

## IV. Capital and Shares

### 1. Capital and Shares

#### (1) Sources of Capital

##### 1. Capitalization

| Month / Year | Issue Price Per Share (NT\$) | Authorized Share Capital |                         | Capital Stock            |                         | Remark  |  |        |
|--------------|------------------------------|--------------------------|-------------------------|--------------------------|-------------------------|---|--|--------|
|              |                              | Shares (thousand shares) | Amount (NT\$ thousands) | Shares (thousand shares) | Amount (NT\$ thousands) | Sources of Capital  | Capital Increase by Assets Other than Cash | Others |
| 5/1997       | 10                           | 200,000                  | 2,000,000               | 60,000.0                 | 600,000                 | Company established, with paid-in Capital of NT\$ 600 million                             | None                                       | None   |
| 4/1998       | 12                           | 200,000                  | 2,000,000               | 120,000.0                | 1,200,000               | Cash Injection of NT\$ 600 million  | None                                       | Note1  |
| 5/1999       | 11                           | 200,000                  | 2,000,000               | 200,000.0                | 2,000,000               | Cash Injection of NT\$ 800 million  | None                                       | Note2  |
| 8/2001       | 10                           | 280,000                  | 2,800,000               | 221,800.0                | 2,218,000               | Surplus and Capital Reserve Capital Increase of NT\$ 218 million                          | None                                       | Note3  |
| 9/2002       | 10                           | 280,000                  | 2,800,000               | 235,222.9                | 2,352,229               | Capitalization of retained earnings of NT\$ 134.229 million                               | None                                       | Note4  |
| 9/2002       | 11.5                         | 280,000                  | 2,800,000               | 246,312.9                | 2,463,129               | Cash Injection of NT\$ 110.9 million  | None                                       | Note5  |
| 9/2003       | 10                           | 280,000                  | 2,800,000               | 261,250.0                | 2,612,500               | Capitalization of retained earnings of NT\$ 149.371 million                               | None                                       | Note6  |
| 9/2004       | 10                           | 440,000                  | 4,400,000               | 308,000.0                | 3,080,000               | Capitalization of retained earnings of NT\$ 467.5 million                                 | None                                       | Note7  |
| 9/2004       | 43                           | 440,000                  | 4,400,000               | 338,000.0                | 3,380,000               | Cash Injection of NT\$ 300 million,   | None                                       | Note8  |
| 6/2005       | 10                           | 580,000                  | 5,800,000               | 400,500.0                | 4,005,000               | Capitalization of retained earnings of NT\$ 625 million                                   | None                                       | Note9  |
| 6/2006       | 10                           | 580,000                  | 5,800,000               | 471,000.0                | 4,710,000               | Capitalization of retained earnings of NT\$ 705 million                                   | None                                       | Note10 |
| 6/2007       | 10                           | 580,000                  | 5,800,000               | 556,300.0                | 5,563,000               | Capitalization of retained earnings of NT\$ 853 million                                   | None                                       | Note11 |
| 6/2008       | 10                           | 750,000                  | 7,500,000               | 630,800.0                | 6,308,000               | Capitalization of retained earnings of NT\$ 745 million                                   | None                                       | Note12 |
| 7/2009       | 10                           | 750,000                  | 7,500,000               | 669,385.2                | 6,693,852               | Capitalization of retained earnings of NT\$ 385.852 million                               | None                                       | Note13 |
| 5/2010       | 60.6                         | 750,000                  | 7,500,000               | 704,236.7                | 7,042,367               | Conversion into common shares by convertible bonds of NT\$ 348.515 million                | None                                       | Note14 |
| 9/2010       | 58.4                         | 750,000                  | 7,500,000               | 715,366.8                | 7,153,668               | Conversion into common shares by convertible bonds of NT\$ 111.301 million                | None                                       | Note15 |
| 12/2010      | 58.4                         | 750,000                  | 7,500,000               | 726,496.9                | 7,264,969               | Conversion into common shares by convertible bonds of NT\$ 111.301 million                | None                                       | Note16 |
| 8/2011       | 10                           | 1,000,000                | 10,000,000              | 799,146.6                | 7,991,466               | Capitalization of retained earnings of NT\$ 726.497 million                               | None                                       | Note17 |
| 8/2012       | 10                           | 1,000,000                | 10,000,000              | 779,146.6                | 7,791,466               | Note Purchased of company's treasury stocks, with a capital reduction of NT\$ 200 million | None                                       | Note18 |

Note1: 2/17/1998 MOF (1) No. 18910

Note2: 3/2/1999 MOF (1) No. 22357

Note3: 6/21/2001 MOF (1) No.139798

Note4: 7/10/2002 MOF (1) No.0910137911

Note5: 7/10/2002 MOF (1) No.0910137913

Note6: 7/8/2003 MOF (1) No.0920130303

Note7: 6/25/2004 MOF (1) No.0930128233

Note8: 7/6/2004 SEC (1) No. 0930128234

Note9: 6/24/2005 FSC (1) No. 0940125391

Note10: 6/27/2006 FSC (1) No.0950126720

Note11: 6/28/2007 FSC (1) No.0960032903

Note12: 6/25/2008 FSC (1) No.0970031487

Note13: 7/2/2009 FSC (1) No.0980032960

Note14: 5/5/2010 YST No.09901091340

Note15: 9/21/2010 YST No.09901214270

Note16: 12/31/2010 YST No.09901291530

Note17: 8/31/2011 YST No.10001183300

Note18: 8/27/2012 YST No.10101177670

##### 2. Capital and Shares

Unit: Shares

| Type of Stock | Authorized Share Capital |                 |               | Note       |
|---------------|--------------------------|-----------------|---------------|------------|
|               | Shares Outstanding       | Unissued Shares | Total         |            |
| Common Stock  | 779,146,634              | 220,853,366     | 1,000,000,000 | TSE Listed |

##### 3. Total reporting and filing related information: Not applicable

## (2) Composition of Shareholders

Apr 1, 2021

| Shareholder Composition<br>Amount | Government Agencies | Financial Institution Investor | Other Institutional Investor | Domestic Individual Investor | Foreign Institution & Individual Investor | Total       |
|-----------------------------------|---------------------|--------------------------------|------------------------------|------------------------------|---|-------------|
| Number of Shareholders            | 5                   | 27                             | 402                          | 43,846                       | 765                                       | 45,045      |
| Shareholding                      | 32,198,100          | 128,057,000                    | 65,085,997                   | 123,266,959                  | 430,538,578                               | 779,146,634 |
| Holding (%)                       | 4.13%               | 16.44%                         | 8.35%                        | 15.82%                       | 55.26%                                    | 100.00%     |

## (3) Distribution Profile of Share Ownership

Apr 1, 2021; Unit: Shares

| Shareholder Ownership (Unit: Share) | Number of Shareholders | Shares Owned | Ownership (%) |
|-------------------------------------|------------------------|--------------|---------------|
| 1 ~ 999                             | 20,970                 | 1,352,586    | 0.17%         |
| 1,000 ~ 5,000                       | 19,484                 | 36,643,148   | 4.70%         |
| 5,001 ~ 10,000                      | 2,155                  | 16,797,606   | 2.16%         |
| 10,001 ~ 15,000                     | 600                    | 7,650,420    | 0.98%         |
| 15,001 ~ 20,000                     | 395                    | 7,306,990    | 0.94%         |
| 20,001 ~ 30,000                     | 365                    | 9,260,882    | 1.19%         |
| 30,001 ~ 40,000                     | 182                    | 6,453,553    | 0.83%         |
| 40,001 ~ 50,000                     | 121                    | 5,576,811    | 0.72%         |
| 50,001 ~ 100,000                    | 256                    | 18,765,931   | 2.41%         |
| 100,001 ~ 200,000                   | 164                    | 23,172,914   | 2.97%         |
| 200,001 ~ 400,000                   | 130                    | 37,761,182   | 4.85%         |
| 400,001 ~ 600,000                   | 43                     | 21,221,216   | 2.72%         |
| 600,001 ~ 800,000                   | 36                     | 24,577,406   | 3.15%         |
| 800,001 ~ 1,000,000                 | 20                     | 17,685,578   | 2.27%         |
| 1,000,001 or more                   | 124                    | 544,920,411  | 69.94%        |
| Total                               | 45,045                 | 779,146,634  | 100%          |

**(4) Major Shareholders**

Apr 1, 2021

| <b>Name of Shareholders</b>                           | <b>Shareholding</b> | <b>Total Shares Owned</b> | <b>Ownership (%)</b> |
|---|---------------------|---------------------------|----------------------|
| China Life Insurance Co., Ltd.                        |                     | 36,157,000                | 4.64%                |
| Investment Account of Kingston Technology Corporation |                     | 29,875,000                | 3.83%                |
| Cathay Life Insurance Co. Ltd.                        |                     | 22,018,000                | 2.83%                |
| Hermes Investment Funds Public Limited Company        |                     | 19,572,990                | 2.51%                |
| Nan Shan Life Insurance Co., Ltd.                     |                     | 18,365,000                | 2.36%                |
| Fubon Life Insurance Co. Ltd                          |                     | 14,915,000                | 1.91%                |
| New Labor Pension Fund                                |                     | 14,311,800                | 1.84%                |
| KTC-SUN Corp.   |                     | 13,765,362                | 1.77%                |
| Kuwait Investment Authority                           |                     | 12,342,000                | 1.58%                |
| Yuanta Taiwan High-yield Leading Company Fund         |                     | 10,951,000                | 1.41%                |

(5) Net Worth, Earnings, Dividends, Market Price per Common Share, and Related Information Over the Last Two Years:

Unit: Thousand Shares/NTS

| Year                        |  | 2019    | 2020          | As Of Mar 31, 2021 |
|-----------------------------|--|---------|---------------|--------------------|
| Item                        |  |         |               | (Note 8)           |
| Market Price Per Share      | Highest Market Price                       | 108.00  | 117.50        | 106.50             |
|                             | Lowest Market Price                        | 64.00   | 66.40         | 93.80              |
|                             | Average Market Price                       | 80.39   | 96.55         | 100.82             |
| Net Worth Per Share (Note2) | Before Distribution                        | 55.22   | 59.02         | -                  |
|                             | After Distribution                         | 50.72   | -             | -                  |
| Earnings Per Share          | Weighted Average Shares                    | 779,147 | 779,147       | -                  |
|                             | Earnings Per Share (Note3)                 | 7.52    | 8.60          | -                  |
| Dividends Per Share         | Cash Dividends                             | 4.5     | 5.0 (Note1)   | -                  |
|                             | Stock grants                               | -       | -             | -                  |
|                             |  | -       | -             | -                  |
|                             | Accumulated Undistributed Dividend (Note4) | -       | -             | -                  |
| Return on Investment        | Price/Earnings Ratio (Note5)               | 10.69   | 11.23         | -                  |
|                             | Price/Dividend Ratio (Note6)               | 17.86   | 19.31 (Note1) | -                  |
|                             | Cash Dividend Yield (Note7)                | 5.60%   | 5.18% (Note1) | -                  |

Note 1: Pending on shareholders' approval.

Note 2: Based on shares issued at yearend and completed after resolution by shareholders' meeting the following year.

Note 3: If there are stock grants that must be adjusted retroactively, should list the EPS before and after adjustment.

Note 4: if the terms of issuance of securities have accumulated dividends that are not paid until there are earnings, must disclose separately the accumulated dividends that are unpaid for current year.

Note 5: Price/Earnings Ratio = Average Market Price/ Earnings per Share

Note 6: Price/Dividend Ratio = Average Market Price/Cash Dividends per Share

Note 7: Cash Dividend Yield = Cash Dividends per Share/Average Market Price

Note 8: The net worth per share and earnings per share should be provided based on the last quarter audited by CPA as of printing of annual report; information for other items should be provided based on information from current year up till the printing of annual report.

(6) Company's Dividend Policy and Implementation Status

1. Stock Dividend Policy:

Powertech Technology Inc. belongs to a capital intense industry. Thus, the stock dividend payout policy must consider the factors such as company's current and future investment environment, capital needs, market competition, and capital expenditures, etc. Under the consideration of balancing shareholders' & committee members' benefits, dividends paid, and the long term financial planning of the company, the payment of dividends will be in the form of cash and/or stock with cash dividends greater than 20% of total amount of dividends being distributed.

2. The dividend distribution status:

(1) The payout ratios were about 50% (about 80% in cash and 20% in stocks) during year of 2003 to 2010.

(2) The payout ratios were increased to about 66% after year 2011 and going forward. In

year 2013, NT\$2 cash dividends were paid from capital reserved with net loss from legislative settlements.

(3) Powertech Technology Inc. proposed to pay \$5.00 cash in per share which was about 58.0% of 2020 profit earning.

3. 2020 dividend distribution status:

PTI proposed to pay NT\$3,895,733,170 (NT\$5.0 per share) in cash from 2020 earnings Actual distribution subject to shareholders' approval.

(7) The impact of the proposed stock grants at this shareholders' meeting on the Company's operating performance and earnings per share:

There is no stock grant proposals for the earnings distribution for 2020.

(8) Employee Profit Sharing and Directors' & committee members' compensation

1. The Company's Article of Incorporation states information regarding the amount and scope of employee profit sharing and Directors' & committee members' compensation. The principal of distribution from the Company's annual net income are:

(1) Make up for losses from previous years at top of priority.

(2) 5.0%-7.5% employee compensation and less than 1.5% for Board compensation should be reserved from operating income before tax.

(3) Employee compensation could be in cash or stock and employees included all subsidiaries defined by Board. Board compensation can only be in cash. Independent directors were paid monthly and were excluded from the annual board compensation plan.

2. This period's basis of estimating the employee profit sharing and Directors' & committee members' compensation distribution of stock grants' share calculation basis and the accounting handling of the actual distributed amount being different from estimated amount.

The basis for estimating the employee profit sharing and Directors' & committee members' compensation was based on the annual net income. If the actual resolution for distribution by the shareholders' meeting is different from the estimated amount, then it will be viewed as changes in estimation and accounted into annual profit or losses of the distribution year.

3. The board meeting on Mar 12, 2021 approved the 2020 distribution of employee profit sharing and directors' compensation proposal and details in below:

(1) 5.19% of operating income before tax for employees' profit sharing (NT\$449,702,689) and 1.04% of operating income before tax for directors' compensation (NT\$89,940,537) distributed in cash and no discrepancy with estimation made in 2020.

(2) The ratio of employees' profit sharing distributed in stock: Not Applicable.

(4) Actual distribution of previous year employees profit sharing and directors' compensation:

|                                   | Amount (NT\$)  |
|-----------------------------------|----------------|
| Employee profit sharing — in cash | 394,108,865    |
| Directors' compensation — in cash | 78,821,773     |
| Total                             | \$ 472,930,638 |

No discrepancy with board approval.

(9) Buyback of Common Stock: None.

**2. Issuance of Corporate Bonds:** None.

**3. Issuance of Preferred Shares:** None.

#### 4. Issuance of Global Depository Receipts

Mar 31, 2021

| Date Issued   |      | Jan 23, 2006   | Feb 10, 2006                          |
|---|------|--|---------------------------------------|
| Item  |      |  |                                       |
| Issuance & Listing  |      | Bourse de Luxembourg   |                                       |
| Total Amount (US\$)   |      | 103,650,000  | 12,092,500                            |
| Offering Price Per DR (US\$)                                      |      | 6.91   |                                       |
| Units Issued  |      | 15,000,000 at first issuance   | 1,750,000 units at follow-up issuance |
| Underlying Securities   |      | No more than 33,500,000 PTI common shares held by selling shareholders to serve as underlying securities of the overseas depository receipts.  |                                       |
| Common Shares Represented   |      | 30,000,000 shares  | 3,500,000 shares                      |
| Rights & Obligations of DR Holders                                |      | The rights and obligations of the overseas depository receipt holders, such as voting rights, dividends, shares preferential subscription rights and other rights and interests, are based on the applicable laws of the Republic of China and the relevant provisions of the Depositary Agreement.  |                                       |
| Trustee   |      | None   |                                       |
| Depositary Bank   |      | JP Morgan Chase Bank   |                                       |
| Custodian Bank  |      | JP Morgan Chase Bank, Taipei Branch  |                                       |
| DR Outstanding  |      | 65,012 DR units  |                                       |
| Apportionment of Expenses for Issuance & Maintenance              |      | <p>Issuance: including but not limited to, underwriting fees, legal fees, listing fees, accountant fees, financial advisory fees and any other related costs. Unless otherwise specified by law, and other regulations by the issuer, the underwriter, the selling shareholder and the depository institution, the obligation to include the annual listing fees, information disclosure and other expenses rests with the selling shareholder(s).</p> <p>Maintenance: Unless otherwise specified by law, and other regulations by the issuer, the underwriter, the selling shareholder and the depository institution, the obligation to include the annual listing fees, information disclosure and other expenses rests with the Company.</p> |                                       |
| Terms and Conditions in the Deposit Agreement & Custody Agreement |      | <p>Depositary Agreement: 1. Sale / delivery 2. Information available 3. Depository Receipts original issue, redeem and re-issue 4. Dividends, other distributions and stock options 5. Registration reference date 6. Voting rights 7. Transfer 8. Original changes securities 9 Taxes 10. Amendments and Termination</p> <p>Custodian Agreement: 1. Deliver securities to the original issuance of DR 2. Notify depository institution issuing depository receipts 3. DR against the securities back to the time of the original delivery 4. Monthly billing to confirm the number of shares 5. the Number of shares registered confirmed on base date.</p>   |                                       |
| Market Price  | 2019 | Highest Market Price   | US \$ 7.90                            |
|   |      | Lowest Market Price  | US \$ 4.54                            |

| Date Issued |                         | Jan 23, 2006         | Feb 10, 2006 |
|-------------|-------------------------|----------------------|--------------|
| Per Share   |                         | Average Market Price | US \$ 6.56   |
|             | As Of<br>Mar 31<br>2021 | Highest Market Price | US \$ 7.45   |
|             |                         | Lowest Market Price  | US \$ 6.75   |
|             |                         | Average Market Price | US \$ 7.17   |

**5. Status of Employee Stock Option Plans and Employee Restricted Stocks:** None.

**6. Status of New Share Issuance in Connection with Merger and Acquisitions:** None.

**7. Financing Plans and Implementation**

As of Mar 31, 2021, there are no situation of incomplete previous issuances and private placement of securities or complete plans whose benefits are not realized.