

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q2 2020

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	June 30, 2020		December 31, 2019		June 30, 2019	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents	\$ 426,305	14	\$ 176,524	9	\$ 149,515	8
1110	Financial assets at fair value through profit or loss – current	479,815	16	197,210	10	226,665	12
1136	Financial assets at amortized cost – current	341,714	11	255,043	14	372,787	19
1150	Notes receivable	7,994	-	7,413	-	2,441	-
1170	Accounts receivables	400,367	13	104,596	6	110,402	6
130X	Inventories	168,401	5	130,896	7	132,547	7
1470	Other current assets	25,326	1	15,694	1	24,199	1
11XX	Total current assets	<u>1,849,922</u>	<u>60</u>	<u>887,376</u>	<u>47</u>	<u>1,018,556</u>	<u>53</u>
	Non-current Assets						
1517	Financial assets at fair value through other comprehensive income – non-current	210,731	7	51,998	3	51,303	3
1600	Property, plant and equipment	1,029,255	33	922,087	49	850,032	44
1755	Right-of-use asset	7,319	-	7,678	1	8,240	-
1840	Deferred income tax assets	5,339	-	5,143	-	4,890	-
1920	Refundable deposits	168	-	169	-	181	-
15XX	Total non-current assets	<u>1,252,812</u>	<u>40</u>	<u>987,075</u>	<u>53</u>	<u>914,646</u>	<u>47</u>
1XXX	Total Assets	<u>\$ 3,102,734</u>	<u>100</u>	<u>\$ 1,874,451</u>	<u>100</u>	<u>\$ 1,933,202</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2150	Notes payable	\$ 3,675	-	\$ -	-	\$ -	-
2170	Accounts payable	20,816	1	5,659	1	24,398	1
2219	Other payables	139,335	5	36,878	2	68,926	4
2230	Current income tax liabilities	183,434	6	2,240	-	4,796	-
2280	Lease liability– current	39	-	38	-	37	-
2399	Other current liabilities	39,693	1	2,361	-	2,249	-
21XX	Total current liabilities	<u>386,992</u>	<u>13</u>	<u>47,176</u>	<u>3</u>	<u>100,406</u>	<u>5</u>
	Non-current Liabilities						
2570	Deferred income tax liabilities	50,453	2	50,453	2	50,453	3
2580	Lease liability – non-current	63	-	82	-	101	-
2640	Net defined benefit liability – non-current	12,633	-	13,023	1	13,612	1
25XX	Total non-current liabilities	<u>63,149</u>	<u>2</u>	<u>63,558</u>	<u>3</u>	<u>64,166</u>	<u>4</u>
2XXX	Total liabilities	<u>450,141</u>	<u>15</u>	<u>110,734</u>	<u>6</u>	<u>164,572</u>	<u>9</u>
	Equity Attributable to Shareholders of the Parent						
	Capital stock						
3110	Common stock	<u>852,812</u>	<u>28</u>	<u>852,812</u>	<u>46</u>	<u>852,812</u>	<u>44</u>
3200	Capital surplus	<u>3,167</u>	<u>-</u>	<u>3,101</u>	<u>-</u>	<u>3,263</u>	<u>-</u>
	Retained earnings						
3310	Appropriated as legal capital reserve	214,690	7	211,065	11	211,065	11
3320	Appropriated as special capital reserve	179,174	6	171,534	9	171,534	9
3350	Un-appropriated earnings	<u>1,198,048</u>	<u>38</u>	<u>496,592</u>	<u>27</u>	<u>483,028</u>	<u>25</u>
3300	Total retained earnings	<u>1,591,912</u>	<u>51</u>	<u>879,191</u>	<u>47</u>	<u>865,627</u>	<u>45</u>
3400	Other equity	<u>119,863</u>	<u>4</u>	<u>(31,693)</u>	<u>(2)</u>	<u>(20,833)</u>	<u>(1)</u>
31XX	Equity attributable to shareholders of the parent	<u>2,567,754</u>	<u>83</u>	<u>1,703,411</u>	<u>91</u>	<u>1,700,869</u>	<u>88</u>
36XX	Non-controlling interests	<u>84,839</u>	<u>2</u>	<u>60,306</u>	<u>3</u>	<u>67,761</u>	<u>3</u>
3XXX	Total equity	<u>2,652,593</u>	<u>85</u>	<u>1,763,717</u>	<u>94</u>	<u>1,768,630</u>	<u>91</u>
	Total Liabilities and Equity	<u>\$ 3,102,734</u>	<u>100</u>	<u>\$ 1,874,451</u>	<u>100</u>	<u>\$ 1,933,202</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		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2020		2019		2020		2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating Revenue								
	Sales Revenue	\$ 1,240,389	100	\$ 224,178	100	\$ 1,668,488	100	\$ 419,831	100
	Operating Costs								
5110	Cost of goods Sold	<u>387,052</u>	<u>31</u>	<u>201,519</u>	<u>90</u>	<u>630,631</u>	<u>38</u>	<u>374,964</u>	<u>89</u>
5900	Gross Profit	<u>853,337</u>	<u>69</u>	<u>22,659</u>	<u>10</u>	<u>1,037,857</u>	<u>62</u>	<u>44,867</u>	<u>11</u>
	Operating Expenses								
6100	Marketing	7,636	1	4,505	2	13,209	1	8,071	2
6200	General and administrative	49,190	4	7,010	3	63,709	4	13,376	3
6300	Research and development	<u>3,509</u>	<u>-</u>	<u>2,936</u>	<u>1</u>	<u>6,940</u>	<u>-</u>	<u>5,389</u>	<u>1</u>
6000	Total operating expenses	<u>60,335</u>	<u>5</u>	<u>14,451</u>	<u>6</u>	<u>83,858</u>	<u>5</u>	<u>26,836</u>	<u>6</u>
6900	Income from Operations	<u>793,002</u>	<u>64</u>	<u>8,208</u>	<u>4</u>	<u>953,999</u>	<u>57</u>	<u>18,031</u>	<u>5</u>
	Non-Operating Income and Expenses								
7100	Interest Income	1,165	-	2,282	1	2,225	-	4,723	1
7010	Other income	791	-	266	-	1,133	-	668	-
7020	Other gains and losses	(2,018)	-	3,198	1	362	-	4,359	1
7050	Finance costs	(12)	-	(4)	-	(18)	-	(12)	-
7000	Total non-operating income and expenses	(74)	-	<u>5,742</u>	<u>2</u>	<u>3,702</u>	<u>-</u>	<u>9,738</u>	<u>2</u>
7900	Income Before Income Tax	792,928	64	13,950	6	957,701	57	27,769	7
7950	Income Tax Expense	<u>163,260</u>	<u>13</u>	<u>2,387</u>	<u>1</u>	<u>192,818</u>	<u>11</u>	<u>5,995</u>	<u>2</u>
8200	Net Income	<u>629,668</u>	<u>51</u>	<u>11,563</u>	<u>5</u>	<u>764,883</u>	<u>46</u>	<u>21,774</u>	<u>5</u>
	Other Comprehensive Income (Loss)								
8310	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	137,588	11	(506)	-	159,252	10	920	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences arising on translation of foreign operations	(6,990)	(1)	(3,989)	(2)	(9,741)	(1)	<u>2,955</u>	<u>1</u>
8300	Other comprehensive income (loss) for the period, net of income tax	<u>130,598</u>	<u>10</u>	(4,495)	(2)	<u>149,511</u>	<u>9</u>	<u>3,875</u>	<u>1</u>
8500	Total comprehensive income for the period	<u>\$ 760,266</u>	<u>61</u>	<u>\$ 7,068</u>	<u>3</u>	<u>\$ 914,394</u>	<u>55</u>	<u>\$ 25,649</u>	<u>6</u>
	Net Income Attributable To:								
8610	Shareholders of the parent	\$ 614,591	50	\$ 11,485	5	\$ 738,305	44	\$ 22,683	5
8620	Non-controlling interests	<u>15,077</u>	<u>1</u>	<u>78</u>	<u>-</u>	<u>26,578</u>	<u>2</u>	(909)	-
8600		<u>\$ 629,668</u>	<u>51</u>	<u>\$ 11,563</u>	<u>5</u>	<u>\$ 764,883</u>	<u>46</u>	<u>\$ 21,774</u>	<u>5</u>
	Total Comprehensive Income Attributable To:								
8710	Shareholders of the parent	\$ 746,656	60	\$ 7,875	3	\$ 889,861	53	\$ 25,902	6
8720	Non-controlling interests	<u>13,610</u>	<u>1</u>	(807)	-	<u>24,533</u>	<u>2</u>	(253)	-
8700		<u>\$ 760,266</u>	<u>61</u>	<u>\$ 7,068</u>	<u>3</u>	<u>\$ 914,394</u>	<u>55</u>	<u>\$ 25,649</u>	<u>6</u>
	Earnings Per Share								
9750	Basic earnings per share	<u>\$ 7.21</u>		<u>\$ 0.14</u>		<u>\$ 8.66</u>		<u>\$ 0.27</u>	
9850	Diluted earnings per share	<u>\$ 7.19</u>		<u>\$ 0.14</u>		<u>\$ 8.64</u>		<u>\$ 0.27</u>	

President
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General Manager
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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	Legal capital Reserve	Retained Earnings Special Capital Reserve	Un-appropriated Earnings	Re-measurement of Defined Benefit Obligation	Exchange Differences on Translating Foreign Operations	Unrealized gain(loss) from investments in equity instruments at fair value through other Comprehensive Income			
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A1	Balance, January 1, 2019	\$ 852,812	\$ 3,171	\$ 205,080	\$ 162,820	\$ 517,700	(\$ 1,780)	(\$ 17,994)	(\$ 4,278)	\$ 1,717,531	\$ 68,014	\$ 1,785,545
	Appropriation of 2018 earnings											
B1	Legal capital reserve	-	-	5,985	-	(5,985)	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	8,714	(8,729)	-	-	-	(15)	-	(15)
B5	cash dividend distributed by the company — NTD0.5/per share	-	-	-	-	(42,641)	-	-	-	(42,641)	-	(42,641)
C3	Generated from donation	-	92	-	-	-	-	-	-	92	-	92
D1	Net income for the six months ended June 30, 2019	-	-	-	-	22,683	-	-	-	22,683	(909)	21,774
D3	Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	-	2,299	920	3,219	656	3,875
D5	Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	22,683	-	2,299	920	25,902	(253)	25,649
Z1	Balance, June 30, 2019	\$ 852,812	\$ 3,263	\$ 211,065	\$ 171,534	\$ 483,028	(\$ 1,780)	(\$ 15,695)	(\$ 3,358)	\$ 1,700,869	\$ 67,761	\$ 1,768,630
A1	Balance, January 1, 2020	\$ 852,812	\$ 3,101	\$ 211,065	\$ 171,534	\$ 496,592	(\$ 1,530)	(\$ 27,500)	(\$ 2,663)	\$ 1,703,411	\$ 60,306	\$ 1,763,717
	Appropriation of 2019 earnings											
B1	Legal capital reserve	-	-	3,625	-	(3,625)	-	-	-	-	-	-
B3	Special Capital Reserve	-	-	-	7,640	(7,640)	-	-	-	-	-	-
B5	cash dividend distributed by the company — NTD0.3/per share	-	-	-	-	(25,584)	-	-	-	(25,584)	-	(25,584)
C3	Generated from donation	-	66	-	-	-	-	-	-	66	-	66
D1	Net income for the six months ended June 30, 2020	-	-	-	-	738,305	-	-	-	738,305	26,578	764,883
D3	Other comprehensive income for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	(7,696)	159,252	151,556	(2,045)	149,511
D5	Total comprehensive income for the six months ended June 30, 2020	-	-	-	-	738,305	-	(7,696)	159,252	889,861	24,533	914,394
Z1	Balance, June 30, 2020	\$ 852,812	\$ 3,167	\$ 214,690	\$ 179,174	\$ 1,198,048	(\$ 1,530)	(\$ 35,196)	\$ 156,589	\$ 2,567,754	\$ 84,839	\$ 2,652,593

President
Mei-hui Huang

General Manager
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Supervisor
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Universal Incorporation and Subsidiaries
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

Code		For the Six Months Ended June 30	
		2020	2019
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 957,701	\$ 27,769
A20010	Adjustments for:		
A20100	Depreciation expense	27,622	24,823
A20200	Amortization expense	-	20
A20400	gain on financial assets at fair value through profit or loss -current	(336)	(230)
A20900	Finance costs	18	12
A21200	Interest income	(2,225)	(4,723)
A21300	Dividend income	(115)	-
A22500	Loss (gain) on disposal of property, plant and equipment	(85)	22
A23100	Gain on disposal of financial assets, net	(269)	(287)
A23800	Loss on inventories valuation	3,413	450
A24100	Net foreign exchange losses (gains)	288	(4,200)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(581)	2,899
A31150	Accounts receivable	(295,762)	32,755
A31200	Inventories	(41,989)	13,697
A31240	Other current assets	(9,748)	(7,272)
A32125	Contract liabilities	(31,932)	-
A32130	Notes payable	3,675	-
A32150	Accounts payable	15,160	(1,382)
A32180	Other payables	87,586	(1,986)
A32230	Other current liabilities	37,305	(42)
A32240	Net defined benefit liability	(390)	(300)
A33000	Cash generated from operations	749,336	82,025
A33100	Interest received	2,877	5,368
A33300	Interest paid	(18)	(11)
A33500	Income taxes paid	(2,404)	(3,764)
AAAA	Net cash inflow generated by operating activities	<u>749,791</u>	<u>83,618</u>

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Code		For the Six Months Ended June 30	
		2020	2019
	Cash Flows from Investing Activities		
B00040	Acquisitions of Financial assets at amortized cost-current	(\$ 294,819)	(283,174)
B00050	Proceeds from disposal or redemption of Financial assets at amortized cost-current	207,858	329,146
B00100	Acquisitions of Financial assets at fair value through profit or loss	(316,000)	(\$ 119,000)
B00200	Proceeds from disposal or redemption of Financial assets at fair value through profit or loss	34,000	38,879
B02700	Payments for property, plant and equipment	(120,680)	(63,466)
B02800	Proceeds from disposal of property, plant and equipment	2,875	-
B07600	Other dividend received	115	-
BBBB	Net cash generated from (used in) investing activities	(486,651)	(97,615)
	Cash Flows from Financing Activities		
C04020	Lease liability principal repayment	(19)	(15)
C09900	Other Financing Activities	66	92
CCCC	Net cash generated from (used in) financing activities	47	77
DDDD	Effect of exchange rate changes on cash and cash equivalents	(13,406)	592
EEEE	Net increase (decrease) in cash and cash equivalents	249,781	(13,328)
E00100	Cash and cash equivalents, beginning of period	176,524	162,843
E00200	Cash and cash equivalents, end of period	\$ 426,305	\$ 149,515

President
Mei-hui Huang

General Manager
Mei-hui Huang

Supervisor
Shu-chi Liao