

## VI. Financial Information

### 6.1 Five-Year Financial Summary

#### 6.1.1 Balance Sheet

##### A. Condensed Balance Sheet-IFRS

Unit: NT\$thousand

Item	Year	Five-Year Financial Summary				
		2015	2016	2017	2018	2019
Current assets		10,117,285	10,599,153	9,781,308	10,343,772	9,287,505
Property, plant and equipment		3,877,206	3,643,481	3,761,489	3,739,530	3,520,118
Intangible assets		0	0	0	0	0
Other assets		53,603,223	55,941,991	57,232,136	58,712,398	62,737,576
Total assets		67,597,714	70,184,630	70,774,933	72,795,700	75,545,199
Current liabilities	Before distribution	12,426,835	9,029,583	9,350,717	8,468,684	11,002,572
	After distribution	14,028,989	14,028,989	11,073,033	10,239,608	Note 1
Non current liabilities		7,706,837	11,423,480	9,594,451	10,648,356	7,836,123
Total liabilities	Before distribution	20,133,672	20,453,063	18,945,168	19,117,040	18,838,695
	After distribution	21,735,826	22,215,433	20,667,484	20,887,964	Note 1
Equity attributable to owners of parent		47,464,042	49,731,567	51,829,765	53,678,660	56,706,504
Capital stock		20,026,929	20,026,929	20,026,929	20,026,929	19,676,929
Capital surplus		7,638,417	7,671,889	7,628,542	7,647,215	7,389,577
Retained earnings	Before distribution	19,363,279	21,187,539	22,469,336	25,221,021	26,390,805
	After distribution	17,761,125	19,425,169	20,747,020	23,450,097	Note 1
Other equity interest		756,980	1,166,773	2,026,521	1,105,058	3,570,756
Treasury Stocks		(321,563)	(321,563)	(321,563)	(321,563)	(321,563)
Non-Controlling Interest		0	0	0	0	0
Total shareholders' equity	Before distribution	47,464,042	49,731,567	51,829,765	53,678,660	56,706,504
	After distribution	45,861,888	47,969,197	50,107,449	51,907,736	Note 1

Note 1: Earnings allocation has not yet to be passed by shareholders' meeting.

## B. Consolidated Condensed Balance Sheet-IFRS

Unit: NT\$thousand

Year		Five-Year Financial Summary				
		2015	2016	2017	2018	2019
Item						
Current assets		42,292,402	45,296,310	44,262,768	43,760,371	43,946,576
Fixed assets		15,018,217	18,463,450	17,922,299	17,363,543	16,742,830
Intangible assets		5,541,844	5,636,766	5,612,315	5,557,343	5,200,634
Other assets		21,581,789	22,977,430	24,219,575	25,300,029	33,204,364
Total assets		84,434,252	92,373,956	92,016,957	91,981,286	99,094,404
Current liabilities	Before distribution	22,715,038	18,958,845	18,742,356	18,141,380	20,293,826
	After distribution	24,317,192	20,721,215	20,464,672	19,912,304	Note 1
Non Current liabilities		10,286,710	17,690,568	15,400,464	15,348,991	17,095,788
Total liabilities	Before distribution	33,001,748	36,649,413	34,142,820	33,490,371	37,389,614
	After distribution	34,603,902	38,411,783	35,865,136	35,261,295	Note 1
Equity attributable to owners of parent		47,464,042	49,731,567	51,829,765	53,678,660	56,706,504
Capital stock		20,026,929	20,026,929	20,026,929	20,026,929	19,676,929
Capital surplus		7,638,417	7,671,889	7,628,542	7,647,215	7,389,577
Retained earnings	Before distribution	19,363,279	21,187,539	22,469,336	25,221,021	26,390,805
	After distribution	17,761,125	19,425,169	20,747,020	23,450,097	Note 1
Other equity interest		756,980	1,166,773	2,026,521	1,105,058	3,570,756
Treasury Stocks		(321,563)	(321,563)	(321,563)	(321,563)	(321,563)
Non-Controll Interesting	Before distribution	3,968,462	5,992,976	6,044,372	4,812,255	4,998,286
	After distribution	3,968,462	5,992,976	6,044,372	4,812,255	4,998,286
Total shareholders' equity	Before distribution	51,432,504	55,724,543	57,874,137	58,490,915	61,704,790
	After distribution	49,830,350	53,962,173	56,151,821	56,719,991	Note 1

Note 1: Earnings allocation has not yet to be passed by shareholders' meeting.

## 6.1.2 Condensed Statement of Income

### A. Condensed Statement of Income-IFRS

Unit: NT\$thousand

Item	Year	Five-Year Financial Summary				
		2015	2016	2017	2018	2019
Sales revenue		21,809,717	20,274,047	21,301,208	20,879,719	18,873,312
Gross profit		4,846,552	4,739,556	4,576,185	4,412,191	4,046,442
Operating profit		1,617,491	1,615,152	1,507,068	1,410,943	1,114,970
Non-operating income & expenses		1,888,953	2,007,272	1,797,400	1,883,866	2,387,349
Profit before income tax		3,506,444	3,622,424	3,304,468	3,294,809	3,502,319
Income from operations of continued segments - before tax		3,177,291	3,481,480	3,092,358	3,150,089	3,221,717
Income from discontinued departments		0	0	0	0	0
Profit for the year		3,177,291	3,481,480	3,092,358	3,150,089	3,221,717
Other Comprehensive Income for the year		(2,818,225)	354,727	811,557	402,449	2,453,917
Total Comprehensive Income for the year		359,066	3,836,207	3,903,915	3,552,538	5,675,634
Profit (loss) attributable to owners of parent		3,177,291	3,481,480	3,092,358	3,150,089	3,221,717
Profit (loss) attributable to non-controlling interest		0	0	0	0	0
Total Comprehensive Income for the year profit (loss) attributable to owners of parent		359,066	3,836,207	3,903,915	3,552,538	5,675,634
Total Comprehensive Income for the year profit (loss) attributable to non-controlling interest		0	0	0	0	0
Earnings per share		1.60	1.76	1.56	1.59	1.65

## B. Consolidated Condensed Statement of Income-IFRS

Unit: NT\$thousand

Item	Year	Five-Year Financial Summary				
		2014	2016	2017	2018	2019
Sales revenue		48,598,573	49,923,836	50,942,521	50,104,927	47,909,358
Gross profit		12,400,311	13,134,395	12,196,268	12,052,659	11,481,649
Operating profit		3,787,627	4,189,481	3,496,200	3,520,486	3,536,445
Non-operating income & expenses		775,644	743,810	857,704	765,802	903,009
Profit before income tax		4,563,271	4,933,291	4,353,904	4,286,288	4,439,454
Income from operations of continued segments - before tax		3,514,116	4,036,998	3,544,248	3,475,969	3,518,780
Income from discontinued departments		0	0	0	0	0
Profit for the year		3,514,116	4,036,998	3,544,248	3,475,969	3,518,780
Other Comprehensive Income for the year		(2,953,958)	323,292	781,789	433,011	2,520,910
Total Comprehensive Income for the year		560,158	4,360,290	4,326,037	3,908,980	6,039,690
Profit (loss) attributable to owners of parent		3,177,291	3,481,480	3,092,358	3,150,089	3,221,717
Profit (loss) attributable to non-controlling interest		336,825	555,518	451,890	325,880	297,063
Total Comprehensive Income for the year profit (loss) attributable to owners of parent		359,066	3,836,207	3,903,915	3,552,538	5,675,634
Total Comprehensive Income for the year profit (loss) attributable to non-controlling interest		201,092	524,083	422,122	356,442	364,056
Earnings per share		1.60	1.76	1.56	1.59	1.65

## 6.1.3 Auditors' Opinions from 2015 to 2019

Year	CPA Firm	CPA's Name	Auditing Opinion
2019	PricewaterhouseCoopers, Taiwan	Wu, Yu-Lung Chou, Chien-Hung	Unqualified Opinion(Other Item)
2018	PricewaterhouseCoopers, Taiwan	Wu, Yu-Lung Chou, Chien-Hung	Unqualified Opinion(Other Item)
2017	PricewaterhouseCoopers, Taiwan	Wu, Yu-Lung Chou, Chien-Hung	Unqualified Opinion(Other Item)
2016	PricewaterhouseCoopers, Taiwan	Audrey Tseng Dexter Chang	Unqualified Opinion
2015	PricewaterhouseCoopers, Taiwan	Audrey Tseng Dexter Chang	Modified Unqualified Opinion

## 6.2 Five-Year Financial Analysis

### 6.2.1 Five-Year Financial Analysis-IFRS

Item		Year	Financial analysis in the past five years				
			2015	2016	2017	2018	2019
Financial structure (%)	Ratio of liabilities to assets		29.78	29.14	26.77	26.26	24.94
	Ratio of long-term capital to fixed assets		1,354.68	1,603.47	1,566.42	1,656.05	1,761.49
Solvency (%)	Current ratio		81.41	117.38	104.60	122.14	84.41
	Quick ratio		51.71	71.64	67.15	74.89	48.97
	Times interest earned ratio		31.27	30.34	36.02	35.78	35.91
Operating ability	Accounts receivable turnover (turns)		5.24	5.01	5.30	5.63	5.47
	Average collection period		69.66	72.85	68.87	64.83	66.73
	Inventory turnover (turns)		5.20	4.89	5.43	5.58	5.20
	Accounts payable turnover (turns)		3.71	3.50	3.46	3.59	3.65
	Average days in sales		70.19	74.64	67.22	65.41	70.19
	Fixed assets turnover (turns)		5.57	5.39	5.75	5.57	5.20
	Total assets turnover (turns)		0.32	0.29	0.30	0.29	0.25
Profitability	Return on total assets (%)		4.82	5.20	4.50	4.49	4.45
	Return on stockholders' equity (%)		6.57	7.16	6.09	5.97	5.84
	Ratio of pre-tax income to issued capital (Note7)		17.51	18.09	16.50	16.45	17.80
	Profit ratio (%)		14.57	17.17	14.52	15.09	17.07
	Earnings per share (\$)		1.60	1.76	1.56	1.59	1.65
Cash flow	Cash flow ratio (%)		21.81	25.78	30.30	14.06	16.85
	Cash flow adequacy ratio (%)		86.16	81.11	76.63	67.68	68.53
	Cash reinvestment ratio (%)		0.80	1.03	1.52	-0.79	-0.13
Leverage	Operating leverage		3.68	3.49	3.68	3.77	4.19
	Financial leverage		1.08	1.08	1.07	1.07	1.10
Key Indicator	Sales growth (%)		-10.09	-7.04	5.07	-1.98	-9.61
	Profit after tax growth (%)		-21.80	9.57	-11.18	1.87	2.27

## 6.2.2 Consolidated Five-Year Financial Analysis-IFRS

Item		Year	Financial analysis in the past five years				
		2015	2016	2017	2018	2019	
Financial structure (%)	Ratio of liabilities to assets	39.09	39.68	37.10	36.41	37.73	
	Ratio of long-term capital to fixed assets	377.76	369.12	381.31	398.75	414.38	
Solvency (%)	Current ratio	186.19	238.92	236.16	241.22	216.55	
	Quick ratio	129.42	170.96	168.32	168.39	157.24	
	Times interest earned ratio	22.99	19.47	19.18	20.66	17.95	
Operating ability	Accounts receivable turnover (turns)	4.62	4.37	4.42	4.64	4.59	
	Average collection period	79.00	83.52	82.58	78.66	79.52	
	Inventory turnover (turns)	2.90	2.98	3.19	3.11	3.21	
	Accounts payable turnover (turns)	4.99	5.03	4.94	4.84	4.83	
	Average days in sales	125.86	122.48	114.42	117.36	113.71	
	Fixed assets turnover (turns)	3.29	2.98	2.80	2.84	2.81	
	Total assets turnover (turns)	0.58	0.56	0.55	0.54	0.50	
Profitability	Return on total assets (%)	4.41	4.82	4.06	3.97	3.90	
	Return on stockholders' equity (%)	6.71	7.53	6.24	5.97	5.86	
	Ratio of Pre-tax income to issued capital (%) (Note7)	22.79	24.63	21.74	21.40	22.56	
	Profit ratio (%)	7.23	8.09	6.96	6.94	7.34	
	Earnings per share (\$)	1.60	1.76	1.56	1.59	1.65	
Cash flow	Cash flow ratio (%)	24.40	25.58	31.43	23.86	29.21	
	Cash flow adequacy ratio (%)	118.38	117.84	122.23	116.89	126.69	
	Cash reinvestment ratio (%)	3.86	3.26	4.12	2.57	3.82	
Leverage	Operating leverage	3.79	3.57	4.74	3.96	3.93	
	Financial leverage	1.06	1.07	1.07	1.07	1.08	
Key Indicator	Sales growth (%)	-9.58	2.73	2.04	-1.64	-4.38	
	Profit after tax growth (%)	-20.17	14.88	-12.21	-1.93	1.23	

### 6.3 Inspection Report of Audit Committee

(This English version is only a translation of the Chinese version.)

The Audit Committee has duly inspected and approved the financial statements for 2019 (include consolidated financial statements), the business report and proposed profit distribution plan prepared and proposed by the Board of Directors, with the financial statements having been audited and certified by Pricewaterhouse Coopers, hereby submit this report pursuant to Article 14 of Securities and Exchange Act and Article 219 of the Company Act.

To

General Shareholders Meeting 2020

TECO Electric & Machinery Co., Ltd

Audit Committee Convener : Ting-Wong, Cheng

Date: March 17, 2020