Yungtay Engineering Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2020 and 2019
With Independent Auditors' Report
(Ticker：1507)

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Yungtay Engineering Co., Ltd.

Contents

Russell Bedford
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yungtay Engineering Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Yungtay Engineering Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2020, and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China in 2020 and conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Decree of Jin Guan Jheng Shen No.1090360805 promulgated from Financial Regulatory Commission on February 25, 2020 and auditing standards generally accepted in the Republic of China in 2019. Our responsibilities under those standard are further described in the section Auditors' Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audits evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of sales

Please refer to Note 6(18) to the parent company only financial statements for the details of the information about the sale of goods associated with elevators and related maintenance, which accounts for 99.52% of the total operating revenue.

The main clients come from construction industry, which have already signed the contract with regard to the sales of elevator and maintenance. The timing for revenue recognition lies in the point when the elevator is installed completely and are examined and qualified by the competent authority, and the maintenance is recognized over time followed by the designated service time in accordance with the contract. Since the timing for revenue recognition and correct attribution of revenue is subject to the significant judgment and decision from the management, it has been identified a key audit matter. Please refer to Note 4(18) to the parent company only financial statements for the details of accounting policy about the recognition of sales.

Our key audit procedures responded to the above area included: 1.obtained an understanding and evaluating of the implementation of internal controls over the recognition of sales revenue designed by the Company's management in order to evaluate the effectiveness of the related activity of internal control; 2.performed the cut-off tests to sales revenue, which is occurred in the specific period before and after the balance sheet date as well as reviewed the material contracts to verify the recognition of the sales of elevators, maintenance and related products and services to be in the right time and reasonable.

Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the

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Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, of has no realistic alternative but to do so.

Those charged with governance (including members of audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of components constituting the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Seng-Ping and Chen, Jen-Chi.

A member of Russell Bedford International
Taipei, Taiwan (Republic of China)
March 26, 2021

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

Yungtay Engineering Co., Ltd.

Parent Company Only Balance Sheets - Assets

December 31,2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Accounting Item	Note	31-Dec-20 Amount	%	31-Dec-19 Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,712,806	11	1,240,832	9
1110	Financial assets at fair value through profit or loss -current	6(2)	857,397	5	791,342	5
1120	Financial assets at fair value through other comprehensive income-current	6(3)	105,411	1	84,110	1
1150	Notes receivable, net	6(4)	220,383	1	186,205	1
1170	Accounts receivable, net	6(4)	968,941	6	1,008,721	7
1200	Other receivables		2,408	-	759	-
130x	Inventories	6(5)	1,061,196	7	1,080,869	7
1410	Prepayments	6(6)	9,062	-	9,636	-
11xx	Total current assets		4,937,604	31	4,402,474	30
15xx	Non-current assets					
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)	447,264	3	85,449	1
1550	Investments accounted for using equity method	6(8)	7,683,986	49	7,859,429	53
1600	Property, plant and equipment	6(9)	1,368,413	9	1,373,266	9
1755	Right-of-use assets	6(10)	8,249	-	14,580	-
1760	Investment property, net	6(11)	890,441	6	895,658	6
1780	Intangible assets	6(12)	4,560	-	2,953	-
1840	Deferred income tax assets	6(21)	161,051	1	155,554	1
1915	Prepayments for equipment	6(9)	8,118	-	1,249	-
1920	Refundable deposits	6(7)	86,954	1	73,865	-
1930	Long-term notes and accounts receivable		33,994	-	-	-
1990	Advances to employees and official business		2,443	-	3,364	-
1990	Other non-current assets-others		5,520	-	5,520	-
15xx	Total non-current assets		10,700,993	69	10,470,887	70
1xxx	Total assets		$ 15,638,597	100	14,873,361	100

(Notes attached are part of the parent company only financial statements)

Chairman: (sealed)　　Manager: (sealed)　　Accounting Supervisor: (sealed)

Yungtay Engineering Co., Ltd.

Parent Company Only Balance Sheets – Liabilities and Equity

December 31,2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Accounting Item	Note	31-Dec-20 Amount	%	31-Dec-19 Amount	%
21xx	Current liabilities					
2130	Contract liabilities	6(13)	$ 1,843,998	12	1,962,403	13
2150	Notes payable		361,107	2	278,997	2
2170	Accounts payable		763,499	5	556,203	4
2200	Other payables	6(14)	225,226	1	230,900	1
2230	Current tax liabilities	6(21)	148,685	1	118,537	1
2280	Lease liabilities -current	6(15)	4,787	-	7,503	-
2313	Deferred revenue	6(18)	103,384	1	90,542	1
2315	Advance receipts	9(8)	14,381	-	-	-
2335	Receipts under custody		10,286	-	1,780	-
	Total current liabilities		3,475,353	22	3,246,865	22
25xx	Non-current liabilities					
2570	Deferred income tax liabilities	6(21)	3,666	-	4,875	-
2580	Lease liabilities-non-current	6(15)	3,540	-	7,145	-
2630	Long-term deferred revenue	6(18)	56,556	-	42,879	-
2640	Net defined benefit liabilities-non-current	6(16)	259,929	2	330,698	2
2645	Guarantee deposits received		5,525	-	5,480	-
25xx	Total non-current liabilities		329,216	2	391,077	2
2xxx	Total liabilities		3,804,569	24	3,637,942	24
31xx	Equity					
3100	Capital stock	6(17)	4,108,200	26	4,108,200	28
3200	Capital surplus	6(17)	279,398	2	275,042	2
3300	Retained earnings	6(17)				
3310	Legal reserve		3,171,035	20	3,077,068	20
3320	Special reserve		307,639	2	923	-
3350	Unappropriated earnings		4,117,021	26	4,151,236	28
3400	Other equity					
3410	Exchange differences arising on translation of foreign operations		(168,965)	(1)	(284,952)	(2)
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		89,111	1	(22,687)	-
3500	Treasury stock		(69,411)	-	(69,411)	-
3xxx	Total equity		11,834,028	76	11,235,419	76
3x2x	Total liabilities and equity		$ 15,638,597	100	14,873,361	100

(Notes attached are part of the parent company only financial statements)

Chairman: (sealed) Manager: (sealed) Accounting Supervisor: (sealed)

Yungtay Engineering Co., Ltd.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code	Accounting Item	Note	2020 Amount	2020 %	2019 Amount	2019 %
4000	Operating revenue	6(18)	$ 6,466,867	100	5,942,257	100
5000	Operating costs	6(5)	(4,440,031)	(69)	(3,999,072)	(67)
5900	Gross profit from operations		2,026,836	31	1,943,185	33
5910	Unrealized profit from sales		(664)	-	(583)	-
5920	Realized profit from sales		583	-	605	-
5950	Gross profit from operations, net		2,026,755	31	1,943,207	33
6000	Operating expenses					
6100	Selling expenses		(67,583)	(1)	(61,947)	(1)
6200	Administrative expenses		(445,150)	(7)	(420,311)	(7)
6300	Research and development expenses		(153,065)	(2)	(167,282)	(3)
6450	Expected credit loss		12,000	-	-	-
	Total operating expenses		(653,798)	(10)	(649,540)	(11)
6900	Net operating income		1,372,957	21	1,293,667	22
7000	Non-operating income and expenses					
7100	Interest income		5,895	-	6,943	-
7130	Dividend income		31,596	1	29,003	-
7020	Other gains and losses	6(19)	56,597	1	7,801	-
7050	Finance costs	6(19)	(174)	-	(181)	-
7070	Share of (loss) profit of subsidiaries and associates accounted for using equity method	6(8)	156,461	2	(127,371)	(2)
	Non-operating income and expenses		250,375	4	(83,805)	(2)
7900	Income before income tax		1,623,332	25	1,209,862	20
7950	Income tax expenses					
7951	Current income tax expenses	6(21)	(310,230)	(5)	(253,918)	(4)
7952	Deferred income tax expenses	6(21)	(4,002)	-	(16,276)	-
8000	Current income from continuing operations		1,309,100	20	939,668	16
8100	Gains and losses from discontinuing operation, net		-	-	-	-
8200	Net income for the year		1,309,100	20	939,668	16
8300	Other comprehensive income (loss), net					
8310	Items that will not be reclassified subsequently to profit of loss:					
8311	Remeasurement on defined benefit plans	6(16)	(53,541)	(1)	55,331	-
8316	Unrealized profit or loss on investment in equity instruments at fair value through other comprehensive income	6(17)	112,716	2	(2,046)	-
8331	Remeasurement on defined benefit plans of associates		(412)	-	(973)	-
8336	Unrealized profit or loss on investment in equity instruments at fair value through other comprehensive income of subsidiaries and associates	6(17)	2,719	-	3,036	-
8349	Income tax (benefit) expense related to items that will not be reclassified	6(21)	10,708	-	(10,983)	-
	Total items not reclassified subsequently into gains and losses		72,190	1	44,365	-
8360	Items that may be reclassified subsequently to profit or loss:					
8381	Exchange differences arising on translation of foreign operations of subsidiaries and associates		95,637	2	(309,708)	(5)
	Total items to be reclassified subsequently into gains and losses		95,637	2	(309,708)	(5)
8500	Total comprehensive income for the year		$ 1,476,927	23	674,325	11
	Earnings per share (unit: NT$)	6(22)				
9750	Basic earnings per share (in NT dollar)		$ 3.20		2.30	

(Notes attached are part of the parent company only financial statements)

Chairman: (sealed) Manager: (sealed) Accounting Supervisor: (sealed)

Yungtay Engineering Co., Ltd.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other equity			
Item	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Treasury stock	Total equity
Restated balance as of January 1, 2019	4,108,200	270,267	3,009,594	-	3,978,068	24,756	(25,679)	(69,411)	11,295,795
Appropriation & distribution of earnings in 2018									
Legal reserve			67,474		(67,474)				-
Special reserve				923	(923)				-
Cash dividends					(739,476)				(739,476)
Adjustments of capital surplus due to cash dividends paid from parent to subsidiaries		3,834							3,834
Overdue dividends unclaimed		939							939
Share of changes in net assets of associates accounted for using equity method		2							2
Net income in 2019 (Note1)					939,668				939,668
Other comprehensive income (loss) in 2019					43,375	(309,708)	990		(265,343)
Total comprehensive income (loss) in 2019	-	-	-	-	983,043	(309,708)	990	-	674,325
Adjustments to share of disposal and capital reduction of investments in equity instruments at fair value through other comprehensive income owned by associates	-	-	-	-	(2,002)	-	2,002	-	-
Balance as of December 31, 2019	$ 4,108,200	275,042	3,077,068	923	4,151,236	(284,952)	(22,687)	(69,411)	11,235,419
Balance as of January 1, 2020	$ 4,108,200	275,042	3,077,068	923	4,151,236	(284,952)	(22,687)	(69,411)	11,235,419
Appropriation & distribution of earnings in 2019									
Legal reserve			93,967		(93,967)				-
Special reserve				306,716	(306,716)				-
Cash dividends					(903,804)				(903,804)
Adjustments of capital surplus due to company's cash dividends paid to subsidiaries		4,686							4,686
Overdue dividends unclaimed		1,401							1,401
Net income in 2020 (Note 2)					1,309,100				1,309,100
Other comprehensive income (loss) in 2020					(43,245)	95,637	115,435		167,827
Total comprehensive income (loss) in 2020	-	-	-	-	1,265,855	95,637	115,435	-	1,476,927
Disposal of associate accounted for using equity method		(1,731)				20,350	780		19,399
Disposal of equity instruments at fair value through other comprehensive income					1,667		(1,667)		-
Changes of associate accounted for using equity method					2,750		(2,750)		-
Balance as of December 31, 2020	$ 4,108,200	279,398	3,171,035	307,639	4,117,021	(168,965)	89,111	(69,411)	11,834,028

Note 1: The employee's compensation and director's remuneration in 2020 are NT$48,600thousand and NT$5,400 thousand, respectively, which have been deducted from the parent company only statement of comprehensive income.

Note 2: The employee's compensation and director's remuneration in 2019 are NT$44,978 thousand and NT$4,998 thousand, respectively, which have been deducted from the parent company only statement of comprehensive income.

(Notes attached are part of the parent company only financial statements)

Chairman: (sealed) Manager: (sealed) Accounting Supervisor: (sealed)

Yungtay Engineering Co., Ltd.

Parent Company Only Statements of Cash flows

For the years ended December 31, 2020and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2020	2019
AAAA	**Cash flows from operating activities:**		
A10000	Income before income tax	$ 1,623,332	1,209,862
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	68,598	66,754
A20200	Amortization expense	3,007	4,723
A20300	Expected credit (gain)	(12,000)	-
A20400	(Gain) loss on financial assets at fair value through profit or loss	(11,285)	(3,413)
A20900	Interest expense	174	181
A21200	Interest income	(5,895)	(6,943)
A21300	Dividend income	(31,596)	(29,003)
A22400	Share of (profit) loss of subsidiaries and associates accounted for using equity method	(156,461)	127,371
A22500	(Gain) on disposal of property, plant and equipment, net	(312)	-
A22500	Loss on obsolescence of property, plant and equipment	269	1
A23200	Loss (gain) on disposal of partial investments accounted for using equity method (Note 6(8))	(37,605)	-
A23700	Loss from price recovery of inventory decline	747	-
A23800	(Reversal of loss) from price recovery of inventory decline	-	(1,927)
A23800	Impairment loss (reversal of impairment loss) on other nonfinancial asset (Note 6(7))	(1,800)	-
A24000	Realized profit from sales, net	81	(22)
A24100	Unrealized foreign exchange loss	32,693	33,144
A29900	Various expenses transferred from prepayment for equipment	-	1,257
A20010	Total adjustments to reconcile profit (loss)	(151,385)	192,123
A30000	Change in operating assets and liabilities		
A31000	Change in operating assets		
A31115	(Increase) decrease in financial assets mandatorily classified as at fair value through profit or loss	(54,770)	(265,009)
A31130	(Increase) decrease in notes receivable, net	(34,178)	1,472
A31150	(Increase) decrease in accounts receivable, net	51,780	32,076
A31180	(Increase) decrease in other receivables	44	(46)
A31200	(Increase) decrease in inventory	18,926	6,112
A31230	(Increase) decrease in prepayments	574	(2,566)
A31000	Total change in operating assets	(17,624)	(227,961)
A32000	Change in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(118,405)	154,381
A32130	Increase (decrease) in notes payable	82,110	25,587
A32150	Increase (decrease) in accounts payable	207,296	86,753
A32180	Increase (decrease) in other payables	(5,674)	11,971
A32210	Increase (decrease) in unearned revenue	14,381	-
A32210	Increase (decrease) in unearned revenue	-	-
A32230	Increase (decrease) in other current liabilities	8,506	310
A32240	Increase (decrease) in defined benefit liabilities, net	(124,310)	(127,493)
A23990	Increase (decrease) in deferred revenue	26,519	2,837
A32000	Total change in operating liabilities	90,423	154,346

Yungtay Engineering Co., Ltd.

Parent Company Only Statements of Cash flows

For the years ended December 31, 2020and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item	2020	2019
A30000	Total change in operating assets and liabilities	72,799	(73,615)
A20000	Total adjustments	(78,586)	118,508
A33000	Cash generated from operations	1,544,746	1,328,370
A33100	Interest received	5,860	6,828
A33200	Dividends received	267,507	80,223
A33300	Interest paid	(93)	(59)
A33500	Income tax paid	(269,633)	(355,024)
AAAA	Net cash flows generated by operating activities	1,548,387	1,060,338
BBBB	**Cash flows from investing activities**		
B00010	Acquision of financial assets at fair value through other comprehensive income	(45,161)	-
B00020	Disposal of financial assets at fair value through other comprehensive income	15,898	-
B01900	Disposal of investment accounted for using equity method	1,916	-
B02700	Acquisition of property, plant and equipment (Note 6(23))	(49,406)	(26,423)
B02800	Proceeds from disposal of property, plant and equipment	342	-
B03700	(Increase) in refundable deposits	(11,289)	(6,529)
B04500	Acquisition of intangible assets	(4,614)	(443)
B06800	(Increase) decrease in other non-current assets	(33,073)	572
B07100	(Increase) in prepayments for equipment	(8,118)	(991)
BBBB	Net cash flows used in investing activities	(133,505)	(33,814)
CCCC	**Cash flows from financing activities**		
C03000	Increase in guarantee deposits received	45	65
C04020	Repayment of the principal portion of lease liabilities	(8,243)	(6,031)
C04500	Cash dividends	(903,804)	(739,476)
C09900	Other-overdue dividends unclaimed	1,401	939
CCCC	Net cash flows used in financing activities	(910,601)	(744,503)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(32,307)	(33,144)
EEEE	Net increase in cash and cash equivalents	471,974	248,877
E00100	Cash and cash equivalents at the beginning of year	1,240,832	991,955
E00200	Cash and cash equivalents at the end of year	$ 1,712,806	1,240,832

(Notes attached are part of the parent company only financial statements)

Chairman: (sealed) Manager: (sealed) Accounting Supervisor: (sealed)

Yungtay Engineering Co., Ltd.
Notes to Parent Company Only Financial Statements
For the years ended December 31, 2020 and 2019
(Amounts in Thousands of New Taiwan Dollars, unless specified otherwise)

1. GENERAL

Yungtay Engineering Co., Ltd. ("YTEC" or the "Company"), a Republic of China (R.O.C.) corporation, was incorporated on July 9, 1966. YTEC is engaged mainly in manufacturing and selling all kinds of elevators, escalators and related spare parts and components as well as providing the after-sales services of installation, maintenance and repair. The principal operating items of YTEC's subsidiaries are described in Note 4(3). The address of its registered office and principal place of business is 11F, No.99, Fu-Hsin N. Rd., Taipei, Taiwan, R.O.C.. YTEC's shares were listed on the Taiwan Stock Exchange in November, 1989.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 26, 2021.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

New IFRSs
Amendments to IFRS 3 "Definition of a Business"
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"
Amendments to IAS 1 and IAS 8 "Definition of Material"
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on The Company's accounting policies:

Amendments to IAS 1 and IAS 8 “Definition of Material”

The Company adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “could reasonably be expected to influence” and, therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

(2) Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers for application starting from 2021 and the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2021

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS, “Extension of the temporary exemption from applying IFRS”	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”	January 1, 2021
Amendments to IFRS 16 “Covid-19-Retated Rent Concessions”	June 1, 2020

Amendment to IFRS 16 “Covid-19-Related Rent Concessions”

The Company elected to apply the practical expedient provided in the amendment to IFRS 16 with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. Before the application of the amendment, The Company was required to determine whether the abovementioned rent concessions are lease modifications and thus have to be accounted for as lease modifications.
The Company did not apply the amendment in 2020.

The above standards and interpretations have no significant impact to The Company's financial condition and financial performance based on The Company's assessment.

(3) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Amendment to IFRS 16 “Covid-19-Related Rent Concessions”

The amendments clarify that for a liability to be classified as non-current, The Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether The Company will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, The Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or The Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of The Company’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, The Company is continuously assessing the possible impact that the application of other standards and interpretations will have on The Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.

(1) Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

a. Basis of measurement

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments (including derivative financial instruments) which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

b. Functional and reporting currency

The functional currency of the Company is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company' s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(3) Foreign Currency

a. Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate on the date when fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

All exchange differences arising from the settlement or translation of monetary items are taken to profit or loss in the period in which they arise, except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

b. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated at the average exchange rate. Translation differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planed nor likely in the foreseeable future, foreign currency gains and losses arising thereon from part of the net investment in the foreign operation and are recognized in other comprehensive income, and presented in the exchange differences on translation of foreign financial statements in equity.

(4) <u>Classification of Current and Noncurrent Assets and Liabilities</u>

An asset is classified as current under any one of the following conditions. All other assets are classified as non-current.

a. The asset is expected to be realized, or sold or consumed, during the Company’s normal operating cycle;
b. The asset is held primarily for the purpose of trading;
c. The asset is expected to be realized within twelve months after the reporting period; or
d. The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

A liability is classified as current under any one of the following conditions. All other liabilities are classified as non-current.

a. The liability is expected to be settled during the Company's normal operating cycle;

b. The liability is held primarily for the purpose of trading;

c. The liability is due to be settled within twelve months after the reporting period; or

d. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and Cash Equivalents

Cash comprises cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits (including foreign-currency deposits) meeting the aforementioned definition and held for the purpose of fulfilling short-term cash commitments rather than for investment or other purposes are classified under cash equivalents.

(6) Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair values. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis for which financial assets were classified in the same way. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(a) Category of financial assets and measurement

Purchase or sale of financial assets is recognized or derecognized using trade date accounting.

Financial assets held by the Company are classified into subsequently the following categories: financial assets at fair value through profit or loss (FVTPL), financial assets measured at amortized cost and investment in equity instruments at fair value through other comprehensive income (FVTOCI) on the basis of both:

i. The Company's business model for managing the financial assets and

ii. The contractual cash flow characteristics of the financial asset.

(i) Financial assets at FVTPL

For certain financial assets which include debt instruments that do not meet the criteria of amortized cost or FVTOCI, it is mandatorily required to measure them at FVTPL. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset. The measurement method of fair value please see Note 12.

(ii) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

(iii) Investments in equity instruments at FVTOCI

On initial recognition, the Company may irrevocably designate investments in equity investments that is not held for trading as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. On de-recognition, gains and losses accumulated in OCI of equity investments are reclassified to retained earnings instead of profit or loss.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive the dividends is established, unless the Company's rights clearly represent a recovery of part of the cost of the investment.

(b) Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable).

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost and investments in debt instruments that are measured at FVTOCI, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, instead of profit or loss.

b. Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are subsequently measured either at amortized cost using effective interest method or at FVTPL.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

c. Derivative financial instruments

The Company holds derivative financial instruments to hedge its forward foreign currency exposures. Derivatives are recognized initially at fair value at the date the derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period, and changes therein are recognized in profit or loss and presented under non-operating income and expenses. When the fair value of a derivative instrument is positive, it is classified as a financial asset, and when the fair value is negative, it is classified as a financial liability.

(7) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or

b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would us when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable imputs.

(8) Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition. The cost of inventories is calculated using the weighted-average method. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost at the end of the reporting period. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and the estimated costs necessary to make the sale.

(9) Investments Accounted for Using Equity Method-Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over their financial and operating policies. When the Company holds 20% to 50% of the voting rights of the investee company, it assumes that it has significant influence and adopts equity evaluation

Under the equity method, investments in associates are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill, which is arising from the acquisition, less any accumulated impairment losses.

The parent company only financial statements include the Company’ s share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align their accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

Unrealized profits resulting from the transactions between the Company and associates are eliminated to the extent of the Company’s interest in the associate.

When the Company’s share of losses exceeds its interest in associates, the carrying amount of that investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has a present legal or constructive obligation or has made payments on behalf of the investees.

(10) Investments Accounted for Using Equity Method-Investment in subsidiaries

The Company’s subsidiaries are accounted for using equity method when preparing their parent company only financial statements. Under the equity method, profit, other comprehensive income and equity in the parent company only financial statements are equivalent to those of the profit, other comprehensive income and equity which are contributed to the owners of the parent in the parent company only financial statements.

The Company's change in the ownership interests of the subsidiaries did not result in loss of control and were treated as an interest transaction with the owner.

(11) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives:

Categories of assets	Years
Building	
Main Building	10~55
Decoration Works	2~25
Electrical and Mechanical Engineering	5~15
Machinery and Equipment	5~15
Telecommunications Equipment	2~10
Transportation Equipment	2~10
Furniture and Fixtures	2~10
Research Equipment	2~10
Tools and Sundry Equipment	2~10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(12) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for currently undermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method over the following estimated useful lives:

Categories of assets	Years
Building	
Main Building	10~55
Decoration Works	3~10
Electrical and Mechanical Engineering	3~15

The Company decides to transfer into or from investment properties in accordance with the actual purpose of asset.

(13) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(14) Intangible Assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Other intangible assets

Other separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the following estimated useful lives: computer software – 1~3 years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(15) <u>Impairment of Non-Financial Assets</u>

<u>Goodwill</u>

Goodwill is not amortized and instead is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. If the recoverable amount of a cash-generating unit is less than its carrying amount, the difference is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to the other assets of the cash generating unit pro rata based on the carrying amount of each asset in the cash generating unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

<u>Other tangible and intangible assets</u>

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(16) Treasury Stock

The Company's own equity instruments repurchased are recognized at repurchase cost (including attributable cost) and deducted from equity.

Any difference between the carrying amount and the consideration is recognized in equity.

The parent company's shares held by the subsidiary are accounted for treasury stock, and the cash dividends, distributed from the parent company to the subsidiary, are classified under the capital surplus-transaction of treasury stock.

(17) Employee benefits

a. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

b. Pensions

(a) Defined contribution plans

For defined contribution plans, the Company pays fixed contributions to an independent, publicly or privately administered pension fund. The Company has no further legal or constructive obligations once the contributions have been paid. The contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

(i) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior period. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when where is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

(ii) Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

c. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

d. Employees' compensation

Employees' compensation is recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. If the Company has the income before income tax for current year in case that the Company has no accumulated deficit, the appropriation of at least 1% of the income before income tax is required according to the Company's Article of Incorporation. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(18) Revenue Recognition

a. Sale of Goods

The Company identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

The Company recognized the trade receivable after the completion of installation of elevator and inspection by the competent authority to be qualified, when the Company has the right to collect the consideration without any condition.

Any incremental cost incurred to obtain the contract would be capitalized as incremental cost for getting the contract within the scopt of expected recovery, and be amortized in the same way followed by the recognition of revenue afterwards.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

b. Service provided

The revenue of maintenance and repair stipulated in the contract, during the period of maintenance, is recognized when performance obligations are satisfied along with the time of services provided.

c. Rental, dividend and interest income

Rental incomes are recognized on a straight-line basis over the lease term.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(19) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

The additional income tax (5% reduced from 10% since 2018) on unappropriated earnings of the Company is recognized as income tax expense in the year the shareholders, meeting approves the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

In 2018, the Income Tax Law in the R.O.C. was amended and, starting from 2018, the corporate income tax rate was adjusted from 17% to 20% and integrated income tax system was abolished as well.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carry forwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(20) <u>Earnings per share</u>

Basic earnings per share is computed by dividing profit or loss attributable to the shareholders of the Company by the weighted-average number of common shares outstanding during the period. In computing diluted earnings per share, profit or loss attributable to the shareholders of the Company and the weighted-average number of common shares outstanding during the period are adjusted for the effects of dilutive potential common stock, assuming dilutive share equivalents had been issued.

The weighted-average outstanding shares are retroactively adjusted for the effects of stock dividends transferred from retained earnings and capital surplus to common stock.

(21) <u>Operating segments</u>

The Company has disclosed the information of operating segments in the consolidated financial statements, hence the parent company only financial statements is not required to disclose the information of operating segments.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the aforementioned Company's accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The Company's critical accounting judgments and key sources of estimation and uncertainty are as below:

(1) <u>Significant judgment of the application of accounting policies</u>

<u>Recognition of gross revenue or net revenue</u>

The nature of commitment to client is either the performance obligation of which the specific goods or services are provided by The Company itself (i.e.

The Company as the principal), or the performance obligation of which the goods or services are arranged and provided by the other party (i.e. The Company as agent), determined by The Company based on the type of transaction and its economic substance.

Before The Company transfer the specific goods or services to client, The Company controls the goods or services, then The Company is the principal, and the consideration, expected to entitle to get from the transfer of specific goods or services, is accounted for as the revenue. In case before the transfer of the goods or services to client, The Company doesn't control the goods or services, then The Company is agent, which means doing the arrangement of engaging the other party to provide the specific goods or services to client, and the arrangement is entitled to get any fee or commission which is charged as revenue.

The Company is determined to control the goods or services prior to the transfer of the specific goods or services to client, based on the following indicators:

a. Responsible for the commitment of completing to provide the specific goods or services.

b. Bearing the risk of inventory before the transfer of the specific goods or services to client or after the transfer of control.

c. The price discretion to the specific goods or services.

(2) Significant accounting estimation and uncertainty

a. Impairment of Tangible and Intangible Assets (Other Than Goodwill)

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of elevator industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

There was no indication of impairment of tangible and intangible assets (other than goodwill) in 2020 and 2019, respectively.

b. **Impairment Assessment on Investment Using Equity Method**

The Company assesses the impairment of investments accounted for using the equity method whenever triggering events or changes in circumstances indicate that an investment may be impaired and carrying value may not be recoverable. The Company measures the impairment based on a projected future cash flow of the investees, including the underlying assumptions of sales growth rate and capacity utilization rate formulated by such investees' internal management team. The Company also takes into account market conditions and the relevant industry trends to ensure the reasonableness of such assumptions.

There was no indication of impairment of investment accounted for using the equity method in 2020 and 2019, respectively.

c. **Income Tax**

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions Is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies, see Note 6(21).

d. Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company uses judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid technological changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon, see Note 6(5).

e. Useful Lives of Property, plant and Equipment as well as Investment Properties

The Company reviews the estimated useful lives of property, plant and equipment as well as investment properties periodically.

f. Estimated impairment of financial assets

The provision for impairment of trade receivables and investments in debt instruments is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 6(4). Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. Description of Major Accounting Items

(1) Cash and cash equivalents

		December 31 2020	December 31 2019
Cash on hand	$	5,075	4,920
Deposits in banks			
Checking accounts		82,835	70,686
Demand deposits (including foreign currency deposits)		948,900	636,594

Cash equivalents			
Time deposits (including foreign currency deposits)		675,996	528,632
Total	$	1,712,806	1,240,832

a. The currency risk and sensitivity analysis of the Company's financial assets and liabilities was disclosed in the Note 13(1).d.

b. The Company had no cash and cash equivalents pledged as collateral.

(2) Financial assets -current

		December 31 2020	December 31 2019
Mandatorily measured at FVTPL:			
Mutual funds and publicly traded stocks	$	857,397	791,342

		December 31 2020	December 31 2019
Current	$	857,397	791,342
Non-current		-	-
Total	$	857,397	791,342

a. The Company disclosed the exposures of credit, currency and interest which were related with financial instrments in the Note 13.

b. The Company's financial assets were not pledged as collateral, please refer to Note 8.

(3) Investments in Equity Instruments at FVTOCI

		December 31 2020	December 31 2019
Stocks listed on market-current	$	467,226	84,110
Unlisted stocks-non-current		85,449	85,449
	$	552,675	169,559

		December 31 2020	December 31 2019
Current	$	105,411	84,110
Non-current		447,264	85,449
Total	$	552,675	169,559

a. These investments in equity instruments are not held for trading. Instead, they are held for prudent and conservative strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

b. The Company, an investee company of the Group, has been accounted for using equity method. The Group recognized investment loss of 10,376 thousand by its share of profit or loss of investee company at first quarter in 2020. Due to sale of partial shares of TWNCAL in April, 2020, the Group ceased to have significant influence over TWNCAL and discontinued to use the equity method. The rest shares of 12,799,000 at its fair value of 243,181 thousand at that time were transferred to the accounting item-equity instruments at FVOCI-non-current. Please refer to NOTE 6(9).

(4) Notes and Accounts Receivable, net

a. Measured at amortized cost:

		December 31 2020	December 31 2019
Notes receivable	$	222,545	188,074
Accounts receivable (including installments receivable)		987,384	1,038,274
Less: allowance for doubtful accounts		(19,240)	(31,422)
Less: unrealized interest income-current		(1,365)	-
Notes and accounts receivable, net	$	1,189,324	1,194,926

(a) The Company's installments receivable directly sold to clients and have been collected by installments.

(b) The Company's installments receivable, which have been matured over one year, are accounted for as other non-current assets-long-term installments receivable.

(c) The following table details the loss allowance of trade receivables based on the Group's provision matrix, please refer to Note 13.(1)b(b) for more information.

(d) The following table details the loss allowance of notes and accounts receivable based on the Company's provision matrix:

December 31, 2020

Item	Not Past Due	Past Due 1~6 months	Past Due 7~12 months	Past Due Over 1 year	Total
Rate of expected credit loss computed using the weighted-average method	0.42%	1.50%	6.74%	24.83%	
Gross carrying amount	$ 1,020,803	114,585	27,346	45,830	1,208,564
Loss allowance (Lifetime expected credit loss)	(4,300)	(1,716)	(1,844)	(11,380)	(19,240)
Amortized cost	$ 1,016,503	112,869	25,502	34,450	1,189,324

December 31, 2019

Item	Not Past Due	Past Due 1~6 months	Past Due 7~12 months	Past Due Over 1 year	Total
Rate of expected credit loss computed using the weighted-average method	1.29%	2.78%	10%	24.2%	
Gross carrying amount	$ 1,016,659	132,073	28,945	48,671	1,226,348
Loss allowance (Lifetime expected credit loss)	(13,083)	(3,669)	(2,894)	(11,776)	(31,422)
Amortized cost	$ 1,003,576	128,404	26,051	36,895	1,194,926

b. The movement of the loss allowance of trade receivables (including notes and accounts receivable from related parties) and long-term installments receivable was as follows:

December 31, 2020

	Notes & Accounts receivable (related Parties included)	Lone-term accounts receivable	Overdue Receivables
Balance at January 1, 2020 $	31,422	-	1,042
Actual write-off during the year	(866)	-	-
Reclassified under long-term installments receivable	(343)	343	-

Overdue receivables transferred to accounts receivable	1,027	-	(1,027)
Expected credit loss (gain)	(12,000)	-	-
Balance at December 31, 2020	$ 19,240	343	15

December 31, 2019

	Notes & Accounts receivable (related parties included)	Overdue Receivables
Balance at January 1, 2019	$ 31,334	2,494
Actual write-off during the year	(1,364)	-
Transferred to overdue receivables	1,452	(1,452)
Balance at December 31, 2019	$ 31,422	1,042

c. The Company has not held any collateral, and nor have the notes and accounts receivable been pledged as collateral.

(5) Inventories

	December 31 2020	December 31 2019
Raw materials	$ 364,394	289,817
Work in process	605,155	772,220
Construction in process	99,171	23,165
In-transit inventory	18,642	21,086
Subtotal	1,087,362	1,106,288
Less: allowance for inventory decline loss	(26,166)	(25,419)
Total	$ 1,061,196	1,080,869

a. Operating costs (excluding rental cost) which were related with inventories in 2020 and 2019, respectively, were as follows:

	Years Ended December 31	
	2020	2019
Operating costs transferred from inventories	$ 4,433,988	4,000,234
(Gain) from price recovery of inventory	(1,059)	(2,941)
Inventories decline loss (gain from price recovery of inventory)	1,806	1,014
Revenue from sale of scraps	(6,515)	(6,245)

(Gain) loss from physical inventory taking	156	53
Underapplied overhead	5,689	1,193
Total	$ 4,434,065	3,993,308

b. On sake of recognizing the inventory decline loss resulting from not ideal with prior years' sales price of some contracts, the Company accounted for gain from price recovery of inventory of NT$1,059 thousand and NT$2,941 thousand in 2020 and 2019, respectively, as a result of selling out the aforementioned inventories when completed gradually.

c. Due to the Company being not ideal with the contract case and unified purchase price, the net realizable value of the material PC board was lower than cost, resulting to decline loss of NT$1,806 thousand and NT$1,014 thousand in 2020 and 2019, respectively.

d. Inventories were not pledged.

(6) Prepayments

	December 31 2020	December 31 2019
Prepayment for purchases		
Domestic purchases	$ -	19
Foreign purchases	6,601	7,283
Others	2,461	2,334
Total	$ 9,062	9,636

(7) Refundable deposits

	December 31 2020	December 31 2019
Bid bond for construction, contract security deposit	$ 60,760	47,826
Membership deposit for golf club	22,200	24,000
Membership deposit	400	400
Court deposit	473	473
Rental deposit	1,482	1,338
Others	1,639	1,628
Subtotal	86,954	75,665
Less: accumulated impairment loss	-	(1,800)
Total	$ 86,954	73,865

		December 31 2020	December 31 2019
Current	$	-	-
Non-current		86,954	73,865
Total	$	86,954	73,865

Accumulated impairment loss referred to the assessed impairment loss resulting from the ball card of golf club, which was held by the Company. In 2020, the Company returned its ball card, leading to the reverse gain of NT$1,800 thousand.

(8) Investments accounted for using equity method

a. Investments accounted for using the equity method consisted of the following:

Item		December 31 2020	December 31 2019
Investment in subsidiaries	$	7,537,208	7,526,995
Investment in associates		146,778	332,434
Total	$	7,683,986	7,859,429

b. Investment in subsidiaries

Subsidiaries-carrying amount		December 31 2020	December 31 2019
Yungtay Engineering Co. (H.K.) (Yungtay HK)	$	5,732,845	5,747,566
Yungjiun Investment Co., Ltd.		26,435	20,712
Yungtay-Hitachi Construction Machinery Co., Ltd.		216,773	197,677
Better Win Investment Co. (SAMOA)		1,561,155	1,561,040
Total	$	7,537,208	7,526,995

Subsidiaries-% of Ownership and Voting Rights held by the Comapny		
Yungtay Engineering Co. (H.K.) (Yungtay HK)	78.72%	78.72%
Yungjiun Investment Co., Ltd.	100.00%	100.00%
Yungtay-Hitachi Construction Machinery Co., Ltd.	51.00%	51.00%
Better Win Investment Co. (SAMOA)	100.00%	100.00%

(a) The Company recognized share of profit or loss, using equity method, of its subsidiaries which financial statements were audited by CPA. The related financial information of the Company's re-investment and investment in Mainland China refers to Table 3 of Note 14(2) and Table 4 of Note 14(3), respectively.

(b) The board of directors of Yungtay (China) resolved in 2020 to distribute cash dividends of RMB 50,000 thousand (equivalent to 211,735 thousand). Yungtay HK, which holds 100% shareholding of Yungtay (China), received the aforementioned cash dividends. At same year, the board of directors of Yungtay HK was convened and resolved to distribute cash dividends of RMB 50,467 thousand (equivalent to 213,715 thousand). The Company, which holds 78.72% shareholding of Yungtay HK, received cash dividends of RMB 39,728 thousand (equivalent to 168,236 thousand), and Better Win Co., which holds 21.28% shareholding of Yungtay HK, received cash dividends of RMB 10,739 thousand (equivalent to 45,479 thousand).

(c) The Company received cash dividends of NT$18,631 thousand and NT$26,695 thousand from Yungtay Hitachi Construction Machinery Co., Ltd., a subsidiary, which is accounted for using equity method, in 2020 and 2019, respectively.

c. Investment in associates

(a) Material associates: None.

(b) Aggregate information of individually immaterial associates:

Associates-carrying amount		December 31 2020	December 31 2019
Taiwan Calsonic Co., Ltd. (TWNCAL)	$	-	200,986
Evest Corporation		146,778	131,448
Total	$	146,778	332,434

Associates-shareholding ratio		
Taiwan Calsonic Co., Ltd. (TWNCAL)	-	20.16%
Evest Corporation	41.22%	41.22%

The market price of the investments accounted for using the equity method in publicly traded stocks calculated by the closing price at the end of the reporting period is summarized as follows:
The closing price represents the quoted price in active markets, the level 1 fair value measurement.

(i) Name of Associate

		December 31 2020	December 31 2019
TWNCAL	$	-	395,385

(ii) Aggregate information of associates that are not individually material was summarized as follows:

The Company's share of profit (loss) of associates		Years Ended December 31 2020	2019
Net income (loss) for the year	$	19,349	(14,895)
Other comprehensive (loss) income	$	(381)	(4,037)
Total comprehensive income (loss)	$	18,968	(18,932)

d. No investments accounted for using equity method of the Company were pledged as collateral.

e. The Group disposed the ordinary shares of 101,000 of TWNCAL with proceeds of NT$1,916 thousand, thus the ownership interest held by the Group reduced to 19%. Upon loss of significant influence over TWNCAL, the Group derecognized the related recognized other comprehensive income of NT$(21,130) thousand and capital surplus of NT$1,731 thousand, and the disposal of the abovementioned shares of TWNCAL is recognized in net profit ofNT$37,605 thousand. The rest shares of 12,799,000 were measured at fair value of NT$243,181 thousand at the time of disposal. Due to the expectation of obtaining stable dividends through investment, the Group believe that recognizing short-term fluctuations in these investment's fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. Accordingly, the Group elected to designate these investments in equity instruments as at FVTOCI – noncurrent. Please refer to Note 6(3).

f. Due to the cease of using equity method to TWNCAL on April, 2020, the Group recognized share of profit or loss of its associates which financial statements as of March 31, 2020, were reviewed by CPA. The other associate, Evest Corporation, which financial statements were audited by other CPA.

g. The Group received the cash dividend of NT$14,014 thousand and NT$24,525 thousand from Evest Corporation in 2020 and 2019, respectively.

h. No investments accounted for using equity method of the Group were pledged as collateral.

(9) Property, plant and equipment

		Land	Buildings	Machinery and Equipment	Other Equipment	Total
Cost						
Balance at Jan. 1, 2020	$	975,896	961,213	534,821	368,008	2,839,938
Additions		3,750	2,478	30,162	13,016	49,406
Disposals		-	(562)	(5,976)	(3,797)	(10,335)
Transfers		-	(539)	1,039	-	500
Balance at Dec. 31, 2020	$	979,646	962,590	560,046	377,227	2,879,509
Balance at Jan. 1, 2019	$	975,896	964,568	531,526	361,495	2,833,485
Additions		-	2,362	10,222	13,839	26,423
Disposals		-	(5,850)	(9,961)	(7,433)	(23,244)
Transfers		-	133	3,034	107	3,274
Balance at Dec. 31, 2019	$	975,896	961,213	534,821	368,008	2,839,938
Accumulated depreciation and impairment						
Balance at Jan. 1, 2020			$ (723,230)	(415,494)	(327,948)	(1,466,672)
Additions			(17,578)	(26,194)	(10,688)	(54,460)
Disposals			296	5,976	3,764	10,036
Transfers			-	-	-	-
Balance at Dec. 31, 2020			$ (740,512)	(435,712)	(334,872)	(1,511,096)
Balance at Jan. 1, 2019			$ (711,358)	(398,732)	(324,812)	(1,434,902)
Additions			(17,722)	(26,722)	(10,569)	(55,013)
Disposals			5,850	9,960	7,433	23,243
Transfers			-	-	-	-
Balance at Dec. 31, 2019			$ (723,230)	(415,494)	(327,948)	(1,466,672)
Carrying amounts						
Dec. 31, 2020	$	979,646	222,078	124,334	42,355	1,368,413
Dec. 31, 2019	$	975,896	237,983	119,327	40,060	1,373,266

a. The trade counterparts of equipments upon disposal (scrapping included), were not related parties, with net disposing gain of NT$43 thousand and loss of NT$(1) thousand in 2020 and 2019, respectively.

b. The aforementioned assets were mortgaged to banks as collaterals, please refer to Note 8.

c. The capitalization of borrowing interests attributable to the aforementioned assets was NT$0 in 2020 and 2019, respectively.

d. The significant part of the aforementioned property, plant and equipment is depreciated using the straight-line method over their estimated useful lives, please refer to Note 4(11)3.

e. Prepayment for equipment of the Company referred to the prepayment for equipment and property, which was accounted for the non-current assets on account of the delivery unfinished.

f. The net transferred amount in 2020 and 2019, respectively, was shown below:

	Years Ended December 31	
	2020	2019
Prepayment for equipment transferred to telecommunications equipment	$ -	107
Prepayment for equipment transferred to building	210	133
Land and building transferred (from) to investment property	(749)	-
Prepayment for equipment transferred to machinery equipment	1,039	2,952
Inventories transferred to machinery equipment	-	82
Total	$ 500	3,274

(10) Right-of-use assets

a. The movements in the cost, depreciation and impairment loss of the Company's right-of-use assets were as follows:

		Buildings
Cost or deemed cost		
Balance at January 1, 2020	$	20,557
Additions		1,841
Balance at December 31, 2020	$	22,398
Balance at January 1, 2019	$	1,348
Additions		19,209
Balance at December 31, 2019	$	20,557
Accumulated depreciation and impairment losses		
Balance at January 1, 2020	$	(5,977)
Depreciation		(8,172)
Balance at December 31, 2020	$	(14,149)
Balance at January 1, 2019	$	-
Depreciation		(5,977)
Balance at December 31, 2019	$	(5,977)
Carrying amounts		
December 31, 2020	$	8,249
December 31, 2019	$	14,580

b. The items of liabilities and profit or loss associated with lease contracts please refer to Note 6(15) for details.

(11) Investment properties, net

a. The Movement of cost, depreciation and impairment loss of the Company's investment properties was as follows:

		Land	Buildings	Total
Cost or Deemed Cost				
Balance at Jan. 1, 2020	$	718,387	427,761	1,146,148
Disposals		-	-	-
Transfers		-	749	749
Balance at Dec. 31, 2020	$	718,387	428,510	1,146,897

Balance at Jan. 1, 2019	$ 718,387	427,761	1,146,148
Disposals	-	-	-
Transfers	-	-	-
Balance at Dec. 31, 2019	$ 718,387	427,761	1,146,148
Accumulated depreciation and impairment			
Balance at Jan. 1, 2020	$ (818)	(249,672)	(250,490)
Depreciation expense	-	(5,966)	(5,966)
Disposals	-	-	-
Transfers of impairment loss	-	-	-
Balance at Dec. 31, 2020	$ (818)	(255,638)	(256,456)
Balance at Jan. 1, 2019	$ (818)	(243,908)	(244,726)
Depreciation expense	-	(5,764)	(5,764)
Disposals	-	-	-
Transfers of impairment loss	-	-	-
Balance at Dec. 31, 2019	$ (818)	(249,672)	(250,490)
Carrying amounts			
Dec. 31, 2020	$ 717,569	172,872	890,441
Dec. 31, 2019	$ 717,569	178,089	895,658

	Years Ended December 31	
	2020	2019
The rental income from investment properties	$ 31,096	30,941
Less: Direct operating expenses arising from the investment property that generated rental income during the period	(2,229)	(2,019)
Direct operating expenses arising from the investment property that did not generate rental income during the period	(61)	(68)
Total	$ 28,806	28,854

b. The aforementioned assets were mortgaged to banks as collaterals, please refer to Note 8.

c. In order to get the information of the fair value of the investment properties, the Company referred to the actual registered selling prices of the nearby real estates provided by local agents in Taiwan, R.O.C.. The market price of the aforesaid investment properties was NT$1,780,816 thousand and NT$1,892,182 thousand as at December 31, 2020 and 2019, respectively.

d. The net transferred amount in 2020 and 2019, respectively, was shown below:

	Years Ended December 31	
	2020	2019
Land and building transferred to investment properties	$ 749	-

e. There is no significant part to the aforesaid investment properties, and the depreciation is calculated using the estimated useful lives, please refer to Note 4(12).

(12) Intangible assets

The Movement of cost, amortization and impairment loss of the Company's intangible assets was as follows:

	Computer Software
Cost	
Balance at Jan. 1, 2020	$ 17,824
Additions	4,614
Elimination	(13,613)
Balance at Dec. 31, 2020	$ 8,825
Balance at Jan. 1, 2019	$ 23,301
Additions	443
Elimination	(5,920)
Balance at Dec. 31, 2019	$ 17,824

Accumulated amortization and impairment

Balance at Jan. 1, 2020	$	(14,871)
Amortization		(3,007)
Elimination		13,613
Balance at Dec. 31, 2020	$	(4,265)
Balance at Jan. 1, 2019	$	(16,068)
Amortization		(4,723)
Elimination		5,920
Balance at Dec. 31, 2019	$	(14,871)

Carrying amounts

Dec. 31, 2020	$	4,560
Dec. 31, 2019	$	2,953

(13) Contract liabilities-current

		December 31 2020	December 31 2019
Elevator	$	1,836,793	1,960,883
Rental		7,205	1,520
Total	$	1,843,998	1,962,403

(14) Other payables

		December 31 2020	December 31 2019
Accrued bonus, wages and employee benefit fee	$	47,340	62,875
Accrued value-added tax		28,243	29,172
Compensation payable to employees and directors		54,000	49,976
Accrued short-term paid leave payable (reter to Note 6(16)c.)		43,132	36,171
Other payables-other		52,511	52,706
Total	$	225,226	230,900

(15) Lease liabilities

		Dec. 31,2020	Year Ended Dec. 31 2020	Dec. 31,2020
		Future Minimum Lease Payments	Interest	Present Value of Minimum Lease Payments
Not later than 1 year	$	4,849	62	4,787
Later than 1 year and not later than 5 years		3,576	36	3,540
Later than 5 years		-	-	-
	$	8,425	98	8,327
Current	$	4,849	62	4,787
Noncurrent	$	3,576	36	3,540

		Dec. 31,2019	Year Ended Dec. 31 2019	Dec. 31,2019
		Future Minimum Lease Payments	Interest	Present Value of Minimum Lease Payments
Not later than 1 year	$	7,624	121	7,503
Later than 1 year and not later than 5 years		7,134	89	7,045
Later than 5 years		100	-	100
	$	14,858	210	14,648
Current	$	7,624	121	7,503
Noncurrent	$	7,234	89	7,145

The Company had no significant increase or decrease in lease liabilities, resulting from the addition or termination of lease contract in 2020 and 2019, respectively.

Amounts recognized in profit or loss were as follows:

	Year Ended December 31	
	2020	2019
Interest expense on lease liabilities	81	122
Expense relating to short-term leases	1,957	2,116
Expense relating to leases of low-value assets (excluding short-term leases of low-value assets)	1,989	3,063

Amounts recognized in the statements of cash flows were as follows:

	Year Ended December 31	
	2020	2019
Rental expense	$ 3,946	5,179
Interest expense	81	122
Repayments of lease	8,243	6,031
Total cash outflow for leases	$ 12,270	11,332

a. Leases of buildings

The Company leases buildings as company's branch offices with lease terms of 2 to 5 years.

Lease payments of some contracts will be subject to the change of local price index. And some lease contracts contain the options of extending the lease terms. Those contracts are managed by district, respectively. The specific terms and conditions of every contract are quite different within the Company. The Company is entitled to the options of implementation to which the lessor is not entitled. Under failure to make sure reasonably of the options of implementation of extending the lease terms, the related lease payments of the covering periods accompanied by the options will not be accounted for as the lease liabilities.

b. Others

The Company elects, when applying exemption to some contracts, not to recognize lease liabilities and right-of-use assets for leasing some office equipments, on account of either short-term leases within 1 year or leases of low value, and shall instead recognize the lease payments associated with those leases as an expense.

(16) Employees' retirement benefit plans

a. Defined benefit plans

The amounts arising from the defined benefit obligation of The Company were as follows:

		December 31 2020	December 31 2019
Present value of defined benefit obligation	$	(1,648,080)	(1,620,407)
Plan assets at fair value		1,388,151	1,289,709
Net defined benefit liability	$	(259,929)	(330,698)

The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 15% of salaries paid each month to their respective pension funds (the Funds) in 2020 and 2019, which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, The Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, The Company is required to fund the difference in once or several times appropriation. The Funds are operated and managed by the government's designated authorities; as such, The Company does not have any right to intervene in the investments of the Funds.

(a) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by Supervisory Committee of the Labor Retirement Fund, Council of Labor Affairs, Executive Yuan. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance and Nan shan life insurance nonforfeieure values amounted to NT$1,388,151 thousand as of December 31, 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of Supervisory Committee of the Labor Retirement Fund, Council of Labor Affairs, Executive Yuan.

(b) Movements in the present value of the defined benefit obligation were as follows:

	Years Ended December 31	
	2020	2019
Balance, beginning of year	$ 1,620,407	1,679,914
Current service cost and interest expense	28,483	33,948
Net remeasurements on defined benefit liabilities:		
- Actuarial loss arising from experience adjustments	43,545	(18,576)
- Actuarial loss arising from changes in demographic assumptions	-	-
- Actuarial loss (gain) arising from changes in financial assumptions	53,246	6,960
Benefits paid	(91,863)	(81,839)
Effect of plan settlements	(5,738)	-
Balance, end of year	$ 1,648,080	1,620,407

(c) Movements in the fair value of the plan assets were as follows:

	Years Ended December 31	
	2020	2019
Balance, beginning of year	$ 1,289,709	1,166,392
Interest income	8,998	8,745
Net remeasurement on defined benefit assets:		
Return on plan assets (excluding the interest expense)	43,250	43,715
Contributions paid by employer	138,057	152,696
Benefits paid	(91,863)	(81,839)
Balance, end of year	$ 1,388,151	1,289,709

(d) The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the following categories:

		Years Ended December 31	
		2020	2019
Operating cost	$	11,721	20,016
Administrative expenses		4,622	2,768
Research and development expenses		2,421	2,419
Pension costs	$	18,764	25,203

(e) Gain (Loss) of remeasurement of the defined benefit plans after income tax recognized in other comprehensive income:

		Years Ended December 31	
		2020	2019
Recognized for the year	$	(42,833)	44,265
Accumulated amount	$	(228,459)	(185,626)

(f) Actuarial assumptions

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31 2020	December 31 2019
Discount rate	0.30%	0.70%
Expected rate of salary increase	2.00%	2.00%

(g) Historical information in relation to experience adjustments

The movement of the present value of defined benefit obligation for the years ended December 31, 2020 and 2019, respectively, was set forth below:

		December 31 2020	December 31 2019
Present value of defined benefit plan	$	(1,648,080)	(1,620,407)
Plan assets at fair value		1,388,151	1,289,709
Net defined benefit liability	$	(259,929)	(330,698)
Experience adjustments of present value of defined benefit plan	$	(43,545)	18,576
Experience adjustments of fair value of plan assets	$	43,250	43,715

The Company expects to make contributions of NT$68,330 thousand to the defined benefit plans in the next year starting from December 31, 2020. The weighted average duration of the defined benefit obligation is 8 years.

(h) When computing the present value of defined benefit obligation, the Company has to make judgment and estimation to determine the relevant actuarial assumption at the balance sheet date, including the change of discount rate and future salary. The Company's defined benefit obligations would be affected significantly due to the change of any actuarial assumption.

As at December 31, 2020, the carrying amount of the Company's net defined benefit liabilities was NT$259,929 thousand. When the discount rate is increasing 0.25% or decreasing 0.25%, the Company's recognized net defined benefit liabilities will decrease NT$33,408 thousand or increase NT$34,433 thousand; When the rate of future salary increase is increasing 0.25% or decreasing 0.25%, the Company's recognized net defined benefit liabilities will increase NT$33,767 thousand or decrease NT$32,939 thousand.

b. <u>Defined contribution plans</u>

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, The Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' pension accounts. Furthermore, the subsidiaries in the territory of Mainland China also make monthly contributions at certain percentages of the basic salary of their employees. Accordingly, The Company recognized expenses of NT$64,416 thousand and NT$68,980 thousand for the years ended December 31, 2020 and 2019, respectively.

c. <u>Short-term paid leave payable</u>

The Company recognized short-term paid leave payable of NT$43,132 thousand and NT$36,171 thousand as of December 31, 2020 and 2019, respectively.

(17) Equity

a. Capital stock

		December 31 2020	December 31 2019
(a) Authorized shares (in thousands)		460,000	460,000
Authorized capital (in thousands)	$	4,600,000	4,600,000
Issued and paid shares (in thousands)		410,820	410,820
Issued capital (in thousands)	$	4,108,200	4,108,200

(b) The Company has 408,690,200 ordinary shares outstanding at the beginning and the ending of year (the treasury stocks of 2,129,800 shares excluded), for the years ended December 31, 2020 and 2019.

b. Capital surplus

Under the Company Law, the capital surplus generated from the excess of the issuance price over the par value of capital stock (including the stock issued for new capital and mergers) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be appropriated as stock dividends, which are limited to not more than 10% of the Company's paid-in capital.

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that, when allocating the net profits for each fiscal year, the Company shall first offset its losses in previous years and then set aside the following items accordingly:

(a) Legal reserve at 10% of the remaining profit;

(b) Special reserve in accordance with the resolution in the shareholders' meeting;

(c) Any balance remaining shall be allocated according to the resolution in the shareholders' meeting.

The Company's profit distribution, at least 50% of which should be dividends and the proportion of cash dividends shall be at least 50% of the total dividends, depending on future expansion plans and cash needs.

The appropriation for legal reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends and bonuses to the extent that the portion exceeds 25% of the paid-in capital if the Company incurs no loss.

A special reserve equivalent to the net debit balance of other components of shareholders' equity such as exchange differences on the translation of foreign operations, shall be made from unappropriated earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of earnings for 2019 and 2018 were approved in the Company shareholders' meetings held on June 18, 2020 and June 18, 2019, respectively. The appropriations and dividends per share were as follows:

		Appropriation of Earnings		Dividends Per Share (NT$)	
		For Fiscal Year 2019	For Fiscal Year 2018	For Fiscal Year 2019	For Fiscal Year 2018
Legal reserve	$	93,967	67,474	-	-
Special reserve	$	306,716	923	-	-
Cash dividends to shareholders	$	903,804	739,476	2.2	1.8

The Company's appropriation of earnings for 2020 is not yet proposed in the Board of Directors meeting held on March 26, 2021.

The appropriation of earnings for 2019 was resolved in the Company shareholders' meeting which was held on June 18, 2020, and please go to the Market Observation Post System website of the Taiwan Stock Exchange for information on the appropriation of earnings for 2019.

d. Employees' compensation and remuneration to directors

(a) According to the Articles of Incorporation of the Company, the ratio of no less than 1% of pre-tax profit before the distribution of employees' compensation and remuneration for directors for employees' compensation and no more than 1% for directors' remuneration were accrued in 2020 and 2019, respectively, as follows:

		Years Ended December 31			
		2020		2019	
		Cash	Stock	Cash	Stock
Employees' compensation	$	48,600	-	44,978	-
Directors' remuneration	$	5,400	-	4,998	-

If the aforementioned amounts has changed after the annual financial reports being authorized for issue, the difference would be treated as a change in the accounting estimate and recognized as next year's profit or loss.

(b) The employees' compensation and directors' remuneration for 2019 and 2018 resolved by the Board of Director convened on March 25, 2020 and May 13, 2019, respectively, were as follows:

	Years Ended December 31			
	2019		2018	
	Cash	Stock	Cash	Stock
Employees' compensation	$ 45,354	-	38,249	-
Directors' remuneration	$ 5,039	-	4,250	-

The discrepancy between the actual distributed amount resolved by the Board of Directors and the estimated figure recognized in the annual financial report, are recorded as a change in the accounting estimate and recognized as next years' profit or loss.

The information on the employees' compensation and directors' remuneration can be obtained from the Market Observation Post System on the website of the Taiwan Stock Exchange.

e. Other equity

(a) Exchange differences on translation of foreign operations

	Years Ended December 31	
	2020	2019
Balance, beginning of year	$ (284,952)	24,756
Shares of other comprehensive income (loss) of associates accounted for using equity method	95,637	(309,708)
Derecognition-other comprehensive income of disposal of partial investment in associate accounted for using equity method (Note 6(9)	20,350	-
Balance, end of year	$ (168,965)	(284,952)

(b) Unrealized gain (loss) on financial assets at FVTOCI

	Years Ended December 31	
	2020	2019
Balance, beginning of year	$ (22,687)	(25,679)
Share of unrealized gains (losses) on revaluation of financial assets at FVTOCI of associates accounted for using equity method	2,719	7,040
Derecognition-disposal of financial assets at FVTOCI of associates accounted for using equity method (Note 6(8))	780	-
Derecognition-accumulated profits (losses) transferred to retained earnings of investments in equity instruments designated at FVTOCI of associates accounted for using equity method	(2,750)	(2,002)
Derecognition-accumulated profits (losses) transferred to retained earnings of investments in equity instruments designated at FVTOCI	(1,667)	-
Unrealized gains (losses) on revaluation of financial assets at FVTOCI (Note)	112,716	(2,046)
Balance, end of year	$ 89,111	(22,687)

The equity instruments at FVTOCI are measured at fair value, the changes of fair value in the subsequent period are accounted for other comprehensive income (loss) and accumulated into other equity. The cumulative unrealized gain or loss of equity instruments is directly transferred to retained earnings rather than reclassified to profit or loss when disposal.

(Note): Mainly referred to the rest shares of TWNCAL, which is designated at FVTOCI-noncurrent, after disposal of partial shares of TWNCAL in 2020 purpusant to the purpose of investment. The changes on revaluation of the aforementioned financial assets at FVTOCAL is accumulated in the account of other equity. Please refer to 6(8).

f. Treasury stock

The purpose of the Company's shares held by the subsidiary "Yungjiun" is to reduce the outstanding shares of the Company and accordingly to raise the earning per share and rate of return on equity. The relevant information in repect of the Company's share held by the subsidiary "Yungjiun" was as follows:

	Holding Shares	Initial Cost	Market Price
December 31, 2020	2,129,800	69,411	133,538
December 31, 2019	2,129,800	69,411	136,946

(18) Operating revenue

The relevant information of the Group's revenue from contracts with customers for the years ended December 31, 2020 and 2019, respectively, was as follows:

	Years Ended December 31	
	2020	2019
Net revenue from sales of goods	$ 3,362,462	3,017,209
Net revenue from services		
Maintenance and repair	3,073,212	2,894,107
Rental	31,193	30,941
Total	$ 6,466,867	5,942,257

a. The above-mentioned revenue of maintenance and repair is deferred based on the fair value of providing services when the Company sells the goods during the period of quality guarantee by individual contract, and the revenue of maintenance and repair is recognized by using straight-line method when providing services.

b. The deferred revenue is classified as current and noncurrent in accordance with the length of service as follows:

	December 31 2020	December 31 2019
Current	$ 103,384	90,542
Non-current	$ 56,556	42,879

c. Rental refers to the revenue from leasing investment property and computer host. Revenue is recognized when completing the performance obligation of the contract.

d. Contract balances

Contract liabilities-current

	Beginning balance	Ending balance	Difference
Net revenue from sales of goods	$ 1,962,403	1,843,998	118,405

(19) Non-operating income and expenses

	Years Ended December 31	
	2020	2019
a. Other gains and losses		
Net gain on financial instruments at FVTPL	$ 11,285	3,413
Net gain on disposal of property, plant and equipment	312	-
Net gain on disposal of property, plant and equipment	37,605	-
Net (loss) on obsolescence of property, plant and equipment	(269)	(1)
Reverse gain from impairment loss-financial assets	1,800	-
Other gains (reclassified under income resulting from confiscation of purchase return)	7,733	(922)
Other losses	(254)	7,482
Foreign exchange (loss), net	(1,615)	(2,171)
Total	$ 56,597	7,801
b. Finance costs		
Interest expense-bank loans	$ (93)	(59)
Interest expense on lease liabilities	(81)	(122)
Total	$ (174)	(181)

(20) Summary of employee benefits, depreciation and amortization expenses by function:

	2020			2019		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expenses						
Salaries	1,317,236	415,594	1,732,830	1,197,860	397,810	1,595,670
Labor and health insurance	113,931	27,998	141,929	107,981	26,654	134,635
Pension cost	64,697	18,483	83,180	61,074	33,109	94,183
Remuneration to directors	-	12,459	12,459	-	16,528	16,528
Other benefits expenses	136,363	31,236	167,599	127,875	22,252	150,127
Depreciation expenses	46,700	13,726	60,426	46,822	13,955	60,777
Depreciation expense-right-of-use assets	6,927	1,245	8,172	5,203	774	5,977
Amortization expenses	-	3,007	3,007	-	4,723	4,723

Note: a. The average number of employees for current year and previous year is 1,883 and 1,816, respectively, among which the directors who are not part-time employees are 6 and 8, respectively.

b. The average employees’ welfare expenses in 2020 and 2019 is NT$1,132 thousand and NT$1,092 thousand, respectively.
[(Total employees’ welfare expenses for current year－Total directors’ remuneration) / (The average number of employees for current year－The number of directors who are not part-time employees]

c. The average employees’ salary in 2020 and 2019 is NT$923 thousand and NT$883 thousand, respectively.
[Total employees’ salary for current year / the average number of employees for current year－The number of directors who are not part-time employees]

d. The change ratio of adjustments of the average employees’ salary expenses is 4.5%.
[(The average employees’ salary in 2020－The average employees’ salary in 2019) / The average employees’ salary expenses in 2019]

e. The Company set up the audit committee instead of supervisor.

f. Compensation policy for directors and managers:
The payment of compensation for directors and managers is in accordance with the Company’s compensation managerial regulation.

Compensation Committee should review the same industry's common payment standard periodically every year, and in consideration of the directors' and managers' involvement in the Company's operations and contribution to the Company as well as the performance and future operating risk, the amount of compensation for directors and managers stipulated in the aforementioned regulation would be adjusted and be submitted to Board of Directors for approval.

Compensation policy for employees:

(a) Set up salary system based on employee's ability and performance, and involvement in the salary investigation, and review of the same industry's common payment standard, and eventually the adjustment would be made at right time.

(b) The payment regulation is established individually in accordance with employee's work nature, work condition, work environment, different technical ability required as well as supply and demand of manpower market.

(c) The compensation of employees is appropriated pursuant to the Company's Articles of Incorporation, and year-end bonus is contributed in consideration of employee's job title and position, performance and length of service.

(d) Salary-raise assignment is proceeded unperiodically based on the Company's operating status, together with considering the domestic economic growth rate, price index and the status of salary-raise in the industry.

(21) Income tax

a. Income tax expense consisted of the following:

		Years Ended December 31	
		2020	2019
Current income tax expense			
Current tax expense recognized in the current year	$	277,248	256,918
Investment tax credit		(3,000)	(3,000)

		2020	2019
Withholding tax for dividends income pursuant to Regulations of Repatriated Offshore Funds		30,782	-
Over (under) estimation for prior years' income tax		5,200	-
Subtotal		310,230	253,918
Deferred income tax expense (benefit)			
Temporary differences incurred and reversed		4,002	16,276
Income tax expense recognized in profit or loss	$	314,232	270,194

b. Income tax (benefit) recognized in other comprehensive income

		Years Ended December 31	
		2020	2019
Deferred income tax (benefit)			
Related to remeasurement of defined benefit obligation	$	(10,708)	11,066

c. A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

		Years Ended December 31	
		2020	2019
Income before tax	$	1,623,332	1,209,862
Income tax expense at the statutory rate	$	324,666	241,972
Tax effect of adjusting items:			
Deductible items in determining taxable income		(22,556)	40,445
Supplementary pension cost according to Labor Law		(24,862)	(25,499)
Tax effect of investment tax credits		(3,000)	(3,000)
The origination and reversal of temporary differences		4,002	16,276
Withholding tax for dividends income pursuant to Regulations of Repatriated Offshore Funds		30,782	-
Over (under) estimation for prior years' income tax		5,200	-
Income tax expense recognized in profit or loss	$	314,232	270,194

d. The analysis of deferred income tax assets and liabilities in the parent company only balance sheets was as follows:

		December 31 2020	December 31 2019
Deferred income tax assets			
Differences of time of recognized revenue	$	91,878	73,399
Short-term employees' benefits		8,626	7,234
Unrealized sales profit among parent and subsidiaries		133	117
Differences of depreciation expenses		6,455	92
Unrealized foreign exchange loss		46	6,746
Unrealized investment loss of investee Co.		1,826	1,826
Temporary credits overdue 2 years		101	-
Difference of pension appropriation		51,986	66,140
Total	$	161,051	155,554

		December 31 2020	December 31 2019
Deferred income tax liabilities			
Land incremental tax	$	(2,702)	(2,702)
Temporary differences of depreciation expense		(964)	(2,173)
Total	$	(3,666)	(4,875)

e. Income tax assessments

The tax authorities have examined and approved the income tax returns of the Company through 2018.

(22) Earnings per share

The Company is said to have a simple capital structure, accordingly, there is no necessity to compute the diluted earnings per share. The information of computing the basic earnings per share and the weighted-average number of common stocks outstanding (treasury stocks excluded) was as follows:

	Years Ended December 31	
	2020	2019
Net income available to common shareholders of the parent	1,309,100	939,668
The weighted-average number of shares outstanding in computing the basic earnings per share	408,690,000	408,690,200
Basic earnings per share (NT$)	3.20	2.30

(23) Non-cash transactions in the Statements of Cash Flows

Only partial cash paid in investing activities:

		Years Ended December 31	
		2020	2019
Acquisition of property, plant and equipment	$	49,406	26,423
Plus: payables on equipment at beginning of year		-	-
Less: payables on equipment at ending of year		-	-
Cash paid in the year	$	49,406	26,423

7. RELATED PARTY TRANSACTIONS

The significant transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

(1) Related party name and categories

Name of Related Party	Relationship with the Company
Taiwan Calsonic Co., Ltd. ("TWNCAL")	The Company as director of TWNCAL
Yungtay Hitachi Construction Machinery Co., Ltd. ("YHCMC")	Subsidiary
Yungjiun Investment Co., Ltd. ("YJIC")	Subsidiary
Evest Corporation ("Evest")	Associate
Yungtay Elevator Equipment (China) Co. ("YEEC-China")	Sub-Subsidiary
Jiyi Electric Co. (Shanghai, China) ("JEC-Shanghai")	Sub-Subsidiary
Hitachi, Ltd.	Hitachi, Ltd. as the representative of director of the Company
Yunttay Social Welfare Foundation ("YSWF")	Main Donee of the Company
Yungtay Education and Culture Foundation ("YECF")	Main Donee of the Company
All directors and key management of the Company (including general manager and executive vice presidents)	

(2) Significant transactions with related parties:

a. Net revenue

Related Party Name		Years Ended December 31 2020	2019
YEEC-China	$	8,755	2,458
Hitachi, Ltd.		11,288	19,511
Total	$	20,043	21,969

The Company sells the components of elevators such as speed governor, hoist machine, printed circuit board and motor case to sub-subsidiaries -YEEC-China and JEC-Shanghai, with the price of almost mark-up 20% of cost and collection terms from 1 month to 5 months, the same as those of ordinary customers. The downstream transactions that the Company sold the aforementioned components to the sub-subsidiaries, resulted in unrealized profit of NT$664 thousand and NT$583 thousand for the years ended December 31, 2020 and 2019, respectively.

The Company purchases raw from YEEC-China materials, which are processed to be finished product then sold back to YEEC-China. Due to the transaction being the nature of processing, this transaction is not accounted for as revenue. Consequently, the sales and accompanying cost of good sold will be reduced the same amount of NT$3,862 thousand and NT$18,290 thousand in 2020 and 2019, respectively.

b. Repair and maintenance revenue

Related Party Name		Years Ended December 31 2020	2019
TWNCAL	$	30	7
Evest		66	104
YHCMC		59	34
Total	$	155	145

c. Rental income

Related Party Name		Years Ended December 31 2020	2019
YHCMC	$	5,449	5,449
Evest		6,691	6,691
YJIC		18	18
Total	$	12,158	12,158

The Company rents out Taipei office, plant located at Luzu and computer software system to related parties. The rental price collected from the related parties is the same as that of the ordinary lessee, nevertheless, Evest issues check per month according to the contract signed by the Company and Evest, unlike the ordinary lessee who issues the check once a year, depending on the lease term with different time to cash check.

d. Purchases

Related Party Name	Years Ended December 31 2020	2019
TWNCAL	$ 145	103
YEEC-China	190,006	215,441
JEC-Shanghai	152,431	3
Hitachi, Ltd.	35,694	11,922
Total	$ 378,276	227,469

The Company purchases the rail bracket, escalator, counter weight and electrical parts from YEEC-China, JEC-Shanghai and TWNCAL. The finished high-speed elevator and subsequent parts for maintenance and repair of Hitachi brand designated by customers are purchased from Hitachi, Ltd.. (Note: the related parts of elevator of Yungtay brand are never purchased from Hitachi, Ltd.) Due to the purchases of the given type and specifications only from the aforesaid sub-subsidiaries, associates and other related party, the purchase price and payment terms to related parties can not compare with those of non-related vendors accordingly. The upstream transactions, on account of purchasing from sub-subsidiaries, resulted in unrealized intercompany profit of NT$19,735 thousand and NT$3,549 thousand for the years ended December 31, 2020 and 2019, respectively.

The payment terms, from 1 month to 3 months, for TWNCAL are almost the same as those of purchases from ordinary vendors. But for YEEC-China and JEC-Shanghai, the payment terms are from 2 months to 3 months after the aforesaid goods are delivered.

e. Notes and accounts receivable, other receivables, accounts payable, other payables and deposit received

Related Party Name	Years Ended December 31 2020	Years Ended December 31 2019
Notes receivable		
Evest	$ 1,164	1,212
YHCMC	5,676	-
Total	$ 6,840	1,212
Accounts receivable		
TWNCAL	$ 8	7
YHCMC	3	46
Evest	657	591
YEEC-China	476	417
Hitachi, Ltd.	445	608
Total	$ 1,589	1,669
Other receivables		
YHCMC	$ 42	46
Evest	200	181
Total	$ 242	227
Accounts payable		
TWNCAL	$ -	48
YEEC-China	42,127	46,502
JEC-Shanghai	34,905	-
Hitachi, Ltd.	-	39
Total	$ 77,032	46,589
Other payables		
TWNCAL	$ 5,676	-
YEEC-China	-	6,135
Total	$ 5,676	6,135
Deposit received		
YHCMC	$ 894	894
Evest	577	577
Total	$ 1,471	1,471

f. Manufacturing overhead, Repair and Maintenance cost and Administrative expenses

Related Party Name	Item	Years Ended December 31 2020	2019
Manufacturing overhead			
TWNCAL	Repair expense	$ 128	152
Repair and maintenance cost			
TWNCAL	Material	$ 670	651
YHCMC	Rental expense	74	74
Total		$ 744	725
Administrative expenses			
TWNCAL	Sundry expense	$ 203	19
YSWF	Donation	2,100	4,200
YECF	Donation	6,300	4,200
Total		$ 8,603	8,419

g. Other expenditure

Related Party Name	Item	Years Ended December 31 2020	2019
YHCMC	Finance expenditure	$ 9	9
Evest	Finance expenditure	6	6
Total		$ 15	15

h. Other income

Related Party Name	Item	Years Ended December 31 2020	2019
TWNCAL	Stock processing income	$ 264	528
YHCMC	Information service income	-	41
Evest	Information service income	-	10
YEEC-China	Operating revenue from escalator	333	2,328
Total		$ 597	2,907

i. Property transactions

(a) The Company has disposed property, plant and equipment to related party in 2020 and 2019, respectively: Nil.

(b) The Company purchased from the related parties the following items:

Related Party Name	Item	Years Ended December 31 2020	2019
YEEC-China	Machinery Equipment	$ 89	-
JEC-Shanghai	Machinery Equipment	$ 560	-

j. Remuneration to directors and key management of the Company

Related Party Categories	Years Ended December 31 2020	2019
Short-term employee benefits	$ 40,846	38,194
Post-employment benefits	216	12,546
Other long-term employee benefits	68	34
Total	$ 41,130	50,774

8. Pledged (Mortgaged) assets

The Company provided the following assets as collaterals:

Item	Purpose	December 31, 2020	December 31, 2019
Property, plant and equipment and investment properties -land	Collateral for long -term bank loans (net yet revoked)	$ 458,051	458,051
Property, plant and equipment and investment properties -buildings	Collateral for long -term bank loans (net yet revoked)	7,024	12,909
Total		$ 465,075	470,960

9. Significant contingent liabilities and unrecognized contract commitments

(1) Lessee's lease arrangements

The related treatment of lease has already follow the classification of IFRS 16. The disclosed information please refer to Note 6(11) and 6(16).

(2) Lessor's lease arrangements

The Company leased its investment properties by the way of operating lease, please refer to Note 6(11). The future minimum lease receivable under the non-cancellable leasing period are as follows:

		December 31, 2020	December 31, 2019
Not later than 1 year	$	28,779	21,605
Later than 1 year and not later than 5 years		22,725	28,224
Later than 5 years		-	-
Total	$	51,504	49,829

(3) The amount of unused letters of credit: None.

(4) The Company received the deposits in advance and issued the secured promissory notes, amounting to NT$179,018 thousand and NT$144,069 thousand as of December 31, 2020 and 2019, respectively.

(5) The Company engaged the banks to contract the project performance bonds as below:

		December 31 2020	December 31 2019
Chang Hwa Bank - Chengtung Branch	$	8,244	23,571
Mizuho Bank - Taipei Branch		46,270	19,243
Mega Bank - Chungshan Branch		12,424	12,424
Total	$	66,938	55,238

(6) Responding to the needs of the clients with whom the Company has provided the specific elevators of the brand of non-Yungtay, the Company has entered into the following co-operation contracts with Hitachi, Ltd.:

No. of contract	Contract period	Technical cooperation products	Technical compensation fee
1.	Sep. 30, 2019 ~Sep. 29, 2024	Providing the related techniques of elevator, the installation of elevator and escalator, adjustment, and check, maintenance, quality assurance and remote monitoring diagnosis.	Pays US$50 per elevator, and the royalty be paid in all once a year, and paid within 4 months after closing accounts on Dec. 31 every year and within 4 months after the contract is expired.

No. of contract	Contract period	Technical cooperation products	Technical compensation fee
2.	June 1, 2015 ~May 31, 2020	High-speed inverter control elevator	When the contract remains in full force, the Company should pay US$300 on disposal of each elevator or another way to sell each elevator, and the royalty be paid in all once a year, and paid within 4 months after closing accounts on Dec. 31 every year and within 4 months after the contract is expired.
3.	May 22, 2017 ~May 21, 2022	Machine-roomless elevator	When the contract remains in full force, the Company should pay US$300 on disposal of each elevator or another way to sell each elevator, and paid in all once a year, and paid within 4 months after closing accounts on Dec. 31 every year and within 4 months after the contract is expired.
4.	May 22, 2017 ~May 21, 2022	Large-scale freight elevator	When the contract remains in full force, the Company should pay US$300 on disposal of each elevator or another way to sell each elevator, and be paid in all once a year, within 4 months after closing accounts on Dec. 31 every year and within 4 months after the contract is expired.
5.	Nov. 1, 2016 ~Oct. 31, 2021	High-speed inverter control elevator (HVF3 Voltage type)	When the contract remains in full force, the Company should pay US$300 on disposal of each elevator or another way to sell each elevator, and be paid in all once a year, within 4 months

No. of contract	Contract period	Technical cooperation products	Technical compensation fee
			after closing accounts on Dec. 31 every year and within 4 months after the contract is expired.

The technical compensation fees, accounted for as expenses in 2020 and 2019, respectively, and calculated in accordance with the above co-operation contracts were as follows:

No. of contract		Amount 2020	Amount 2019
1	$	11	44
2		68	261
3		-	-
4		-	-
5		-	-
Total	$	79	305

The amounts and ratio of the Company's elevators sold in 2020 and 2019, respectively, by the category of brand were as follows:

	2020		2019	
	Amount	%	Amount	%
Brand-Yungtay	2,646,068	99.15	2,246,699	100.00
Brand-Hitachi	22,773	0.85	-	-

(7) Significant contract-contruction in progress of property, plant and equipment: None.

(8) The Company has signed the contract of the assignment of business right with Taiwan New Min Ho Industrial Corporation ("Taiwan New Min Ho") due to business planning. The objects of assignment was the contracts of maintenance of mechanical parking equipment, which bore business right and obligation and was the contracts signed by the Company and the owners who own nationwide 112 parking lots (tower) and elevators. The total amount of assignment consideration was NT$28,762 thousand (untaxed). The right and obligation of assignment have been done after the Company and Taiwan New Min Ho has agreed to get the written agreements recognized by either whole

owners who own the objects of assignment, or at least 70% owners' recognition plus maintenance fee of 3 consecutive months. As at December 31, 2020, the recognition of 70% owners has been done, still waiting for 3 consecutive months' maintenance fee collected by Taiwan New Min Ho. NT$14,381 thousand, 50% of contract price, collected in advance, was accounted for as other advance receipts.

10. Losses due to major disaster: None.

11. Significant subsequent events:

The former chairman of the Company, Mr. Xu, Zuo-Ming, has submitted his resignation on March 26, 2021 due to his personal career planning. The Board of Directors has elected Mr. Nagashima Makoto, the representative of Hitachi, Ltd., as the new chairman of the Company.

12. Significant subsequent events:

As at the releasing date of the parent company only financial statements for the year ended December 31, 2020, the impact of COVID-19 pandemic has not caused significant influence to the going-concern ability, assets impairment and funding risk of the Company through the Company's, evaluation to COVID-19 pandemic. The Company will keep on observing and evaluating the impact of the foregoing from COVID-19 pandemic.

13. Others

(1) Financial instruments

a. Categories of financial instruments

		December 31 2020	December 31 2019
Financial assets			
FVTPL-current	$	857,397	791,342
FVTOCI-current and noncurrent		552,675	169,559
Cash and cash equivalents		1,712,806	1,240,832
Notes and accounts receivable (including related party)		1,189,324	1,194,926
Other receivables		2,408	759

Refundable deposits	86,954	73,865
Long-Term Notes Receivable	33,994	-
Other non-current assets-others (preferred stock-golf certificate)	5,520	5,520
<u>Financial liabilities</u>		
Notes and accounts payable (including related party)	1,124,606	835,200
Other payables	225,226	230,900
Current income tax liabilities	148,685	118,537
Lease liabilities-current and noncurrent	8,327	14,648
Net defined benefit liabilities-non-current	259,929	330,698
Deposits received	5,525	5,480

b. Credit risk

(a) Exposure of credit risk

The Company's mainly potentially credit risk arises principally from cash and receivables from customers. Cash deposits in different financial institution. The Company has controlled the exposure to the credit risk of every financial institution, and cash would not have significant concentration of credit risk. Receivables are in the normal collection period, which have been assessed to provide appropriate loss allowance rate and assessed to be adequate for the loss allowance periodically. Consequently, there is no significant credit risk for cash and receivables.

The Company's main operating revenue comes from the sale of elevator. The majority of costumers belong to constructions. As at December 31, 2020 and 2019, the accounts receivable of selling elevators accounted for 99.72% and 99.92% of all accounts receivable, respectively.

(b) Evaluation of impairment loss

The Company adopts the policy of the collection agreed and the contract signed individually to the sale of elevator, and the resulting accounts receivable bears no interest. The policy the Company adopts that only the counterparty whose credit rating is up to the level of investment is qualified to do the transaction with the Company, and if necessary, upon the Company's request, the full guarantee is required to mitigate the resulting risk of financial loss on account of delinquency. The Company will utilize other publicly available financial information and historical transaction records to give credit-rating to major customers. The Company keeps on monitoring credit exposure and the credit-rating of counterparty. Besides, the financial division would review and approve the line of credit of counterpart to manage the credit exposure.

To alleviate the credit risk, the management of the Company assigns ad hoc Company who is in charge of the decision of line of credit, credit approval and other monitoring procedures to ensure that the recovery of overdue receivables has been taken proper action.

Other than this, the Company would review the recovery amount of accounts receivable one by one on balance sheet sheet day to make sure that the appropriate impairment loss has been provided for the uncoverable receivables. Consequently, the Company's management has considered that the Company's credit risk has been significantly reduced.

The Company has adopted the simplified method of IFRS 9, i.e. the loss allowance for accounts receivable is recognized at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are computed using provision matrix, which measures costomer's past default record, current financial position, industrial economic situation and also measures forecast of GDP and industrial outlook as well. From the historical experience of the Company's credit loss, there is no significant difference for the loss type resulting from different customers' Company.

Thus, the provision matrix is not further identified different customers' Company and instead sets up the rate of expected credit loss by overdue days of accounts receivable.

If there is any indication that the counterparty is facing serious financial difficulty and his recoverable amount can not be reasonably predicted, the Company will write-off the relevant accounts receivable. Nevertheless, the recourse activities will continue, and the recoverable amount due to recourse would be recognized in profit or loss.

c. Liquidity risk

Liquidity risk is the risk that the Company has no sufficient working capital and unused credit facilities to meet its obligations associated with matured financial liabilities, that may resulting from an economic downturn or uneven demand and supply in the market and cause a significant decrease in product selling prices and market demands.

Liquidity risk of the Company is monitored through its corporate treasury department which tracks the development of the actual cash flow position for the Company and uses input from a number of sources in order to forecast the overall liquidity position both on a short and long term basis. Corporate treasury invests surplus cash in money market deposits with appropriate maturities to ensure sufficient liquidity is available to meet liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's working capital together with existing unused credit facilities under its existing loan agreements will be sufficient to fulfill all of its contractual obligations. Therefore, management believes that there is no liquidity risk resulting from incapable of financing to fulfill the contractual obligations.

December 31, 2020		Carrying Amount	Contractual Cash Flows	Less Than 1 Year	1~2 Years	2~Years
Non-derivative financial liabilities						
Notes payable	$	361,107	361,107	361,107	-	-
Accounts payable		763,499	763,499	763,499	-	-
Other payables		225,226	225,226	225,226	-	-
Lease liabilities		8,327	8,425	4,849	1,984	1,592

December 31, 2019		Carrying Amount	Contract Cash Flows	Less Than 1 Year	1~2 Years	2~Years
Non-derivative financial liabilities						
Notes payable	$	278,997	278,997	278,997	-	-
Accounts payable		556,203	556,203	556,203	-	-
Other payables		230,900	230,900	230,900	-	-
Lease liabilities		14,648	14,648	7,503	7,045	100

d. Exchange rate risk

· Exposure of exchange rate risk

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
December 31, 2020			
Financial asset			
Monetary items			
USD	4,506	28.43	128,104
RMB	45,735	4.352	199,040
EUR	-	34.82	-
JPY	162	0.2743	45
Non-Monetary items			
USD	256,586	28.43	7,294,740

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
December 31, 2019			
Financial asset			
Monetary items			
USD	2,744	29.93	82,126
RMB	1,439	4.28	6,157
EUR	-	33.39	-
JPY	162	0.2740	45
Non-Monetary items			
USD	244,191	29.93	7,308,606

· Sensitivity analysis

	Years Ended December 31	
	2020	2019
(Loss)/profit of 1% change		
USD	$ 1,281	821
RMB	1,990	62
EUR	-	-
JPY	-	-

e. The Company has loan limit from bank, but there is no any loan as of December 31, 2020. Consequently, no exposure of interest rate risk exists.

f. Fair value of financial instruments

(a) Fair value measurements recognized in the parent company only balance sheets.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value on a recurring basis:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements:				
Financial assets at FVTPL				
Fund investments	$ 857,397	-	-	857,397
Financial assets at FVTOCI				
Domestic listed equity investments	$ 467,226	-	-	467,226
Domestic and foreign unlisted equity investments	$ -	-	85,449	85,449

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements:				
Financial assets at FVTPL				
Fund investments	$ 791,342	-	-	791,342
Financial assets at FVTOCI				
Domestic listed equity investments	$ 84,110	-	-	84,110
Domestic and foreign unlisted equity investments	$ -	-	85,449	85,449

(c) There were no transfers between Level 1 and Level 2 of the fair value hierarchy for the years ended December 31, 2020 and 2019, respectively.

(d) Reconciliation of Level 3 fair value measurements of financial assets

(i) The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTOCI. Reconciliations for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Balance at January 1	$ 85,449	85,449
Proceeds from return of capital of investments-decrease of capital	-	-
Balance at December 31	$ 85,449	85,449
Unrealized other gain (loss) for the period	$ -	-

(ii) Valuation techniques that are based on significant unobservable inputs and assumptions used in Level 3 are stated as follows:

December 31, 2020

Item	Valuation techniques	Significant unobservable inputs	Relationship of input to fair value
Non-derivative equity instruments:			
Unlisted shares	Market comparative companies	· Price to net worth multiple (1~1.5 as at December 31, 2020)	· The higher the multiplier, the higher the fair value;
		· Discount for lack of marketability (20%~25% as at December 31, 2020)	· The higher the discount for lack of marketability, the lower the fair value;

December 31, 2019

Item	Valuation techniques	Significant unobservable inputs	Relationship of input to fair value
Non-derivative equity instruments:			
Unlisted shares	Market comparative companies	· Price to net worth multiple (0.83~1.8 as at December 31, 2019)	· The higher the multiplier, the higher the fair value;
		· Discount for lack of marketability (15%~19% as at December 31, 2019)	· The higher the discount for lack of marketability, the lower the fair value;

(iii) Sensitivity analysis in changes of significant unobservable inputs:

The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change
December 31, 2020				
Financial assets				
Equity instrument	Discount for lack of marketability	±5%	5,363	(5,363)

	Input	Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2019				
Financial assets				
Equity instrument	Discount for lack of marketability	±5%	5,015	(5,015)

The Group's favorable and unfavorable changes refer to the fluctuation of fair value is computed from valuation techniques based on different level of unobservable input parameter.

(2) Financial risk management objectives

The Company seeks to ensure sufficient cost-efficient funding readily available when needed. The Company manages its exposure to foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material financial activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate financial function must comply with certain financial procedures that provide guiding principles for overall financial risk management and segregation of duties.

(3) Capital management

The Board's policy is to maintain profound capital base so as to preserve the confidence of investor, creditor and market and to sustain the future development of the business. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The rate of return on capital (excluding interest expense) of the Company was 31.86% and 22.88% in 2020 and 2019, respectively. The ratio of net liabilities to total equity (leverage ratio) on the reporting day in 2020 and 2019, respectively, was as follows:

		December 31 2020	December 31 2019
Total liabilities	$	3,804,569	3,637,942
Less: cash and cash equivalents		(1,712,806)	(1,240,832)
Net liabilities	$	2,091,763	2,397,110
Total equity	$	11,834,028	11,235,419
Ratio of net liabilities divided by total equity (Leverage ratio)		17.68%	21.34%

The Company's approach of capital management has not changed as of December 31, 2020.

14. Additional disclosures

(1) Significant transaction and (2) Related information of reinvestment:

a. Financings provided: None;

b. Endorsement/guarantee provided: None;

c. Marketable securities held (excluding investments in subsidiaries and associates): Please see Table 1 attached;

d. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None;

e. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None;

f. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None;

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please see Table 2 attached;

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

i. Information about the derivative financial instruments transaction: None;

j. Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in Mainland China): Please see Table 3 attached.

(3) Information on investment in Mainland China

a. The name of the investees in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investees, share of profits/losses of investees, ending balance, amount received as dividends from the investees, and the limitation on investee: Please see Table 4 attached.

b. Significant direct or indirect transactions with the investees, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please see Note 7(2) attached.

(4) Information on major shareholders

Name of the shareholders at a minimum shareholding percentage of 5%, the number of shares and percentage of ownership: Please see Table 9 attached.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 1

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2020			
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value
The Company	Listed stock-O Commercial Bank	Non-related party	Financial assets at FVTPL-current	3,015,000	20,894	0.12%	20,894
	Beneficiary certificate-ETF, Yuanta Taiwan High-yield	"	"	130,000	3,894	-	3,894
	Beneficiary certificate-ETF, Yuanta Taiwan Top 50	"	"	60,000	7,335	-	7,335
	Beneficiary certificate-open ended fund-Franklin Templeton SinoAm Money Market Fund	"	"	4,858,378	50,665	-	50,665
	Beneficiary certificate-open ended fund-TSITC Taiwan Money Market Fund	"	"	3,279,334	50,612	-	50,612
	Beneficiary certificate-open ended fund-Taishin 1699 Money Market Fund	"	"	3,704,829	50,556	-	50,556
	Beneficiary certificate-open ended fund-Jih Sun Money Market Fund	"	"	3,368,478	50,359	-	50,359
	Beneficiary certificate-open ended fund-Mega Diamond Money Market Fund	"	"	3,978,833	50,332	-	50,332
	Beneficiary certificate-open ended fund-Prudential Financial Money Market Fund	"	"	3,151,314	50,279	-	50,279
	Beneficiary certificate-open ended fund-Yuanta De-Li Money Market Fund	"	"	3,055,189	50,224	-	50,224
	Beneficiary certificate-open ended fund-Union Money Market Fund	"	"	3,770,398	50,183	-	50,183
	Beneficiary certificate-open ended fund-Eastspring Investment Well Pool Money Market Fund	"	"	3,654,917	50,119	-	50,119
	Beneficiary certificate-open ended fund-Tashin Ta Chong Money Market Fund	"	"	3,495,892	50,063	-	50,063
	Beneficiary certificate-open ended fund-The RSIT Enhanced Money Market Fund	"	"	4,150,790	50,049	-	50,049
	Beneficiary certificate-open ended fund-Capital Money Market Fund	"	"	3,076,488	50,040	-	50,040
	Beneficiary certificate-open ended fund-SinoPac TWD Money Market Fund	"	"	3,566,334	50,013	-	50,013
	Beneficiary certificate-open ended fund-KGI Victory Money Market Fund	"	"	4,284,233	50,000	-	50,000
	Beneficiary certificate-open ended fund-TCB Taiwan Money Market Fund	"	"	4,884,005	50,000	-	50,000
	Beneficiary certificate-open ended fund-Franklin Templeton SinoAm China A Shares Equity Fund	"	"	243,665	3,450	-	3,450

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2020			
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value
	Beneficiary certificate-open ended fund-Yuanta Taiwan High-yield Leading Company Fund	"	"	1,500,000	18,885	-	18,885
	Beneficiary certificate-open ended fund-Prudential Financial US Investment Grade Corporate Bond Fund-Acc (USD)	"	"	30,000	9,283	-	9,283
	Beneficiary certificate-open ended fund-Shin Kong Global Bond Fund-A (no dividend) (USD)	"	"	25,200	8,784	-	8,784
	Beneficiary certificate-open ended fund-Pine Bridge Global ESG Quantitative Bond Fund A (USD)	"	"	28,580	8,680	-	8,680
	Beneficiary certificate-open ended fund-TCB 2023 Maturity Selective Emerging Market Bond Fund (USD)	"	"	40,000	11,373	-	11,373
	Beneficiary certificate-open ended fund-Franklin Templeton SinoAm Global Healthcare Fund (USD)	"	"	24,214	8,192	-	8,192
	Beneficiary certificate-open ended fund-UPAMC Global Innovative Tech Fund (USD)	"	"	3,469	3,133	-	3,133
	Listed stock-O Commercial Bank	"	Equity instruments investments at FVTOCI-current	10,769,539	74,633	0.45%	74,633
	Listed stock-China Metal Products Co., Ltd.	"	"	707,000	22,483	0.19%	22,483
	Listed stock-Teco Electric and Machinery Co., Ltd.	"	"	300,000	8,295	0.01%	8,295
	Unlisted stock-Addcn Technology Co. Ltd.	"	Equity instruments investments at FVTOCI-non-current	148,000	2,265	18.50%	2,265
	Unlisted stock-Asia Hitachi Elevator	"	"	6,760	78,169	10.00%	78,169
	Unlisted stock-King's World Investment Co., Ltd.	"	"	21,090	900	0.03%	900
	Unlisted stock-TwNat Joint Venture Investment Co., Ltd.	"	"	812,693	4,115	6.82%	4,115
	Unlisted stock-Ultralife Taiwan Inc.	"	"	11,361,946	-	5.85%	-
	OTC stock-Taiwan Calsonic Co., Ltd.		"	12,785,000	361,815	19.977%	361,815
Yungjiun Investment Co., Ltd	Listed stock-the Company	Parent company	Treasury stock	2,129,800	133,538	0.52%	133,538
	Listed stock-China Metal Products Co., Ltd.	Non-related party	Equity instruments investments at FVTOCI-non-current	477,000	15,168	0.12%	15,168
	Unlisted stock-Digitimes Inc.	"	"	78,750	2,038	0.42%	2,038
	Unlisted stock-Ultra Life Taiwan Inc.	"	"	900,000	-	0.46%	-

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL TABLE 2
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Transaction with different trading condition		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	Note 2
The Company	Yungtay Elevator Equipment Co. (China)	Sub-Subsidiary	Purchases	190,006	10.20%	2~3 months after the goods were delivered	Note 1	Note 1	42,127	5.52%	-
The Company	Jiyi Electric Co. (Shanghai, China)	Sub-Subsidiary	Purchases	152,431	8.19%	2~3 months after the goods were delivered	Note 1	Note 1	34,905	4.57%	-

Note 1: The purchase term of Yungtay Elevator Equipment Co. (China) to ordinary customers and related parties, please refer to Note 7(2).d.

Note 2: If there is any advances received (or payment), please describe the reason, the specified term of the contract, amount and any difference from the common transaction type in the footnote.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 3

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2020			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Share of Profits/Losses of Investee (Note 3) (Foreign Currencies in Thousands)	Note
				December 31, 2020 (Foreign Currencies in Thousands)	December 31, 2019 (Foreign Currencies in Thousands)	Shares	Percentage of Ownership	Carrying Amount (Foreign Currencies in Thousands)			
The Company	Yungtay Engineering Co. (HK)	54F, Hopewell centre, 183 queen's road east, Hong Kong	Indirectly investing in Yungtay Elevator Equipment (China) Co.	US$ 11,100 NT$ 296,939 (Note 1)	US$ 11,100 NT$ 296,939 (Note 1)	11,183,510	78.72%	US$ 201,666 NT$ 5,732,845	US$ 3,902 NT$ 113,854	US$ 2,517 NT$ 73,440	Subsidiary, including net realized profit margin of NT$16,186 thousand of intercompany's upstream transaction
	Better Win Investment Co. (SAMOA)	Level 2, Lotemau Centre Vaea Stre et, Apia Samoa	Holding Company; Indirectly investing in Yungtay Elevator (China) through Yungtay Engineering (HK) (Note 2)	US$ 33,500 NT$1,045,647 (Note 1)	US$ 33,500 NT$1,045,647 (Note 1)	33,500,000	100.00%	US$ 54,912 NT$1,561,155	US$ 875 NT$ 25,537	US$ 875 NT$ 25,537	
	Yungjiun Investment Co., Ltd.	11F, No.99 Fu-Hsin N. Rd. Taipei	Investment	85,000	85,000	8,500,000	100.00%	26,435	5,094	408	Subsidiary. The Company's share aquired by subsidiary is accounted for under treasury stock.
	Hitachi Construction Machinery Co., Ltd.	No. 11, Ln. 17, Sec. 3, Nanshan Rd., Luzhu Dist., Taoyuan City	Agent for the trading of domestic and foreign construction machinery	65,280	65,280	6,528,000	51.00%	216,773	73,974	37,727	Subsidiary
	Evest Corporation	3F., No. 11, Ln. 17, Sec. 3, Nanshan Rd., Luzhu Dist., Taoyuan City	SMT/LED/IC Packaging MEMS Packaging/Touch precision process equipment	614,666	614,666	7,007,172	41.22%	146,778	72,114	29,725	Associate
Better Win Investment Co.	Yungtay Engineering Co. (HK)	54F, Hopewell centre, 183 queen's road east, Hong Kong	Indirectly investing in Yungtay Elevator Equipment (China) (Note 2)	US$ 33,297	US$ 33,297	3,022,570	21.28%	US$ 54,704 NT$1,561,364	US$ 3,902 NT$ 113,854	US$ 830 NT$ 24,228	The Company reinvests sub-subsidiary (HK Yungtay) thru subsidiary (Better Win Co.)

Note 1: Investments of foreign currency are converted into investments of New Taiwan Dollars at the historical exchange rate.

Note 2: Indirect investments to Mainland China from investing company were disclosed at Table.

Note 3: The effect of unrealized profit or loss of intercompany's transaction has been considered while recognized share of profit or loss of the investee companies during the period.

Note 4: TWNCAL, an investee company of the Group, has been accounted for using equity method. The Group recognized investment loss of 10,376 thousand by its share of profit or loss of investee company at first quarter in 2020. Due to sale of partial shares of TWNCAL in April, 2020, the Group ceased to have significant influence over TWNCAL and discontinued to use the equity method. The rest shares of 12,799,000 at its fair value of 243,181 thousand at that time were transferred to the accounting item-equity instruments at FVOCI-non-current. Please refer to NOTE 6(3).

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 4

Investee in mainland China	Main Businesses Activities	Total Amount of Paid-in Capital (Note 6 and Note 7)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2019 (Note 7)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated Outflow of Investment from Taiwan as of December 31, 2020 (US$ in Thousands) (Note 7)	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses
					Remitted to Mainland China	Remitted back to Taiwan				
Yungtay Elevator Equipment (China) Co.	Manufacturing, Sale of elevator and escalator and related accessories	US$ 56,000 thousand (NT$1,566,971 thousand)	(Note 1) (Note 3)	US$ 5,702 thousand (NT$121,979 thousand)	-	-	US$ 5,702 thousand (NT$121,979 thousand)	RMB 26,060 thousand (NT$112,648 thousand) (Note 4)	100.00%	112,648 thousand (Note 4)
Yungtay Elevator Equipment (Tianjin) Co.	"	RMB 200,000 thousand (NT$907,680 thousand)	(Note 2) (Note 6)	-	-	-	-	- (Note 4)	100.00%	- (Note 4)
Yungtay Elevator Installation Maintenance (Shanghai) Co.	"	RMB 20,000 thousand (NT$95,197 thousand)	(Note 2)	-	-	-	-	- (Note 4)	100.00%	- (Note 4)
Yungtay Elevator Equipment (Sichuan) Co.	"	RMB 152,000 thousand (NT$736,573 thousand	(Note 2) (Note 6)	-	-	-	-	- (Note 4)	100.00%	- (Note 4)
Jiyi Electric Co. (Shanghai, China)	"	RMB 109,000 thousand (NT$523,370 thousand	(Note 2) (Note 3)	-	-	-	-	- (Note 4)	100.00%	- (Note 4)

Investee Company in Mainland China	Carrying Amount of investments in Mainland China as of December 31, 2020 (Note 7)	Accumulated Amount of Investment Income remitted back to Taiwan as of December 31, 2020	Accumulated Amount remitted from Taiwan to Mainland China as of December 31, 2020	Investment Amounts approved by Investment Commission, MOEA (Note 7)	Ceiling of investment in Mainland China imposed by Investment Commission, MOEA (Note 8)	
Yungtay Elevator Equipment (China) Co.	7,204,353 thousand	US$5,398 thousand and RMB339,621 Thousand (NT$1,781,578 thousand)	121,979 thousand	293,208 thousand	Investee Co. invested directly by Yungtay (HK)	7,100,417 thousand
Yungtay Elevator Equipment (Tianjin) Co.	-	-	-	-	Investee Co. invested directly by Yungtay (China) with its own capital	
Yungtay Elevator Installation Maintenance (Shanghai) Co.	-	-	-	-	Investee Co. invested directly by Yungtay (China) with its own capital	
Yungtay Elevator Equipment (Sichuan) Co.	-	-	-	-	Investee Co. invested directly by Yungtay (China) with its own capital	
Jiyi Electric Co. (Shanghai, China)	- (Note 3)	-	-	-	Investee Co. invested directly by Yungtay (China) with its own capital	

Note 1: Investment in Mainland China through companies registered in a third region.

Note 2: Direct investment in Mainland China through an existing company incorporated in Mainland China.

Note 3: Yungtay Elevator (China) intended to merge Jiyi Electric Co. (Shanghai, China), that was resolved by the board of director of Yungtay Elevator (China), and the merger date was scheduled on Dec. 31, 2019. For complying with the company’s operating needs, the aforesaid merger agreement was no longer to be executed. Yungtay Elevator (China) is still the parent company of Jiyi Electric Co. (Shanghai, China), which is 100% owned by Yungtay Elevator (China).

Note 4: The recognition basis of investment income or loss was calculated based on the financial statements audited by Taiwan parent company’s CPA. The sub-subsidiary-Yungtay Elevator (China) recognized the share of profit (loss) of sub-subsidiaries-Tianjin yungtay, Shanghai Yuintay Installation & Maintenance, Shanghai Jiyi, Vietnam Yungtay, Sichuan Yungtay which are all 100% owned by Yungtay Elevator (China), and recognized the share of profit (loss) of sub-sub-sub-subsidiary- Tianjin Yungtay

Installation & Maintenance, which is 100% owned by Sub-Sub-Subsidiary-Tianjin Yungtay. Tianjin Yungtay Installation & Maintenance has been liquidated in November, 2019.

Note 5: The Company owned 74% of Yungtay Elevator (China) through H.K. Yungtay, 78.72% ownership of Yungtay Elevator (China) was held by the Company after the transfer of shares in 2008, and the total ownership of Yungtay Elevator (China) is 100%, together with subsidiary-Better Win Investment Co. which holds 21.28% ownership of Yungtay Elevator (China).

Note 6: (1) Tianjn Yungtay has increased capital in cash in March, 2013, amounting to RMB 50,000 thousand, and the paid-in capital has been RMB 200,000 thousand as at December 31, 2020, which has been 100% ownership held by Yungtay Elevator (China).

(2) Sichuan Yungtay, incorporated on June 28, 2013, invested by Yungtay Elevator (China), which the registered and paid-in capital has been RMB 150,000 thousand. On account of Chengdu Yungtay which was merged with Sichuan Yungtay and was soon liquidated, the paid-in capital of Sichuan Yungtay has been RMB 152,000 thousand, which is 100% owned by Yungtay Elevator (China).

Note 7: The carrying amount of ending investment was translated into NT$ from US$ at the banking transaction exchange rate at the balance sheet date, and the investment amounts was translated at the exchange rate of original investment.

Note 8: The limitation pursuant to “Regulation Governing the Approval of Investment or Technical Cooperation in Mainland China” is 60% of net worth or consolidated net assets, whichever is higher.

15. Operating segments information

Please see Note 15 to the consolidated financial statements for the year ended December 31, 2020.

Name of Major Shareholder	Shars	
	Number of Shares	Percentage of Ownership (%)
Taiwan Hitachi Elevator Corporation	162,587,932	39.58%
Hezhu Investment Company, Ltd.	67,643,428	16.46%
Hitachi, Ltd.	31,817,168	7.74%
Otis Park Landscape Corporation Trusted by HSBC	24,932,000	6.06%

Note: The information on the major shareholder listed in the table above is based on the total number of ordinary and preferred shares (including treasury shares) owned by the shareholder at a minimum shareholding percentage of 5%, and which have been delivered as non-physical securities to the Taiwan Depository & Clearing Corporation on the last business day at the end of the quarter. The actual number of shares delivered as non-physical securities and the number of shares recorded in the Company's consolidated financial statements may be different due to differences in the basis of preparation and calculation.

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Yungtay Engineering Co., Ltd.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars/ Dollar of foreign currency)

Item	Description				Amount
Cash on hand				$	5,075
Bank deposits					
	Checking accounts				82,835
	Demand deposits				885,794
	Foreign currency deposits				
	including	JPY162,247.00	@0.2743		45
		US$1,561,028.15	@28.43		44,380
		RMB4,291,920.54	@4.352		18,678
		EUR87.86	@34.82		3
	Subtotal				948,900
Time deposits	including	NT$			467,800
		US$1,200,000	@28.43		34,116
		RMB40,000,000	@4.352		174,080
	Subtotal				675,996
Total				$	1,712,806

Yungtay Engineering Co., Ltd.

STATEMENT OF FINANCIAL ASSETS AT FVTPL-CURRENT
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name of Financial Instrucments	Type	Shares/ Units	Par Value	Amount By Par Value	Cost	Fair Value Unit Price	Fair Value Amount
Financial assets held for trading:							
Listed stock-O Commercial Bank	Sotck	3,015,000	$ 10	$ 30,150	$ 29,034	$ 6.93	$ 20,894
Yuanta Taiwan High-yield	Beneficiary Certificate-EFT	130,000	10	1,300	3,858	29.95	3,894
Yuanta Taiwan Top 50	Beneficiary Certificate-EFT	60,000	10	600	6,050	122.25	7,335
Franklin Templeton SinoAm Money Market Fund	Beneficiary certificate-open ended fund	4,858,378	10	48,584	50,000	10.43	50,665
TSITC Taiwan Money Market Fund	Beneficiary certificate-open ended fund	3,279,334	10	32,793	50,000	15.43	50,612
Taishin 1699 Money Market Fund	Beneficiary certificate-open ended fund	3,704,829	10	37,048	50,000	13.65	50,556
Jih Sun Money Market Fund	Beneficiary certificate-open ended fund	3,368,478	10	33,685	50,000	14.95	50,359
Mega Diamond Money Market Fund	Beneficiary certificate-open ended fund	3,978,833	10	39,788	50,000	12.65	50,332
Prudential Financial Money Market Fund	Beneficiary certificate-open ended fund	3,151,314	10	31,513	50,000	15.95	50,279
Yuanta De-Li Money Market Fund	Beneficiary certificate-open ended fund	3,055,189	10	30,552	50,000	16.44	50,224
Union Money Market Fund	Beneficiary certificate-open ended fund	3,770,398	10	37,704	50,000	13.31	50,183
Eastspring Investment Well Pool Money Market Fund	Beneficiary certificate-open ended fund	3,654,917	10	36,549	50,000	13.71	50,119
Tashin Ta Chong Money Market Fund	Beneficiary certificate-open ended fund	3,495,892	10	34,959	50,000	14.32	50,063
The RSIT Enhanced Money Market Fund	Beneficiary certificate-open ended fund	4,150,790	10	41,508	50,000	12.06	50,049
Capital Money Market Fund	Beneficiary certificate-open ended fund	3,076,488	10	30,765	50,000	16.27	50,040
SinoPac TWD Money Market Fund	Beneficiary certificate-open ended fund	3,566,334	10	35,663	50,000	14.02	50,013
KGI Victory Money Market Fund	Beneficiary certificate-open ended fund	4,284,233	10	42,842	50,000	11.67	50,000
TCB Taiwan Money Market Fund	Beneficiary certificate-open ended fund	4,884,005	10	48,840	50,000	10.24	50,000
Franklin Templeton SinoAm China A Shares Equity Fund	Beneficiary certificate-open ended fund	243,665	10	2,437	2,500	14.16	3,450
Yuanta Taiwan High-yield Leading Company Fund	Beneficiary certificate-open ended fund	1,500,000	10	15,000	15,000	12.59	18,885
Prudential Financial US Investment Grade Corporate Bond Fund-Acc (USD)	Beneficiary certificate-open ended fund	30,000	US$10	US$300	9,297	309.43	9,283
Shin Kong Global Bond Fund-A (no dividend) (USD)	Beneficiary certificate-open ended fund	25,200	US$10	US$252	9,297	348.58	8,784
Pine Bridge Global ESG Quantitative Bond Fund A (USD)	Beneficiary certificate-open ended fund	28,580	US$10	US$286	8,714	303.70	8,680
TCB 2023 Maturity Selective Emerging Market Bond Fund (USD)	Beneficiary certificate-open ended fund	40,000	US$10	US$400	11,619	284.33	11,373
Franklin Templeton SinoAm Global Healthcare Fund (USD)	Beneficiary certificate-open ended fund	24,214	US$10	US$242	7,595	338.31	8,192
UPAMC Global Innovative Tech Fund (USD)	Beneficiary certificate-open ended fund	3,469	US$10	US$35	2,324	903.14	3,133
		Total			$ 855,288		$ 857,397

STATEMENT 3

Yungtay Engineering Co., Ltd.

STATEMENT OF CHANGES IN INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI-CURRENT
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name of Financial Instruments	Type	Shares/Units	Par Value	Amount by Par Value	Cost	Fair Value Unit Price	Fair Value Amount
2897 O Bank	Stock	10,769,539	10	$ 107,695	$ 103,700	6.93	$ 74,633
China Metal Products Co., Ltd.	Stock	707,000	10	7,070	14,291	31.80	22,483
Teco Electric and Machinery Co., Ltd.	Stock	300,000	10	3,000	7,483	27.65	8,295
		Total		$ 117,765	$ 125,474		$ 105,411

Yungtay Engineering Co., Ltd.

STATEMENT OF NOTES RECEIVABLE AND NOTES RECEIVABLE FROM RELATED PARTIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related parties:	
Evest Corporation	$ 1,164
Taiwan Hitachi Construction Machinery Co., Ltd.	5,676
Subtotal	6,840
Non-related parties:	
Others (Note)	215,705
Subtotal	215,705
Less: Allowance for doubtful accounts	(2,162)
Total	$ 220,383

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 5

Yungtay Engineering Co., Ltd.

STATEMENT OF ACCOUNTS RECEIVABLE AND ACCOUNTS RECEIVABLE FROM RELATED PARTIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related parties:	
Yungtay Elevator Equipment (China) Co.	$ 476
Taiwan Calsonic Co., Ltd (TWNCAL)	8
Evest Corporation	657
Taiwan Hitachi Construction Machinery Co., Ltd.	3
Hitachi, Ltd.	445
Subtotal	1,589
Non-related parties:	
Others	984,430
Subtotal	984,430
Less: Allowance for doubtful accounts	(17,078)
Total	$ 968,941

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 6

Yungtay Engineering Co., Ltd.

STATEMENT OF INVENTORIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount Cost	Amount Net Realizable Value
Work in process		
Elevator	$ 605,155	$ 1,158,848
Construction in process	99,171	
Raw materials		
Elevator	364,394	344,049
Subtotle	1,068,720	$ 1,502,897
In-transit inventory	18,642	
Less: allowance for inventory decline loss	(26,166)	
Total	$ 1,061,196	

STATEMENT 7

Yungtay Engineering Co., Ltd.

STATEMENT OF PREPAYMENTS
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Prepayment for purchases:	
prepayment for foreign purchases -mainly for prepayments of materials through T/T	$ 6,601
Prepaid expense-insurance, rental and etc.	2,461
Total	$ 9,062

Yungtay Engineering Co., Ltd.

STATEMENT OF CHANGS IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Balance, January 1, 2020 Shares	Balance, January 1, 2020 Amount	Additions in Investment Shares	Additions in Investment Amount	Decrease in Investment Shares	Decrease in Investment Amount	Balance, December 31, 2020 Shares	Balance, December 31, 2020 %	Balance, December 31, 2020 Amount	Market Value or Net Assets Value Unit Price(NT$)	Market Value or Net Assets Value Total Amount	Collateral	Note
Yunttay Engineering Co. (HK)	11,183,510	$ 5,747,566	-	$ 155,761	-	$ (170,482)	11,183,510	78.72%	$ 5,732,845	-	$ 5,753,244	Nil	1, 2
Taiwan Calsonic Co., Ltd (TWNCAL)	12,900,000	200,986	-	56,819	(12,900,000)	(257,805)	12,900,000	20.16%	-	-	-	Nil	1, 2
Yungjiun Investment Co., Ltd.	8,500,000	20,712	-	5,724	-	(1)	8,500,000	100.00%	26,435	-	159,972	Nil	1, 2
Taiwan Hitachi Construction Machinery Co., Ltd.	6,528,000	197,677	-	37,727	-	(18,631)	6,528,000	51.00%	216,773	-	216,773	Nil	1, 2
Evest Corporation	7,007,172	131,448	-	29,756	-	(14,426)	7,007,172	41.22%	146,778	-	151,345	Nil	1, 2
Better Win Investment Co. (SAMOA)	33,500,000	1,561,040	-	46,180	-	(46,065)	33,500,000	100.00%	1,561,155	-	1,561,155	Nil	1, 2
Total		$ 7,859,429		$ 331,967		$ (507,410)			$ 7,683,986		$ 7,842,489		

(Note 1) Increase in this period or decrease in this period mainly including additions in investment, decrease in investment, investment income or loss recognized under equity method and foreign currency statements translation adjustments was as follows:

	Investment income or loss in this period	Exchange differences arising on translation of foreign operations	Capital Surplus-Investments accounted for using equity method	Cash dividends	Actuarial loss of defined benefits plan	Unrealized sales profit	Share of other comprehensive income (loss) of associates accounted for using equity method	Derecognition-disposal of equity instruments at FVTOCI	Derecognition-disposal of equity instruments at FVTOCI-retaied earnings	Transferred to "equity instruments at FVTOCI-noncurrent"	Proceeds and profit or loss on disposal of partial ownership of TWNCAL	Total
Yunttay (HK)	$ 73,440	$ 77,991	-	$ (168,236)	-	$ (81)	$ 2,165	$ (2,165)	$ 2,165	-	-	$ (14,721)
TWNCAL	(10,376)	(1,856)	-	-	-	-	(661)	-	-	-	-	(12,893)
Disposal of TWNCAL	-	20,350	$ (1,731)	-	-	-	-	780	-	$ (243,181)	$ 35,689	(188,093)
Yungjiun	408	-	4,686	-	-	-	629	1	(1)	-	-	5,723
YHCMC	37,727	-	-	(18,631)	-	-	-	-	-	-	-	19,096
Evest	29,725	31	-	(14,014)	$ (412)	-	-	-	-	-	-	15,330
Better Win	25,537	19,471	-	(45,479)	-	-	586	(586)	586	-	-	115
Total	$ 156,461	$ 115,987	$ 2,955	$ (246,360)	$ (412)	$ (81)	$ 2,719	$ (1,970)	$ 2,750	$ (243,181)	$ 35,689	$ (175,443)

(Note 2) The differences between ending balance of investments accounted for using equity method and the company's market price or net assets value comprise the differences expressed by closing price of the TWSE, write-off of infercompany's profit from downstream/upstream transactions and accounting treatment of treasury stock.

Yungtay Engineering Co., Ltd.

STATEMENT OF CHANGES IN INVESTMENTS IN EQUITY INSTRUMENTS AT FVTOCI-NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Balance, January 1, 2020		Tranfer		Additions in Investment		Decrease in Investment		Balance, December 31, 2020			
Name of Investees	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Collateral	Note
Yungguan Electrical Co., Ltd.	148,000	$ 2,265	-	-	-	-	-	-	148,000	$ 2,265	Nil	
Asia Hitachi Elevator Engineering co., Ltd.	6,760	78,169	-	-	-	-	-	-	6,760	78,169	Nil	
King's World Investment Co., Ltd.	21,090	900	-	-	-	-	-	-	21,090	900	Nil	
Lishi Joint Venture Co., Ltd.	812,693	4,115	-	-	-	-	-	-	812,693	4,115	Nil	1
Ultra Life Taiwan Inc. (Note)	11,361,946	-	-	-	-	-	-	-	11,361,946	-	Nil	2
Taiwan Calsonic Co., Ltd (TWNCAL)		-	12,799,000	$ 243,181	-	$ 118,901	(14,000)	$ (267)	12,785,000	361,815		
Total		$ 85,449		$ 243,181		$ 118,901		$ (267)		$ 447,264		

Note1: The net worth of Ultra Life Taiwan Inc. was negative, thus the carrying amount of investment in Ultra Life Taiwan Inc. was NT$0. Ultra Life Taiwan Inc. has finished the dissolution in 2014 and its liquidation procedure has been still on the way as of December 31, 2020.

Note2: Investment in TWNCAL was investment in associate which was originally accounted for using equity method. Due to the disposals of partial ownership in April, 2020, the Company has already lost the significant influence over TWNCAL and discontinued to use the equity method accordingly. The rest shares of 12,799,000, which were measured at fair value of NT$243,181 thousand, were reclassified under investment in equity instrument as at FVTOCI-noncurrent.

STATEMENT 9

Yungtay Engineering Co., Ltd.

STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Vendor Nane	Amount
Non-related party:	
Others (Note)	$ -
Other notes payable (bonus paid in January, 2021)	361,107
Total	$ 361,107

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 10

Yungtay Engineering Co., Ltd.

STATEMENT OF ACCOUNTS PAYABLE AND ACCOUNTS PAYABLE TO RELATED PARTIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Related party:	
Yungtay Elevator Equipment (China) Co.	$ 42,127
Shanghai Jiyi Electric Co.	34,905
Subtotal	77,032
Non-related party	
Others (Note)	686,467
Subtotal	686,467
Total	$ 763,499

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Yungtay Engineering Co., Ltd.

STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Bonus, salaries and benefits (Note 1)	$ 47,340
Rental	2,194
technical compensation fee (Note 2)	80
Employee retirement pension (Note 3)	9,941
Overtime pay	4,515
Insurance expense	18,126
Value-added tax (Note 4)	28,243
Employees' compensation and remuneration to directors (Note 5)	54,000
Short-term employees' benefits	43,132
Others	17,655
Total	$ 225,226

Note 1: Partial bonus has been mainly paid in January, 2021.

Note 2: Estimated based on the contracts agreed.

Note 3: Deposits to the Labor Insurance Bureau for the following month and the next following month.

Note 4: Paid in January, 2021.

Note 5: Refer to the employees' compensation and remuneration to directors accrued in 2020.

STATEMENT 12

Yungtay Engineering Co., Ltd.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Description	Lease Term	Discount Rate (%)	Balance, End of Year
Buildings	Mainly for the use of offices	2020.1.1~2024.4.30	1.15%	$ 8,327

(Note): Lease liabilities, which were due within one year, were reclassified under current liabilities.

Yungtay Engineering Co., Ltd.

STATEMENT OF CONTRACT LIABILITIES
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Related party:	
Subtotal	$ -
Non-related party	
Others-Payments for elevators and related supplies (Note)	$ 1,836,793
Others-Rentals (Note)	7,205
Subtotal	1,843,998
Total	$ 1,843,998

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 14

Yungtay Engineering Co., Ltd.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Quantity (units)	Amount
Total operating revenue		
Elevator	3,895	$ 3,366,738
Less: sales allowance		(4,276)
Net of operating revenue		3,362,462
Total maintenance and repair revenue		3,077,834
Less: maintenance allowance		(4,622)
Net of maintenance and repair revenue		3,073,212
Rental revenue		31,193
Total		$ 6,466,867

Yungtay Engineering Co., Ltd.

STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Operating cost (including installation)	
Elevator	$ 3,024,080
Cost of maintenance and repair	1,409,985
Cost of rental	5,966
Total	$ 4,440,031

STATEMENT 15-1

Yungtay Engineering Co., Ltd.

STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount Subtotal	Amount Total
Consumed raw materials for current year		
Beginning ras materials	$ 310,903	
Plus: raw materials purchased for current year	1,762,233	
Less: loss on physical count of raw materials	(101)	
Less: ending raw materials	(383,036)	$ 1,689,999
Direct labor		60,223
Manufacturing overhead (including installation expense)		1,244,691
Total manufacturing cost		2,994,913
Plus: beginning work in process (including construction in progress)		795,385
Plus: related cost and expense transferred in		103,114
Less: related cost and expense transferred out		(158,626)
Less: ending work in process (including construction in progress)		(704,326)
Total cost of finished goods		3,030,460
Deduction item of production and marketing costs		(6,515)
Addition item of production and marketing costs		135
Total cost of goods sold (including installation)		3,024,080
Maintenance cost		1,409,985
Rental cost		5,966
Total operating cost		$ 4,440,031

Yungtay Engineering Co., Ltd.

STATEMENT OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Salary & wages	$ 104,599
Pension cost	10,135
Rental expense	1,032
Stationery	732
Travel expense	48
Freight	27,201
Repair fee	7,457
Utilities expense	573
Insurance expense	15,022
Entertainment expense	4
Taxes	2
Depreciation	30,725
Meal expense	5,174
Employee benefits	1,098
Employee training expense	128
Professional service fee	237
Supplies	178
Magazine	5
Miscellaneous purchases	4,367
Overtime pay	18,547
Transportation fee	3
Fuel expense	258
Service expense	3,606
Project developing expense	2,062
Power fee	15,018
Fixture expense	1
Medical expense	93
Sundry	5,973
Subtotal	254,278
Installation expense	990,413
Total	$ 1,244,691

STATEMENT 15-3

Yungtay Engineering Co., Ltd.

STATEMENT OF INSTALLATION EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Amount
Salary & wages	$ 300,267
Pension cost	13,896
Rental expense	843
Stationery	447
Travel expense	7,711
Freight	13,597
Postage and phone/fax expense	133
Repair fee	2,381
Utilities expense	305
Advertisement expense	7
Insurance expense	27,230
Entertainment expense	645
Taxes	21
Depreciation	1,933
Meal expense	5,136
Employee training expense	534
Supplies	1,508
Transportation fee	318
Fuel expense	3,345
Magazine	3
Miscellaneous purchases	6,428
Professional service fee	11
Overtime pay	15,611
Unloading fee	34,277
Inspection fee	2,737
Medical expense	197
Outsourcing project	547,203
Sundry	3,689
Total	$ 990,413

STATEMENT 16

Yungtay Engineering Co., Ltd.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Item	Marketing Expense	General & Development Expense	Research & Development	Total
Salary & wages	$ 62,493	$ 261,224	$ 106,876	$ 430,593
Pension cost	-	12,390	6,093	18,483
Rental expense	-	592	190	782
Stationery	-	2,952	1,962	4,914
Travel expense	-	2,298	207	2,505
Freight	-	71	2	73
Postage and phone/fax expense	-	3,127	8	3,135
Repair fee	-	8,585	747	9,332
Entertainment expense	796	8,677	74	9,547
Advertisement expense	3,252	1,267	-	4,519
Utilities expense	-	1,094	-	1,094
Insurance expense	-	21,182	8,694	29,876
Donation	-	8,442	-	8,442
Taxes	-	16,804	-	16,804
Depreciation	-	14,632	339	14,971
Meal expense	-	5,330	2,386	7,716
Employee benefits	-	9,700	-	9,700
Employee training expense	-	2,156	620	2,776
Export expense	972	-	-	972
Technical remuneration	70	-	-	70
Overtime pay	-	16,009	7,511	23,520
Transporation fee	-	1,015	150	1,165
Fuel expense	-	4,062	785	4,847
Magazine	-	132	61	193
Miscellaneous purchases	-	3,241	591	3,832
Professional service fee	-	22,458	-	22,458
Medical expense	-	951	108	1,059
Project developing expense	-	-	14,385	14,385
Sundry	-	16,759	1,276	18,035
Total	$ 67,583	$ 445,150	$ 153,065	$ 665,798

Note: Gain reversed from expected credit loss not included.