

Stock Symbol: 1325

# Universal Incorporation and Subsidiaries

## Consolidated Parent and Subsidiary Financial Report for Q2 2023

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)

Code	Assets	June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash and cash equivalents	\$ 1,090,918	37	\$ 1,013,789	34	\$ 337,220	11
1110	Financial assets at fair value through profit or loss – current	-	-	-	-	184,635	6
1136	Financial assets at amortized cost – current	488,436	16	526,793	17	1,117,500	35
1150	Notes receivable	2,375	-	541	-	2,395	-
1170	Trade receivable	68,399	2	69,163	2	87,600	3
130X	Inventories	103,981	3	124,110	4	145,991	5
1470	Other current assets	13,319	1	12,003	1	15,323	-
11XX	Total current assets	1,767,428	59	1,746,399	58	1,890,664	60
	Non-current Assets						
1517	Financial assets at fair value through other comprehensive Income – non-current	67,121	3	65,179	2	68,614	2
1535	Financial assets at amortized cost– non – current	-	-	11,023	1	11,070	-
1600	Property, plant and equipment	1,139,391	38	1,168,563	39	1,194,570	38
1755	Right-of-use assets	6,754	-	7,078	-	7,055	-
1840	Deferred tax assets	2,283	-	5,386	-	4,372	-
1920	Refundable deposits	1,719	-	1,720	-	1,770	-
15XX	Total non-current assets	1,217,268	41	1,258,949	42	1,287,451	40
1XXX	TOTAL	\$ 2,984,696	100	\$ 3,005,348	100	\$ 3,178,115	100
	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowing	\$ -	-	\$ 15,829	1	\$ -	-
2170	Trade payable	3,257	-	993	-	11,895	-
2219	Other payables	71,127	3	34,930	1	217,962	7
2230	Current tax liabilities	921	-	10,178	-	5,278	-
2280	Lease liabilities– current	42	-	37	-	21	-
2399	Other current liabilities	9,346	-	6,563	-	6,605	-
21XX	Total current liabilities	84,693	3	68,530	2	241,761	7
	Non-current Liabilities						
2570	Deferred tax liabilities	48,265	2	49,572	2	51,530	2
2580	Lease liabilities – non-current	168	-	188	-	-	-
2640	Net defined benefit liabilities – non-current	7,514	-	7,840	-	10,927	-
2645	Guarantee deposit received	210	-	210	-	-	-
25XX	Total non-current liabilities	56,157	2	57,810	2	62,457	2
2XXX	Total liabilities	140,850	5	126,340	4	304,218	10
	Equity Attributable to owners of the company						
	Share capital						
3110	Ordinary shares	852,812	28	852,812	28	852,812	27
3200	Capital surplus	3,450	-	3,333	-	3,333	-
	Retained earnings						
3310	Legal reserve	441,684	15	440,026	15	440,026	14
3320	Special reserve	152,698	5	147,307	5	147,307	5
3350	Un-appropriated earnings	1,310,379	44	1,342,101	45	1,331,174	42
3300	Total retained earnings	1,904,761	64	1,929,434	65	1,918,507	61
3400	Other equity	( 11,688 )	-	( 5,391 )	-	( 2,589 )	-
31XX	Total equity attributable to owners of the Company	2,749,335	92	2,780,188	93	2,772,063	88
36XX	Non-controlling interests	94,511	3	98,820	3	101,834	3
3XXX	Total equity	2,843,846	95	2,879,008	96	2,873,897	91
	TOTAL	\$ 2,984,696	100	\$ 3,005,348	100	\$ 3,178,115	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)

Code		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating Revenue								
4100	Sales	\$ 103,188	100	\$ 150,525	100	\$ 212,856	100	\$ 300,505	100
	Operating Costs								
5110	Cost of goods sold	<u>104,844</u>	<u>102</u>	<u>142,677</u>	<u>95</u>	<u>208,964</u>	<u>98</u>	<u>281,849</u>	<u>94</u>
5900	Gross (Loss) Profit	( <u>1,656</u> )	( <u>2</u> )	<u>7,848</u>	<u>5</u>	<u>3,892</u>	<u>2</u>	<u>18,656</u>	<u>6</u>
	Operating Expenses								
6100	Selling and marketing expenses	3,012	3	3,475	2	5,938	3	6,704	2
6200	General and administrative expenses	7,308	7	6,621	4	13,823	7	13,305	4
6300	Research and development expenses	<u>2,115</u>	<u>2</u>	<u>2,743</u>	<u>2</u>	<u>4,406</u>	<u>2</u>	<u>5,074</u>	<u>2</u>
6000	Total operating expenses	<u>12,435</u>	<u>12</u>	<u>12,839</u>	<u>8</u>	<u>24,167</u>	<u>12</u>	<u>25,083</u>	<u>8</u>
6900	Loss from Operations	( <u>14,091</u> )	( <u>14</u> )	( <u>4,991</u> )	( <u>3</u> )	( <u>20,275</u> )	( <u>10</u> )	( <u>6,427</u> )	( <u>2</u> )
	Non-Operating Income and Expenses								
7100	Interest income	13,857	14	3,372	2	25,567	12	5,679	2
7010	Other income	623	-	960	1	1,781	1	1,291	-
7020	Other gains and losses	22,548	22	7,223	5	14,449	7	9,264	3
7050	Finance costs	( <u>9</u> )	-	( <u>2</u> )	-	( <u>17</u> )	-	( <u>4</u> )	-
7000	Total non-operating income and expenses	<u>37,019</u>	<u>36</u>	<u>11,553</u>	<u>8</u>	<u>41,780</u>	<u>20</u>	<u>16,230</u>	<u>5</u>
7900	Income Before Income Tax	22,928	22	6,562	5	21,505	10	9,803	3
7950	Income Tax Expense	<u>4,462</u>	<u>4</u>	<u>3,643</u>	<u>3</u>	<u>5,657</u>	<u>3</u>	<u>4,606</u>	<u>1</u>
8200	Net Income	<u>18,466</u>	<u>18</u>	<u>2,919</u>	<u>2</u>	<u>15,848</u>	<u>7</u>	<u>5,197</u>	<u>2</u>
	Other Comprehensive Income (Loss)								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gain(loss) on investments in equity instruments designated as fair value through other comprehensive income	711	-	( 18,769 )	( 12 )	1,942	1	( 18,776 )	( 6 )
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of the financial statements of foreign operations	( <u>12,790</u> )	( <u>12</u> )	( <u>8,844</u> )	( <u>6</u> )	( <u>10,428</u> )	( <u>5</u> )	<u>9,494</u>	<u>3</u>
8300	Other comprehensive income (loss) for the period, net of income tax	( <u>12,079</u> )	( <u>12</u> )	( <u>27,613</u> )	( <u>18</u> )	( <u>8,486</u> )	( <u>4</u> )	( <u>9,282</u> )	( <u>3</u> )
8500	Total comprehensive income (loss) for the period	<u>\$ 6,387</u>	<u>6</u>	( <u>\$ 24,694</u> )	( <u>16</u> )	<u>\$ 7,362</u>	<u>3</u>	( <u>\$ 4,085</u> )	( <u>1</u> )
	Net Income Attributable To:								
8610	Owners of the Company	\$ 19,362	19	\$ 2,168	2	\$ 17,968	8	\$ 5,653	2
8620	Non-controlling interests	( <u>896</u> )	( <u>1</u> )	<u>751</u>	-	( <u>2,120</u> )	( <u>1</u> )	( <u>456</u> )	-
8600		<u>\$ 18,466</u>	<u>18</u>	<u>\$ 2,919</u>	<u>2</u>	<u>\$ 15,848</u>	<u>7</u>	<u>\$ 5,197</u>	<u>2</u>
	Total Comprehensive Income (loss) Attributable To:								
8710	Owners of the Company	\$ 9,968	10	( \$ 23,589 )	( 15 )	\$ 11,671	5	( \$ 5,622 )	( 2 )
8720	Non-controlling interests	( <u>3,581</u> )	( <u>4</u> )	( <u>1,105</u> )	( <u>1</u> )	( <u>4,309</u> )	( <u>2</u> )	<u>1,537</u>	<u>1</u>
8700		<u>\$ 6,387</u>	<u>6</u>	( <u>\$ 24,694</u> )	( <u>16</u> )	<u>\$ 7,362</u>	<u>3</u>	( <u>\$ 4,085</u> )	( <u>1</u> )
	Earnings Per Share								
9750	Basic	<u>\$ 0.23</u>		<u>\$ 0.03</u>		<u>\$ 0.21</u>		<u>\$ 0.07</u>	
9850	Diluted	<u>\$ 0.23</u>		<u>\$ 0.03</u>		<u>\$ 0.21</u>		<u>\$ 0.07</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					Others Equity					
Code		Ordinary shares	Capital Surplus	Retained Earnings		Un-appropriated Earnings	Re-measurement of Defined Benefit Obligation	Exchange Differences on Translating Foreign Operations	Unrealized gain(loss) on Financial Assets at Fair value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
				Legal Reserve	Special Reserve							
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
	Appropriation of 2021 earnings											
B1	Legal reserve	-	-	27,838	-	( 27,838 )	-	-	-	-	-	-
B3	Special Reserve	-	-	-	( 174 )	-	-	-	-	( 174 )	-	( 174 )
B5	Cash dividend distributed by the company — NTD2/per share	-	-	-	-	( 170,562 )	-	-	-	( 170,562 )	-	( 170,562 )
C3	Due to donated assets received	-	72	-	-	-	-	-	-	72	-	72
D1	Net income (loss) for the six months ended June 30, 2022	-	-	-	-	5,653	-	-	-	5,653	( 456 )	5,197
D3	Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	7,501	( 18,776 )	( 11,275 )	1,993	( 9,282 )
D5	Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	5,653	-	7,501	( 18,776 )	( 5,622 )	1,537	( 4,085 )
Z1	Balance, June 30, 2022	<u>\$ 852,812</u>	<u>\$ 3,333</u>	<u>\$ 440,026</u>	<u>\$ 147,307</u>	<u>\$1,331,174</u>	( <u>\$ 2,579</u> )	( <u>\$ 15,178</u> )	<u>\$ 15,168</u>	<u>\$2,772,063</u>	<u>\$ 101,834</u>	<u>\$2,873,897</u>
A1	Balance, January 1, 2023	\$ 852,812	\$ 3,333	\$ 440,026	\$ 147,307	\$1,342,101	( \$ 381 )	( \$ 16,743 )	\$ 11,733	\$2,780,188	\$ 98,820	\$2,879,008
	Appropriation of 2022 earnings											
B1	Legal reserve	-	-	1,658	-	( 1,658 )	-	-	-	-	-	-
B3	Special Reserve	-	-	-	5,391	( 5,391 )	-	-	-	-	-	-
B5	Cash dividend distributed by the company — NTD0.5/per share	-	-	-	-	( 42,641 )	-	-	-	( 42,641 )	-	( 42,641 )
C3	Due to donated assets received	-	117	-	-	-	-	-	-	117	-	117
D1	Net income (loss) for the six months ended June 30, 2023	-	-	-	-	17,968	-	-	-	17,968	( 2,120 )	15,848
D3	Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	( 8,239 )	1,942	( 6,297 )	( 2,189 )	( 8,486 )
D5	Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	17,968	-	( 8,239 )	1,942	11,671	( 4,309 )	7,362
Z1	Balance, June 30, 2023	<u>\$ 852,812</u>	<u>\$ 3,450</u>	<u>\$ 441,684</u>	<u>\$ 152,698</u>	<u>\$1,310,379</u>	( <u>\$ 381</u> )	( <u>\$ 24,982</u> )	<u>\$ 13,675</u>	<u>\$2,749,335</u>	<u>\$ 94,511</u>	<u>\$2,843,846</u>

President  
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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)  
For the Six Months Ended June 30

Code		2023	2022
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 21,505	\$ 9,803
A20010	Adjustments for:		
A20100	Depreciation expense	30,227	30,845
A20400	Net loss on fair value changes of financial assets at fair value through profit or loss	-	255
A20900	Finance costs	17	4
A21200	Interest income	( 25,567 )	( 5,679 )
A21300	Dividend income	-	( 450 )
A22500	Net gain on disposal of property, plant and equipment	( 603 )	( 6,875 )
A23100	Net gain on disposal of financial assets	-	( 695 )
A23800	Write-downs of inventories	124	909
A24100	Net loss (gain) on foreign currency exchange	950	( 1,333 )
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	( 1,834 )	3,495
A31150	Trade receivable	954	1,674
A31200	Inventories	19,473	23,916
A31240	Other current assets	( 957 )	( 4,693 )
A32150	Trade payable	2,264	5,764
A32180	Other payables	( 5,909 )	( 4,656 )
A32230	Other current liabilities	2,783	302
A32240	Net defined benefit liabilities - non-current	( 326 )	( 351 )
A33000	Cash generated from operations	43,101	52,235
A33100	Interest received	25,363	3,365
A33300	Interest paid	( 19 )	( 3 )
A33500	Income tax paid	( 13,118 )	( 37,881 )
AAAA	Net cash generated from operating activities	<u>55,327</u>	<u>17,716</u>

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Code		For the Six Months Ended June 30	
		2023	2022
	Cash Flows from Investing Activities		
B00040	Purchase of Financial assets at amortized cost	(\$ 265,078)	(\$ 530,577)
B00050	Proceeds from sale of financial assets at amortized cost	309,914	294,977
B00200	Proceeds from sale of financial assets at fair value through profit or loss	-	148,218
B02700	Acquisition of property, plant and equipment	( 4,435)	( 10,387)
B02800	Proceeds from disposal of property, plant and equipment	603	7,280
B03700	Increase in refundable deposits	-	( 1,550)
B07600	Other dividend received	<u>-</u>	<u>450</u>
BBBB	Net cash generated from (used in) investing activities	<u>41,004</u>	<u>( 91,589)</u>
	Cash Flows from Financing Activities		
C00200	Decrease in short-term borrowings	( 15,829)	-
C04020	Repayment of the principal portion of lease liabilities	( 16)	( 21)
C09900	Other financing activities	<u>117</u>	<u>72</u>
CCCC	Net cash (used in) generated from financing activities	<u>( 15,728)</u>	<u>51</u>
DDDD	Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	<u>( 3,474)</u>	<u>4,484</u>
EEEE	Net increase (decrease) in cash and cash equivalents	77,129	( 69,338)
E00100	Cash and cash equivalents, beginning of period	<u>1,013,789</u>	<u>406,558</u>
E00200	Cash and cash equivalents, end of period	<u>\$ 1,090,918</u>	<u>\$ 337,220</u>

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