

# VI Capital Raising

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## I . Capital and Shares

### (I) Source of Capital

Currency: NT\$

Month and Year	Issuance Price	Authorized Share Capital		Paid-up Capital	
		No. of Shares	Amount	No. of Shares	Amount
March 2015	10	10 billion	100 billion	6.5 billion	65 billion (*)
April 2016	10	10 billion	100 billion	6.7311 billion	67.311 billion (**)

\* Total amount of NT\$ 65 billion after capital surplus transferred to capital on March 31, 2015, as approved by Ministry of Economic Affairs Shangzi Letter No. 10401069170 dated May 8, 2015.

\*\* Total amount of NT\$ 67.311 billion after capital surplus of 2.311 billion transferred to capital on April 30, 2016, as approved by Ministry of Economic Affairs Shangzi Letter No. 10501101160 dated May 23, 2016

### (II) Share Capital Structure, Distribution of Shares Ownership, and a List of major Shareholders:

At the end of 2016, our paid-up capital amounts to NT\$ 67.311billion, and with a par value of NT\$10, totaling 6.7311 billion shares. The company is 100% owned by the MOTC, and the shares are not available for the public.

### (III) Market Price, Net Worth, Earnings, and Dividends per Share in the Past 2 Years:

Unit: NT\$

Item			2015	2016
Net Worth per Share	Before Distribution		22.07	24.12
	After Distribution		21.16	**
Earnings per Share	Weighted Average No. of Shares		6.5 billion shares	6.7311 billion shares
	Earnings before Adjustment		1.81	1.46
	Earnings after Adjustment ***		1.75	
Dividends per Share	Cash Dividends		0.91	**
	Stock Grant	Stock Dividend from Retained Earnings	0.356	**
		Stock Dividend from Capital Reserve	—	**
	Accumulated Dividends		—	**

\* CHP is 100% owned by MOTC, neither a public-listed nor an OCT company. Therefore there is no market price information available.

\*\* The 2016 earnings have not been distributed.

\*\*\* On April 30, 2016, the company transferred capital surplus to capital, making a total paid-up capital of NT\$ 67.311 billion. Therefore there are readjustments in 2015's Net Worth per Share, Earnings per Share, and Dividends per Share.

### (M) Policies and Implementation of Dividends

1. In accordance with Article 18 of the company's Articles of Incorporation, after payment of taxes and before the distribution of surplus, the company shall allocate 25% of the surplus as legal reserve.



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2. In accordance with the "Guidelines for Profits from State-Owned Enterprises to be paid to the Treasury," any surplus after replenishment of loss of previous years and allocation for legal reserve shall be paid to the National Treasury. The amount to be paid should be specified in the annual financial statement, and the payment should be made within a month of the end of the fiscal year. In the event that there is a difference in amount as determined by the Directorate General of Budget, Accounting, and Statistics of the Executive Yuan and the National Audit Office of the Control Yuan, the company should make up the difference or proceed to refund within two weeks of the notice.

3. The following table summarizes the distribution of surplus cash in the past 5 years.

Unit: NT\$ 1,000

Item		2012	2013	2014	2015	2016 (*)
Stock (State-owned) Dividends and Bonuses	Cash	7,580,690	6,703,709	6,866,130	6,128,450	-
	Stock Grant			1,729,845	2,311,000	-
Legal Reserve		2,399,447	3,015,165	3,024,329	2,919,199	-
Special Reserve		17,652	2,341,786	2,206,856	2,629,150	-
Replenishment of Loss					102,833	-
Surplus not Allocated		-	-	-	-	-

\* The 2016 surplus has not been distributed.

\*\* The Replenishment of Loss in 2015 was the retroactive adjustment made by retaining of surplus in accordance to IAS 19 Employee Benefit.

(V) The effects of stock grant on the company's performance and earnings per share as put on agenda at the last shareholders' meeting: None

(M) Employees' bonuses, remunerations to directors and supervisors: None

(M) Share repurchasing: None

II. Financial Bonds: None

III. Preferred Shares: None

IV. Overseas Depositary Receipts: None

V. Employee Stock Option Certificates: None

VI. Mergers and Acquisitions of other Financial Institutions: None

VII. Plans for Capital Investment and Utilization: None