

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Type of Stock

March 31, 2021

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	2,138,796,616	891,753,384	3,030,550,000	-

4.1.2 Status of Shareholders

March 31, 2021

Item	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	2	44	270	84,507	521	85,344
Shareholding (shares)	7,741,000	22,607,306	1,057,418,528	516,838,724	534,191,058	2,138,796,616
Percentage	0.36%	1.06 %	49.44 %	24.16 %	24.98 %	100.00%

4.1.3 Shareholding Distribution Status

The par value for each share is NT\$10

March 31, 2021

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	45,835	8,442,848	0.40%
1,000 ~ 5,000	27,928	61,486,825	2.88%
5,001 ~ 10,000	5,423	41,271,216	1.93%
10,001 ~ 15,000	1,842	22,747,983	1.06%
15,001 ~ 20,000	1,050	19,096,142	0.89%
20,001 ~ 30,000	1,082	26,934,382	1.26%
30,001 ~ 40,000	445	15,608,384	0.73%
40,001 ~ 50,000	330	15,180,244	0.71%
50,001 ~ 100,000	628	44,698,592	2.09%
100,001 ~ 200,000	298	42,012,962	1.96%
200,001 ~ 400,000	183	51,723,800	2.42%
400,001 ~ 600,000	67	32,947,153	1.54%
600,001 ~ 800,000	40	27,469,189	1.28%
800,001 ~ 1,000,000	24	21,658,305	1.01%
1,000,001 or over	169	1,707,518,591	79.84%
Total	85,344	2,138,796,616	100.00%

4.1.4 List of Major Shareholders

March 31, 2021

Shareholder's Name	Shares	Percentage
PJ Asset Management	373,237,991	17.45%
Walsin Liwah Co., Ltd.	207,377,730	9.70%
Jaryuan Investment Co. Ltd	135,653,000	6.34%
Creative Sensor Co., Ltd.	77,519,000	3.62%
Silchester International Investors International Value Equity Trust	48,783,000	2.28%
WGI Emerging Markets Smaller Companies Fund, LLC	37,674,000	1.76%
Tong Kuang Investment Co., Ltd.	31,991,364	1.50%
Silchester International Investors International Value Equity Group Trust	27,093,000	1.27%
Norges Bank	26,956,193	1.26%
Kuan Yuan Industrial Co., Ltd.	26,833,919	1.25%

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

Unit: NT\$

Item	2019	2020	March 31, 2021 (Note 5)
Market Price per Share (Note 1)			
Highest Market Price	27.65	31.10	27.90
Lowest Market Price	16.95	23.00	23.00
Average Market Price	23.21	27.83	25.80
Net Worth per Share			
Before Distribution	28.82	31.42	-
After Distribution	27.83	30.27	-
Earnings per Share			
Weighted Average Shares (thousand shares)	1,949,947	1,939,447	-
Earnings Per Share	1.65	1.81	-
Dividends per Share			
Cash Dividends	0.99	1.15	-
Stock Dividends			
• Dividends from Retained Earnings	0	0	-
• Dividends from Capital Surplus	0	0	0
Accumulated Undistributed Dividends	0	0	0
Return on Investment			
Price / Earnings Ratio (Note 2)	14.07	15.38	-
Price / Dividend Ratio (Note 3)	23.44	24.20	-
Cash Dividend Yield Rate (Note 4)	4.27%	4.13%	-

Note 1: List the highest and lowest market price in each year and calculate average market price by total trading volume/total trading shares

Note 2: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 3: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 4: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 5: No audited numbers available till the print date of the annual report.

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

If there is a surplus in the company's annual final accounts, tax shall be paid in accordance with the law to make up for accumulated losses then withdraw 10% as statutory surplus reserve. In addition, the special surplus reserve shall be listed or converted in accordance with the regulations; if there is a balance in the current year, the dividends of the special shares in the current year shall be given priority, and the balance shall be added to the undistributed surplus of the previous year. The board of directors shall draft a earnings distribution plan, and the stock dividend plan shall be submitted to the shareholders meeting for resolution and distribution. The cash dividend distribution proposal authorizes the board of directors to be distributed with more than two-thirds of the directors present and the resolution of more than half of the directors present, and report to the shareholders meeting.

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 consider 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\$1.15 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 2019 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	\$ 284,575
Employee Bonus – in Stock	0
Directors' Remuneration	<u>109,939</u>

Employee remuneration and directors' remuneration decreased by NT\$16,539 thousand compared to the number of NT\$411,053 thousand recognized in the 2020 financial statement. The difference with the account number will be regarded as a change in accounting estimates and listed as the year profit and loss.

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:

Not applicable

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

Unit : NT\$ thousand

	Amount recognized in the previous year
Employee Bonus - Cash	258,192
Directors' Remuneration – Cash	114,752
Total	372,944

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

A. The situation of the company buying back the company's shares (Finished): None

B. The situation of the company buying back the company's shares (In execution): None

4.2 Corporate Bonds

4.2.1 Issuance of Corporate Bonds

Type of Corporate Bond	1 st Unsecured Ordinary Corporate Bonds in 2017	1 st Unsecured Ordinary Corporate Bonds in 2020	2 nd Unsecured Ordinary Corporate Bonds in 2020
Issue date	2017/09/15	2020/06/12	2020/09/15
Par value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issue and Trading Place	Domestic	Domestic	Domestic
Issue Price	According to face amount		According to face amount
Total Amount	NT\$ 10 billion	NT\$ 30 billion	NT\$ 20 billion
Interest Rate	1.02%	0.70%	0.60%
Duration	5 years, Expiration Date: 2022/09/15	5 years, Expiration Date: 2025/06/12	5 years, Expiration Date: 2025/09/15
Assurance Institution	None	None	None
Assignee	Taishin International Bank Ltd.	Taishin International Bank Ltd.	China Trust Bank Ltd.
Underwriting Institution	Yuanta Securities	Capital Securities	Masterlink Securities
Signed Lawyer	Handsome Attorneys-at-Law Ya-Wen Chiu	Handsome Attorneys-at-Law Ya-Wen Chiu	Handsome Attorneys-at-Law Ya-Wen Chiu
Signer Accountants	PricewaterhouseCoopers, Taiwan Wu, Yu-Lung & Chou, Chien-Hung	PricewaterhouseCoopers, Taiwan Wu, Yu-Lung	PricewaterhouseCoopers, Taiwan Wu, Yu-Lung
Repayment	Accrual Bond	Accrual Bond	Accrual Bond
Outstanding Amount	NTD\$ 10 billion	NTD\$ 10 billion	NTD\$ 10 billion
Redeption or Advanced Repayment	N/A	N/A	N/A
Restrictive Clauses	N/A	N/A	N/A
Credit Rating Institution, Credit Rating Date and the Outcome of the Rating	Taiwan Ratings Rating Date:2017/3/30 Issuer Ratng: twA+ IssueRating: None	Taiwan Ratings Rating Date:2020/2/18 Issuer Ratng: twA+ IssueRating: None	Taiwan Ratings Rating Date:2020/2/18 Issuer Ratng: twA+ IssueRating: None
Others	None	None	None
	None	None	None
Shares Dilution & Influence on Srockholders' Equity	None	None	None
Entrust Institution of Exchange Object	None	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 Equity Warrant Preferred Stock

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