

Stock Symbol: 1325

# Universal Incorporation and Subsidiaries

## Consolidated Parent and Subsidiary Financial Report for Q1 2018

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Universal Incorporation and Subsidiaries  
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	March 31, 2018		December 31, 2017		March 31, 2017	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents	\$ 143,262	7	\$ 75,086	4	\$ 92,226	5
1110	Financial assets at fair value through profit or loss – current	164,892	9	-	-	-	-
1125	Available-for-sale financial assets – current	-	-	175,060	9	158,209	8
1136	Financial assets at amortized cost – current	445,624	23	-	-	-	-
1147	Debt investments without active market - current	-	-	481,443	25	478,316	25
1150	Notes receivable	4,919	-	8,771	1	7,845	-
1170	Accounts receivables	144,201	8	134,233	7	127,700	7
130X	Inventories	125,105	7	144,115	8	153,646	8
1470	Other current assets	15,630	1	16,782	1	19,395	1
11XX	Total current assets	<u>1,043,633</u>	<u>55</u>	<u>1,035,490</u>	<u>55</u>	<u>1,037,337</u>	<u>54</u>
Non-current Assets							
1517	Financial assets at fair value through other comprehensive income – non-current	54,838	3	-	-	-	-
1543	Financial assets measured at cost – non-current	-	-	57,088	3	57,088	3
1600	Property, plant and equipment	791,664	41	789,059	42	809,675	42
1821	Other intangible assets	61	-	82	-	145	-
1840	Deferred income tax assets	9,924	1	7,446	-	7,345	-
1920	Refundable deposits	181	-	181	-	250	-
1985	Long-term prepayment for lease	8,385	-	8,328	-	8,264	1
15XX	Total non-current assets	<u>865,053</u>	<u>45</u>	<u>862,184</u>	<u>45</u>	<u>882,767</u>	<u>46</u>
1XXX	Total Assets	<u>\$ 1,908,686</u>	<u>100</u>	<u>\$ 1,897,674</u>	<u>100</u>	<u>\$ 1,920,104</u>	<u>100</u>
Liabilities and Equity							
Current Liabilities							
2170	Accounts payable	\$ 21,586	1	\$ 32,310	2	\$ 13,400	1
2219	Other payables	32,871	2	25,660	1	30,528	1
2230	Current income tax liabilities	7,811	-	4,686	-	18,378	1
2399	Other current liabilities	2,322	-	1,365	-	1,730	-
21XX	Total current liabilities	<u>64,590</u>	<u>3</u>	<u>64,021</u>	<u>3</u>	<u>64,036</u>	<u>3</u>
Non-current Liabilities							
2570	Deferred income tax liabilities	50,453	3	50,453	3	50,453	3
2640	Net defined benefit liability – non-current	14,649	1	14,777	1	14,665	1
25XX	Total non-current liabilities	<u>65,102</u>	<u>4</u>	<u>65,230</u>	<u>4</u>	<u>65,118</u>	<u>4</u>
2XXX	Total liabilities	<u>129,692</u>	<u>7</u>	<u>129,251</u>	<u>7</u>	<u>129,154</u>	<u>7</u>
Equity Attributable to Shareholders of the Parent							
Capital stock							
3110	Common stock	852,812	45	852,812	45	852,812	44
3200	Capital surplus	3,263	-	3,239	-	3,318	-
Retained earnings							
3310	Appropriated as legal capital reserve	200,729	11	200,729	11	189,556	10
3320	Appropriated as special capital reserve	158,190	8	158,190	8	147,496	8
3350	Un-appropriated earnings	504,920	26	495,914	26	543,868	28
3300	Total retained earnings	<u>863,839</u>	<u>45</u>	<u>854,833</u>	<u>45</u>	<u>880,920</u>	<u>46</u>
3400	Other equity	(14,370)	(1)	(15,323)	(1)	(24,105)	(1)
31XX	Equity attributable to shareholders of the parent	<u>1,705,544</u>	<u>89</u>	<u>1,695,561</u>	<u>89</u>	<u>1,712,945</u>	<u>89</u>
36XX	Non-controlling interests	73,450	4	72,862	4	78,005	4
3XXX	Total equity	<u>1,778,994</u>	<u>93</u>	<u>1,768,423</u>	<u>93</u>	<u>1,790,950</u>	<u>93</u>
Total Liabilities and Equity		<u>\$ 1,908,686</u>	<u>100</u>	<u>\$ 1,897,674</u>	<u>100</u>	<u>\$ 1,920,104</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, Except  
Earnings per share in New Taiwan Dollars)

		For the Three Months Ended March 31			
		2018		2017	
Code		Amount	%	Amount	%
4100	Operating Revenue				
	Sales Revenue	\$ 229,124	100	\$ 227,751	100
	Operating Costs				
5110	Cost of goods Sold	202,659	88	191,368	84
5900	Gross Profit	26,465	12	36,383	16
	Operating Expenses				
6100	Marketing	3,703	2	4,293	2
6200	General and administrative	6,565	3	6,904	3
6300	Research and development	2,406	1	2,181	1
6000	Total operating expenses	12,674	6	13,378	6
6900	Income from Operations	13,791	6	23,005	10
	Non-Operating Income and Expenses				
7010	Other income	2,289	1	2,642	1
7020	Other gains and losses	( 6,952 )	( 3 )	( 24,043 )	( 10 )
7050	Finance costs	( 5 )	-	( 9 )	-
7000	Total non-operating income and expenses	( 4,668 )	( 2 )	( 21,410 )	( 9 )
7900	Income Before Income Tax	9,123	4	1,595	1
7950	Income Tax Expense	1,479	-	346	-
8200	Net Income	7,644	4	1,249	1
	Other Comprehensive Income (Loss)				
	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gain( loss) from investments in equity instruments at fair value through other comprehensive Income	( \$ 2,186 )	( 1 )	\$ -	-
8349	Income tax benefit related to items that will not be reclassified subsequently	77	-	-	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences arising on translation of foreign operations	5,076	2	( 18,187 )	( 8 )
8362	Unrealized gain (loss) from available-for-sale financial assets	-	-	280	-
8300	Other comprehensive income for the period, net of income tax	2,967	1	( 17,907 )	( 8 )
8500	Total comprehensive income for the period	\$ 10,611	5	( \$ 16,658 )	( 7 )
	Net Income (Loss) Attributable To:				
8610	Shareholders of the parent	\$ 8,244	4	\$ 1,374	1
8620	Non-controlling interests	( 600 )	-	( 125 )	-
8600		\$ 7,644	4	\$ 1,249	1
	Total Comprehensive Income (Loss) Attributable To:				
8710	Shareholders of the parent	\$ 10,023	5	( \$ 12,038 )	( 5 )
8720	Non-controlling interests	588	-	( 4,620 )	( 2 )
8700		\$ 10,611	5	( \$ 16,658 )	( 7 )
	Earnings Per Share				
9750	Basic earnings per share	\$ 0.10		\$ 0.02	
9850	Diluted earnings per share	\$ 0.10		\$ 0.02	

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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											
		Others Equity											
		Retained Earnings					Re-measurement of Defined Benefit Obligation	Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss from Available For sale Financial Assets	Unrealized gain(loss) from investments in equity instruments at fair value through other Comprehensive Income	Total	Non-controlling Interests	Total Equity
Code		Capital Stock	Capital Surplus	Legal capital Reserve	Special Capital Reserve	Un-appropriated Earnings							
A1	Balance, January 1, 2017	\$ 852,812	\$ 3,318	\$ 189,556	\$ 147,496	\$ 542,494	(\$ 1,748)	(\$ 8,867)	(\$ 78)	\$ -	\$ 1,724,983	\$ 82,625	\$ 1,807,608
D1	Net income for the three months ended March 31, 2017	-	-	-	-	1,374	-	-	-	-	1,374	( 125 )	1,249
D3	Other comprehensive income for the three months ended March 31, 2017, net of income tax	-	-	-	-	-	-	( 13,692 )	280	-	( 13,412 )	( 4,495 )	( 17,907 )
D5	Total comprehensive income for the three months ended March 31, 2017	-	-	-	-	1,374	-	( 13,692 )	280	-	( 12,038 )	( 4,620 )	( 16,658 )
Z1	Balance, March 31, 2017	\$ 852,812	\$ 3,318	\$ 189,556	\$ 147,496	\$ 543,868	(\$ 1,748)	(\$ 22,559)	\$ 202	\$ -	\$ 1,712,945	\$ 78,005	\$ 1,790,950
A1	Balance, January 1, 2018	\$ 852,812	\$ 3,239	\$ 200,729	\$ 158,190	\$ 495,914	(\$ 2,140)	(\$ 13,945)	\$ 762	\$ -	\$ 1,695,561	\$ 72,862	\$ 1,768,423
A3	Effect of retrospective application	-	-	-	-	762	-	-	( 762 )	( 64 )	( 64 )	-	( 64 )
A5	Adjusted Balance, January 1, 2018	852,812	3,239	200,729	158,190	496,676	( 2,140 )	( 13,945 )	-	( 64 )	1,695,497	72,862	1,768,359
C3	Generated from donation	-	24	-	-	-	-	-	-	-	24	-	24
D1	Net income for the three months ended March 31, 2018	-	-	-	-	8,244	-	-	-	-	8,244	( 600 )	7,644
D3	Other comprehensive income for the three months ended March 31, 2018, net of income tax	-	-	-	-	-	77	3,888	-	( 2,186 )	1,779	1,188	2,967
D5	Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	8,244	77	3,888	-	( 2,186 )	10,023	588	10,611
Z1	Balance, March 31, 2018	\$ 852,812	\$ 3,263	\$ 200,729	\$ 158,190	\$ 504,920	(\$ 2,063)	(\$ 10,057)	\$ -	(\$ 2,250)	\$ 1,705,544	\$ 73,450	\$ 1,778,994

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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	
		2018	2017
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 9,123	\$ 1,595
A20010	Adjustments for:		
A20100	Depreciation expense	16,208	15,877
A20200	Amortization expense	21	21
A29900	Amortization of prepayment for lease	79	77
A20900	Finance costs	5	9
A21200	Interest income	( 1,832 )	( 1,542 )
A22500	Loss on disposal of property, plant and equipment	-	27
A23100	Gain on disposal of available-for-sale financial assets, net	( 95 )	( 41 )
A23800	Reversal of write-down of inventories	181	( 1,146 )
A20400	gain on financial assets at fair value through profit or loss -current	( 167 )	-
A24100	Net foreign exchange losses (gains)	2,753	20,204
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	3,852	2,389
A31150	Accounts receivable	( 9,990 )	41,302
A31200	Inventories	19,521	( 4,821 )
A31240	Other current assets	( 241 )	11,595
A32150	Accounts payable	( 10,671 )	( 35,840 )
A32180	Other payables	( 987 )	( 6,669 )
A32230	Other current liabilities	959	( 507 )
A32240	Net defined benefit liability	( 128 )	( 678 )
A33000	Cash generated from operations	28,591	41,852
A33100	Interest received	3,257	2,353
A33300	Interest paid	( 7 )	( 9 )
A33500	Income taxes paid	( 755 )	( 234 )
AAAA	Net cash inflow generated by operating activities	<u>31,086</u>	<u>43,962</u>

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		For the Three Months Ended March 31	
Code		2018	2017
	Cash Flows from Investing Activities		
B00010	Acquisitions of Financial assets at fair value through profit or loss	( \$ 16,000 )	\$ -
B00020	Proceeds from disposal or redemption of Financial assets at fair value through profit or loss	26,430	-
B00300	Acquisitions of available-for-sale financial assets	-	( 45,000 )
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	-	32,000
B00600	Acquisitions of debt investments with no active market	-	( 225,081 )
B00700	Proceeds from disposal or redemption of debt investments with no active market	-	218,390
B00040	Acquisitions of Financial assets at amortized cost-current	( 196,975 )	-
B00050	Proceeds from disposal or redemption of Financial assets at amortized cost-current	229,981	-
B02700	Payments for property, plant and equipment	( 7,418 )	( 4,809 )
BBBB	Net cash generated from (used in) investing activities	<u>36,018</u>	<u>( 24,500 )</u>
	Cash Flows from Financing Activities		
C09900	Other Financing Activities	<u>24</u>	<u>-</u>
CCCC	Net cash generated from (used in) financing activities	<u>24</u>	<u>-</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>1,048</u>	<u>( 3,029 )</u>
EEEE	Net increase (decrease) in cash and cash equivalents	68,176	16,433
E00100	Cash and cash equivalents, beginning of period	<u>75,086</u>	<u>75,793</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 143,262</u>	<u>\$ 92,226</u>

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