

Stock Symbol: 1325

Universal Incorporation and Subsidiaries

Consolidated Parent and Subsidiary Financial Report for Q3 2023

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Universal Incorporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%
Current Assets							
1100	Cash and cash equivalents	\$ 943,566	31	\$ 1,013,789	34	\$ 747,317	25
1110	Financial assets at fair value through profit or loss-current	40,097	1	-	-	-	-
1136	Financial assets at amortized cost-current	618,650	21	526,793	17	774,072	26
1150	Notes receivable	235	-	541	-	1,277	-
1170	Trade receivable	65,771	2	69,163	2	84,628	3
130X	Inventories	110,059	4	124,110	4	129,854	4
1470	Other current assets	13,233	1	12,003	1	9,524	-
11XX	Total current assets	<u>1,791,611</u>	<u>60</u>	<u>1,746,399</u>	<u>58</u>	<u>1,746,672</u>	<u>58</u>
Non-current Assets							
1517	Financial assets at fair value through other comprehensive Income-non-current	65,782	2	65,179	2	63,922	2
1535	Financial assets at amortized cost-non-current	-	-	11,023	1	11,180	-
1600	Property, plant and equipment	1,137,746	38	1,168,563	39	1,182,567	40
1755	Right-of-use assets	6,946	-	7,078	-	7,038	-
1840	Deferred tax assets	3,312	-	5,386	-	4,276	-
1920	Refundable deposits	170	-	1,720	-	1,770	-
15XX	Total non-current assets	<u>1,213,956</u>	<u>40</u>	<u>1,258,949</u>	<u>42</u>	<u>1,270,753</u>	<u>42</u>
1XXX	TOTAL	<u>\$ 3,005,567</u>	<u>100</u>	<u>\$ 3,005,348</u>	<u>100</u>	<u>\$ 3,017,425</u>	<u>100</u>
Liabilities and Equity							
Current Liabilities							
2100	Short-term borrowing	\$ -	-	\$ 15,829	1	\$ -	-
2170	Trade payable	11,367	-	993	-	6,933	-
2219	Other payables	28,037	1	34,930	1	34,508	2
2230	Current tax liabilities	1,827	-	10,178	-	6,204	-
2280	Lease liabilities-current	43	-	37	-	11	-
2399	Other current liabilities	12,133	1	6,563	-	6,304	-
21XX	Total current liabilities	<u>53,407</u>	<u>2</u>	<u>68,530</u>	<u>2</u>	<u>53,960</u>	<u>2</u>
Non-current Liabilities							
2570	Deferred tax liabilities	55,150	2	49,572	2	55,872	2
2580	Lease liabilities – non-current	157	-	188	-	-	-
2640	Net defined benefit liabilities-non-current	7,353	-	7,840	-	10,967	-
2645	Guarantee deposit received	210	-	210	-	-	-
25XX	Total non-current liabilities	<u>62,870</u>	<u>2</u>	<u>57,810</u>	<u>2</u>	<u>66,839</u>	<u>2</u>
2XXX	Total liabilities	<u>116,277</u>	<u>4</u>	<u>126,340</u>	<u>4</u>	<u>120,799</u>	<u>4</u>
Equity Attributable to owners of the Company							
Share capital							
3110	Ordinary shares	852,812	28	852,812	28	852,812	28
3200	Capital surplus	3,454	-	3,333	-	3,333	-
Retained earnings							
3310	Legal reserve	441,684	15	440,026	15	440,026	15
3320	Special reserve	152,698	5	147,307	5	147,307	5
3350	Un-appropriated earnings	1,338,995	45	1,342,101	45	1,355,100	45
3300	Total retained earnings	<u>1,933,377</u>	<u>65</u>	<u>1,929,434</u>	<u>65</u>	<u>1,942,433</u>	<u>65</u>
3400	Other equity	2,180	-	(5,391)	-	(3,519)	-
31XX	Total equity attributable to owners of the Company	<u>2,791,823</u>	<u>93</u>	<u>2,780,188</u>	<u>93</u>	<u>2,795,059</u>	<u>93</u>
36XX	Non-controlling interests	<u>97,467</u>	<u>3</u>	<u>98,820</u>	<u>3</u>	<u>101,567</u>	<u>3</u>
3XXX	Total equity	<u>2,889,290</u>	<u>96</u>	<u>2,879,008</u>	<u>96</u>	<u>2,896,626</u>	<u>96</u>
TOTAL		<u>\$ 3,005,567</u>	<u>100</u>	<u>\$ 3,005,348</u>	<u>100</u>	<u>\$ 3,017,425</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			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating Revenue								
4100	Sales	\$ 97,071	100	\$ 137,020	100	\$ 309,927	100	\$ 437,525	100
	Operating Costs								
5110	Cost of goods sold	<u>96,793</u>	<u>100</u>	<u>130,016</u>	<u>95</u>	<u>305,757</u>	<u>99</u>	<u>411,865</u>	<u>94</u>
5900	Gross Profit	<u>278</u>	<u>-</u>	<u>7,004</u>	<u>5</u>	<u>4,170</u>	<u>1</u>	<u>25,660</u>	<u>6</u>
	Operating Expenses								
6100	Selling and marketing expenses	2,662	3	3,360	2	8,600	3	10,064	2
6200	General and administrative expenses	8,056	8	7,034	5	21,879	7	20,339	5
6300	Research and development expenses	<u>2,177</u>	<u>2</u>	<u>2,310</u>	<u>2</u>	<u>6,583</u>	<u>2</u>	<u>7,384</u>	<u>2</u>
6000	Total operating expenses	<u>12,895</u>	<u>13</u>	<u>12,704</u>	<u>9</u>	<u>37,062</u>	<u>12</u>	<u>37,787</u>	<u>9</u>
6900	Loss from Operations	(<u>12,617</u>)	(<u>13</u>)	(<u>5,700</u>)	(<u>4</u>)	(<u>32,892</u>)	(<u>11</u>)	(<u>12,127</u>)	(<u>3</u>)
	Non-Operating Income and Expenses								
7100	Interest income	14,077	14	5,267	4	39,644	13	10,946	3
7010	Other income	1,421	1	1,686	1	3,202	1	2,977	1
7020	Other gains and losses	32,597	34	27,079	20	47,046	15	36,343	8
7050	Finance costs	(<u>7</u>)	-	(<u>6</u>)	-	(<u>24</u>)	-	(<u>10</u>)	-
7000	Total non-operating income and expenses	<u>48,088</u>	<u>49</u>	<u>34,026</u>	<u>25</u>	<u>89,868</u>	<u>29</u>	<u>50,256</u>	<u>12</u>
7900	Profit Before Income Tax	35,471	36	28,326	21	56,976	18	38,129	9
7950	Income Tax Expense	<u>7,939</u>	<u>8</u>	<u>5,666</u>	<u>4</u>	<u>13,596</u>	<u>4</u>	<u>10,272</u>	<u>3</u>
8200	Net Income	<u>27,532</u>	<u>28</u>	<u>22,660</u>	<u>17</u>	<u>43,380</u>	<u>14</u>	<u>27,857</u>	<u>6</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	(<u>1,339</u>)	(<u>1</u>)	(<u>4,692</u>)	(<u>3</u>)	603	-	(<u>23,468</u>)	(<u>5</u>)
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of the financial statements of foreign operations	<u>19,247</u>	<u>20</u>	<u>4,761</u>	<u>3</u>	<u>8,819</u>	<u>3</u>	<u>14,255</u>	<u>3</u>
8300	Other comprehensive income (loss) for the period, net of income tax	<u>17,908</u>	<u>19</u>	<u>69</u>	<u>-</u>	<u>9,422</u>	<u>3</u>	(<u>9,213</u>)	(<u>2</u>)
8500	Total comprehensive income for the period	<u>\$ 45,440</u>	<u>47</u>	<u>\$ 22,729</u>	<u>17</u>	<u>\$ 52,802</u>	<u>17</u>	<u>\$ 18,644</u>	<u>4</u>
	Net Profit (Loss) Attributable To:								
8610	Owners of the Company	\$ 28,616	29	\$ 23,926	18	\$ 46,584	15	\$ 29,579	7
8620	Non-controlling interests	(<u>1,084</u>)	(<u>1</u>)	(<u>1,266</u>)	(<u>1</u>)	(<u>3,204</u>)	(<u>1</u>)	(<u>1,722</u>)	(<u>1</u>)
8600		<u>\$ 27,532</u>	<u>28</u>	<u>\$ 22,660</u>	<u>17</u>	<u>\$ 43,380</u>	<u>14</u>	<u>\$ 27,857</u>	<u>6</u>
	Total Comprehensive Income (Loss) Attributable To:								
8710	Owners of the Company	\$ 42,484	44	\$ 22,996	17	\$ 54,155	17	\$ 17,374	4
8720	Non-controlling interests	<u>2,956</u>	<u>3</u>	(<u>267</u>)	<u>-</u>	(<u>1,353</u>)	<u>-</u>	<u>1,270</u>	<u>-</u>
8700		<u>\$ 45,440</u>	<u>47</u>	<u>\$ 22,729</u>	<u>17</u>	<u>\$ 52,802</u>	<u>17</u>	<u>\$ 18,644</u>	<u>4</u>
	Earnings Per Share								
9750	Basic	<u>\$ 0.34</u>		<u>\$ 0.28</u>		<u>\$ 0.55</u>		<u>\$ 0.35</u>	
9850	Diluted	<u>\$ 0.34</u>		<u>\$ 0.28</u>		<u>\$ 0.55</u>		<u>\$ 0.35</u>	

President
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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 - \$2/per share	-	-	-	-	(170,562)	-	-	-	(170,562)	-	(170,562)
C3	Due to donated assets received	-	72	-	-	-	-	-	-	72	-	72
D1	Net profit (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	<u>\$ 852,812</u>	<u>\$ 3,333</u>	<u>\$ 440,026</u>	<u>\$ 147,307</u>	<u>\$ 1,355,100</u>	<u>(\$ 2,579)</u>	<u>(\$ 11,416)</u>	<u>\$ 10,476</u>	<u>\$ 2,795,059</u>	<u>\$ 101,567</u>	<u>\$ 2,896,626</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 - \$0.5/per share	-	-	-	-	(42,641)	-	-	-	(42,641)	-	(42,641)
C3	Due to donated assets received	-	121	-	-	-	-	-	-	121	-	121
D1	Net profit (loss) for the nine months ended September 30, 2023	-	-	-	-	46,584	-	-	-	46,584	(3,204)	43,380
D3	Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	6,968	603	7,571	1,851	9,422
D5	Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	46,584	-	6,968	603	54,155	(1,353)	52,802
Z1	Balance, September 30, 2023	<u>\$ 852,812</u>	<u>\$ 3,454</u>	<u>\$ 441,684</u>	<u>\$ 152,698</u>	<u>\$1,338,995</u>	<u>(\$ 381)</u>	<u>(\$ 9,775)</u>	<u>\$ 12,336</u>	<u>\$2,791,823</u>	<u>\$ 97,467</u>	<u>\$2,889,290</u>

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	
		2023	2022
	Cash Flows from Operating Activities		
A10000	Income before income tax	\$ 56,976	\$ 38,129
A20010	Adjustments for:		
A20100	Depreciation expense	45,265	46,535
A20400	Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(97)	1,056
A20900	Finance costs	24	10
A21200	Interest income	(39,644)	(10,946)
A21300	Dividend income	(843)	(1,799)
A22500	Net gain on disposal of property, plant and equipment	(603)	(6,937)
A23100	Net gain on disposal of financial assets	-	(1,550)
A23800	Write-downs of inventories	49	797
A24100	Net loss (gain) on foreign currency exchange	793	(4,622)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	306	4,613
A31150	Trade receivable	3,544	4,743
A31200	Inventories	14,430	40,415
A31240	Other current assets	677	2,479
A32150	Trade payable	10,374	693
A32180	Other payables	269	(17,547)
A32230	Other current liabilities	5,564	6
A32240	Net defined benefit liabilities - non-current	(487)	(521)
A33000	Cash generated from operations	96,597	95,554
A33100	Interest received	38,190	7,329
A33300	Interest paid	(26)	(10)
A33500	Income tax paid	(14,295)	(38,183)
AAAA	Net cash generated from operating activities	<u>120,466</u>	<u>64,690</u>

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Code		For the Nine Months Ended September 30	
		2023	2022
	Cash Flows from Investing Activities		
B00040	Purchase of Financial assets at amortized cost	(\$ 456,694)	(\$ 755,489)
B00050	Proceeds from sale of financial assets at amortized cost	376,055	865,785
B00100	Purchase of Financial assets at fair value through profit or loss	(40,000)	-
B00200	Proceeds from sale of financial assets at fair value through profit or loss	-	332,907
B02700	Acquisition of property, plant and equipment	(18,906)	(12,611)
B02800	Proceeds from disposal of property, plant and equipment	603	7,356
B03700	Increase in refundable deposits	-	(1,550)
B03800	Decrease in refundable deposits	1,550	
B07600	Other dividend received	<u>843</u>	<u>1,799</u>
BBBB	Net cash generated from (used in) investing activities	(<u>136,549</u>)	<u>438,197</u>
	Cash Flows from Financing Activities		
C00200	Decrease in short-term borrowings	(15,829)	-
C03000	Increase in guarantee deposit received	-	210
C04020	Repayment of the principal portion of lease liabilities	(26)	(31)
C04500	Dividends paid to owners of the Company	(42,641)	(170,562)
C09900	Other financing activities	<u>121</u>	<u>72</u>
CCCC	Net cash used in from financing activities	(<u>58,375</u>)	(<u>170,311</u>)
DDDD	Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	<u>4,235</u>	<u>8,183</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(70,223)	340,759
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>\$ 943,566</u>	<u>\$ 747,317</u>

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