

Stock Symbol: 1325

# Universal Incorporation and Subsidiaries

## Consolidated Parent and Subsidiary Financial Report for the Year 2018

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Universal Incorporation and Subsidiaries  
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2018		December 31, 2017	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents	\$ 162,843	8	\$ 75,086	4
1110	Financial assets at fair value through profit or loss – current	146,027	8	-	-
1125	Available-for-sale financial assets - current	-	-	175,060	9
1136	Financial assets at amortized cost – current	414,444	22	-	-
1147	Debt investments without active market - current	-	-	481,443	25
1150	Notes receivable	5,340	-	8,771	1
1170	Accounts receivables	143,150	7	134,233	7
130X	Inventories	146,226	8	144,115	8
1470	Other current assets	16,709	1	16,782	1
11XX	Total current assets	<u>1,034,739</u>	<u>54</u>	<u>1,035,490</u>	<u>55</u>
Non-current Assets					
1517	Financial assets at fair value through other comprehensive income – non-current	51,572	3	-	-
1543	Financial assets measured at cost – non-current	-	-	57,088	3
1600	Property, plant and equipment	808,776	42	789,059	42
1821	Other intangible assets	20	-	82	-
1840	Deferred income tax assets	5,976	-	7,446	-
1920	Refundable deposits	180	-	181	-
1985	Long-term prepayment for lease	7,878	1	8,328	-
15XX	Total non-current assets	<u>874,402</u>	<u>46</u>	<u>862,184</u>	<u>45</u>
1XXX	Total Assets	<u>\$ 1,909,141</u>	<u>100</u>	<u>\$ 1,897,674</u>	<u>100</u>
Liabilities and Equity					
Current Liabilities					
2170	Accounts payable	\$ 25,679	1	\$ 32,310	2
2219	Other payables	27,611	2	25,660	1
2230	Current income tax liabilities	3,651	-	4,686	-
2399	Other current liabilities	2,290	-	1,365	-
21XX	Total current liabilities	<u>59,231</u>	<u>3</u>	<u>64,021</u>	<u>3</u>
Non-current Liabilities					
2570	Deferred income tax liabilities	50,453	2	50,453	3
2640	Net defined benefit liability – non-current	13,912	1	14,777	1
25XX	Total non-current liabilities	<u>64,365</u>	<u>3</u>	<u>65,230</u>	<u>4</u>
2XXX	Total liabilities	<u>123,596</u>	<u>6</u>	<u>129,251</u>	<u>7</u>
Equity Attributable to Shareholders of the Parent					
Capital stock					
3110	Common stock	852,812	45	852,812	45
3200	Capital surplus	3,171	-	3,239	-
Retained earnings					
3310	Appropriated as legal capital reserve	205,080	11	200,729	11
3320	Appropriated as special capital reserve	162,820	8	158,190	8
3350	Un-appropriated earnings	517,700	27	495,914	26
3300	Total retained earnings	<u>885,600</u>	<u>46</u>	<u>854,833</u>	<u>45</u>
3400	Other equity	( 24,052 )	( 1 )	( 15,323 )	( 1 )
31XX	Equity attributable to shareholders of the parent	1,717,531	90	1,695,561	89
36XX	Non-controlling interests	<u>68,014</u>	<u>4</u>	<u>72,862</u>	<u>4</u>
3XXX	Total equity	<u>1,785,545</u>	<u>94</u>	<u>1,768,423</u>	<u>93</u>
Total Liabilities and Equity		<u>\$ 1,909,141</u>	<u>100</u>	<u>\$ 1,897,674</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)

Code	2018		2017	
	Amount	%	Amount	%
Operating Revenue				
4100 Sales Revenue	\$ 914,449	100	\$ 865,210	100
Operating Costs				
5110 Cost of goods Sold	812,852	89	747,063	86
5900 Gross Profit	101,597	11	118,147	14
Operating Expenses				
6100 Marketing	14,952	2	16,954	2
6200 General and administrative	27,371	3	26,495	3
6300 Research and development	10,459	1	9,248	1
6000 Total operating expenses	52,782	6	52,697	6
6900 Income from Operations	48,815	5	65,450	8
Non-Operating Income and Expenses				
7010 Other income	11,393	1	12,421	1
7020 Other gains and losses	13,149	2	( 24,981 )	( 3 )
7050 Finance costs	( 22 )	-	( 32 )	-
7000 Total non-operating income and expenses	24,520	3	( 12,592 )	( 2 )
7900 Income Before Income Tax	73,335	8	52,858	6
7950 Income Tax Expense	13,413	1	13,181	1
8200 Net Income	59,922	7	39,677	5
Other Comprehensive Income (Loss)				
Items that will not be reclassified subsequently to profit or loss				
8311 Re-measurement of defined benefit obligation	\$ 353	-	( \$ 472 )	-
8316 Unrealized gain(loss) from investments in equity instruments at fair value through other comprehensive Income	( 4,214 )	-	-	-
8349 Income tax benefit related to items that will not be reclassified subsequently	7	-	80	-
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences arising on translation of foreign operations	( 5,325 )	( 1 )	( 7,041 )	( 1 )
8362 Unrealized gain (loss) from available-for-sale financial assets	-	-	840	-
8300 Other comprehensive income for the period, net of income tax	( 9,179 )	( 1 )	( 6,593 )	( 1 )
8500 Total comprehensive income for the period	\$ 50,743	6	\$ 33,084	4
Net Income (Loss) Attributable To:				
8610 Shareholders of the parent	\$ 59,853	7	\$ 43,512	5
8620 Non-controlling interests	69	-	( 3,835 )	-
8600	\$ 59,922	7	\$ 39,677	5
Total Comprehensive Income (Loss) Attributable To:				
To:				
8710 Shareholders of the parent	\$ 51,950	6	\$ 38,882	5
8720 Non-controlling interests	( 1,207 )	-	( 5,798 )	( 1 )
8700	\$ 50,743	6	\$ 33,084	4
Earnings Per Share				
9750 Basic earnings per share	\$ 0.70		\$ 0.51	
9850 Diluted earnings per share	\$ 0.70		\$ 0.51	

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Shu-chi Liao

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										Total	Non-controlling Interests	Total Equity
		Capital Stock	Capital Surplus	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				
Code				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	
	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 — NTD0.80/per share	-	-	-	-	( 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	
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	
	Appropriation of 2017 earnings													
B1	Legal capital reserve	-	-	4,351	-	( 4,351)	-	-	-	-	-	-	-	
B3	Special Capital Reserve	-	-	-	4,630	( 4,630)	-	-	-	-	-	-	-	
B5	cash dividend distributed by the company — NTD0.35/per share	-	-	-	-	( 29,848)	-	-	-	-	( 29,848)	-	( 29,848)	
C3	Generated from donation	-	25	-	-	-	-	-	-	-	25	-	25	
M5	Additional acquisition of partially-owned subsidiaries	-	( 93)	-	-	-	-	-	-	-	( 93)	( 3,641)	( 3,734)	
D1	Net income (loss) for the year 2018	-	-	-	-	59,853	-	-	-	-	59,853	69	59,922	
D3	Other comprehensive income (loss) for the year 2018, net of income tax	-	-	-	-	-	360	( 4,049)	-	( 4,214)	( 7,903)	( 1,276)	( 9,179)	
D5	Total comprehensive income (loss) for the year 2018	-	-	-	-	59,853	360	( 4,049)	-	( 4,214)	51,950	( 1,207)	50,743	
Z1	Balance, December 31, 2018	\$ 852,812	\$ 3,171	\$ 205,080	\$ 162,820	\$ 517,700	(\$ 1,780)	(\$ 17,994)	\$ -	(\$ 4,278)	\$ 1,717,531	\$ 68,014	\$ 1,785,545	

President  
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Universal Incorporation and Subsidiaries  
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		2018	2017
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 73,335	\$ 52,858
A20010	Adjustments for:		
A20100	Depreciation expense	55,579	63,384
A20200	Amortization expense	62	84
A20400	Gain on financial assets at fair value through profit or loss -current	( 374 )	-
A29900	Amortization of prepayment for lease	312	308
A20900	Finance costs	22	32
A21200	Interest income	( 8,209 )	( 6,776 )
A21300	Dividend income	( 1,135 )	( 652 )
A22500	Loss on disposal of property, plant and equipment	361	27
A23100	Gain on disposal of financial assets, net	( 528 )	( 332 )
A23800	Loss (reversal gain) on inventories valuation	947	( 1,215 )
A24100	Net foreign exchange losses (gains)	( 15,442 )	21,996
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	3,431	1,463
A31150	Accounts receivable	( 8,931 )	34,797
A31200	Inventories	( 3,855 )	6,647
A31240	Other current assets	( 70 )	15,981
A32150	Accounts payable	( 6,532 )	( 17,081 )
A32180	Other payables	3,244	( 11,626 )
A32230	Other current liabilities	927	( 898 )
A32240	Net defined benefit liability	( 512 )	( 1,038 )
A33000	Cash generated from operations	92,632	157,959
A33100	Interest received	8,417	5,816
A33300	Interest paid	( 24 )	( 30 )
A33500	Income taxes paid	( 12,971 )	( 26,782 )
AAAA	Net cash generated form operating activities	<u>88,054</u>	<u>136,963</u>
	Cash Flows from Investing Activities		
B0030	Proceeds from decreased capital of Financial assets at fair value through other comprehensive Income	1,238	-

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Code		2018	2017
B00040	Acquisitions of Financial assets at amortized cost	( 484,441 )	-
B00050	Proceeds from disposal or redemption of Financial assets at amortized cost-current	566,725	-
B00100	Acquisitions of Financial assets at fair value through profit or loss	( 123,000 )	-
B00200	Proceeds from disposal or redemption of Financial assets at fair value through profit or loss	152,935	-
B00300	Acquisitions of available-for-sale financial assets	-	( 159,000 )
B00400	Proceeds from disposal or redemption of available-for-sale financial assets	-	130,000
B00600	Acquisitions of debt investments with no active market	-	( 501,889 )
B00700	Proceeds from disposal or redemption of debt investments with no active market	-	490,437
B02700	Payments for property, plant and equipment	( 80,111 )	( 24,510 )
B02800	Proceeds from disposal of property, plant and equipment	29	-
B03800	Decrease in refundable deposits	-	70
B07600	Other dividend received	<u>1,135</u>	<u>652</u>
BBBB	Net cash generated from (used in) investing activities	<u>34,510</u>	<u>( 64,240 )</u>
	Cash Flows from Financing Activities		
C04500	Dividends paid to owners of the Company	( 29,848 )	( 68,225 )
C05400	Payments for additional acquisition of partially-owned subsidiaries	( 3,734 )	( 4,071 )
C09900	Other Financing Activities	<u>25</u>	<u>27</u>
CCCC	Net cash generated from (used in) financing activities	<u>( 35,557 )</u>	<u>( 72,269 )</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>( 1,250 )</u>	<u>( 1,161 )</u>
EEEE	Net increase (decrease) in cash and cash equivalents	87,757	( 707 )
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>\$ 162,843</u>	<u>\$ 75,086</u>

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