

Chapter 3 Financial Information

Capital and shares

Source of capital

As of February 25, 2023

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
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 25, 2023

	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 July 16, 2022

	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions & individuals	Total
No. of shareholders	7	24	406	64,243	887	65,567
Total shares owned	264,101,156	773,052,459	1,441,221,938	453,598,304	587,259,746	3,519,233,603
Holding percentage	7.50%	21.97%	40.95%	12.89%	16.69%	100.00%

Shareholding distribution

As of July 16, 2022

1. Common shares

Shareholding range	No. of shareholders	Total shares owned	Holding percentage
1 ~ 999	18,808	5,220,346	0.15%
1,000 ~ 5,000	37,614	74,082,129	2.11%
5,001 ~ 10,000	4,733	36,573,740	1.04%
10,001 ~ 15,000	1,330	16,819,568	0.48%
15,001 ~ 20,000	807	14,778,019	0.42%
20,001 ~ 30,000	690	17,620,523	0.50%
30,001 ~ 40,000	332	11,812,307	0.34%
40,001 ~ 50,000	206	9,511,324	0.27%
50,001 ~ 100,000	388	27,840,625	0.79%
100,001 ~ 200,000	210	30,388,480	0.86%
200,001 ~ 400,000	143	40,001,499	1.14%
400,001 ~ 600,000	52	24,647,157	0.70%
600,001 ~ 800,000	31	21,591,365	0.61%
800,001 ~ 1,000,000	24	21,935,691	0.62%
1,000,001 and above	199	3,166,410,830	89.97%
Total	65,567	3,519,233,603	100.00%

2. Preferred shares: None

Major shareholders

As of July 16, 2022

Name	Total shares owned	Holding percentage (Note)
TFN Union Investment Co., Ltd.	410,665,284	11.67%
Shin Kong Life Insurance Co., Ltd.	251,579,000	7.15%
TCC Investment Co., Ltd. Ltd.	200,496,761	5.70%
Cathay Life Insurance Co.,	198,667,900	5.65%
Ming Dong Co., Ltd.	184,736,452	5.25%
Fubon Life Insurance Co., Ltd.	150,880,400	4.29%
Dao Ying Co., Ltd.	113,609,742	3.23%
Daniel M. Tsai	95,162,715	2.70%
Richard M. Tsai	93,310,663	2.65%
TCCI Investment & Development Co., Ltd.	87,589,556	2.49%

Note: Shareholding percentage was calculated based on outstanding shares of 3,519,233,603 as of July 16, 2022.

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

		2021	2022	As of February 25, 2023
Share price (NT\$)	High	109.50	110.50	98.50
	Low	95.50	90.40	93.80
	Average	99.85	101.19	96.05
Net worth per share (NT\$)	Before earnings appropriation	23.23	22.86	—
	After earnings appropriation	18.93	(Note 1)	—
Earnings per share (NT\$)	Adjusted weighted average outstanding shares (‘000 shares)	2,814,930	2,820,482	—
	Earnings per share	3.90	3.91	—
Dividends per share (NT\$)	Cash dividends	4.30	(Note 1)	—
	Stock dividends	—	(Note 1)	—
		—	(Note 1)	—
	Accumulated unpaid dividends	—	—	—
PE and dividend yield (Note 2)	Price earnings ratio (x)	25.60	25.88	—
	Price to cash dividend (x)	23.22	—	—
	Cash dividend yield (%)	4.31	—	—

Note 1: The appropriation amount for 2022 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 2022 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 2022 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, and amounts reserved in advance. 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. 2022 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 2022 employee bonuses and directors' compensation approved by the BoD on February 24, 2023 totaled NT\$305.936 million and NT\$30.594 million, respectively, in the form of cash, while the accrued amounts in the 2022 financial report are the same as the cash compensation.

- (2) 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

Difference between the amount approved by the BoD and actual distribution of 2021 employee bonuses and directors' compensation: None

Share buyback: None