

Stock Symbol: 1325

# Universal Incorporation and Subsidiaries

## Consolidated Parent and Subsidiary Financial Report for the Year 2014

Address:

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Universal Incorporation and Subsidiaries  
Consolidated Balance Sheets

(in Thousands of New Taiwan Dollars)

		December 31, 2014		December 31, 2013	
Code	Assets	Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents	\$ 237,629	11	\$ 198,686	10
1125	Available-for-sale financial assets - current	117,653	6	76,761	4
1147	Debt investments without active market - current	248,400	12	365,669	17
1150	Notes receivable	14,152	1	37,365	2
1170	Accounts receivables	198,507	10	182,902	9
1200	Other receivables	5,959	-	7,146	-
130X	Inventories	183,633	9	195,215	9
1412	Prepayment for lease	360	-	340	-
1470	Other current assets	32,544	1	28,220	1
11XX	Total current assets	1,038,837	50	1,092,304	52
Non-current Assets					
1543	Financial assets measured at cost – non-current	69,116	3	69,116	3
1600	Property, plant and equipment	943,645	46	940,262	44
1780	Other intangible assets	70	-	225	-
1840	Deferred income tax assets	7,657	-	7,034	-
1920	Refundable deposits	255	-	253	-
1985	Long-term prepayment for lease	10,519	1	10,282	1
15XX	Total non-current assets	1,031,262	50	1,027,172	48
1XXX	Total Assets	\$ 2,070,099	100	\$ 2,119,476	100
Liabilities and Equity					
Current Liabilities					
2170	Accounts payable	\$ 21,055	1	\$ 73,236	4
2219	Other payables	33,068	2	28,764	2
2230	Current income tax liabilities	2,406	-	6,152	-
2320	Long-term bank loans due within one year	819	-	193	-
2399	Other current liabilities	2,939	-	7,056	-
21XX	Total current liabilities	60,287	3	115,401	6
Non-current Liabilities					
2540	Long-term bank loans	2,457	-	3,086	-
2570	Deferred income tax liabilities	53,657	3	49,307	2
2640	Accrued pension cost	41,543	2	39,169	2
25XX	Total non-current liabilities	97,657	5	91,562	4
2XXX	Total liabilities	157,944	8	206,963	10
Equity Attributable to Shareholders of the Parent					
Capital stock					
3110	Common stock	1,003,308	48	1,006,828	48
3200	Capital surplus	2,184	-	2,190	-
Retained earnings					
3310	Appropriated as legal capital reserve	173,675	9	166,431	8
3320	Appropriated as special capital reserve	147,626	7	147,626	7
3350	Un-appropriated earnings	462,098	22	480,151	22
3300	Total retained earnings	783,399	38	794,208	37
3400	Other equity	19,399	1	4,150	-
31XX	Equity attributable to shareholders of the parent	1,808,290	87	1,807,376	85
36XX	Non-controlling interests	103,865	5	105,137	5
3XXX	Total equity	1,912,155	92	1,912,513	90
Total Liabilities and Equity		\$ 2,070,099	100	\$ 2,119,476	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		For the Year 2014		For the Year 2013	
		Amount	%	Amount	%
4100	Operating Revenue				
	Sales Revenue	\$ 1,205,434	100	\$ 1,089,403	100
5110	Operating Costs				
	Cost of goods Sold	<u>1,096,871</u>	<u>91</u>	<u>959,499</u>	<u>88</u>
5950	Gross Profit	<u>108,563</u>	<u>9</u>	<u>129,904</u>	<u>12</u>
	Operating Expenses				
6100	Marketing	28,932	3	22,200	2
6200	General and administrative	38,508	3	32,946	3
6300	Research and development	<u>12,073</u>	<u>1</u>	<u>10,519</u>	<u>1</u>
6000	Total operating expenses	<u>79,513</u>	<u>7</u>	<u>65,665</u>	<u>6</u>
6900	Income from Operations	<u>29,050</u>	<u>2</u>	<u>64,239</u>	<u>6</u>
	Non-Operating Income and Expenses				
7010	Other income	19,386	2	12,047	1
7020	Other gains and losses	22,923	2	12,474	1
7050	Finance costs	( <u>111</u> )	-	( <u>159</u> )	-
7000	Total non-operating income and expenses	<u>42,198</u>	<u>4</u>	<u>24,362</u>	<u>2</u>
7900	Income Before Income Tax	71,248	6	88,601	8
7950	Income Tax Expense	<u>14,628</u>	<u>1</u>	<u>16,927</u>	<u>1</u>
8200	Net Income	<u>56,620</u>	<u>5</u>	<u>71,674</u>	<u>7</u>
	Other Comprehensive Income (Loss)				
8310	Exchange differences arising on translation of foreign operations	\$ 20,769	1	\$ 20,202	2
8325	Unrealized gain (loss) from available-for-sale financial assets	211	-	( 2,775 )	-
8360	Actuarial gain and loss arising from defined benefit plans	( 2,350 )	-	4,983	-
8390	Income tax relating to the components of other comprehensive income	<u>400</u>	-	( <u>847</u> )	-
8300	Other comprehensive income for the period, net of income tax	<u>19,030</u>	<u>1</u>	<u>21,563</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>\$ 75,650</u>	<u>6</u>	<u>\$ 93,237</u>	<u>9</u>
	Net Income (Loss) Attributable To:				
8610	Shareholders of the parent	\$ 58,797	5	\$ 72,441	7
8620	Non-controlling interests	( <u>2,177</u> )	-	( <u>767</u> )	-
8600		<u>\$ 56,620</u>	<u>5</u>	<u>\$ 71,674</u>	<u>7</u>
	Total Comprehensive Income (Loss) Attributable To:				
8710	Shareholders of the parent	\$ 72,096	6	\$ 88,055	8
8720	Non-controlling interests	<u>3,554</u>	-	<u>5,182</u>	<u>1</u>
8700		<u>\$ 75,650</u>	<u>6</u>	<u>\$ 93,237</u>	<u>9</u>
	Earnings Per Share				
9750	Basic earnings per share	<u>\$ 0.58</u>		<u>\$ 0.72</u>	
9850	Diluted earnings per share	<u>\$ 0.58</u>		<u>\$ 0.72</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												
B3	Legal capital reserve	-	-	-	7,486	-	( 7,486 )	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	-	( 4 )	-	-	-	-	( 4 )	-	( 4 )
B5	Cash dividend distributed by the company	-	-	-	-	-	( 45,307 )	-	-	-	( 45,307 )	-	( 45,307 )
M5	Additional acquisition of partially-owned subsidiaries	-	-	667	-	-	-	-	-	-	667	( 4,745 )	( 4,078 )
D1	Net income for the year ended December 31, 2013	-	-	-	-	-	72,441	-	-	-	72,441	( 767 )	71,674
D3	Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	4,136	14,253	( 2,775 )	-	15,614	5,949	21,563
D5	Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	76,577	14,253	( 2,775 )	-	88,055	5,182	93,237
Z1	Balance, December 31, 2013	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												
B5	Legal capital reserve	-	-	-	7,244	-	( 7,244 )	-	-	-	-	-	-
B5	Cash dividend distributed by the company	-	-	-	-	-	( 65,444 )	-	-	-	( 65,444 )	-	( 65,444 )
M5	Additional acquisition of partially-owned subsidiaries			759		-					759	( 4,826 )	( 4,067 )
D1	Net income for the year ended December 31, 2014	-	-	-	-	-	58,797			-	58,797	( 2,177 )	56,620
D3	Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	-	( 1,950 )	15,038	211	-	13,299	5,731	19,030
D5	Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	56,847	15,038	211	-	72,096	3,554	75,650
L1	Purchase of Treasury Shares	-	-	-	-	-	-	-	-	( 6,497 )	( 6,497 )	-	( 6,497 )
L3	Write off Treasury shares	( 3,520 )	( 765 )	-	-	-	( 2,212 )	-	-	6,497	-	-	-
Z1	Balance, December 31, 2014	\$ 1,003,308	\$ -	\$ 2,184	\$ 173,675	\$ 147,626	\$ 462,098	\$ 19,435	(\$ 36)	\$ -	\$ 1,808,290	\$ 103,865	\$ 1,912,155

President  
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General Manager  
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Supervisor  
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Universal Incorporation and Subsidiaries  
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		For the Year 2014	For the Year 2013
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 71,248	\$ 88,601
A20010	Adjustments for:		
A20100	Depreciation expense	69,935	71,988
A20200	Amortization expense	161	160
A29900	Amortization of prepayment for lease	343	333
A20900	Finance costs	111	159
A21200	Interest income	( 13,612 )	( 9,069 )
A21300	Dividend income	( 619 )	( 562 )
A22500	Loss on disposal of property, plant and equipment	81	21
A23100	Gain on disposal of available-for-sale financial assets, net	( 385 )	( 4,197 )
A23500	Impairment loss recognized on financial assets measured at cost – non-current	-	3,013
A23700	Write-down of inventories	540	-
A23800	Reversal of write-down of inventories	-	( 863 )
A24100	Net foreign exchange losses (gains)	( 8,457 )	( 5,292 )
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	23,213	( 15,879 )
A31150	Accounts receivable	( 14,428 )	( 25,528 )
A31180	Other receivables	( 2,193 )	( 893 )
A31200	Inventories	13,675	( 43,086 )
A31240	Other current assets	( 4,324 )	12,209
A32150	Accounts payable	( 52,173 )	22,969
A32180	Other payables	1,392	( 1,010 )
A32230	Other current liabilities	( 4,090 )	5,763
A32240	Accrued pension liabilities	24	( 172 )
A33000	Cash generated from operations	80,442	98,665
A33100	Interest received	16,973	6,932
A33300	Interest paid	( 100 )	( 226 )
A33500	Income taxes paid	( 14,247 )	( 16,955 )
AAAA	Net cash generated by operating activities	<u>83,068</u>	<u>88,416</u>

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Code		For the Year 2014	For the Year 2013
	Cash Flows from Investing Activities		
B00300	Acquisitions of available-for-sale financial assets	(\$ 330,000)	(\$ 341,000)
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	289,704	403,010
B00700	Proceeds from disposal or redemption of debt investments with no active market	124,533	21,691
B01400	Proceeds from decreased capital of financial assets measured at cost – non-current	-	3,737
B02700	Payments for property, plant and equipment	( 55,156)	( 34,180)
B02800	Proceeds from disposal of property, plant and equipment	35	-
B03700	Increase in refundable deposits	( 2)	-
B03800	Decrease in refundable deposits	-	49
B07600	Other dividend received	<u>619</u>	<u>562</u>
BBBB	Net cash inflow (outflow) generated from investing activities	<u>29,733</u>	<u>53,869</u>
	Cash Flows from Financing Activities		
C00200	Decrease in short-term loans	-	( 21,292)
C01600	Proceeds from long-term borrowings	-	3,279
C01700	Repayments of long-term borrowings	( 187)	-
C04500	Dividends paid to owners of the Company	( 65,444)	( 45,307)
C04900	Purchase of Treasury Shares	( 6,497)	-
C05400	Payments for additional acquisition of partially-owned subsidiaries	( 4,067)	( 4,078)
CCCC	Net cash used in financing activities	<u>( 76,195)</u>	<u>( 67,398)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,337</u>	<u>3,447</u>
EEEE	Net increase (decrease) in cash and cash equivalents	38,943	78,334
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>\$ 237,629</u>	<u>\$ 198,686</u>

President  
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