

Stock Symbol: 1325

# Universal Incorporation and Subsidiaries

## Consolidated Parent and Subsidiary Financial Report for the Year 2017

Address:

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Telephone:

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Universal Incorporation and Subsidiaries  
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2017		December 31, 2016	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents	\$ 75,086	4	\$ 75,793	4
1125	Available-for-sale financial assets - current	175,060	9	144,888	7
1147	Debt investments without active market - current	481,443	25	491,778	25
1150	Notes receivable	8,771	1	10,234	-
1170	Accounts receivables	134,233	7	169,065	9
1200	Other receivables	3,878	-	3,367	-
130X	Inventories	144,115	8	150,609	8
1412	Prepayment for lease	311	-	318	-
1470	Other current assets	12,593	1	28,188	1
11XX	Total current assets	1,035,490	55	1,074,240	54
Non-current Assets					
1543	Financial assets measured at cost – non-current	57,088	3	57,088	3
1600	Property, plant and equipment	789,059	42	834,404	42
1821	Other intangible assets	82	-	166	-
1840	Deferred income tax assets	7,446	-	3,921	-
1920	Refundable deposits	181	-	251	-
1985	Long-term prepayment for lease	8,328	-	8,819	1
15XX	Total non-current assets	862,184	45	904,649	46
1XXX	Total Assets	\$ 1,897,674	100	\$ 1,978,889	100
Liabilities and Equity					
Current Liabilities					
2170	Accounts payable	\$ 32,310	2	\$ 49,391	3
2219	Other payables	25,660	1	38,987	2
2230	Current income tax liabilities	4,686	-	14,842	1
2399	Other current liabilities	1,365	-	2,265	-
21XX	Total current liabilities	64,021	3	105,485	6
Non-current Liabilities					
2570	Deferred income tax liabilities	50,453	3	50,453	2
2640	Net defined benefit liability – non-current	14,777	1	15,343	1
25XX	Total non-current liabilities	65,230	4	65,796	3
2XXX	Total liabilities	129,251	7	171,281	9
Equity Attributable to Shareholders of the Parent					
Capital stock					
3110	Common stock	852,812	45	852,812	43
3200	Capital surplus	3,239	-	3,318	-
Retained earnings					
3310	Appropriated as legal capital reserve	200,729	11	189,556	10
3320	Appropriated as special capital reserve	158,190	8	147,496	7
3350	Un-appropriated earnings	495,914	26	542,494	27
3300	Total retained earnings	854,833	45	879,546	44
3400	Other equity	( 15,323 )	( 1 )	( 10,693 )	-
31XX	Equity attributable to shareholders of the parent	1,695,561	89	1,724,983	87
36XX	Non-controlling interests	72,862	4	82,625	4
3XXX	Total equity	1,768,423	93	1,807,608	91
Total Liabilities and Equity		\$ 1,897,674	100	\$ 1,978,889	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		2017		2016	
		Amount	%	Amount	%
4100	Operating Revenue				
	Sales Revenue	\$ 865,210	100	\$ 990,428	100
5110	Operating Costs				
	Cost of goods Sold	747,063	86	788,244	79
5900	Gross Profit	18,147	14	202,184	21
6100	Operating Expenses				
	Marketing	16,954	2	20,658	2
6200	General and administrative	26,495	3	37,778	4
6300	Research and development	9,248	1	8,946	1
6000	Total operating expenses	52,697	6	67,382	7
6900	Income from Operations	65,450	8	134,802	14
7010	Non-Operating Income and Expenses				
	Other income	12,421	1	12,658	1
7020	Other gains and losses	( 24,981 )	( 3 )	( 11,184 )	( 1 )
7050	Finance costs	( 32 )	-	( 16 )	-
7000	Total non-operating income and expenses	( 12,592 )	( 2 )	1,458	-
7900	Income Before Income Tax	52,858	6	136,260	14
7950	Income Tax Expense	13,181	1	24,790	3
8200	Net Income	39,677	5	11,470	11
	Other Comprehensive Income (Loss)				
	Items that will not be reclassified subsequently to profit or loss				
8311	Re-measurement of defined benefit obligation	( \$ 472 )	-	( \$ 432 )	-
8349	Income tax benefit related to items that will not be reclassified subsequently	80	-	74	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	( 7,041 )	( 1 )	( 29,185 )	( 3 )
8362	Unrealized gain (loss) from available-for-sale financial assets	840	-	( 329 )	-
8300	Other comprehensive income for the period, net of income tax	( 6,593 )	( 1 )	( 29,872 )	( 3 )
8500	Total comprehensive income for the period	\$ 33,084	4	\$ 81,598	8
	Net Income (Loss) Attributable To:				
8610	Shareholders of the parent	\$ 43,512	5	\$ 111,728	11
8620	Non-controlling interests	( 3,835 )	-	( 258 )	-
8600		\$ 39,677	5	\$ 111,470	11
	Total Comprehensive Income (Loss) Attributable To:				
8710	Shareholders of the parent	\$ 38,882	5	\$ 89,247	9
8720	Non-controlling interests	( 5,798 )	( 1 )	( 7,649 )	( 1 )
8700		\$ 33,084	4	\$ 81,598	8
	Earnings Per Share				
9750	Basic earnings per share	\$ 0.51		\$ 1.16	
9850	Diluted earnings per share	\$ 0.51		\$ 1.15	

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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 Equity		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, 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
	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
	Appropriation of 2016 earnings											
B1	Legal capital reserve	-	-	11,173	-	( 11,173 )	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	10,694	( 10,694 )	-	-	-	-	-	-
B5	Cash-dividend distributed by the company	-	-	-	-	( 68,225 )	-	-	-	( 68,225 )	-	( 68,225 )
C3	Generated from donation	-	27	-	-	-	-	-	-	27	-	27
M5	Additional acquisition of partially-owned subsidiaries	-	( 106 )	-	-	-	-	-	-	( 106 )	( 3,965 )	( 4,071 )
D1	Net income (loss) for the year 2017	-	-	-	-	43,512	-	-	-	43,512	( 3,835 )	39,677
D3	Other comprehensive income (loss) for the year 2017, net of income tax	-	-	-	-	-	( 392 )	( 5,078 )	840	( 4,630 )	( 1,963 )	( 6,593 )
D5	Total comprehensive income (loss) for the year 2017	-	-	-	-	43,512	( 392 )	( 5,078 )	840	38,882	( 5,798 )	33,084
Z1	Balance, December 31, 2017	\$ 852,812	\$ 3,239	\$ 200,729	\$ 158,190	\$ 495,914	(\$ 2,140)	(\$ 13,945)	\$ 762	\$ 1,695,561	\$ 72,862	\$ 1,768,423

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Universal Incorporation and Subsidiaries  
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		2017	2016
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 52,858	\$ 136,260
A20010	Adjustments for:		
A20100	Depreciation expense	63,384	65,591
A20200	Amortization expense	84	64
A29900	Amortization of prepayment for lease	308	332
A20900	Finance costs	32	16
A21200	Interest income	( 6,776 )	( 6,657 )
A21300	Dividend income	( 652 )	( 1,854 )
A22500	Loss on disposal of property, plant and equipment	27	36
A23100	Gain on disposal of available-for-sale financial assets, net	( 332 )	( 1,144 )
A23800	Reversal of write-down of inventories	( 1,215 )	( 212 )
A24100	Net foreign exchange losses	21,996	11,564
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	1,463	( 865 )
A31150	Accounts receivable	34,797	( 16,716 )
A31180	Other receivables	386	1,354
A31200	Inventories	6,647	( 11,520 )
A31240	Other current assets	15,595	( 595 )
A32150	Accounts payable	( 17,081 )	9,249
A32180	Other payables	( 11,626 )	4,655
A32230	Other current liabilities	( 898 )	488
A32240	Net defined benefit liability	( 1,038 )	( 10,195 )
A33000	Cash generated from operations	157,959	179,851
A33100	Interest received	5,816	5,079
A33300	Interest paid	( 30 )	( 16 )
A33500	Income taxes paid	( 26,782 )	( 25,588 )
AAAA	Net cash generated form operating activities	<u>136,963</u>	<u>159,326</u>
	Cash Flows from Investing Activities		
B00300	Acquisitions of available-for-sale financial assets	( 159,000 )	( 189,000 )
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	130,000	217,391

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Code		2017	2016
B00600	Acquisitions of debt investments with no active market	(\$ 501,889)	(\$ 507,872)
B00700	Proceeds from disposal or redemption of debt investments with no active market	490,437	495,282
B01400	Proceeds from decreased capital of financial assets measured at cost – non-current	-	1,650
B02700	Payments for property, plant and equipment	( 24,510)	( 24,369)
B03800	Decrease in refundable deposits	70	-
B04500	Payments for Other intangible assets	-	( 119)
B07600	Other dividend received	<u>652</u>	<u>1,854</u>
BBBB	Net cash generated from (used in) investing activities	( <u>64,240</u> )	( <u>5,183</u> )
Cash Flows from Financing Activities			
C04500	Dividends paid to owners of the Company	( 68,225)	( 70,232)
C04700	Cash refund capital reduction	-	( 150,496)
C05400	Payments for additional acquisition of partially-owned subsidiaries	( 4,071)	( 4,284)
C09900	Other Financing Activities	<u>27</u>	<u>-</u>
CCCC	Net cash generated from (used in) financing activities	( <u>72,269</u> )	( <u>225,012</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>1,161</u> )	( <u>6,003</u> )
EEEE	Net decrease in cash and cash equivalents	( 707)	( 76,872)
E00100	Cash and cash equivalents, beginning of period	<u>75,793</u>	<u>152,665</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 75,086</u>	<u>\$ 75,793</u>

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