

Handbook for the 2026 Annual Shareholders' Meeting

Stock Code: 2633

Method Of Convening: Physical Shareholders' Meeting

Date: May 27, 2026 at 9:00 a.m.

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

Taiwan High Speed Rail Corporation

Procedure for the 2026 Annual Shareholders' Meeting

Method of Convening: Physical Shareholders' Meeting

Date: May 27, 2026 (Wednesday) at 9:00 a.m.

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

- I . Call the Meeting to Order
- II . Chairperson Takes Chair
- III . Chairperson Remarks
- IV . Report Items_____3
 - 1. Report on Corporation Execution of Corporate Governance_____3
 - 2. Report on Director Remuneration for 2025 _____26
 - 3. Report on Allocation of 2025 Remuneration to Board of Directors and
Employees_____30
 - 4. Revision of Sustainable Development Best Practice Principles_____32
 - 5. Report on Issuance of Domestic Unsecured Straight Corporate Bonds
for 2025_____33
 - 6. Report on Transactions with Related Parties_____34
- V . Ratification Items_____36
 - 1. 2025 Annual Business Report and Financial Statements of the
Corporation_____36
 - 2. 2025 Profit Distributions of the Corporation_____59
- VI . Discussion Item_____62
 - 1. Revision of Procedures for the Acquisition or Disposal of Assets_____62
- VII . Election Item_____63
 - Election of the Corporation's 11th Board of Directors_____63
- VIII . Other Proposal_____64
 - Removal of Non-Competition Restriction Against the Corporation's 11th
Board of Directors_____64
- IX . Extemporary Motions_____65
- X . Adjournment_____65

Attachment I	Comparative Table for the Current and Amended Sustainable Development Best Practice Principles	66
Attachment II	Comparative Table for the Current and Amended Procedures for the Acquisition or Disposal of Assets	68
Attachment III	List of Nominated Directors (Including Independent Directors) for the 11th Board	70
Attachment IV	List of Directors Seeking Removal of Non-Competition Restriction	78
Appendices		81
Appendix I	Rules of Procedure for Shareholders' Meetings	81
Appendix II	Rules for the Election of Directors	95
Appendix III	Articles of Incorporation	98
Appendix IV	Sustainable Development Best Practice Principles	110
Appendix V	Procedures for the Acquisition or Disposal of Assets	117
Appendix VI	Current Shareholding of Directors	136

Report Items

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

According to Article 5-2-02, Paragraph 3 of the Corporation's "Guidelines for Corporate Governance," the Sustainable Development & Nominating Committee should prepare a report on the Corporation's implementation of corporate governance prior to each shareholders' annual general meeting. Following review by the Board of Directors, said report shall be included in the Annual Meeting Handbook. The Corporation's Report on Implementation of Corporate Governance for the current year was approved at the 36th meeting of the 10th Board on February 25, 2026, and is hereby presented to the shareholders' general meeting.

I. Background

To enable sound corporate governance, ensure shareholder equity, consolidate Board functions, promote information transparency, and achieve sustainable development, the Corporation Guidelines for Corporate Governance were formally approved at the shareholders' general meeting held on May 28, 2003. Additionally, independent directorship was introduced to establish an infrastructure for corporate governance. Accordingly, relevant corporate governance systems and measures were initiated and executed over the last two decades with considerable effectiveness.

II. Corporate Governance Guidance

To achieve business autonomy, the Corporation referred to important corporate governance principles both at home and abroad, the corporate governance experiences of leading enterprises, and domestic applicable laws and regulations when formulating the Corporation Guidelines for Corporate Governance (hereinafter "GCG"). These standards were established and amended at the 2003, 2004, 2006, 2007, 2012, 2013, 2019, 2021, 2022, and 2024 shareholders' general meetings, as well as the 2016 extraordinary general meeting, and serve as the guiding principles for our corporate governance system and implementation of governance measures.

Report Items

III. Execution of Corporate Governance System

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

1. Establishment of Independent Directorship

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

Report Items

2. Restructuring of Board of Directors According to Shareholder Structure

In consideration of appropriate Board scale, representation of shareholder interests, business nature of BOT models, and corporate development, as well as shareholder structure and discussion efficiency, a total of 15 directors are serving on the 10th Board, including 5 independent directors and 10 non-independent directors elected at the shareholders' general meeting held on May 25, 2023.

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

To implement efficient decision-making and robust supervision, our 4th Board of Directors established the Corporate Governance Committee and quasi Audit Committee in accordance with Article 5-1-01 of the GCG, and the Board thereafter established other functional committees such as the Procurement Committee, Finance Committee, Remuneration Committee, and Special Committee in line with business and regulatory demands. These committees previewed relevant affairs and proposals prior to discussion at Board meetings. Additionally, in compliance with public listing regulations, the shareholders' extraordinary general meeting held on March 18, 2016 discussed and approved revisions to our "Articles of Incorporation" and GCG, wherein the Audit Committee was established to replace supervisors and the Corporate Governance Committee was renamed the Corporate Governance & Nominating Committee; the former quasi Audit Committee ceased to exist upon the amendment of the above bylaw and guidelines. In 2024, to facilitate active promotion of corporate sustainable development concepts; respond to domestic, overseas, and industrial emphasis on sustainability issues; and to further incorporate corporate sustainable development concepts in all decision-making processes and business implementations, the "Corporate Governance & Nominating Committee" was renamed the "Sustainable Development & Nominating Committee" and related responsibilities were amended. Amendments to the Corporation's GCG were approved at the 2024 shareholders' general meeting.

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

Report Items

2023 to May 24, 2026). The Board oversees the Sustainable Development & Nominating Committee (formerly the Corporate Governance & Nominating Committee), Audit Committee (encompassing the duties of the Finance Committee), Remuneration Committee, and Special Committee (encompassing the duties of the Procurement Committee); of these, the Audit Committee, Remuneration Committee, and Sustainable Development & Nominating Committee are convened by independent directors, and the members of each functional committee include at least three independent directors.

4. Primary tasks and execution responsibilities for Board of Directors and functional committees (from January 2025 to March 2026)

(1) Board of Directors

① Composition: 15 directors on the 10th Board.

② Number of meetings: 17.

③ Primary tasks:

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

④ Execution:

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

(2) Sustainable Development & Nominating Committee

① Composition: 7 directors on the 10th Board, with the committee being convened by an independent director starting from 2025.

② Number of meetings: 14.

Report Items

③ Primary tasks:

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

④ Execution:

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

(3) Audit Committee

- ① Composition: All 5 independent directors on the 10th Board, with the committee being convened by 1 of the independent directors.
- ② Number of meetings: 16.
- ③ Primary tasks:

Report Items

Review and oversee corporate financial statements and risk control/management affairs (see Schedule for details).

④ Execution:

- 1) Review annual budgets, budget implementation reports, and financial statements.
- 2) Discuss amendments to or formulation of regulations relating to Audit Committee duties, including the “Charter of the Audit Committee,” “Regulation for Accounting Treatments,” “Assets for Operation and Equipment Management Regulation,” “Internal Control System,” “Regulation of Whistle-Blowing System for Unlawful, Unethical Conduct and Dishonesty Behavior,” “Procedures for Providing Endorsement and Guarantee,” and “Handling Procedure to Engage in the Amount Loaned to the Others.”
- 3) Review results of annual self-evaluations of internal control systems and statements of internal control system at all levels. The Corporation’s 2025 “Final report on self-assessments of internal control systems” and self-assessment implementation reports from all units were completed in accordance with cyclical internal control procedures. The “2025 annual report on self-assessments of internal control systems” was submitted to the 35th Audit Committee meeting of the 10th Board on February 23, 2026 and the 36th meeting of the 10th Board on February 25, 2026 for confirmation of the Corporation’s internal control system in 2025, including understanding of operational performance and attainment of efficiency goals; understanding of reliability, timeliness, transparency, and legal compliance of reporting measures; and verification that implementations are effective and can reasonably ensure that relevant goals are met.
- 4) Review transactions involving director conflicts of interest subject to recusal of exercise of voting rights, transactions with related parties, and transactions requiring prevention of conflicts of interest. In 2025, the Corporation’s operating activities involving transactions with related parties (“Procurement plans for Yanchao main workshop space reconfiguration turnkey project and establishment of new integrated factory building and multistorey parking,”

Report Items

“Procurement proposal to upgrade CRP control and relay panel and related subsystems at substations ATP0 ~ ATP5,” and “OCS maintenance vehicle manufacturing and supply Phase II procurement proposal”) and donations to related parties (the Corporation’s “Donation and Sponsorship Plan for 2025,” “Donation of rolling stock to National Kaohsiung University of Science and Technology and National Pingtung University of Science and Technology for use in railway education,” and cash donations to Taiwan Foundation for Disaster Relief’s “2025 Typhoon Danas Disaster Relief Fundraiser Project”) were all approved by the Board following prior review by the Audit Committee in accordance with the regulations of the “Rules of Procedure for Board of Directors Meetings.”

- 5) Review assessments of Certified Public Accountants. Please refer to Sub-Item (6) Periodic Independence Assessments of Public Accountant (CPA) under Item 5 Measures Specific to Corporate Governance in Management Presentations for primary assessment results.
- 6) Review annual audit plans and executive reports thereof.
- 7) Periodically communicate with internal audit managers and accountants. Main communication items are shown in the Schedule.
- 8) Assess the Corporation’s risk management policies and risk evaluation criteria, and monitor existing and potential risks to the Corporation. The Audit Committee and the Board periodically review the Corporation’s risk management implementations. The “2025 Annual Progress Report of Risk Management Implementations” was submitted to the 24th Audit Committee meeting of the 10th Board on March 10, 2025 and the 24th meeting of the 10th Board on March 12, 2025 to confirm that all units responsible for risk management have adopted appropriate response measures, and have made appropriate records of risk management procedures and implementation results.

(4) Remuneration Committee

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

Report Items

② Number of meetings: 11.

③ Primary Tasks:

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

④ Execution:

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

(5) Special Committee

① Composition: 7 directors on the 10th Board and convened by 1 director elected by committee members.

② Number of meetings: 16.

③ Primary Tasks:

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

④ Execution:

The Special Committee implements the foregoing primary tasks when considering major contractual disputes and procurement-related proposals.

5. Measures Specific to Corporate Governance

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

In 2025, for continued promotion of the Corporation's corporate governance systems,

Report Items

our functional committees pre-assessed proposals to establish or revise fundamental and management bylaws relating to corporate governance and submitted these to the Board for approval; the corporate bylaws concerned included the “General Rules of Corporate Auditing,” “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,” and “Public Interest Whistleblower Protection Guidelines.”

(2) Establishment of Succession Plan for Board Members:

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

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

Before recommending chairman candidates for selection and appointment, major shareholders reference selection, management, and assessment guidelines set out by the Corporation to conduct comprehensive evaluation, review, and confirmation of candidate qualifications and experience, as well as the responsibilities required for corporate operations, adhering to the highest principle of appointing appropriate talent to appropriate positions when recommending successors for chairman. The president is also appointed in accordance with the aforementioned principles. Additionally, the Corporation arranges for senior managers to sit in on Board meetings so they can

Report Items

familiarize themselves with Board operations as well as expand their participation and work rotation experience in different operational units.

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

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

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

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

② The current insured D&O amount is NT\$ 900 million.

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

Article 27-1 of the Corporation's "Articles of Incorporation" stipulates that the pay to the Directors for their services as Directors shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry. Additionally, if the final annual accounts of the Corporation show a net profit for a given year, it shall allocate not more than 1 percent as profit-sharing compensation to Directors according to Article 35-1 of the Corporation's "Articles of Incorporation." Independent directors receive a fixed sum of monthly compensation as

Report Items

determined by the Board of Directors, and are not entitled to profit-sharing compensation when the Corporation is profitable.

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

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

Performance evaluations of Corporation directors and managers respectively reference our "Regulations Governing Board Performance Evaluations" and our "Regulations Governing Performance Management" (applicable to managers and employees).

Report Items

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

Results of performance self-assessments for the Corporation's Board of Directors, Board members, and functional committees in 2025 all significantly exceeded standards. Additionally, results of performance assessments for managers in 2025 showed that all managers either met or exceeded set targets. Compensation for the Corporation's Chairman, Board directors, President, and managers fully consider the professional capabilities of these individuals as well as Corporation operations and finances, and are linked to individual performance management indicators and evaluation results.

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

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

According to Article 5-3-06 of the Corporation's GCG, the Audit Committee shall conduct assessments of CPA professionalism, independence, and reasonableness of audit fees at the end of each fiscal year, and these assessments shall be submitted to the Board of Directors. CPA assessment results for 2025 were approved by the 35th Audit Committee meeting of the 10th Board of Directors dated February 25, 2026 and the 36th meeting of the 10th Board of Directors dated February 25, 2026, confirming that the Corporation's CPA fulfilled the following assessment standards for independence and competency:

Report Items

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

Report Items

No.	Evaluation Item	Evaluation Results	Passed Independence Assessment
12	As of the most recent audit, there have been no instances where CPA remained unchanged for 7 years, or where CPA was reassigned to the Corporation within 2 years.	Yes	Yes
13	The Corporation has not requested that members of the audit team accept improper accounting practices or improper disclosures on financial statements made by the Corporation.	Yes	Yes
14	The Corporation has not pressured accountants and facilitated improper reduction of audit duties in order to reduce audit fees.	Yes	Yes

IV. Effectiveness of Corporate Governance System

1. Preliminary Review by Functional Committees

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

2. Independence and Professionalism of Independent Directors

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

3. Management Implementation

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

4. Strengthen Information Disclosure

For the convenience of shareholders and stakeholders, our corporate governance information is disclosed on the Market Observation Post System

Report Items

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

5. Achieving Sustainable Development and Maintaining Social Contribution

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

The Corporation adheres to the spirit of international human rights conventions and the characteristics of the rail transportation industry. In 2018, we formulated our “Human Rights Policy” which adheres to domestic labor laws and other relevant regulations, and supports and complies with the principles and essence of international human rights conventions such as the United Nation’s Universal Declaration of Human Rights, Guiding Principles on Business and Human Rights, the UN Global Compact, and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. We also ensure that our human resource policies do not discriminate based on gender, race, social status, age, marital status, religion, or political affiliation. We have formulated clear regulations in accordance with the demands of human rights policies, and we identify important human rights issues to serve as a reference for promoting risk-mitigating measures. Furthermore, the Corporation’s Supplier Management Policy shows that apart from quality, cost, delivery date, and services, the Corporation also considers issues relating

Report Items

to reasonable profits, social responsibility, worker safety, human rights, and environmental protection when making management decisions and implementing procurement procedures.

V. Future Plans for Corporate Governance

The Corporation believes that sound corporate governance is at the core of sustainable management. Our Board of Directors continues to strengthen its decision-making and supervisory functions, and our functional committees implement risk controls and sustainable development decisions to ensure stable operations and information transparency. Since the government commenced its “Corporate Governance 3.0 Blueprint for Sustainable Development” initiative, the Corporation has focused on the 4T sustainability strategy axes (Transportation, Technology, Taiwan, and Touch) and promoted sustainable governance actions that adhere to our railway transportation characteristics as well as the United Nations Sustainable Development Goals (SDGs) to strengthen alignment between our governance and operational strategies.

In future, the Corporation will continue to improve greenhouse gas management, energy efficiency, supply chain management, and management of human rights and sustainability risks in accordance with our sustainable development strategies. We will also strengthen Board supervision of sustainable issues and performance tracking mechanisms to stabilize our low-carbon transformations and sustainable developments as we strive to realize our corporate vision, “To be the platform for advancement and enjoyment.”

VI. Concluding Remarks

Since going public, the Corporation has participated in the TWSE Corporate Governance Evaluations for eight consecutive years (from 2017 to 2024) and consistently ranked among the top 5% of publicly listed companies. In future, we will focus on the continuous functioning of functional committees and independent directors. Furthermore, we will uphold the principles of enterprise autonomy and consistently review the framework and mechanisms of corporate governance in order to improve our corporate governance system and set Taiwan High Speed Rail Corporation as a benchmark for corporate governance.

Report Items

Schedule

Main duties of the Board of Directors and functional committees:

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

Report Items

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

Report Items

Item	Primary Tasks
	<p>independent directors.</p> <ol style="list-style-type: none"> 5). Review the basis programs for director continuing education and succession plans of directors and managerial officers (succession planning). 6). Plan and review implementation performance of the Board and its committees. 7). Devise and review liability insurance plans for directors and managerial officers. 8). Review status of information disclosures. 9). Analyze, implement, and provide recommendations relating to the sustainable development strategy, Corporation’s corporate governance system, related management policy and specific plan promotion and review the Corporation’s Guidelines for Corporate Governance and relevant bylaws. 10). Review implementation performance of the sustainable development strategy, corporate governance system, related management policy and specific plan promotion including execution of corporate social responsibilities, ethical management, and stakeholder communication. 11). Other duties as required by the Corporation’s Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.
<p>Audit Committee</p>	<p>As per Article 3 of the Charter of the Audit Committee, the Audit Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"> 1). Adopt or amend the internal control systems pursuant to Article 14-1 of the Securities and Exchange Act. 2). Evaluate the effectiveness of the Corporation’s internal control system. 3). Adopt or amend the procedures for material financial or operational acts such as acquisition or disposal of assets, derivatives trading,

Report Items

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

Report Items

Item	Primary Tasks
	<p>19). Other duties as required by the Corporation’s Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.</p>
<p>Remuneration Committee</p>	<p>As per Article 3 of the Charter of the Remuneration Committee, the Remuneration Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"> 1). Formulate and regularly review the performance assessment criteria, performance goals, and the policies, systems, standards, and structure for the compensation of directors and managerial officers of the Corporation. 2). Regularly assess the degree to which performance goals for directors and Managerial officers of the Corporation have been achieved, set the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment criteria.
<p>Special Committee</p>	<p>As per Article 3 of the Charter of the Special Committee, the Special Committee is responsible for the following tasks:</p> <ol style="list-style-type: none"> 1). Provide counsel and suggestions in accordance with Board resolutions on major legal or contractual disputes of our company with external parties, significant labor-management disputes or agreements, and important institutional changes of the Corporation, and assist the Board in supervising the implementation of said resolutions by managerial departments. 2). Review proposals relating to procurement matters that should be submitted to the Board by managerial departments according to Corporation bylaws. 3). Other duties as required by the Corporation’s Articles of Incorporation, Guidelines for Corporate Governance, or resolutions passed by the Board.

Report Items

Communication items between independent directors and chief internal auditor for 2025:

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

Report Items

Communication items between independent directors and CPAs for 2025:

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)	<ol style="list-style-type: none"> 1. Summary of audit report on financial report for 2024 2. Statement of Independence 3. Key audit items 	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2025/5/5	Audit Committee (10-26)	<ol style="list-style-type: none"> 1. Summary of review report on financial report for first quarter of 2025 2. Statement of Independence 	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2025/8/4	Audit Committee (10-29)	<ol style="list-style-type: none"> 1. Summary of review report on financial report for second quarter of 2025 2. Statement of Independence 	Acknowledged by all Audit Committee members in attendance.	No objections from independent directors.
2025/11/3	Audit Committee (10-32)	<ol style="list-style-type: none"> 1. Summary of review report on financial report for third quarter of 2025 2. Statement of Independence 	Acknowledged 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.

Report Items

Report No. 2: Report on Director Remuneration for 2025

1. According to Article 10-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, TWSE/TPEX listed companies shall report on director remuneration at shareholders' general meetings, including remuneration policies and the relationship between individual remuneration, remuneration amounts, and performance evaluation results.
2. The Corporation's director remuneration distribution policies adhere to Article 27-1 of the Articles of Incorporation, which stipulates that the pay to the Directors for their services as Directors shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry. Additionally, according to Article 35-1 of the Articles of Incorporation, if the Corporation is profitable in a given year, it should allocate not more than 1 percent as profit-sharing compensation to Directors. Independent Directors receive a fixed amount of remuneration every month as determined by the Board of Directors, and do not receive profit-sharing compensation.
3. Details of the Corporation's director remuneration and remuneration amounts for 2025 are shown in the following table.

Report Items

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

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

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation		All companies included in financial statements		The Corporation	All companies included in financial statements	
																Cash	Stock	Cash	Stock			
China Aviation Development Foundation		0	0	0	0	12,486	12,486	0	0	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
Chairman Representative: Che Shih		2,602	2,602	0	0	0	0	360	360	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
Director Representative: Yu-Fen Hung		0	0	0	0	0	0	240	240	240 0.00	240 0.00	0	0	0	0	0	0	0	0	240 0.00	240 0.00	None
Director Representative: Wei-Cheng Hsieh		0	0	0	0	0	0	260	260	260 0.00	260 0.00	0	0	0	0	0	0	0	0	260 0.00	260 0.00	None
Director Former Representative: Yao-Chung Chiang		4,133	4,133	0	0	0	0	18	18	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
Director Former Representative: Kung-Yeun Jeng		3,490	3,490	394	394	0	0	204	204	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
Ministry of Transportation and Communications, R.O.C.		0	0	0	0	8,324	8,324	196	196	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
Director Representative: Kung-Yeun Jeng		0	0	0	0	0	0	51	51	51 0.00	51 0.00	0	0	0	0	0	0	0	0	51 0.00	51 0.00	None
Director Representative: Cheng-Chung Young		0	0	0	0	0	0	102	102	102 0.00	102 0.00	0	0	0	0	0	0	0	0	102 0.00	102 0.00	None
Director Former Representative: Huan-Tung Tseng		0	0	0	0	0	0	26	26	26 0.00	26 0.00	0	0	0	0	0	0	0	0	26 0.00	26 0.00	None
Director Former Representative: Tung-Ling Wu		0	0	0	0	0	0	26	26	26 0.00	26 0.00	0	0	0	0	0	0	0	0	26 0.00	26 0.00	None

Report Items

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation		All companies included in financial statements		The Corporation	All companies included in financial statements			
														Cash	Stock	Cash	Stock					
China Steel Corporation		0	0	0	0	4,162	4,162	110	110	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
Director Representative: Chien-Chih Hwang		0	0	0	0	0	0	0	0	0 0.00	0 0.00	0	0	0	0	0	0	0	0	0 0.00	0 0.00	None
Taiwan Sugar Corporation		0	0	0	0	4,162	4,162	140	140	4,302 0.07	4,302 0.07	0	0	0	0	0	0	0	0	4,302 0.07	4,302 0.07	None
Director Representative: Ming-Chang Wu		0	0	0	0	0	0	0	0	0 0.00	0 0.00	0	0	0	0	0	0	0	0	0 0.00	0 0.00	None
Management Committee of National Development Fund, Executive Yuan		0	0	0	0	4,162	4,162	88	88	4,250 0.06	4,250 0.06	0	0	0	0	0	0	0	0	4,250 0.06	4,250 0.06	None
Director Representative: Shien-Quey Kao		0	0	0	0	0	0	102	102	102 0.00	102 0.00	0	0	0	0	0	0	0	0	102 0.00	102 0.00	None
TECO Electric & Machinery Co., Ltd.		0	0	0	0	4,162	4,162	0	0	4,162 0.06	4,162 0.06	0	0	0	0	0	0	0	0	4,162 0.06	4,162 0.06	None
Director Representative: Mao-Hsiung Huang		0	0	0	0	0	0	260	260	260 0.00	260 0.00	0	0	0	0	0	0	0	0	260 0.00	260 0.00	None
Taipei Fubon Commercial Bank Co., Ltd.		0	0	0	0	4,162	4,162	0	0	4,162 0.06	4,162 0.06	0	0	0	0	0	0	0	0	4,162 0.06	4,162 0.06	None
Director Representative: Yi-Ling Wu		0	0	0	0	0	0	140	140	140 0.00	140 0.00	0	0	0	0	0	0	0	0	140 0.00	140 0.00	None
Independent Director Kenneth Huang-Chuan Chiu		720	720	0	0	0	0	460	460	1,180 0.02	1,180 0.02	0	0	0	0	0	0	0	0	1,180 0.02	1,180 0.02	None
Independent Director Duei Tsai		343	343	0	0	0	0	580	580	923 0.01	923 0.01	0	0	0	0	0	0	0	0	923 0.01	923 0.01	None

Report Items

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than a Corporation Subsidiary or from Parent Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation	All companies included in financial statements	The Corporation		All companies included in financial statements		The Corporation	All companies included in financial statements			
														Cash	Stock	Cash	Stock					
Independent Director	Ming-Teh Wang	720	720	0	0	0	0	490	490	1,210	1,210	0	0	0	0	0	0	0	0	1,210	1,210	None
Independent Director	Pai-Ta Shih	720	720	0	0	0	0	460	460	1,180	1,180	0	0	0	0	0	0	0	0	1,180	1,180	None
Independent Director	Yung-Cheng (Rex) Lai	720	720	0	0	0	0	480	480	1,200	1,200	0	0	0	0	0	0	0	0	1,200	1,200	None

1. Please describe policies, systems, standards, and structures for director and independent director remuneration, and connection between remuneration amounts and borne duties, risks, time invested, and other factors:
According to Article 2-07 of the Corporation's "Guidelines for Corporate Governance," the remuneration paid to Directors for their services as Directors, including Board meeting attendance fees, salary and pay, and profit-sharing compensation paid to Directors as set out in the Articles of Incorporation, shall be discussed and determined by the Board separately for each Director in accordance with laws and regulations, the Articles of Incorporation, and these Guidelines, with consideration to the level of involvement and value of the contribution of each Director, and taking into reference the usual pay level in the industry domestically and abroad. Remuneration for directors is based on overall operational performance, future industrial risks, and development trends, as well as the Corporation's "Regulation of Self-Evaluation of the Board of Directors." Relevant performance evaluations and rationality of compensation are reviewed by the Remuneration Committee and the Board of Directors; our compensation system is adjusted according to business operations and related laws and regulations when appropriate, and also considers current corporate governance trends so as to balance sustainable operations and risk management. 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 and others) other than disclosed in the table above: None.

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

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

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

Report Items

Report No. 3: Report on Allocation of 2025 Remuneration to Board of Directors and Employees

1. According to Article 235-1 of the Company Act and Letter No. 10402413890 dated June 11, 2015 issued by the Ministry of Economic Affairs, a fixed amount or ratio of profit of the current year distributable as employees' compensation as well as remuneration to directors and supervisors shall be stipulated in the Articles of Incorporation. However, the Corporation's accumulated losses should be offset prior to distribution. Distribution of director and employee compensation shall be undertaken by a resolution adopted by a majority vote at a Board meeting attended by at least two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.
2. Furthermore, according to Article 35-1 of the Articles of Incorporation, "If the final annual accounts of the Corporation show a net profit for a given year, it shall allocate not less than 1 percent of the net profit as profit-sharing compensation to employees, and 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; provided, however, that if the Corporation still has any accumulated loss, it shall first set aside the amount to offset the loss before such allocation."
3. The Corporation's profit for 2025 (i.e. pre-tax profit prior to deduction of distributable employee and director compensation) amounts to NT\$ 8,323,695,094 (no accumulated losses offset). In accordance with the provisions stipulated in the preceding regulations and Articles of Incorporation, a resolution was reached at the 35th meeting of the 10th Board on January 14, 2026, for the distribution of 2025 director and employee compensation, with the percentage and amount to be allocated as follows:

Report Items

(1) For directors' compensation:

1. Percentage allocated: 0.5%.
2. Amount allocated: NT\$ 41,618,475.

(2) For employees' compensation

1. Percentage allocated: 2%.
2. Amount allocated: NT\$ 166,473,902.

Report Items

Report No. 4: Revision of Sustainable Development Best Practice Principles.

1. In accordance with amendments made to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” by the Taiwan Stock Exchange on September 2, 2025, and in consideration of the Corporation’s operations, amendments are proposed to Articles 15 and 21 of the Corporation’s “Sustainable Development Best Practice Principles.”
2. A comparison of amended articles in the “Sustainable Development Best Practice Principles” is shown in Attachment I (please refer to p.66-p.67 of the Annual Meeting Handbook).
3. This proposal was approved at the 37th meeting of the 10th Board dated March 18, 2026, and is hereby presented to the shareholders’ annual general meeting.

Report Items

Report No. 5: Report on Issuance of Domestic Unsecured Straight Corporate Bonds for 2025.

1. The Corporation’s domestic unsecured corporate bond offering for 2025 was approved by the 20th meeting of the 10th Board on December 11, 2024. The Corporation may issue unsecured corporate bonds up to NT\$ 10 billion for investment plans supporting green or social benefits, debt repayment, or replenishment of working capital. The Corporation completed issuance of the first unsecured corporate bonds offering for 2025 with an issuance amount of NT\$ 1 billion on September 30, 2025.
2. The reasons for and implementation of the Corporation’s first unsecured corporate bond offering for 2025 are presented below in accordance with Article 246 , Paragraph 1 of the Company Act:

Issuance	1st Unsecured Corporate Bonds Issued in 2025
Denomination	NT\$ 1 billion
Issuance Period	4 years
Coupon Rate	Fixed Rate: 1.55%
Principal Repayment and Interest Distribution	Repayment: Bullet Interest: Simple interest payable annually
Registered Approval Number	Official Document No. 11400080991 approved and made effective by the Taipei Exchange on September 18, 2025
Reason for Issuance	Investment plan supporting social benefits
Issuance Date	Completed issuance on September 30, 2025

Report Items

Report No. 6: Report on Transactions with Related Parties.

1. Handled in accordance with Article 11, Paragraph 1 of the Corporation's "Regulation of Related Party Transaction."
2. The Corporation's transactions with related parties from 2025 to February 2026 are summarized below.
3. The Corporation's transactions with related parties were handled in accordance with internal control systems and related management regulations, and were submitted to the Board or Audit Committee for approval based on the nature of the transactions. There were no significant discrepancies in transaction terms compared to general transactions that were not conducted with related parties.

Report Items

The Corporation's transactions with related parties from 2025 to February 2026 are summarized below:

Proposal	OCS maintenance vehicle manufacturing and supply phase II procurement proposal	Procurement plans for Yanchao main workshop space reconfiguration turnkey project and establishment of new integrated factory building and multistorey parking	Procurement proposal to upgrade CRP control and relay panel and related subsystems at substations ATP0 ~ ATP5	Lease agreement for 16th floor of Nangang Software Park Phase 3 office building with related party
Board resolution date (Term-Sitting)	31th meeting of the 10th Board on September 10, 2025	34th meeting of the 10th Board on December 10, 2025	34th meeting of the 10th Board on December 10, 2025	36th meeting of the 10th Board on February 25, 2026
Trading counterparty	China Steel Corporation	United Steel Engineering & Construction Corp.	InfoChamp Systems Corporation	Mao Wang Technology Co., Ltd.
Relationship with THSRC	Legal entity director	Related party	Related party	Related party
Name of underlying asset	OCS maintenance vehicle manufacturing and supply procurement (Phase II)	Yanchao main workshop space reconfiguration turnkey project and establishment of new integrated factory building and multistorey parking	CRP control and relay panel and related subsystems at substations ATP0 ~ ATP5 upgrading project	16F and 16F-1, No. 66, Jingmao 2nd Rd., Nangang District, Taipei City
Total transaction price and related conditions	(1) Transaction unit amount: A. 8 multi-function vehicles (MV) B. 4 catenary stretch vehicles (CS) C. Electronic control intelligence and re-railing equipment (2) Unit price: Not applicable (3) Total transaction price: NT\$ 1,606,000,000 (tax inclusive) (4) Terms of payment: To be carried out in accordance with relevant contracts	(1) Transaction unit amount: Not applicable (2) Unit price: Not applicable (3) Total transaction price: NT\$ 6,729,999,999 (tax inclusive) (4) Terms of payment: To be carried out in accordance with relevant contracts	(1) Transaction unit amount: Not applicable (2) Unit price: Not applicable (3) Total transaction price: NT\$ 684,000,000 (tax inclusive) (4) Terms of payment: To be carried out in accordance with relevant contracts	(1) Transaction unit amount: Lease area of 471.21 pings (2) Unit price: NT\$ 1,890 in rent per month per ping (tax inclusive) (3) Total transaction price: NT\$ 42,748,171 (tax inclusive) (4) Terms of payment: To be carried out in accordance with relevant contracts
Purpose, necessity, and expected benefits from acquisition or disposal	To enhance reliability and on-site maintenance capabilities of maintenance vehicles, thus achieving our goals of autonomous maintenance and localized development and manufacturing of rail transportation.	In line with the introduction of New Generation Rolling Stock N700ST, 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.	Upgrade hardware and software of control and relay panel to improve system performance and reduce time troubleshooting equipment faults.	For office use
Has the calculation principle of the transaction price approved by the board of directors been followed?	Yes	Yes	Yes	Yes
Is the total value under the limit on annual transaction value approved by the board of directors?	Yes	Yes	Yes	Yes

Ratification Items

Ratification No. 1: Proposed by the Board

Proposal: 2025 Annual Business Report and Financial Statements of the Corporation.

Explanation: The Corporation's 2025 Business Report (please refer to p.37-p.47 of the Annual Meeting Handbook) and Financial Statements (please refer to p.48-p.53 of the Annual Meeting Handbook) were approved on February 25, 2026 at the 36th meeting of the 10th Board. The financial statements were audited by certified public accountants, and an audit report thereto was issued on February 25, 2026 (please refer to p.54-p.57 of the Annual Meeting Handbook), distributed to the Audit Committee for review (please refer to p.58 of the Annual Meeting Handbook), and is hereby submitted for adoption at shareholders' annual general meeting.

Resolution:

Ratification Items

Business Report for 2025

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.

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

Ratification Items

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

Ratification Items

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

Ratification Items

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	(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

Ratification Items

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

Ratification Items

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 enhanced 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. Utilize technology to strengthen disaster tolerance levels 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.

Ratification Items

- B. Respond to threats from extreme climates by taking stock of disaster prevention and response mechanisms: 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 digitalization of management information: Establish new-generation network solutions, HSR hybrid cloud platform, and HSR i-Vision smart imaging platform.
- B. Optimize digitalization of maintenance management: Replace PLC turnout controllers, improve and add work train protection system (WTPS) functions, and enhance smart train maintenance information systems.
- C. Optimize digitalization of operational management systems: 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 digitalization of marketing functions: 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

Ratification Items

competitiveness and passenger comfort. Main implementation items include:

- A. Optimize tangible and intangible transportation services in response to passenger needs and characteristics: 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 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. Continue talent cultivation to create friendly workplaces: Implement employee work-life balance program, OCC improvements, and uniform improvements and optimizations.
- B. Refine management mechanisms to enhance organizational effectiveness: Add work train driver simulation training equipment, implement management competency development program for high-potential talent, and conduct HSR information security inspections.

Ratification Items

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 local cultures and activities to revitalize national tourism: 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 system (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 supply chain management processes: Introduce/establish supply chain risk assessment and on-site inspection mechanisms.

Ratification Items

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 to enhance 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.

Ratification Items

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 kept abreast of changes in legal environments and adopted 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.

Ratification Items

TAIWAN HIGH SPEED RAIL CORPORATION
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,799,873	1	\$ 4,287,402	1
1139	Financial assets for hedging	6(3)	51,269	—	—	—
1170	Notes and accounts receivable	6(16)	284,516	—	420,209	—
1220	Current tax assets	4(23)	18,725	—	28,217	—
130X	Inventories	6(4)	2,774,797	1	2,762,472	1
1476	Other financial assets	6(5) and 8	16,538,408	5	17,411,330	5
1479	Other current assets	7	1,085,029	—	1,046,915	—
11XX	Total current assets		<u>25,552,617</u>	<u>7</u>	<u>25,956,545</u>	<u>7</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income	6(2)	75,000	—	—	—
1600	Property, plant and equipment	6(6)	276,851	—	246,020	—
1755	Right-of-use assets	6(7)	239,493	—	422,585	—
1821	Operating concession assets	6(8) and 7	342,400,187	90	345,659,449	90
1801	Computer software, net	6(8)	161,913	—	162,175	—
1840	Deferred tax assets	4(23) and 6(18)	8,633,810	2	8,262,191	2
1980	Other financial assets	6(5) and 8	2,202,686	1	2,073,939	1
1995	Firm commitment hedging transaction	6(3)	1,251,362	—	1,083,176	—
1990	Other non-current assets		8,597	—	5,232	—
15XX	Total non-current assets		<u>355,249,899</u>	<u>93</u>	<u>357,914,767</u>	<u>93</u>
1XXX	Total assets		<u>\$ 380,802,516</u>	<u>100</u>	<u>\$ 383,871,312</u>	<u>100</u>

(Continued)

Ratification Items

TAIWAN HIGH SPEED RAIL CORPORATION

BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2110	Short-term notes and bills payable	6(9) and 7	\$ 8,838,243	2	\$ 10,409,719	3
2126	Financial liabilities for hedging	6(3)	694,197	—	380,324	—
2170	Accounts payable	7	326,950	—	380,686	—
2209	Operating concession liabilities	6(11) and 7	811,560	—	804,112	—
2200	Other payables	6(9)(13)	5,190,277	1	4,793,714	1
2211	Payable for construction	7	1,343,108	1	880,820	—
2230	Current tax liabilities	4(23)	694,652	—	844,972	—
2250	Provisions	6(12) and 7	7,338,622	3	7,160,378	2
2320	Current portion of long-term liabilities	6(10)	—	—	3,999,410	1
2399	Other current liabilities	6(7)(13)(16) and 7	1,136,163	—	1,725,414	1
21XX	Total current liabilities		26,373,772	7	31,379,549	8
Non-current liabilities						
2511	Financial liabilities for hedging	6(3)	260,760	—	628,905	—
2530	Bonds payable	6(10)	19,480,210	5	18,481,633	5
2541	Long-term debt	6(9), 7 and 8	200,859,002	53	200,327,870	52
2550	Provisions	6(12) and 7	10,000,000	3	10,000,000	3
2580	Lease liabilities	6(7) and 7	60,549	—	237,674	—
2612	Operating concession liabilities	6(11) and 7	50,242,337	13	50,009,616	13
2670	Other non-current liabilities	6(13)(14)(18)	753,123	—	731,077	—
25XX	Total non-current liabilities		281,655,981	74	280,416,775	73
2XXX	Total liabilities		308,029,753	81	311,796,324	81
Equity						
Share capital						
3110	Common stock	6(15)	56,282,930	15	56,282,930	15
Capital surplus						
3200	Capital surplus		172,981	—	172,981	—
Retained earnings						
3310	Legal reserve		6,020,050	1	5,372,095	1
3350	Unappropriated retained earnings		10,296,802	3	10,246,982	3
3XXX	Total equity		72,772,763	19	72,074,988	19
3X2X	Total liabilities and equity		\$ 380,802,516	100	\$ 383,871,312	100

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

Ratification Items

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Items	Notes	Years Ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	\$ 54,648,456	100	\$ 53,185,664	100
5000	Operating costs	6(17) and 7	(31,007,179)	(57)	(29,828,709)	(56)
5900	Gross profit		23,641,277	43	23,356,955	44
6000	Operating expenses	6(17) and 7	(2,140,975)	(4)	(1,861,329)	(4)
6900	Net operating income		21,500,302	39	21,495,626	40
	Non-operating income and expense					
7100	Interest income	6(17)	404,188	1	454,104	1
7510	Interest expense	6(9)(17) and 7	(6,457,097)	(12)	(6,633,022)	(13)
7625	Stabilization reserve expense	6(12)	(7,338,622)	(13)	(7,160,376)	(13)
7590	Other gains and losses	6(17) and 7	6,832	—	(115,211)	—
7000	Total non-operating income and expense		(13,384,699)	(24)	(13,454,505)	(25)
7900	Income before income tax		8,115,603	15	8,041,121	15
7950	Income tax expense	6(18)	(1,535,416)	(3)	(1,589,693)	(3)
8200	Net income for the year		<u>\$ 6,580,187</u>	<u>12</u>	<u>\$ 6,451,428</u>	<u>12</u>
	Other comprehensive income					
	Other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plan	6(14)	\$ 34,120	—	\$ 35,149	—
8349	Income tax relating to components item that will not be reclassified subsequently to profit or loss	6(18)	(6,824)	—	(7,030)	—
8300	Other comprehensive income for the year		<u>\$ 27,296</u>	<u>—</u>	<u>\$ 28,119</u>	<u>—</u>
8500	Total comprehensive income for the year		<u>\$ 6,607,483</u>	<u>12</u>	<u>\$ 6,479,547</u>	<u>12</u>
	Basic earnings per share	6(19)				
9750	Basic earnings per share		<u>\$</u>	<u>1.17</u>	<u>\$</u>	<u>1.15</u>
	Diluted earnings per share	6(19)				
9850	Diluted earnings per share		<u>\$</u>	<u>1.17</u>	<u>\$</u>	<u>1.15</u>

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

Ratification Items

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Share capital- common stock	Capital surplus	Retained Earnings		Total equity
			Legal reserve	Unappropriated retained earnings	
<u>For the year ended December 31, 2025</u>					
Balance at January 1, 2025	\$ 56,282,930	\$ 172,981	\$ 5,372,095	\$ 10,246,982	\$ 72,074,988
Appropriations of 2024 earnings					
Legal reserve	—	—	647,955	(647,955)	—
Cash dividends of NT\$1.05 per share	—	—	—	(5,909,708)	(5,909,708)
	—	—	647,955	(6,557,663)	(5,909,708)
Net income for the year	—	—	—	6,580,187	6,580,187
Other comprehensive income	—	—	—	27,296	27,296
Total comprehensive income	—	—	—	6,607,483	6,607,483
Balance at December 31, 2025	\$ 56,282,930	\$ 172,981	\$ 6,020,050	\$ 10,296,802	\$ 72,772,763
<u>For the year ended December 31, 2024</u>					
Balance at January 1, 2024	\$ 56,282,930	\$ 172,981	\$ 4,590,376	\$ 10,290,013	\$ 71,336,300
Appropriations of 2023 earnings					
Legal reserve	—	—	781,719	(781,719)	—
Cash dividends of NT\$1.02 per share	—	—	—	(5,740,859)	(5,740,859)
	—	—	781,719	(6,522,578)	(5,740,859)
Net income for the year	—	—	—	6,451,428	6,451,428
Other comprehensive income	—	—	—	28,119	28,119
Total comprehensive income	—	—	—	6,479,547	6,479,547
Balance at December 31, 2024	\$ 56,282,930	\$ 172,981	\$ 5,372,095	\$ 10,246,982	\$ 72,074,988

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

Ratification Items

TAIWAN HIGH SPEED RAIL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Years Ended December 31	
	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Income before income tax	\$ 8,115,603	\$ 8,041,121
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	281,199	257,694
Amortization	13,516,868	14,219,644
Interest expense	6,457,097	6,633,022
Interest income	(404,188)	(454,104)
Gain on foreign currency exchange, net	(14,323)	(1,043)
Stabilization reserve expense	7,338,622	7,160,376
Loss on disposal of intangible assets, net	29,616	112,246
Others	11,043	(4,977)
Changes in operating assets and liabilities		
Changes in operating assets		
Notes and accounts receivable	135,693	89,303
Inventories	(12,325)	(110,792)
Other current assets	(36,738)	(33,653)
Other non-current assets	(5,603)	(3,389)
Changes in operating liabilities		
Accounts payable	(54,131)	144,486
Other payables	399,639	550,551
Provisions	(7,160,378)	(4,371,705)
Other current liabilities	(586,576)	600,838
Other non-current liabilities	15,012	9,943
Cash inflow generated from operations	28,026,130	32,839,561
Interest received	402,811	453,823
Interest paid	(4,881,972)	(10,919,250)
Interest paid with respect to operating concession liabilities	(804,112)	(973,782)
Income tax paid	(2,051,822)	(4,705,025)
Net cash flows from operating activities	<u>20,691,035</u>	<u>16,695,327</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of financial assets at fair value through other comprehensive income	(75,000)	—
Acquisition of financial assets for hedging	(109,589)	(1,164,433)
Proceeds from disposal of financial assets for hedging	57,988	1,203,664
Decrease in other financial assets	745,077	795,676
Acquisition of property, plant and equipment	(75,652)	(64,564)
Proceeds from disposal of property, plant and equipment	29	—
Acquisition of intangible assets	(9,871,968)	(8,154,670)
Proceeds from disposal of intangible assets	492	141
Increase in firm commitment hedging transaction	(229,468)	(73,946)
Net cash flows used in investing activities	<u>(9,558,091)</u>	<u>(7,458,132)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in short-term borrowings	—	(48,287)
Decrease in short-term notes and bills payable	(1,575,000)	(11,575,000)
Proceeds from issuance of bonds	1,000,000	—
Repayment of bonds	(4,000,000)	(5,000,000)
Repayment of the principal portion of lease liabilities	(187,589)	(172,239)

Ratification Items

Increase in other non-current liabilities	38,255	18,077
Cash dividends paid	<u>(5,909,708)</u>	<u>(5,740,859)</u>
Net cash flows used in financing activities	<u>(10,634,042)</u>	<u>(22,518,308)</u>
Effects due to changes in exchange rate on the balance of cash held in foreign currency	<u>13,569</u>	<u>(503)</u>
Net increase (decrease) in cash and cash equivalents	512,471	(13,281,616)
Cash and cash equivalents at beginning of year	<u>4,287,402</u>	<u>17,569,018</u>
Cash and cash equivalents at end of year	<u>\$ 4,799,873</u>	<u>\$ 4,287,402</u>

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

Ratification Items

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying balance sheets of Taiwan High Speed Rail Corporation (the "Company") as at December 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2025 financial statements are stated as follows:

Ratification Items

Recognition of gain on contract modification

Description

Refer to Notes 4(18) and 6(16) of the financial statements for the accounting policies and the explanation of operating revenue, respectively. The Company primarily engages in the construction and operation of high-speed rail in Taiwan. Railway transportation revenue is the main source of operating revenue for the Company. During 2025, the net railway transportation revenue amounted to \$52,730,215 thousand, accounting for 96 percent of the operating revenue. Due to the various types of tickets and sales channels, the calculation of revenue is highly dependent on the operation of the ticketing system, which has a significant impact on the financial performance of the Company. Thus, we consider the accuracy of the recognition of railway transportation revenue as a key audit matter in the current period.

How our audit addressed the matter

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters

Ratification Items

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

Ratification Items

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Yu, Chih-Fan

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan
February 25, 2026

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

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

Ratification Items

Audit Committee's Review Report on 2025 Financial Statements

Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2025 Business Report and Financial Statements. The CPA of PricewaterhouseCoopers, Taiwan, Chih-Fan Yu and Chien-Hung Chou, were retained to audit the Financial Statements of Taiwan High Speed Rail Corporation and have issued an audit report relating to the Financial Statements. The Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan High Speed Rail Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan High Speed Rail Corporation

Chairman of the Audit Committee: Duei Tsai

February 25, 2026

Ratification Items

Ratification No. 2: Proposed by the Board

Proposal: 2025 Profit Distributions of the Corporation.

Explanation:

1. As of year-end 2025, our distributable earnings amounted to NT\$ 9,636,052,664.
2. In order to stabilize and balance payout policies and in consideration of long-term corporate financial planning, the Corporation proposes cash dividends of NT\$ 1.15 per share for 2025 profit distribution, amounting to NT\$ 6,472,537,017 on a basis of 5,628,293,058 common shares outstanding.
3. The Corporation's profit distribution table for 2025 was approved at the 37th meeting of the 10th Board on March 18, 2026, circulated to the Audit Committee for review (please refer to p.61 of the Annual Meeting Handbook), and is hereby submitted to the shareholders' annual general meeting for approval.

Taiwan High Speed Rail Corporation

PROFIT DISTRIBUTION TABLE

Fiscal Year 2025	Unit: NT\$
Unappropriated retained earnings at the beginning of the period	3,689,317,732
Add: Net income for 2025	6,580,187,258
Add: Re-measurements of defined benefit plan	27,296,000
Undistributed earnings	10,296,800,990
Less: 10% legal reserve	(660,748,326)
2025 distributable earnings	9,636,052,664
Distributable items:	
Cash dividends (NT\$ 1.15 per share)	(6,472,537,017)
Current-year undistributed earnings	3,163,515,647

Ratification Items

4. Following approval from the 2026 shareholders' annual general meeting, the ex-dividend date and cash dividend payment date will be determined by the Board.

Resolution:

Ratification Items

Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2025 proposal for allocation of profits, and the proposal has been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan High Speed Rail Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Taiwan High Speed Rail Corporation

Chairman of the Audit Committee: Duei Tsai

March.18.2026

Discussion Item

Discussion No. 1: Proposed by the Board

Proposal: Revision of Procedures for the Acquisition or Disposal of Assets.

Explanation:

1. In accordance with amendments made to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies by the Financial Supervisory Commission on July 24, 2025, and in consideration of the Corporation's actual operations, the Corporation proposes to amend relevant articles in the Procedures for the Acquisition or Disposal of Assets.
2. A comparison of amended articles in the Articles of Incorporation is shown in Attachment II (please refer to p.68-p.69 of the Annual Meeting Handbook).
3. This proposal was approved at the 34th meeting of the 10th Board dated December 10, 2025, and is hereby submitted to the shareholders' annual general meeting for approval.

Resolution:

Election Item

Election of the Corporation's 11th Board of Directors

1. According to Article 17 and 17-1 of the Corporation's Articles of Incorporation, the Corporation's Board shall be composed of 9 to 17 directors, with the number of independent directors being no less than 3 and no less than one-third the number of directors. The total number of directors (including independent directors) is determined by the Board. Furthermore, the candidate nomination system stipulated in Article 192-1 of the Company Act is adopted for election of directors.
2. The quota of 15 directors (including 5 independent directors) to be elected was approved at the 36th meeting of the 10th Board dated February 25, 2026. Following election, the newly appointed directors will assume office after this shareholders' general meeting, with their three-year term starting on May 27, 2026 and ending on May 26, 2029.
3. Nomination of director (and independent director) candidates was carried out from March 20 to April 1, 2026. A list of nominated directors (and independent directors) was submitted to the 38th meeting of the 10th Board on March 31, 2026, and no other director (or independent director) candidates were nominated by shareholders.
4. The candidate nomination system is adopted for election of directors (and independent directors), and the shareholders shall elect directors from among the nominees listed in the roster of director candidates. Please refer to Attachment III for education backgrounds, past work experience, and other relevant candidate information (p.70-p.77 of the Annual Meeting Handbook).
5. Please refer to Appendix II for the Corporation's Rules for the Election of Directors (p.95-p.97 of the Annual Meeting Handbook).

Voting Results:

Other Proposal

Proposed by the Board

Proposal: Removal of Non-Competition Restriction Against the Corporation's 11th Board of Directors.

Explanation:

1. According to Article 209, Paragraph 1 of the Company Act, a director who does anything for themselves or on behalf of another person that is within the scope of the company's business, shall explain to the shareholders' meeting the essential contents of such an act and secure approval to conduct the same.
2. In view of the fact that director (and independent director) candidates nominated by the Board hold concurrent positions in enterprises whose business is partly the same or similar to the Corporation, we have prepared a list of directors to release from non-competition restrictions according to the foregoing stipulation of Article 209, Paragraph 1 of the Company Act (please refer to Attachment IV, p.78-p.80 of the Annual Meeting Handbook), and submit this to the shareholders' general meeting for approval to waive restrictions on newly elected directors and their representatives from participation in competing business on the condition that such participation will not jeopardize the interests of the Corporation.
3. This proposal requests on-the-spot approval regarding directors and scope of non-competition restrictions in accordance with the election results for directors of the 11th Board.
4. The proposal was approved at the 39th meeting of the 10th Board dated April 13, 2026 and is hereby submitted to the shareholders' annual general meeting for approval.

Resolution:

Extemporaneous Motions 、 Adjournment

Extemporaneous Motions

Adjournment

Attachment I

Taiwan High Speed Rail Corporation Comparative Table for the Sustainable Development Best Practice Principles

Amended Articles	Current Articles	Notes
<p>Article 15 The Corporation may consider the environmental benefits of its operations, and promote and advocate the concept of sustainable consumption. It shall also conduct research and development, procurement, production, operations, and services in accordance with the following principles, to reduce the impact of the Corporation's operations on the natural environment, <u>living organisms</u>, and the public.</p> <ol style="list-style-type: none"> 1. Reduce the resource and energy consumption of transportation services. 2. Reduce the emission of pollutants, toxins, and waste, and dispose of waste properly. 3. Improve the recyclability and reusability of materials. 4. Maximize sustainability in the use of renewable resources. 5. Increase the durability of equipment. 6. Increase the efficiency of services. 7. <u>Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.</u> 	<p>Article 15 The Corporation may consider the environmental benefits of its operations, and promote and advocate the concept of sustainable consumption. It shall also conduct research and development, procurement, production, operations, and services in accordance with the following principles, to reduce the impact of the Corporation's operations on the natural environment and the public.</p> <ol style="list-style-type: none"> 1. Reduce the resource and energy consumption of transportation services. 2. Reduce the emission of pollutants, toxins, and waste, and dispose of waste properly. 3. Improve the recyclability and reusability of materials. 4. Maximize sustainability in the use of renewable resources. 5. Increase the durability of equipment. 6. Increase the efficiency of services. 	<p>Revised wording and added a seventh item in accordance with amendments made by TWSE and in consideration of overall corporate operations.</p>
<p>Article 21 The Corporation may create an environment conducive to the development of its employees' careers, and establish effective training programs to foster career</p>	<p>Article 21 The Corporation may create an environment conducive to the development of its employees' careers, and establish effective training programs to foster career</p>	<p>Revised wording in accordance with amendments made by TWSE and in consideration of overall corporate</p>

Attachment I

Amended Articles	Current Articles	Notes
<p>skills. <u>The Corporation may establish industry-academia collaboration programs and cultivate industrial seed talent as necessary based on business needs.</u> The Corporation shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect corporate business performance or results in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations</p>	<p>skills. The Corporation shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect corporate business performance or results in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations.</p>	<p>operations.</p>

Attachment II

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

Amended Articles	Current Articles	Notes
<p>6.4.1 d) Any asset transaction or disposal of claims or receivables other than those indicated in a) to c) above where the transaction amount reaches 20 percent or more of the Corporation’s paid-in capital or NT\$300 million or more, provided that this shall not apply to the following transactions:</p> <p style="padding-left: 20px;">i) Trading of domestic government bonds or foreign bonds with credit ratings no lower than domestic sovereign ratings.</p> <p style="padding-left: 20px;">ii) Trading of bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds issued by domestic securities investment trust enterprises.</p> <p style="padding-left: 20px;">iii) The acquired or disposed assets are equipment or its right-to-use asset for business use, <u>or are transactions in government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC markets,</u> where the transaction counterparty is not a related party, nor does the transaction amount reach <u>5 percent of paid-in capital</u> or more.</p> <p style="padding-left: 20px;">iv) Real property is acquired under an arrangement for commissioned construction on self-owned land, commissioned construction on rented land, joint</p>	<p>6.4.1 d) Any asset transaction or disposal of claims or receivables other than those indicated in a) to c) above where the transaction amount reaches 20 percent or more of the Corporation’s paid-in capital or NT\$300 million or more, provided that this shall not apply to the following transactions:</p> <p style="padding-left: 20px;">i) Trading of domestic government bonds or foreign bonds with credit ratings no lower than domestic sovereign ratings.</p> <p style="padding-left: 20px;">ii) Trading of bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds issued by domestic securities investment trust enterprises.</p> <p style="padding-left: 20px;">iii) The acquired or disposed assets are equipment or its right-to-use asset for business use where the transaction counterparty is not a related party, nor does the transaction amount reach <u>NT\$1 billion</u> or more.</p> <p style="padding-left: 20px;">iv) Real property is acquired under an arrangement for commissioned construction on self-owned land, commissioned construction on rented land, joint construction and allocation of building units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction</p>	<p>Amended in accordance with amendments made to Article 31 of the Financial Supervisory Commission “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>

Attachment II

Amended Articles	Current Articles	Notes
construction and allocation of building units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party, nor does the transaction amount reach NT\$500 million or more (calculated according to the amount the Corporation expects to invest in the transaction).	counterparty is not a related party, nor does the transaction amount reach NT\$500 million or more (calculated according to the amount the Corporation expects to invest in the transaction).	

Attachment III

List of Nominated Directors (Including Independent Directors) for the 11th Board

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
Director	Che Shih	<ul style="list-style-type: none"> ● Master of Computer Science, Tunghai University. 	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Chairman, Taiwan High Speed Rail Corporation. ● Director, Railway Technology Research and Certification Center. 	China Aviation Development Foundation (Shareholder Account No. 51400)
Director	Cheng-Chung Young	<ul style="list-style-type: none"> ● M.S. in Institute of Traffic and Transportation, National Chiao Tung University. 	<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. ● Director, Railway Technology Research and Certification Center. ● Director, Taiwan High Speed Rail Corporation. 	Ministry of Transportation and Communications, R.O.C. (Shareholder Account No. 92268)

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
Director	Kung-Yeun Jeng	<ul style="list-style-type: none"> ● Ph.D. in Institute of Traffic and Transportation, 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. 	<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. ● Director, Taiwan High Speed Rail Corporation. 	Ministry of Transportation and Communications, R.O.C. (Shareholder Account No. 92268)
Director	Hsiang-Sheng Lin	<ul style="list-style-type: none"> ● Ph.D. in Institute of Traffic and Transportation, National Chiao Tung University. 	<ul style="list-style-type: none"> ● Operations Consultant, Preparation Office of High Speed Rail. ● President, Director, Taoyuan International Airport Corporation. ● Chairman, Taoyuan International Airport Services Co., Ltd. ● Director, Chunghwa Post Co., Ltd. ● Director, Chunghwa Express Co., Ltd. ● Director, CECI Engineering Consultants, Inc. Taiwan. 	<ul style="list-style-type: none"> ● Supervisor, Taoyuan International Airport Services Co., Ltd. ● Supervisor, Taiwan Tourism Research and Training Institute. ● Committee Member, AI Executive Committee, Taiwan International Ports Corporation. 	China Aviation Development Foundation (Shareholder Account No. 51400)

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
			<ul style="list-style-type: none"> ● Founding Director, Intelligent Transport Society of Taiwan. 		
Director	Tien-Ying Lee	<ul style="list-style-type: none"> ● MBA, Saïd Business School, University of Oxford, UK. ● Passed Republic of China national physician examinations and obtained a medical license. ● Bachelor of Medicine, China Medical University. 	<ul style="list-style-type: none"> ● Director and CEO, CHC Charity Foundation. ● Director, New Taipei City Medical Imaging Education Foundation. ● Director, Paradise Foundation. ● Director, New Taiwanese Cultural Foundation. ● Director, Central Taiwan University of Science and Technology. ● Director, Institute for Biotechnology and Medicine Industry. ● Director, Taoyuan Enterprise Chamber. ● Chairman, CHC Healthcare Group. ● Director, Yeezen General Hospital. ● Resident, Department of Internal Medicine and Department of Infectious Disease, Mackay Memorial Hospital. ● Director, CHC Healthcare Group. ● Chairman, Shin Shin Healthcare Co., Ltd. ● Representative of Juristic-Person, FuKang Vitality Pharmacy. 	<ul style="list-style-type: none"> ● Chairman, CHC Healthcare Group. ● Director, China Aviation Development Foundation. 	China Aviation Development Foundation (Shareholder Account No. 51400)
Director	Wei-Cheng Hsieh	<ul style="list-style-type: none"> ● LL.B from Department of Law, Soochow University. 	<ul style="list-style-type: none"> ● CEO, Taoyuan Social Housing Service Center. ● Senior Administrator, Taoyuan Metro Corporation. 	<ul style="list-style-type: none"> ● Director and Secretary-General, China Aviation Development Foundation. ● Director, Flight Safety Foundation-Taiwan. 	China Aviation Development Foundation (Shareholder Account No. 51400)

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
			<ul style="list-style-type: none"> ● Director, Taiwan International Ports Corporation, Ltd. ● Senior Specialist, Ministry of Transportation and Communications. ● Researcher, Research, Development and Evaluation Commission, Kaohsiung City Government. 	<ul style="list-style-type: none"> ● Director, Taoyuan International Airport Services Co., Ltd. ● Director, Next Commercial Bank Co., Ltd. ● Director, Taiwan High Speed Rail Corporation. 	
Director	Chien-Chih Hwang	<ul style="list-style-type: none"> ● Department of Economics, Tunghai University. 	<ul style="list-style-type: none"> ● Executive Vice President, 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. ● Director, Taiwan High Speed Rail Corporation. 	China Steel Corporation (Shareholder Account No. 43831)
Director	Ming-Chang Wu	<ul style="list-style-type: none"> ● Ph.D., Department of Horticulture and Landscape Architecture, National Taiwan University. 	<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. ● Director, Taiwan High Speed Rail Corporation. 	Taiwan Sugar Corporation (Shareholder Account No. 5762)

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
Director	Chao-Neng Chang	<ul style="list-style-type: none"> ● M.S. in Institute of Traffic and Transportation, National Chiao Tung University. 	<ul style="list-style-type: none"> ● Counselor, National Development Council. ● Section Chief, Institute of Transportation. ● Director General, Transportation Bureau, Chiayi City Government. ● Director, Transportation Department, Chiayi City Government. ● Technical Specialist, Council for Economic Planning and Development. ● Specialist, Council for Economic Planning and Development. 	<ul style="list-style-type: none"> ● Secretary General, National Development Council, Executive Yuan. 	Management Committee of National Development Fund, Executive Yuan (Shareholder Account No. 38578)
Director	Ming-Shieh Li	<ul style="list-style-type: none"> ● Department of Economics, National Taiwan University. 	<ul style="list-style-type: none"> ● Chairman, CTBC Bank. ● Director, Straits Exchange Foundation. ● Director, The Bankers Association of Taipei. ● President, China Guangfa Bank. ● Chairman, Citibank (Taiwan) Limited. 	<ul style="list-style-type: none"> ● Chairman, TECO Electric & Machinery Co., Ltd. ● Executive Supervisor, Chinese National Association of Industry and Commerce, Taiwan. ● Consultant, Economic Development Commission, Executive Yuan. ● Director, Taiwan Electrical and Electronic Manufacturers' Association. 	TECO Electric & Machinery Co., Ltd. (Shareholder Account No. 11)

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
Independent Director	Yu-Fen Lin	<ul style="list-style-type: none"> ● Double major in Department of Political Science and Department of Law, National Taiwan University. 	<ul style="list-style-type: none"> ● Independent Director, SINBON Electronics. ● Independent Director, ShareHope Medicine Co., Ltd. ● Independent Director, Bank SinoPac. ● Independent Director, Chunghwa Telecom. 	<ul style="list-style-type: none"> ● Managing Partner, Lex & Honor Law Office. ● Independent Director, China Airlines. ● Independent Director, Chief Telecom Inc. ● Supervisor, Infinity Communication Tech. Inc. ● Committee Member, Political Party Review Committee, Ministry of the Interior. ● Committee Member, National Archives Administration, National Development Council. ● Committee Member, Private Equity Fund Review Committee, National Development Council. 	Not applicable.

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
Independent Director	Duei Tsai	<ul style="list-style-type: none"> ● Ph.D. from Graduate Institute of Electrical Engineering, National Taiwan University. ● Master's Degree from Graduate Institute of Electrical Engineering, National Taiwan University. 	<ul style="list-style-type: none"> ● Adjunct Professor Rank Specialist, Department of Electrical Engineering, National Taipei University of Technology. ● Minister, Ministry of Transportation and Communications. ● Adjunct Professor, Department of Electronic Engineering, National Taiwan University of Science and Technology. ● Deputy Minister, Public Construction Commission, Executive Yuan. ● Political Deputy Minister, Ministry of Transportation and Communications. ● Administrative Deputy Minister, Ministry of Transportation and Communications. ● Technical Superintendent, Ministry of Transportation and Communications. 	<ul style="list-style-type: none"> ● Independent Director, Taiwan High Speed Rail Corporation. ● Independent Director for Public Welfare, Starlux Airlines Co., Ltd. 	Not applicable.
Independent Director	Yih-Ray Hwang	<ul style="list-style-type: none"> ● Business Administration MBA, University of Massachusetts Boston. 	<ul style="list-style-type: none"> ● Director, Solomon & Co., CPAs. ● Chairman, The National Federation of CPA Associations of the R.O.C. 	<ul style="list-style-type: none"> ● Independent Director, China Airlines. 	Not applicable.
Independent Director	Pai-Ta Shih	<ul style="list-style-type: none"> ● Ph.D. in Economics, University of Texas at Austin. ● Master's Degree from the Graduate Institute of Electrical 	<ul style="list-style-type: none"> ● Chairperson, Department of Finance, National Taiwan University. ● Independent Director, Central Reinsurance Corporation. 	<ul style="list-style-type: none"> ● Director, Digital Finance and Industry Development Research Center, College of Management, National Taiwan 	Not applicable.

Attachment III

Candidate Type	Candidate Name	Education	Experience	Current Position	Government or Entity Represented
		<p>Engineering, National Taiwan University.</p> <ul style="list-style-type: none"> ● B.S. in Electrical Engineering, National Sun Yat-Sen University. 	<ul style="list-style-type: none"> ● Independent Director, Twoway Communications, Inc. ● Independent Director, Nan Shan Life Insurance Co., Ltd. ● Independent Director, Edison Opto Corp. ● Associate Professor, Department of Finance, National Taiwan University. 	<p>University.</p> <ul style="list-style-type: none"> ● Independent Director, Horizon Fixture Group Co., Ltd. ● Independent Director, Skytech Inc. ● Chairman, Taiwan Insurance Guaranty Fund. 	
Independent Director	Yung-Cheng (Rex) Lai	<ul style="list-style-type: none"> ● Ph.D., Railroad Engineering Program, University of Illinois at Urbana-Champaign. ● M.S., Railroad Engineering Program, University of Illinois at Urbana-Champaign. ● B.S., Department of Civil Engineering, National Taiwan University. 	<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. ● Chairman, Academic Committee, Railway Engineering Society of Taiwan (RESOT), Taiwan. ● Committee Member, Procedural Team for Review of Technical Standards and Specifications of High-Speed Transportation Vehicles. ● Committee Member, Executive Yuan Investigative Team for 1021 Puyuma Incident. 	<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). 	Not applicable.

Attachment IV

List of Directors Seeking Removal of Non-Competition Restriction

Name	Concurrent Positions Held at Other Companies	
Ministry of Transportation and Communications, R.O.C. Representative: Kung-Yeun Jeng	Taiwan Railway Corporation, Ltd.	Chairman
	Taipei Rapid Transit Corporation	Director
China Aviation Development Foundation Representative: Hsiang-Sheng Lin	Taoyuan International Airport Services Co., Ltd.	Supervisor
China Aviation Development Foundation Representative: Tien-Ying Lee	CHC Healthcare Group	Chairman
China Aviation Development Foundation Representative: Wei-Cheng Hsieh	Taoyuan International Airport Services Co., Ltd.	Director
	Next Commercial Bank Co., Ltd.	Director
China Steel Corporation Representative: Chien-Chih Hwang	China Steel Corporation	Chairman
	China Steel Chemical Corporation	Chairman
	China Steel Global Trading Corporation	Director
	Gains Investment Corporation	Director
	Dragon Steel Corporation	Director
	China Ecotek Corporation	Director
Taiwan Sugar Corporation Representative: Ming-Chang Wu	Taiwan Sugar Corporation	Chairman

Attachment IV

Name	Concurrent Positions Held at Other Companies	
Management Committee of National Development Fund, Executive Yuan Representative: Chao-Neng Chang	Taoyuan International Airport Corporation	Director
TECO Electric & Machinery Co., Ltd. Representative: Ming-Shieh Li	TECO Electric & Machinery Co., Ltd.	Chairman
	Tong An Asset Development Management Co. Ltd.	Director
	Tong An Investment Co., Ltd.	Director
	Tong An Energy Co., Ltd.	Chairman
	TECO Electric & Machinery Pte Ltd.	Chairman
	TECO Holdings USA, Inc.	Chairman
	TECO Electric & Machinery Sdn.Bhd.	Director
	Shanghai TECO Electric & Machinery Co., Ltd.	Director
	Motovario S.p.A	Director
Independent Director: Yu-Fen Lin	China Airlines Ltd.	Independent Director
	Chief Telecom Inc.	Independent Director
	Infinity Communication Tech. Inc.	Supervisor

Attachment IV

Name	Concurrent Positions Held at Other Companies	
Independent Director: Duei Tsai	Starlux Airlines. Co., Ltd.	Independent Director for Public Welfare
Independent Director: Yih-Ray Hwang	China Airlines Ltd.	Independent Director
Independent Director: Pai-Ta Shih	Horizon Fixture Group Co., Ltd.	Independent Director
	Skytech Inc.	Independent Director

Legal Entity	Concurrent Positions Held at Other Companies	
China Aviation Development Foundation	Legal entity represented by directors at China Airlines Ltd.	
Management Committee of National Development Fund, Executive Yuan	Legal entity represented by directors at China Airlines Ltd.	
	Legal entity represented by directors at Kaohsiung Rapid Transit Corporation.	
	Legal entity represented by directors at Yang Ming Marine Transport Corporation.	
	Legal entity represented by directors at WeMo (Cayman) Corp.	

Appendix I

Taiwan High Speed Rail Corporation

Rules of Procedure for Shareholders' Meetings

Article 1 (Legal Basis)

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

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

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

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

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

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

A shareholder or a proxy appointed by a shareholder (hereinafter, "shareholder") shall attend the relevant shareholders' meeting by presenting a meeting attendance card, an attendance sign-in card, or

Appendix I

other attendance document. The Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. The shareholder attending the meeting shall surrender the attendance sign-in card in place of signing the attendance sheet.

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

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

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

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

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

Article 3 (Time and Place of Shareholders' Meetings)

Shareholders' meetings shall be held at the location of the Corporation

Appendix I

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

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

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

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

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

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

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

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

The Corporation may appoint its attorneys at law or certified public

Appendix I

accountants or other relevant persons to attend a shareholders' meeting as non-voting participants.

Article 5 (Maintenance of Order at Meetings)

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

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

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

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

Article 6 (Opening of Shareholders' Meetings)

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

Appendix I

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

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

Article 7 (Discussion of Agenda Items)

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

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

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

Appendix I

voting rights of the shareholders present.

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

Article 8 (Shareholders Speaking at Meetings)

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

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

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

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

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

Appendix I

than in the nature of an agenda item.

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

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

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

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

Article 9 (Shareholders' Meeting Proposals)

Before a regular shareholders' meeting, a shareholder holding 1 percent or more of the total issued shares of the Corporation may submit a proposal to the Corporation for inclusion as an agenda item, within the time period stated in the public notice of the Corporation regarding the receipt of such submissions, provided that only one proposal may be

Appendix I

submitted by the same shareholder and that if more than one proposal is submitted, none of them shall be included on the agenda. The same shall apply to shareholder proposals for promoting public interests of the Corporation or fulfillment of social responsibilities. The Board of Directors may decide not to include on the agenda any proposal submitted by a shareholder that falls under any of the circumstances set forth in the subparagraphs of Article 172-1, paragraph 4 of the Company Act.

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

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

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

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

Election or dismissal of directors, amendments to the articles of

Appendix I

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

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

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

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

Article 10 (Putting to Vote)

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

Article 11 (Votes on Agenda Items)

The votes on an agenda item shall be calculated on the basis of shares and each shareholder is entitled to one vote for each share held, except

Appendix I

for restricted shares or for non-voting shares under Article 179, paragraph 2 of the Company Act.

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

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

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

Unless otherwise provided by law or regulation, or by the Articles of Incorporation, an agenda item put to vote shall be passed with the

Appendix I

approval of more than one-half of the voting rights of the shareholders present. Notwithstanding the foregoing, a vote on the election of Directors shall be subject to the Rules for the Election of Directors and the results of the vote, including a list of Directors elected and the numbers of votes they receive, and a list of unsuccessful candidates and the numbers of votes they received, shall be announced immediately at the voting place.

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

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

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

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

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

Appendix I

ballots under seal, and after affixing their signatures or personal seals thereon, hand over the same to the Corporation for preservation.

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

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

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

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

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

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

Appendix I

8. The ballot is not inserted into the ballot box designated by the chair.

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

Article 14 (Meeting Minutes of Shareholders' Meetings)

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

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

Article 15 (Break and Resumption of Meetings)

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

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

Appendix I

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

Article 16 (Matters Not Covered)

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

Article 17 (Supplementary Provisions)

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

Appendix II

Taiwan High Speed Rail Corporation

Rules for the Election of Directors

Article 1 The election of Directors of the Corporation shall be conducted in accordance with these Rules.

Article 2 The Directors of the Corporation shall be elected by recorded cumulative voting. The recording of the name of the voter shall be replaced with the voter's shareholder account number or meeting attendance card number appearing on the ballot.

The number of votes exercisable in each share is equal to the number of Directors to be elected, with the total number of votes exercisable equally spread over the number of ballots equal to the number of Directors to be elected. A voter may cast all the voter's ballots for a single candidate or split them among multiple candidates. The candidates who receive ballots representing a prevailing number of votes shall be elected as Directors.

Article 3 The number of Directors for the election is determined by the Board of Director in accordance with the rule of Corporation's Articles of Incorporation, with voting rights separately calculated for independent and non-independent directors; the candidates who receive ballots representing a prevailing number of votes shall be elected sequentially according to their respective numbers of votes. If two or more candidates receive ballots representing an equal number of votes and the election of all of them would exceed the fixed number of Directors, the election shall be determined by candidates with equal numbers of votes drawing lots, and the lots of the candidates who are not present at the draw shall be drawn by the chair on their behalf.

To cast votes to elect Directors of the Corporation, a shareholder may opt to vote either by electronic means or on site.

A shareholder opting to cast votes by electronic means under the preceding paragraph shall vote on an electronic voting platform designated by the Corporation.

The qualifications of the Directors elected under paragraph 1 shall meet the requirements prescribed by the competent authority.

Appendix II

- Article 4 The candidate nomination system and procedures under Article 192-1 of the Company Act shall be adopted for the election of the Directors of the Corporation. Shareholders shall elect the Directors from the roster of nominated candidates.
- Independent Directors and non-independent Directors of the Corporation shall be elected in accordance with these Rules and in the same election, with the numbers of Directors to be elected calculated separately for each group, and the candidates receiving a prevailing number of ballots in each group shall be elected.
- For the election purposes under the preceding paragraph, the number of votes shall be calculated by adding the number of votes cast on site at a shareholders' meeting plus the number of votes cast by electronic voting.
- Before the shareholders' meeting, with respect to the results of the electronic voting under the preceding paragraph, procedures shall have been conducted by an institution meeting the requirement of Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies to ascertain the identities and numbers of voting rights of the shareholders and to verify the final statistical tallying.
- Article 5 At the start of an election, the chair shall announce the voting time and appoint multiple ballot inspectors and ballot counters to discharge all relevant duties, and only shareholders may be appointed as ballot inspectors.
- Article 6 The Board of Directors or persons with the right to convene shall prepare a specific number of ballots corresponding to the number of directors to be elected, and the corresponding number of votes shall be noted on the ballot, attendance card numbers printed on ballots may be used in lieu of records of voting shareholder names, only these printed ballots are valid and the voter may not make any addition, deletion, or alteration to the format of the ballot or to the content that is allowed to be filled in.
- Article 7 Only one candidate's name may be filled in on each ballot.
- Article 8 An on-site ballot shall be invalid if determined by all ballot inspectors to fall in any of the following circumstances:
- (1) The ballot cast is not a ballot prepared and issued by a person with the right to convene.
 - (2) The ballot inserted into the ballot box is a blank ballot.

Appendix II

- (3) The handwriting on the ballot is unclear, indecipherable.
- (4) The ballot is altered or any text, mark other than allowed is placed on it.
- (5) The ballot is torn such that it is incomplete.
- (6) The names of two or more candidates are filled in on the same ballot.
- (7) The ballot is not inserted into the ballot box designated by the chair.

When in doubt a ballot counter shall first request a ballot inspector to verify whether an on-site ballot is invalid. Ballots determined to be invalid shall be placed in a separate place. After all the ballots have been counted, the number of invalid ballots shall be tallied by the ballot counters and delivered to the ballot inspectors, who shall mark them as invalid and affix them with their signature or personal seal.

- Article 9 With respect to the results of the voting, the ballot inspectors shall verify the sums of the valid ballots and invalid ballots, and then make separate entries in the voting log of the number of valid ballots and the corresponding number of votes and the number of invalid ballots.
- Article 10 The result of the voting shall be announced by the chair on site by indicating the list of candidates elected as Directors and the numbers of votes with which they were elected.
- Article 11 Elected Directors shall sign a Director Declaration and receipt of Compliance Brochure for Directors within 5 days of the election date, and shall submit a Consent to Act as Director form to the Corporation within 10 days of the election date.
- Article 12 All matters not covered by these Rules shall be subject to the direction of the chair, unless otherwise expressly provided by the Company Act, the Securities and Exchange Act, any other applicable laws or regulations, and the Corporation's Articles of Incorporation, Rules of Procedure for Shareholders' Meetings, and Principles of Corporate Governance.
- Article 13 These Rules, and any amendment hereto, shall take force after approval at a shareholders' meeting.

Appendix III

Taiwan High Speed Rail Corporation

Articles of Incorporation

Chapter 1 General Provisions

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

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

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

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

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

Chapter 2 Scope of Business

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

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

Appendix III

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

Chapter 3 Shares

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

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

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

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

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

Appendix III

issuing of corporate bonds.

Article 7-1 (deleted)

Article 7-2 (deleted)

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

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

Chapter 4 Shareholders' Meetings

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

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

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

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

Appendix III

Election of Directors.

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

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

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

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

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

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

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

Appendix III

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

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

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

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

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

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

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

Chapter 5 Board of Directors

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

Appendix III

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

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

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

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

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

Appendix III

Exchange Act and other applicable laws and regulations.

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

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

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

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

Appendix III

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

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

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

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

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

Article 24 (deleted)

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

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

Appendix III

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

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

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

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

Article 27-1 All relevant laws, articles, bylaws, and rules, shareholders' meeting resolutions, Board of Directors resolutions, and the Corporation's Principles of Corporate Governance and associated provisions shall constitute the rights and obligations arising from the mandate relationship between the Directors and the Corporation, and the Directors shall have the obligation to fully comply and exercise fiduciary duty in the execution thereof.

The pay to the Directors for their services as Directors, apart from for the profit-sharing compensation to Directors paid out of annual profits in accordance with Article 35-1 below, shall be discussed and determined by the Board of Directors separately for each Director, considering the level of involvement and value of contribution of each Director and by reference to the usual level of such pay in the industry.

Regarding resignation (retirement) payments for the chairman and related matters, the fixed salary of the chairman's last month in office will be used as the calculation base, and two bases will be paid for each full year of service. The length of service is calculated as a half year when it is less than six months and as one year when it

Appendix III

is more than six months. If there is a need for consolation payments, the Board of Directors is authorized to determine payment amounts based on the Corporation's regulations relating to occupational accident compensation and consolation payments.

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

Chapter 6 (deleted)

Article 28 (deleted)

Article 29 (deleted)

Article 30 (deleted)

Article 31 (deleted)

Article 32 (deleted)

Chapter 7 Managerial Officers

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

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

Chapter 8 Accounting

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

Appendix III

meeting for recognition:

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

Article 35-1 If the final annual accounts of the Corporation show a net profit for a given year, it shall allocate not less than 1 percent of the net profit as profit-sharing compensation to employees, and no less than 35 percent of said employee compensation shall be allocated to non-executive employees. Furthermore, and not more than 1 percent as profit-sharing compensation to Directors; provided, however, that if the Corporation still has any accumulated loss, it shall first set aside the amount to offset the loss before such allocation.

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

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

Appendix III

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.

Chapter 9 Supplementary Provisions

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

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

Article 39 These Articles of Incorporation were adopted on 13 April 1998. The first amendment was made on 25 May 1999; the second on 27 June 2000; the third on 20 May 2002; the fourth on 10 September 2002; the fifth on 10 September 2002; the sixth on 28 May 2003; the seventh on 30 December 2003; the eighth on 28 May 2004; the ninth on 4 March 2005; the tenth on 4 March 2005; the eleventh on 25 June 2005; the twelfth on 25 June 2005; the thirteenth on 9 June 2006; the fourteenth on 16 August 2007; the fifteenth on 3 June 2009; the sixteenth on 23 June 2010; the seventeenth on 22 June 2012; the eighteenth on 10 September 2015; the nineteenth on 18 March 2016; the twentieth on 24 May 2018; the twenty-first on 26 May 2022; the twenty-second on 23 May 2024; the twenty-third on 22 May 2025; and took effect after approval at a regular shareholders' meeting.

Appendix IV

Taiwan High Speed Rail Corporation

Sustainable Development Best Practice Principles

Chapter 1 General Principles

- Article 1 The Taiwan High Speed Rail Corporation (hereinafter referred to as “the Corporation”), based on the principle of corporate sustainability, holds sustainable development as one of the major core value. To fulfill corporate social responsibility, and to promote economic, social, environmental, and ecological balance and sustainable development, and achieve sustainable operations, the Corporation adopts these Principles for compliance, taking into reference to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and relevant laws and regulations.
- Article 2 The Principles apply to the Corporation’s entire operations and activities. The Corporation shall actively practice sustainable corporate development in line with international trends, as it engages in business operations. It shall also act as a responsible corporate citizen to contribute to the economic development of the country, improve the quality of life of employees, the community, and society, and enhance its competitive advantages on the foundation of corporate sustainable development.
- Article 3 In fulfilling sustainable development initiatives, the Corporation shall, in its corporate operational strategies and management objectives, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.
- The Corporation shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- Article 4 To implement sustainable development, the Corporation shall abide by the following principles:
1. Implement corporate governance.
 2. Foster a sustainable environment.
 3. Maintain public interest of society.
 4. Disclosure of sustainable development information.
- Article 5 The Corporation shall consider the sustainable development subjects and trends domestically and abroad and its core business operations, as well as the overall operational activity effects on stakeholders, and adopt sustainable development policies, systems or guiding management principles, and concrete proposals for

Appendix IV

promoting sustainable development programs.

Chapter2 Implementing Corporate Governance

Article 6 The Corporation complies with relevant domestic laws and regulations and the Corporation's Articles of Incorporation. To establish effective governance frameworks and relevant ethical standards to enhance corporate governance.

Article 7 The Corporation's Directors shall exercise the due care and diligence of good administrators. The Board of Directors ("Board") may authorize management department to handle economic, environmental, and social issues arising from operational activities. Management department shall report to the Board on the status of handling such issues. The operational and handling procedures related thereto and the individual personnel responsible for each relevant issue shall be concrete and clear.

Article 8 The Corporation may, on a regular basis, hold education and training courses on the implementation of sustainable development.

Article 9 For sound management of sustainable development, the Corporation may establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and implementing sustainable development policies and concrete promotional plans, and reporting on the same to the Board on a regular basis.

The Corporation may adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

The employee performance evaluation system may comply with sustainable development policies, and a clear and effective incentive and discipline system shall be established.

Article 10 The Corporation, based on respect for the rights and interests of stakeholders, shall establish a designated section on corporate website for stakeholders. It shall use appropriate means of communication to gain an understanding of the reasonable expectations and demands of stakeholders, and adequately respond to important sustainable development issues that they may be concerned about.

Chapter3 Fostering a Sustainable Environment

Article 11 The Corporation shall comply with relevant laws, regulations and international standards to properly protect the natural environment. It shall make the most of the core capabilities of the transportation industry, offer green service, enhance the efficient use of equipment and energy, and establish environmental management systems, to promote a smart and low-carbon society, and achieve the goal of sustainability.

Appendix IV

- Article 12 The Corporation may endeavor to utilize all resources more efficiently, to use renewable materials with low environmental impact, and to enable sustainable use of earth's resources.
- Article 13 The Corporation may establish a suitable environmental management system based on the characteristics of its industry. This system shall include the following:
1. Collecting sufficient and timely information to evaluate the impact of the Corporation's business operations on the natural environment.
 2. Establishing measurable goals for environmental sustainability, and regularly examining the continuity and relevance of the goals and developments with respect thereto.
 3. Adopting implementation measures such as concrete programs or action plans, and examining the results on a regular basis.
- Article 14 The Corporation may establish a dedicated unit or assign dedicated personnel to draft, promote, and maintain relevant environment management systems and concrete action plans, and shall regularly hold environmental education courses.
- Article 15 The Corporation may consider the environmental benefits of its operations, and promote and advocate the concept of sustainable consumption. It shall also conduct research and development, procurement, production, operations, and services in accordance with the following principles, to reduce the impact of the Corporation's operations on the natural environment, living organisms, and the public.
1. Reduce the resource and energy consumption of transportation services.
 2. Reduce the emission of pollutants, toxins, and waste, and dispose of waste properly.
 3. Improve the recyclability and reusability of materials.
 4. Maximize sustainability in the use of renewable resources.
 5. Increase the durability of equipment.
 6. Increase the efficiency of services.
 7. Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.
- Article 16 The Corporation shall construct and strengthen environmental protection and treatment facilities to avoid creating water pollution, waste, air and land pollution, noise, and vibration. It shall also use its best efforts to reduce adverse impact on human health and the environment, and adopt the best practical measures and technology for pollution prevention and control.
- Article 17 The Corporation may assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

Appendix IV

The Corporation shall adopt standards or guidelines generally used domestically and abroad to implement corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The Corporation shall compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes.

Chapter4 Upholding Public Welfare

Article 18 The Corporation shall comply with relevant laws and regulations and the International Bill of Human Rights, with respect to rights such as gender equality, right to work, and prohibition of discrimination.

The Corporation shall adopt relevant management policies and processes to fulfill its responsibility to protect human rights.

The Corporation shall comply with internationally recognized human rights of labor, such as freedom of association, right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, and eliminating recruitment and employment discrimination. The Corporation shall also ensure that its human resource policies do not involve differential treatment based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Corporation shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, and ensure equality and transparency in the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed, and the Corporation shall respond to an employee's grievance in an appropriate manner.

Article 19 The Corporation shall provide information to its employees to familiarize the employees with the labor laws and the rights they may have in the countries where the Corporation has business operations.

Article 20 The Corporation may provide a safe and healthy work environment for employees, including necessary health and first-aid facilities. It shall endeavor to reduce hazards to employees' safety and health and to prevent occupational accidents.

The Corporation may organize safety training and health education for employees on a regular basis.

Appendix IV

- Article 21 The Corporation may create an environment conducive to the development of its employees' careers, and establish effective training programs to foster career skills.
The Corporation may establish industry-academia collaboration programs and cultivate industrial seed talent as necessary based on business needs.
The Corporation shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect corporate business performance or results in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations.
- Article 22 The Corporation shall establish channels for regular two-way communication between management and employees, and entitle employees to be informed about and express their opinions on the Corporation's operations, management, and decisions.
The Corporation shall respect the rights of employee representatives to bargain with respect to working conditions, and shall provide employees with necessary information and hardware equipment to improve negotiation and cooperation among employer, employees, and employee representatives.
The Corporation shall, by reasonable means, inform employees of operational changes that might have a material impact.
- Article 22-1 The Corporation shall treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. The Corporation shall also develop the relevant strategies and specific measures for implementation.
- Article 23 The Corporation shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Corporation shall ensure the transparency and safety of its products and services. It shall also establish and disclose policies on consumer rights and interests and enforce them in the course of business operations, to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.
- Article 24 The Corporation shall ensure the quality of its products and services by following government laws and regulations and the relevant standards of its industry.
The Corporation shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or

Appendix IV

damage consumers' rights or interests.

Article 25 The Corporation may evaluate and manage all types of risks that may cause interruptions in operations, to reduce the impact on consumers and society.

The Corporation may provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, and shall comply with the Personal Information Protection Act and related laws and regulations, and shall scrupulously respect consumers' right of privacy, and protect personal data provided by consumers.

Article 26 The Corporation may establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engage in commercial dealings, the Corporation shall assess whether there is any record of a supplier's impact on the environment and society, and avoid business cooperation with suppliers who present any conflict with corporate social responsibility policy.

When the Corporation enters into a contract with any major supplier, the content may include terms stipulating mutual compliance with each other's corporate social responsibility policy. The contract may be terminated or rescinded at any time if the supplier has violated such policy, and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Corporation shall evaluate the impact of its business operations on the community, and adequately employ personnel from the locale of the business operations, to enhance community acceptance.

The Corporation may, through commercial activities, endowments, volunteer service, or other public-interest professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in community development and community education related events held by citizen organizations, charitable groups, and local government agencies, to promote community development.

Article 27-1 The Corporation may, through endowments, sponsorship, procurement, strategic cooperation, volunteer technical service, or other supporting models etc., dedicate resources to cultural art activities or cultural creativity industry to promote cultural development.

Chapter5 Enhancing Disclosure of Sustainable Development Information

Article 28 The Corporation shall disclose information in accordance with relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies, and shall fully disclose relevant and reliable sustainable development information, to improve information transparency.

Article 29 The Corporation shall adopt internationally recognized standards or guidelines to produce sustainable development reports, to disclose the status of its

Appendix IV

implementation of sustainable development. It also may obtain third-party assurance or verification of reports, to enhance the reliability of the information in the reports. The content of reports should include:

1. Policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development.
2. Major stakeholders and related concerns.
3. Performance results and review of the implementation of corporate governance, fostering of a sustainable environment, preserving of public welfare, and promoting of economic development.
4. Future directions for improvement and goals.

Chapter6 Supplementary Provisions

Article 30 The Corporation shall continually monitor the development of relevant domestic and foreign sustainable development standards and changes in the business environment, as a basis for examining and improving its established sustainable development system, to obtain better results from its implementation of sustainable development.

Article 31 These Principles and any amendments hereto, shall be implemented after they have been passed by a resolution of the Board and submitted in a report to a shareholders' meeting.

Appendix V

Taiwan High Speed Rail Corporation

Procedures for the Acquisition or Disposal of Assets

1.0 Purpose

These Procedures are adopted to protect investment through acquisition or disposal of assets at fair prices, to effect public disclosure of information, to define asset acquisition and disposal procedures, and to avoid asset waste and malpractices.

2.0 Scope

The term “assets” in these Procedures shall apply to the following:

- a) Investments such as stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (or put) warrants, beneficial interest securities, and asset-backed securities.
- b) Real property (including land, buildings, and structures and investment real property) and equipment.
- c) Intangible assets such as patents, copyrights, trademark rights, and concession rights.
- d) Derivatives.
- e) Right-to-use asset.
- f) Derivatives.
- g) Other material assets.

3.0 Applicable documentation

- a) Article 36-1 of the Securities and Exchange Act.
- b) Article 41 of the Securities and Exchange Act.
- c) Article 218 of the Company Act.
- d) The Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Financial Supervisory Commission.
- e) The Corporation’s Operational Directions for Short-term Investments (THSRC-BE3-000-001).
- f) The Corporation’s Procedures for the Handling of Derivative Transactions (THSRC-BE2-000-006).
- g) The Corporation’s Directions for the Handling of Public Announcements and Reporting over the Market Observation Post System (THSRC-BE2-000-023).
- h) The Corporation’s Regulation of Related Party Transaction(THSRC-AQ2-000-012).

Appendix V

- i) Article 42 of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects.
- j) Article 22 of the Enforcement Rules of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects.
- k) The Taiwan North-South High Speed Rail Construction and Operation Agreement signed between the Corporation and the Ministry of Transportation and Communications (MOTC) (the “Construction and Operation Agreement”).
- l) The Corporation’s Rules Governing Rewards and Disciplinary Action (THSRC-BA2-000-003).
- m) The Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Authority.

4.0 Definitions

a) Derivatives

Defined in accordance with 4.1 of the Corporation’s Procedures for the Handling of Derivative Transactions (THSRC-BE2-000-006).

b) Related party

Shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

c) Subsidiary

Shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

d) Professional appraiser

Means a certified real property appraiser or other person duly authorized by law to engage in the value appraisal of real property and equipment.

e) Date of occurrence

With respect to a transaction, means the earliest of the date of signing of transaction contract, date of payment, date of order execution, date of transfer, date of Board of Directors (“Board”) resolution, or other date from which the transaction counterparty and transaction amount can be determined, or, if the transaction is an investment requiring the approval of the competent authority, the earliest of the aforesaid dates or the date of receiving approval from the competent authority.

f) Total assets

Appendix V

The total assets stated in the latest parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

5.0 Authorities and responsibilities

- a) The Finance Department under the Finance Division shall be responsible for the formulation, amendment, or repeal, and triennial review of these Procedures.
- b) These Procedures, and any amendments and elimination hereto, shall be implemented after adoption at a shareholders' meeting.
- c) All units and personnel involved in the execution of operations related to acquisition or disposal of assets shall comply with the provisions of these Procedures.

6.0 Descriptions

6.1 Assessment of transaction terms and execution operations

6.1.1 Long-term investments

- a) The investment department shall, on a case-by-case basis, measure the operational risks of or associated with the investee entity based on the financial structure, asset and liability status, operational ability, internal and external environment, profitability, investment recovery period, and other relevant matters, and submit an investment proposal containing a feasibility assessment and specifying a proposed investment amount to and obtain approval from an officer having the corporate decision-making authority over the investment disbursement. It shall then submit the proposal to the Board for approval and then to the MOTC and proceed accordingly after approval.
- b) For a case involving a long-term investment not accounted for using the cost method, in addition to the assessment indicated above, the investment department shall also submit a return-on-investment analysis or financial forecasts for the recovery period to serve as a basis for measuring the impact of the investment on the Corporation's future development.
- c) Create and maintain a Schedule of Investments specifying relevant information such as the acquisition date, face value, acquisition cost, and payment date(s).

Appendix V

- d) Periodically track whether the returns on investment reach the assessment standards and conduct feasibility analysis on continuous holding or disposal of equity.

6.1.2 Short-term investments

- a) The main purpose of short-term investment is to generate profits from short-term extra funds. Therefore, investment securities must be both marketable and readily available for sale. Emphasis shall be put first on liquidity and then on profitability. Short-term investments have 2 features:
 - i) There is an open market on which the investments can be readily sold and liquidated, without having to pay substantial sale expenses or incur losses arising from the need to cut price to make a sale.
 - ii) The purpose of the investment is not to control the investee company or establish a business relationship with the investee company.
- b) The investment department shall collect and summarize information regarding the economic conditions of the market, capital, and market forecasts, propose an assessment report based on such information, and then submit the proposal to the accountable officer having the corporate decision-making authority over the investment to make a decision.
- c) Additionally, relevant investment risk assessments shall be made in accordance with the Corporation's Operational Directions for Short-term Investments (THSRC-BE3-000-001).
- d) Investment assessment principles:
 - i) For investment in a company listed on a stock exchange or listed on an over-the-counter market, assess financial structure, profitability, and future development potential.
 - ii) For investment in corporate bonds, convertible bonds, or likewise, assess the matters indicated above, with a particular emphasis on repayment ability, and only consider secured bonds.
 - iii) For investment in funds or likewise, assess operational performance and investment safety.
 - iv) For investment in government bonds, bills, or likewise, assess market capital conditions to determine the investment period.

Appendix V

- e) Provide a monthly balance and profit and loss statement of short-term investments for reference by decision makers.
- f) Short-term investments may be disposed of only after the investment department has made an assessment and submitted a completed application form or special internal approval request form, together with a performance assessment report stating the reason for disposal, method of disposal, and other relevant information, to and obtained approval from the accountable officer having the corporate decision-making authority over the subject matter.

6.1.3 Real property

When assessing a real property investment, the investment department shall conduct a market survey, profit analysis, investment recovery period analysis, and other relevant analyses. It shall then submit the results to the officer having the corporate decision-making authority over the investment for approval, and then to the Board for approval.

6.1.4 Equipment

- a) A department requesting to make a purchase for equipment it needs must accurately fill out a purchase request form, obtain approval from the accountable officer having the corporate decision-making authority over the subject matter, and then submit the purchase request to the procurement department.
- b) The procurement department shall carry out the price enquiry, comparison, and negotiation procedures in accordance with applicable requirements.
- c) The purchased equipment shall be inspected and accepted jointly with the purchase requesting department and then handed over to the purchase requesting unit.
- d) After inspection and acceptance, the purchase requesting department shall fill out a disbursement voucher and a new asset entry list, and submit them, together with supporting source documents, to the accountable officer for approval and then to the accounting department for posting of entries.

6.1.5 Membership certificates or intangible assets

Assessment of transaction terms and execution operations for acquisition or disposal of membership certificates or intangible assets shall be carried out in accordance with applicable government laws and regulations and relevant signed contracts.

Appendix V

6.1.6 Derivatives

Assessment of transaction terms and execution operations for acquisition or disposal of derivatives shall be carried out in accordance with the Corporation's Procedures for the Handling of Derivative Transactions (THSRC-BE2-000-006).

6.1.7 Right-to-use asset

If real estate, equipment or intangible assets leased in accordance with relevant regulations and contracts of the Corporation are determined to be right-to-use assets, the relevant procedures shall be handled in accordance with this processing procedure.

6.1.8 Other material assets

Assessment of transaction terms and executive operations for acquisition or disposal of material assets other than those indicated above shall be carried out in accordance with the Corporation's relevant operational rules and applicable government laws and regulations according to the type of the material assets.

6.2 Decision procedures for transaction terms

For acquisition or disposal of assets, the Corporation shall, according to asset type and in accordance with the following requirements, respectively engage an objective, impartial, detached, and independent expert to issue a report, wherein the engaged professional appraiser and its appraiser's officers, certified public accountant (CPA), lawyer, or securities underwriter whose qualification requirements and issuance of valuation reports or opinions shall be handled in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Financial Supervisory Commission.

6.2.1 Real property or other fixed assets

When the Corporation acquires or disposes of real property or equipment, and right-to-use asset, if the transaction amount reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million or more, then unless the transaction is made in accordance with the Construction and Operation Agreement, or unless the transaction is made with a government agency or involves commissioned construction on self-owned land, commissioned construction on rented land, or acquisition or disposal of equipment and right-to-use asset for business use, the Corporation shall obtain an appraisal report from a professional appraiser prior to the date of occurrence of the event and shall further comply with the following requirements:

Appendix V

- a) Where due to special circumstances it is necessary to use a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall first be submitted for approval by resolution of the Board. the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- b) Where the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be engaged to provide appraisals.
- c) Where any of the following circumstances exists with respect to the results of a professional appraisal, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to issue a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - i) The discrepancy between an appraisal result and the transaction amount reaches 20 percent or more of the transaction amount.
 - ii) The discrepancy between the results of 2 or more professional appraisals reaches 10 percent or more of the transaction amount.
- d) The interval between the date of a professional appraisal report and the date of the transaction contract may not exceed 3 months. However, if the announced current value for the same period is used and the interval does not exceed 6 months, an opinion from the original professional appraiser may be used.

6.2.2 Securities

When acquiring or disposing of equity securities, the Corporation shall, prior to the date of occurrence of the event, obtain the latest financial statements of the issuing company attested or reviewed by a CPA, for reference in assessing the transaction price. If the transaction amount reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million or more, unless the securities are publicly quoted in an active market or unless otherwise prescribed by the competent authority, the Corporation shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

6.2.3 Membership certificates or intangible assets

When the Corporation acquires or disposes of intangible assets and, its right-to-use asset

Appendix V

or membership certificates, if the transaction amount reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million or more, unless the transaction is made with a government agency, the Corporation shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

6.2.4 When the Corporation acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

6.3 Decision-making authority

6.3.1 For acquisition or disposal of assets, the hierarchy of decision-making authority and the discretionary amount within the authority shall be determined in accordance with the Corporation's relevant operational rules.

6.3.2 In any acquisition or disposal of assets that requires the approval of the Board pursuant to these Procedures or other provisions of law, during discussions at a Board meeting, the opinions of each Director shall be given full consideration. When a Director expresses dissent and such dissent is on record or in a written statement, the Corporation shall forward the materials containing the Director's dissent to Audit Committee.

When an acquisition or disposal of assets is submitted to and discussed at a Board meeting pursuant to the preceding paragraph, the opinions of each Independent Director shall be given full consideration, and any Independent Director's opinion expressing dissent or reservations shall be recorded in the Board meeting minutes.

Any material asset or derivative transaction shall be approved by one-half or more of the total number of audit committee members and shall be submitted for a resolution by the Board.

If approval from one-half or more of the total number of audit committee members has not been obtained under the preceding paragraph, the transaction may still be carried out with the approval of two-thirds or more of the total number of Directors, and the resolution of the audit committee shall be recorded in the Board meeting minutes.

The "total number of audit committee members" referred to in the preceding 2 paragraphs and the "total number of Directors" referred to in the preceding paragraph shall be calculated with respect to those actually currently serving in those positions.

Appendix V

6.4 Public announcement and reporting operations

6.4.1 Public announcement and reporting standards

When the Corporation acquires or disposes of assets, if any of the following circumstances exists, it shall publicly announce and report relevant information, according to the type of acquisition or disposal, on the competent authority's designated website in the appropriate format prescribed by regulations within 2 days from the date of occurrence of the event:

- a) Any acquisition or disposal of real property or its right-to-use asset from or to a related party, or any acquisition or disposal of assets other than real property or its right-to-use asset from or to a related party where the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of its total assets, or NT\$300 million or more, provided that this shall not apply to trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds issued by domestic securities investment trust enterprises.
- b) Any change, termination, or rescission of a contract signed in connection with an originally announced and reported transaction.
- c) Any change to any originally announced and reported information.
- d) Any asset transaction or disposal of claims or receivables other than those indicated in a) to c) above where the transaction amount reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million or more, provided that this shall not apply to the following transactions:
 - i) Trading of domestic government bonds or foreign bonds with credit ratings no lower than domestic sovereign ratings.
 - ii) Trading of bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds issued by domestic securities investment trust enterprises.
 - iii) The acquired or disposed assets are equipment or its right-to-use asset for business use where the transaction counterparty is not a related party, nor does the transaction amount reach NT\$1 billion or more.
 - iv) Real property is acquired under an arrangement for commissioned construction on self-owned land, commissioned construction on rented land, joint construction

Appendix V

and allocation of building units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party, nor does the transaction amount reach NT\$500 million or more (calculated according to the amount the Corporation expects to invest in the transaction).

6.4.2 The “transaction amount” shall be calculated as follows:

- a) As the amount of any individual transaction.
- b) As the cumulative transaction amount of acquisitions or disposals of the same type of assets with the same transaction counterparty within 1 year.
- c) As the cumulative transaction amount of real property or its right-to-use asset acquisitions or disposals (the cumulative amounts to be calculated separately for acquisitions and disposals) in the same development project within 1 year.
- d) As the cumulative transaction amount of acquisitions or disposals (the cumulative amount to be calculated separately for acquisitions and disposals) of the same securities within 1 year.

6.4.3 The expression “within 1 year” referred to in the preceding subparagraph means a preceding period of 1 year calculated from the date of occurrence of the current transaction. Items already duly publicly announced in accordance with these Procedures need not be counted toward the transaction amount.

6.4.4 When an item that the Corporation is required to publicly announce and has publicly announced is found to contain an error or omission and correction is required, all items of the public announcement shall be again publicly announced and reported in their entirety within 2 days from the date of notification.

6.4.5 Retention period for public announcement and reporting materials

The Corporation shall keep at its headquarters all contracts, meeting minutes, the log book, appraisal reports, and opinions from CPAs, lawyers, or securities underwriters relevant to its acquisition or disposal of assets, to be retained for at least 5 years unless otherwise provided by law.

6.4.6 Public announcement and reporting of subsidiaries

Appendix V

- a) The Corporation shall publicly announce and report on behalf of any of its subsidiaries that is not a domestic public company, any acquisition or disposal of assets by the subsidiary that reaches any public announcement and reporting standard set out in these Procedures.
- b) The public announcement and reporting standard applicable to a subsidiary with respect to reaching “20 percent or more of the Corporation’s paid-in capital” or “10 percent or more of the Corporation’s total assets” shall be based on the paid-in capital or total assets of the Corporation itself.

6.4.7 Public announcement and reporting procedure

Any public announcement or reporting that the Corporation is required to make with respect to its acquisition or disposal of assets shall be made pursuant to the public announcement format requirements and appraisal report content requirements prescribed by the competent authority and in accordance with the Corporation’s Directions for the Handling of Public Announcements and Reporting over the Market Observation Post System (THSRC-BE2-000-023).

6.5 Limits on asset acquisitions

- 6.5.1 The total amount of real property acquired by the Corporation for non-business use may not exceed one-fourth of the Corporation’s equity.
- 6.5.2 The amount of an individual security acquired by the Corporation may not exceed one-fourth of the Corporation’s equity, and the total amount of securities acquired may not exceed the Corporation’s equity.

6.6 Related party transactions

- 6.6.1 When the Corporation acquires or disposes of assets from or to a related party, it shall carry out the relevant decision/resolution procedures, assessment of the reasonableness of the transaction terms, and other relevant matters in accordance with 6.2 and 6.6. In judging whether a transaction counterparty is a related party, consideration shall be given to the substantive nature of the relationship in addition to its legal form. If the transaction amount reaches 10 percent or more of the Corporation’s total assets, the Corporation shall also obtain an appraisal report(s) from a professional appraiser(s) or a CPA’s opinion in accordance with 6.2.1 to 6.2.3.

For the purposes of the preceding paragraph, the “transaction amount” shall be

Appendix V

determined in accordance with 6.4.2 and 6.4.3, and the expression “within 1 year” means a preceding period of 1 year calculated from the date of occurrence of the current transaction. Items for which an appraisal report(s) from a professional appraiser(s) or a CPA’s opinion has been obtained in accordance with these Procedures need not be counted toward the transaction amount.

6.6.2 When the Corporation acquires or disposes of real property or its right-to-use asset from or to a related party, or when it acquires or disposes of other material assets other than real property or its right-to-use asset from or to a related party where the transaction amount reaches 20 percent or more of the Corporation’s paid-in capital, 10 percent or more of the Corporation’s total assets, or NT\$300 million or more, except with respect to trading of domestic government bonds or bonds under repurchase or resale agreements, or subscription or redemption of domestic money market funds issued by domestic securities investment trust enterprises, the Corporation may not sign a transaction contract or make or receive a payment in connection therewith until a proposal containing or accompanied by the following information has been passed by the Audit Committee and the Board:

- a) The purpose, necessity, and anticipated returns of the acquisition or disposal of assets.
- b) The reason for choosing the related party as the transaction counterparty.
- c) In the case of acquiring real property from a related party, information regarding assessment of the reasonableness of the proposed transaction terms in accordance with 6.6.3, 6.6.4, and 6.6.7.
- d) The date and price at which the related party originally acquired the asset, the original transaction counterparty, that transaction counterparty’s relationship to the Corporation and the related party, and other relevant matters.
- e) Monthly forecast report of cash receipts and expenditures for the year commencing from the anticipated month of signing the contract and an assessment of the necessity of the transaction and the reasonableness of funds utilization.
- f) An appraisal report(s) from a professional appraiser(s) or a CPA’s opinion obtained in accordance with 6.6.1.
- g) Any restrictive conditions or other material covenants with respect to the current transaction.

Appendix V

If the Corporation or its non-domestic public subsidiaries engage in the transactions of the preceding paragraph with transaction amounts exceeding 10% of total Corporation assets, the Corporation may not sign a transaction contract or make a payment in connection therewith until a proposal containing the information of the preceding paragraph has been passed by the shareholders' meeting, except in the cases of transactions with subsidiaries or between subsidiaries.

For the purposes of the preceding paragraphs, the "transaction amount" shall be determined in accordance with 6.4.2, and the expression "within 1 year" means a preceding period of 1 year calculated from the date of occurrence of the current transaction; items that have been approved by the Audit Committee, the Board, and the shareholders' meeting in accordance with these Procedures need not be counted toward the transaction amount.

For acquisition or disposal of equipment or its right-to-use asset and real property or its right-to-use asset for business use between the Corporation and any of its subsidiaries or between the subsidiaries that are directly or indirectly holding a certain percentage of the issued shares or total capital, the Board may grant discretionary authority to the Chairman of the Board to decide on such transactions within a certain amount and subsequently submit the matter to the next Board meeting for retroactive recognition.

In accordance with the Securities and Exchange Act, when an acquisition or disposal of assets is submitted to and discussed at a Board meeting pursuant to paragraph 1, the opinions of each Independent Director shall be given full consideration, and any Independent Director's opinion expressing dissent or reservations shall be recorded in the Board meeting minutes.

In accordance with the Securities and Exchange Act, any material asset or derivative transaction shall be approved by one-half or more of the total number of Audit Committee members and shall be submitted for a resolution by the Board.

If approval from one-half or more of the total number of audit committee members has not been obtained under the preceding paragraph, the transaction may still be carried out with the approval of two-thirds or more of the total number of Directors, and the resolution of the audit committee shall be recorded in the Board meeting minutes.

The "total number of audit committee members" referred to in the preceding 2 paragraphs and the "total number of Directors" referred to in the preceding paragraph

Appendix V

shall be calculated with respect to those actually currently serving in those positions.

6.6.3 When acquiring real property or its right-to-use asset from a related party, the Corporation shall assess the reasonableness of the transaction costs by the following methods.etc:

- a) Based on the related party transaction price plus necessary interest on funding and the costs to be borne by the buyer in accordance with the law. “Necessary interest on funding” is the imputed weighted average interest rate on the Corporation’s borrowing of funds in the year the Corporation purchases the property. That interest rate, however, may not be higher than the maximum interest rate on borrowing of funds from non-financial enterprises announced by the Ministry of Finance (MOF).
- b) Where the related party has previously created a mortgage on the property as security for a loan from a financial institution, based on the appraised loan value of the property from the financial institution, provided that the financial institution’s actual cumulative loan value against the property shall have reached 70 percent or more of the appraised loan value of the property and the loan period shall have been 1 year or more. This shall not apply, however, if the financial institution and one of the transaction counterparties are related parties.

6.6.4 When land and buildings thereon are combined as a single property purchase or lease, separate assessments of the transaction costs for the land and the buildings may be carried out in accordance with either of the methods listed in 6.6.3.

6.6.5 When the Corporation acquires real property or its right-to-use asset from a related party and assesses the cost of the real property in accordance with 6.6.3~6.6.4, it shall also engage a CPA to conduct a secondary review and provide a specific opinion.

6.6.6 When the Corporation acquires real property or its right-to-use asset from a related party, if one of the following circumstances exists, the acquisition shall be carried out in accordance with 6.6.2 and the provisions of 6.6.3~6.6.5 shall not apply:

- a) The related party acquired the real property or its right-to-use asset through inheritance or as a gift.
- b) More than 5 years will have elapsed from the time the related party signed the contract to acquire the real property or its right-to-use asset to the signing date for the current transaction.

Appendix V

- c) The real property is acquired as a result of or in connection with signing a joint construction contract with the related party or commissioning the related party to construct real property on the Corporation's own land or rented land.
- d) For acquisition or disposal of real property or its right-to-use asset for business use between the Corporation and any of its subsidiaries or between the subsidiaries that are directly or indirectly holding 100% of issued shares or total capital.

6.6.7 When the assessment results under 6.6.3 and 6.6.4 are all lower than the transaction price, the matter shall be handled in accordance with 6.6.9 to 6.6.10. This does not apply, however, if the following circumstances exist and the Corporation puts forward objective evidence and obtains specific opinions on reasonableness from a professional real property appraiser and a CPA:

- a) Where the related party has acquired undeveloped land or rented land for further development or construction, the Corporation may provide evidence that the transaction complies with one of the following conditions:
 - i) The undeveloped land has been assessed in accordance with the means provided in 6.6.3 to 6.6.6, while the buildings have been assessed based on the related party's construction costs plus a reasonable construction profit margin, and the total assessed value of the land and buildings exceeds the actual transaction price. "Reasonable construction profit margin" shall be the lower of the average gross operating profit margin of the related party's construction division over the most recent 3 fiscal years or the gross profit margin for the construction industry for the most recent period as announced by the MOF.
 - ii) There are cases of purchase or leasing transactions completed by unrelated parties within the preceding year for other floors of the same property or property in an adjacent location, in which the properties are similar in area and the transaction terms in the current and in the cited cases are found to be similar after an assessment taking account of reasonable discrepancies in the prices of the different floors or locations in accordance with customary real property market practices.
- b) The Corporation provides evidence that, for the real property it purchases or the right-to-use asset it leases from the related party, the transaction terms are similar to those

Appendix V

of cases of purchase transactions completed by unrelated parties within the preceding year in an adjacent location and the properties are also similar in area.

6.6.8 For the purposes of 6.6.7, “cases of purchase transactions completed in an adjacent location” in principle refers to property on the same or an adjacent block and furthermore within a circumference of no more than 500 meters from the property in the current transaction or of a similar publicly announced current value; “similar in area” in principle refers to cases of purchase transactions completed by unrelated parties for property with an area of no less than 50 percent of the property in the current transaction; “within the preceding year” refers to a preceding period of 1 year calculated from the date of occurrence of the current real property or its right-to-use asset acquisition.

6.6.9 When the Corporation acquires real property or its right-to-use asset from a related party, if the assessment results under 6.6.3~6.6.8 are all lower than the transaction price, the following actions shall be taken:

- a) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property or its right-to-use asset transaction price and assessed cost, and the reserve may not be distributed or used for a capitalization issue.
- b) The Audit Committee shall proceed in accordance with Article 218 of the Company Act.
- c) Actions taken pursuant to the items a) & b) shall be reported at a shareholders’ meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

6.6.10 When the Corporation sets aside a special reserve under 6.6.9 a), it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or has disposed of, or terminated lease for, or made adequate compensation for, or restored the status quo ante of such assets, or there is other evidence to confirm there was nothing unreasonable in the transaction, and the competent authority has given its approval.

6.6.11 When the Corporation acquires real property or its right-to-use asset from a related party, if other evidence indicates that the acquisition was a non-arms length transaction, the Corporation shall also proceed in accordance with 6.6.9~6.6.10.

6.6.12 When acquiring real property or its right-to-use asset from related parties, the

Appendix V

Corporation shall comply with the provisions of these Regulations of Related Party Transactions (THSRC-AQ2-000-012).

6.7 Other legal, regulatory, or contractual provisions

The Corporation's transfer or disposal of assets shall be conducted in accordance with Article 42 of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects, Article 22 of the Enforcement Rules of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects, and relevant provisions of the Construction and Operation Agreement.

6.7.1 Transfer of assets at or before expiration of the concession period

Any transfer of the Corporation's assets at or before expiration of the concession period shall be made in accordance with relevant provisions of Chapters 10 and 11 of the Construction and Operation Agreement with respect to the subject matter of transfer, transfer procedures, transfer terms and evaluation, and rights and obligations at and after transfer.

6.7.2 Disposal of assets

Any disposal of the Corporation's assets shall be made in accordance with Article 42 of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects and Article 22 of the Enforcement Rules of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects. The Corporation may on its own initiative dispose of any asset or equipment acquired in its operations of affiliated businesses that do not need to be transferred to the MOTC.

6.7.3 The terms "assets," "transfer," and "disposal" as used in the Construction and Operation Agreement shall have the following meanings:

- a) "Assets" means any and all existing "operating assets" acquired by the Corporation for purposes related to the construction and operation of the high speed rail, and other assets necessary for maintaining the operation of the high speed rail, during the concession period in accordance with the Construction and Operation Agreement. Excluded are lands acquired by the Corporation for its own purposes.
- b) "Operating assets" includes all buildings and structures, transportation facilities, and their ancillary facilities on lands along the high speed rail route, on maintenance bases, and on station lands.

Appendix V

- c) “Transfer” means the transfer made between the Corporation and the MOTC at expiration of the concession period in accordance with Article 45 of the Act for Encouragement of Private Participation in Transportation Infrastructure Projects.
- d) “Disposal” includes assignment, leasing out, and encumbrance.

6.8 Supplementary provisions

- 6.8.1 The operational procedures of the Corporation’s subsidiaries for the acquisition or disposal of assets shall comply with the provisions of the Corporation.
- 6.8.2 When an in-charge person or management member violates these Procedures or applicable requirements of the competent authority, the violation shall be handled in accordance with the Corporation’s Rules Governing Rewards and Disciplinary Action (THSRC-BA2-000-003).
- 6.8.3 The Corporation shall acquire or dispose of assets in accordance with these Procedures, provided that where a law, regulation, or contract provides otherwise, the provisions of such law, regulation, or contract shall prevail.
- 6.8.4 These Procedures shall be approved by one-half or more of the total number of Audit Committee members and passed by the Board, and submitted to a shareholders’ meeting for approval. When these Procedures are submitted to and discussed at a Board meeting pursuant to the preceding paragraph, the opinions of each Independent Director shall be given full consideration, and any Independent Director’s opinion expressing dissent or reservations shall be recorded in the Board meeting minutes. The same procedures shall also apply to any amendments to these Procedures.

If approval from one-half or more of the total number of audit committee members has not been obtained under the preceding paragraph, the amendment may still be adopted with the approval of two-thirds or more of the total number of Directors, and the resolution of the audit committee shall be recorded in the Board meeting minutes.

The “total number of audit committee members” referred to in the preceding 2 paragraphs and the “total number of Directors” referred to in the preceding paragraph shall be calculated with respect to those actually currently serving in those positions.

7.0 Records

- a) Shareholders’ meeting minutes (retention period: permanently)
- b) Board meeting minutes (retention period: permanently)

Appendix V

- c) Relevant contracts (retention period: permanently)
- d) Log book (retention period: permanently)
- e) Internal request and approval documents (retention period: permanently)
- f) Assessment reports (retention period: permanently)
- g) Seal request forms (retention period: as provided in the the Rules Governing Official Documents and Files)
- h) Appraisal reports (retention period: permanently)
- i) Opinions from CPAs, lawyers, or securities underwriters (retention period: permanently)
- j) Reporting lists of public announcements and reporting over the Market Observation Post System (retention period: 5 years)

8.0 Attachments

None

Appendix VI

Taiwan High Speed Rail Corporation Shareholding of All Directors		
All directors	Minimum required shareholding (number of common shares)	Shareholding as of March 29, 2026 (number of common shares)
Director	120,000,000	3,452,526,178
Title	Name	Shareholding as of March 29, 2026 (number of common shares)
Chairman	China Aviation Development Foundation	260,040,000
	Representative: Che Shih	
Director	China Aviation Development Foundation	
	Representative: Yu-Fen Hung	
Director	China Aviation Development Foundation	2,420,000,000
	Representative: Wei-Cheng Hsieh	
Director	Ministry of Transportation and Communications, R.O.C.	
	Representative: Kung-Yeun Jeng	
Director	Ministry of Transportation and Communications, R.O.C.	242,148,000
	Representative: Cheng-Chung Young	
Director	China Steel Corporation	
	Representative: Chien-Chih Hwang	
Director	Taiwan Sugar Corporation	120,000,000
	Representative: Ming-Chang Wu	
Director	Management Committee of National Development Fund, Executive Yuan	190,060,578
	Representative: Shien-Quey Kao	
Director	TECO Electric & Machinery Co., Ltd.	20,277,600
	Representative: Mao-Hsiung Huang	
Director	Taipei Fubon Commercial Bank Co., Ltd.	—
	Representative: Yi-Ling Wu	
Independent Director	Kenneth Huang-Chuan Chiu	—
Independent Director	Duei Tsai	—
Independent Director	Ming-Teh Wang	—
Independent Director	Pai-Ta Shih	—
Independent Director	Yung-Cheng (Rex) Lai	—
Shares held by all directors		3,452,526,178

