

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for the Year 2016

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

		December 31, 2016		December 31, 2015	
Code	Assets	Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents	\$ 75,793	4	\$ 152,665	7
1125	Available-for-sale financial assets - current	144,888	7	172,464	8
1147	Debt investments without active market - current	491,778	25	490,851	23
1150	Notes receivable	10,234	-	9,369	1
1170	Accounts receivables	169,065	9	152,397	7
1200	Other receivables	3,367	-	3,134	-
130X	Inventories	150,609	8	141,577	7
1412	Prepayment for lease	318	-	352	-
1470	Other current assets	<u>28,188</u>	<u>1</u>	<u>27,593</u>	<u>1</u>
11XX	Total current assets	<u>1,074,240</u>	<u>54</u>	<u>1,150,402</u>	<u>54</u>
Non-current Assets					
1543	Financial assets measured at cost – non-current	57,088	3	58,738	3
1600	Property, plant and equipment	834,404	42	892,606	42
1821	Other intangible assets	166	-	111	-
1840	Deferred income tax assets	3,921	-	4,982	-
1920	Refundable deposits	251	-	254	-
1985	Long-term prepayment for lease	<u>8,819</u>	<u>1</u>	<u>9,929</u>	<u>1</u>
15XX	Total non-current assets	<u>904,649</u>	<u>46</u>	<u>966,620</u>	<u>46</u>
1XXX	Total Assets	<u>\$ 1,978,889</u>	<u>100</u>	<u>\$ 2,117,022</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2170	Accounts payable	\$ 49,391	3	\$ 40,158	2
2219	Other payables	38,987	2	31,721	1
2230	Current income tax liabilities	14,842	1	14,825	1
2399	Other current liabilities	<u>2,265</u>	<u>-</u>	<u>1,786</u>	<u>-</u>
21XX	Total current liabilities	<u>105,485</u>	<u>6</u>	<u>88,490</u>	<u>4</u>
Non-current Liabilities					
2570	Deferred income tax liabilities	50,453	2	52,403	3
2640	Net defined benefit liability – non-current	<u>15,343</u>	<u>1</u>	<u>25,106</u>	<u>1</u>
25XX	Total non-current liabilities	<u>65,796</u>	<u>3</u>	<u>77,509</u>	<u>4</u>
2XXX	Total liabilities	<u>171,281</u>	<u>9</u>	<u>165,999</u>	<u>8</u>
Equity Attributable to Shareholders of the Parent					
Capital stock					
3110	Common stock	<u>852,812</u>	<u>43</u>	<u>1,003,308</u>	<u>47</u>
3200	Capital surplus	<u>3,318</u>	<u>-</u>	<u>2,954</u>	<u>-</u>
Retained earnings					
3310	Appropriated as legal capital reserve	189,556	10	179,555	9
3320	Appropriated as special capital reserve	147,496	7	147,497	7
3350	Un-appropriated earnings	<u>542,494</u>	<u>27</u>	<u>510,999</u>	<u>24</u>
3300	Total retained earnings	<u>879,546</u>	<u>44</u>	<u>838,051</u>	<u>40</u>
3400	Other equity	<u>(10,693)</u>	<u>-</u>	<u>11,788</u>	<u>1</u>
31XX	Equity attributable to shareholders of the parent	<u>1,724,983</u>	<u>87</u>	<u>1,856,101</u>	<u>88</u>
36XX	Non-controlling interests	<u>82,625</u>	<u>4</u>	<u>94,922</u>	<u>4</u>
3XXX	Total equity	<u>1,807,608</u>	<u>91</u>	<u>1,951,023</u>	<u>92</u>
Total Liabilities and Equity		<u>\$ 1,978,889</u>	<u>100</u>	<u>\$ 2,117,022</u>	<u>100</u>

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	2016		2015	
	Amount	%	Amount	%
Operating Revenue				
4100 Sales Revenue	\$ 990,428	100	\$ 1,109,886	100
Operating Costs				
5110 Cost of goods Sold	788,244	79	935,416	84
5900 Gross Profit	202,184	21	174,470	16
Operating Expenses				
6100 Marketing	20,658	2	24,116	2
6200 General and administrative	37,778	4	39,570	4
6300 Research and development	8,946	1	9,369	1
6000 Total operating expenses	67,382	7	73,055	7
6900 Income from Operations	134,802	14	101,415	9
Non-Operating Income and Expenses				
7010 Other income	12,658	1	15,271	1
7020 Other gains and losses	(11,184)	(1)	4,854	1
7050 Finance costs	(16)	-	(55)	-
7000 Total non-operating income and expenses	1,458	-	20,070	2
7900 Income Before Income Tax	136,260	14	121,485	11
7950 Income Tax Expense	24,790	3	23,241	2
8200 Net Income	111,470	11	98,244	9
Other Comprehensive Income (Loss)				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Re-measurement of defined benefit obligation	(432)	-	(1,776)	-
8349 Income tax benefit related to items that will not be reclassified subsequently	74	-	302	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences arising on translation of foreign operations	(29,185)	(3)	(8,506)	(1)
8362 Unrealized gain (loss) from available-for-sale financial assets	(329)	-	287	-
8300 Other comprehensive income for the period, net of income tax	(29,872)	(3)	(9,693)	(1)
8500 Total comprehensive income for the period	\$ 81,598	8	\$ 88,551	8
Net Income (Loss) Attributable To:				
8610 Shareholders of the parent	\$ 111,728	11	\$ 100,014	9
8620 Non-controlling interests	(258)	-	(1,770)	-
8600	\$ 111,470	11	\$ 98,244	9
Total Comprehensive Income (Loss) Attributable To:				
8710 Shareholders of the parent	\$ 89,247	9	\$ 92,319	8
8720 Non-controlling interests	(7,649)	(1)	(3,768)	-
8700	\$ 81,598	8	\$ 88,551	8
Earnings Per Share				
9750 Basic earnings per share	\$ 1.16		\$ 1.00	
9850 Diluted earnings per share	\$ 1.15		\$ 1.00	

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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		Total	Non-controlling Interests	Total Equity
				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, 2015	\$ 1,003,308	\$ 2,184	\$ 173,675	\$ 147,626	\$ 462,014	\$ 84	\$ 19,435	(\$ 36)	\$ 1,808,290	\$ 103,865	\$ 1,912,155
	Appropriation of 2014 earnings											
B1	Legal capital reserve	-	-	5,880	-	(5,880)	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	(129)	-	-	-	-	(129)	-	(129)
B5	Cash-dividend distributed by the company	-	-	-	-	(45,149)	-	-	-	(45,149)	-	(45,149)
M5	Additional acquisition of partially-owned subsidiaries	-	770	-	-	-	-	-	-	770	(5,175)	(4,405)
D1	Net income (loss) for the year 2015	-	-	-	-	100,014	-	-	-	100,014	(1,770)	98,244
D3	Other comprehensive income (loss) for the year 2015, net of income tax	-	-	-	-	-	(1,474)	(6,508)	287	(7,695)	(1,998)	(9,693)
D5	Total comprehensive income (loss) for the year 2015	-	-	-	-	100,014	(1,474)	(6,508)	287	92,319	(3,768)	88,551
Z1	Balance, December 31, 2015	1,003,308	2,954	179,555	147,497	510,999	(1,390)	12,927	251	1,856,101	94,922	1,931,023
	Appropriation of 2015 earnings											
B1	Legal capital reserve	-	-	10,001	-	(10,001)	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	(1)	-	-	-	-	(1)	-	(1)
B5	Cash-dividend distributed by the company	-	-	-	-	(70,232)	-	-	-	(70,232)	-	(70,232)
M5	Additional acquisition of partially-owned subsidiaries	-	364	-	-	-	-	-	-	364	(4,648)	(4,284)
E3	Cash refund capital reduction	(150,496)	-	-	-	-	-	-	-	(150,496)	-	(150,496)
D1	Net income (loss) for the year 2016	-	-	-	-	111,728	-	-	-	111,728	(258)	111,470
D3	Other comprehensive income (loss) for the year 2016, net of income tax	-	-	-	-	-	(358)	(21,794)	(329)	(22,481)	(7,391)	(29,872)
D5	Total comprehensive income (loss) for the year 2016	-	-	-	-	111,728	(358)	(21,794)	(329)	89,247	(7,649)	81,598
Z1	Balance, December 31, 2016	\$ 852,812	\$ 3,318	\$ 189,556	\$ 147,496	\$ 542,494	(\$ 1,748)	(\$ 8,867)	(\$ 78)	\$ 1,724,983	\$ 82,625	\$ 1,807,608

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Universal Incorporation and Subsidiaries
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		2016	2015
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 136,260	\$ 121,485
A20010	Adjustments for:		
A20100	Depreciation expense	65,591	71,463
A20200	Amortization expense	64	91
A29900	Amortization of prepayment for lease	332	355
A20900	Finance costs	16	55
A21200	Interest income	(6,657)	(10,599)
A21300	Dividend income	(1,854)	(1,124)
A22500	Loss on disposal of property, plant and equipment	36	63
A23100	Gain on disposal of available-for-sale financial assets, net	(1,144)	(190)
A23700	Write-down of inventories	-	256
A23800	Reversal of write-down of inventories	(212)	-
A24100	Net foreign exchange losses	11,564	5,853
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(865)	4,783
A31150	Accounts receivable	(16,716)	44,821
A31180	Other receivables	1,354	2,480
A31200	Inventories	(11,520)	40,797
A31240	Other current assets	(595)	4,951
A32150	Accounts payable	9,249	18,933
A32180	Other payables	4,655	1,853
A32230	Other current liabilities	488	(1,199)
A32240	Net defined benefit liability	(10,195)	(18,213)
A33000	Cash generated from operations	179,851	286,914
A33100	Interest received	5,079	10,918
A33300	Interest paid	(16)	(71)
A33500	Income taxes paid	(25,588)	(9,099)
AAAA	Net cash generated form operating activities	<u>159,326</u>	<u>288,662</u>
	Cash Flows from Investing Activities		
B00300	Acquisitions of available-for-sale financial assets	(189,000)	(203,271)
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	217,391	148,937

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Code		2016	2015
B00600	Acquisitions of debt investments with no active market	(\$ 507,872)	(\$ 680,960)
B00700	Proceeds from disposal or redemption of debt investments with no active market	495,282	434,187
B01400	Proceeds from decreased capital of financial assets measured at cost – non-current	1,650	10,378
B02700	Payments for property, plant and equipment	(24,369)	(30,001)
B02800	Proceeds from disposal of property, plant and equipment	-	4
B04500	Payments for Other intangible assets	(119)	(133)
B07600	Other dividend received	<u>1,854</u>	<u>1,124</u>
BBBB	Net cash generated from (used in) investing activities	(<u>5,183</u>)	(<u>319,735</u>)
Cash Flows from Financing Activities			
C01700	Repayments of long-term borrowings	-	(3,234)
C04500	Dividends paid to owners of the Company	(70,232)	(45,149)
C04700	Cash refund capital reduction	(150,496)	-
C05400	Payments for additional acquisition of partially-owned subsidiaries	(<u>4,284</u>)	(<u>4,405</u>)
CCCC	Net cash generated from (used in) financing activities	(<u>225,012</u>)	(<u>52,788</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>6,003</u>)	(<u>1,103</u>)
EEEE	Net decrease in cash and cash equivalents	(76,872)	(84,964)
E00100	Cash and cash equivalents, beginning of period	<u>152,665</u>	<u>237,629</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 75,793</u>	<u>\$ 152,665</u>

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