake prevention, and wind damage prevention comply with domestic and international regulations.

In 2023-2026, we plan to adopt the following adaptive actions in response to climate change impacts:

- (1) Update and upgrade slope safety monitoring systems.
- (2) Reinforce protections for tunnel entrances and steep vegetated slopes along the HSR line.
- (3) Implement risk assessments and protection designs for scoured cross-river viaducts.

(4) Water Resources Management

In terms of water management, we implement water conservation, water reduction, and rainwater recycling policies, and set an annual water-saving goal of at least 3.42% reduction in average water consumption per trip. We established sewage treatment plants at each maintenance depot and station, and test and report regularly on the quality of discharged water every month to ensure that it meets standards for discharged water and can be recycled for irrigation. We also track the implementations of water-saving measures through quarterly review meetings to check water usage volumes, analyze reasons for increments or decrements in water consumption, and promote water saving measures to reduce our water usage. Additionally, our water supply is completely sourced from tap water and uses no groundwater. The Corporation's total tap water consumption was 758,530 m³ (including water consumption for all depots and stations) in 2025. Recovered rainwater and waste water is used for plant irrigation to reduce tap water usage. At depots, rainwater and waste water is first discharged to a retention pond prior to usage. The station buildings at Miaoli, Changhua, and Yunlin stations are equipped with underground water storage tanks to store rainwater and waste water for reuse.

|  Water Resource Management | Indicator | Average annual water savings per trip | | |
|--|-----------------|---------------------------------------|---------|------|
| | Target | >3.42% | | |
| | Evaluation item | 2023 | 2024 | 2025 |
| Total water consumption (cubic meters) | 709,144 | 743,719 | 753,511 | |
| Average water consumption per trip (cubic meters) | 0.0097 | 0.0095 | 0.00918 | |

Note: The water consumption values in this table include water consumption from our 12 stations and 5 maintenance depots.

(5) Air Pollution Prevention and Control

THSRC installed pulse jet baghouse dust collectors, activated-carbon adsorption equipment, catalytic incineration towers, and other air pollution equipment at the Yanchao Main Workshop to treat dust and volatile organic compounds (VOCs) generated during train-painting processes. We obtained a stationary pollution source installation permit on October 19, 2017 and a stationary pollution source operating permit on January 31, 2019, and we regularly file quarterly reports in accordance with the Ministry of Environment "Regulations Governing Stationary Pollution Emissions Reporting from Public and Private Sites." However, due to expansion needs of our painting facilities in 2022, we petitioned the Kaohsiung City Government Environmental Protection Bureau to cancel our original stationary pollution source installation and operating permits, and submitted relevant reapplications. We obtained a stationary pollution source installation permit in May 2024 and have completed installations of stationary pollution processing equipment. We applied for a stationary pollution source operating permit in February 2025.

(6) Waste Management

THSRC promotes resource recycling, advocates for waste reduction at the source, and implements waste classification and recycling policies. We reduce, classify, and recycle waste, and strive to increase reuse rates. Under our "100% THSRC RECYCLED" initiative, plastic bottles recycled in stations are used to make eco-friendly cloth, and we are gradually switching to staff uniforms made with these materials. We also replaced train carriage headrest covers and plastic lids on hot drink cups with items made from plastic-reducing materials. Most waste generated from our operations, including passenger waste, is general industrial waste which qualified disposal companies help us transport to incinerators. Furthermore, we promote waste recycling for waste paper, waste plastic, scrap iron, waste wood, scrap copper, scrap aluminum, waste lighting sources, waste lead storage batteries, and waste glass containers at depots and stations, which has effectively reduced our waste volumes. Our total waste disposal volume was 7,376.32 metric tons in 2025, including 1,807.75 metric tons of recycled waste, and our recycling rate was 24.5%.

(7) Noise Prevention and Control

Our noise prevention and control targets comply with government regulations and commitments set out in THSR EIA Reports, and we have responded effectively to noise complaints from local residents. We have established a dedicated unit to communicate with environmental authorities, and standard procedures have been developed for handling noise petitions and noise complaints. Additionally, to reduce the impacts of noise made by our trains, we use noise barriers and soundproof windows or doors for better noise control.

(8) Information on Environmental Expenses

Losses and penalties caused by environmental pollution during the most recent year and up to the printing date of this annual report, and necessary measures and actions to be taken in the future:

- 1) No losses or penalties occurred as a result of environmental pollution during 2025 or up to the printing date of this annual report.
- 2) Major capital of environmental protection estimated for the next three years:

Unit: NT\$ thousands

| Item \ Year | 2026 | 2027 | 2028 |
|--------------------------|---------|---------|---------|
| Environmental Monitoring | 2,560 | 2,700 | 1,354 |
| Environmental Research | 7,838 | 6,288 | 6,888 |
| Pollution Prevention | 116,570 | 138,858 | 122,695 |
| Total | 126,968 | 147,846 | 130,937 |

3) Investment in main facilities for prevention and control of environmental pollution, as well as the usage and benefits, previous work and expenditures, and plans to be implemented within three years:

Unit: NT\$ thousands

| Item | Year | Amounts | Use and Benefits |
|--|-----------|---------|--|
| Recovery of artificial Jacana habitat | 2023~2025 | 3,429 | Compliance with the commitments set in the THSRC EIA Report and highlighting our concern for ecological conservation. |
| Noise prevention project (including noise improvement of surrounding residential buildings) | 2023~2025 | 66,833 | Implementation of noise prevention and control according to EIA reports and regulations. |
| Measurement of noise and vibration in sensitive areas along the HSR line | 2023~2025 | 5,754 | Compliance with commitments set in THSRC noise prevention gap analysis report. |
| Environmental monitoring in Miaoli, Changhua, and Yunlin stations during operations | 2023~2025 | 75 | Compliance with commitments set in THSRC environmental measures gap analysis report. |
| Treatment of waste and waste water generated from HSR stations, workshops, and relevant operations and maintenance | 2023~2025 | 224,503 | Treatment of waste and waste water from stations and depots in accordance with relevant regulations. |
| Verification of carbon footprint and water footprint for high speed rail transportation services, and GHG surveys on all 12 stations | 2023~2025 | 11,440 | Obtained Ministry of Environment Carbon Footprint Label Certificate of High Speed Rail Transportation Services, disclosed average carbon dioxide emissions per passenger-kilometer, and obtained ISO14046 water footprint and ISO14064-1 greenhouse gas verification opinion statements issued by a third party. |
| Establishment of ISO14001 Environmental Management System with continuous improvement and consultation | 2023~2025 | 1,575 | Facilitate effectiveness of Environmental Management System and ensure normal operations and maintenance. |
| Total | | 313,609 | |



Social

2. Quality Services

(1) Frequent, Convenient, Punctual, and Reliable Train Services

1) In order to meet varying travel destinations and passenger needs, and to ensure provision of fast intercity transportation services, THSRC offers the following train stopping patterns:

Train stopping patterns

| Nangang | Taipei | Banqiao | Taoyuan | Hsinchu | Miaoli | Taichung | Changhua | Yunlin | Chiayi | Tainan | Zuoying | Total run time (minutes) |
|---------|--------|---------|---------|---------|--------|----------|----------|--------|--------|--------|---------|--------------------------|
| ● | ● | ● | | | | | | | | ● | ● | 105 |
| ● | ● | ● | | | | ● | | | | | ● | 105 |
| ● | ● | ● | | | | ● | | | | ● | ● | 110 |
| ● | ● | | ● | | | ● | ● | ● | ● | ● | ● | 130 |
| ● | ● | ● | ● | ● | | ● | | ● | ● | ● | ● | 130 |
| ● | ● | ● | ● | ● | ● | ● | | | | | | 76 |
| ● | ● | | ● | ● | | ● | | | | | | 66 |
| | | | | | | ● | ● | ● | ● | ● | ● | 72 |
| ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | 145 |

- 2) THSRC provides up to 182 train runs per day on weekdays. The number of train runs are increased during consecutive holidays in order to provide frequent and convenient services that fulfill passenger needs.

(2) Multiple Convenient Ticket Booking and Purchasing Channels

- 1) Currently, passengers can book, pay for, and collect tickets through station ticket windows, ticket vending machines, convenience store ticketing systems, our online booking website, the T Express app, which supports chatbot-based booking services, or travel agencies offering related travel products. In addition, passengers may also board trains using contactless EasyCard and iPass co-branded credit cards with automatic top-up functions via ticket gates.
- 2) THSRC upholds principles of innovative service and continues to establish multiple ticket purchasing channels to provide passengers with convenient ticketing services.

(3) Convenient Station Services

- 1) Our artfully designed stations and enthusiastic station staff provide a wide range of convenient services to ensure ease of travel, including ticket counters and automated ticket vending machines, passenger information systems, passenger service counters, guidance for elderly passengers and passengers with disabilities travelling on their own, accessible facilities (toilets, elevators, parking spaces), breastfeeding rooms, family restrooms, drinking fountains, convenience stores, and restaurants. Wi-Fi is also available at all stations so passengers can quickly retrieve any information they need.
- 2) HSR station transit services include buses, taxis, rental cars, drop-off and pick-up zones, and parking lots. Nine of our stations (Nangang, Taipei, Banqiao, Taoyuan, Hsinchu, Miaoli, Taichung, Tainan, and Zuoying) are connected to other railway systems (TRC or MRT).
- 3) In order to provide passengers with convenient access to and from HSR stations, THSRC works with bus companies to provide free shuttle bus services under joint marketing campaigns. In 2025, we offered 228,702 free shuttle bus trips to 2,607,973 passengers. The following is a summary of bus routes operated in 2025:

Number of HSR Shuttle Bus Routes

| HSR station | Taoyuan | Hsinchu | Miaoli | Changhua | Yunlin | Chiayi | Tainan |
|----------------------|---------|---------|--------|----------|--------|--------|--------|
| Number of bus routes | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

(4) Heartwarming Train Services

- 1) Accessible facilities: The seventh carriages of HSR trains are designated as accessible carriages and four seats are reserved for wheelchair users. Each seventh-carriage vestibule is equipped with one accessible toilet. Call-for-aid buttons are provided at each seat and in the accessible toilet so passengers with disabilities who require assistance can notify train personnel at any time. Charging sockets have also been installed on trains for electric wheelchair users.
- 2) Friendly and attentive train staff:

Train attendants

Train attendants sell goods from train trolleys, provide passenger guidance, help passengers with disabilities and passengers who have applied for assistance get on and off trains, and manage on-train breastfeeding rooms. They are attentive to the needs of passengers using wheelchairs, passengers with disabilities, elderly passengers, and pregnant passengers, and ensure that passenger luggage is placed in appropriate locations. Train attendants help to maintain quiet and orderly train environments for passenger comfort, respond to passenger queries, collect passenger feedback, and assist train masters during emergencies to ensure passenger safety.

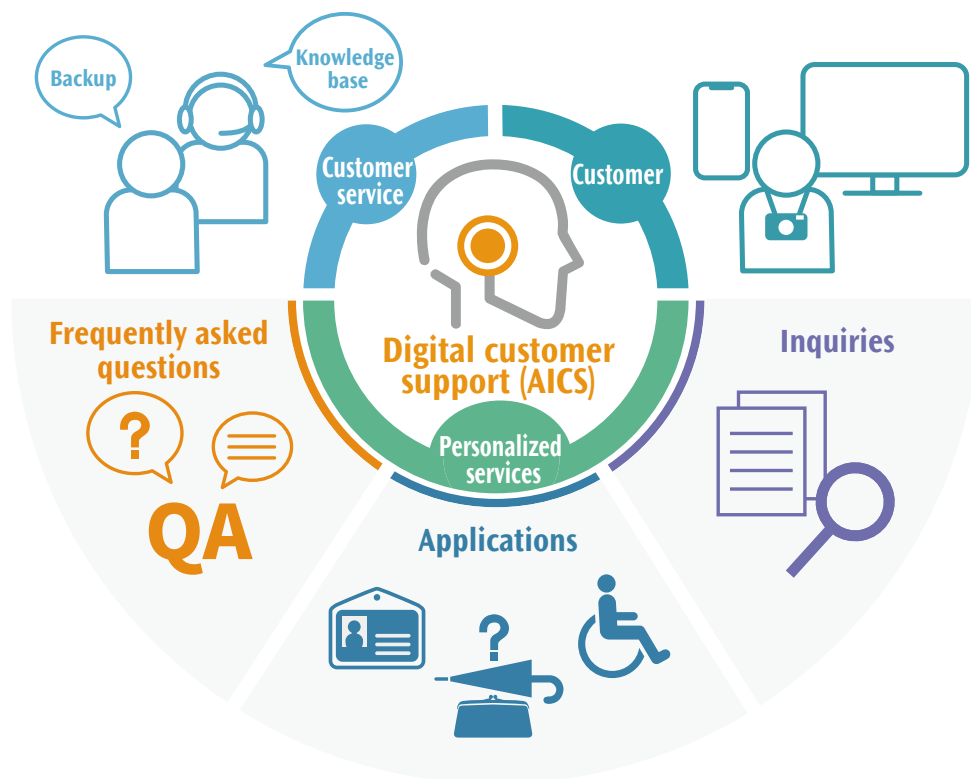
Train masters

Train masters provide assistance to train drivers when necessary, inspect operational safety equipment, conduct ticket inspections, facilitate fare changes, and provide transit information and guidance to passengers who have boarded the wrong trains or who have changed their plans at short notice. Train masters also provide lost and found services, assist passengers, and respond to passenger queries. Apart from maintaining train safety, our train masters also work to provide excellent passenger services.

- 3) Mother- and infant-friendly facilities: The fifth-carriage vestibules of all trains are equipped with lactation rooms that provide a private and safe space for nursing, pumping, and breastfeeding mothers. Train staff help to guide passengers requiring lactation rooms through usage of available facilities which offer a mother- and infant-friendly travel environment and passenger services.
- 4) Free Wi-Fi services: In response to the increasing prevalence of mobile communication devices, all stations and trains are now equipped with free wireless internet that passengers can access through their mobile phones, tablets, laptops, and other communications devices via the "THSR_freeWIFI_ALL" network. Free onboard charging services are provided in the telephone booths of the fourth and twelfth carriages of every train for the convenience of passengers who wish to charge their mobile devices.

(5) Real-Time Customer Support

Our 24/7 digital customer support system provides comprehensive assistance, including FAQs, online lost and found tracking, advanced wheelchair space reservations, and passenger guidance or personalized assistance, phone support is available daily from 06:00 to 24:00 in Mandarin, Taiwanese, and English (English services are available from 09:00 to 22:00). We are committed to delivering consistent, high-quality service across all communication channels to meet our customers' diverse needs.



Key achievements of the Digital Customer Service in 2025 include: (1) The "Wheelchair Space Reservation Optimization Project" was honored with the "Best Service Innovation Corporation" at the 2025 Excellence Customer Service Excellence Awards. (2) The launch of the new "In-Carriage Issue Reporting" feature allows passengers to report noise disturbances or request cleaning for spilled beverages. Since its rollout, the system's average daily case volume has exceeded ten times that of human-operated reports, significantly boosting self-service capacity and operational efficiency.

(6) Maintenance of Passenger Relations

1) Innovative, Digital, and Real-Time Communication

We have installed passenger information displays in lobbies and waiting areas at HSR stations to provide timely operational information, notices, and promotional videos for HSR services. We have also set up a Facebook fanpage to provide the latest product, service, and brand information. In 2025, THSRC's Facebook page cumulatively garnered 450,000 fans. Posts on the fanpage received 1.07 million views.

In terms of digital communications, THSRC not only offers professional personalized ticketing services through the T Express app, but has also launched the Taiwan High Speed Rail app, which mainly focuses on multi-functional travel services and provides customers with comprehensive digital services. As of December 2025, the Taiwan High Speed Rail app has been downloaded more than 1.74 million times.

2) Current feedback collection channels and customer service processes

THSRC has established diverse feedback channels, including customer comments & suggestions form, corporate website email, digital customer support services, customer hotlines, and station/on-board staff to meet the needs of different passenger groups.

In 2025, approximately 763,000 cases of inquiries and feedback were received through these platforms. Upon receiving feedback, relevant departments are required to investigate, process, and respond within a set timeframe to ensure effective two-way communication and protect the rights of both customers and the company.

Furthermore, the Corporation regularly commissions professional market research firms to conduct customer satisfaction surveys. These insights drive the refinement of service strategies and quality targets, fostering a virtuous cycle of improvement. In 2026, we will further strengthen our feedback processes to deepen customer trust and loyalty.

3. Friendly Work Environment

(1) Talent Development

1) Labor Conditions

A. Talent retention and appropriate placement:

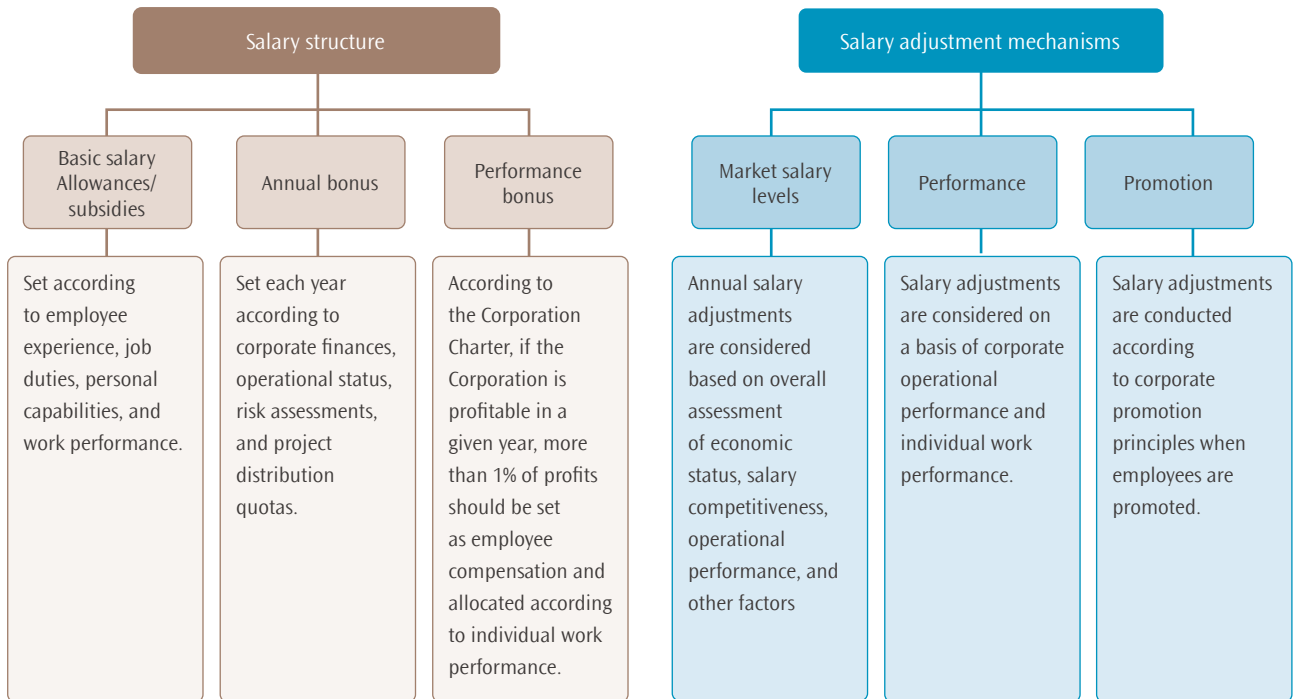
THSRC provides annual career advancement opportunities for talented employees based on organizational needs and individual development to enhance professionalism and achieve our target of incentivizing and retaining talent. Qualified employees that meet corporate requirements and wish to hold managerial positions can further their career development and fully realize their potential through positional promotions.

Additionally, THSRC prioritizes internal application channels when filling in-house positions. We train employees in multiple skills through different job opportunities in line with our policies to realize talent potential, provide appropriate placements, and cultivate talent.

B. Competitive remuneration:

THSRC annually reviews the competitiveness of salary structures and necessity of salary adjustments. Additionally, we achieve our goals of prioritizing employees, incentivizing talent, and profit sharing by providing bonuses based on corporate and individual performance.

Salary structure and salary adjustment mechanisms



| Year | 2020 | 2022 | 2023 | 2024 | 2025 |
|------------|-------|------|------|------|------|
| Adjustment | 3.42% | 2.5% | 3.2% | 4.9% | 4.5% |

2) Learning and Development

THSRC has implemented a comprehensive talent cultivation and development plan to achieve corporate talent cultivation and succession goals. In addition to the Management Learning Passport designed to enhance managerial capabilities, we also introduced the Individual Development Plan for High Potential Management (HIPO), which provides tailored training courses to address identified competency gaps. We organized experience exchange activities for specific frontline staff positions, mapped competency requirements and learning paths for key back-office positions, formulated the Key Position Staff Competency Development Plan and necessary training, and transfer the expertise of senior staff through structured experience-sharing initiatives.

(2) Concern for Human Rights

Human rights policies and implementation of measures to alleviate human rights risks:

| Human Rights Issues | Stakeholders | Human Rights Policy | Implementations of Mitigation Measures for Human Rights Risks | International Human Rights Conventions |
|------------------------|--------------|--|---|---|
| Freedom of Association | Employees | We ensure employees have freedom to form associations for various purposes, and to participate or refrain from participating in association composition and related affairs. | <ol style="list-style-type: none"> 1. We support freedom of association for our employees, who have currently established more than one hundred different clubs. 2. We protect our employees' right to organize. Currently, two labor unions (a corporate union and an industry union) have been formed within the Corporation. The Corporation periodically convenes meetings with these unions to build harmonious and strong labor-management relationships. | <ol style="list-style-type: none"> 1. Article 22 of the International Covenant on Civil and Political Rights 2. Article 8 of the International Covenant on Economic, Social and Cultural Rights 3. International Labour Convention No. 87: Freedom of Association and Protection of the Right to Organize Convention |

| Human Rights Issues | Stakeholders | Human Rights Policy | Implementations of Mitigation Measures for Human Rights Risks | International Human Rights Conventions |
|---|---|--|---|---|
| Care for Disadvantaged Groups | Employees/ Employee Family Members/ Passengers/ Community Residents | We focus on public policies and charity events, and participate in community development and education activities of civic organizations, charitable organizations, and local governmental institutes. | <ol style="list-style-type: none"> 1. We hire disabled and indigenous individuals in accordance with law, and provide group insurance, compensation payments, and relief payments for hospitalization, medical care, and major hazards. 2. We provide passenger guidance services as well as accessible seating, elevators, parking spaces, and toilets as part of our commitment to offer a friendly and accessible environment for our passengers, and we have formulated a comprehensive service program. 3. Our "High-Speed Educational Endowment Program" provides educational opportunities for economically disadvantaged groups; our "THSRC Smiling Train Program" works with various educational and charitable institutes to help disadvantaged groups obtain free or discounted HSR tickets; and our "Winter Outreach Blood Drive" helps to relieve blood shortages during the winter season. | Article 9 of the Convention on the Rights of Persons with Disabilities: Accessibility |
| Prohibition of Child Labor | Our recruitment processes comply with law and we do not employ child laborers | We do not employ any child laborers younger than 15 years of age. | To protect children's right to education, we filter out child laborers under 15 years of age when assessing job candidates. The Corporation does not currently employ any child laborers. | Article 10 of the International Covenant on Economic, Social and Cultural Rights |
| Eradication of Forced Labor | Employees | We prohibit use of any form of forced labor through abuse, intimidation, detention, or other illegal means. | <ol style="list-style-type: none"> 1. We do not retain personal identification documents of personnel reporting for work and also do not require prior payment of any fees. 2. All wages are paid in full, save where otherwise provided by law (legally withheld funds, health insurance and labor pension co-payments, employee welfare funds, and union fees). 3. Employees provide their services voluntarily. | <ol style="list-style-type: none"> 1. Article 8 of the International Covenant on Civil and Political Rights 2. International Labour Convention No. 100: Equal Remuneration Convention |
| Eradication of Hiring and Employment Discrimination | Employees/ Job Candidates | We avoid discrimination and differential treatment in all forms to realize diversity and enhance equality in the workplace. | <ol style="list-style-type: none"> 1. The Corporation does not discriminate in any way during the hiring process. 2. We provide employee lactation rooms to support breastfeeding policies. 3. Those who apply for statutory leave without pay (infant care, injury, illness, and military service), regardless of gender, are eligible for annual salary adjustments after reinstatement. A total of 152 employees (28 male and 124 female employees) applied for parental leave in 2025. | <ol style="list-style-type: none"> 1. Article 7 of the International Covenant on Economic, Social and Cultural Rights 2. International Labour Convention No. 111: Discrimination (Employment and Occupation) Convention 3. International Labour Convention No. 183: Maternity Protection Convention 4. Convention on the Elimination of All Forms of Discrimination Against Women |

| Human Rights Issues | Stakeholders | Human Rights Policy | Implementations of Mitigation Measures for Human Rights Risks | International Human Rights Conventions |
|------------------------------------|--------------|--|---|---|
| Abolish Violations of Human Rights | Employees | We ensure that individual employees have appropriate channels for clarification and grievance reporting when their legitimate rights and interests are infringed upon, and make sure that they are not subject to any form of adverse treatment. | <ol style="list-style-type: none"> 1. We have formulated preventive measures and grievance reporting procedures for sexual harassment and publicly disclosed these within the workplace. Additionally, our two-tiered grievance processing mechanism solidifies our internal grievance system and ensures that the problems of each employee are appropriately handled. 2. Our appraisals and penalties for violations or non-compliance of laws, regulations, and internal Corporation rules are handled in accordance with related regulations governing rewards and disciplinary actions. 3. Training for protection of human rights: <ol style="list-style-type: none"> (1) A total of 898 hours of in-person training on legal compliance for new employees were attended by 449 employees, accounting for 8.89% of all staff members (5,053 employees). (2) A total of 297 hours of in-person training on prevention of workplace bullying (including promotion of the Stalking and Harassment Prevention Act) were attended by 99 employees, accounting for 1.96% of all staff members (5,053 employees). (3) A total of 2,295 hours of in-person training on prevention of illegal infringements in the workplace and interpersonal communications were attended by 500 employees, accounting for 9.89% of all staff members (5,053 employees). (4) A total of 2,526.5 hours of online training on prevention of sexual harassment were attended by 5,053 employees, accounting for 100% of all staff members (5,053 employees). (5) A total of 651 hours of in-person training on prevention of sexual harassment were attended by 217 employees, accounting for 4.29% of all staff members (5,053 employees). (6) A total of 22,710 hours of occupational health and safety training were attended by 5,357 employees, accounting for 97.1% of all staff members required to participate in training for the year (5,514 employees). (7) A total of 2,512.5 hours of training on ethics and morals were attended by 5,025 employees, accounting for 100% of all staff members (5,025 employees). (8) A total of 2,526.5 hours of training on prevention of insider trading were attended by 5,053 employees, accounting for 100% of all staff members (5,053 employees). <p>Total training hours for 2025 as detailed above amounted to 34,416 hours.</p> | Article 2 of the International Covenant on Civil and Political Rights |

| Human Rights Issues | Stakeholders | Human Rights Policy | Implementations of Mitigation Measures for Human Rights Risks | International Human Rights Conventions |
|------------------------------|---|--|---|--|
| Friendly Workplace | Employees/ Employee Family Members | We help our employees find a balance between work-life conflicts to build a friendly workplace and enhance employee loyalty. | <ol style="list-style-type: none"> 1. We disclosed the following remuneration information for full-time, non-managerial employees: Average remuneration for 2025 was NT\$ 1,278 thousand, a 7.67% increase over the previous year. We annually review the competitiveness of our remuneration so that our employees can receive reasonable compensation. 2. We provide employees with appropriate leisure spaces and facilities such as softball fields, basketball courts, badminton courts, gym equipment, and so on. We host a variety of sports competitions and invite family members of employees to participate. 3. Our "HSR Family Day Activity" gives employee family members a chance to visit our maintenance depots and other places of work, providing a fun experience within the workplace and bringing our employees together. 4. Each department hosts birthday celebrations and dinner parties to enhance employee relationships. 5. We have established mechanisms to protect the physical and mental health of our employees and to build a healthy and friendly work environment. | Article 11 of the International Covenant on Economic, Social and Cultural Rights |
| Safe Work Environment | Employees | We protect employee safety and strive to prevent workplace hazards from occurring. | <ol style="list-style-type: none"> 1. We systematically confirm the impacts of various operational hazards on employee safety and health by implementing hazard identification and risk assessment mechanisms, and promote graded improvement measures based on risk levels to prevent occupational accidents. 2. We formulate and execute annual occupational safety and health management review and reward programs, including our "Annual Performance Appraisals Program" and our "Rewards Program for Reporting Near Misses of Occupational Safety and Health Hazards." 3. We organize safety promotion activities, including safety culture assessments, scooter safety lectures and driver training, and free shuttle buses for some stations and depots. We also create relevant promotional materials. 4. We obtained third-party certifications for our occupational safety and health management systems to ensure that they operate sustainably and continue to improve, allowing us to reduce the frequencies and severities of occupational disasters. | <ol style="list-style-type: none"> 1. Article 7 of the International Covenant on Economic, Social and Cultural Rights 2. International Labour Convention No. 155: Occupational Safety and Health Convention 3. International Labour Convention No. 161: Occupational Health Services Convention 4. International Labour Conventions No. 187: Promotional Framework for Occupational Safety and Health Convention |
| Promotion of Employee Health | Employees | Enhance employee health. | <ol style="list-style-type: none"> 1. We continue to evaluate employee health check items. The frequencies and number of items included in our employee health checks exceed legal requirements. Starting from 2018, we began adding optional health check items based on individual needs for senior employees (those above 45 years of age and who have worked at the Corporation for more than 10 years) in addition to regular health check items. 2. We enhanced our employee health management system. Staff health examination reports are analyzed by labor health management personnel (nurses) via our "Employee Health Management System" for planning and management of health promotion activities suitable for our employees. 3. Every year, we host health promotion activities such as lectures on health, weight loss, and smoking cessation; influenza vaccinations; and physical fitness activities. | Article 25 of the Universal Declaration of Human Rights |

| Human Rights Issues | Stakeholders | Human Rights Policy | Implementations of Mitigation Measures for Human Rights Risks | International Human Rights Conventions |
|-------------------------|--------------|---|---|--|
| Supply Chain Management | Suppliers | To achieve our target for sustainable operations, we continue to communicate with different partners in our supply chain regarding establishment of comprehensive management measures for human rights issues (such as prohibited use of child labor, compliance with legal work hours, equality in hiring procedures, and freedom of association). | <ol style="list-style-type: none"> 1. Our tender notices stipulate that we oppose all discriminatory behaviors (include discrimination towards women, indigenous people, and disadvantaged groups). Major violators of this policy, if discovered, are blacklisted. 2. When submitting bids, suppliers also have to submit an Enterprise Social Responsibility Commitment and agree to comply with relevant labor laws and internationally accepted labor rights. | |

Training for protection of human rights:

In order to establish a high-quality work environment and reduce risks relating to human rights, the Corporation promoted legal compliance information, organized sexual harassment prevention courses, implemented workplace bullying prevention promotions, and organized comprehensive workplace safety training in accordance with relevant regulations. Course attendee numbers and total training hours are as shown below:

| Indicator | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------|--------|--------|--------|--------|--------|
| Attendees | 13,913 | 19,241 | 19,859 | 20,498 | 21,753 |
| Total training hours | 19,141 | 22,926 | 32,236 | 33,033 | 34,416 |

(3) Occupational Safety and Health

THSRC successfully passed LRQA audits in July 2017 and obtained both TOSHMS (Taiwan Occupational Safety and Health Management System) CNS 15506 and OHSAS (Occupational Health and Safety Assessment Series) 18001 verifications. In June 2020, THSRC passed BSI (British Standards Institution) reviews and completed both CNS 45001 (TOSHMS) and ISO 45001 transfer verifications. We have also passed all annual routine verifications since then.

Additionally, we became an accredited Health Promotion Administration "Healthy Workplace Accreditation-Health Promotion Certificate" workplace starting from 2019, and are actively establishing smoke-free environments, promoting health-enabling measures, and building healthy work environments.

4. Mutually Beneficial Society

(1) Social Contributions

THSRC upholds operational principles of sustainable development and works to fulfill corporate social responsibilities. We continue to expend our corporate resources to support various social contributions and artistic performances to enhance public recognition of THSRC, provide support to those in need, and build a richer and better society in Taiwan through delivery of sincere care.

1) Go Green Together: Sustainable Low-Carbon Actions

THSRC began collaborating with the Executive Yuan Ministry of Agriculture Forestry and Nature Conservation Agency on a 1.35-hectare forestry adoption project located at the Puxin section in Xiluo, Yunlin starting in 2022. Our total investments have exceeded NT\$ 1.97 million and we have successfully restored more than 15,400 seedlings which absorb around 10 metric tons of carbon dioxide each year. To maintain our afforestation achievements, we renewed our forestry adoption and afforestation agreement for 3 years in June 2025. THSRC will continue to support forestry adoption programs, promote conservation of forest resources, enhance forest biodiversity, and achieve corporate sustainability through practical actions.



To promote biodiversity, THSRC worked with the Forestry and Nature Conservation Agency to host the "Go Green Together" station seedling gifting event on April 22, 2025, giving out a total of 3,600 native Taiwanese plant seedlings at HSR Taoyuan, Taichung, and Zuoying stations, encouraging the public to plant trees and protect the environment. THSRC employee volunteers converted sustainable concepts into practical actions by gifting these seedlings and sharing tree cultivation techniques with members of the public. These seedlings will grow into trees that will purify the air, conserve water, and protect the soil. The "Go Green Together" seedling gifting event has been hosted every year since 2022 and we have given away a total of 14,400 seedlings to date, increasing urban greenery coverage rates and mitigating greenhouse gas emissions.

2) "Sustainability and Recycling Actions": Resource Recycling and Carbon Reductions

THSRC responded to the national "2050 Net Zero" carbon reduction target by continuing to promote sustainable recycling actions. Starting from March 2025, we placed "THSRC x rainqo eco-friendly shared umbrellas" at all rainqo shared umbrella stations located in the 12 HSR stations and around Taiwan. These shared umbrellas were made from plastic bottles recycled at HSR stations, and enabled THSRC to achieve carbon reductions by encouraging the public to rent instead of buy umbrellas. In 2025, these umbrellas were rented a total of 20,202 times, equivalent to carbon reductions of 172 tCO₂e. THSRC expanded sustainable recycling benefits by reusing waste and integrating shared economy concepts, fulfilling our commitments toward sustainable corporate development through practical actions and sustainable business philosophies.



3) High-Speed Educational Endowment Program

THSRC collaborated with the "Down Syndrome Foundation R.O.C." on the "High-Speed Educational Endowment Program" in 2025 and helped the public better understand people with disabilities while strengthening general understanding and support of inclusive education.



The 2-month fundraising period spanned from January 1 to March 2, 2025, and raised a total of NT\$ 14,132,207 in charity donations collected from HSR trains and stations. We estimate these funds will support therapeutic inclusive education activities for 8,000 people and help more than 850 families, enabling continued learning and growth in people with disabilities.

THSRC has hosted the "High-Speed Educational Endowment Program" annually since 2010. Over the past 16 years, we have raised more than NT\$ 190 million and helped with the learning and growth of more than 40,000 disadvantaged schoolchildren. We hope our passengers can continue to show love for others to build a brighter future and bring hope to Taiwan.

4) THSRC Smiling Train Program

Apart from providing high-quality transportation services to passengers, THSRC also fulfills corporate social responsibilities by working with charitable organizations and enterprises to provide HSR rides for disadvantaged groups so they can enjoy the beauty of Taiwan while traveling along Taiwan's western corridor. In 2025, a total of 39 disadvantaged groups and 1,666 individuals participated in this program and experienced the convenience and efficiency of the HSR.

A total of 941 disadvantaged groups and 151,969 individuals have participated in the THSRC Smiling Train Program since the program was launched in 2009. THSRC will continue to promote the THSRC Smiling Train Program in combination with education and charity resources to provide care and support to disadvantaged groups and families.

HSR Chiayi Station Delivers Love to Rehabilitation Patients



HSR Chiayi Station helped 25 rehabilitation patients from the Taichung Veterans General Hospital, Chiayi Branch Chin-Shin Ya-Chu Community Rehabilitation Center take the HSR to Taipei for a one-day trip. These patients had all worked hard to overcome mental illnesses, and this was the first HSR journey for many of them, so they cherished this trip very much. In order to express their gratitude, these patients performed a piece titled The First Experience of Summer, which displayed confidence and courage through song and dance.

Although this was just a short trip, it represented care and acceptance from society for many of the patients. THSRC hoped that this trip could serve as a first step to help rehabilitation patients integrate with society and develop a new outlook on life.

HSR Taichung Station Helped Elders with Hearing Disabilities Travel on the HSR

HSR Taichung Station helped a group of 26 people from the Taichung City Association for the Deaf take a one-day trip to Taoyuan on the HSR. The group included elders with hearing disabilities, family members, volunteers, and sign language interpreters. Before the journey, the stationmaster at HSR Taichung Station took a photo with all participants, and the elders conveyed their gratitude using sign language.



The Taichung City Association for the Deaf was founded 15 years ago and works to provide learning and interaction environments for elderly people with hearing disabilities. Association founder and executive secretary Sheng-Xiong Shi stated that the Association set up a special class for elders with hearing disabilities as they find it difficult to keep up when learning new things or interacting with others. He also thanked HSR Taichung Station for helping these elders with learning and traveling.



HSR Zuoying Station Sends Love to People with Disabilities

HSR Zuoying Station helped people with disabilities from the Kaohsiung City Rixin Care Association take a one-day trip to Taipei during the springtime. Before the journey, the stationmaster at HSR Zuoying Station gifted the passengers a ceremonial ticket and took a photo with them to wish them luck for the upcoming trip. The happy and excited passengers visited Jiufen Old Street, Shifen Old Street, the Gold Museum, and other well-known nostalgic attractions. This trip also allowed the hard-working caregivers to relax and create beautiful memories.

Association representative Jing-Wen Lin thanked THSRC for providing care to the disadvantaged in society and encouraging people with disabilities to enjoy different experiences while helping the public understand the importance of accessible travel. THSRC believes that this journey not only enriched the lives of these passengers by allowing them to experience the convenience and comfort of the HSR, but also gave them confidence and courage to step out of their comfort zones and explore new environments.

5) Annual THSRC Winter Outreach Blood Drive

As blood bank inventories in Taiwan tend to be low during the autumn and winter, THSRC launched the Winter Outreach Blood Drive initiative in 2012 and has consecutively hosted this event each year. In 2025, this blood drive initiative toured our stations and maintenance depots, receiving blood donations from 2,088 HSR employees and members of the public. We collected 3,112 bags of blood, 23% more than the previous year, and expressed sincere gratitude to all donors.



Over the past 14 years, more than 20,000 people have participated in our Winter Outreach Blood Drive events and donated around 32,000 bags of blood. Many participants now regularly donate blood through our blood drive at the end of the year. Donors receive exclusive souvenirs sponsored by THSRC which serve as a reminder of their generous actions.

6) HSR Employee T-SPORT Activities

We organized "HSR employee T-SPORT activities" to encourage our colleagues to establish good exercise habits for appropriate stress relief. Apart from our online marathon and various sports activities, we also organized a number of sports competitions to build team spirit, establish corporate governance, and improve employee engagement through healthy collaboration and competition.



A. "Summer Marathon": Our "Summer Marathon" online event was launched in 2021, and we continue to enhance digital experiences associated with this event through the multifunctional Walkii app, which facilitates employee participation and recommendation. In 2025, this event attracted 3,328 applicants, 2,778 of whom completed the marathon, achieving a record completion rate of 84%, total accumulated mileage of more than 477,490 kilometers, and more than 700 million steps walked. We asked our colleagues to share their achievements on online platforms to build a culture focused on exercise, promote cross-departmental interactions, strengthen employee loyalty and engagement, and help our colleagues improve their physical health.

B. "Sports competitions": In 2025, we hosted badminton, table tennis, slow-pitch softball, 3x3 basketball, and family football competitions. More than 800 employees participated in these five sports competitions. We hope these sports competitions can enhance employee health, inspire team spirit, and improve productivity.

7) THSR Art Festival

To demonstrate our support for the arts and strengthen ties with local cultures while cultivating an international perspective, we encourage our colleagues to participate in arts activities and immerse themselves in art and culture during their spare time to expand their horizons. We hosted a series of art performance activities as part of our "THSR Arts Festival" in 2025, including a family-friendly performance by the Ju Percussion Group, a performance of the popular stage show, Life of Pi, a performance of Swan Lake performed by the State Ballet of Georgia, and a heartwarming performance of The Miracles of the Namiya General Store performed by the renowned Godot Theatre Company.

We also organized private screenings of Marching Boys (a story based on the experiences of the Taipei Municipal Chien Kuo Senior High School Marching Band) and 96 Minutes (the first film in Taiwan themed around the HSR). In 2025, we hosted a total of 39 events attended by 2,311 employees and family members. THSRC launched the THSR Arts Festival in 2023 and has since organized a total of 96 events for 6,595 participants as part of our initiative to integrate art and culture into daily life.



The THSR Arts Festival focuses on strengthening ties with local cultures while cultivating an international perspective by formulating cultural integration strategies and implementing associated plans. In 2025, we were recognized by the Taiwan Creative Content Agency and received the Resource Support Award at the first ESG for Culture Impact Awards.



8) Energy Conservation, Plastic Reduction, and Green & Low-Carbon Actions for Environmental Sustainability

More than 4,800 HSR employees have participated in beach clean-ups from 2016 to 2025 on wetlands, sandy beaches, and tetrapod filled beaches. THSRC employees from north to south have cleared about 21,139 kg of ocean waste over the past few years, doing their part to maintain the beauty of Taiwan.

We actively work to fulfill our corporate social responsibilities and the government's "2050 Net Zero" policy goals. Our Employee Welfare Committee organized the "Cultivation for Environmental Sustainability" event at Siang Tain Elementary School in Erlin Township, Changhua County. Close to 100 THSRC employees participated in rice-harvesting activities and hands-on local agricultural activities to better understand the challenges of food production and show their appreciation for food. These practical actions enabled us to protect the environment and care for land resources. We hope that our efforts can ensure a beautiful and sustainable future for Taiwan as THSRC continues to make progress in environmental protection and carbon reduction.



(2) Environmental Protection

Pheasant-Tailed Jacana Preservation

In 1998, the pheasant-tailed jacana, a Level 2 protected species also known as the "water chestnut bird" and the "ripple fairy," faced a survival crisis as HSR's mainline passed through their habitat in Hulubei of Guantian District in Tainan. In order to conserve the pheasant-tailed jacana, THSRC worked with relevant units and, starting from 2000, invested more than NT\$ 70 million to build the first artificial habitat recovery ground in Guantian under a three-way collaboration project involving the government, construction units, and civil organizations. Many volunteers participated in habitat assessment, land rental, and construction processes, and many professionals and academics were also involved in this project, which caused the number of jacanas to rise from 9 in 2000 to 2,934 in 2025. The area of the jacana habitat was gradually increased; in 2007, we renamed the recovered habitat Jacana Park and opened it to the public.



More than 300,000 visitors have been recorded to date. To strengthen the educational value of this park, we created tour devices, galleries, and interactive displays to present the results of our native species restoration efforts and help the public better understand wildlife conservation. This project has also drawn the attention of international environmental units and conservation activists, serving as one of the few successful cases where economic development and conservation were able to coexist.

(3) Preservation of Railway Assets

Railway Asset Collection

THSRC initiates railway asset collection processes each year to ensure proper preservation of railway heritages. All business units are invited to propose cultural assets that showcase the operations, marketing, maintenance, milestones, major events, and corporate image of THSRC, as well as various historical documents or files with preservation or interpretive value. Other departments can also



submit proposals for relevant assets. A total of 37 assets and 99 items were selected in 2025. The pen used to sign the contract at the THSRC new-generation rolling stock supplemental agreement contract-signing ceremony was placed in the "Marketing and Public Affairs Souvenir Category" and the new THSRC tickets with QR codes were placed in the "Ticket/Commemorative Ticket Category." All selected items are important assets associated with THSRC developments and represent major milestones in the preservation of railway assets.

(4) Exchanges and Events

HSR Camps

To disseminate railway information and showcase HSR's development history, we organized 11 HSR camps in 2025, attracting 5,493 online applicants and 314 selected participants. Camp activities were segregated by age for university, high school, junior high school, and elementary school (fifth- and sixth-grade) students. The camps included visits to our THSR Museum, Operation Control Center, and Maintenance Base. We also organized a two-day activity for college students during the summer where camp participants visited our Yanchao Main Workshop to learn about annual rolling stock overhauls, bogie maintenance factories, and other professional railway knowledge. Actual experience on training tracks is an essential component for cultivating professional maintenance talents at THSRC.



We began launching railway camps during the winter and summer vacations starting in 2008. The camps provide a variety of courses for students of different ages, and include visits to our THSR Museum and maintenance depots so the students can learn about THSRC's history as well as different aspects of the HSR from repairs to operations. A total of 5,700 students have participated in these camps since they were launched in 2008, fully demonstrating the attraction of railway camps for students and helping us to continue exerting a positive influence on society.

THSR ART Together Program

THSRC integrates art with public spaces through the "THSR ART Together Program," which allocates space in HSR stations for group performances as well as individual singing, dancing, and musical performances, allowing passengers to appreciate the beauty of the arts while traveling with the HSR. In 2025, a total of 45 groups and more than 1,000 people performed in HSR stations. Performers included Raíces Mestizas, the Hsinchu Shinsing Elementary School Orchestra, and the Sweet'peas 5 Pianos Ensemble. This program was launched in 2015. As of year-end 2025, 792 groups and 21,990 individuals have performed at 9 HSR stations (Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Yunlin, Chiayi, Tainan, and Zuoying), demonstrating that this program has successfully established a platform for public arts that combines transportation with culture.



THSR Museum

To showcase the key events experienced by THSRC during BOT alliance formation, capitalization, government negotiation, station and route construction, independent validation and government surveys, contract management, financing, and transformation, the THSR Museum opened its doors in 2017. Planned and established around the rich cultural railway assets taken from the Planning, Construction, and Operations stages of the HSR, the comprehensive collection at the museum guides visitors in exploring the context behind Taiwan's third railway spatial revolution.

2027 will mark the THSR Museum's 10th anniversary. As THSRC works to launch its 2.0 system and upgrade services, the THSR Museum will also use new displays and spatial designs to build a diverse space that combines situational experiences with systematic learning to strengthen external communications, promote railway information, and serve as an important platform for disseminating our corporate culture. As of year-end 2025, a total of 326,461 people have visited the THSR Museum.



A group from the Yuan Yong Cun Community College in Changhua County visited the THSR Museum

(5) Technical Exchanges and Visitations

We continue to maintain good relations with our peers in the transportation and rail industries, and were involved with 23 academic societies and associations focusing on rail transportation, electromechanics, engineering, and travel associations in 2025. We ensure continued updating and innovation of our services and operational strategies through academic and experience exchanges with academic societies. THSRC also participated in a number of events hosted by academic societies and associations, and received the Intelligent Transportation Application Award and Intelligent Transportation Industry Innovation Award from ITS Taiwan, as well as the CSEA Best Customer Service Enterprise Award from the Taiwan Contact Center Development Association. THSRC President Bob Chen also received the Distinguished Engineer Award from the Chinese Institute of Engineers.



THSRC Chairman Che Shih led a delegation to Tokyo, Japan to participate in the 2025 International High-Speed Rail Association (IHRA) from October 22 to 25, 2025 to share experiences with other countries, promote international industrial cooperation, and enhance THSRC's international visibility and influence.



Governance

5. Effectiveness of Corporate Governance System

(1) Preliminary Review by Functional Committees

In accordance with the Guidelines for Corporate Governance, functional committees discuss 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 frequently 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 as well as regulations and resolutions of shareholder or Board meetings when carrying out 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://corp.thsrc.com.tw/corp/governance>) 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.

The Corporation began participating in the Corporate Governance Evaluations after a year of going public, starting with the 4th Corporate Governance Evaluations for 2017. As of the 11th Corporate Governance Evaluations for 2024, we have ranked among the top 5% of publicly listed companies for eight consecutive years. In order to enhance our corporate governance, we began participating biennially in the Taiwan Corporate Governance Association corporate governance evaluations starting from 2018, and received the CG6014 (2023) "Premium" certification in 2024. In future, we will focus on the ongoing influence of functional committees and independent directors. Furthermore, we will uphold enterprise autonomy principles, consistently review corporate governance frameworks and mechanisms, and strengthen corporate governance systems to become a benchmark for corporate governance.

Details of our corporate governance implementations can be found in Chapter 3 of this Annual Report or on the "Corporate Governance" section of our website.

(5) Fulfill Corporate Social Responsibilities and Implement Sustainable Operations

Since our establishment, we have set fulfillment of corporate social responsibilities as the foundation of our core services. We continue to invest efforts in social care, environmental protection, and corporate governance, and view corporate social responsibility as one of our core values for promoting economic, social, environmental, and ecological balance as well as sustainable developments to achieve our goal of sustainable management.

In 2017, we drafted a strategic roadmap using our 4Ts (Transportation, Technology, Taiwan, and Touch) as the main pillars of our sustainable management strategy. We reviewed our Corporate Governance 3.0 Blueprint for Sustainable Development in 2020 and adjusted our operational strategies and future outlooks in accordance with corresponding UN SDGs to strengthen our goals and maintain consistency in our core operations. Due to our outstanding performance in sustainable development, we were once again listed in the Corporate Knights Global 100 Most Sustainable Companies in 2026, ranking fifth globally, making this the fourth consecutive year that we have ranked as one of the top ten most sustainable companies in the world. We also ranked first in the Asia Pacific 50 Most Sustainable Corporations.

Looking to the future, we plan to implement comprehensive upgrades aligned with our core philosophy, "Powered by innovation and guided by sustainability," which include introducing new-generation N700ST rolling stock to elevate service standards, strengthening our resilience to extreme climate conditions, accelerating digital transformation to build a smart HSR system, collaborating with local suppliers to enhance industrial capabilities, implementing environmental sustainability while optimizing workplace environments, and fostering local partnerships to create diverse business opportunities. Our new-generation N700ST rolling stock are expected to arrive in Taiwan this August, and are scheduled to enter service in the second half of next year. In addition to the lightweight design, high performance, energy efficiency, and enhanced comfort, the N700ST will also include many accessible facilities. We hope these upgrades will enable all passengers to enjoy pleasant and safe travel experiences while demonstrating our commitment to continuous improvement and steady progress toward our sustainability goals.



7

Financial Overview

1. Review of Financial Conditions, Financial Performance, and Risk Management

(1) Analysis of Financial Status

Unit: NT\$ thousands

| Item | Year | 2025 | 2024 | Difference | % |
|-------------------------------|------|--------------------|--------------------|--------------------|---------------|
| Current Assets | | 25,552,617 | 25,956,545 | (403,928) | (1.56) |
| Property, Plant and Equipment | | 276,851 | 246,020 | 30,831 | 12.53 |
| Operating Concession Assets | | 342,400,187 | 345,659,449 | (3,259,262) | (0.94) |
| Other Assets | | 12,572,861 | 12,009,298 | 563,563 | 4.69 |
| Total Assets | | 380,802,516 | 383,871,312 | (3,068,796) | (0.80) |
| Current Liabilities | | 26,373,772 | 31,379,549 | (5,005,777) | (15.95) |
| Non-Current Liabilities | | 281,655,981 | 280,416,775 | 1,239,206 | 0.44 |
| Total Liabilities | | 308,029,753 | 311,796,324 | (3,766,571) | (1.21) |
| Share Capital | | 56,282,930 | 56,282,930 | - | - |
| Capital Surplus | | 172,981 | 172,981 | - | - |
| Retained Earnings | | 16,316,852 | 15,619,077 | 697,775 | 4.47 |
| Total Equity | | 72,772,763 | 72,074,988 | 697,775 | 0.97 |

Analysis of differences over 20%: None.

(2) Analysis of Financial Performance

Unit: NT\$ thousands

| Item | Year | 2025 | 2024 | Difference | % |
|---|------|--------------|--------------|------------|--------|
| Operating Revenue | | 54,648,456 | 53,185,664 | 1,462,792 | 2.75 |
| Operating Costs | | 31,007,179 | 29,828,709 | 1,178,470 | 3.95 |
| Gross Profit | | 23,641,277 | 23,356,955 | 284,322 | 1.22 |
| Operating Expenses | | 2,140,975 | 1,861,329 | 279,646 | 15.02 |
| Net Operating Income | | 21,500,302 | 21,495,626 | 4,676 | 0.02 |
| Non-Operating Income and Expenses | | (13,384,699) | (13,454,505) | 69,806 | 0.52 |
| Income Before Income Tax | | 8,115,603 | 8,041,121 | 74,482 | 0.93 |
| Income Tax Expense | | 1,535,416 | 1,589,693 | (54,277) | (3.41) |
| Net Income | | 6,580,187 | 6,451,428 | 128,759 | 2.00 |
| Other Comprehensive Income | | 27,296 | 28,119 | (823) | (2.93) |
| Total Comprehensive Income for the Year | | 6,607,483 | 6,479,547 | 127,936 | 1.97 |

Analysis of differences over 20%: None.

(3) Analysis of Cash Flow

1) Cash flow analysis for the current year:

A. Net cash flows from operating activities was NT\$ 20,691,035 thousand, mainly from cash inflows generated from operations and partially offset by interest payments, income tax, and profit sharing.

B. Net cash flows used in investing activities was NT\$ 9,558,091 thousand, mainly from purchases of operating concession assets.

C. Net cash flows used in financing activities was NT\$ 10,634,042 thousand, mainly due to decreases in short-term notes and bills payable, bond repayments, and cash dividend payments.

2) Improvement plan for insufficient liquidity: Not applicable.

3) Cash flow analysis for the coming year:

Unit: NT\$ thousands

| Beginning Balance (1) | Estimated Net Cash Flow from Annual Operating Activities (2) | Estimated Annual Cash Outflow (Inflow) (3) | Estimated Cash Surplus (Insufficient) Amount (1)+(2)-(3) | Expected Remedies for Insufficient Cash | |
|--------------------------|--|---|--|--|----------------|
| | | | | Investment Plan | Financial Plan |
| 4,799,873 | 21,525,000 | 20,391,873 | 5,933,000 | — | — |

(4) The Impact of Recent Major Capital Expenditures on Financial Operations

- 1) The utilization of major capital expenditures and sources of funding

Unit: NT\$ thousands

| Project | Actual or Expected Source of Funding | Actual or Expected Completion Date | Total Funds Required | Actual or Scheduled Use Of Funds | | |
|-------------------------|--------------------------------------|------------------------------------|----------------------|----------------------------------|-----------|------------|
| | | | | 1997-2024 | 2025 | 2026 |
| High-speed rail project | Private funds and bank loans | December, 2006 | 528,280,681 | 502,138,713 | 9,871,968 | 16,270,000 |

Note: The high-speed rail project was completed and began officially operating in January 2007. Major capital expenditures for 2025 and 2026 mainly encompass equipment replacements, spare parts maintenance, and procurement of new-generation rolling stock. The above capital expenditures did not include non-capitalization costs during the construction period.

- 2) Expected benefits generated:

The Taiwan North-South High-Speed Railway commenced operations on January 5, 2007; the number of passengers surpassed the 900-million mark in December 2024, and our passenger volumes continue to grow. We transported 82.07 million passengers in 2025, meaning we transported an average of 225 thousand passengers along the western corridor of Taiwan via high-speed rail every day. As of December 31, 2025, we have transported more than 984 million passengers. The Corporation is market-oriented and has adopted marketing strategies to adjust train frequencies and promote revenue growth based on passenger demand. We also strive to implement various plans for cost reduction, and continue to improve operational quality so we can offer safe, reliable, comfortable, and convenient travel services that live up to passenger expectations.

In addition to providing fast and safe transportation services, the construction and operation of the high-speed rail project has external other benefits such as saving time and costs for society, increasing governmental tax revenues, creating employment opportunities, integrating community development, and maintaining environmental resources.

(5) The Most Recent Annual Investment Policy, the Main Reason for Its Profit or Loss, the Improvement Plan and the Investment Plan for the Next Year

1. Investment policy: The Corporation's investments consider ESG (environment, social, and governance) indicators as well as the long-term stability of corporate operations. All investment proposals are submitted to the Ministry of Transportations and Communications for approval in accordance with the provisions of our construction and operation agreements.
2. Main reason for profit or loss: No profits or losses were recognized for 2025.
3. Investment plan for the next year: None.

2. Analysis of Risk Management

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

- 1) Interest Rates

THSRC is engaged in the capital-intensive construction and operation of public infrastructure, and our operations are regulated by related concession contracts. Our interest payments for bank loans in 2025 amounted to NT\$ 5,199,097 thousand, accounting for 9.51% of the Corporation's operating revenue. The central bank kept its policy interest rate unchanged and maintained the discount rate at 2% in 2025. Looking forward, it seems unlikely that the interest rate of the NT dollar will rise significantly in the short term, which is conducive to reduction of interest burdens for financing loans. The Corporation also continues to actively decrease liabilities and interest expenses through various measures. In future, we will make timely adjustments to utilization of funds according to changes in interest rates.

2) Foreign Exchange Rates

Due to the interest rate policies of the US Federal Reserve (FED), foreign capital remittances, and other factors, the NT dollar exchange rate appreciated in 2025. We expect the NT dollar exchange rate will continue to be affected by the strength of the international dollar in the future. In 2025, the Corporation's ratio for foreign currency exchange profit (loss) to operating revenue was 0.01%, indicating that exchange rate fluctuations had little impact on our revenues and operations. In line with foreign currency payments required by various contracts, the Corporation uses forward exchange contracts to reduce exchange rate risks. In future, we will continue to seek favorable opportunities to hedge against the impacts of exchange rate changes.

3) Inflation

In terms of inflation, the Directorate-General of Budget, Accounting, and Statistics estimated that the annual growth rate of the consumer price index (CPI) in Taiwan for 2025 was 1.66%, and domestic prices are holding stable compared to other regions. THSRC's fares are adjusted in accordance with inflation rates, and therefore the impacts of inflation are low.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High- Risk, High-Leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Corporation so far has not been involved in the lending of funds to others; our sole endorsement guarantee involves guarantees of customs duties handled by the Corporation itself. Our balance as of December 31, 2025 was NT\$ 62,000 thousand, and our balance on March 31, 2026 was NT\$ 62,000 thousand.

The Corporation's transactions in derivative products adhere to our internal management regulation, "Handling Procedure to Engage in the Transaction of Derivative Products," and are used for hedging purposes. All transactions are audited by certified public accountants. In future, we will continue to utilize derivative products when appropriate to hedge risks.

(3) Future Research & Development Projects and Corresponding Budget

We plan to continue investing in R&D. Our civil construction R&D projects include working with the Industrial Technology Research Institute to develop applications for post-earthquake AI drone viaduct inspections that strengthen resilience in real-time responses to disasters and earthquakes; working with a domestic research institute to jointly develop a viaduct pier locking device integrated with IoT monitoring capabilities and other new technologies suitable for use in HSR viaducts to ensure operational safety; and optimizing our automatic slope cloud monitoring platform and developing AI applications to enable AI storm warnings, IoT monitoring of variable patterns and trends, and automated interpretation of CCTV footage to improve slope monitoring and analysis functions associated with operational safety, shift from passive monitoring to active warning, support risk prevention and decision-making, and ensure the safety of HSR slopes.

For our rolling stock system, we are continuing to work with national universities and local technology companies to develop maintenance equipment and study new maintenance technologies. Our localization of maintenance equipment not only reduces costs and single-sourcing risks, but also helps to improve inventory management efficiency, enhance timeliness of emergency component purchases, and facilitate technology transfers to local manufacturers.

For our track and power system, we continue to develop our own train waving automatic measurement system (currently working on optimizations in Phase II) and have purchased locally manufactured OCS maintenance vehicles from China Steel Corporation.

Planned R&D projects and expenditures are as follows (adjusted as appropriate in accordance with corporate operations):

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|--|---|---|---|--|---|
| Civil Construction Facilities Research & Development | HSR Intelligent Drone Viaduct Inspection and Maintenance System | Developed in collaboration with ITRI, and will be implemented in two stages over 24 months. | This project will extend prior technological achievements, expand viaduct inspection databases and cloud architecture functions, develop AI rapid screening and recognition technologies, integrate 3D platforms, and establish AI command centers, improving related applications and intuitive interpretations. Apart from technological enhancements, this project also aims to improve hardware facilities and personnel training, strengthen HSR drone viaduct inspection resilience, and enable real-time responses to disasters and earthquakes. | Final verifications for the previous project were completed on November 12, 2024, and on-site surveys were conducted on November 14, 2025 at the end of the warranty period. Contract signing procedures for Phase III of this drone project are currently ongoing, and we plan to commence a new AI drone viaduct inspection application development project in the first half of 2026. | Investments in 2026: 14,037; investments in 2027: 13,873. |
| | Research on HSR Viaduct Locking Devices | Conducted in collaboration with Sinotech Engineering Consultants. The first phase of the project is scheduled to last 26 months. | As the warranties for the viaduct locking devices put in place during HSR's construction period have all expired, we are currently working with a domestic research institute to jointly develop viaduct locking devices suitable for use on HSR viaducts that can provide effective protections. The original 33 lock types have been consolidated into 5 lock types and IoT monitoring technologies have been integrated to ensure operational safety. | The contract was signed at the end of 2025 and R&D procedures will commence in March 2026. | Investments in 2026: 47,741; investments in 2027: 41,529; investments in 2028: 18,635. |
| | Relevant Research on the Reduction of Seismic Displacement After Implementation of Dampers on Viaducts in the Tainan Area (Including Construction Improvements and Analysis of Quantitative Feedback) | Research on use of dampers to shrink seismic displacement based on HSR structural characteristics | Phase I: Avoid track damage from relative lateral displacements of viaduct structures and install structural monitoring systems. Phase II: Continue to research, evaluate, and improve specific structural issues (this phase commenced in 2024). | Completed improvements in 2024 and added new dampers to reduce relative lateral displacement by 80% based on monitoring records and feedback analysis. | Investments in 2022: 43,296; investments in 2023: 45,070; investments in 2024: 4,547; investments in 2025-2027: 827 per year. |
| | Automatic Slope Cloud Monitoring Platform Optimizations and Development of AI Applications | Enable AI storm warnings, IoT monitoring of varied patterns and trends, and automatic interpretation of CCTV footage, so we can shift from a passive monitoring model to an active warning model. | Supports risk prevention and decision-making, ensuring HSR slope safety. | Continue to establish IoT monitoring stations in 2025-2027 and develop AI modules while implementing regular monitoring and assessment procedures. | Investments in 2025: 4,500; investments in 2026: 24,000; investments in 2027: 15,500. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|---|--|---|--|---|--|
| | Expansive Slope Surveys and Safety Assessments | Use satellites, GPS, LiDAR, and other emerging remote technologies to track external environmental factors along our routes. | Identify sensitive slope areas for subsequent follow-up, monitoring, management, and implementation of prevention measures and improvements, thereby enhancing slope stability and operational safety. | Equipment installation and technology integration were implemented from 2022-2024, and periodic monitoring and assessment will be conducted from 2024-2026. | Investments in 2022: 7,500; investments in 2023: 4,670; investments in 2024: 4,800; investments in 2025: 12,400; investments in 2026: 5,200. |
| Signaling System Research & Development | Improvement, Innovation, and R&D of PLC Switch Controls | In order to improve the reliability of turnout control boxes and reduce reliance on foreign manufacturers, the Corporation researched and developed proprietary innovative technology products to construct alternative turnout control boxes. Highly reliable PLC mainframes were used to replace traditional relays to achieve sequential control functions. | Decrease relay numbers and strengthen reliability of existing turnout controllers, reducing impacts on customer service caused by turnout failures. | Replacing existing Siemens enclosures at 145 existing turnouts (including 3 training enclosures) with locally developed turnout control enclosures. This project was designed in-house using 100% domestic products. The project commenced on January 13, 2021 and the construction period lasted for 70 months. Replacements of the 145 turnouts (including 3 training enclosures) on the entire line will be completed by the fourth quarter of 2026. | Investments in 2021: 51,119; investments in 2023: 143,133; investments in 2024: 127,798; investments in 2025: 110,149; investments in 2026: 140,076. |
| | R&D on Railway Intelligent Turnout Monitoring System (TMS) | In order to improve detection of turnout fault warnings and reduce reliance on foreign manufacturers, the Corporation researched and developed a turnout monitoring system to replace the original imported monitoring system with innovative technology products. Highly reliable industrial grade controllers were used to replace traditional circuit board components to strengthen weather resistance and stability. | Monitor trends of changes in turnout sensor values for advance maintenance and adjustment before turnout failure to prevent failures during operations. | Replaced 82 existing TMS with locally developed and redesigned intelligent TMS systems which used 100% domestic products and were designed by THSRC. Construction for the project commenced on April 19, 2021 and the construction period lasted for 48 months. Replacements of the 82 turnouts on the whole line was completed in the third quarter of 2025. | Investments in 2021: 26,667; investments in 2022: 80,000; investments in 2023: 53,333; investments in 2024: 53,333; investments in 2025: 53,333. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|---|---|---|--|---|--|
| Communication System Research & Development | Innovative Developments of Intelligent Passenger Information System (PIS) | To strengthen provision of real-time information by our Passenger Information System (PIS) for efficient operational management and to lower our dependence on foreign R&D capabilities, we conducted our own R&D and used innovative technological products to build a PIS. Phase 1 updated and upgraded control software and servers. Phase 2 updated and upgraded display units (PIDS) in lobbies and on platforms. Phase 3 added new platform display units near carriage doors for stations north of Taichung (included). Phase 4 added new platform display units near carriage doors for stations south of Taichung. Phases 5 and 6 will update and upgrade PIS systems and add platform display units at four new stations. | Improve passenger experiences and operational management; new technologies and products enhance service quality. | Phases 1 and 2 were initiated on December 27, 2018; R&D was completed in 2019, construction commenced in 2020, and installations were completed for 8 stations in October 2022. Phases 3 and 4 were initiated on December 11, 2019, and PIS upgrades for 8 stations were completed in October 2022. Equipment upgrades for all 12 stations will be completed in 2026. | Investments for phases 1 to 4: 411,119; investments in 2023: 2,231; investments in 2024: 2,231; investments in 2025: 97,917; investments in 2026: 225,498; investments in 2027: 2,231. |
| | Innovative R&D on Public Address (PA) System | In order to improve the broadcasting capabilities of our PA system under different conditions and reduce reliance on foreign vendors, we used innovative technologies to develop our own PA system that enables efficient and intelligent provision of passenger information in real time. | Improve passenger experiences and operational management by using new technologies and products to enable better service quality. | This project officially commenced on November 14, 2024, and we plan to replace the PA systems at all 18 sites along our main line, including stations and maintenance depots. We have currently completed initial installations for the first phase of the project and the project is scheduled to be completed in 2030. | Investments in 2025: 29,829; investments in 2026: 44,743; investments in 2027: 29,829; investments in 2028: 29,829; investments in 2029: 64,628; investments in 2030: 116,000. |
| | OCC Video Wall System Replacement | In order to enhance OCC monitoring, command, and control capabilities for HSR operations across the main line, THSRC reorganized and redesigned hardware architecture for the OCC video wall system using independent designs and localized development capabilities, integrating mainstream LED TV video walls with upgraded display technologies to provide diverse information for operational decision-making. | (1) Improve system stability, accessibility, and maintenance efficiency. (2) Enhance digital image display quality. (3) Integrate information for operational decision-making and allow for expanded intelligent utilizations. | The project officially commenced on November 14, 2024. We have currently completed initial installations for the first phase of the project and the project is scheduled to be completed in the fourth quarter of 2026. | Investments in 2025: 56,667; investments in 2026: 56,667. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|----------|--|--|---|---|---|
| | Increase Bandwidth of Free Station and Train Wi-Fi Services to 10 Mbs | <p>(1) Increased bandwidth of free passenger Wi-Fi services at all stations and on trains (SSID: THSR_free WIFI_ ALL) to at least 10 Mbs in 2024.</p> <p>(2) Set up remote monitoring of Wi-Fi system equipment at all stations and on trains to enable remote automatic reconfiguration and real-time troubleshooting; troubleshooting personnel can be dispatched quickly and precisely in the event of reconfiguration failure.</p> | <p>(1) Improved the quality of free passenger Wi-Fi services.</p> <p>(2) Remote monitoring of station and train Wi-Fi equipment enabled remote automatic reconfiguration and real-time troubleshooting, improving system reliability.</p> <p>(3) Enabled precise and rapid dispatching of maintenance personnel for smart repair services.</p> | The bandwidth of free passenger Wi-Fi services at all stations and on trains (SSID: THSR_free WIFI_ ALL) was increased to at least 10 Mbs. The project is currently in the procurement stage, with contract periods spanning from January 2025 to June 2027. | 22,619/2.5 years. |
| | Digitalization of TETRA Main Radio System (MSO) and Network IP Upgrade | To improve wireless communication quality between our OCC, train drivers, station personnel, train personnel, and maintenance personnel when trains are in operation, and to enable wireless communication for night maintenance and construction work, our original TETRA wireless communication system, which was fully reliant on a system developed by a Japanese company, was replaced with a self-developed and upgraded wireless radio system. During the first phase of the project, a Taiwanese company implemented system host upgrades in accordance with THSRC requirements, while the original Japanese company acted as a contractor, allowing us to achieve initial localization goals. The localization rate for the entire project was set at no less than 18%. | <p>(1) Improved OCC wireless communication quality by integrating new digital technologies, new products, and IP network technologies to provide better and safer system services.</p> <p>(2) Achieved initial localization goals and a localization rate of at least 18%.</p> <p>(3) The overall stability and reliability of our wireless communication system was improved by a stable and reliable new-generation TETRA MSO system with no issues related to discontinuation of production and maintenance support.</p> | <p>(1) The new system went live on August 29, 2022.</p> <p>(2) The system passed stability testing and verification on December 9, 2022.</p> <p>(3) The project was completed on March 5, 2023 and entered a 2-year warranty period spanning from March 6, 2023 to March 5, 2025.</p> | 568,095. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|--------------------------------------|---|--|--|---|---|
| | (DTS_FOC) Data Transmission System and Fiber Optic Cable System Expansions | <p>(1) The systems and equipment at our OCC, as well as all depots, stations, signaling facilities, and electrical rooms, use the DTS_FOC to transmit various operational and control signals.</p> <p>(2) Our DTS_FOC data transmission system has been in operation for more than 15 years and is now faced with discontinuation of system maintenance materials and increased maintenance costs, limiting its expansion capacity. We therefore examined the requirements and technologies needed for a new-generation data transmission system.</p> <p>(3) Digital transformation has become a global trend following rapid advances in digital technologies. Expansions and upgrades of the new system are required to support the operational needs of the next 15 years and facilitate future maintenance and application of IoT, big data, and AI for smart rail transportation.</p> <p>(4) Following analysis of the aforementioned factors, we implemented a new-generation Multiprotocol Label Switching (MPLS) system and established infrastructure to facilitate big data analysis, AI, and IoT applications.</p> <p>(5) To avoid affecting the operations of our current system, our expanded DTS_FOC system currently co-exists alongside our original SDH system and we are gradually transferring data transmission services for all HSR subsystems.</p> | <p>(1) The new system will facilitate installation of new-generation smart monitoring systems, smart security systems, multimedia information, and smart electrical equipment to meet transmission bandwidth and traffic needs.</p> <p>(2) Reduce operational risks while achieving system expansion and upgrading.</p> <p>(3) Facilitate gradual upgrades, expansions, and integration with data transmission systems in accordance with transmission bandwidth needs for each subsystem.</p> | <p>(1) The project was initiated on September 20, 2022.</p> <p>(2) Initial configurations were completed on March 19, 2023.</p> <p>(3) Detailed configurations were completed on June 17, 2023.</p> <p>(4) Installations and construction work were completed on May 7, 2025.</p> <p>(5) The project will be completed on February 15, 2026</p> | 583,619. |
| Rolling Stock Research & Development | Real-Time Train OBC (On Board Computer) Data Management Monitoring, Integration and Transmission, and Analysis System | Use IoT to conduct real-time monitoring, integration and transmission, and analysis of train OBC data. | Enhance analysis of train faults, reduce repair times, and expand train operational databases and big data analytics abilities. | Phase I trial contracts have been signed and on-train trials will be initiated following delivery of testing equipment. | The project is currently in the technical discussion phase. Budget for phase I in 2025: 190 |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|---|---|---|--|---|---|
| Material Localization | Improvement of Train Toilet Spaces | Toilet equipment enhancements and FRP wall trim re-filming. | Improve toilet equipment to improve aesthetics and passenger service quality. | 2024~2027: Design, testing, installation, and construction. Work has been completed on 3 trainsets. | Total budget of 140,342 |
| | Development of Control Switches | Design and manufacturing. | Maintain system functions while reducing maintenance costs. | Under development. | Development costs: 15,280 |
| | Leather Armrests for First-Class Carriages | Development of domestically sourced materials. | Fulfill localization policies and enhance service quality. | Under development. | Development costs: 3,600 |
| | E301 Table Trays for Standard Carriages (Second Source) and New Table Trays for First-Class Carriages | Development of domestically sourced materials. | Fulfill localization policies and enhance service quality. | Under development. | Development costs: 19,749 |
| | Relay Boards for Ventilation Equipment | Development of domestically sourced materials. | Fulfill localization policies and reduce maintenance costs. | Under development. | Development costs: 3,500 |
| | Door Chime Controllers | Development of domestically sourced materials. | Fulfill localization policies and reduce maintenance costs. | Under development. | Development costs: 2,863 |
| Track & Power System Research & Development | Domestic Development of Automatic Measurement System for Rolling Stock Vibrations (Phase II) | Install measurement devices on 10 trains to expand scope of rolling stock vibration monitoring. | Reduce manpower required for post-earthquake speed adjustment testing. | Under development. Contract period: 2024-2027. | Total budget of 15,429 from 2024-2027. |
| | Phase II Procurements of OCS Maintenance Vehicles | Purchased 8 MV type vehicles and 2 sets of CS vehicles (4 vehicles). | Improve repair efficiency and personnel safety. | Under development. Contract period: 2025-2031. | Estimated total contract amount: 1,564,762. |
| | Establishment of Maintenance Vehicle Simulation Training Equipment | Establish "Maintenance Vehicle Simulation Training Equipment" for dynamic training simulations. | Refine management mechanisms to enhance organizational efficiency. | Under development. Contract period: 2023-2026. | Total budget of 66,476 from 2023-2026. |
| | Real-Time GIS Insulating Gas Monitoring System | Adopt real-time insulating gas monitoring system for use with GIS switchgear. | Enable early detection of anomalies to enhance system reliability. | Currently formulating project plans. Construction period: 2026-2027. | Total budget of 28,000 from 2026-2027. |
| | AI System for Partial Discharge Detection in High-Speed Rail Power Transformers | Develop an AI algorithm for noise filtering, database integration, and trend analysis. | Enhance system stability and warning and response capabilities. | Currently formulating project plans. Construction period: 2026-2027. | Total budget of 12,000 from 2026-2027. |
| | Development of OCS Composite Insulator Information Management System and Aged Equipment Analysis | Establish composite insulator information management system platform for the entire main line. | Establish maintenance data management and analysis platform to provide recommendations for maintenance strategies. | Under development. Contract period: 2023-2026. | Total contract amount: 15,150. |
| | Development of OCS Measurement Data Management and Trend Analysis System | Develop a system for management of OCS testing data and to predict abrasion trends. | Integrate maintenance data to establish predictions of maintenance trends. | Completed system development and verification testing. Contract period: 2023-2025. | Total contract amount: 4,700. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|-------------------------------|---|---|---|---|---|
| | Development of Track Area Monthly Schedule Coordination System (TASCS) | Establish Track Area Monthly Schedule Coordination System with visualization and scheduling optimization functions. | Digitalize and optimize maintenance management. | Completed system development and verification testing. Warranty period: 2025-2026. | Total contract amount: 11,714. |
| | Development of AI Software for Track Visual Imaging System | Development of AI-based learning and training software for automatic optical inspection data defect recognition on EM120-I track inspection vehicles. | Eliminate known defect patterns to lower manpower demands and improve overall operational efficiency. | Under development. Contract period: 2025-2027. | Total contract amount: 4,686. |
| System Research & Development | Advanced Open Reservation System (AORS) Phase II Transfer of Core Functions | Transfer core ticket reservation module functions from the current mainframe system to a private cloud-based open platform microservices architecture to establish a flexible and scalable open system architecture that enables autonomous operations in the future. The main components of this project include the system infrastructure, the Business Strategy Management (BSM) module, and the core functions of the Advanced Open Reservation System (AORS). The project was initiated in September 2021 and is scheduled to go live in May 2026. | <ul style="list-style-type: none"> (1) Transfer core ticket reservation functions from the current mainframe to a private cloud-based open platform microservices architecture. (2) Enable flexible adjustment of system operating capacity according to transaction volumes. (3) Enable autonomy of system maintenance and operations. | Main project items include <ul style="list-style-type: none"> (1) BSM Version 2.0 and core functionality migration. (2) Both items were originally scheduled for simultaneous launch in September 2025, but the launch date was adjusted to September 2026 to ensure the quality and stability of the new system. | 97,200. |
| | Automatic Fare Collection System (AFCS) Station Equipment Cloud Services | <ul style="list-style-type: none"> (1) Break down and containerize ticketing functions within the cloud to avoid redundant development, facilitating labor and cost savings. (2) Present ticketing functionality through browsers to effectively reduce the size of application software files, utilizing lightweight designs for device functionality. | <ul style="list-style-type: none"> (1) Enables centralized management and avoids redundant development. (2) Shortens software development times and enables quick responses to business unit requirements. (3) Standardizes TWE/TVM ticketing equipment specifications, increasing local supply sources, and reducing procurement costs. | Functionality developments have been completed and are undergoing testing. The system is scheduled to go live in the second quarter of 2026. | 40,516. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|----------|--|--|--|--|---|
| | Integration of Voice Purchasing Mechanisms in Automatic Ticket Vending Machines | <ol style="list-style-type: none"> (1) Add voice purchasing functions for one-way tickets to ticket vending machines (TVMs). The voice module package includes speech-to-text, text-to-speech, echo cancellation, and maintenance functions. (2) Hardware modifications include adding microphones to the fan modules. (3) Expand voice AI module and establish AITS voice training database. (4) Build O&M control workstations at HSR stations to manage voice function switches. | In addition to providing individual dialogue responses, the system can also recognize free style, natural-speech booking requests. Implementing contactless ticketing features enhances the user-friendliness of the TVM transaction interface, offering a more convenient and simple ticketing experience for passengers with mobility issues or passengers who prioritize epidemic prevention, thereby achieving our strategic digital transformation service goals. | The project commenced in February 2025 and the system is scheduled to go live in April 2026. | 5,130. |
| | Development and Deployment of QR Code Paper Ticket Issuance Functionality for Automatic Ticket Vending Machines (TVMs) | Digital transformation of AFCS station equipment (including additional TVM retrofits for QR code ticket dispensers) to enable full adoption of QR code paper tickets. This project will incorporate QR code paper ticket functionality into third-generation and fourth-generation TVM magnetic ticket modules. | <ol style="list-style-type: none"> (1) Ensure consistent stationwide services and phase out all magnetic tickets. (2) Use the same modules to retrofit TVMs and TWEs, enabling shared use of maintenance components. (3) Accelerate decommissioning of gate validators to reduce magnetic ticket module maintenance costs. (4) Uses the same paper tickets as TWEs to save on magnetic ticket procurement costs. | The project is scheduled to commence in January 2026 and is expected to go live in September 2027. | 29,000. |
| | Integrated Smart Marketing Platform-iSmart | <ol style="list-style-type: none"> (1) Integrates HSR transportation services with shuttle services and establishes an integrated marketing platform with dining, apparel, accommodation, transportation, education, and recreation vendors. (2) Uses agile methods to establish the main functions of the platform and gradually adds layers for product components, core functions, and passenger interactions. (3) Integrates member economy, travel products, itinerary planning, digital sales, and precision marketing to build a marketing platform with multiple functions and extensive products. (4) Integrates HSR ticketing services with existing tourism and retail products, as well as additional transportation and product services. | <ol style="list-style-type: none"> (1) Effectively integrates transportation resources to provide convenient transfers for HSR passengers. (2) Collection of travel-associated big data will enable development of new business opportunities and automated marketing applications. | The platform will be developed around T-MaaS applications and will be implemented in three phases. Phase I commenced in May 2023. User testing is currently ongoing. Final verifications and platform launch are scheduled to be completed in June 2026. | 63,838. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|----------|--|---|---|---|---|
| | Digital Multi-Ride/ Periodic Tickets | Build a "digital multi-ride ticket/periodic ticket system" which allows passengers to purchase multi-ride and periodic tickets on their mobile phones. The system generates QR codes for entering and exiting ticket gates, improving passenger ticketing service experiences. | <ul style="list-style-type: none"> (1) Encourages multi-ride ticket/periodic ticket passengers to purchase and return tickets through their mobile phones to improve the efficiency of ticket window services. (2) Reduces ticket window service hours by 142 hours each month. | The project officially commenced in July 2025 and pre-procurement structural reviews have since been completed. Development and deployment are expected to begin in the second quarter of 2026, and final verifications and system launch are scheduled for the second quarter of 2027. | 24,640. |
| | New Generation Travel Platform | Plan and develop a "New Generation Travel Platform" that serves as an integrated sales system for all THSRC travel products and provides a centralized B2B management platform that accelerates time to market and delivers enhanced customer experiences. (Phase I will prioritize onboarding of T Holiday packages and curated customizable products.) | <ul style="list-style-type: none"> (1) Enhance conversion rates through improved product flexibility and optimized user interfaces. (2) Enhance operational efficiency and improve passenger satisfaction. | Pre-procurement structural reviews have been completed for this project. Development and deployment are expected to begin in the third quarter of 2026, and the system is scheduled to be launched in the fourth quarter of 2027. | 30,239. |
| | E-Coupon System Phase II (Travel Products) | Issued coupons can be redeemed across different travel product platform systems, including the ticketing management system for authorized travel agencies (T Holiday AGTS), cross-industry collaboration platform (B2BJP), overseas ticketing management system (OTS), and ticketing distribution system (TKCS). | <ul style="list-style-type: none"> (1) Replacing paper coupons with e-coupons reduces management and communication costs associated with paper coupons, and aligns with THSRC's ESG policies. (2) Strengthens bargaining power in cross-industry negotiations and increases diversified marketing opportunities, enabling expansions into new markets and driving business growth. | The project commenced in November 2025 and is currently in the requirement discussion and system architecture design phase. | 10,994. |
| | On-Train Fare Adjustment (SMIS) and On-Train Retail Sales (OBPOS) Credit Card Electronic Slip System | Fare adjustments and retail sales mostly take place on board trains, and the proportion of credit card transactions is steadily increasing, driving the need for a digital signature system. This system replaces physical merchant credit card slips with digital signatures captured directly by card reader screens, and digital receipts are stored securely by the acquiring bank. | <ul style="list-style-type: none"> (1) Environmental sustainability: Achieves paperless transactions by eliminating the need for merchant credit card slips, meeting green finance and carbon reduction goals, resulting in annual savings of NT\$ 200,000 in paper costs. (2) Process optimization: Signatures are automatically transmitted to acquiring banks, significantly reducing the time required for manual verification, filing, and retrieval, saving approximately 3,580 labor hours per year. (3) Storage space optimization: Reduces physical storage needs required for long-term record-keeping of paper documents. | This project is scheduled to go live in March 2026. | 0. |

| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|----------|--|--|--|--|---|
| | Intelligent Safety Cloud-Safety Mall | <p>(1) Combine heterogeneous data, provide support for Safety Mall cloud platform and smart databases, and use generative AI to build a single and smart query platform.</p> <p>(2) Develop mobile digital tools and management support platforms for operational safety management and to support decision-making.</p> | <p>(1) Allow all units to achieve 95% timely completion rates in incident investigation processes.</p> <p>(2) Increases platform users by 5% each year.</p> | <p>The implementation strategy was established in January 2026, and licenses for cloud tools were procured for in-house developments. The first phase of the project is scheduled to be completed in October 2026, and the second phase of the project is scheduled to be completed in January 2027.</p> | 3,000. |
| | Train Scheduling and Operation Management System | <p>Establish train operation schedule system which utilizes optimization algorithms to generate schedules and visualization tools to create train time-space diagrams.</p> | <p>(1) Reduces average time needed to plan quarterly base train operation schedules from 80 hours to less than 24 hours.</p> <p>(2) Reduces average time needed to plan peak holiday timetables from 64-96 hours to less than 32 hours.</p> <p>(3) Reduces preparation time needed to announce train operation schedule notifications from 80 hours to less than 32 hours.</p> | <p>The project commenced in August 2025. User requirement analysis interviews were completed in December 2025, and systems and functions are currently being developed. The system is scheduled to go live in June 2027.</p> | 18,617. |
| | New Generation Depot Stabling Plan (DSP) System | <p>Establish a new generation depot stabling plan system to assist organization of shunting plans for 700T trains within depots. The system supports detection of routing conflicts, displays shunting routes and maintenance tasks as visualized graphics, and provides a comprehensive view of all track locations for operating routes and maintenance schedules.</p> | <p>(1) Saves approximately 1,095 man-hours each year; the process originally required 1,460 man-hours.</p> <p>(2) Provides a user-friendly, context-based graphical user interface that integrates route conflict information and coordination tasks, reducing complex communications required for manual processes.</p> | <p>The project kickoff meeting was held on June 17, 2025, during which requirement interviews and implementation planning procedures were completed. A post-procurement architecture review meeting was held on December 18, 2025, and the project is currently in the system development phase.</p> | 9,374. |
| | Rail Replacement Predictive Maintenance System Phase 1 | <p>Phase 1 focuses on building predictive models for key rail locations. The predictive models established by the system will be used to provide rail replacement time recommendations.</p> | <p>(1) The system will save around NT\$ 1.25 million in manpower costs across the entire HSR line each year, amounting to NT\$ 6.25 million over 5 years.</p> <p>(2) Systematic management processes can accurately predict rail replacement trends, optimizing future rail replacement schedules.</p> | <p>Vender evaluations were completed in October 2025, and a strategic report is currently being prepared. Procurement activities are expected to be completed by August 2026.</p> | Phase 1: 2,000. |

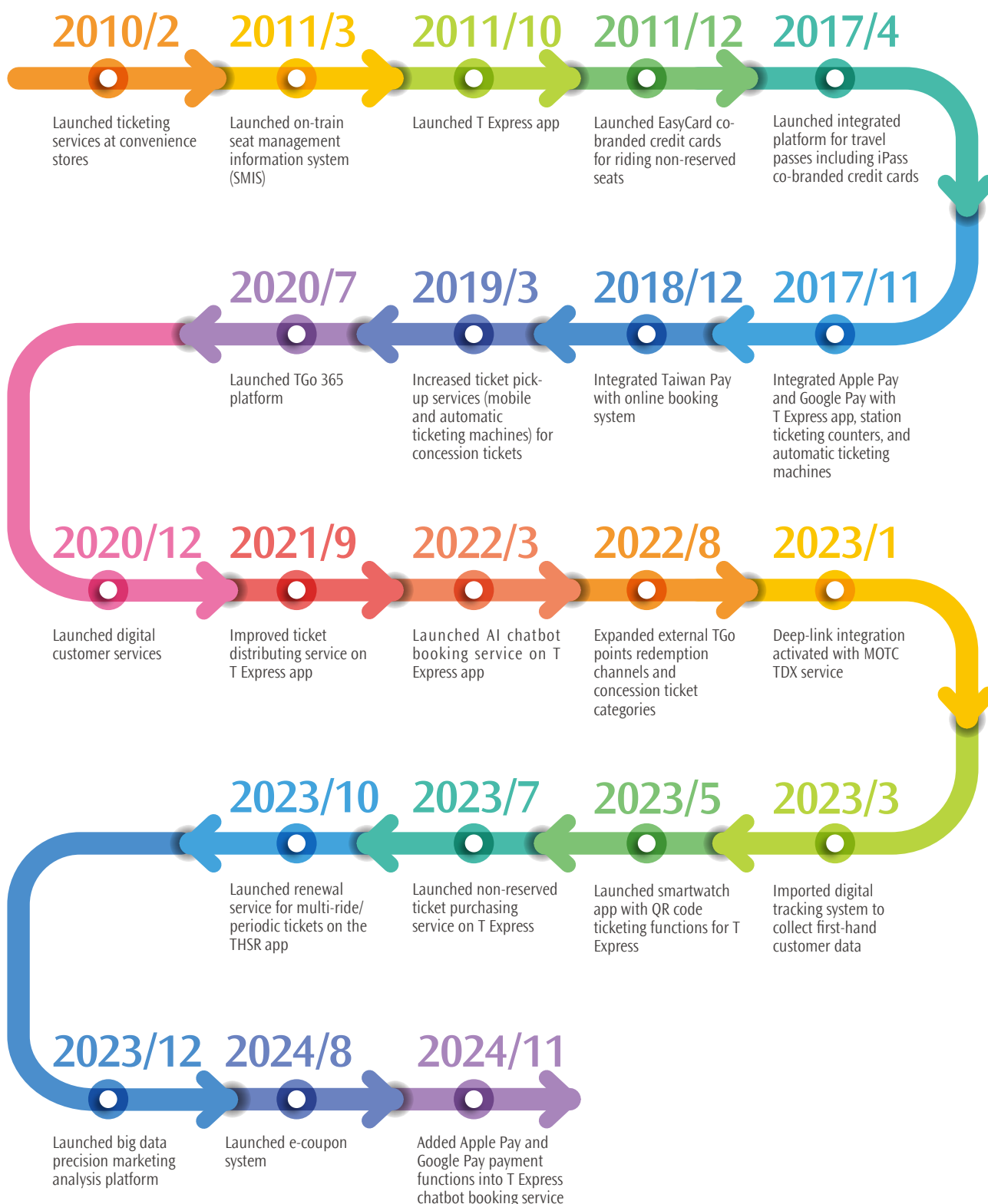
| Category | R&D project | R&D project content | Benefits of R&D | Current progress | Expected Future Investments (NT\$ in Thousands) |
|----------|---|---|--|---|---|
| | Continuous Integration and Continuous Delivery (CI/CD) System | Automatic deployment and verification of programs, including continuous integration and continuous delivery (CI/CD) architecture adjustments and upgrades, Jira integrations, deployment of OS patch updates, and CI/CD implementation. This project is scheduled to commence in July 2025. | Adjustments and upgrades of Phase III automation tool architecture to achieve large-scale automation. | The project is proceeding as planned. | 8,978. |
| | THSRC Hybrid Cloud Architecture Project | Establish external ticketing service PaaS hybrid cloud disaster recovery architecture. | When serious issues render it impossible for external ticketing services to operate, the system can instantly be switched to the cloud for continued ticketing services, minimizing customer impacts. | Currently evaluating optimal solutions. | 99,220. |
| | HSR Train Information Network Architecture Design and Implementation Project | Extends internal information networks (IT) into trains. | (1) Optimizes mobile office experiences and operational efficiency. (2) Enables rapid transmission of train information, reducing manual processes. (3) Eliminates hardware dependencies and reduces maintenance costs: Enables corporate devices to operate using only standard Wi-Fi protocols, eliminating the need for physical SIM card slots and mobile communication modules. | Currently evaluating optimal solutions. | 191,760. |
| | Next-Generation Network Architecture Project Phase III: Information Network Backbone Upgrades | Enhances local network bandwidths across all stations and depots. | Improves transmission quality, and ensures that ticketing services, MIS services, and other non-core OT maintenance network services can meet bandwidth demands for the next 10 years. | Currently evaluating optimal solutions. | 230,000. |
| | Intelligent Detection of Lateral Movement Cyber Threats | Establishes an information technology (IT) environment that defends against encrypted low-frequency data exfiltration, credential harvesting, internal lateral movement, zero-day network attacks, and other threats. Establishes an operational technology (OT) environment that defends against internal intrusions, cyberattacks, lateral movement, and Advanced Persistent Threats (APTs), or targeted attacks. | Enhances capabilities for identifying and tracking potential and unknown threats, improving overall cybersecurity defense depths. | This project commenced in March 2026 and is scheduled for completion in March 2027. | 17,000. |

(4) Effects and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

All units of the Corporation identify, comply, and conform to all relevant laws and regulations in compliance with our "Law Compliance Management Regulation," and continue to track policy trends and adopt timely response measures. We are able to keep abreast of all major policies and statutory changes. Over the past year, all these changes have had no significant adverse impacts to our business operations.

(5) Effects and Response to Changes in Technology (including information security risks) and the Industry Relating to Corporate Finance and Sales

Technological Changes:



Technological changes such as advances in mobile communications, artificial intelligence, big data analysis, Internet of Things, cloud solutions, and microservices impact business, operations, maintenance, data, and information security risks. We plan to implement digital transformation as part of our mid- to long-term strategic plans to meet technological changes, as well as evaluate, introduce, and utilize mature technologies and products for real-world application in necessary businesses. Further explanations are shown in the table below:

| | Impacts | Responses |
|----------------------------|---|---|
| Business | Rapid developments in digital technologies have changed customer needs and consumption habits, increasing customer demand for mobile and real-time data, as well as demand for personalized customer experiences. | Utilize new technologies to optimize mobile ticketing services for passengers, develop personalized services to enhance customer experiences, and develop smart customer services to strengthen customer relations. |
| Operations | Mobile technologies enable operator access to real-time operational information. Big data analysis technologies can strengthen operational safety. | Use new technologies to develop mobile support for train services to assist train staff and provide diverse passenger services. Integrate new technologies with THSRC's more than 19 years of accumulated experiences on operational incidents to develop an operational safety database that provides safety information and supports decision-making for emergency incidents. |
| Maintenance | Internet of Things and big data technologies enhance industrial maintenance efficiency. | Utilize THSRC's more than 19 years of accumulated experiences on railway inspections to develop maintenance predictions, eliminate unnecessary inspections, extend equipment service lives, and reduce maintenance costs. |
| Data | Cloud and microservices technologies have become a mainstay of industrial information platform frameworks and systems. | Establish a private cloud as well as a flexible and scalable containerized microservices architecture to enhance information system capacities, reduce maintenance costs, and build a system which can be adjusted and scaled flexibly according to market needs. |
| Information security risks | Increased network security risks mean that information safeguards, identity verification, and service accessibility are becoming more important, and there is a higher risk of being breached or hacked. | Set clear stipulations of service standards for our information and communication systems and services, and adhere to related laws and information security standards when formulating information security plans and risk considerations, as well as when evaluating, introducing, outsourcing, or building systems and services. We implement associated checks, third-party laboratory inspections, and periodic or non-periodic information security drills to establish in-depth defense mechanisms and 7*24 information security monitoring measures that provide active defenses and early warnings to reduce service impacts. |

Industrial Changes:

Since commencing operations, THSRC has completely revolutionized public transport in Taiwan's western corridor by providing passengers better convenience, comfort, safety, quality, efficiency, and punctuality. The HSR now serves as the main form of transport for passengers travelling over medium to long distances, and is used in combination with TRC, buses, taxis, or rental cars. THSRC has increased industrial interactions and shortened the distance between the northern and southern regions. In future, THSRC will continue to improve systems and equipment to provide passengers with better service. In addition, THSRC will adhere to all safety regulations and procedures, and implement appropriate risk evaluation and safety management mechanisms to minimize potential passenger injuries or operational accidents.

(6) Impact of Corporate Image Changes on Corporate Risk Management and the Corporation's Response Measures

We at THSRC adhere to the highest standards of safety for our core business of transportation. We have established transparent channels for external communication through our corporate website, spokesperson, and on the Market Observation Post System, and we periodically publish annual reports and sustainability reports to maintain a good corporate image and convey important information to domestic and foreign mass media, consumers, shareholders, governmental units, and other stakeholders. Additionally, we assimilate relevant information to fully understand potential external crises and fulfill our duties of prevention and warning.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(8) Main Workshop Expansion Expected Benefits, Potential Risks, and Countermeasures

1) Expected Benefits

A. In line with maintenance processes required by new-generation rolling stock, the main facilities of our Yanchao Main Workshop were modified and adjusted, and a new integrated workshop will be built to increase maintenance capacities for our 700T and new generation rolling stock.

B. Expansions are expected to be completed in the first quarter of 2028.

2) Potential Risks and Countermeasures

A. Potential Risks: During the modification period, our maintenance workshop is required to maintain normal maintenance procedures for our 700T rolling stock, and therefore avoiding interference with existing 700T rolling stock maintenance processes is an important component of this project.

B. Countermeasures:

(a) Incorporate existing maintenance processes for 700T rolling stock into modification and adjustment plans.

(b) Select appropriate construction techniques and establish proper barrier facilities during the construction period.

(c) Thoroughly investigate existing pipeline configurations and locations.

(9) Risks and Countermeasures in the Concentration of Incoming Goods or Sales: None.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with Shareholdings of over 10%

Over the past year, there were no incidences where a major quantity of shares belonging to a director or shareholder holding more than a 10 percent stake in the Corporation was transferred.

(11) Expected Impacts, Possible Risks, and Response Measures for Changes in Management Rights

Over the past year, there were no incidences relating to changes in management rights.

The Corporation has a stable equity structure, and has appointed a sufficient number of independent directors, adopted the candidate nomination system, implemented diversity of directors, and ensured effective functioning of the Board and all committees in accordance with laws and regulations, our Articles of Incorporation, Guidelines for Corporate Governance, and other relevant regulations. We have also implemented comprehensive internal controls and risk management policies, which help establish a sound corporate governance system, and protect and promote shareholder participation. Therefore, we are able to avoid significant adverse impacts due to changes of Board members or operating rights.

(12) Litigious and Non-Litigious Matters. List Major Litigious, Non-Litigious or Administrative Disputes (That Have Been Concluded by Means of A Final and Unappealable Judgment, or are Still Under Litigation) That Involve the Company and/or Any Company Director, the General Manager, Any Person with Actual Responsibility for the Firm, Any Major Shareholder Holding A Stake of Greater Than 10 Percent, and/or Any Company or Companies Controlled by the Company; Where Such A Dispute Could Materially Affect Shareholders' Equity or the Prices of the Company's Securities, the Annual Report Shall Disclose the Facts of the Dispute, Amount of Money at Stake in the Dispute, the Date of Litigation Commencement, the Main Parties to the Dispute, and the Status of the Dispute As of the Date of Publication of the Annual Report.

- 1) There are no current open lawsuits, non-litigation disputes, or administrative proceedings.
- 2) Concluded or ongoing major litigious, non-litigious, or administrative disputes that may have significant impact upon shareholder interests or share prices that involve Corporation directors, general managers, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Corporation that occurred over the past two years and up the publication date of our annual report:

Current list of major lawsuits, non-litigation disputes or administrative proceedings concerning juristic-person directors of THSRC (Source: Taken from the 2024 Annual Reports of said juristic-person directors).

Juristic-person director: Taiwan Sugar Corporation:

| Parties | Monetary Value of the Subject Matter | Status |
|------------------------------|--|--|
| Tsai Yan-Zhang and 29 others | <ol style="list-style-type: none"> 1. Between March 2020 to October 2021, 14 pieces of land owned by Taiwan Sugar Corporation, including Land No. 807-5 at Dazhou Section of Xinshi District, Tainan City were illegally broken into and occupied by a criminal group headed by Tsai Yan-Zhang; these pieces of land were used for burying general industrial waste from three companies (Yin-Han, Fang-Yang, and Tsung-Tsung). 2. Taiwan Sugar Corporation filed a criminal incidental civil lawsuit against the defendants on April 29, 2022, requesting the defendant to jointly and severally compensate damages of NT\$ 1,050,563,051, and jointly and severally pay unjust enrichment of NT\$ 1,948,283. In addition, the defendants shall pay NT\$ 2,616 to the plaintiff on a daily basis from May 1, 2022 to the date when the aforesaid lands are restored to their original condition, and an annual interest rate of 5% shall be paid from the next day after a copy of this compliant has been served until the date of settlement. | This case is currently being tried at the Tainan District Court in Taiwan under case number 2022 Yuan-Zhong-Su-Zi No. 1. |

Since the aforementioned juristic-person directors are financially independent from the Corporation, all the aforementioned litigation, non-litigation, or administrative disputes do not have significant impact on the Corporation's shareholder equity or share prices.

- 3) In the past two years and as of the publication date of the Corporation prospectus, were there any directors, supervisors, managers, and major shareholders holding more than 10% of shares in violation of the provisions in Article 157 of the Securities and Exchange Act, and if yes, the response measures taken by the Corporation: None.

(13) Other Important Risks and Response Measures: None

3. Other Important Disclosure Items

In line with the Corporation's sustainable development investment strategy, we acquired and were holding the following sustainable bonds obtained through repurchase agreements on March 31, 2026:

1. NT\$ 80 million in green bonds issued by Credit Agricole Corporate and Investment Bank, Taipei Branch (Credit Agricole Corporate and Investment Bank, Taipei Branch NTD 1,400,000,000 Fixed Rate Notes Due August 2027), of which NT\$ 30 million matured on March 31, 2026, and the remaining NT\$ 50 million will mature on April 17, 2026.
2. NT\$ 470 million in green bonds issued by BNP Paribas, Taipei Branch (BNP Paribas, Taipei Branch 2024-1 Senior Unsecured Notes), of which NT\$ 240 million will mature on April 2, 2026, NT\$ 150 million will mature on April 10, 2026, and the remaining NT\$ 80 million will mature on April 17, 2026.



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Special Disclosures

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- 1. Information on Affiliated Businesses: None.**
 - 2. Information on Private Placement of Securities in the Most Recent Year and up to the Publication Date of This Annual Report: None**
 - 3. Other Supplementary Information Required: None.**
 - 4. Has the Corporation Experienced Any Events as Described in Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act That Have had Major Impacts on Shareholders' Equity or Share Prices in the Most Recent Year and up to the Publication Date of This Annual Report: None.**

TAIWAN HIGH SPEED RAIL CORPORATION

CHAIRMAN

A handwritten signature in black ink, consisting of stylized, cursive characters that appear to be 'Shu' and 'He'.

