

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q3 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)

Code	Assets	September 30, 2022		December 31, 2021		September 30, 2021	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents	\$ 747,317	25	\$ 406,558	13	\$ 402,511	13
1110	Financial assets at fair value through profit or loss – current	-	-	332,413	10	332,235	10
1136	Financial assets at amortized cost – current	774,072	26	890,354	28	909,726	28
1150	Notes receivable	1,277	-	5,890	-	3,218	-
1170	Accounts receivables	84,628	3	89,249	3	93,478	3
1220	Current income tax assets	-	-	1,022	-	-	-
130X	Inventories	129,854	4	170,113	5	170,189	5
1470	Other current assets	9,524	-	8,316	-	7,069	-
11XX	Total current assets	<u>1,746,672</u>	<u>58</u>	<u>1,903,915</u>	<u>59</u>	<u>1,918,426</u>	<u>59</u>
Non-current Assets							
1517	Financial assets at fair value through other comprehensive Income – non-current	63,922	2	87,390	3	89,677	3
1535	Financial assets at amortized cost– non-current	11,180	-	-	-	-	-
1600	Property, plant and equipment	1,182,567	40	1,213,631	38	1,217,533	38
1755	Right-of-use asset	7,038	-	7,084	-	7,091	-
1840	Deferred income tax assets	4,276	-	5,143	-	6,876	-
1920	Refundable deposits	1,770	-	219	-	219	-
15XX	Total non-current assets	<u>1,270,753</u>	<u>42</u>	<u>1,313,467</u>	<u>41</u>	<u>1,321,396</u>	<u>41</u>
1XXX	Total Assets	<u>\$ 3,017,425</u>	<u>100</u>	<u>\$ 3,217,382</u>	<u>100</u>	<u>\$ 3,239,822</u>	<u>100</u>
Liabilities and Equity							
Current Liabilities							
2170	Accounts payable	\$ 6,933	-	\$ 6,128	-	\$ 22,309	1
2219	Other payables	34,508	2	53,114	2	68,107	2
2230	Current income tax liabilities	6,204	-	40,066	1	39,966	1
2280	Lease liability– current	11	-	42	-	41	-
2399	Other current liabilities	6,304	-	6,298	-	7,416	-
21XX	Total current liabilities	<u>53,960</u>	<u>2</u>	<u>105,648</u>	<u>3</u>	<u>137,839</u>	<u>4</u>
Non-current Liabilities							
2570	Deferred income tax liabilities	55,872	2	51,810	2	51,222	1
2580	Lease liability – non-current	-	-	-	-	11	-
2640	Net defined benefit liability – non-current	10,967	-	11,278	-	18,941	1
25XX	Total non-current liabilities	<u>66,839</u>	<u>2</u>	<u>63,088</u>	<u>2</u>	<u>70,174</u>	<u>2</u>
2XXX	Total liabilities	<u>120,799</u>	<u>4</u>	<u>168,736</u>	<u>5</u>	<u>208,013</u>	<u>6</u>
Equity Attributable to Shareholders of the Parent							
Capital stock							
3110	Common stock	852,812	28	852,812	27	852,812	27
3200	Capital surplus	3,333	-	3,261	-	3,261	-
Retained earnings							
3310	Appropriated as legal capital reserve	440,026	15	412,188	13	412,188	13
3320	Appropriated as special capital reserve	147,307	5	147,481	5	147,481	4
3350	Un-appropriated earnings	1,355,100	45	1,523,921	47	1,516,656	47
3300	Total retained earnings	<u>1,942,433</u>	<u>65</u>	<u>2,083,590</u>	<u>65</u>	<u>2,076,325</u>	<u>64</u>
3400	Other equity	(3,519)	-	8,686	-	931	-
31XX	Equity attributable to shareholders of the parent	<u>2,795,059</u>	<u>93</u>	<u>2,948,349</u>	<u>92</u>	<u>2,933,329</u>	<u>91</u>
36XX	Non-controlling interests	<u>101,567</u>	<u>3</u>	<u>100,297</u>	<u>3</u>	<u>98,480</u>	<u>3</u>
3XXX	Total equity	<u>2,896,626</u>	<u>96</u>	<u>3,048,646</u>	<u>95</u>	<u>3,031,809</u>	<u>94</u>
Total Liabilities and Equity		<u>\$ 3,017,425</u>	<u>100</u>	<u>\$ 3,217,382</u>	<u>100</u>	<u>\$ 3,239,822</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			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating Revenue								
	Sales Revenue	\$ 137,020	100	\$ 169,120	100	\$ 437,525	100	\$ 1,041,889	100
5110	Operating Costs								
	Cost of goods Sold	<u>130,016</u>	<u>95</u>	<u>149,767</u>	<u>89</u>	<u>411,865</u>	<u>94</u>	<u>609,062</u>	<u>58</u>
5900	Gross Profit	<u>7,004</u>	<u>5</u>	<u>19,353</u>	<u>11</u>	<u>25,660</u>	<u>6</u>	<u>432,827</u>	<u>42</u>
6100	Operating Expenses								
	Marketing	3,360	2	3,741	2	10,064	2	15,304	1
6200	General and administrative	7,034	5	7,355	4	20,339	5	40,495	4
6300	Research and development	<u>2,310</u>	<u>2</u>	<u>2,512</u>	<u>1</u>	<u>7,384</u>	<u>2</u>	<u>7,803</u>	<u>1</u>
6000	Total operating expenses	<u>12,704</u>	<u>9</u>	<u>13,608</u>	<u>7</u>	<u>37,787</u>	<u>9</u>	<u>63,602</u>	<u>6</u>
6900	(Loss) Income from Operations	<u>(5,700)</u>	<u>(4)</u>	<u>5,745</u>	<u>4</u>	<u>(12,127)</u>	<u>(3)</u>	<u>369,225</u>	<u>36</u>
7100	Non-Operating Income and Expenses								
	Interest Income	5,267	4	2,292	1	10,946	3	6,765	1
7010	Other income	1,686	1	4,092	3	2,977	1	11,643	1
7020	Other gains and losses	27,079	20	(1,035)	(1)	36,343	8	(6,178)	(1)
7050	Finance costs	<u>(6)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>34,026</u>	<u>25</u>	<u>5,346</u>	<u>3</u>	<u>50,256</u>	<u>12</u>	<u>12,220</u>	<u>1</u>
7900	Income Before Income Tax	28,326	21	11,091	7	38,129	9	381,445	37
7950	Income Tax Expense	<u>5,666</u>	<u>4</u>	<u>37,415</u>	<u>22</u>	<u>10,272</u>	<u>3</u>	<u>111,957</u>	<u>11</u>
8200	Net Income (Loss)	<u>22,660</u>	<u>17</u>	<u>(26,324)</u>	<u>(15)</u>	<u>27,857</u>	<u>6</u>	<u>269,488</u>	<u>26</u>
8310	Other Comprehensive Income (Loss)								
	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>(4,692)</u>	<u>(3)</u>	<u>(38,295)</u>	<u>(23)</u>	<u>(23,468)</u>	<u>(5)</u>	<u>(36,442)</u>	<u>(3)</u>
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences arising on translation of foreign operations	<u>4,761</u>	<u>3</u>	<u>(2,003)</u>	<u>(1)</u>	<u>14,255</u>	<u>3</u>	<u>(7,839)</u>	<u>(1)</u>
8300	Other comprehensive income (loss) for the period, net of income tax	<u>69</u>	<u>-</u>	<u>(40,298)</u>	<u>(24)</u>	<u>(9,213)</u>	<u>(2)</u>	<u>(44,281)</u>	<u>(4)</u>
8500	Total comprehensive income (loss) for the period	<u>\$ 22,729</u>	<u>17</u>	<u>(\$ 66,622)</u>	<u>(39)</u>	<u>\$ 18,644</u>	<u>4</u>	<u>\$ 225,207</u>	<u>22</u>
8610	Net Income (Loss) Attributable To:								
	Shareholders of the parent	\$ 23,926	18	(\$ 24,987)	(14)	\$ 29,579	7	\$ 271,113	26
8620	Non-controlling interests	<u>(1,266)</u>	<u>(1)</u>	<u>(1,337)</u>	<u>(1)</u>	<u>(1,722)</u>	<u>(1)</u>	<u>(1,625)</u>	<u>-</u>
8600		<u>\$ 22,660</u>	<u>17</u>	<u>(\$ 26,324)</u>	<u>(15)</u>	<u>\$ 27,857</u>	<u>6</u>	<u>\$ 269,488</u>	<u>26</u>
8710	Total Comprehensive Income (Loss) Attributable To:								
	Shareholders of the parent	\$ 22,996	17	(\$ 64,864)	(38)	\$ 17,374	4	\$ 228,478	22
8720	Non-controlling interests	<u>(267)</u>	<u>-</u>	<u>(1,758)</u>	<u>(1)</u>	<u>1,270</u>	<u>-</u>	<u>(3,271)</u>	<u>-</u>
8700		<u>\$ 22,729</u>	<u>17</u>	<u>(\$ 66,622)</u>	<u>(39)</u>	<u>\$ 18,644</u>	<u>4</u>	<u>\$ 225,207</u>	<u>22</u>
9750	Earnings (Loss) Per Share								
	Basic earnings per share	<u>\$ 0.28</u>		<u>(\$ 0.29)</u>		<u>\$ 0.35</u>		<u>\$ 3.18</u>	
9850	Diluted earnings per share	<u>\$ 0.28</u>		<u>(\$ 0.30)</u>		<u>\$ 0.35</u>		<u>\$ 3.15</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)

Code		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 investments in equity instruments at fair value through other Comprehensive Income					
				Legal capital Reserve	Special Capital Reserve	Un-appropriated Earnings								
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		
	Appropriation of 2020 earnings													
B1	Legal capital reserve	-	-	197,498	-	(197,498)	-	-	-	-	-	-		
B3	Special Capital Reserve	-	-	-	(31,693)	31,693	-	-	-	-	-	-		
B5	cash dividend distributed by the company — NTD12/per share	-	-	-	-	(1,023,374)	-	-	-	(1,023,374)	-	(1,023,374)		
C3	Generated from donation	-	94	-	-	-	-	-	-	94	-	94		
D1	Net income (loss) for the nine months ended September 30, 2021	-	-	-	-	271,113	-	-	-	271,113	(1,625)	269,488		
D3	Other comprehensive income (loss) for the nine months ended September 30, 2021 net of income tax	-	-	-	-	-	-	(6,193)	(36,442)	(42,635)	(1,646)	(44,281)		
D5	Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	271,113	-	(6,193)	(36,442)	228,478	(3,271)	225,207		
Z1	Balance, September 30, 2021	\$ 852,812	\$ 3,261	\$ 412,188	\$ 147,481	\$ 1,516,656	(\$ 8,565)	(\$ 26,735)	\$ 36,231	\$ 2,933,329	\$ 98,480	\$ 3,031,809		
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 capital reserve	-	-	27,838	-	(27,838)	-	-	-	-	-	-		
B3	Special Capital Reserve	-	-	-	(174)	-	-	-	-	(174)	-	(174)		
B5	cash dividend distributed by the company — NTD2/per share	-	-	-	-	(170,562)	-	-	-	(170,562)	-	(170,562)		
C3	Generated from donation	-	72	-	-	-	-	-	-	72	-	72		
D1	Net income (loss) for the nine months ended September 30, 2022	-	-	-	-	29,579	-	-	-	29,579	(1,722)	27,857		
D3	Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	11,263	(23,468)	(12,205)	2,992	(9,213)		
D5	Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	29,579	-	11,263	(23,468)	17,374	1,270	18,644		
Z1	Balance, September 30, 2022	\$ 852,812	\$ 3,333	\$ 440,026	\$ 147,307	\$ 1,355,100	(\$ 2,579)	(\$ 11,416)	\$ 10,476	\$ 2,795,059	\$ 101,567	\$ 2,896,626		

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 Nine Months Ended September 30	
		2022	2021
Cash Flows from Operating Activities			
A10000	Income before income tax	\$ 38,129	\$ 381,445
A20010	Adjustments for:		
A20100	Depreciation expense	46,535	46,646
A20400	Loss on financial assets at fair value through profit or loss	1,056	1,932
A20900	Finance costs	10	10
A21200	Interest income	(10,946)	(6,765)
A21300	Dividend income	(1,799)	(3,373)
A22500	Loss (gain) on disposal of property, plant and equipment	(6,937)	2,383
A23100	Net gain on disposal of financial assets	(1,550)	(3,883)
A23800	Loss on inventories valuation	797	575
A24100	Foreign exchange gains	(4,622)	(3,550)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	4,613	2,282
A31150	Accounts receivable	4,743	237,926
A31200	Inventories	40,415	25,141
A31240	Other current assets	2,479	5,702
A32150	Accounts payable	693	(6,582)
A32180	Other payables	(17,547)	(123,694)
A32230	Other current liabilities	6	(23,408)
A32240	Net defined benefit liability	(521)	(2,103)
A33000	Cash generated from operations	95,554	530,684
A33100	Interest received	7,329	5,770
A33300	Interest paid	(10)	(10)
A33500	Income taxes paid	(38,183)	(535,077)
AAAA	Net cash inflow generated by operating activities	<u>64,690</u>	<u>1,367</u>

(Continued on following page)

(Continued from previous page)

Code		For the Nine Months Ended September 30	
		2022	2021
	Cash Flows from Investing Activities		
B00030	Proceeds from decreased capital of Financial assets at fair value through other comprehensive Income	\$ -	\$ 696
B00040	Acquisitions of Financial assets at amortized cost	(755,489)	(698,661)
B00050	Proceeds from disposal or redemption of Financial assets at amortized cost	865,785	689,479
B00100	Acquisitions of Financial assets at fair value through profit or loss	-	(434,000)
B00200	Proceeds from disposal or redemption of Financial assets at fair value through profit or loss	332,907	1,446,925
B02700	Payments for property, plant and equipment	(12,611)	(79,574)
B02800	Proceeds from disposal of property, plant and equipment	7,356	-
B03700	Increase in refundable deposits	(1,550)	-
B07600	Other dividend received	<u>1,799</u>	<u>3,373</u>
BBBB	Net cash generated from (used in) investing activities	<u>438,197</u>	<u>928,238</u>
	Cash Flows from Financing Activities		
C03000	Increase in guarantee deposit received	210	-
C04020	Lease liability principal repayment	(31)	(30)
C04500	Dividends paid to owners of the Company	(170,562)	(1,023,374)
C09900	Other Financing Activities	<u>72</u>	<u>94</u>
CCCC	Net cash generated from (used in) financing activities	<u>(170,311)</u>	<u>(1,023,310)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>8,183</u>	<u>(5,547)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	340,759	(99,252)
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>\$ 747,317</u>	<u>\$ 402,511</u>

President
Mei-hui Huang

General Manager
Mei-hui Huang

Supervisor
Shu-chi Liao