

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Type of Stock

April 30, 2019

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	2,002,692,886	1,027,857,114	3,030,550,000	-

4.1.2 Status of Shareholders

April 30, 2019

Item	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	3	80	244	90,412	530	91,269
Shareholding (shares)	20,027,528	102,371,260	298,325,645	679,727,369	902,241,084	2,002,692,886
Percentage	1.00%	5.11%	14.90%	33.94%	45.05%	100.00%

4.1.3 Shareholding Distribution Status

The par value for each share is NT\$10

April 30, 2019

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	40,798	8,954,015	0.45%
1,000 ~ 5,000	33,944	78,353,931	3.91%
5,001 ~ 10,000	7,717	59,915,925	2.99%
10,001 ~ 15,000	2,552	31,871,051	1.59%
15,001 ~ 20,000	1,596	29,365,171	1.47%
20,001 ~ 30,000	1,553	39,114,935	1.95%
30,001 ~ 40,000	661	23,520,359	1.17%
40,001 ~ 50,000	521	24,058,878	1.20%
50,001 ~ 100,000	909	65,991,874	3.30%
100,001 ~ 200,000	415	59,320,585	2.96%
200,001 ~ 400,000	236	67,323,819	3.36%
400,001 ~ 600,000	82	39,769,416	1.99%
600,001 ~ 800,000	54	37,620,887	1.88%
800,001 ~ 1,000,000	32	29,003,625	1.45%
1,000,001 or over	199	1,408,508,415	70.33%
Total	91,269	2,002,692,886	100.00%

4.1.4 List of Major Shareholders

Shareholder's Name	Shares	Percentage
Silchester International Investors International Value Equity Trust	90,033,000	4.50%
Silchester International Investors International Value Equity Group Trust	46,802,000	2.34%
PJ Asset Management	45,292,000	2.26%
Edgbaston Asian Equity Trust	45,152,000	2.25%
WGI Emerging Markets Smaller Companies Fund, LLC	39,236,000	1.96%
Silchester International Investors International Value Equity Taxable Trust	30,486,000	1.52%
Tong Kuang Investment Co., Ltd.	30,341,364	1.52%
Chunghwa Post Co., Ltd.	30,028,000	1.50%
Yaskawa Electric Corporation	29,541,089	1.48%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	29,408,000	1.47%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT\$

Item	2017	2018	April 30, 2019
Market Price per Share (Note 3)			
Highest Market Price	31.85	29.15	23.30
Lowest Market Price	27.10	16.60	16.95
Average Market Price	28.69	22.64	19.87
Net Worth per Share			
Before Distribution	26.17	27.11	28.00
After Distribution	25.29	Note 1	Note 2
Earnings per Share			
Weighted Average Shares (thousand shares)	1,980,250	1,980,250	1,964,298
Earnings Per Share	1.56	1.59	0.34
Dividends per Share			
Cash Dividends	0.86	0.90 (Note1)	Note 2
Stock Dividends			
• Dividends from Retained Earnings	0	0	0
• Dividends from Capital Surplus	0	0	0
Accumulated Undistributed Dividends	0	0	0
Return on Investment			
Price / Earnings Ratio (Note 4)	18.39	14.24	19.48
Price / Dividend Ratio (Note 5)	33.36	25.16	Note 2
Cash Dividend Yield Rate (Note 6)	3.00%	3.98%	Note 2

Note 1: Pending for approval of Shareholders' meeting

Note 2: Pending for approval of Shareholders' meeting and Board of Directors' meeting

Note 3: List the highest and lowest market price in each year and calculate average market price by total trading volume/total trading shares

Note 4: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 5: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 6: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

TECO deals in a line of business characterized by steady growth, but many of its investees have yet to take off. Therefore, its distribution of earnings must take into account the need for further expansion and more reinvestments going forward. After legal and special reserves are set aside. In principle, 80% of the remainder and retained earnings from the previous year will be drawn upon as dividend payments to shareholders. Of all dividend payments, cash generally accounts for 50% but must not run below 5%

B. Proposed Distribution of Dividend

Cash dividend of NT\$0.90 per share.

4.1.7 Impact on Company's business performance, EPS and ROI from the stock grant proposed by Shareholders Meeting:

Not applicable.

4.1.8 Employee and Directors' Remuneration

A. The company should allocate 1%-10% of profit for employee remuneration based upon its profit in a given year; less than 5% for the directors.

B. Estimate of Employee Remuneration and Directors' Remuneration

a. Foundation of estimation

1. Amount of net income
2. Regulations in Article of Corporation
3. Historical record of distribution

b. Foundation of share calculation for stock dividend: Not Applicable

c. No difference between total amount paid and number of estimation

C. Profit Distribution of Year 2018 Approved in Board of Directors Meeting for Employee and Directors' Remuneration

a. Recommended Distribution of Employee and Directors' Remuneration:

	(NT\$ thousand)
Employee Bonus – in Cash	\$ 255,103
Employee Bonus – in Stock	0
Directors' Remuneration	<u>113,379</u>
No difference from the number of estimation	

b. Ratio of Recommended Employee Stock Bonus to Capitalization of Earnings:

Not applicable

c. Recounted EPS after Recommended Distribution of Employee Bonus and Directors' and Supervisors' Remuneration: (NT\$ thousands)

Not applicable

D. Information of 2016 Earnings Set Aside to Employee Bonus and Directors' and Supervisors' Remuneration:

Unit : NT\$ thousand

	Amount recognized in the previous year	Amount recommended by the Board of Directors	Amount resolved by the Shareholders' Meeting
Employee Bonus - Cash	250,481	250,553	250,553
Directors' Remuneration – Cash	111,325	111,357	111,357
Total	361,806	361,910	361,910

The actual distribution of employee bonus and directors' and supervisors' remuneration above is parallel with the recommended resolution of the Board of Directors.

4.1.9 Buyback of Treasury Stock

None in 2018

4.2 Corporate Bonds

4.2.1 Issuance of Corporate Bonds

Type of Corporate Bond	1 st Unsecured Ordinary Corporate Bonds in 2015	1 st Unsecured Ordinary Corporate Bonds in 2017
Issue date	2015/06/18	2015/09/15
Par value	NT\$ 1,000,000	NT\$ 1,000,000
Issue and Trading Place	Domestic	Domestic
Issue Price	According to face amount	According to face amount
Total Amount	NT\$ 3 billion	NT\$ 10 billion
Interest Rate	1.45%	1.02%
Duration	5 years, Expiration Date: 2019/06/18	5 years, Expiration Date: 2021/09/15
Assurance Institution	None	None
Assignee	Hua Nan Commercial Bank Ltd.	Taishin International Bank Ltd.
Underwriting Institution	None	Yuanta Securities
Signed Lawyer	Handsome Attorneys-at-Law Ya-Wen Chiu	Handsome Attorneys-at-Law Ya-Wen Chiu
Signer Accountants	PricewaterhouseCoopers, Taiwan Audrey Tseng Dexter Chang	PricewaterhouseCoopers, Taiwan Wu, Yu-Lung Chou, Chien-Hung
Repayment	Accrual Bond	Accrual Bond
Outstanding Amount	NTD\$ 3 billion	NTD\$ 10 billion
Redeption or Advanced Repayment	N/A	N/A
Restrictive Clauses	N/A	N/A
Credit Rating Institution, Credit Rating Date and the Outcome of the Rating	Taiwan Ratings Rating Date:2015/2/16 Issuer Ratng: twA+ IssueRating: N/A	Taiwan Ratings Rating Date:2017/3/30 Issuer Ratng: twA+ IssueRating: N/A
Others	None	None
	None	None
Shares Dilution & Influence on Srockholders' Equity	None	None
Entrust Institution of Exchange Object	None	None

4.2.2 Information of the Convertible Bond

None

4.2.3 Information of Shelf Registration Corporate Bond

None

4.2.4 Equity warrant bonds

None

4.3 Preferred Sahres with Warrants

None

4.4 Preferred Shares

None

4.5 Global Depositary Shares

None

4.6 Employee Stock Options

4.6.1 Issuance of Employee Stock Options

None

4.6.2 List of Executives Receiving Employee Stock Options and the Top 10 Employees with Options Valued in Excess of NT\$30 Million

None

4.6.3 Status on Restricted Share Award

None

4.6.4 List of Executives and Top 10 Employees Receiving Restrctied Share Award

None

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None

4.8 Financing Plans and Implementation

None