

Company Code: 601231

Company Abbreviation: USI

Convertible Bond Code: 113045

Abbreviated Name: USI Convertible Bond

**Universal Scientific Industrial (Shanghai) Co., Ltd.**  
**Summary of 2022 Interim Report**



*Note: The English version is summarized from the original Chinese report disclosed on the Shanghai Stock Exchange. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.*

## **I. Important Notes**

- 1.1 The summary is a simplified version of the interim report. To comprehensively understand Universal Scientific Industrial (Shanghai) Co., Ltd. (“the Company”, “USI”) ‘s operating results, financial position and future development plans, investors shall refer to the website of the Shanghai Stock Exchange (www.sse.com.cn) to carefully read the full text of the report.**
- 1.2 The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of the Company hereby assure that the content set out in the interim report is true, accurate and complete, and free from any false record, misleading representation or material omission, and are individually and collectively responsible for the content set out therein.**
- 1.3 All directors attend the board meeting.**
- 1.4 The interim report is unaudited.**
- 1.5 There is no proposal of profit distribution or proposal of capitalizing capital reserves for the reporting period examined and reviewed by the Board during the reporting period.**

## **II. Basic Information of the Company**

### **2.1 Overview**

The Comapny's Stocks				
Type of Shares	Stock Exchange	Abbreviated Name	Stock Code	Former Abbreviated Name
A-share	Shanghai Stock Exchange	USI	601231	N/A
Corporate bonds convertible into the Company’s A shares	Shanghai Stock Exchange	USI Convertible Bond	113045	N/A

Contact	Secretary of the Board	Securities Affairs Representative
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## 2.2 Key accounting and financial performance indicators

Presented in RMB yuan

	30 June 2021	31 December 2021		QoQ (%)
		After adjustment	Before adjustment	
Total assets	36,652,234,311.31	35,856,733,503.81	35,856,733,503.81	2.22
Net assets attributable to shareholders of the listed company	13,575,365,903.04	13,081,960,207.42	13,081,960,207.42	3.77
	January – June 2022	January – June 2021		YoY (%)
		After adjustment	Before adjustment	
Revenue	28,940,502,267.63	22,273,274,806.52	22,273,274,806.52	29.93
Net profits attributable to shareholders of the listed company	1,084,646,922.10	551,039,407.60	551,039,407.60	96.84
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,094,959,847.50	462,814,175.12	462,814,175.12	136.59
Net cash flow from operating activities	67,087,303.03	-602,692,214.93	-602,692,214.93	N/A
Weighted average return on equity (%)	8.06	4.52	4.52	Up 3.54 pct.
Basic EPS (yuan per share)	0.50	0.25	0.25	100.00
Diluted EPS (yuan per share)	0.48	0.25	0.25	92.00

## 2.3 Shareholding of top 10 shareholders

Unit: Share

Total number of common shareholders by the end of the reporting period				49,573	
Total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period					
Shareholding of top 10 shareholders					
Name of shareholders	Identity	%	Number of shares held	Restricted shares	Pledged or frozen shares

USI Enterprise Limited	Foreign legal person	76.17	1,683,749,126	0	N/A	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.38	52,524,498	0	Unknown	
China Securities Finance Co., Ltd.	State-owned legal person	1.43	31,525,673	0	Unknown	
ASDI ASSISTANCE DIRECTION	Foreign legal person	1.17	25,939,972	25,939,972	Pledged	25,939,972
ASE (Shanghai) Inc.	Domestic non-state legal person	0.82	18,098,476	0	N/A	0
Zoomlion Runshi (Beijing) Investment Company Limited	Domestic non-state legal person	0.27	5,997,965	0	Unknown	
Fuguo Innovative Technology Hybrid Securities Fund - Industrial and commercial bank of china limited	Others	0.26	5,691,700	0	Unknown	
ChinaAMC CSI 5G Communication Theme ETF - Bank of China Limited	Others	0.20	4,527,169	0	Unknown	
CCB Small and Medium Cap Pioneer Equity Securities Investment Fund - China Merchants Securities Co., Ltd.	Others	0.19	4,167,500	0	Unknown	
Zhang Fangzheng	Domestic natural person	0.17	3,702,000	0	Unknown	
Related or concert parties among the shareholders above	The actual controllers of the Company are Mr.Chang Chien-Shen and Mr. Chang Hung-Pen, who are brothers and ultimately control the Company through indirect shareholding by controlling USI Enterprise Limited and ASE (Shanghai) Inc., two of the Company's shareholders. The Company does not know whether there are related relationships and concerted actions among other shareholders.					
Descriptions of preference shareholders whose voting rights are resumed and the number of preferred shares held	N/A					

**2.4 The total number of preferred shareholders and the top 10 preferred shareholders by the end of the reporting period**

☐ Applicable    ☒ Not Applicable

**2.5 Changes of controlling shareholders and actual controllers**

☐ Applicable    ☒ Not Applicable

### **III. Important Issues**

**Major changes in the company's operations during the reporting period, as well as matters during the reporting period that have significantly impacted the company's operations, or the matters expected to have a significant impact in the future**

☐ Applicable    ☒ Not Applicable

## Appendix: Financial statements

### Consolidated Balance Sheet

30 June 2022

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

Items	Closing balance	Opening amount
Current assets:		
Cash and cash equivalents	5,665,606,520.41	6,034,204,042.25
Financial assets held for trading	97,110,039.95	96,480,087.56
Bills receivable	73,498,382.41	78,960,907.84
Accounts receivable	10,530,962,322.81	12,459,388,852.15
Prepayments	79,993,238.59	51,467,608.39
Other receivables	151,771,556.64	129,254,194.21
Inventories	11,765,214,531.70	9,037,562,662.64
Non-current assets due within a year	870,261.94	991,195.08
Other current assets	628,682,235.89	606,392,327.15
Total current assets	28,993,709,090.34	28,494,701,877.27
Non-current assets:		
Long-term receivables	11,135,017.77	11,164,116.06
Long-term equity investments	560,453,185.87	542,549,818.63
Investments in other equity instruments	46,291,395.53	75,957,194.28
Other non-current financial assets	284,776,719.18	236,978,820.68
Fixed assets	3,842,015,222.47	3,442,205,758.01
Construction in progress	659,464,390.35	798,015,703.22
Right-of-use assets	526,673,062.22	562,990,794.23
Intangible assets	415,775,855.71	453,460,831.12
Goodwill	541,941,684.26	559,021,157.88
Long-term deferred expenses	196,794,403.24	227,576,284.98
Deferred income tax assets	347,104,238.17	315,295,836.27
Other non-current assets	226,100,046.20	136,815,311.18
Total non-current assets	<b>7,658,525,220.97</b>	<b>7,362,031,626.54</b>
Total assets	<b>36,652,234,311.31</b>	<b>35,856,733,503.81</b>
Current liabilities:		
Short-term borrowings	3,751,935,804.93	2,480,500,031.68
Derivative financial liabilities	2,462,075.56	976,413.16
Accounts payables	11,751,679,892.60	12,558,598,243.17
Contract liabilities	278,474,294.47	311,988,551.56
Payroll payable	710,115,736.20	831,186,986.48

Taxes payable	235,477,473.04	238,676,479.75
Other payables	967,723,672.88	423,509,465.51
Non-current liabilities due within one year	147,411,888.73	720,507,781.49
Other current liabilities	78,616,207.19	-
Total current liabilities	<b>17,923,897,045.60</b>	<b>17,565,943,952.80</b>
Non-current liabilities:		
Long-term borrowings	1,063,097,504.95	1,101,220,467.55
Bond payable	3,179,163,819.26	3,115,505,143.28
Lease liabilities	432,402,739.45	475,125,597.24
Long-term payables	38,604,847.83	45,581,055.62
Long-time payroll payable	288,244,639.54	297,331,160.14
Estimated liabilities	6,670,569.05	10,046,914.77
Deferred income	52,632,507.38	59,791,942.70
Deferred income tax liabilities	88,127,937.96	98,179,611.96
Other non-current liabilities	3,621,923.59	5,642,575.13
Total non-current liabilities	<b>5,152,566,489.01</b>	<b>5,208,424,468.39</b>
Total liabilities	<b>23,076,463,534.61</b>	<b>22,774,368,421.19</b>
Shareholders' equity:		
Share capital	2,210,551,038.00	2,210,172,782.00
Other equity instruments	409,899,383.48	409,902,116.17
Capital reserve	2,260,359,607.41	2,242,456,606.22
Less: Treasury stock	461,903,771.66	341,236,339.88
Other comprehensive income	(5,865,921.57)	(83,600,398.95)
Surplus reserve	738,004,669.96	738,004,669.96
Undistributed profits	8,424,320,897.42	7,906,260,771.90
Total equity attributable to owners of the parent company	<b>13,575,365,903.04</b>	<b>13,081,960,207.42</b>
Minority shareholders' interests	404,873.66	404,875.20
Total shareholders' equity	<b>13,575,770,776.70</b>	<b>13,082,365,082.62</b>
Total liabilities and shareholders' equity	<b>36,652,234,311.31</b>	<b>35,856,733,503.81</b>

# Consolidated Income Statement

January - June 2022

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

Items	January - June 2022	January - June 2021 Adjusted
<b>I. Revenue</b>	<b>28,940,502,267.63</b>	<b>22,273,274,806.52</b>
Less: Operating cost	26,067,820,625.54	20,271,104,031.43
Taxes and surcharges	25,141,285.56	26,103,463.44
Sales expense	158,125,591.49	149,515,042.35
Administrative expense	696,717,132.02	519,928,550.62
R&D expenses	810,510,024.60	680,069,715.46
Financial expenses	3,793,623.20	95,345,022.04
Including: interest expense	95,813,724.58	100,343,456.64
Interest income	31,097,671.59	35,746,314.39
Add: other income	22,696,334.57	19,326,234.00
Investment income	20,074,967.70	52,989,595.31
Including: investment income of associates and joint ventures	20,362,203.61	7,686,346.12
Income from change in fair value (losses are represented by '-')	15,478,728.44	28,408,621.11
Loss on credit impairment	(6,732,713.02)	(1,752,248.14)
Loss on assets impairment	(16,562,964.14)	(8,246,595.47)
Gain (loss) from disposal of assets	6,350,284.52	665,150.49
<b>II. Operating profit</b>	<b>1,219,698,623.29</b>	<b>622,599,738.48</b>
Add: non-operating income	5,980,654.34	13,202,912.23
Less: non-operating expenses	2,823,804.63	659,100.58
<b>III. Total profit</b>	<b>1,222,855,473.00</b>	<b>635,143,550.13</b>
Less: income tax expense	138,194,427.18	84,088,832.05
<b>IV. Net profit</b>	<b>1,084,661,045.82</b>	<b>551,054,718.08</b>
(I) Classified by continuous operation		
1. Net profit from continuous operation	1,084,661,045.82	551,054,718.08
2. Net profit from discontinued operation	-	-
(II) Classification by ownership		
1. Net profit attributable to owners of the parent company	1,084,646,922.10	551,039,407.60
Profit or loss attributable to minority shareholders	14,123.72	15,310.48
<b>V. Other comprehensive income, net of tax</b>	<b>77,720,352.12</b>	<b>21,044,781.00</b>
Other comprehensive income attributable to owners of the parent company, net of tax	77,734,477.38	19,742,340.85
(I) Other comprehensive income that cannot be reclassified into profit or loss	(27,963,774.02)	11,952,227.53
1. Changes arising from re-measurement of defined benefit plans	-	-
2. Changes in fair value of investments in other equity instruments	(27,963,774.02)	11,952,227.53
(II) Other comprehensive income to be reclassified into the profit or loss	105,698,251.40	7,790,113.32
1. Other comprehensive income that can be transferred into profit or loss under equity method	(16,642,871.10)	5,826,791.18
2. Differences on translation of financial statements denominated in foreign currencies	(46,146,695.70)	(68,061,049.42)
3. Hedges of a net investment in a foreign operation	168,487,818.20	70,024,371.56
Total comprehensive income attributable to the minority	(14,125.26)	1,302,440.15



shareholders, net of tax		
VI. Total comprehensive income	<b>1,162,381,397.94</b>	<b>572,099,499.08</b>
Total comprehensive income attributable to the owners of the parent company	1,162,381,399.48	570,781,748.45
Total comprehensive income attributable to minority shareholders	(1.54)	1,317,750.63
Earnings per share		
Basic earnings per share	0.50	0.25
Diluted earnings per share	0.48	0.25

# Consolidated Cash Flow Statement

January - June 2022

Prepared by Universal Scientific Industrial (Shanghai) Co., Ltd.

Presented in RMB yuan, unaudited

Items	January - June 2022	January - June 2021
<b>I. Net cash flow from operating activities</b>		
Cash received from the sale of goods and rendering of services	30,225,655,541.40	24,977,733,255.86
Refunds of taxes	185,035,259.42	353,594,771.20
Cash paid to other operation activities	57,439,699.31	71,518,652.51
Sub-total of cash inflows from operating activities	<b>30,468,130,500.13</b>	<b>25,402,846,679.57</b>
Cash paid for commodities and services	27,450,733,274.74	23,325,335,446.60
Cash paid to and on behalf of employees	2,281,700,694.12	2,094,327,817.36
Cash paid for all types of taxes	555,380,253.31	265,903,679.38
Cash paid to other operation activities	113,228,974.93	319,971,951.16
Sub-total of cash outflows from operating activities	<b>30,401,043,197.10</b>	<b>26,005,538,894.50</b>
Net cash flow from operating activities	<b>67,087,303.03</b>	<b>(602,692,214.93)</b>
<b>II. Cash flow from investing activities:</b>		
Cash received from recovery of investments	2,846,605,182.63	4,230,395,046.84
Cash received from return on investments	64,243,062.45	31,953,600.25
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	24,495,500.06	40,528,567.04
Sub-total of cash inflows from operating activities	<b>2,935,343,745.14</b>	<b>4,302,877,214.13</b>
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	928,553,239.48	743,993,336.73
Cash paid for investments	2,941,657,245.23	4,244,192,337.89
Sub-total of cash outflows from investing activities	<b>3,870,210,484.71</b>	<b>4,988,185,674.62</b>
Net cash flow from investing activities	<b>(934,866,739.57)</b>	<b>(685,308,460.49)</b>
<b>III. Cash flow from financing activities:</b>		
Cash received from capital injections	4,749,450.34	4,498,830.00
Cash received from borrowings	9,609,003,899.51	4,153,504,404.44
Cash received from issuance of bond	-	3,427,301,047.73
Cash received from other financing activities	4,066,800.27	-
Sub-total of cash inflows from operating activities	<b>9,617,820,150.12</b>	<b>7,585,304,282.17</b>
Cash paid for debt repayment	8,937,510,276.57	4,342,071,440.18
Cash paid on distribution of dividends, profits or repayment of interest expenses	151,160,045.47	1,221,133,235.25
Cash paid on other financing activities	188,368,323.44	74,326,266.71
Sub-total of cash outflows from financing activities	<b>9,277,038,645.48</b>	<b>5,637,530,942.14</b>
Net cash flow from financing activities	<b>340,781,504.64</b>	<b>1,947,773,340.03</b>
<b>IV. Effect of fluctuations in exchange rates on cash and cash equivalents</b>	<b>156,986,707.72</b>	<b>(59,173,109.13)</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>(370,011,224.18)</b>	<b>600,599,555.48</b>
Add: balance of cash and cash equivalents at the beginning of the period	6,018,193,116.59	6,303,224,304.50
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>5,648,181,892.41</b>	<b>6,903,823,859.98</b>

Legal representative: Chen Chang-I

CFO: Liu Tan-Yang

Accounting officer: Chern Yuh-Huah