

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q3 2014

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(in Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2014		December 31, 2013		September 30, 2013	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents	\$ 412,282	20	\$ 198,686	10	\$ 184,070	9
1125	Available-for-sale financial assets - current	69,997	3	76,761	4	24,705	1
1147	Debt investments without active market - current	166,106	8	365,669	17	413,453	20
1150	Notes receivable	13,462	1	37,365	2	34,557	2
1170	Accounts receivables	133,799	7	182,902	9	166,383	8
1200	Other receivables	4,015	-	7,146	-	6,857	-
1220	Current tax assets	934	-	-	-	-	-
130X	Inventories	194,969	9	195,215	9	178,401	9
1412	Prepayment for lease	344	-	340	-	334	-
1470	Other current assets	31,451	2	28,220	1	28,876	1
11XX	Total current assets	<u>1,027,359</u>	<u>50</u>	<u>1,092,304</u>	<u>52</u>	<u>1,037,636</u>	<u>50</u>
Non-current Assets							
1543	Financial assets measured at cost – non-current	69,116	3	69,116	3	69,116	3
1600	Property, plant and equipment	938,195	46	940,262	44	940,715	46
1780	Other intangible assets	107	-	225	-	260	-
1840	Deferred income tax assets	7,150	-	7,034	-	7,939	-
1920	Refundable deposits	254	-	253	-	252	-
1985	Long-term prepayment for lease	10,142	1	10,282	1	10,200	1
15XX	Total non-current assets	<u>1,024,964</u>	<u>50</u>	<u>1,027,172</u>	<u>48</u>	<u>1,028,482</u>	<u>50</u>
1XXX	Total Assets	<u>\$ 2,052,323</u>	<u>100</u>	<u>\$ 2,119,476</u>	<u>100</u>	<u>\$ 2,066,118</u>	<u>100</u>
Liabilities and Equity							
Current Liabilities							
2100	Short-term borrowings	\$ 9,278	-	\$ -	-	\$ -	-
2170	Accounts payable	52,213	3	73,236	4	60,339	3
2219	Other payables	28,457	1	28,764	2	26,166	2
2230	Current income tax liabilities	-	-	6,152	-	3,434	-
2320	Long-term bank loans due within one year	787	-	193	-	-	-
2399	Other current liabilities	1,500	-	7,056	-	2,837	-
21XX	Total current liabilities	<u>92,235</u>	<u>4</u>	<u>115,401</u>	<u>6</u>	<u>92,776</u>	<u>5</u>
Non-current Liabilities							
2540	Long-term bank loans	2,559	-	3,086	-	-	-
2640	Accrued pension cost	39,187	2	39,169	2	44,187	2
2570	Deferred income tax liabilities	51,263	3	49,307	2	48,287	2
25XX	Total non-current liabilities	<u>93,009</u>	<u>5</u>	<u>91,562</u>	<u>4</u>	<u>92,474</u>	<u>4</u>
2XXX	Total liabilities	<u>185,244</u>	<u>9</u>	<u>206,963</u>	<u>10</u>	<u>185,250</u>	<u>9</u>
Equity Attributable to Shareholders of the Parent							
Capital stock							
3110	Common stock	1,006,828	49	1,006,828	48	1,006,828	49
3200	Capital surplus	2,949	-	2,190	-	2,190	-
Retained earnings							
3310	Appropriated as legal capital reserve	173,675	9	166,431	8	166,431	8
3320	Appropriated as special capital reserve	147,626	7	147,626	7	147,626	7
3350	Un-appropriated earnings	436,183	21	480,151	22	454,923	22
3300	Total retained earnings	757,484	37	794,208	37	768,980	37
3400	Other equity	7,229	-	4,150	-	(59)	-
3500	Treasury Shares	(6,497)	-	-	-	-	-
31XX	Equity attributable to shareholders of the parent	1,767,993	86	1,807,376	85	1,777,939	86
36XX	Non-controlling interests	99,086	5	105,137	5	102,929	5
3XXX	Total equity	<u>1,867,079</u>	<u>91</u>	<u>1,912,513</u>	<u>90</u>	<u>1,880,868</u>	<u>91</u>
Total Liabilities and Equity		\$ 2,052,323	100	\$ 2,119,476	100	\$ 2,066,118	100

President
Mei-hui Huang

General Manager
Mei-hui Huang

Supervisor
Shu-chi Liao

Universal Incorporation and Subsidiaries
Consolidated Statements of Comprehensive Income
(in Thousands of New Taiwan Dollars)

代碼		Three Months From 1 Jul. To 30 Sep., 2014		Three Months From 1 Jul. To 30 Sep., 2013		Nine Months From 1 Jan. To 30 Sep., 2014		Nine Months From 1 Jan. To 30 Sep., 2013	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating Revenue Sales Revenue	\$ 244,906	100	\$ 261,591	100	\$ 813,793	100	\$ 779,132	100
5110	Operating Costs Cost of goods Sold	<u>231,315</u>	<u>94</u>	<u>233,325</u>	<u>89</u>	<u>742,455</u>	<u>91</u>	<u>680,671</u>	<u>88</u>
5950	Gross Profit	<u>13,591</u>	<u>6</u>	<u>28,266</u>	<u>11</u>	<u>71,338</u>	<u>9</u>	<u>98,461</u>	<u>12</u>
6100	Operating Expenses Marketing	5,804	2	5,381	2	18,598	2	15,930	2
6200	General and administrative	8,393	4	7,156	3	29,175	4	24,534	3
6300	Research and development	<u>2,388</u>	<u>1</u>	<u>2,421</u>	<u>1</u>	<u>7,343</u>	<u>1</u>	<u>7,899</u>	<u>1</u>
6000	Total operating expenses	<u>16,585</u>	<u>7</u>	<u>14,958</u>	<u>6</u>	<u>55,116</u>	<u>7</u>	<u>48,363</u>	<u>6</u>
6900	Income from Operations	(<u>2,994</u>)	(<u>1</u>)	<u>13,308</u>	<u>5</u>	<u>16,222</u>	<u>2</u>	<u>50,098</u>	<u>6</u>
7010	Non-Operating Income and Expenses Other income	4,831	2	3,093	1	15,565	2	7,712	1
7020	Other gains and losses	11,016	4	(3,969)	(1)	3,263	-	5,264	1
7050	Finance costs	(<u>26</u>)	-	(<u>7</u>)	-	(<u>82</u>)	-	(<u>132</u>)	-
7000	Total non-operating income and expenses	<u>15,821</u>	<u>6</u>	(<u>883</u>)	-	<u>18,746</u>	<u>2</u>	<u>12,844</u>	<u>2</u>
7900	Income Before Income Tax	12,827	5	12,425	5	34,968	4	62,942	8
7950	Income Tax Expense	<u>2,790</u>	<u>1</u>	<u>1,958</u>	<u>1</u>	<u>8,635</u>	<u>1</u>	<u>12,871</u>	<u>2</u>
8200	Net Income	<u>10,037</u>	<u>4</u>	<u>10,467</u>	<u>4</u>	<u>26,333</u>	<u>3</u>	<u>50,071</u>	<u>6</u>
8310	Other Comprehensive Income (Loss) Exchange differences arising on translation of foreign operations	6,644	3	(3,411)	(1)	4,075	1	14,289	2
8325	Unrealized gain (loss) from available-for-sale financial assets	(<u>65</u>)	-	<u>7</u>	-	<u>166</u>	-	(<u>2,768</u>)	-
8300	Other comprehensive income for the period, net of income tax	<u>6,579</u>	<u>3</u>	(<u>3,404</u>)	(<u>1</u>)	<u>4,241</u>	<u>1</u>	<u>11,521</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>\$ 16,616</u>	<u>7</u>	<u>\$ 7,063</u>	<u>3</u>	<u>\$ 30,574</u>	<u>4</u>	<u>\$ 61,592</u>	<u>8</u>
8610	Net Income (Loss) Attributable To: Shareholders of the parent	\$ 11,258	5	\$ 10,925	4	\$ 28,720	3	\$ 51,349	6
8620	Non-controlling interests	(<u>1,221</u>)	(<u>1</u>)	(<u>458</u>)	-	(<u>2,387</u>)	-	(<u>1,278</u>)	-
8600		<u>\$ 10,037</u>	<u>4</u>	<u>\$ 10,467</u>	<u>4</u>	<u>\$ 26,333</u>	<u>3</u>	<u>\$ 50,071</u>	<u>6</u>
8710	Total Comprehensive Income (Loss) Attributable To: Shareholders of the parent	\$ 15,938	7	\$ 8,584	3	\$ 31,799	4	\$ 58,618	8
8720	Non-controlling interests	<u>678</u>	-	(<u>1,521</u>)	-	(<u>1,225</u>)	-	<u>2,974</u>	-
8700		<u>\$ 16,616</u>	<u>7</u>	<u>\$ 7,063</u>	<u>3</u>	<u>\$ 30,574</u>	<u>4</u>	<u>\$ 61,592</u>	<u>8</u>
Earnings Per Share									
9710	Basic earnings per share	<u>\$ 0.11</u>		<u>\$ 0.11</u>		<u>\$ 0.29</u>		<u>\$ 0.51</u>	
9810	Diluted earnings per share	<u>\$ 0.11</u>		<u>\$ 0.11</u>		<u>\$ 0.29</u>		<u>\$ 0.51</u>	

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Universal Incorporation and Subsidiaries
Consolidated Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

Equity Attributable to Shareholders of the Parent

Code		Capital Surplus			Retained Earnings			Others		Treasury Shares	Total	Non-controlling Interests	Total Equity
		Capital Stock	Treasury Stock	Others	Legal capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss From Available-for-Sale Financial Assets				
A1	Balance, January 1, 2013	\$ 1,006,828	\$ 765	\$ 758	\$ 158,945	\$ 147,630	\$ 456,367	(\$ 9,856)	\$ 2,528	\$ -	\$ 1,763,965	\$ 104,700	\$ 1,868,665
B1	Appropriation of 2012 earnings												
	Legal capital reserve	-	-	-	7,486	-	(7,486)	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	-	(4)	-	-	-	-	(4)	-	(4)
B5	Cash dividend distributed by the company — NTD0.45/per share	-	-	-	-	-	(45,307)	-	-	-	(45,307)	-	(45,307)
M5	Additional acquisition of partially-owned subsidiaries	-	-	667	-	-	-	-	-	-	667	(4,745)	(4,078)
D1	Net income for the nine months ended September 30, 2013	-	-	-	-	-	51,349	-	-	-	51,349	(1,278)	50,071
D3	Other comprehensive income for the nine months ended September 30, 2013, net of income tax	-	-	-	-	-	-	10,037	(2,768)	-	7,269	4,252	11,521
D5	Total comprehensive income for the nine months ended September 30, 2013	-	-	-	-	-	51,349	10,037	(2,768)	-	58,618	2,974	61,592
Z1	Balance, September 30, 2013	\$ 1,006,828	\$ 765	\$ 1,425	\$ 166,431	\$ 147,626	\$ 454,923	\$ 181	(\$ 240)	\$ -	\$ 1,777,939	\$ 102,929	\$ 1,880,868
A1	Balance, January 1, 2014	\$ 1,006,828	\$ 765	\$ 1,425	\$ 166,431	\$ 147,626	\$ 480,151	\$ 4,397	(\$ 247)	\$ -	\$ 1,807,376	\$ 105,137	\$ 1,912,513
B1	Appropriation of 2013 earnings												
	Legal capital reserve	-	-	-	7,244	-	(7,244)	-	-	-	-	-	-
B5	Cash dividend distributed by the company — NTD0.65/per share	-	-	-	-	-	(65,444)	-	-	-	(65,444)	-	(65,444)
M5	Additional acquisition of partially-owned subsidiaries	-	-	759	-	-	-	-	-	-	759	(4,826)	(4,067)
D1	Net income for the nine months ended September 30, 2014	-	-	-	-	-	28,720	-	-	-	28,720	(2,387)	26,333
D3	Other comprehensive income for the nine months ended September 30, 2014, net of income tax	-	-	-	-	-	-	2,913	166	-	3,079	1,162	4,241
D5	Total comprehensive income for the nine months ended September 30, 2014	-	-	-	-	-	28,720	2,913	166	-	31,799	(1,225)	30,574
L1	Purchase of Treasury Shares	-	-	-	-	-	-	-	-	(6,497)	(6,497)	-	(6,497)
Z1	Balance, September 30, 2014	\$ 1,006,828	\$ 765	\$ 2,184	\$ 173,675	\$ 147,626	\$ 436,183	\$ 7,310	(\$ 81)	(\$ 6,497)	\$ 1,767,993	\$ 99,086	\$ 1,867,079

President
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Universal Incorporation and Subsidiaries
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		Nine Months Ended Sep. 30, 2014	Nine Months Ended Sep. 30, 2013
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 34,968	\$ 62,942
A20010	Adjustments for:		
A20100	Depreciation expense	51,960	53,825
A20200	Amortization expense	120	121
A29900	Amortization of prepayment for lease	256	249
A20900	Finance costs	82	132
A21200	Interest income	(10,432)	(6,288)
A21300	Dividend income	(619)	(562)
A22500	Loss on disposal of property, plant and equipment	30	12
A23100	Gain on disposal of available-for-sale financial assets, net	(304)	(4,134)
A23700	Write-down of inventories	465	-
A23800	Reversal of write-down of inventories	-	(562)
A23500	Impairment loss recognized on financial assets measured at cost – non-current	-	3,013
A24100	Net foreign exchange losses (gains)	2,534	(1,054)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	23,903	(13,071)
A31150	Accounts receivable	49,034	(9,288)
A31180	Other receivables	1,370	(536)
A31200	Inventories	175	(27,181)
A31240	Other current assets	(7,242)	11,553
A32150	Accounts payable	(21,471)	10,080
A32180	Other payables	(1,068)	(4,727)
A32230	Other current liabilities	(5,526)	1,579
A32240	Accrued pension liabilities	<u>18</u>	<u>(137)</u>
A33000	Cash generated from operations	118,253	75,966
A33300	Interest paid	(85)	(204)
A33100	Interest received	12,255	4,079
A33500	Income taxes paid	<u>(13,881)</u>	<u>(16,695)</u>
AAAA	Net cash generated by operating activities	<u>116,542</u>	<u>63,146</u>

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Code		Nine Months Ended Sep. 30, 2014	Nine Months Ended Sep. 30, 2013
	Cash Flows from Investing Activities		
B00300	Acquisitions of available-for-sale financial assets	(\$ 260,000)	(\$ 231,000)
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	267,234	345,010
B00600	Acquisitions of debt investments with no active market	-	(30,035)
B00700	Proceeds from disposal or redemption of debt investments with no active market	197,576	-
B01400	Proceeds from decreased capital of financial assets measured at cost – non-current	-	3,737
B02700	Payments for property, plant and equipment	(43,047)	(19,484)
B03700	Increase in refundable deposits	(1)	-
B03800	Decrease in refundable deposits	-	50
B07600	Other dividend received	<u>546</u>	<u>506</u>
BBBB	Net cash inflow (outflow) generated from investing activities	<u>162,308</u>	<u>68,784</u>
	Cash Flows from Financing Activities		
C00100	Increase in short-term loans	9,229	-
C00200	Decrease in short-term loans	-	(21,292)
C04500	Dividends paid to owners of the Company	(65,444)	(45,307)
C04900	Purchase of Treasury Shares	(5,572)	-
C05400	Payments for additional acquisition of partially-owned subsidiaries	(<u>4,067</u>)	(<u>4,078</u>)
CCCC	Net cash used in financing activities	(<u>65,854</u>)	(<u>70,677</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>600</u>	<u>2,465</u>
EEEE	Net increase (decrease) in cash and cash equivalents	213,596	63,718
E00100	Cash and cash equivalents, beginning of period	<u>198,686</u>	<u>120,352</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 412,282</u>	<u>\$ 184,070</u>

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