

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q3 2020

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2020		December 31, 2019		September 30, 2019	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents	\$ 679,952	17	\$ 176,524	9	\$ 138,191	7
1110	Financial assets at fair value through profit or loss – current	898,431	22	197,210	10	196,946	11
1136	Financial assets at amortized cost – current	678,200	17	255,043	14	318,676	17
1150	Notes receivable	6,067	-	7,413	-	5,812	-
1170	Accounts receivables	297,758	7	104,596	6	122,988	7
1220	Current income tax assets	-	-	-	-	1,148	-
130X	Inventories	173,360	4	130,896	7	126,128	7
1470	Other current assets	31,430	1	15,694	1	8,435	1
11XX	Total current assets	<u>2,765,198</u>	<u>68</u>	<u>887,376</u>	<u>47</u>	<u>918,324</u>	<u>50</u>
	Non-current Assets						
1517	Financial assets at fair value through other comprehensive Income – non-current	169,130	4	51,998	3	50,293	3
1600	Property, plant and equipment	1,124,393	28	922,087	49	878,383	47
1755	Right-of-use asset	7,387	-	7,678	1	7,924	-
1840	Deferred income tax assets	5,889	-	5,143	-	4,534	-
1920	Refundable deposits	169	-	169	-	479	-
15XX	Total non-current assets	<u>1,306,968</u>	<u>32</u>	<u>987,075</u>	<u>53</u>	<u>914,613</u>	<u>50</u>
1XXX	Total Assets	<u>\$ 4,072,166</u>	<u>100</u>	<u>\$ 1,874,451</u>	<u>100</u>	<u>\$ 1,859,937</u>	<u>100</u>
	Liabilities and Equity						
	Current Liabilities						
2170	Accounts payable	\$ 43,740	1	\$ 5,659	1	\$ 7,010	-
2219	Other payables	177,377	4	36,878	2	25,867	2
2230	Current income tax liabilities	333,571	8	2,240	-	-	-
2280	Lease liability – current	40	-	38	-	38	-
2399	Other current liabilities	139,909	4	2,361	-	2,174	-
21XX	Total current liabilities	<u>694,637</u>	<u>17</u>	<u>47,176</u>	<u>3</u>	<u>35,089</u>	<u>2</u>
	Non-current Liabilities						
2570	Deferred income tax liabilities	50,453	1	50,453	2	50,453	3
2580	Lease liability – non-current	52	-	82	-	91	-
2640	Net defined benefit liability – non-current	12,441	1	13,023	1	13,471	1
25XX	Total non-current liabilities	<u>62,946</u>	<u>2</u>	<u>63,558</u>	<u>3</u>	<u>64,015</u>	<u>4</u>
2XXX	Total liabilities	<u>757,583</u>	<u>19</u>	<u>110,734</u>	<u>6</u>	<u>99,104</u>	<u>6</u>
	Equity Attributable to Shareholders of the Parent						
	Capital stock						
3110	Common stock	852,812	21	852,812	46	852,812	46
3200	Capital surplus	3,167	-	3,101	-	3,101	-
	Retained earnings						
3310	Appropriated as legal capital reserve	214,690	5	211,065	11	211,065	12
3320	Appropriated as special capital reserve	179,174	5	171,534	9	171,534	9
3350	Un-appropriated earnings	1,883,908	46	496,592	27	488,401	26
3300	Total retained earnings	<u>2,277,772</u>	<u>56</u>	<u>879,191</u>	<u>47</u>	<u>871,000</u>	<u>47</u>
3400	Other equity	85,095	2	(31,693)	(2)	(28,777)	(2)
31XX	Equity attributable to shareholders of the parent	<u>3,218,846</u>	<u>79</u>	<u>1,703,411</u>	<u>91</u>	<u>1,698,136</u>	<u>91</u>
36XX	Non-controlling interests	<u>95,737</u>	<u>2</u>	<u>60,306</u>	<u>3</u>	<u>62,697</u>	<u>3</u>
3XXX	Total equity	<u>3,314,583</u>	<u>81</u>	<u>1,763,717</u>	<u>94</u>	<u>1,760,833</u>	<u>94</u>
	Total Liabilities and Equity	<u>\$ 4,072,166</u>	<u>100</u>	<u>\$ 1,874,451</u>	<u>100</u>	<u>\$ 1,859,937</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 September 30				For the Nine Months Ended September 30			
		2020		2019		2020		2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating Revenue								
	Sales Revenue	\$ 1,324,440	100	\$ 177,576	100	\$ 2,992,928	100	\$ 597,407	100
	Operating Costs								
5110	Cost of goods Sold	<u>392,491</u>	<u>30</u>	<u>163,446</u>	<u>92</u>	<u>1,023,122</u>	<u>34</u>	<u>538,410</u>	<u>90</u>
5900	Gross Profit	<u>931,949</u>	<u>70</u>	<u>14,130</u>	<u>8</u>	<u>1,969,806</u>	<u>66</u>	<u>58,997</u>	<u>10</u>
	Operating Expenses								
6100	Marketing	7,797	-	3,620	2	21,006	1	11,691	2
6200	General and administrative	49,625	4	6,071	4	113,334	4	19,447	3
6300	Research and development	<u>3,884</u>	-	<u>2,526</u>	<u>1</u>	<u>10,824</u>	-	<u>7,915</u>	<u>1</u>
6000	Total operating expenses	<u>61,306</u>	<u>4</u>	<u>12,217</u>	<u>7</u>	<u>145,164</u>	<u>5</u>	<u>39,053</u>	<u>6</u>
6900	Income from Operations	<u>870,643</u>	<u>66</u>	<u>1,913</u>	<u>1</u>	<u>1,824,642</u>	<u>61</u>	<u>19,944</u>	<u>3</u>
	Non-Operating Income and Expenses								
7100	Interest Income	1,431	-	1,997	1	3,656	-	6,720	1
7010	Other income	1,169	-	1,309	1	2,302	-	1,977	-
7020	Other gains and losses	(444)	-	1,024	-	(82)	-	5,383	1
7050	Finance costs	(6)	-	(7)	-	(24)	-	(19)	-
7000	Total non-operating income and expenses	<u>2,150</u>	-	<u>4,323</u>	<u>2</u>	<u>5,852</u>	-	<u>14,061</u>	<u>2</u>
7900	Income Before Income Tax	872,793	66	6,236	3	1,830,494	61	34,005	6
7950	Income Tax Expense	<u>177,850</u>	<u>14</u>	<u>413</u>	-	<u>370,668</u>	<u>12</u>	<u>6,408</u>	<u>1</u>
8200	Net Income	<u>694,943</u>	<u>52</u>	<u>5,823</u>	<u>3</u>	<u>1,459,826</u>	<u>49</u>	<u>27,597</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	(41,601)	(3)	(1,010)	-	117,651	4	(90)	-
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences arising on translation of foreign operations	<u>8,648</u>	<u>1</u>	<u>(8,770)</u>	<u>(5)</u>	<u>(1,093)</u>	-	<u>(5,815)</u>	<u>(1)</u>
8300	Other comprehensive income (loss) for the period, net of income tax	<u>(32,953)</u>	<u>(2)</u>	<u>(9,780)</u>	<u>(5)</u>	<u>116,558</u>	<u>4</u>	<u>(5,905)</u>	<u>(1)</u>
8500	Total comprehensive income for the period	<u>\$ 661,990</u>	<u>50</u>	<u>(\$ 3,957)</u>	<u>(2)</u>	<u>\$ 1,576,384</u>	<u>53</u>	<u>\$ 21,692</u>	<u>4</u>
	Net Income Attributable To:								
8610	Shareholders of the parent	\$ 685,860	52	\$ 5,373	3	\$ 1,424,165	48	\$ 28,056	5
8620	Non-controlling interests	<u>9,083</u>	-	<u>450</u>	-	<u>35,661</u>	<u>1</u>	<u>(459)</u>	-
8600		<u>\$ 694,943</u>	<u>52</u>	<u>\$ 5,823</u>	<u>3</u>	<u>\$ 1,459,826</u>	<u>49</u>	<u>\$ 27,597</u>	<u>5</u>
	Total Comprehensive Income Attributable To:								
8710	Shareholders of the parent	\$ 651,092	49	(\$ 2,571)	(1)	\$ 1,540,953	52	\$ 23,331	4
8720	Non-controlling interests	<u>10,898</u>	<u>1</u>	<u>(1,386)</u>	<u>(1)</u>	<u>35,431</u>	<u>1</u>	<u>(1,639)</u>	-
8700		<u>\$ 661,990</u>	<u>50</u>	<u>(\$ 3,957)</u>	<u>(2)</u>	<u>\$ 1,576,384</u>	<u>53</u>	<u>\$ 21,692</u>	<u>4</u>
	Earnings Per Share								
9750	Basic earnings per share	<u>\$ 8.04</u>		<u>\$ 0.06</u>		<u>\$ 16.70</u>		<u>\$ 0.33</u>	
9850	Diluted earnings per share	<u>\$ 8.02</u>		<u>\$ 0.06</u>		<u>\$ 16.61</u>		<u>\$ 0.33</u>	

President
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General Manager
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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					
		Capital Stock	Capital Surplus	Retained 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	Total	Non-controlling Interests	Total Equity
代 碼				Legal capital Reserve	Special Capital Reserve	Un-appropriated Earnings						
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
M5	Additional acquisition of partially-owned subsidiaries	-	(162)	-	-	-	-	-	-	(162)	(3,678)	(3,840)
D1	Net income for the nine months ended September 30, 2019	-	-	-	-	28,056	-	-	-	28,056	(459)	27,597
D3	Other comprehensive income for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	(4,635)	(90)	(4,725)	(1,180)	(5,905)
D5	Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	28,056	-	(4,635)	(90)	23,331	(1,639)	21,692
Z1	Balance, September 30, 2019	\$ 852,812	\$ 3,101	\$ 211,065	\$ 171,534	\$ 488,401	(\$ 1,780)	(\$ 22,629)	(\$ 4,368)	\$ 1,698,136	\$ 62,697	\$ 1,760,833
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 nine months ended September 30, 2020	-	-	-	-	1,424,165	-	-	-	1,424,165	35,661	1,459,826
D3	Other comprehensive income for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	(863)	117,651	116,788	(230)	116,558
D5	Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	1,424,165	-	(863)	117,651	1,540,953	35,431	1,576,384
Z1	Balance, September 30, 2020	\$ 852,812	\$ 3,167	\$ 214,690	\$ 179,174	\$ 1,883,908	(\$ 1,530)	(\$ 28,363)	\$ 114,988	\$ 3,218,846	\$ 95,737	\$ 3,314,583

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

(In Thousands of New Taiwan Dollars)

Code		For the Nine Months Ended September 30	
		2020	2019
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 1,830,494	\$ 34,005
A20010	Adjustments for:		
A20100	Depreciation expense	41,761	36,676
A20200	Amortization expense	-	20
A20400	gain on financial assets at fair value through profit or loss -current	(952)	(380)
A20900	Finance costs	24	19
A21200	Interest income	(3,656)	(6,720)
A21300	Dividend income	(621)	(675)
A22500	Loss (gain) on disposal of property, plant and equipment	(85)	55
A23100	Gain on disposal of financial assets, net	(269)	(418)
A23800	Loss on inventories valuation	4,663	372
A24100	Net foreign exchange losses (gains)	(1,387)	(6,795)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	1,346	(472)
A31150	Accounts receivable	(193,290)	20,133
A31200	Inventories	(47,350)	18,810
A31240	Other current assets	(16,356)	6,437
A32125	Contract liabilities	(31,932)	-
A32150	Accounts payable	38,032	(18,763)
A32180	Other payables	137,177	(2,863)
A32230	Other current liabilities	137,523	(118)
A32240	Net defined benefit liability	(582)	(441)
A33000	Cash generated from operations	1,894,540	78,882
A33100	Interest received	4,301	8,224
A33300	Interest paid	(24)	(19)
A33500	Income taxes paid	(40,139)	(9,765)
AAAA	Net cash inflow generated by operating activities	<u>1,858,678</u>	<u>77,322</u>

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Code		For the Nine Months Ended September 30	
		2020	2019
	Cash Flows from Investing Activities		
B00030	Proceeds from decreased capital of Financial assets at fair value through other comprehensive Income	\$ 519	\$ 1,189
B00040	Acquisitions of Financial assets at amortized cost-current	(745,122)	(405,565)
B00050	Proceeds from disposal or redemption of Financial assets at amortized cost-current	323,529	508,280
B00100	Acquisitions of Financial assets at fair value through profit or loss	(734,000)	(119,000)
B00200	Proceeds from disposal or redemption of Financial assets at fair value through profit or loss	34,000	68,879
B02700	Payments for property, plant and equipment	(212,681)	(108,197)
B02800	Proceeds from disposal of property, plant and equipment	2,875	-
B03700	Increase in refundable deposits	-	(300)
B07600	Other dividend received	621	675
BBBB	Net cash generated from (used in) investing activities	(1,330,259)	(54,039)
	Cash Flows from Financing Activities		
C04020	Lease liability principal repayment	(28)	(23)
C04500	Dividends paid to owners of the Company	(25,584)	(42,641)
C05400	Payments for additional acquisition of partially-owned subsidiaries	-	(3,840)
C09900	Other Financing Activities	66	92
CCCC	Net cash generated from (used in) financing activities	(25,546)	(46,412)
DDDD	Effect of exchange rate changes on cash and cash equivalents	555	(1,523)
EEEE	Net increase (decrease) in cash and cash equivalents	503,428	(24,652)
E00100	Cash and cash equivalents, beginning of period	176,524	162,843
E00200	Cash and cash equivalents, end of period	\$ 679,952	\$ 138,191

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