Yungtay Engineering Co., Ltd. and Subsidiaries

Consolidated 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.
and Subsidiaries

Contents

REPRESENTATION LETTER

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” as of and for the year ended December 31, 2020 are the same as those required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financials Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Yungtay Engineering Co., Ltd. and its subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,
Yungtay Engineering Co., Ltd.
By

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Chairman: Xu, Zuo-Ming
March 26, 2021

Russell Bedford
taking you further

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Yungtay Engineering Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2020, and 2019, and the consolidated statements of comprehensive income, cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with 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) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated 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 consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Please refer to Note 6(20) to the consolidated financial statements for the details of the information about the sale of goods associated with elevators and related maintenance, which accounts for 94.22% 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(20) to the consolidated 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

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the balance sheet date as well as reviewed the material contracts to verify the correctness and reasonableness of the recognition of the sales of elevators, maintenance and repairs.

Evaluation of inventories

The carrying amount of inventories on December 31, 2020 was NT$6,007,337 thousand, which accounted for 25% of the total assets in the consolidated balance sheet and could have a material impact on the consolidated financial statements. Inventories tended to be obsolete and caused damaged easily because of rapid development of technology in the production of elevator and uncertainty in the demand market. The estimate of net realizable value of inventories is subject to the management's subjective judgment. Consequently, the evaluation of inventories' measurement at the lower of cost or net realizable value, together with the provision of the allowance for the inventories decline loss, has been identified as a key audit matter.

Our key audit procedures performed in respect of the above area included: understood and tested the design and operating effectiveness of internal controls of inventories; obtained the evaluation data of net realizable value of inventories prepared by management; implemented the computation through the way of sampling to assure the correctness of the provision of the allowance for the inventories decline and verified and compared the contract price of recent actual sales to understood if there was any decline happened to the inventories. Moreover, observed year-end inventory physical count and executed sampling of inventory physical count to assess the adequacy of the methods used by management to identify and monitor if there was any obsolescent inventories.

Other Matter

We have also audited the parent company only financial statements of Yungtay Engineering Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.
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 Group'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 Group'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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 consolidated financial statements are intended only to present the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements shall prevail.

Yungtay Engineering Co., Ltd. and its Subsidiaries

Consolidated 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)	$	4,488,289	19	3,903,861	18
1110	Financial assets at fair value through profit or loss -current	6(2)		860,501	4	791,342	4
1120	Financial assets at fair value through other comprehensive income-current	6(3)		105,411	-	84,110	-
1150	Notes receivable, net	6(4)		373,857	2	308,343	1
1170	Accounts receivable, net	6(4)		3,840,581	16	3,324,134	16
1200	Other receivables	6(25)		14,279	-	62,103	-
130x	Inventories	6(5)		6,007,337	25	5,227,996	24
1410	Prepayments	6(6)		130,676	1	246,130	1
1460	Non-current assets held for sale	6(7)		59,114	-	57,495	-
1478	Refundable deposits	6(8)		335,757	1	200,534	1
1470	Other current assets			56	-	4,445	-
1480	Incremental costs of obtaining contracts-current	6(6)		228,799	1	186,195	1
11xx	Total current assets			16,444,657	69	14,396,688	66
15xx	Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)		464,470	2	97,142	-
1550	Investments accounted for using equity method	6(9)		146,778	1	332,434	2
1600	Property, plant and equipment	6(10)		4,862,322	20	4,984,299	23
1755	Right-of-use assets	6(11)		234,566	1	251,704	1
1760	Investment property, net	6(12)		822,667	3	801,240	4
1780	Intangible assets	6(13)		35,275	-	38,324	-
1840	Deferred tax assets	6(23)		687,835	3	616,108	3
1915	Prepayments for equipment	6(10)		20,350	-	7,487	-
1920	Refundable deposits	6(8)		139,446	1	112,195	1
1940	Long-term notes and accounts receivable			44,292	-	17,221	-
1990	Advances to employees and official business			8,375	-	7,786	-
1990	Other non-current assets, others			5,520	-	5,520	-
15xx	Total non-current assets			7,471,896	31	7,271,460	34
1xxx	Total assets		$	23,916,553	100	21,668,148	100

(Notes attached are part of the consolidated financial statements)

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

Yungtay Engineering Co., Ltd. and its Subsidiaries

Consolidated 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-20 %	31-Dec-19 Amount	31-Dec-19 %
21xx	Current liabilities					
2120	Financial liabilities at fair value through profit or loss	6(2)	$ -	-	4,445	-
2130	Contract liabilities	6(14)	6,210,553	26	6,076,982	28
2150	Notes payable		398,569	2	310,154	1
2170	Accounts payable		3,324,975	14	1,928,420	9
2200	Other payables	6(15)	939,780	4	912,611	4
2230	Current tax liabilities	6(23)	159,658	1	133,816	1
2280	Lease liabilities -current	6(16)	14,322	-	18,056	-
2313	Deferred revenue	6(20)	227,556	1	209,403	1
2315	Advance receipts	9(8)	14,381	-	-	-
2399	Lease liabilities-current	6(17)	24,083	-	20,444	-
2399	Other current liabilities-other		13,983	-	2,256	-
21xx	Total current liabilities		11,327,860	48	9,616,587	44
25xx	Non-current liabilities					
2570	Deferred income tax liabilities	6(23)	3,666	-	4,875	-
2580	Lease liabilities-non-current	6(16)	8,029	-	18,815	-
2630	Long-term deferred revenue	6(20)	115,458	-	86,700	-
2640	Net defined benefit liabilities-non-current	6(18)	259,929	1	330,698	2
2645	Guarantee deposits received	6(17)	159,311	1	185,128	1
25xx	Total non-current liabilities		546,393	2	626,216	3
2xxx	Total liabilities		11,874,253	50	10,242,803	47
31xx	Total equity attributable to shareholders of the parent					
3100	Capital stock	6(19)	4,108,200	17	4,108,200	19
3200	Capital surplus	6(19)	279,398	1	275,042	1
3300	Retained earnings	6(19)				
3310	Legal reserve		3,171,035	13	3,077,068	14
3320	Special reserve		307,639	1	923	-
3350	Unappropriated earnings		4,117,021	17	4,151,236	19
3400	Other equity					
3410	Exchange differences on translation of foreign operations		(168,965)	-	(284,952)	(1)
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income		89,111	-	(22,687)	-
3500	Treasury stock		(69,411)	-	(69,411)	-
31xx	Equity attributable to shareholders of the parent		11,834,028	49	11,235,419	52
36xx	Non-controlling interests		208,272	1	189,926	1
3xxx	Total equity		12,042,300	50	11,425,345	53
3x2x	Total liabilities and equity		$ 23,916,553	100	21,668,148	100

(Notes attached are part of the consolidated financial statements)

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

Yungtay Engineering Co., Ltd. and its Subsidiaries

Consolidated 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(20)	$ 15,318,751	100	13,718,348	100
5000	Operating costs	6(5)	(11,486,244)	(75)	(10,450,970)	(76)
5950	Gross profit from operations		3,832,507	25	3,267,378	24
6000	Operating expenses					
6100	Selling expenses		(815,563)	(5)	(697,166)	(5)
6200	Administrative expenses		(1,264,266)	(9)	(1,246,131)	(9)
6300	Research and development expenses		(463,786)	(3)	(474,324)	(4)
6450	Expected credit (gain)	6(4)	(20,419)	-	-	-
	Total operating expenses		(2,564,034)	(17)	(2,417,621)	(18)
6900	Net operating income		1,268,473	8	849,757	6
7000	Non-operating income and expenses					
7100	Interest income		56,021	-	68,394	1
7130	Dividend income		32,675	-	29,115	-
7020	Government grants	6(21)	14,593	-	12,972	-
7020	Other gains and losses	6(21)	231,216	2	300,777	2
7050	Finance costs	6(21)	(960)	-	(963)	-
7060	Share of (loss) profit of associates accounted for using equity method	6(9)	19,349	-	(14,895)	-
	Total non-operating income and expenses		352,894	2	395,400	3
7900	Income before income tax		1,621,367	10	1,245,157	9
7950	Income tax expenses					
7951	Current income tax expenses	6(23)	(330,602)	(2)	(279,381)	(2)
7952	Deferred income tax expenses	6(23)	54,582	-	13,673	-
8000	Current income from continuing operations		1,345,347	8	979,449	7
8100	Gains and losses from discontinuing operation, net		-	-	-	-
8200	Net income for the year		1,345,347	8	979,449	7
8300	Other comprehensive income (loss), net					
8310	Items that will not be reclassified subsequently to profit of loss:					
8311	Remeasurement of defined benefit plans	6(18)	(53,541)	-	55,331	-
8316	Unrealized profit or loss on investment in equity instruments at fair value through other comprehensive income	6(19)	116,096	1	(2,015)	-
8321	Remeasurement of defined benefit plans of associates		(412)	-	(973)	-
8326	Unrealized profit or loss on investment in equity instruments at fair value through other comprehensive income of associates	6(19)	(661)	-	3,005	-
8349	Income tax (benefit) expense related to items that will not be reclassified	6(23)	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:					
8361	Exchange differences arising on translation of foreign operations	6(19)	97,462	1	(303,556)	(2)
8362	Unrealized gains (losses) on available-for-sale financial assets		-	-	-	-
8370	Share of other comprehensive income (loss) of associates	6(19)	(1,825)	-	(6,152)	-
	Total items to be reclassified subsequently into gains and losses		95,637	1	(309,708)	(2)
8500	Total comprehensive income for the year		$ 1,513,174	10	714,106	5
8600	Net income attributable to:					
8610	Shareholders of the parent		$ 1,309,100	8	939,668	7
8620	Non-controlling interests		36,247	-	39,781	-
			$ 1,345,347	8	979,449	7
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		$ 1,476,927	10	674,325	5
8720	Non-controlling interests		36,247	-	39,781	-
			$ 1,513,174	10	714,106	5
	Earnings per share (unit: NT$)	6(24)				
9750	Basic earnings per share (in NT dollar)		$ 3.20		2.3	

(Notes attached are part of the consolidated financial statements)

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

Yungtay Engineering Co., Ltd. and its Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings			Other equity					
Item	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Treasury share	Total	Non-controlling interests	Total equity
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	175,794	11,471,589
Appropriation & distribution of earnings in 2018											
Legal reserve			67,474		(67,474)				-	-	-
Special reserve				923	(923)				-	-	-
Cash dividends					(739,476)				(739,476)	-	(739,476)
Adjustments of capital surplus due to cash dividends paid from parent to subsidiaries		3,834							3,834	-	3,834
Overdue dividends unclaimed		939							939	-	939
Share of changes in net assets of associates accounted for using equity method		2							2	-	2
Net income in 2019					939,668				939,668	39,781	979,449
Other comprehensive income (loss) in 2019					43,375	(309,708)	990		(265,343)	-	(265,343)
Total comprehensive income (loss) in 2019	-	-	-	-	983,043	(309,708)	990	-	674,325	39,781	714,106
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	-	-	-	-
Non-controlling interests received cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(25,649)	(25,649)
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	189,926	11,425,345
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	189,926	11,425,345
Appropriation & distribution of earnings in 2019											
Legal reserve			93,967		(93,967)				-	-	-
Special reserve				306,716	(306,716)				-	-	-
Cash dividends					(903,804)				(903,804)	-	(903,804)
Adjustments of capital surplus due to company's cash dividends paid to subsidiaries		4,686							4,686	-	4,686
Overdue dividends unclaimed		1,401							1,401	-	1,401
Net income in 2020					1,309,100				1,309,100	36,247	1,345,347
Other comprehensive income (loss) in 2020					(43,245)	95,637	115,435		167,827	-	167,827
Total comprehensive income (loss) in 2020	-	-	-	-	1,265,855	95,637	115,435	-	1,476,927	36,247	1,513,174
Disposal of associate accounted for using equity method	-	(1,731)	-	-	-	20,350	780	-	19,399	-	19,399
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	4,417	-	(4,417)	-	-	-	-
Cash dividends distributed from subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	(17,901)	(17,901)
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	208,272	12,042,300

(Notes attached are part of the consolidated financial statements)

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

Yengtay Engineering Co., Ltd. and its Subsidiaries

Consolidated Statements of Cash flows

For the years ended December 31, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item		2020	2019
AAAA	**Cash flows from operating activities:**			
A10000	Income before income tax	$	1,621,367	1,245,157
A20000	Adjustments:			
A20010	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense		354,403	385,183
A20200	Amortization expense		11,425	13,104
A20300	Expected credit loss		20,419	-
A20400	(Gain) loss in financial asset at fair value through profit or loss		(16,258)	(3,421)
A20900	Interest expense		960	963
A21200	Interest income		(56,021)	(68,394)
A21300	Dividend income		(32,675)	(29,115)
A22300	Share of loss (profit) of associates accounted for using equity method		(19,349)	14,895
A22500	Loss (gain) on disposal of property, plant and equipment		(15,399)	(1,151)
A22500	Loss on obsolescence of property, plant and equipment		2,449	5,788
A22700	Loss on disposal of Investment property		(1,319)	(1,065)
A23000	(Gain) on disposal of noncurrent assets held for sale		(113,960)	(259,938)
A23100	Loss (gain) on disposal of partial investments accounted for using equity method (Note 6(9))		(37,605)	-
A23700	Impairment loss on noncurrent assets held for sale		-	10,000
A23700	Impairment loss on investment property		5,477	-
A23700	Loss of inventory decline		97	-
A23800	Impairment loss (reversal of impairment loss) on other nonfinancial asset (Note 6(8))		(1,800)	-
A23800	(Reversal of loss) from price recovery of inventory decline		-	(1,927)
A24100	Unrealized foreign exchange loss		29,323	31,581
A29900	Various expenses transferred from prepayment for equipment		-	1,257
A20010	Total adjustments to reconcile profit (loss)		130,167	97,760
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		(49,797)	(265,001)
A31130	(Increase) decrease in notes receivable, net		(65,514)	79,187
A31150	(Increase) decrease in accounts receivable, net		(545,637)	(31,880)
A31180	(Increase) decrease in other receivables		2,223	4,874
A31200	(Increase) decrease in inventory		(789,916)	5,540
A31230	(Increase) decrease in prepayments		115,454	(181,621)
A31240	(Increase) decrease in other current assets		(56)	77
A31270	(Increase) decrease in incremental costs of obtaining contracts-current		(42,604)	(31,987)
A31000	Total change in operating assets		(1,375,847)	(420,811)
A32000	Change in operating liabilities			
A32125	Increase (decrease) in contract liabilities		133,571	27,014
A32130	Increase (decrease) in notes payable		88,415	(22,126)
A32150	Increase (decrease) in accounts payable		1,396,555	228,631
A32180	Increase (decrease) in other payables		34,013	54,455
A32210	Increase (decrease) in unearned revenue		14,381	-
A32230	Increase (decrease) in other current liabilities		8,623	228
A32240	Increase (decrease) in defined benefit liabilities, net		(124,310)	(127,493)
A23990	Increase (decrease) in deferred revenue		46,911	(64,079)
A32000	Total change in operating liabilities		1,598,159	96,630
A30000	Total change in operating assets and liabilities		222,312	(324,181)
A20000	Total adjustments		352,479	(226,421)

(Continued)

Yengtay Engineering Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash flows
For the years ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Item		2020	2019
A33000	Cash generated from operations		1,973,846	1,018,736
A33100	Interest received		58,566	65,426
A33200	Dividends received		46,689	53,640
A33300	Interest paid		(83)	(50)
A33500	Income tax paid		(304,777)	(378,698)
AAAA	Net cash flows generated by operating activities		1,774,241	759,054
BBBB	**Cash flows from investing activities**			
B00010	Acquision of financial assets at fair value through other comprehensive income		(76,697)	(9,625)
B00020	Disposal of financial assets at fair value through other comprehensive income		45,351	-
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income		-	337
B01900	Disposal of investment accounted for using equity method		1,916	-
B02600	Proceeds from disposal of noncurrent assets held for sale (Note 6(25))		186,102	231,933
B02700	Acquisition of property, plant and equipment (Note 6(25))		(191,312)	(111,084)
B02800	Proceeds from disposal of property, plant and equipment (Note 6(25))		7,597	1,913
B03700	(Increase) in refundable deposits		(160,674)	(12,518)
B04500	Acquisition of intangible assets		(6,763)	(443)
B05500	Proceeds from disposal of investment property		8,031	8,868
B06800	(Increase) decrease in other non-current assets		(27,660)	6,646
B07100	(Increase) in prepayments for equipment		(16,453)	(7,415)
BBBB	Net cash flows used in investing activities		(230,562)	108,612
CCCC	**Cash flows from financing activities**			
C03000	Increase (decrease) in guarantee deposits received		(22,178)	87,274
C04020	Repayment of the principal portion of lease liabilities		(21,882)	(15,576)
C04500	Cash dividends paid		(917,019)	(761,291)
C09900	Other-overdue dividends unclaimed		1,401	939
CCCC	Net cash flows used in financing activities		(959,678)	(688,654)
DDDD	Effect of exchange rate changes on cash and cash equivalents		427	(150,686)
EEEE	Net increase (decrease) in cash and cash equivalents		584,428	28,326
E00100	Cash and cash equivalents at the beginning of year		3,903,861	3,875,535
E00200	Cash and cash equivalents at the end of year	$	4,488,289	3,903,861

(Notes attached are part of the consolidated financial statements)

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

Yungtay Engineering Co., Ltd.
Notes to Consolidated 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.

The number of employees of the Company and its subsidiaries (collectively referred herein as the "Group") was 5,248 and 5,165 as of December 31, 2020 and 2019, respectively.

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated 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 Group's accounting policies:

Amendments to IAS 1 and IAS 8 "Definition of Material"

The Group 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 Group 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 Group was required to determine whether the abovementioned rent concessions are lease modifications and thus have to be accounted for as lease modifications.

The Group did not apply the amendment in 2020.

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

<u>Amendment to IFRS 16 “Covid-19-Related Rent Concessions”</u>

The amendments clarify that for a liability to be classified as non-current, the Group 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 Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group 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 Group’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 Group’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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’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 consolidated 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 consolidated financial statements shall prevail.

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC with effective dates (collectively, "Taiwan-IFRSs").

(2) Basis of Preparation

a. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for 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

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in thousands of New Taiwan Dollars("NT$"), which is the Company's functional currency, unless specified otherwise.

(3) Basis of Consolidation

a. Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee, and

(c) The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests (NCIs) even if this results in a deficit balance of the NCIs.

The carrying amounts of the Company's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries in accordance with the statement of B96 of IFRS 10. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to shareholders of the parent.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

(a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interest.

The Company shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

b. <u>The subsidiaries included in the consolidated financial statements</u>

The detail information of the subsidiaries at the end of reporting period was as follows:

			Ownership (%)		
			December 31		
Name of Investor	Name of Investee	Main Businesses and Products	2020	2019	Description
YTEC	Yungtay Engineering Co. (HK)	Holding Co.	78.72	78.72	
Better Win Investment Co. (SAMOA)	Yungtay Engineering Co. (HK)	Holding Co.	21.28	21.28	(Note 1)
Yungtay Engineering Co. (HK)	Yungtay Elevator Equipment Co. (China)	Manufacturing & maintenance of elevator	100.00	100.00	
Yungtay Elevator Equipment Co. (China)	Yungtay Elevator Installation & Maintenance Co. (ShangHai, China)	Installation & maintenance of elevator	100.00	100.00	
Yungtay Elevator Equipment Co. (China)	Jiyi Electric Co. (Shanghai, China)	Manufacturing & maintenance of Component of elevator	100.00	100.00	(Note 2)
Yungtay Elevator Equipment Co. (China)	Yungtay Elevator Limited Liability Co. (Vietnam)	Sale & Maintenance of elevator	100.00	100.00	
Yungtay Elevator Equipment Co. (China)	Yungtay Elevator Equipment Co. (Sichuan, China)	Manufacturing & maintenance of elevator	100.00	100.00	
Yungtay Elevator Equipment Co. (China)	Yungtay Elevator Equipment Co. (Tianjin, China)	Manufacturing & maintenance of elevator	100.00	100.00	
Yungtay Elevator Equipment Co. (Tianjin, China)	Yungtay Elevator Installation & Maintenance Co. (Tianjin, China)	Installation & maintenance of elevator	-	-	(Note 3)
YTEC	Better Win Investment Co. (SAMOA)	Holding Co.	100.00	100.00	
YTEC	Yungjiun Construction Machinery Co., Ltd.	Investment business	100.00	100.00	

Name of Investor	Name of Investee	Main Businesses and Products	Ownership (%) December 31 2020	Ownership (%) December 31 2019	Description
YTEC	Yungtay Hitachi Construction Machinery Co., Ltd.	Sale & Maintenance of Construction Machinery	51.00	51.00	

Note 1: The Company holds 21.28% ownership of Yungtay Engineering Co. (HK) through Better Win Investment Co. (SAMOA). The Company originally held 78.72% ownership of Yungtay Engineering Co. (HK). Due to comprehensive holdings 100% ownership of Yungtay Engineering Co. (HK) the 21.28% ownership of Yungtay Engineering Co. (HK) is consolidated.

Note 2: On October 16, 2017, the board of directors of Yungtay Elevator Equipment Co. (China) resolved that Yungtay Elevator Equipment Co. (China) absorbed by merger Jiyi Electric Co. (Shanghai, China), with Yungtay Elevator Equipment Co. (China) being the surviving company and Jiyi Electric Co. (Shanghai, China) being the dissolving company, effective from December 31, 2017. Due to complying with the company's operating needs in the third quarter, 2019, 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 3: Yungtay Elevator Installation & Maintenance Co. (Tianjin, China) has been liquidated in November, 2019.

c. Subsidiaries not included in the consolidated financial statements: None.

d. Significant restriction: None.

e. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign Currency

a. Foreign currency transaction

Transactions in foreign currencies are translated to the functional currencies of the Group 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 the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and the 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 of the date the 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 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

When preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated New Taiwan Dollar at the exchange rates of 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. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

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 Group disposes 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 Group disposes of only part of investment in an associate that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planed nor likely predicted in the foreseeable future, the foreign currency gains and losses arising from such items are considered to a part of investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

(5) <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 Group’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 Group'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.

(6) 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.

(7) Financial Instruments

Financial assets and liabilities shall be recognized when the Group 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) <u>Category of financial assets and measurement</u>

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

Financial assets held by the Group 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 Group's business model for managing the financial assets and

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

(i) <u>Financial assets at FVTPL</u>

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) <u>Financial assets measured at amortized cost</u>

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 Group 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 Group’s right to receive the dividends is established, unless the Group’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 Group 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 Group 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 Group 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 Group 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 Group derecognizes financial liabilities when, and only when, the Group'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 Group 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.

(8) 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 Group.

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 Group 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.

(9) <u>Inventories</u>

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.

(10) <u>Non-current Assets Held for Sale</u>

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition.

To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Intangible assets and property, plant and equipment would no longer be depreciated or amortized if those assets are classified as held for sale. So do the investments accounted for using equity method.

(11) <u>Investments Accounted for Using Equity - Investment in Associates</u>

Associates are those entities in which the Group has significant influence, but not control, over their financial and operating policies. When the Group 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 consolidated financial statements include the Group' 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 Group, from the date that significant influence commences until the date that significant influence ceases.

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

When the Group'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 Group has a present legal or constructive obligation or has made payments on behalf of the investees.

(12) 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	2~30
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.

(13) <u>Investment Properties</u>

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

(14) <u>Leases</u>

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

a. <u>The Group as lessor</u>

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 Group as lessee

The Group 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 Group 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 Group 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.

(15) 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 – 1~10 years; membership qualification of golf club acquired in Mainland China – 35 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.

(16) Impairment of Non-Financial Assets

Goodwill

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 Group'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.

Other tangible and intangible assets

At the end of each reporting period, the Group 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 Group 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.

(17) Provision

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(18) Treasury Stock

The Group'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.

(19) 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 Group pays fixed contributions to an independent, publicly or privately administered pension fund. The Group 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 Group'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 Group 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 and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(20) **Revenue Recognition**

a. Sale of Goods

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

The Group recognized the trade receivable after the completion of installation of elevator and inspection by the competent authority to be qualified, when the group 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 Group 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 Group 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 Group 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.

d. Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire noncurrent assets (mainly including land use right and depreciable assets) are recognized as a deduction from the carrying amount of the related assets and recognized as a reduced depreciation or amortization charge in profit or loss over the contract period or useful lives of the related assets.

(21) 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 and subsidiaries in R.O.C. 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.

<u>Current and deferred tax for the year</u>

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.

(22) Earnings per share

Basic earnings per share of the Group 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.

(23) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results are reviewed regularly by the Group's chief operating decision maker to make decisions pertaining to the allocation of resources to the segment and to assess its performance. Meanwhile, discrete financial information for operating results is available.

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

In the application of the aforementioned Group's accounting policies, the Group 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 Group'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 Group itself (i.e. the Group as the principal), or the performance obligation of which the goods or services are arranged and provided by the other party (i.e. the Group as agent), determined by the Group based on the type of transaction and its economic substance.

Before the Group transfer the specific goods or services to client, the Group controls the goods or services, then the Group 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 Group doesn't control the goods or services, then the Group 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 Group 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) <u>Significant accounting estimation and uncertainty</u>

a. <u>Impairment of Tangible and Intangible Assets (Other than Goodwill)</u>

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group 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, see Notes 6(7) and 6(12).

b. **<u>Impairment Assessment on Investment Using Equity Method</u>**

The Group 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 Group 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 Group also takes into account market conditions and the relevant industry trends to ensure the reasonableness of such assumptions.

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

c. **<u>Income Tax</u>**

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 Group 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 carry forward 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(23).

d. Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Group 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 Group 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 Group 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 Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group'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	$	6,974	7,164
Deposits in banks			
Checking accounts		137,228	133,599
Demand deposits (including foreign currency deposits)		3,317,059	2,015,586
Cash equivalents			
Time deposits (including foreign currency deposits)		1,027,028	1,747,512
Total	$	4,488,289	3,903,861

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

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

(2) Financial assets and (liabilities) at fair value through profit or loss

		December 31 2020	December 31 2019
Mandatorily measured at FVTPL:			
Mutual funds and publicly traded stocks	$	857,397	791,342
Forward exchange contracts		3,104	(4,445)
Total	$	860,501	786,897

		December 31 2020	December 31 2019
Current	$	860,501	786,897
Non-current		-	-
Total	$	860,501	786,897

a. The Group entered into derivative contracts to manage exposures due to fluctuations of foreign exchange rates. These derivative contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting treatment for these derivative contracts.

b. Outstanding forward exchange contracts consisted of the following:

	Currency	Maturity Date	Contract Amount (In Thousands)
Dec. 31, 2020	JPY/NT$	Jan. 25, 2021 ~ Jun. 25, 2021	913,843
Dec. 31, 2019	JPY/NT$	Jan. 22, 2020 ~Aug. 25, 2020	686,996

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

d. The Group's financial assets were not pledged as collateral.

(3) Investments in Equity Instruments at FVTOCI

		December 31 2020	December 31 2019
Stocks listed on market - current	$	482,394	93,765
Unlisted stocks - non-current		87,487	87,487
	$	569,881	181,252

		December 31 2020	December 31 2019
Current	$	105,411	84,110
Non-current		464,470	97,142
	$	569,881	181,252

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. 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(9).

(4) Notes and Accounts Receivable, net

		December 31 2020	December 31 2019
Notes receivable	$	377,660	312,562
Accounts receivable		4,292,653	3,751,494
Less: unrealized interest income		(2,345)	(1,763)
Less: allowance for doubtful accounts		(453,530)	(429,816)
Notes and accounts receivable, net	$	4,214,438	3,632,477

a. 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.

December 31, 2020

Item	Not Past Due	Past Due 1~6 months	Past Due 6~12 months	Past Due Over 1 year	Total
Rate of expected credit loss computed using the weighted-average method	2.21%	4.39%	7.05%	30.43%	
Gross carrying amount	$ 2,225,146	927,376	417,191	1,098,255	4,667,968
Loss allowance (Lifetime expected credit loss)	(49,256)	(40,685)	(29,392)	(334,197)	(453,530)
Amortized cost	$ 2,175,890	886,691	387,799	764,058	4,214,438

December 31, 2019

Item	Not Past Due	Past Due 1~6 months	Past Due 6~12 months	Past Due Over 1 year	Total
Rate of expected credit loss computed using the weighted-average method	1.26%	2.80%	5.02%	38.18%	
Gross carrying amount	$ 1,752,627	935,645	431,758	942,263	4,062,293
Loss allowance (Lifetime expected credit loss)	(22,083)	(26,220)	(21,656)	(359,857)	(429,816)
Amortized cost	$ 1,730,544	909,425	410,102	582,406	3,632,477

b. The movement of the loss allowance of trade receivables [including notes and accounts receivable (related parties included), overdue receivables and long-term notes receivable] was as follows:

December 31, 2020

	Notes & Accounts receivable (related Parties included)	Overdue Receivables	Long-Term Notes Receivable
Balance at January 1, 2020	$ 429,816	1,042	189
Provision this year	32,419	-	-

Actual write-off during the year	(3,829)	-	-
Reclassified to notes and accounts receivable (long-term included)	763	(1,027)	264
Expected credit (gain)	(12,000)	-	-
Effect of exchange rate changes	6,424	-	-
Balance at December 31, 2019	$ 453,530	15	453

December 31, 2019

	Notes & Accounts receivable (related Parties included)	Overdue Receivables	Long-Term Notes Receivable
Balance at January 1, 2019	$ 408,801	2,494	247
Actual write-off during the year	(7,935)	-	-
Transferred to overdue receivable and long-term notes receivable	1,510	(1,452)	(58)
Recovery of uncollectible accounts written off	43,142	-	-
Effect of exchange rate changes	(15,702)	-	-
Balance at December 31, 2019	$ 429,816	1,042	189

c. The main activity of Yungtay Elevator (China) is providing elevator of passenger for real estate development project. According to the custom of real estate industry, almost 5% of the proceeds of elevator sales are to be the guarantee deposit of the quality and quantity.

Not until the goods are verified by the buyer in one year or two years, can Yungtay Elevator (China) be entitled to receive the rest proceeds. The balance of the guarantee deposit of the quality and quantity included in the trade receivables was 280,482 thousand and 344,169 thousand as at

December 31, 2020 and 2019, respectively.

d. The Group hasn't held any collateral, nor have the trade receivables pledged or discounting.

(5) Inventories

	December 31 2020	December 31 2019
Raw materials	$ 841,219	675,497
Work in process	4,657,404	4,133,050
Finished goods (including Merchandise)	71,707	107,905
Construction in process	451,251	323,141
In-transit inventory	18,642	21,386
Subtotal	6,040,223	5,260,979
Less: allowance for inventory decline loss	(32,886)	(32,983)
Total	$ 6,007,337	5,227,996

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

	December 31 2020	December 31 2019
Operating costs transferred from inventories	$ 11,438,469	10,342,659
(Gain) from price recovery of inventory	(1,709)	(2,941)
Inventory decline loss	1,806	1,014
Revenue from sale of scraps	(28,651)	(22,128)
Loss from physical inventory taking	370	145
Underapplied overhead	71,733	128,198
Total	$ 11,482,018	10,446,947

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. Yungtay (China) closed some end product in the previous year, thus some raw materials, which were provided to produce the end product, turned into obsolescent products and the loss from the decline of inventory were provided. Due to derecognition of some obsolescent products in 2020, the reverse gain from the decline of inventory was RMB 150 thousand (equivalent to NT$650 thousand) accordingly.

e. The Group's inventories were not pledged, nor as collateral.

(6) Incremental costs of obtaining contracts and prepayments

		December 31 2020	December 31 2019
Incremental costs of obtaining contract – sales commission	$	228,799	186,195

The Group takes into account the past historical experience and the term of service contract, thus the Group recognizes the incremental cost-commission as the performance obligation of the contract is deemed to be recovered in full.

		December 31 2020	December 31 2019
Prepaid insurance	$	5,753	5,801
Prepaid rent		4,245	2,039
Prepayment for purchases			
Domestic purchases		68,090	50,386
Foreign purchases		2,935	14,998
Overpaid value-added tax		37,236	166,578
Others		12,417	6,328
Total	$	130,676	246,130

Prepayment for purchases was primarily aimed at purchases from installation agent prepaid by Yungtay (China) at the end of year; Overpaid value-added tax referred to value-added tax undeductible for purchases and additions to construction in progress of Yungtay (China).

(7) Non-current assets held for sale

a. The movement of cost and impairment loss of the Group's non- current assets was as follows:

Cost		
Balance at January 1, 2020	$	72,803
Additions		-
Disposals		(14,899)
Transfers		15,615
Effect of exchange rate changes		1,141
Balance at December 31, 2020	$	74,660
Balance at January 1, 2019	$	57,904
Additions		-
Disposals		(29,978)
Transfers		47,534
Effect of exchange rate changes		(2,657)
Balance at December 31, 2019	$	72,803
Impairment Loss		
Balance at January 1, 2020	$	(15,308)
Impairment loss		-
Effect of exchange rate changes		(238)
Balance at December 31, 2020	$	(15,546)
Balance at January 1, 2019	$	(5,737)
Impairment loss		(10,000)
Effect of exchange rate changes		429
Balance at December 31, 2019	$	(15,308)
Carrying amount		
Balance at December 31, 2020	$	59,114
Balance at December 31, 2019	$	57,495

b. The recognized impairment (loss) of non-current assets held for sale was 0 and NT$(10,000) thousand in 2020 and 2019, respectively, see Note 6(21).c.

c. The non-current asset in 2020, which referred to Pudon Tompson Office, was disposed from Yungtay Elevator (China) to unrelated party. The disposal amount (untaxed) of the aforementioned asset held for sale was RMB 27,366 thousand (equivalent to NT$118,292 thousand), less the related costs and expenses of RMB 4,423 thousand (equivalent to NT$19,119 thousand) and the net gain on disposal of the aforementioned asset held for sale was RMB 22,943 thousand (equivalent to NT$99,173 thousand). Furthermore, the Group had small amount of the gain on disposal of asset held for sale of RMB3,421 thousand (equivalent to NT$14,787 thousand).

d. For the purpose of complying with the related environmental comprehensive realignment program of Songjiang District, Shanghai, Yungtay Elevator (China) entered into an agreement with people's government of Jiuting Town, Songjiang District, Shanghai to relocate some premises located at Banting Rd., Jiuting Town, Songjiang Distric, Shanghai, which has been transferred and completed in July, 2019, along with getting the hand-over slip. As at December 31, 2019, there still was indemnities of RMB 13,243 thousand (equivalent to NT$57,983 thousand) unreceived (accounted for as toher receivable). The resulting gain on disposal of the aforementioned premises was as follows:

		RMB (thousand)	Equivalent to NT$ (thousand)
Revenue-compensation payments	$	66,214	289,916
Cost-noncurrent asset held for sale		(6,015)	(26,336)
land use right		(831)	(3,642)
Gain on disposal	$	59,368	259,938

e. Net transferred amount in 2020 and 2019, respectively, was shown below:

		Years Ended December 31	
		2020	2019
Right-of-use assets transferred to non-current assets held for sale	$	-	3,642
Non-current assets held for sale transferred from property, plant and equipment		58,559	45,309
Investment property transferred from non-current assets held for sale		(42,944)	(1,417)
Total	$	15,615	47,534

(8) Refundable deposits

		December 31 2020	December 31 2019
Bid bond for construction, and contract security deposit	$	438,767	276,478
Membership deposit for golf club		23,800	25,600
Membership deposit		400	400
Rental deposit		10,074	9,899
Depository court deposit		473	473
Others		1,689	1,679
Subtotle		475,203	314,529
Less: accumulated impairment loss		-	(1,800)
Total	$	475,203	312,729

		December 31 2020	December 31 2019
Current	$	335,757	200,534
Non-current		139,446	112,195
Total	$	475,203	312,729

a. The Group provided bank savings to be collateral of contract security deposit and bank acceptance bill, please refer to related disclosure in Note 8.

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

(9) Investments accounted for using equity method

a. Material associates: None.

b. Aggregated information of associates that are not individually material was summarized as follows:

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

Details of investments accounted for using equity method were as follows:

Associates-% of ownership or voting rights		
Taiwan Calsonic Co., Ltd. (TWNCAL)	-	20.16%
Evest Corporation	41.22%	41.22%

(a) Associates

(i) Among associates, only TWNCAL is listed company. It's fair value was as follows:

	December 31 2020	December 31 2019
Fair value (market price)	$ -	395,385

(ii) The financial information of the Group's associates was summarized as follows:

The Group'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	$ (381)	(4,037)
Total comprehensive income (loss)	$ 18,968	(18,932)

(iii) 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).

(b) No investments accounted for using equity method of the Group were pledged as collateral.

(c) 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.

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

(e) The related information of the Group's reinvestments and investment in Mainland China refers to Table 7 of Note 14(2) and Table 8 of Note 14(3), respectively.

(10) Property, plant and equipment

a. The movement of cost, depreciation and impairment loss of the Group's property plant and equipment was as follows:

	Land	Buildings	Machinery and Equipment	Other Equipment	Construction in progress	Total
Cost						
Balance at Jan. 1, 2020	$ 1,094,926	4,147,425	2,303,191	1,365,005	53,948	8,964,495
Additions	3,750	10,645	44,671	50,274	74,917	184,266
Disposals	-	(36,176)	(23,990)	(55,158)	-	(115,324)
Transfers	-	(101,385)	2,162	47,331	(62,067)	(113,959)
Effect of exchange rate changes	-	47,041	27,474	15,489	945	90,949
Balance at Dec. 31, 2020	$ 1,098,676	4,067,559	2,353,508	1,422,941	67,743	9,010,427
Balance at Jan. 1, 2019	$ 1,094,926	4,419,194	2,367,608	1,399,040	1,581	9,282,349
Additions	-	5,297	16,504	35,969	55,750	113,520
Disposals	-	(17,626)	(13,114)	(34,515)	-	(65,255)
Transfers	-	(128,836)	5,171	5,000	(2,241)	(120,898)
Effect of exchange rate changes	-	(130,604)	(72,978)	(40,497)	(1,142)	(245,221)
Balance at Dec. 31, 2019	$ 1,094,926	4,147,425	2,303,191	1,365,005	53,948	8,964,495
Accumulated depreciation and impairment						
Balance at Jan. 1, 2020		$ (1,675,925)	(1,298,687)	(1,005,584)		(3,980,196)
Additions		(120,228)	(128,389)	(67,272)		(315,889)
Disposals		35,857	21,333	53,025		110,215
Transfers		40,340	2,262	33,786		76,388
Effect of exchange rate changes		(14,272)	(14,377)	(9,974)		(38,623)
Balance at Dec. 31, 2020		$ (1,734,228)	(1,417,858)	(996,019)		(4,148,105)

Balance at Jan. 1, 2019		$ (1,672,811)	(1,209,034)	(981,416)		(3,863,261)
Additions		(136,890)	(136,627)	(83,042)		(356,559)
Disposals		12,991	12,748	32,966		58,705
Transfers		63,880	-	19,821		83,701
Effect of exchange rate changes		56,905	34,226	6,087		97,218
Balance at Dec. 31, 2019		$ (1,675,925)	(1,298,687)	(1,005,584)		(3,980,196)
Carrying amounts						
Dec. 31, 2020	$ 1,098,676	2,333,331	935,650	426,922	67,743	4,862,322
Dec. 31, 2019	$ 1,094,926	2,471,500	1,004,504	359,421	53,948	4,984,299

b. Major contracts of construction in progress refer to Note 9(7).

c. The trade counterparts of equipments upon disposal were not related parties in 2020 and 2019, with net disposal gain of NT$15,399 thousand and NT$1,151 thousand, respectively and the carrying amount on disposal of equipments (scraped equipments excluded) was NT$2,660 thousand and NT$762 thousand, respectively.

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

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

f. 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(12).

g. Prepayment for equipment of the Group referred to the prepayment for equipment and property, which was accounted for as the non-current assets due to delivery unfinished.

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

	Years Ended December 31	
.	2020	2019
Transferred to non-current assets held-for-sale	$ (58,559)	(45,309)
Transferred to unfinished construction traded in accounts receivable	363	-
Transferred to building from accounts receivable	8,408	-

Inventories transferred to property, plant and equipment		10,478	1,947
Prepayment for equipment transferred to all kinds of equipment and construction in progress		2,488	6,165
Property, plant and equipment transferred (from) to investment property		(749)	-
Total	$	(37,571)	(37,197)

(11) 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:

		Land	Buildings	Total
Cost or deemed cost				
Balance at January 1, 2020	$	286,114	51,359	337,473
Additions		-	6,485	6,485
Transfers		-	-	-
Exchange effect		4,459	517	4,976
Balance at December 31, 2020	$	290,573	58,361	348,934
Balance at January 1, 2019	$	305,587	7,792	313,379
Additions		-	44,328	44,328
Transfers		(7,467)	-	(7,467)
Exchange effect		(12,006)	(761)	(12,767)
Balance at December 31, 2019	$	286,114	51,359	337,473
Accumulated depreciation and impairment losses				
Balance at January 1, 2020	$	(70,843)	(14,926)	(85,769)
Depreciation		(5,829)	(21,374)	(27,203)
Transfers		-	-	-
Exchange effect		(1,151)	(245)	(1,396)
Balance at December 31, 2020	$	(77,823)	(36,545)	(114,368)
Balance at January 1, 2019	$	(71,554)	-	(71,554)
Depreciation		(6,004)	(15,110)	(21,114)

Transfers		3,825	-	3,825
Exchange effect		2,890	184	3,074
Balance at December 31, 2019	$	(70,843)	(14,926)	(85,769)
Carrying amounts				
December 31, 2020	$	212,750	21,816	234,566
December 31, 2019	$	215,271	36,433	251,704

b. The aforementioned land referred to the right-of-use assets-land reclassified from long-term prepaid rents in January 1, 2019, which Yungtay Elevator (China), Yungtay Elevator Tianjin (China), Yungtay Elevator Sichuan (China) and Jiyi Electric Co. (Shanghai, China) have leased from Mainland China on a straight-line basis over the lease terms of 50years.

c. The net amount of transterral in 2020 and 2019, respectively was as follows:

		Years Ended December 31	
		2020	2019
Noncurrent assets held for sale transferred from right-of-use assets	$	-	(3,642)

d. The items of liabilities and profit or loss associated with lease contracts please refer to Note 6(16) for details.

(12) Investment properties, net

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

		Land	Buildings	Total
Cost or Deemed Cost				
Balance at Jan. 1, 2020	$	599,358	414,259	1,013,617
Disposals		-	(13,928)	(13,928)
Transfers		-	51,330	51,330
Effect of exchange rate changes		-	1,765	1,765
Balance at Dec. 31, 2020	$	599,358	453,426	1,052,784

Balance at Jan. 1, 2019	$ 599,358	427,934	1,027,292
Disposals	-	(11,483)	(11,483)
Transfers	-	1,916	1,916
Effect of exchange rate changes	-	(4,108)	(4,108)
Balance at Dec. 31, 2019	$ 599,358	414,259	1,013,617
Accumulated depreciation and impairment			
Balance at Jan. 1, 2020	$ (818)	(211,559)	(212,377)
Depreciation expense	-	(11,311)	(11,311)
Disposals	-	7,216	7,216
Impairment loss	-	(5,477)	(5,477)
Transfers	-	(7,637)	(7,637)
Effect of exchange rate changes	-	(531)	(531)
Balance at Dec. 31, 2020	$ (818)	(229,299)	(230,117)
Balance at Jan. 1, 2019	$ (818)	(208,362)	(209,180)
Depreciation expense	-	(7,510)	(7,510)
Disposals	-	3,680	3,680
Transfers	-	(499)	(499)
Effect of exchange rate changes	-	1,132	1,132
Balance at Dec. 31, 2019	$ (818)	(211,559)	(212,377)
Carrying amounts			
Dec. 31, 2020	$ 598,540	224,127	822,667
Dec. 31, 2019	$ 598,540	202,700	801,240

	Years Ended December 31	
	2020	2019
The rental income from investment properties	$ 25,681	25,492
Less: Direct operating expenses arising from the investment property that generated rental income during the period	(1,779)	(1,618)
Direct operating expenses arising from the investment property that did not generate rental income during the period	(61)	(68)
Total	$ 23,841	23,806

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

		Years Ended December 31	
		2020	2019
Non-current assets held for sale unsold over 2 years transferred to investment properties	$	42,944	1,417
Land and building transferred to investment properties		749	-
Total	$	43,693	1,417

c. The counterparties on disposal of equipment were non-related parties in 2020 and 2019, respectively, and net gain (loss) on disposal was NT$1,319 thousand and NT1,065 thousand, with carrying amounts of NT$6,712 thousand and NT$7,803 thousand, in 2020 and 2019, respectively.

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

e. In order to get the information of the fair value of the Company's investment properties, the Company referred to the actual registered selling prices of the nearby real estates provided by local agents in R.O.C., and the fair value of Yungtay Elevator (China) Company's investment properties was referred to the information regarding the transaction price of the nearby real estates provided by the agent company in the territory of China. The market price of the aforesaid investment properties was NT$1,693,653 thousand and NT$1,757,190 thousand as at December 31, 2020 and 2019, respectively.

f. 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(13).

(13) Intangible assets

a. The movement of cost, amortization and impairment loss of the Group's intangible assets was as follows:

		Computer Software	Membership Qualification of Golf Club	Total
Cost				
Balance at Jan. 1, 2020	$	98,051	10,296	108,347
Additions		6,763	-	6,763
Elimination		(13,613)	-	(13,613)
Transfers		1,102	-	1,102
Effect of exchange rate changes		1,276	161	1,437
Balance at Dec. 31, 2020	$	93,579	10,457	104,036
Balance at Jan. 1, 2019	$	125,550	10,723	136,273
Additions		443	-	443
Elimination		(23,717)	-	(23,717)
Transfers		(533)	-	(533)
Effect of exchange rate changes		(3,692)	(427)	(4,119)
Balance at Dec. 31, 2019	$	98,051	10,296	108,347
Accumulated amortization and impairment				
Balance at Jan. 1, 2020	$	(68,381)	(1,642)	(70,023)
Additions		(11,129)	(296)	(11,425)
Elimination		13,613	-	13,613
Transfers		-	-	-
Effect of exchange rate changes		(898)	(28)	(926)
Balance at Dec. 31, 2020	$	(66,795)	(1,966)	(68,761)
Balance at Jan. 1, 2019	$	(82,247)	(1,404)	(83,651)
Additions		(12,804)	(300)	(13,104)
Disposals		-	-	-
Elimination		23,717	-	23,717
Impairment loss		533	-	533
Effect of exchange rate changes		2,420	62	2,482
Balance at Dec. 31, 2019	$	(68,381)	(1,642)	(70,023)
Carrying amounts				
Dec. 31, 2020	$	26,784	8,491	35,275
Dec. 31, 2019	$	29,670	8,654	38,324

b. The intangible assets other than goodwill were depreciated using the straight-line method over their useful lives, please refer to Note 4(15) for details.

(14) Contract liabilities-current

		December 31 2020	December 31 2019
Elevator	$	6,182,858	6,042,973
Construction machinery		23,613	32,489
Rental		1,529	1,520
Others		2,553	-
Total	$	6,210,553	6,076,982

(15) Other payables

		December 31 2020	December 31 2019
Accrued bonus, wages and welfare fee	$	425,493	407,081
Accrued value-added tax payable		65,032	93,490
Accrued agency commission		177,234	153,784
Compensation payable to employees and directors		57,120	53,450
Payables on equipment		9,634	16,478
Accrued short-term paid leave payable (refer to Note 6(18).c.)		57,661	49,123
Other payables-other		147,606	139,205
Total	$	939,780	912,611

(16) 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	$	14,736	414	14,322
Later than 1 year and not later than 5 years		8,234	205	8,029
Later than 5 years		-	-	-
	$	22,970	619	22,351
Current	$	14,736	414	14,322
Noncurrent	$	8,234	205	8,029

	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	$ 18,770	714	18,056
Later than 1 year and not later than 5 years	19,125	410	18,715
Later than 5 years	100	-	100
	$ 37,995	1,124	36,871
Current	$ 18,770	714	18,056
Noncurrent	$ 19,225	410	18,815

The Group 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	877	913
Expense relating to short-term leases	32,036	38,060
Expense relating to leases of low-value assets (excluding short-term leases of low-value assets)	2,540	3,455

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

	Year Ended December 31	
	2020	2019
Rental expense	$ 34,576	41,515
Interest expense	877	913
Repayments of lease	21,882	15,576
Total cash outflows for leases	$ 57,335	58,004

a. Leases of lands and buildings

The Group leases lands and buildings as plant, branch offices and substation, with lease terms of almost 50 years for land, and with lease terms of 2 to 4 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 Group 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 Group elects, when applying exemption to som contracts, not to recognize lease liabilities and right-of-use assets for leasing some office equipments, company's branch office and substation, 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.

(17) Guarantee deposits received

		December 31 2020	December 31 2019
Guarantee deposit from agent's installation	$	102,884	111,011
Tender security		75,879	89,466
Rental deposit		4,631	4,586
Other		-	509
Total	$	183,394	205,572
Current	$	24,083	20,444
Non-current		159,311	185,128
Total	$	183,394	205,572

(18) Employees' retirement benefit plans

a. Defined benefit plans

The amounts arising from the defined benefit obligation of the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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. Defined contribution plans

The plan under the R.O.C. Labor Pension Act (the "Act") is deemed a defined contribution plan. Pursuant to the Act, the Group 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 Group recognized expenses of NT$164,126 thousand and NT$296,729 thousand for the years ended December 31, 2020 and 2019, respectively.

c. Short-term paid leave payable

The Group recognized short-term paid leave payable of NT$57,661 thousand and NT$49,123 thousand as of December 31, 2020 and 2019, respectively.

(19) 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
Exchange differences arising on translation of foreign operations		97,462	(303,556)
Shares of other comprehensive income (loss) of associates accounted for using equity method		(1,825)	6,152
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	(661)	7,009
Derecognition-disposal of financial assets at FVTOCI of associates accounted for using equity method (Note 6(9))	780	-
Derecognition-accumulated profits (losses) transferred to retained earnings of investments in equity instruments designated at FVTOCI of associates accounted for using equity method	-	(2,002)
Derecognition-accumulated profits (losses) transferred to retained earnings of investments in equity instruments designated at FVTOCI	(4,417)	-
Unrealized gains (losses) on revaluation of financial assets at FVTOCI (Note)	116,096	(2,015)
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(9).

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

(20) 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	$ 10,671,421	9,296,121
Net revenue from services		
Maintenance and repair	4,621,603	4,396,753
Rental	25,727	25,474
Total	$ 15,318,751	13,718,348

a. The above-mentioned revenue of maintenance and repair is deferred based on the fair value of providing services when the Group 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	$ 227,556	209,403
Non-current	$ 115,458	86,700

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. Disaggregation of revenue from contracts with customers

Please refer to Note 15: Segments Information (2).

e. Contract balances

Contract liabilities-current

	Beginning balance	Ending balance	Difference
Sales of goods	$ 6,076,982	6,210,553	133,571

f. Incremental costs of obtaining contracts

Please see Note 6(6).

(21) Non-operating income and expenses

	Years Ended December 31	
	2020	2019
a. Government grants	$ 14,593	12,972

b. Other gains and losses

	2020	2019
Net gain (loss) on financial assets at FVTPL	$ 16,258	3,421
Impairment (loss) –Investment properties	(5,477)	-
Impairment (loss) -non-current assets held for sale	-	(10,000)
Gain on reversal of impairment-financial assets	1,800	-
Net gain on disposal of property, plant and equipment	15,399	1,151
Gain (loss) on disposal of investment properties	1,319	1,065
Net gain on disposal of partial investment in associates accounted for using equity method	37,605	-
Net gain on disposal of non-current assets held for sale	113,960	259,938

Net (loss) on obsolescence of property, plant and equipment	(2,449)	(5,788)
Penalty and compensation income	9,120	4,929
Foreign exchange gain (loss), net	25	850
Other income transferred from overdue consignment fee accured	11,646	11,159
Other gains	32,010	34,052
Total	$ 231,216	300,777

c. Finance costs

Interest expense	$ (83)	(50)
Interest expense on lease liabilities	(877)	(913)
Total	$ (960)	(963)

(a) Penalty and compensation income referred to the confiscated deposits due to the customers' failure of implementing the contract of purchases.

(b) The net gain on disposal of partial investment in associates accounted for using equity method was NT$37,605 thousand, and the content of transaction please refer to Note 6(9).

(c) There was little probability for the payment of overdue consignment fee accrued in Yungtay Elevator (China), thus the consignment fee accrued was reclassified under other income due to overdue for 5 years.

(d) Government subsidy income referred to various financial subsidy income carried out in Mainland China in 2020 during the period of COVID-19 pandemic, and the government of Mainland China implemented some policies for stabilizing employment and stabilized the business operations and reduced layoffs. Consequently, the Group got the related subsidy income of NT$8,753 thousand together with the medical and social insurance subsidy of NT$3,754 thousand and others of NT$2,086 thousand.

(22) 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	2,098,288	1,271,144	3,369,432	1,987,451	1,172,549	3,160,000
Labor and health insurance	170,858	78,716	249,574	194,068	90,503	284,571
Pension cost	115,074	71,155	186,229	193,800	131,614	325,414
Other benefits expenses	204,896	81,348	286,244	202,314	71,723	274,037
Depreciation expenses	197,090	130,110	327,200	211,199	152,870	364,069
Depreciation expenses-right-of-use assets	20,129	7,074	27,203	14,336	6,778	21,114
Amortization expenses	108	11,317	11,425	110	12,994	13,104

As of December 31, 2020 and 2019, the Group had employees of 5,248 and 5,165, respectively, and the computing basis was consistent with that of employee benefits expenses.

Due to the COVID-19 pandemic, China Tax authority has implemented the policy of insurance premium reduction to all companies in Mainland China. So, the pension cost was reduced compared to that of last year.

(23) Income tax

a. Major components of income tax expense were as follows:

	Years Ended December 31	
	2020	2019
Current income tax expense		
Current tax expense recognized in the current year	$ 301,173	279,764
Income tax on unappropriated earnings	1,647	2,617
Investment tax credit	(3,000)	(3,000)
Withholding tax for dividends income pursuant to Regulations of Repatriated Offshore Funds	30,782	-
	330,602	279,381
Deferred income tax expense (benefit)		
Temporary differences (Note)	(54,582)	(13,673)
Income tax expense recognized in profit or loss	$ 276,020	265,708

(Note): The effect of exchange rate changes was included in the difference between deferred income tax (benefit) and deferred income tax assets and liabilities.

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

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

c. A reconciliation of accounting 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	$	1,621,367	1,245,157
Income tax expense at the statutory rate	$	345,502	265,271
Tax effect of adjusting items:			
Deductible items in determining taxable income		(44,329)	15,254
Undeductible loss carryforward		-	(761)
Additional income tax on unappropriated earnings		1,647	2,617
Tax effect of investment tax credits		(3,000)	(3,000)
The origination and reversal of temporary differences		(54,582)	(13,673)
Withholding tax for dividends income pursuant to Regulations of Repatriated Offshore Funds		30,782	-
Income tax expense recognized in profit or loss	$	276,020	265,708

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

		Years Ended December 31	
		2020	2019
Deferred income tax assets			
Differences of time of recognized revenue	$	304,384	253,742
Short-term employees' benefits		12,259	10,934
Bad debts loss		108,232	99,278

Loss provision for non-current assets held for sale and investment properties		5,579	4,135
Accrued expenses		43,397	38,446
Unrealized net sales profit among parent and subsidiaries		15,989	10,673
Differences of depreciation expenses pertained to years		46	92
Unrealized foreign exchange loss		6,455	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
Undeductible loss carryforward		137,581	124,096
Total	$	687,835	616,108

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.

(24) 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	408,690,200	408,690,200
Basic earnings per share (NT$)	3.20	2.30

(25) 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	$	184,266	113,520
Plus: payables on equipment at beginning of year		16,478	14,676
Less: payables on equipment at ending of year		(9,634)	(16,478)
Effect of exchange rate changes		202	(634)
Cash paid in the year	$	191,312	111,084

		Years Ended December 31	
		2020	2019
Disposal of noncurrent assets held for sale	$	128,859	289,916
Plus: beginning proceeds from disposal of equipment receivable (accounted for other receivable)		56,816	-
Less: Ending proceeds from disposal of equipment receivable (accounted for other receivable)		-	(56,816)
Effect of exchange rate changes		427	(1,167)
Cash received for current year	$	186,102	231,933

		Years Ended December 31	
		2020	2019
Disposal of property, plant and equipment	$	18,059	1,913
Plus: beginning proceeds from disposal of equipment receivable (accounted for other receivable)		-	-
Less: Ending proceeds from disposal of equipment receivable (accounted for other receivable)		(10,546)	-
Effect of exchange rate changes		84	-
Cash received for current year	$	7,597	1,913

7. Related party transactions

Intercompany balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation; therefore those items are not disclosed in this note. The following is a summary of significant transactions between the Group and other related parties:

(1) Related party name and categories

Related Party Name	Related Party Categories
Taiwan Calsonic Co., Ltd. ("TWNCAL")	The Company as the director of TWNCAL
Japan Hitachi Construction Machinery Co., Ltd. ("JHCMC")	Other related party - Investing company accounted for using equity method to YHCMC, subsidiary of the Company
Evest Corporation ("Evest")	Associate
Hitachi, Ltd. and its subsidiaries ("Hitachi, Ltd.")	Hitachi, Ltd. as the representative of director of the Company
Yungtay Education and Culture Foundation ("YECF")	Main Donee of the Company
Yungtay Social Welfare Foundation ("YSWF")	Main Donee of the Company
All directors and the Group's key management (including general manager and executive vice presidents)	

(2) Significant transactions between the Group and related parties:

a. Sales revenue

	Years Ended December 31	
Related Party Categories	2020	2019
Hitachi, Ltd.	$ 28,473	27,918

The rail connecting plates have been sold by the Group to Hitachi, Ltd. Due to no other similar products sold to non-related parties, there is no identical transaction with which to compare. Consequently, the aforementioned products have been sold on condition of sales price and terms as agreed and the payments are collected from 1 month to 3 months after the delivery of goods.

b. Maintenance Revenue

Related Party Categories		Years Ended December 31 2020	2019
TWNCAL	$	30	7
Evest		66	104
JHCMC		53	-
Total	$	149	111

c. Rental Income

Related Party Categories		Years Ended December 31 2020	2019
Evest	$	6,691	6,691

Related Party Categories		Accounts and Notes Receivable December 31, 2020	December 31, 2019
TWNCAL	$	8	7
Evest		1,309	1,803
Hitachi, Ltd.		2,824	3,253
Total	$	4,141	5,063

The Group rents out Luzu plant 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 Categories		Years Ended December 31 2020	2019
TWNCAL	$	145	103
JHCMC		517,142	520,777
Hitachi, Ltd.		35,740	11,922
Total	$	553,027	532,802

Related Party Categories	Accounts and Notes Payable December 31, 2020	Accounts and Notes Payable December 31, 2019
TWNCAL	$ -	48
JHCMC	133,775	138,722
Hitachi, Ltd.	-	39
Total	$ 133,775	138,809

(a) The Group purchases electrical parts from TWNCAL; purchases construction machinery such as crane, excavator and parts for repair and maintenance from JHCMC as well as purchases finished high-speed elevator and subsequent parts for repair and maintenance of Hitachi brand designated by customers from Hitachi, Ltd. (Note: the elevator attributed to Yungtay brand would never buy the related parts and components from Hitachi, Ltd.)

(b) Due to failing to purchase the same goods from non-related parties, there is no similar transaction with witch to compare for the purchases among the Group and related parties, all purchases transaction is conducted in accordance with the given purchase price and term. The payment terms for the purchases from related parties are not significantly different from those with third-party vendors, and payables are paid from 1 month to 4 months.

e. Others

Accounting Items	Related Party Categories	December 31, 2020	December 31, 2019
Other receivable	Evest	$ 200	181
Guarantee deposit received	Evest	$ 577	577

Accounting Items	Related Party Categories	December 31, 2020	December 31, 2019
Management expenses	TWNCAL	$ 251	95
Manufacturing overhead	TWNCAL	$ 128	152

Maintenance cost	TWNCAL	$	670	651
Finance cost	Evest	$	6	6
Other income	TWNCAL	$	264	528
	Evest		-	10
	JHCMC		2,066	1,400
	Total	$	2,330	1,938
General and administrative expenses-Donation	YSWF	$	2,100	4,200
	YECF		6,300	4,200
	Total	$	8,400	8,400

f. Property transactions: None.

g. Remuneration to directors and key management

Payment Item		Years Ended December 31 2020	2019
Short-term employee benefits	$	82,195	81,801
Post-employment benefits		216	12,617
Other long-term employee benefits		68	34
Total	$	82,479	94,452

8. Pledged (Mortgaged) assets

The Group provided the following assets as collaterals:

Item	Purpose		December 31, 2020	December 31, 2019
Current assets- refundable deposits (Restricted bank deposits)	Contract security deposits	$	192,880	133,075
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		$	657,955	604,035

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 Group leased its investment properties by way of operating lease, please refer to Note 6(12). The future minimum lease receivable under the non-cancellable leasing period is as follows:

	December 31, 2020	December 31, 2019
Not later than 1 year	$ 28,844	21,683
Later than 1 year and not later than 5 years	22,725	28,289
Later than 5 years	-	-
Total	$ 51,569	49,972

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

(4) The Company and Yungtay Hitachi Construction Machinery Co., Ltd. received the downpayments 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 co-operation contracts with Hitachi, Ltd. as follows:

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 dignosis.	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.
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.

No. of contract	Contract period	Technical cooperation products	Technical compensation fee
5.	Nov. 1, 2016 ~Oct. 31, 2021	High-speed inverter control elevator (HVF3 Votage 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 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:

	Years Ended December 31	
	2020	2019
No. of contract	Amount	Amount
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:

	Years Ended December 31			
	2020		2019	
	Amount	%	Amount	%
Brand-Yungtay	2,646,068	99..15	2,246,699	100.00
Brand-Hitachi	22,773	0.85	-	-

(7) Major contracts of property, plant and equipment-construction in progress:

Year	Major Construction Item	Total Contract Price
2020	Shanghai Jiyi	
	· Construction of experimental tower of high-speed elevator	RMB 36,800 thousand
		(Total equivalent to NT$160,345thousand)
2019	Yungtay Elevator (China)	
	· Interior construction of 5th and 6th floor of employees' dormitory	RMB 5,300 thousand
	· Civil work of escalator plant A	RMB 5,300 thousand
	· Interior construction of 7th floor of employees' dormitory	RMB 970 thousand
	· Interior construction of escalator plant A	RMB 910 thousand
		(Total equivalent to NT$54,642 thousand)

(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. <u>Losses due to major disaster</u>: None.

11. Significant subsequent events:

Parent company:

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.

Subsidiary:

The former chairman of Yungtay (China), 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, as the new chairman of Yungtay (China).

12. Other event:

As at the releasing date of the consolidated 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 Group through the Group's, evaluation to COVID-19 pandemic. The Group 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	$	860,501	791,342
FVTOCI-current and non-current		569,881	181,252
Cash and cash equivalents		4,488,289	3,903,861
Notes and accounts receivable (including related party)		4,214,438	3,632,477
Other receivables		14,279	62,103
Refundable deposits		475,203	312,729
Other non-current assets-long-term notes receivable		44,292	17,221
Other non-current assets-others (preferred stock-golf certificate)		5,520	5,520

Financial liabilities

FVTPL-current	$	-	4,445
Notes and accounts payable (including related party)		3,723,544	2,238,574
Other payables		939,780	912,611
Lease liabilities		22,351	36,871
Current income tax liabilities		159,658	133,816
Net defined benefit liabilities-non-current		259,929	330,698
Guarantee deposits received		183,394	205,572

b. Credit risk

(a) Exposure of credit risk

The Group's mainly potentially credit risk arises principally from cash and receivables from customers. Cash deposits in different financial institution. The Group 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 Group'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 97.58% and 97.76% of all accounts receivable, respectively.

(b) Evaluation of impairment loss

The Group 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 Group adopts that only the counterparty whose credit rating is up to the level of investment is qualify to do the transaction with the Group, and if necessary, upon the Group's request, the full guarantee is required to mitigate the resulting risk of financial loss on account of delinquency. The Group will utilize other publicly available financial information and historical transaction records to give credit-rating to major customers. The Group 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 Group assigns ad hoc group 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 Group 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 Group's credit risk has been significantly reduced.

The Group 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 Group's credit loss, there is no significant difference for the loss type resulting from different customers' group.

Thus, the provision matrix is not further identified different customers' group 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 Group 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

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements associated with existing operations over the next 12 months. The Group manages its liquidity risk by maintaining adequate cash and cash equivalent.

December 31, 2020		Carrying Amount	Contract Cash Flows	Less Than 1 Year	1~2 Years	2~Years
Non-derivative financial liabilities						
Notes payable	$	398,569	398,569	398,569	-	-
Accounts payable		3,324,975	3,324,975	3,324,975	-	-
Other payables		939,780	939,780	939,780	-	-
Lease liatilities		22,351	22,970	14,736	6,053	2,181

December 31, 2019		Carrying Amount	Contract Cash Flows	Less Than 1 Year	1~2 Years	2~Years
Non-derivative financial liabilities						
Notes payable	$	310,154	310,154	310,154	-	-
Accounts payable		1,928,420	1,928,420	1,928,420	-	-
Other payables		912,611	912,611	912,611	-	-
Lease liatilities		36,871	36,871	18,056	18,715	100

d. 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	5,694	28.43	161,891
JPY	230,303	0.2743	63,172
RMB	46,453	4.352	202,164
HKD	97	3.643	352
EUR	-	34.82	-
Financial liabilities			
Monetary items			
USD	907	28.53	25,886
JPY	10,800	0.2783	3,006

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
December 31, 2019			
Financial asset			
Monetary items			
USD	3,133	29.93	93,776
JPY	31,369	0.274	8,595
RMB	2,778	4.280	11,890
HKD	213	3.891	829
EUR	-	33.39	-
Financial liabilities			
Monetary items			
USD	1,150	30.03	34,542
JPY	17,220	0.278	4,789

· Sensitivity analysis

	Years Ended December 31	
	2020	2019
(Loss)/profit of 1% change		
USD	$ 1,360	592
JPY	602	38
RMB	2,022	119
HKD	4	8
EUR	-	-

e. The Group has loan limit from bank, but there is no loan at all 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 consolidated 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
Forward exchange contracts	$ -	3,104	-	3,104
Financial assets at FVTOCI				
Domestic listed equity investments	$ 482,394	-	-	482,394
Domestic and foreign unlisted equity investments	$ -	-	87,487	87,487

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements:				
Financial assets at FVTPL				
Fund investments	$ 791,342	-	-	791,342
Forward exchange contracts	$ -	(4,445)	-	(4,445)

Financial assets at FVTOCI					
Domestic listed equity investments	$	93,765	-	-	93,765
Domestic and foreign unlisted equity investments	$	-	-	87,487	87,487

(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	$	87,487	87,824
Proceeds from return of capital of investments-decrease of capital		-	(337)
Balance at December 31	$	87,487	87,487
Unrealized other gain (loss) for the current period	$	-	-

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

2020.12.31

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;

2019.12.31

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)

			Recognized in other comprehensive income	
	Input	Change	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 Group seeks to ensure sufficient cost-efficient funding readily available when needed. The Group 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 Group 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	$	11,874,253	10,242,803
Less: cash and cash equivalents		(4,488,289)	(3,903,861)
Net liabilities	$	7,385,964	6,338,942
Total equity	$	12,042,300	11,425,345
Ratio of net liabilities divided by total equity (Leverage ratio)		61.33%	55.48%

The Group’s approach of capital management has not changed as of December 31, 2020.

14. Additional disclosures

Intercompany balance and significant transactions, directly or indirectly, between the Group and its investees in Mainland China, which are subsidiaries or associates, have been eliminated upon consolidation.

(1) Significant transactions and (2) Related information of reinvestments:

a. Financings provided: Please see Table 1 attached;

b. Endorsement/guarantee provided: Please see Table 2 attached;

c. Marketable securities held (excluding investments in subsidiaries and associates): Please see Table 3 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 4 attached;

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please see Table 5 attached;

i. Information about the derivative financial instruments transaction: Please see Notes 6(2);

j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 6 attached;

k. Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in Mainland China): Please see Table 7 attached.

(3) Information on investment in Mainland China

a. The name of the investee 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 investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 8 attached.

b. Significant direct or indirect transactions with the investee, 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 Table 6 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.

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 1

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 4)	Ending Balance (Foreign Currencies in Thousands) (Note 2 & 4)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 3)
													Item	Value		
1	Yungtay Elevator Equipment (China) Co.	Yungtay elevator equipment (Sichuan) Co.	Other Receivables	Yes	RMB 50,000 Thousand (NT$ 218,800 Thousand)	RMB 50,000 Thousand (NT$ 217,860 Thousand)	RMB 50,000 Thousand (NT$ 217,860 Thousand)	1.5%	Short-term financing	-	The need for operation	-	-	-	NT$ 576,348 thousand	NT$ 2,881,741 thousand
2	Yungtay Elevator Installation Maintenance (Shanghai) Co.	Yungtay elevator equipment (Sichuan) Co.	Other Receivables	Yes	RMB 45,000 Thousand (NT$ 131,280 Thousand)	RMB 30,000 Thousand (NT$ 130,716 Thousand)	RMB 30,000 Thousand (NT$ 130,716 Thousand)	1.5%	Short-term financing	-	The need for operation	-	-	-	NT$ 37,045 thousand	NT$ 185,226 thousand
2	Yungtay Elevator Equipment (Tianjin) Co.	Yungtay elevator equipment (Sichuan) Co.	Other Receivables	Yes	RMB 40,000 Thousand (NT$ 175,040 Thousand)	RMB 40,000 Thousand (NT$ 174,288 Thousand)	RMB 40,000 Thousand (NT$ 174,288 Thousand)	1.5%	Short-term financing	-	The need for operation	-	-	-	NT$ 128,855 thousand	NT$ 644,276 thousand

Note 1: The numbers filled in for the financing provided by the Company or subsidiaries are as follows:

(1) The Company is filled in No.0.

(2) The Subsidiaries are numbered in order starting from No.1.

Note 2: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Note 3: When there is a lending for funding needs, among the subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the total amount available for lending purpose shall not exceed 40% of the net worth of the Company and financing limits for each borrowing company shall not exceed 20% of the total financing amounts limits.

Note 4: The maximum balance and ending balance shown in the above table adopted the maximum and ending foreign exchange rate of NT$ against US$ in 2020, respectively.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

TABLE 2

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period (Note 3 & 4)	Ending Balance (Note 3 & 4)	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
1	Yungtay Elevator Equipment (China) Co.	Yungtay Elevator Installation Maintenance (Shanghai) Co.	2	Not exceeding 1/3 of the net equity of the Company (NT$2,401,451 thousand)	RMB 20,000 thousand (NT$ 87,520 thousand)	RMB 2,000 thousand (NT$ 8,714 thousand)	-	None	0.12	Not exceeding 1/2 of the net equity of the Company (NT$3,602,176 thousand)	No	No	Yes

Note 1: The numbers filled in for the endorsements / guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is filled in No.0.

(2) The Subsidiaries are numbered in order starting from No.1.

Note 2: No.2 represents that the endorser / guarantor parent company owns directly 50% voting shares of the endorsed / guaranteed subsidiary.

Note 3: The amounts approved by the Board of Directors.

Note 4: The maximum balance and ending balance shown in the above table adopted the maximum and ending foreign exchange rate of NT$ against US$ in 2020, respectively

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

TABLE 3

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
The Company	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 4
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		Accounts Payable		Footnote (Note 2)
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Yungtay Hitachi Construction Machinery Co., Ltd.	Japan Hitachi Construction Machinery Co., Ltd.	Investee of investing co. accounted for using equity method	Purchases	517,142	11.11%	4~6Months after the goods were delivered	Note 1	Note 1	133,775	4.02%	-

Note 1: The purchase term of Yungtay Hitachi Construction Machinery Co., Ltd. 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.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

TABLE 5

DECEMBER 31, 2020

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Days	Overdue		Amounts Received in Subsequent Period (Note)	Allowance for Bad Debts
					Amount	Action Taken		
Yungtay Elevator Equipment (Tianjin) Co.	Yungtay Elevator Equipment (China) Co.	Parent Company and subsidiary	1,124,745	1	-	-	386,958	-
Yungtay Elevator Equipment (Sichuan) Co.	Yungtay Elevator Equipment (China) Co.	Parent Company and subsidiary	435,1165	3	-	-	214,592	-

Note : Amounts received as of March 3, 2021.

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars)

TABLE 6

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions					
				Financial Statements Account	Amount(Note 3)		Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 4)	
					2020	2019		2020	2019
0	The Company	Yungtay Elevator Equipment (China) Co.	1	Net revenue from sale of goods	$ 8,755	$ 2,458	Sale based on cost plus 20%	0.06%	0.02%
				Accounts receivable	$ 476	$ 417	Collection term of 1~5 months	-	-
				Purchases	$ 190,006	$ 215,441	Uncomparable	1.24%	1.57%
				Accounts payable	$ 42,127	$ 46,502	Payment term of 2~3 months after delivered per import declaration	0.18%	0.21%
		Jiyi Electric Co. (Shanghai, China)	1	Accounts payable	$ 34,905	-	Sale based on cost plus 20%	0.15%	-
				Purchases	$ 152,431	$ 3	Uncomparable	1.00%	-
1	Yungtay Elevator Equipment (China) Co.	Jiyi Electric Co. (Shanghai, China)	3	Net revenue from sale of goods	$ 240	$ 28,968	Sale based on cost plus 3%	-	0.21%
				Accounts receivable	$ 716	$ 24,111	Collection term of 1~4 months	-	0.11%
				Purchases	$ 867,840	$ 318,968	Uncomparable	5.67%	2.33%
				Accounts payable	$ 8,356	$ 224,934	Negotiated adjustment based on the Group’s funds dispatching	0.03%	1.04%
		Yungtay Elevator Equipment (Tianjin) Co.	3	Net revenue from sale of goods	$ 15,250	$ 87,681	Sale based on cost plus 6%	0.10%	0.64%
				Accounts receivable	$ 2,924	$ 1,926	Collection term of 1~6 months	0.01%	0.01%
				Purchases	$ 1,270,661	$ 1,006,829	Based on cost plus 12%	8.29%	7.34%
				Accounts payable	$ 1,124,745	$ 936,402	30 days after delivered	4.70%	4.32%
		Yungtay Elevator Equipment (Sichuan) Co.	3	Net revenue from sale of goods	$ 10,285	$ 20,441	Sale based on cost plus 5%	0.07%	0.15%
				Accounts receivable	$ 2,270	$ 769	Collection term of 1 months	0.01%	0.00%
				Purchases	$ 980,758	$ 691,705	Uncomparable	6.40%	5.04%
				Accounts payable	$ 435,116	$ 162,632	Negotiated adjustment based on the Group’s funds dispatching	1.82%	0.75%

Note 1: No.0 is for the parent company. Subsidiaries are numbered in order starting from No.1.

Note 2: No.1 represents the transactions from parent company to subsidiary, No.2 represents the transactions from subsidiary company to parent, and No.3 represents the transactions between subsidiaries.

Note 3: Unrealized intercompany gain under the downstream transactions of the sales to sub-subsidiary company from parent was NT$664 thousand and NT$583 thousand in 2020 and 2019, respectively. Unrealized intercompany gain under the upstream transactions of the purchases from sub-subsidiary to parent was NT$19,735 thousand and NT$3,549 thousand in 2020 and 2019, respectively.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

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 7

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 9.

Note 3: The effect of unrealized profit or loss of intercompany's transaction has been considered while recognized the 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(9).

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

TABLE 8

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: a. 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, 2017. Due to complying with the company's operating needs in the third quarter, 2019, 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).

b. TianYung Installation & Maintenance, reinvested by Tianjin Yungtay, finished the cancellation of registration in September, 2019.

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.

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.

15. Operating segments information

(1) The Group has 7 reportable segments: Taiwan elevator, Mainland elevator, Taiwan elevator maintenance and repair, Mainland elevator maintenance and repair, electric engine, construction machinery (including maintenance) and other segment.

The Group uses the income/loss from operations before income tax as the measurement for the basis of performance assessment. The basis for such measurement is the same as that for the preparation of financial statements. Please refer to the consolidated statements of comprehensive income for the related segment revenue and operating results.

(2) The Group's reportable revenue, profit or loss, assets and liabilities were summarized as follows:

		Year ended December 31, 2020 (Amounts in Thousands of NT$)								
		Taiwan Elevator	Mainland Elevator	Taiwan Elevator Maintenance and Repair	Mainland Elevator Maintenance and Repair	Electric Engine	Construction Machinery (including maintenance)	Other Segment	Adjustment and Elimination	Consolidation
Revenu:										
Revenue other than parent co. and consolidated subsidiaries	$	3,353,707	6,598,610	3,073,153	1,408,134	1,706	857,714	25,727	-	15,318,751
Revenue from parent co. and consolidated subsidiaries		8,755	190,006	59	-	1,097,843	-	5,466	(1,302,129)	-
Total revenue	$	3,362,462	6,788,616	3,073,212	1,408,134	1,099,549	857,714	31,193	(1,302,129)	15,318,751
Total segment gross profit	$	338,382	1,242,177	1,663,227	456,304	87,050	149,696	25,227	(129,556)	3,832,507
Interest income		-	45,198	-	-	-	3,063	7,760	-	56,021
Interest expense		-	795	-	-	-	-	165	-	960
Depreciation and amortization		30,725	227,483	22,901	936	63,530	2,274	17,979	-	365,828
Share of profits of associates		-	-	-	-	-	-	19,349	-	19,349
Disposal of noncurrent assets held for sale		-	113,960	-	-	-	-	-	-	113,960
Other significant non-cash items: none		-	-	-	-	-	-	-	-	-
Segment profit/loss	$	90,420	(246,078)	1,245,392	240,115	(22,212)	86,067	243,744	(16,081)	1,621,367
Total assets of segment	$	2,283,244	12,561,013	685,370	1,393,202	1,294,995	644,730	14,391,111	(9,337,112)	23,916,553
Total liabilities of segment	$	2,079,482	7,108,270	220,464	456,834	375,615	219,686	1,504,622	(90,720)	11,874,253

	Year ended December 31, 2019 (Amounts in Thousands of NT$)								
	Taiwan Elevator	Mainland Elevator	Taiwan Elevator Maintenance and Repair	Mainland Elevator Maintenance and Repair	Electric Engine	Construction Machinery (including maintenance)	Other Segment	Adjustment and Elimination	Consolidation
Revenu:									
Revenue other than parent co. and consolidated subsidiaries	$ 3,014,750	5,555,989	2,894,073	1,347,309	-	880,753	25,474	-	13,718,348
Revenue from parent co. and consolidated subsidiaries	2,459	236,496	34	-	329,867	-	5,467	(574,323)	-
Total revenue	$ 3,017,209	5,792,485	2,894,107	1,347,309	329,867	880,753	30,941	(574,323)	13,718,348
Total segment gross profit	$ 348,038	795,090	1,569,969	371,026	26,110	166,358	25,178	(34,391)	3,267,378
Interest income	-	58,531	-	-	-	2,841	7,022	-	68,394
Interest expense	-	791	-	-	-	-	172	-	963
Depreciation and amortization	31,474	296,826	20,551	11,290	16,747	1,947	19,452	-	398,287
Share of profits of associates	-	-	-	-	-	-	(14,895)	-	(14,895)
Disposal of noncurrent assets held for sale	-	259,938	-	-	-	-	-	-	259,938
Other significant non-cash items: none	-	-	-	-	-	-	-	-	-
Segment profit/loss	$ 106,413	(442,206)	1,162,056	151,829	3,297	98,451	166,800	(1,483)	1,245,157
Total assets of segment	$ 2,247,145	11,268,111	660,124	1,198,836	1,262,051	619,250	13,684,789	(9,272,158)	21,668,148
Total liabilities of segment	$ 2,188,719	5,655,807	331,110	430,082	336,583	231,646	1,118,113	(49,257)	10,242,803

(3) Geographic information

Net Revenue from External:

	Customers	
	Years Ended December 31	
	2020	2019
Taiwan	$ 7,310,301	6,815,050
Mainland China	8,008,450	6,903,298
Total	$ 15,318,751	13,718,348

Non-current Assets:

	December 31 2020	December 31 2019
Taiwan	$ 2,428,748	2,396,849
Mainland China	3,744,066	3,828,928
Total	$ 6,172,813	6,225,777

The Group categorized the net revenue mainly based on the country in which the customer is headquartered. Non-current assets include property, plant and equipment, intangible assets and other non-current assets.

(4) Major customers information

The revenue of major customer was not accounted for 10% of the total revenue in 2020 and 2019, respectively.