

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q2 2015

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	June 30, 2015		December 31, 2014		June 30, 2014	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents	\$ 487,787	23	\$ 237,629	11	\$ 310,055	15
1125	Available-for-sale financial assets – current	145,639	7	117,653	6	72,639	3
1147	Debt investments without active market - current	71,523	3	248,400	12	306,498	15
1150	Notes receivable	13,891	1	14,152	1	38,725	2
1170	Accounts receivables	150,408	7	198,507	10	130,619	6
1200	Other receivables	12,068	1	5,959	-	5,407	-
130X	Inventories	182,135	9	183,633	9	178,219	9
1412	Prepayment for lease	351	-	360	-	337	-
1470	Other current assets	25,437	1	32,544	1	29,453	1
11XX	Total current assets	1,089,239	52	1,038,837	50	1,071,952	51
Non-current Assets							
1543	Financial assets measured at cost – non-current	58,738	3	69,116	3	69,116	3
1600	Property, plant and equipment	917,825	44	943,645	46	941,946	45
1780	Other intangible assets	133	-	70	-	144	-
1840	Deferred income tax assets	7,083	-	7,657	-	7,585	-
1920	Refundable deposits	254	-	255	-	253	-
1985	Long-term prepayment for lease	10,090	1	10,519	1	10,041	1
15XX	Total non-current assets	994,123	48	1,031,262	50	1,029,085	49
1XXX	Total Assets	\$ 2,083,362	100	\$ 2,070,099	100	\$ 2,101,037	100
Liabilities and Equity							
Current Liabilities							
2170	Accounts payable	\$ 10,157	-	\$ 21,055	1	\$ 40,616	2
2219	Other payables	75,477	4	33,068	2	97,280	5
2230	Current income tax liabilities	10,279	1	2,406	-	5,031	-
2320	Long-term bank loans due within one year	799	-	819	-	580	-
2399	Other current liabilities	4,181	-	2,939	-	4,757	-
21XX	Total current liabilities	100,893	5	60,287	3	148,264	7
Non-current Liabilities							
2540	Long-term bank loans	1,997	-	2,457	-	2,705	-
2570	Deferred income tax liabilities	50,031	2	53,657	3	49,861	2
2640	Net defined benefit liability – non-current	36,736	2	41,543	2	39,180	2
25XX	Total non-current liabilities	88,764	4	97,657	5	91,746	4
2XXX	Total liabilities	189,657	9	157,944	8	240,010	11
Equity Attributable to Shareholders of the Parent							
Capital stock							
3110	Common stock	1,003,308	48	1,003,308	48	1,006,828	48
3200	Capital surplus	2,184	-	2,184	-	2,190	-
Retained earnings							
3310	Appropriated as legal capital reserve	179,555	9	173,675	9	173,675	9
3320	Appropriated as special capital reserve	147,626	7	147,626	7	147,626	7
3350	Un-appropriated earnings	446,338	21	462,098	22	424,925	20
3300	Total retained earnings	773,519	37	783,399	38	746,226	36
3400	Other equity	12,994	1	19,399	1	2,549	-
31XX	Equity attributable to shareholders of the parent	1,792,005	86	1,808,290	87	1,757,793	84
36XX	Non-controlling interests	101,700	5	103,865	5	103,234	5
3XXX	Total equity	1,893,705	91	1,912,155	92	1,861,027	89
Total Liabilities and Equity		\$ 2,083,362	100	\$ 2,070,099	100	\$ 2,101,037	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, Except
Earnings per share in New Taiwan Dollars)

Code		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2015		2014		2015		2014	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating Revenue								
	Sales Revenue	\$ 283,596	100	\$ 275,914	100	\$ 563,575	100	\$ 568,887	100
5110	Operating Costs								
	Cost of goods Sold	240,406	85	250,833	91	478,025	85	511,140	90
5900	Gross Profit	43,190	15	25,081	9	85,550	15	57,747	10
6100	Operating Expenses								
	Marketing	5,151	1	6,144	2	12,080	2	12,794	2
6200	General and administrative	11,032	4	12,145	4	20,068	3	20,782	4
6300	Research and development	2,433	1	2,399	1	4,746	1	4,955	1
6000	Total operating expenses	18,616	6	20,688	7	36,894	6	38,531	7
6900	Income from Operations	24,574	9	4,393	2	48,656	9	19,216	3
7010	Non-Operating Income								
	and Expenses								
	Other income	3,811	1	4,100	1	7,957	1	10,734	2
7020	Other gains and losses	(6,624)	(2)	(11,561)	(4)	(12,693)	(2)	(7,753)	(1)
7050	Finance costs	(16)	-	(24)	-	(35)	-	(56)	-
7000	Total non-operating income and expenses	(2,829)	(1)	(7,485)	(3)	(4,771)	(1)	2,925	1
7900	Income Before Income Tax	21,745	8	(3,092)	(1)	43,885	8	22,141	4
7950	Income Tax Expense	4,387	2	1,589	1	8,288	2	5,845	1
8200	Net Income	17,358	6	(4,681)	(2)	35,597	6	16,296	3
8361	Other Comprehensive Income (Loss)								
	Exchange differences arising on translation of foreign operations	(3,511)	(1)	(7,370)	(2)	(9,106)	(1)	(2,569)	(1)
8362	Unrealized gain (loss) from available-for-sale financial assets	175	-	165	-	208	-	231	-
8300	Other comprehensive income for the period, net of income tax	(3,336)	(1)	(7,205)	(2)	(8,898)	(1)	(2,338)	(1)
8500	Total comprehensive income for the period	\$ 14,022	5	(\$ 11,886)	(4)	\$ 26,699	5	\$ 13,958	2
8610	Net Income (Loss) Attributable To:								
	Shareholders of the parent	\$ 16,775	6	(\$ 3,489)	(1)	\$ 35,269	6	\$ 17,462	3
8620	Non-controlling interests	583	-	(1,192)	(1)	328	-	(1,166)	-
8600		\$ 17,358	6	(\$ 4,681)	(2)	\$ 35,597	6	\$ 16,296	3
8710	Total Comprehensive Income (Loss) Attributable To:								
	Shareholders of the parent	\$ 14,401	5	(\$ 8,579)	(3)	\$ 28,864	5	\$ 15,861	3
8720	Non-controlling interests	(379)	-	(3,307)	(1)	(2,165)	-	(1,903)	(1)
8700		\$ 14,022	5	(\$ 11,886)	(4)	\$ 26,699	5	\$ 13,958	2
9750	Earnings Per Share								
	Basic earnings per share	\$ 0.17		(\$ 0.03)		\$ 0.35		\$ 0.17	
9850	Diluted earnings per share	\$ 0.17		(\$ 0.03)		\$ 0.35		\$ 0.17	

President
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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		Total	Non-controlling Interests	Total Equity
		Capital Stock	Treasury Stock	Others	Legal capital Reserve	Special Capital Reserve	Un-appropriated Earnings	Exchange Differences On Translating Foreign Operations	Unrealized Gain/Loss From Available-for-Sale Financial Assets			
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
	Appropriation of 2013 earnings											
B1	Legal capital reserve	-	-	-	7,244	-	(7,244)	-	-	-	-	-
B5	cash dividend distributed by the company -- NTD0.65/per share	-	-	-	-	-	(65,444)	-	-	(65,444)	-	(65,444)
D1	Net income for the six months ended June 30, 2014	-	-	-	-	-	17,462	-	-	17,462	(1,166)	16,296
D3	Other comprehensive income for the six months ended June 30, 2014, net of income tax	-	-	-	-	-	-	(1,832)	231	(1,601)	(737)	(2,338)
D5	Total comprehensive income for the six months ended June 30, 2014	-	-	-	-	-	17,462	(1,832)	231	15,861	(1,903)	13,958
Z1	Balance, June 30, 2014	\$1,006,828	\$ 765	\$ 1,425	\$ 173,675	\$ 147,626	\$ 424,925	\$ 2,565	(\$ 16)	\$1,757,793	\$ 103,234	\$1,861,027
A1	Balance, January 1, 2015	1,003,308	-	2,184	173,675	147,626	462,098	19,435	(36)	1,808,290	103,865	1,912,155
	Appropriation of 2014 earnings											
B1	Legal capital reserve	-	-	-	5,880	-	(5,880)	-	-	-	-	-
B5	cash dividend distributed by the company -- NTD0.45/per share	-	-	-	-	-	(45,149)	-	-	(45,149)	-	(45,149)
D1	Net income for the six months ended June 30, 2015	-	-	-	-	-	35,269	-	-	35,269	328	35,597
D3	Other comprehensive income for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	-	(6,613)	208	(6,405)	(2,493)	(8,898)
D5	Total comprehensive income for the six months ended June 30, 2015	-	-	-	-	-	35,269	(6,613)	208	28,864	(2,165)	26,699
Z1	Balance, June 30, 2015	\$1,003,308	\$ -	\$ 2,184	\$ 179,555	\$ 147,626	\$ 446,338	\$ 12,822	\$ 172	\$1,792,005	\$ 101,700	\$1,893,705

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Universal Incorporation and Subsidiaries
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		For the Six Months Ended June 30	
		2015	2014
Cash Flows from Operating Activities			
A10000	Income before income tax	\$ 43,885	\$ 22,141
A20010	Adjustments for:		
A20100	Depreciation expense	35,952	34,969
A20200	Amortization expense	69	80
A21300	Dividend income	(204)	(40)
A29900	Amortization of prepayment for lease	177	171
A20900	Finance costs	35	56
A21200	Interest income	(5,976)	(6,775)
A23100	Gain on disposal of available-for-sale financial assets, net	(134)	(147)
A23700	Write-down of inventories	-	409
A23800	Reversal of write-down of inventories	(54)	-
A24100	Net foreign exchange losses (gains)	15,418	6,711
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	261	(1,360)
A31150	Accounts receivable	46,724	52,064
A31180	Other receivables	3,715	(51)
A31200	Inventories	294	16,323
A31240	Other current assets	7,107	(4,401)
A32150	Accounts payable	(10,842)	(32,607)
A32180	Other payables	363	2,475
A32230	Other current liabilities	1,245	(2,263)
A32240	Net defined benefit liability	(4,807)	11
A33000	Cash generated from operations	133,228	87,766
A33300	Interest paid	(38)	(43)
A33100	Interest received	6,705	8,487
A33500	Income taxes paid	(3,467)	(6,963)
AAAA	Net cash generated by operating activities	<u>136,428</u>	<u>89,247</u>

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Code		For the Six Months Ended June 30	
		2015	2014
	Cash Flows from Investing Activities		
B00300	Acquisitions of available-for-sale financial assets	(\$ 98,281)	(\$ 176,000)
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	70,637	180,500
B00700	Proceeds from disposal or redemption of debt investments with no active market	162,804	52,708
B02700	Payments for property, plant and equipment	(19,885)	(34,820)
B04500	Payments for intangible assets	(133)	-
B07600	Other dividend received	-	40
BBBB	Net cash inflow (outflow) generated from investing activities	<u>115,142</u>	<u>22,428</u>
	Cash Flows from Financing Activities		
C01700	Repayments of long-term borrowings	(405)	-
DDDD	Effect of exchange rate changes on cash and cash equivalents	(1,007)	(306)
EEEE	Net increase (decrease) in cash and cash equivalents	250,158	111,369
E00100	Cash and cash equivalents, beginning of period	<u>237,629</u>	<u>198,686</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 487,787</u>	<u>\$ 310,055</u>

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