

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q1 2022

Address:

10 F., No. 372, Linsen N. Rd., Taipei City, Taiwan

Telephone:

(02) 2511-9161

Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

| | | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | |
|---|---|----------------|-----|-------------------|-----|----------------|-----|
| Code | Assets | Amount | % | Amount | % | Amount | % |
| Current Assets | | | | | | | |
| 1100 | Cash and cash equivalents | \$ 402,386 | 12 | \$ 406,558 | 13 | \$ 443,838 | 9 |
| 1110 | Financial assets at fair value through profit or loss – current | 292,528 | 9 | 332,413 | 10 | 1,689,965 | 35 |
| 1136 | Financial assets at amortized cost – current | 986,919 | 31 | 890,354 | 28 | 935,473 | 20 |
| 1150 | Notes receivable | 4,948 | - | 5,890 | - | 7,673 | - |
| 1170 | Accounts receivables | 78,406 | 3 | 89,249 | 3 | 151,181 | 3 |
| 1220 | Current income tax assets | 1,062 | - | 1,022 | - | | |
| 130X | Inventories | 152,689 | 5 | 170,113 | 5 | 192,706 | 4 |
| 1470 | Other current assets | 11,780 | - | 8,316 | - | 15,445 | 1 |
| 11XX | Total current assets | 1,930,718 | 60 | 1,903,915 | 59 | 3,436,281 | 72 |
| Non-current Assets | | | | | | | |
| 1517 | Financial assets at fair value through other comprehensive | | | | | | |
| | Income – non-current | 87,383 | 3 | 87,390 | 3 | 134,017 | 3 |
| 1600 | Property, plant and equipment | 1,209,763 | 37 | 1,213,631 | 38 | 1,210,512 | 25 |
| 1755 | Right-of-use asset | 7,271 | - | 7,084 | - | 7,338 | - |
| 1840 | Deferred income tax assets | 4,742 | - | 5,143 | - | 8,567 | - |
| 1920 | Refundable deposits | 220 | - | 219 | - | 220 | - |
| 15XX | Total non-current assets | 1,309,379 | 40 | 1,313,467 | 41 | 1,360,654 | 28 |
| 1XXX | Total Assets | \$ 3,240,097 | 100 | \$ 3,217,382 | 100 | \$ 4,796,935 | 100 |
| Liabilities and Equity | | | | | | | |
| Current Liabilities | | | | | | | |
| 2170 | Accounts payable | \$ 10,094 | - | \$ 6,128 | - | \$ 27,707 | 1 |
| 2219 | Other payables | 50,059 | 2 | 53,114 | 2 | 187,555 | 4 |
| 2230 | Current income tax liabilities | 41,361 | 1 | 40,066 | 1 | 494,282 | 10 |
| 2280 | Lease liability– current | 32 | - | 42 | - | 41 | - |
| 2399 | Other current liabilities | 7,280 | - | 6,298 | - | 20,820 | - |
| 21XX | Total current liabilities | 108,826 | 3 | 105,648 | 3 | 730,405 | 15 |
| Non-current Liabilities | | | | | | | |
| 2570 | Deferred income tax liabilities | 51,017 | 2 | 51,810 | 2 | 55,113 | 1 |
| 2580 | Lease liability – non-current | - | - | - | - | 31 | - |
| 2640 | Net defined benefit liability – non-current | 11,101 | - | 11,278 | - | 19,306 | 1 |
| 25XX | Total non-current liabilities | 62,118 | 2 | 63,088 | 2 | 74,450 | 2 |
| 2XXX | Total liabilities | 170,944 | 5 | 168,736 | 5 | 804,855 | 17 |
| Equity Attributable to Shareholders of the Parent | | | | | | | |
| Capital stock | | | | | | | |
| 3110 | Common stock | 852,812 | 26 | 852,812 | 27 | 852,812 | 18 |
| 3200 | Capital surplus | 3,333 | - | 3,261 | - | 3,261 | - |
| Retained earnings | | | | | | | |
| 3310 | Appropriated as legal capital reserve | 412,188 | 13 | 412,188 | 13 | 214,690 | 4 |
| 3320 | Appropriated as special capital reserve | 147,307 | 5 | 147,481 | 5 | 179,174 | 4 |
| 3350 | Un-appropriated earnings | 1,527,406 | 47 | 1,523,921 | 47 | 2,591,582 | 54 |
| 3300 | Total retained earnings | 2,086,901 | 65 | 2,083,590 | 65 | 2,985,446 | 62 |
| 3400 | Other equity | 23,168 | 1 | 8,686 | - | 48,764 | 1 |
| 31XX | Equity attributable to shareholders of the parent | 2,966,214 | 92 | 2,948,349 | 92 | 3,890,283 | 81 |
| 36XX | Non-controlling interests | 102,939 | 3 | 100,297 | 3 | 101,797 | 2 |
| 3XXX | Total equity | 3,069,153 | 95 | 3,048,646 | 95 | 3,992,080 | 83 |
| Total Liabilities and Equity | | \$ 3,240,097 | 100 | \$ 3,217,382 | 100 | \$ 4,796,935 | 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)

| | | For the Three Months Ended March 31 | | | |
|------|---|-------------------------------------|--------------|-------------------|--------------|
| | | 2022 | | 2021 | |
| Code | | Amount | % | Amount | % |
| 4100 | Operating Revenue | | | | |
| | Sales Revenue | \$ 149,980 | 100 | \$ 470,661 | 100 |
| | Operating Costs | | | | |
| 5110 | Cost of goods Sold | <u>139,172</u> | <u>93</u> | <u>246,618</u> | <u>52</u> |
| 5900 | Gross Profit | <u>10,808</u> | <u>7</u> | <u>224,043</u> | <u>48</u> |
| | Operating Expenses | | | | |
| 6100 | Marketing | 3,229 | 2 | 6,894 | 1 |
| 6200 | General and administrative | 6,684 | 4 | 17,208 | 4 |
| 6300 | Research and development | <u>2,331</u> | <u>2</u> | <u>2,724</u> | <u>1</u> |
| 6000 | Total operating expenses | <u>12,244</u> | <u>8</u> | <u>26,826</u> | <u>6</u> |
| 6900 | Income from Operations | (<u>1,436</u>) | (<u>1</u>) | <u>197,217</u> | <u>42</u> |
| | Non-Operating Income and Expenses | | | | |
| 7100 | Interest Income | 2,307 | 2 | 2,195 | - |
| 7010 | Other income | 331 | - | 474 | - |
| 7020 | Other gains and losses | 2,041 | 1 | (2,088) | - |
| 7050 | Finance costs | (<u>2</u>) | - | (<u>2</u>) | - |
| 7000 | Total non-operating income and expenses | <u>4,677</u> | <u>3</u> | <u>579</u> | - |
| 7900 | Income Before Income Tax | 3,241 | 2 | 197,796 | 42 |
| 7950 | Income Tax Expense | <u>963</u> | - | <u>40,357</u> | <u>9</u> |
| 8200 | Net Income | <u>2,278</u> | <u>2</u> | <u>157,439</u> | <u>33</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 | (<u>7</u>) | - | 7,202 | 2 |
| 8360 | Items that may be reclassified subsequently to profit or loss | | | | |
| 8361 | Exchange differences arising on translation of foreign operations | <u>18,338</u> | <u>12</u> | (<u>2,537</u>) | (<u>1</u>) |
| 8300 | Other comprehensive income for the period, net of income tax | <u>18,331</u> | <u>12</u> | <u>4,665</u> | <u>1</u> |
| 8500 | Total comprehensive income for the period | <u>\$ 20,609</u> | <u>14</u> | <u>\$ 162,104</u> | <u>34</u> |
| | Net Income (Loss) Attributable To: | | | | |
| 8610 | Shareholders of the parent | \$ 3,485 | 3 | \$ 156,860 | 33 |
| 8620 | Non-controlling interests | (<u>1,207</u>) | (<u>1</u>) | <u>579</u> | - |
| 8600 | | <u>\$ 2,278</u> | <u>2</u> | <u>\$ 157,439</u> | <u>33</u> |
| | Total Comprehensive Income (Loss) Attributable To: | | | | |
| 8710 | Shareholders of the parent | \$ 17,967 | 12 | \$ 162,058 | 34 |
| 8720 | Non-controlling interests | <u>2,642</u> | <u>2</u> | <u>46</u> | - |
| 8700 | | <u>\$ 20,609</u> | <u>14</u> | <u>\$ 162,104</u> | <u>34</u> |
| | Earnings Per Share | | | | |
| 9750 | Basic earnings per share | <u>\$ 0.04</u> | | <u>\$ 1.84</u> | |
| 9850 | Diluted earnings per share | <u>\$ 0.04</u> | | <u>\$ 1.82</u> | |

President
Mei-hui Huang

General Manager
Mei-hui Huang

Supervisor
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

| 代 碼 | | 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 | Unrealized gain(loss) from investments In equity instruments at fair value through other Comprehensive Income | | | |
| A1 | Balance, January 1, 2021 | \$ 852,812 | \$ 3,167 | \$ 214,690 | \$ 179,174 | \$ 2,434,722 | (\$ 8,565) | (\$ 20,542) | \$ 72,673 | \$ 3,728,131 | \$ 101,751 | \$ 3,829,882 |
| C3 | Generated from donation | - | 94 | - | - | - | - | - | - | 94 | - | 94 |
| D1 | Net income for the three months ended March 31, 2021 | - | - | - | - | 156,860 | - | - | - | 156,860 | 579 | 157,439 |
| D3 | Other comprehensive income (Loss) for the three months ended March 31, 2021, net of income tax | - | - | - | - | - | - | (2,004) | 7,202 | 5,198 | (533) | 4,665 |
| D5 | Total comprehensive income (Loss) for the three months ended March 31, 2021 | - | - | - | - | 156,860 | - | (2,004) | 7,202 | 162,058 | 46 | 162,104 |
| Z1 | Balance, March 31, 2021 | \$ 852,812 | \$ 3,261 | \$ 214,690 | \$ 179,174 | \$ 2,591,582 | (\$ 8,565) | (\$ 22,546) | \$ 79,875 | \$ 3,890,283 | \$ 101,797 | \$ 3,992,080 |
| A1 | Balance, January 1, 2022 | \$ 852,812 | \$ 3,261 | \$ 412,188 | \$ 147,481 | \$ 1,523,921 | (\$ 2,579) | (\$ 22,679) | \$ 33,944 | \$ 2,948,349 | \$ 100,297 | \$ 3,048,646 |
| B3 | Special Capital Reserve | - | - | - | (174) | - | - | - | - | (174) | - | (174) |
| C3 | Generated from donation | - | 72 | - | - | - | - | - | - | 72 | - | 72 |
| D1 | Net income for the three months ended March 31, 2022 | - | - | - | - | 3,485 | - | - | - | 3,485 | (1,207) | 2,278 |
| D3 | Other comprehensive income (Loss) for the three months ended March 31, 2022, net of income tax | - | - | - | - | - | - | 14,489 | (7) | 14,482 | 3,849 | 18,331 |
| D5 | Total comprehensive income (Loss) for the three months ended March 31, 2022 | - | - | - | - | 3,485 | - | 14,489 | (7) | 17,967 | 2,642 | 20,609 |
| Z1 | Balance, March 31, 2022 | \$ 852,812 | \$ 3,333 | \$ 412,188 | \$ 147,307 | \$ 1,527,406 | (\$ 2,579) | (\$ 8,190) | \$ 33,937 | \$ 2,966,214 | \$ 102,939 | \$ 3,069,153 |

President
Mei-hui Huang

General Manager
Mei-hui Huang

Supervisor
Shu-chi Liao

Universal Incorporation and Subsidiaries
Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

| Code | | For the Three Months Ended March 31 | |
|--------|---|-------------------------------------|----------------|
| | | 2022 | 2021 |
| | Cash Flows from Operating Activities | | |
| A10000 | Income before income tax | \$ 3,241 | \$ 197,796 |
| A20010 | Adjustments for: | | |
| A20100 | Depreciation expense | 15,470 | 15,957 |
| A20400 | Gain on financial assets at fair value through profit or loss | (122) | (756) |
| A20900 | Finance costs | 2 | 2 |
| A21200 | Interest income | (2,307) | (2,195) |
| A22500 | Loss (gain) on disposal of property, plant and equipment | (56) | 31 |
| A23100 | Net gain on disposal of financial assets | (91) | - |
| A23800 | Loss (reversal gain) on inventories valuation | 20 | (7) |
| A24100 | Foreign exchange gains | (702) | (2,158) |
| A30000 | Changes in operating assets and liabilities | | |
| A31130 | Notes receivable | 942 | (2,173) |
| A31150 | Accounts receivable | 10,903 | 180,471 |
| A31200 | Inventories | 18,610 | 3,618 |
| A31240 | Other current assets | (2,822) | (2,342) |
| A32150 | Accounts payable | 3,848 | (1,186) |
| A32180 | Other payables | (1,997) | (9,327) |
| A32230 | Other current liabilities | 974 | (10,000) |
| A32240 | Net defined benefit liability | (177) | (1,738) |
| A33000 | Cash generated from operations | 45,736 | 365,993 |
| A33100 | Interest received | 1,665 | 868 |
| A33300 | Interest paid | (1) | (2) |
| A33500 | Income taxes paid | (60) | (6,964) |
| AAAA | Net cash inflow generated by operating activities | <u>47,340</u> | <u>359,895</u> |

(Continued on following page)

(Continued from previous page)

| Code | | For the Three Months Ended March 31 | |
|--------|---|-------------------------------------|--------------------|
| | | 2022 | 2021 |
| | Cash Flows from Investing Activities | | |
| B00040 | Acquisitions of Financial assets at amortized cost | (236,347) | (\$ 141,312) |
| B00050 | Proceeds from disposal or redemption of Financial assets at amortized cost | 146,256 | 106,131 |
| B00100 | Acquisitions of Financial assets at fair value through profit or loss | - | (346,000) |
| B00200 | Proceeds from disposal or redemption of Financial assets at fair value through profit or loss | 40,098 | - |
| B02700 | Payments for property, plant and equipment | (7,264) | (32,973) |
| B02800 | Proceeds from disposal of property, plant and equipment | <u>57</u> | <u>-</u> |
| BBBB | Net cash generated from (used in) investing activities | (<u>57,200</u>) | (<u>414,154</u>) |
| | Cash Flows from Financing Activities | | |
| C04020 | Lease liability principal repayment | (10) | (10) |
| C09900 | Other Financing Activities | <u>72</u> | <u>94</u> |
| CCCC | Net cash generated from (used in) financing activities | <u>62</u> | <u>84</u> |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | <u>5,626</u> | (<u>3,750</u>) |
| EEEE | Net decrease in cash and cash equivalents | (4,172) | (57,925) |
| E00100 | Cash and cash equivalents, beginning of period | <u>406,558</u> | <u>501,763</u> |
| E00200 | Cash and cash equivalents, end of period | <u>\$ 402,386</u> | <u>\$ 443,838</u> |

President
Mei-hui Huang

General Manager
Mei-hui Huang

Supervisor
Shu-chi Liao