

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q1 2016

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

		March 31, 2016		December 31, 2015		March 31, 2015	
Code	Assets	Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents	\$ 62,164	3	\$ 152,665	7	\$ 378,294	18
1125	Available-for-sale financial assets – current	155,727	7	172,464	8	120,993	6
1147	Debt investments without active market - current	644,519	31	490,851	23	191,857	9
1150	Notes receivable	12,529	1	9,369	1	3,194	-
1170	Accounts receivables	135,184	6	152,397	7	147,771	7
1200	Other receivables	4,361	-	3,134	-	3,100	-
130X	Inventories	128,636	6	141,577	7	178,448	9
1412	Prepayment for lease	340	-	352	-	354	-
1470	Other current assets	19,229	1	27,593	1	36,120	2
11XX	Total current assets	1,162,689	55	1,150,402	54	1,060,131	51
Non-current Assets							
1543	Financial assets measured at cost – non-current	58,738	3	58,738	3	69,116	3
1600	Property, plant and equipment	876,340	42	892,606	42	931,743	45
1821	Other intangible assets	100	-	111	-	28	-
1840	Deferred income tax assets	4,279	-	4,982	-	7,920	-
1920	Refundable deposits	254	-	254	-	255	-
1985	Long-term prepayment for lease	9,705	-	9,929	1	10,275	1
15XX	Total non-current assets	949,416	45	966,620	46	1,019,337	49
1XXX	Total Assets	\$ 2,112,105	100	\$ 2,117,022	100	\$ 2,079,468	100
Liabilities and Equity							
Current Liabilities							
2100	Short-term loans	\$ -	-	\$ -	-	\$ 5,897	-
2170	Accounts payable	8,648	1	40,158	2	14,539	1
2219	Other payables	29,451	1	31,721	1	25,693	1
2230	Current income tax liabilities	23,187	1	14,825	1	8,602	1
2320	Long-term bank loans due within one year	-	-	-	-	810	-
2399	Other current liabilities	3,917	-	1,786	-	3,924	-
21XX	Total current liabilities	65,203	3	88,490	4	59,465	3
Non-current Liabilities							
2540	Long-term bank loans	-	-	-	-	2,228	-
2570	Deferred income tax liabilities	50,453	2	52,403	3	51,391	2
2640	Net defined benefit liability – non-current	15,509	1	25,106	1	41,552	2
25XX	Total non-current liabilities	65,962	3	77,509	4	95,171	4
2XXX	Total liabilities	131,165	6	165,999	8	154,636	7
Equity Attributable to Shareholders of the Parent							
Capital stock							
3110	Common stock	1,003,308	48	1,003,308	47	1,003,308	48
3200	Capital surplus	2,954	-	2,954	-	2,184	-
Retained earnings							
3310	Appropriated as legal capital reserve	179,555	8	179,555	9	173,675	9
3320	Appropriated as special capital reserve	147,497	7	147,497	7	147,626	7
3350	Un-appropriated earnings	546,062	26	510,999	24	480,508	23
3300	Total retained earnings	873,114	41	838,051	40	801,809	39
3400	Other equity	8,057	-	11,788	1	15,452	1
31XX	Equity attributable to shareholders of the parent	1,887,433	89	1,856,101	88	1,822,753	88
36XX	Non-controlling interests	93,507	5	94,922	4	102,079	5
3XXX	Total equity	1,980,940	94	1,951,023	92	1,924,832	93
Total Liabilities and Equity		\$ 2,112,105	100	\$ 2,117,022	100	\$ 2,079,468	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)

		For the Three Months Ended March 31			
		2016		2015	
Code		Amount	%	Amount	%
4100	Operating Revenue				
	Sales Revenue	\$ 259,931	100	\$ 279,979	100
5110	Operating Costs				
	Cost of goods Sold	<u>191,328</u>	<u>73</u>	<u>237,619</u>	<u>85</u>
5900	Gross Profit	<u>68,603</u>	<u>27</u>	<u>42,360</u>	<u>15</u>
	Operating Expenses				
6100	Marketing	5,492	2	6,929	2
6200	General and administrative	10,112	4	9,036	3
6300	Research and development	<u>2,209</u>	<u>1</u>	<u>2,313</u>	<u>1</u>
6000	Total operating expenses	<u>17,813</u>	<u>7</u>	<u>18,278</u>	<u>6</u>
6900	Income from Operations	<u>50,790</u>	<u>20</u>	<u>24,082</u>	<u>9</u>
	Non-Operating Income and Expenses				
7010	Other income	2,991	1	4,146	1
7020	Other gains and losses	(11,564)	(4)	(6,069)	(2)
7050	Finance costs	(4)	-	(19)	-
7000	Total non-operating income and expenses	(<u>8,577</u>)	(<u>3</u>)	(<u>1,942</u>)	(<u>1</u>)
7900	Income Before Income Tax	42,213	17	22,140	8
7950	Income Tax Expense	<u>7,182</u>	<u>3</u>	<u>3,901</u>	<u>1</u>
8200	Net Income	<u>35,031</u>	<u>14</u>	<u>18,239</u>	<u>7</u>
	Other Comprehensive Income (Loss)				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	(5,308)	(2)	(5,595)	(2)
8362	Unrealized gain (loss) from available-for-sale financial assets	<u>194</u>	<u>-</u>	<u>33</u>	<u>-</u>
8300	Other comprehensive income for the period, net of income tax	(<u>5,114</u>)	(<u>2</u>)	(<u>5,562</u>)	(<u>2</u>)
8500	Total comprehensive income for the period	<u>\$ 29,917</u>	<u>12</u>	<u>\$ 12,677</u>	<u>5</u>
	Net Income (Loss) Attributable To:				
8610	Shareholders of the parent	\$ 35,063	14	\$ 18,494	7
8620	Non-controlling interests	(<u>32</u>)	<u>-</u>	(<u>255</u>)	<u>-</u>
8600		<u>\$ 35,031</u>	<u>14</u>	<u>\$ 18,239</u>	<u>7</u>
	Total Comprehensive Income (Loss) Attributable To:				
8710	Shareholders of the parent	\$ 31,332	12	\$ 14,463	5
8720	Non-controlling interests	(<u>1,415</u>)	<u>-</u>	(<u>1,786</u>)	<u>-</u>
8700		<u>\$ 29,917</u>	<u>12</u>	<u>\$ 12,677</u>	<u>5</u>
	Earnings Per Share				
9750	Basic earnings per share	<u>\$ 0.35</u>		<u>\$ 0.18</u>	
9850	Diluted earnings per share	<u>\$ 0.35</u>		<u>\$ 0.18</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 Stock	Capital Surplus	Retained Earnings			Re-measurement of Defined Benefit Obligation	Others Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss from Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
				Legal capital Reserve	Special Capital Reserve	Un-appropriated Earnings						
A1	Balance, January 1, 2015	\$ 1,003,308	\$ 2,184	\$ 173,675	\$ 147,626	\$ 462,014	\$ 84	\$ 19,435	(\$ 36)	\$ 1,808,290	\$ 103,865	\$ 1,912,155
D1	Net income for the three months ended March 31, 2015	-	-	-	-	18,494	-	-	-	18,494	(255)	18,239
D3	Other comprehensive income for the three months ended March 31, 2015, net of income tax	-	-	-	-	-	-	(4,064)	33	(4,031)	(1,531)	(5,562)
D5	Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	18,494	-	(4,064)	33	14,463	(1,786)	12,677
Z1	Balance, March 31, 2015	\$ 1,003,308	\$ 2,184	\$ 173,675	\$ 147,626	\$ 480,508	\$ 84	\$ 15,371	(\$ 3)	\$ 1,822,753	\$ 102,079	\$ 1,924,832
A1	Balance, January 1, 2016	\$ 1,003,308	\$ 2,954	\$ 179,555	\$ 147,497	\$ 510,999	(\$ 1,390)	\$ 12,927	\$ 251	\$ 1,856,101	\$ 94,922	\$ 1,951,023
D1	Net income for the three months ended March 31, 2016	-	-	-	-	35,063	-	-	-	35,063	(32)	35,031
D3	Other comprehensive income for the three months ended March 31, 2016, net of income tax	-	-	-	-	-	-	(3,925)	194	(3,731)	(1,383)	(5,114)
D5	Total comprehensive income for the three months ended March 31, 2016	-	-	-	-	35,063	-	(3,925)	194	31,332	(1,415)	29,917
Z1	Balance, March 31, 2016	\$ 1,003,308	\$ 2,954	\$ 179,555	\$ 147,497	\$ 546,062	(\$ 1,390)	\$ 9,002	\$ 445	\$ 1,887,433	\$ 93,507	\$ 1,980,940

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Universal Incorporation and Subsidiaries
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		For the Three Months Ended March 31	
		2016	2015
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 42,213	\$ 22,140
A20010	Adjustments for:		
A20100	Depreciation expense	16,831	18,180
A20200	Amortization expense	11	42
A29900	Amortization of prepayment for lease	87	89
A20900	Finance costs	4	19
A21200	Interest income	(1,868)	(2,874)
A22500	Loss on disposal of property, plant and equipment	2	-
A23100	Gain on disposal of available-for-sale financial assets, net	(69)	(84)
A23800	Reversal of write-down of inventories	(358)	(321)
A24100	Net foreign exchange losses (gains)	12,454	10,525
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(3,160)	10,958
A31150	Accounts receivable	16,972	49,352
A31180	Other receivables	(131)	2,731
A31200	Inventories	12,795	4,723
A31240	Other current assets	8,364	(3,576)
A32150	Accounts payable	(31,298)	(6,516)
A32180	Other payables	(2,305)	(4,743)
A32230	Other current liabilities	2,176	993
A32240	Net defined benefit liability	(9,597)	9
A33000	Cash generated from operations	63,123	101,647
A33100	Interest received	711	2,984
A33300	Interest paid	(4)	(21)
A33500	Income taxes paid	(67)	(234)
AAAA	Net cash inflow generated by operating activities	<u>63,763</u>	<u>104,376</u>

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Code		For the Three Months Ended March 31	
		2016	2015
	Cash Flows from Investing Activities		
B00300	Acquisitions of available-for-sale financial assets	(\$ 33,000)	(\$ 55,281)
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	50,000	52,058
B00600	Acquisitions of debt investments with no active market	(166,077)	-
B00700	Proceeds from disposal or redemption of debt investments with no active market	-	47,403
B02700	Payments for property, plant and equipment	(4,160)	(13,000)
BBBB	Net cash inflow (outflow) generated from (used in) investing activities	(153,237)	31,180
	Cash Flows from Financing Activities		
C00100	Increase in short-term loans	-	5,906
C01700	Repayments of long-term borrowings	-	(192)
CCCC	Net cash inflow generated from financing activities	-	5,714
DDDD	Effect of exchange rate changes on cash and cash equivalents	(1,027)	(605)
EEEE	Net increase (decrease) in cash and cash equivalents	(90,501)	140,665
E00100	Cash and cash equivalents, beginning of period	152,665	237,629
E00200	Cash and cash equivalents, end of period	\$ 62,164	\$ 378,294

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