

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Sep.2010	10	150,000,000	1,500,000	69,016,200	690,162	Capital surplus transferred	None	July 13, 2010 FSC No. 0990036222

B. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	69,016,200	80,983,800	150,000,000	Listed on Taipei Exchange

C. Information for Shelf Registration: None.

4.1.2 Status of Shareholders

As of 04/20/2019

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	1	29	29	2,730	101	2,890
Shares	103,000	1,539,612	18,756,357	25,048,316	23,568,915	69,016,200
Percentage	0.15%	2.23%	27.18%	36.29%	34.15%	100.00%

4.1.3 Shareholding Distribution Status

A. Common Shares

As of 04/20/2019

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	632	88,450	0.13%
1,000 ~ 5,000	1,771	3,166,830	4.59%
5,001 ~ 10,000	194	1,473,053	2.13%
10,001 ~ 15,000	67	849,008	1.23%
15,001 ~ 20,000	45	804,760	1.17%
20,001 ~ 30,000	34	846,017	1.23%
30,001 ~ 40,000	21	725,063	1.05%
40,001 ~ 50,000	20	933,228	1.35%
50,001 ~ 100,000	33	2,372,923	3.44%
100,001 ~ 200,000	19	2,508,915	3.64%
200,001 ~ 400,000	20	6,329,829	9.17%
400,001 ~ 600,000	7	3,148,744	4.56%
600,001 ~ 800,000	6	4,166,434	6.04%
800,001 ~ 1,000,000	3	2,679,920	3.88%
1,000,001 or over	18	38,923,026	56.39%
Total	2,890	69,016,200	100.00%

B. Preferred Shares: None.

4.1.4 List of Major Shareholders

As of 04/20/2019

Shareholder's Name	Shareholding	
	Shares	Percentage
Kuo Chia Fu Investment Corp.	5,485,189	7.95%
JPMorgan Chase Bank, Taipei Branch in Custody for Nordea 1 Emerging Stars Equity Fund	4,213,000	6.10%
Scientific Components Corp.	3,068,477	4.45%
Johanson Technology Inc.	2,881,810	4.18%
JPMorgan Chase Bank, Taipei Branch in Custody for Stichting Depository APG Emerging Markets Equity Mutual Fund	2,353,000	3.41%
Ting Fu Investment Corp.	2,186,017	3.17%
Chin Te Hsing Yeh Limited	2,076,000	3.01%
Kuang Tai Shih YehCorp.	2,000,000	2.90%
Mei Erh Ku Construction Corp.	1,937,870	2.81%
Lin Li Construction Corp.	1,808,271	2.62%

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

Unit: NTS

Items		2017	2018	March 31, 2019	
Market Price Per Share	Highest Market Price	454.50	416.00	272.00	
	Lowest Market Price	243.50	161.50	235.50	
	Average Market Price	333.27	257.62	252.32	
Net Worth Per Share	Before Distribution	48.22	48.30	50.74	
	After Distribution	37.32	(Note 1)	(Note 1)	
Earnings Per Share	Weighted Average Shares(thousand shares)	69,016	69,016	69,016	
	Diluted Earnings Per Share	12.15	10.98	2.44	
	Adjusted Diluted Earnings Per Share	12.15	(Note 1)	(Note 1)	
Dividends Per Share	Cash Dividends	10.9	(Note 1)	(Note 1)	
	Stock Dividends	Dividends from Retained Earnings	0	(Note 1)	(Note 1)
		Dividends from Capital Surplus	0	(Note 1)	(Note 1)
	Accumulated Undistributed Dividends	0	0	0	
Return on Investment	Price / Earnings Ratio (Note 2)	27.43	(Note 1)	N/A	
	Price / Dividend Ratio (Note 3)	30.58	(Note 1)	N/A	
	Cash Dividend Yield Rate (Note 4)	3.27%	(Note 1)	N/A	

Note 1: Pending shareholders' approval in Annual Shareholders' Meeting

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

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

When allocating the net profits for each fiscal year, the following order shall be followed:

1. Reserve for tax payments.
2. Offset accumulated losses in previous years, if any.
3. Set aside 10% of said profits as legal reserve, except for when accumulated legal reserve has reached the total paid-in capital.
4. Allocation or reverse of special reserves as required by law or government authorities.
5. As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the Board of Directors is authorized to draft an appropriation plan in accordance with the dividend policy in this Article Section 2.

Since the Company is in an industry in a growth phase, the dividend policy shall take into consideration factors such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strike a balance among shareholders' benefits and the Company's long-term financial plans. Each year the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute the entire distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

B. Proposed Distribution of Dividend

The proposal for distribution of 2018 profits was passed at the Board of Directors meeting on February 26, 2019. The proposed dividend to shareholders is a cash dividend of NT\$9.88 per common share, totaling NT\$681,880,056, projected payout ratio is around 100%.

C. Material Change in Dividend Policy Is Expected: None.

4.1.7 Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting: None.

4.1.8 Compensation of Employees and Directors

A. Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation

Article 25 of the Articles of Incorporation stipulates that: The Company should distribute remuneration to employees and directors not less than 5% and not more than 1.5% of annual profits, respectively, after offsetting accumulated deficits, if any. The aforementioned profit is the net profit before income tax excluding the remuneration to employees and directors for each period. Only employees, including employees of affiliate companies that meet certain conditions are subject to the abovementioned remuneration which to be distributed in stock or cash.

B. The Estimated Basis for Calculating the Employee and Director Compensation

The Company accrued employees' and directors' compensation to base on a percentage of profit. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, the Company will recognize the change as an adjustment to income of next year.

C. Distribution of Compensation of Employees and Directors for 2019 Approved in Board of Directors Meeting

(A) Distribution for employees' and directors' compensation for 2018 was passed by the Board of Directors' meeting on February 26, 2019 as follows:

Employees' compensation distributed in cash is NT\$50,559,707.

Directors' compensation is NT\$15,167,911.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those estimated in the financial statements.

(B) Ratio of employees' profit sharing bonus distributed in stocks to capitalization of earnings: N/A.

D. Information of 2017 Distribution of Compensation of Employees and Directors

Items	Board of Directors Resolution	Estimate	Difference	Reason of difference
Compensation of employee	NT\$54,209,679	NT\$54,209,679	0	Note
Compensation of director	NT\$16,262,903	NT\$16,262,903	0	Note

4.1.9 Buyback of Treasury Stock: None.

4.2 Corporate Bonds: None.

4.3 Preferred Stock: None.

4.4 Global Depository Receipts: None.

4.5 Employee Stock Options: None.

4.6 New Restricted Employee Stocks: None.

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

4.8 Financing Plans and Implementation: None.