

## IV Fundraising Overview

### 1. The Company's Capital and Shares

#### (1) Sources of Share Capital

##### 1. Historical Sources of Share Capital

MM/YY	Issuance Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
11/02	10	6,500,000,000	65,000,000,000	3,512,976,276	35,129,762,760	Treasury stock capital decreased by 100,000,000 shares	No	Note 1
06/03	10	6,500,000,000	65,000,000,000	3,412,976,276	34,129,762,760	Treasury stock capital decreased by 100,000,000 shares	No	Note 2
11/03	10	6,500,000,000	65,000,000,000	3,366,067,276	33,660,672,760	Treasury stock capital decreased by 46,909,000 shares	No	Note 3
01/04	10	6,500,000,000	65,000,000,000	3,266,067,276	32,660,672,760	Treasury stock capital decreased by 100,000,000 shares	No	Note 4
04/04	10	6,500,000,000	65,000,000,000	3,174,491,276	31,744,912,760	Treasury stock capital decreased by 91,576,000 shares	No	Note 5
07/04	10	6,500,000,000	65,000,000,000	3,078,236,276	30,782,362,760	Treasury stock capital decreased by 96,255,000 shares	No	Note 6
08/04	10	6,500,000,000	65,000,000,000	3,079,012,601	30,790,126,010	Bond conversion entitlement certificates converted to common shares	No	None
05/05	10	6,500,000,000	65,000,000,000	3,006,294,601	30,062,946,010	Treasury stock capital decreased by 72,718,000 shares	No	Note 7
08/05	10	6,500,000,000	65,000,000,000	3,310,913,261	33,109,132,610	Capital increased by earnings recapitalization by 304,618,660 shares	No	Note 8
04/06	10	6,500,000,000	65,000,000,000	3,244,314,261	32,443,142,610	Treasury stock capital decreased by 66,599,000 shares	No	Note 9
11/08	10	6,500,000,000	65,000,000,000	3,194,314,261	31,943,142,610	Treasury stock capital decreased by 50,000,000 shares	No	Note 10
02/09	10	6,500,000,000	65,000,000,000	3,179,200,422	31,792,004,220	Treasury stock capital decreased by 27,124,000 shares and overseas convertible bonds converted to 12,010,161 common shares	No	Note 11
09/09	10	6,500,000,000	65,000,000,000	3,119,200,422	31,192,004,220	Treasury stock capital decreased by 60,000,000 shares	No	Note 12
11/09	10	6,500,000,000	65,000,000,000	3,069,200,422	30,692,004,220	Treasury stock capital decreased by 50,000,000 shares	No	Note 13
12/10	10	6,500,000,000	65,000,000,000	3,609,200,422	36,092,004,220	Cash capital increased by 540,000,000 shares	No	Note 14
01/11	10	6,500,000,000	65,000,000,000	3,614,890,804	36,148,908,040	Overseas convertible bonds converted to 5,690,382 shares	No	None
04/11	10	6,500,000,000	65,000,000,000	3,616,000,258	36,160,002,580	Overseas convertible bonds converted to 1,109,454 shares	No	None
06/13	10	6,500,000,000	65,000,000,000	3,576,000,258	35,760,002,580	Treasury stock capital decreased by 40,000,000 shares	No	Note 15
05/15	10	6,500,000,000	65,000,000,000	3,516,000,258	35,160,002,580	Treasury stock capital decreased by 60,000,000 shares	No	Note 16
10/16	10	6,500,000,000	65,000,000,000	3,396,000,258	33,960,002,580	Treasury stock capital decreased by 120,000,000 shares	None	Note 17
06/17	10	6,500,000,000	65,000,000,000	3,366,000,258	33,660,002,580	Treasury stock capital decreased by 30,000,000 shares	None	Note 18
08/18	10	6,500,000,000	65,000,000,000	3,326,000,258	33,260,002,580	Treasury stock capital decreased by 40,000,000 shares	None	Note 19
09/20	10	6,500,000,000	65,000,000,000	3,286,000,258	32,860,002,580	Treasury stock capital decreased by 40,000,000 shares	None	Note 20
12/20	10	6,500,000,000	65,000,000,000	3,226,000,258	32,260,002,580	Treasury stock capital decreased by 60,000,000 shares	None	Note 21
01/21	10	6,500,000,000	65,000,000,000	3,431,332,948	34,313,329,480	Share swap of 205,332,690 shares	None	Note 22
09/22	10	6,500,000,000	65,000,000,000	3,731,332,948	37,313,329,480	Cash capital increased by 300,000,000 shares	None	Note 23
07/23	10	6,500,000,000	65,000,000,000	4,031,332,948	40,313,329,480	Cash capital increased by 300,000,000 shares	None	Note 24

Note 1: Approval letter Tai-Cai-Zheng (3) No. 0910155823, dated 2002.10.16

Note 2: Approval letter Tai-Cai-Zheng (3) No. 0920110106, dated 2003.03.25

Note 13: Letter Jin-Guan-Zheng (Jiao) No. 0980050862, dated 2009.09.21

Note 14: Letter Jin-Guan-Zheng (Fa) No. 0990051578, dated 2010.09.28



Note 3: Approval letter (2001) Tai-Cai-Zheng (3) No. 101196, dated 2001.02.08

Note 4: Approval letter Tai-Cai-Zheng (3) No. 0920159026, dated 2003.12.15

Note 5: Approval letter Tai-Cai-Zheng (3) No. 0930110000, dated 2004.03.24

Note 6: Approval letter Tai-Cai-Zheng (3) No. 0930125152, dated 2004.06.03

Note 7: Approval letter Jin-Guan-Zheng (3) No. 0940110778, dated 2005.03.30

Note 8: Approval letter Jin-Guan-Zheng (1) No. 0940124111, dated 2005.06.16

Note 9: Approval letter Jin-Guan-Zheng (3) No. 0950105881, dated 2006.02.20

Note 10: Letter Jin-Guan-Zheng (3) No. 09700511511, dated 2008.09.24

Note 11: Letter Jin-Guan-Zheng (3) No. 0970065169, dated 2008.11.28

Note 12: Letter Jin-Guan-Zheng (Jiao) No. 0980027679, dated 2009.06.06

Note 15: Letter Jin-Guan-Zheng (Jiao) No. 0990025440, dated 2010.05.12

Note 16: Letter Jin-Guan-Zheng (Jiao) No. 1050021717, dated 2016.05.27

Note 17: Letter Jin-Guan-Zheng (Jiao) No. 1050040371, dated 2016.10.03

Note 18: Letter Jin-Guan-Zheng (Jiao) No. 1030014322, dated 2014.04.17

Note 19: Letter Jin-Guan-Zheng (Jiao) No. 1040026231, dated 2015.07.08

Note 20: Letter Jin-Guan-Zheng (Jiao) No. 1090341078, dated 2020.05.05

Note 21: Letter Jin-Guan-Zheng (Jiao) No. 1090359858, dated 2020.09.29

Note 22: Letter Jin-Guan-Zheng (Fa) No. 1090377120, dated 2020.12.16

Note 23: Letter Jin-Guan-Zheng (Fa) No. 1090377120, dated 2022.03.11

Note 24: Letter Jin-Guan-Zheng (Fa) No. 1120345884, dated 2023.06.26

## 2. Types of Shares

As of March 19, 2024

Types of Shares	Authorized Capital			Remarks
	Shares Issued and Outstanding (Note 1)	Unissued Shares	Total	
Common Shares	4,031,332,948	2,468,667,052	6,500,000,000	(Note 2)

Note 1: Publicly-traded shares.

Note 2: The Company's capital includes NT\$8,000,000,000 for the issuance of share warrants, corporate bonds with share warrants or preferred shares with share warrants, up to eight hundred million shares at a par value of NT\$10 per share, which may be issued in separate tranches.

## 3. Information on Shelf Registration: None.

### (2) Shareholder Structure

As of March 19, 2024

Shareholders Numbers	Government Institutions	Financial Institutions	Other Legal Persons	Individuals	Foreign Institutions and Individuals	Total
Number	7	37	458	237,075	630	238,207
No. of Shares Held	117,056,795	43,782,424	1,427,247,828	1,733,713,554	709,532,347	4,031,332,948
Shareholding	2.90%	1.09%	35.40%	43.01%	17.60%	100%

Note 1: Ratio of shares held by investors in China: 0%.

Note 2: The shareholding ratios are rounded to the nearest hundredth percent.

### (3) Distribution of Shareholders

#### 1. Distribution of Common Shares:

As of March 19, 2024

Shareholding	Number of shareholders	Shares Held (Note)	Shareholding
1 to 999	75,458	14,855,704	0.37%
1,000 to 5,000	117,888	258,842,710	6.42%
5,001 to 10,000	23,335	181,640,699	4.51%
10,001 to 15,000	7,378	93,722,619	2.33%
15,001 to 20,000	4,593	84,718,476	2.10%
20,001 to 30,000	3,730	94,966,647	2.36%
30,001 to 40,000	1,594	57,027,724	1.41%
40,001 to 50,000	1,027	47,514,949	1.18%
50,001 to 100,000	1,817	128,191,747	3.18%
100,001 to 200,000	687	96,121,170	2.38%
200,001 to 400,000	329	91,696,388	2.27%
400,001 to 600,000	103	50,796,351	1.26%
600,001 to 800,000	41	28,890,554	0.72%
800,001 to 1,000,000	31	27,900,377	0.69%
1,000,001 and more	196	2,774,446,833	68.82%
Total	238,207	4,031,332,948	100%

Note 1: The shareholding ratios are rounded to the nearest hundredth percent.

#### 2. Distribution of Preferred Shares: None.

### (4) List of Major Shareholders

As of March 19, 2024

Major Shareholders	Shares	Number of Shares Held	Shareholding (Note)
Chin-Xin Investment Co., Ltd		248,002,375	6.15%
Winbond Electronics Corporation		247,527,493	6.14%
TECO Electric and Machinery Co., Ltd.		210,332,690	5.22%
LGT Bank (Singapore) Investment Fund under the custody of Business Department, Standard Chartered Bank (Taiwan) Ltd.		183,213,000	4.54%
Rong Jiang Co., Ltd.		171,993,651	4.27%
Fund Account of Yuanta Taiwan High Dividend ETF		133,328,512	3.31%
Patricia Chiao		109,085,587	2.71%
Huali Investment Corp.		106,994,366	2.65%
Chunghwa Post Co., Ltd.		76,000,981	1.89%
Yu-Heng Chiao		65,343,810	1.62%

Note: The shareholding ratios are rounded to the nearest hundredth percent.



(5) Stock Price, Net Value, Earnings, Dividends and Related Information for the Past Two Years

Item \ Year			2022	2023	Current Year up to March 20, 2024
Share Price (Note 1)	High		49.85	59.40	36.95
	Low		25.10	33.80	36.15
	Average		40.91	45.97	36.55
Net Value per Share (Note 2)	Basic		33.12	34.93	-
	Diluted		31.32	33.83	-
Earnings per Share	Weighted average shares		3,549,689,000	3,883,388,000	-
	Earnings per share (Note 3)		5.45	1.32	-
Dividend per Share	Cash dividend		1.80	1.10	-
	Stock dividend	Distribution from earnings	-	-	
		Distribution from additional paid in capital	-	-	
	Accumulated unpaid dividend (Note 4)		-	-	-
Return Analysis	Price-earnings ratio (Note 5)		6.77	32.78	-
	Price-dividend ratio (Note 6)		20.48	39.34	-
	Cash dividend yield (Note 7)		0.05	0.03	-

\* If shares are distributed in connection with a capital increase out of earnings or capital reserves, information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution shall be disclosed.

Note 1: The highest and lowest share prices for each year are provided, with the average price for the year computed based on each year's transaction amount and volume.

Note 2: Use the number of the outstanding issued shares at year's end and the distribution passed at the following year's shareholders' meeting to fill in.

Note 3: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 4: If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 5: Price-earnings ratio = Average per share closing price for the year / earnings per share.

Note 6: Price-dividend ratio = Average per share closing price for the year / cash dividend per share.


Note 7: Cash dividend yield = Cash dividend per share / average per share closing price for the year.

(6) Dividend Policy and Implementation Status

1. Dividends Policy Specified in the Company's Articles of Incorporation

Article 28 of the Company's Articles of Incorporation:

After the Company has offset its accumulated losses from previous years and paid all tax due, the Company shall set aside 10% of its net profits as legal reserve, except when the legal reserve equals to the total paid-in capital of the Company. From the remainder calculated above plus the surplus retained earnings of previous year, the Company shall set aside or reverse the special reserve as stipulated by the law or the competent authority. Then the Board of Directors shall draft an earning distribution proposal submitted to the Shareholders' meeting for resolution to distribute shareholder's dividends. If the aforementioned distribution of earnings is made in cash, the Board of Directors shall be authorized to distribute the earnings with the presence of at least two-thirds of the Directors and the resolution of a majority of the Directors present, and to report the distribution to the shareholders' meeting.



The setting aside of the legal reserve set forth in Paragraph 1 of this Article should be based on the "the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period."

Article 28-1 of the Company's Articles of Incorporation:

The share dividend policy of the Company should be stable for the purpose of sustainable operation and development. In case of any earnings on the final account, the Company shall allot as shareholder dividends no lesser than 40% of the balance of such earnings after offsetting its loss, paying income tax, setting aside the legal reserve, and setting aside the special reserve as adjusted based on the net decrease in other shareholders' equity as stipulated in Article 28 hereof, as well as deducting the share of the affiliates' interests recognized by equity method and adding the cash dividends paid out by the affiliates to the Company recognized by equity method. Such dividends shall be distributed in cash or in form of shares; cash dividends shall not be lesser than 70% of the total dividends.

To ensure the stability of the financial structure, and based on the principle of equitable dividend payout, if the Company has no earnings to distribute or has earnings but the amount of earnings is significantly less than the actual earnings distributed previously, the Company may distribute all or part of the reserves or the undistributed earnings in the previous period. If there is a non-recurring, material income in the Company's earnings for the year, all or a part of such income may be retained without being subject to the percentage limitation set forth in Paragraph 1 hereof.

2. Dividends Distribution to be proposed to the Shareholders' Meeting

According to the decision of the Company's 8<sup>th</sup> board meeting of the 20<sup>th</sup> term, it is proposed to distribute cash dividends from the earnings in 2023 to shareholders shall be NT\$4,434,466,243, with NT\$1.1 per share (which is calculated based on the Company's 4,031,332,948 issued and outstanding common shares). After this dividend distribution has been resolved and approved by the Board of Directors, the Chairman of the Board is authorized to determine the distribution record date and the distribution date. In the future, if the Company issues or repurchases shares, thereby influencing the amount of outstanding shares and changing the distributable cash dividend per share, it is proposed that the shareholders meeting authorize the chairman of the board to adjust the number of outstanding stocks on the ex-dividend date.

The smallest unit of the cash dividend is NT\$1. The distribution of the cash dividends shall be rounded down to the nearest New Taiwan Dollar. The aggregate of the remaining cash will be credited to Other Revenue by the Company.

3. Explanation regarding expected major changes to dividend policy: None.

(7) Effect of the proposed stock dividends (to be adopted by the Shareholders' Meeting) on the operating performance and earnings per share: Not applicable.

(8) Compensation for employees and directors:

1. The Company's Articles of Incorporation includes the amount and coverage of compensation for employees and directors

Article 25-1:

If the Company turns a profit in a year, no less than 1% of the profit should be distributed to its employees as compensation and no more than 1% to directors as compensation. The actual amount should be determined by a board meeting where no less than two-thirds of the directors are present and more than half of the directors present votes to approve the suggested amounts. The amounts should be reported to the shareholders meeting. However, if the Company still has accumulated deficit from previous terms, it should first reserve the amount needed to settle the outstanding balance.

Employee bonuses may be distributed by way of stock or cash dividends and the Company may issue bonuses to employees of parents or subsidiaries of the Company that meets the conditions set by the board of directors. The board of directors shall be authorized to determine the method of distribution.

The qualification requirements of or the distribution rules for the employees who are entitled to the treasury stock transferred, the employee warrants issued, subscription for new shares issued, and the restricted stock awards issued by the Company, including the employees of parents or subsidiaries of the company meeting certain specific requirements, shall be formulated by the board of directors as authorized.



2. Basis for estimates of compensations for employees and directors for this term, basis for calculating employee stock compensation and accounting procedures for when there is a discrepancy between the estimated and actual amount
    - (1) Basis for estimates of compensations for employees and directors for this term: Estimated by ratio of the pre-tax income as determined by the Articles of Incorporation.
    - (2) Basis for calculating employee stock compensation: Not applicable.
    - (3) Accounting procedures for when there is a discrepancy between the estimated and actual amount: Please find relevant accounting procedures in “6. Financial Overview: 4. Financial report of the most recent year 22 Net Profit (Loss) From Continuing Operations” of this annual report for further explanation.
  3. Information regarding board of directors' approval of employee compensation
    - (1) Amount to be paid in the form of cash and stocks to employees and directors: The board has approved NT\$70,700,000 to be paid in cash to employees and NT\$30,000,000 to directors for 2023.
    - (2) Difference from estimated amount, reason and actions required: No difference.
    - (3) The amount of employee compensation in the form of stock and its percentage of the Company's after-tax income (as reported in the financial statement of this term) and total employee compensation: Not applicable.
  4. Actual payment status (including stocks, cash and stock price) for employee and director compensation from the previous year; discrepancies (if any) between the actual payment and estimated amount, as well as the reasons for and actions required by the discrepancies
    - (1) Cash and stock compensation for employees; compensation amount for directors: for 2022, the Company issued NT\$252,000,000 to employees and NT\$100,050,000 to directors.
    - (2) Differences between the estimated amount of compensation for employees and directors, as well as the reasons for and actions required by the discrepancies: No differences.
    - (3) Please find relevant accounting procedures in “VI. Financial Overview: 4. Financial report of the most recent year: 23 Profits from Continuing Operating Units” of this annual report for further explanation.
- (9) Share Repurchases:
1. Those having been executed: None.
  2. Those being executed: None.

## 2. Issuance of Corporate Bonds:

Type of Corporate Bonds		2021 1 <sup>st</sup> Unsecured Straight Corporate Bonds	2023 1 <sup>st</sup> Unsecured Straight Corporate Bonds
Issuance (Processing) Date		October 8, 2021	April 11, 2023
Denomination		NT\$10,000,000	NT\$10,000,000
Issue Price		Issued at denomination	Issued at denomination
Lump Sum		NT\$7,500,000,000	NT\$5,300,000,000
Interest Rate (p.a.)		A fixed rate of 0.70% per annum	Tranche A: 1.70% Tranche B: 2.10%
Tenor		5 years; Maturity Date: 2026/10/8	Tranche A: 5 years; Maturity Date: 2028/04/11 Tranche B: 10 years; Maturity Date: 2033/04/11
Guarantor		None	None
Trustee		Hua Nan Commercial Bank Co., Ltd.	Hua Nan Commercial Bank Co., Ltd.
Underwriter (Lead Underwriter)		KGI Securities	KGI Securities
Certifying Attorney		Yicheng United Law Firm	Yicheng United Law Firm
Certifying CPA		Deloitte Taiwan	Deloitte Taiwan
Repayment Method		Principal shall be repaid upon due in one installment	Principal shall be repaid upon due in one installment
Outstanding Principal		NT\$7,500,000,000	NT\$5,300,000,000
Terms of Redemption or Prepayment		None	None
Restrictive Clauses		None	None
Credit Rating Agency Name, Rating Date, Rating of Corporate Bonds		Rating agency: Taiwan Ratings Corporation Rating: Twa- Rating Date: 2021/08/06	Rating agency: Taiwan Ratings Corporation Rating: Twa- Rating Date: 2022/08/09
Additional Rights	Amt. of Converted Common Shares, Global Depositary Receipts or other Securities	Not applicable	Not applicable
	Rules for Issuance and Conversion	None	None
Possible Dilution of Shareholding due to, and Effect on the Current Shareholders' Rights and Interests of, Issuance and Conversion, Rules for Share Swap or Subscription, or the Issuance Terms		None	None
Name of the Custodian Engaged by the Counterparty of Share Swap		None	None

## 3. Issuance of Preferred Shares: None.



#### 4. Issuance of Global Depositary Receipts (GDRs)

Date of Issuance		October 3, 1995	November 9, 2010	June 30, 2023
Item				
Place of issue and trading		Issued globally and traded on the Luxembourg Stock Exchange		
Total amount		US\$121,800,000	US\$290,313,085	US\$389,100,000
Offer price per unit		US\$12.18	US\$5.38	US\$12.97
Total units issued		10,000,000 units	53,961,540 units	30,000,000 units
Source of underlying security		Issuance of new common shares for cash capital increase	Issuance of new common shares for cash capital increase	Issuance of new common shares for cash capital increase
Underlying security		Common stocks: 100,000,000 shares	Common stocks: 539,615,400 shares	Common stocks: 300,000,000 shares
Rights and obligations of depositary receipt holder		Conducted in accordance with the laws of the Republic of China and with the provisions of the Depositary Agreement. Refer to the Covenants of Depositary Agreement for the key terms and conditions.		
Trustee		None	None	None
Depositary institution:		Deutsche Bank	Citibank	Citibank
Custodial bank		Mega International Commercial Bank	Citibank (Taiwan)	Citibank (Taiwan)
Balance outstanding		21,224 units of global depositary receipts and 212,248 shares of securities represented.		
Distribution of fees incurred from issuance and the outstanding period of the GDRs		1. Issuance fees: The issuing company will be responsible for the entirety of this fee. 2. Fees during outstanding period: The issuing company will be responsible for this fee.		
Covenants of Depositary Agreement and Custodial Agreement		Omitted		
Market price per unit (Unit: US\$)	2023	High	19.00	
		Low	10.50	
		Average	14.02	
	Current year as of March 20, 2024	High	12.43	
		Low	10.98	
		Average	11.46	

#### 5. Exercise of Employee Stock Option Plan (ESOP) and Restricted Stock: None.

#### 6. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: None.

#### 7. Implementation of capital allocation plan:

The program for the use of funds from previous issues has not been completed, or has been completed in the last three years but the benefits of the program have not yet been realized: None.