

Chapter 3 Financial Information

Capital and shares

Source of capital

As of February 23, 2022

Date	Par value (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Source of capital (NT\$)	In a form other than cash	Cert. No. & effective date
Nov. 2021	10	6,000,000,000	60,000,000,000	3,513,520,139	35,135,201,390	Convertible bonds: 10,986,780	—	Authorization No. 1050043485 Nov. 7, 2016
Feb. 2022	10	6,000,000,000	60,000,000,000	3,519,233,603	35,192,336,030	Convertible bonds: 57,134,640	—	Authorization No. 1050043485 Nov. 7, 2016

As of February 23, 2022

	Authorized capital			Remarks
	Listed shares	Unissued shares	Total	
Common stock	3,519,233,603	2,480,766,397	6,000,000,000	None

Information related to shelf registration: None

Shareholder structure

As of August 29, 2021

	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions & individuals	Total
No. of shareholders	7	23	374	70,649	823	71,876
Total shares owned	262,628,156	836,084,459	1,425,620,310	462,840,979	525,547,766	3,512,721,670
Holding percentage	7.48%	23.80%	40.58%	13.18%	14.96%	100.00%

Shareholding distribution

As of August 29, 2021

1. Common shares

Shareholding range	No. of shareholders	Total shares owned	Holding percentage
1 ~ 999	18,173	5,253,521	0.15%
1,000 ~ 5,000	43,025	85,347,709	2.43%
5,001 ~ 10,000	5,579	43,272,723	1.23%
10,001 ~ 15,000	1,566	19,841,716	0.57%
15,001 ~ 20,000	1,000	18,389,889	0.52%
20,001 ~ 30,000	843	21,515,892	0.61%
30,001 ~ 40,000	403	14,321,036	0.41%
40,001 ~ 50,000	245	11,374,933	0.32%
50,001 ~ 100,000	413	29,402,130	0.84%
100,001 ~ 200,000	202	29,231,642	0.83%
200,001 ~ 400,000	126	34,799,492	0.99%
400,001 ~ 600,000	57	27,957,360	0.80%
600,001 ~ 800,000	36	25,266,267	0.72%
800,001 ~ 1,000,000	24	22,030,065	0.63%
1,000,001 and above	184	3,124,717,295	88.95%
Total	71,876	3,512,721,670	100.00%

2. Preferred shares: None

Major shareholders

As of August 29, 2021

Name	Total shares owned	Holding percentage (Note)
TFN Union Investment Co., Ltd.	410,665,284	11.69%
Shin Kong Life Insurance Co., Ltd.	279,521,000	7.96%
Cathay Life Insurance Co., Ltd.	209,308,900	5.96%
TCC Investment Co., Ltd.	200,496,761	5.71%
Ming Dong Co., Ltd.	184,736,452	5.26%
Fubon Life Insurance Co., Ltd.	150,880,400	4.30%
Dao Ying Co., Ltd.	113,609,742	3.23%
Richard M. Tsai	93,310,663	2.66%
TCCI Investment & Development Co., Ltd.	87,589,556	2.49%
Daniel M. Tsai	65,162,715	1.86%

Note: Shareholding percentage was calculated based on outstanding shares of 3,512,721,670 as of August 29, 2021.

Share price, net worth, earnings, dividends and related information

		2020	2021	As of February 23, 2022
Share price (NT\$)	High	116.50	109.50	107.00
	Low	95.00	95.50	98.80
	Average	103.82	99.85	101.68
Net worth per share (NT\$)	Before earnings appropriation	23.23	23.23	—
	After earnings appropriation	18.93	(Note 1)	—
Earnings per share (NT\$)	Adjusted weighted average outstanding shares (‘000 shares)	2,811,916	2,814,930	—
	Earnings per share	4.01	3.90	—
Dividends per share (NT\$)	Cash dividends	4.29953	(Note 1)	—
	Stock dividends	—	(Note 1)	—
		—	(Note 1)	—
	Accumulated unpaid dividends	—	—	—
PE and dividend yield (Note 2)	Price earnings ratio (x)	25.89	25.60	—
	Price to cash dividend (x)	24.15	—	—
	Cash dividend yield (%)	4.14	—	—

Note 1: The appropriation amount for 2021 has yet to be approved at the AGM.

Note 2: Price earnings ratio = Average closing price / earnings per share
 Price to cash dividend = Average closing price / cash dividend per share
 Cash dividend yield = Cash dividend per share / average closing price

Dividend policy

1. Dividend policy under Articles of Incorporation

The dividend policy in general is to distribute earnings from retained earnings in the form of cash after deducting forecast capital expenditure. Should there be a stock dividend distribution, it should not exceed 80% of the total dividends distributed in a single year. The dividend payout proposed by the Board of Directors (BoD) has to be approved at the annual shareholders' meeting.

2. Proposed dividend allocation for approval at annual shareholders' meeting

The BoD has not yet approved the proposed dividend allocation for 2021 as of publication date. The board expects to approve the proposal 40 days prior to the AGM, and the related resolution will be announced on the Company's website and MOPS.

3. The Company maintains a dividend policy with a high payout ratio

Historically, dividends distributed to shareholders were no less than 80% of retained earnings available for distribution for that year and composed of over 80% cash. A historical listing of dividends distributed is posted on TWM's official website.

Impact of stock dividend distribution on business performance and EPS

The BoD has not yet approved the dividend allocation proposal for 2021 as of publication date.

Employees' and directors' compensation

1. Earnings distribution plan according to the Company's Articles of Incorporation

If the Company posts an annual profit, it shall set aside 1% to 3% of the profit as employee bonuses and not more than 0.3% of the profit as compensation for directors. However, if the Company posts a loss, it shall first reserve a certain amount to offset the losses, then allocate the remainder for employee bonuses and directors' compensation. Recipients are to include qualified employees of TWM subsidiaries.

2. Accounting treatment for the deviation between the estimated and actual distribution amount of employees' and directors' compensation

The Company accrues employee bonuses and directors' compensation proportionally from the pre-tax income before deducting employee bonuses and directors' compensation. Should there be a deviation between the actual distribution amount and the accrued amount in the annual financial reports after the publication date, the difference should be treated as changes in accounting estimates and adjusted in the following year.

3. 2021 employees' and directors' compensation proposals adopted by the BoD

(1) Employees' and directors' compensation paid in the form of cash or shares and differences/reasons/treatments of accrued numbers if any:

The 2021 employee bonuses and directors' compensation approved by the BoD on February 22, 2022 totaled NT\$362.061 million and NT\$36.206 million, respectively, in the form of cash, while the accrued amounts in the 2021 financial reports are same as cash compensation.

Employee bonuses paid in the form of shares and as a percentage of total net income on a stand-alone basis and of total employee bonuses: None.

4. Earnings distributed as employee bonuses and directors' compensation in the previous year

2020 employee bonuses and directors' compensation approved by the BoD and actual distribution:

Unit: NT\$'000	Employee bonuses	Directors' compensation
Accrued amount	390,869	39,087
Actual distribution	386,647	39,087
Difference	4,222	0

Note: The differences between the actual distribution and the accrued amount were treated as changes in employee number and adjusted in 2021.

Share buyback: None