

Stock Code:1507



**Yungtay Engineering Co., Ltd.
2021 Annual Shareholders' Meeting
Agenda Handbook**

(Translation)

Date: June 21, 2021

Venue: 3F, No. 260, Section 2, Bade Road, Taipei City

(Auditorium of Huasha Building of Central Motion Pictures Corporation)

The English version is the translation of the Chinese version and if there is any conflict in the handbook between the meaning of Chinese words or terms in the Chinese version and English words or terms in the English version, the meaning of the Chinese version shall prevail.

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Yungtay Engineering Co., Ltd.

The 2021 Annual General Shareholders Meeting Agenda

Time: At 9:00 am on June 21, 2021

Place: Auditorium of Huasha Building of Central Motion Pictures Corporation at 3F, No. 260,
Section 2, Bade Road, Taipei City

I. The Chairman calls the meeting to order

II. The statement of the Chairman

III. Status Reports

(I) The 2020 Business Report

(II) The 2020 Audit Committee's review Financial Statements

(III) The 2020 distribution of remuneration to employees and directors

(IV) The amendments to the company's "Rules of Procedure for Board of Directors Meetings"

IV. Matter for Ratifications

(I) The 2020 Business Report and Financial Statements submitted for ratification

(II) The 2020 earnings distribution proposal submitted for ratification

V. Matter for Discussions

(I) The amendments to the company's "Rules of Procedure for Shareholders Meetings"

(II) Cancellation of the non-competition clauses restrictions on the Directors and the corporate shareholder with its representative elected as the Director of the company

VI. Provisional Motions

VII. Meeting Adjourned

Status Reports

I. The 2020 Business Report

Please refer to page 12 of this Agenda Handbook for details.

II. The 2020 Audit Committee’s Review Financial Statements

Please refer to page 13 of this Agenda Handbook for details.

III. The 2020 distribution of remunerations to employees and directors

Explanation: The proposal for the company’s 2020 remuneration to employees and directors was NT\$48,994,462 and NT\$5,443,829 in cash, accounted for 3.74% and 0.42%, respectively, that was resolved by the Board of Directors.

IV. The amendments to the company’s “Rules of Procedure for Board of Directors Meetings”

Explanation: Taiwan Stock Exchange Corporation had the “Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings” amended with the Tai-Chen-Tzi-Li-Zi No. 10900094681 Letter issued on June 3, 2020 in response to the amendments made to the Company Act, Stock and Exchange Act, related derivatives, and the amendments to the TWSE/TPEX corporate governance law and regulations in 2018 and 2020. The content of the Rules is amended according to the contents of the aforementioned Letter issued by the competent authorities.

Amendments to “Yungtay Engineering Co., Ltd. – Rules of Procedure for Board of Directors Meetings” before and after

After amendments	Before amendment	Explanation
<p>Article 7</p> <p>If the board of directors meeting is convened by the Chairman of the board, the Chairman should also chair the meeting. However, the first board meeting of each term is to be convened and chaired by the director who receives the highest voting rights at the shareholders’ meeting. If there are two or more convening parties, they shall select one party to chair among themselves.</p> <p>If the board meeting is convened by the majority of the board directors in accordance with Paragraph 4, Article</p>	<p>Article 7</p> <p>If the board of directors meeting <u>shall</u> be convened by the Chairman of the board, the Chairman should also chair the meeting. However, the first board meeting of each term is to be convened and chaired by the director who receives the highest voting rights at the shareholders meeting. If there are two or more convening parties, they shall select one party to chair among themselves.</p> <p>If the board meeting is convened by the majority of the board directors in accordance with Paragraph 4, Article</p>	<p>Taiwan Stock Exchange Corporation had the “Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings” amended with the Tai-Chen-Tzi-Li-Zi No. 10900094681 Letter issued on June 3, 2020. The “Rules of Procedure for Board of Directors Meetings” is amended accordingly for compliance. In addition, Articles 11, 12, and 15 were in the same attempt that was revised in 2019 and March 25, 2020.</p>

<p>203 or Paragraph 3, Article 203-1 of the Company Act, one of the directors shall be selected to chair among themselves.</p> <p>Text is omitted hereinafter.</p>	<p>203 or Paragraph 3, Article 203-1 of the Company Act, one of the directors shall be selected to chair among themselves.</p> <p>Text is omitted hereinafter.</p>	
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Matters for Ratification

Action 1 (Proposed by the Board of Directors)

Proposal: Please ratify the Company's 2020 Business Report and Financial Statements submitted for ratifications.

Explanation: (I)The company's 2020 Business Report, Balance Sheets, Comprehensive Income Statement, Statement of Changes in Equity, and Statement of Cash Flows are prepared accordingly (please refer to page 12 and page 14-36 of this Agenda Handbook).

(II)Please refer to page 12, page 14-19, and page 26-30 of this Agenda Handbook for the 2020 Business Report, Financial Statements, and the unqualified audit report issued by CPA Sheng-Ping Lin and CPA Ren-Gi Chen of Jiang Sheng & Co., CPAs Certified Public Accountants.

Resolution:

Action 2 (Proposed by the Board of Directors)

Proposal: Please ratify the Company's 2020 earnings distribution proposal submitted for ratifications.

Explanation: The distribution of dividend and bonus for NT\$1.9/share is proposed. Please refer to the Earnings Distribution Statement below.

The 2020 Earnings Distribution Statement (Proposal)

	Unit: NTD
Balance - beginning	2,846,747,999
Add: Net income attributable to the parent company	1,309,099,881
Add: Reversed special reserve	227,784,594
Add: Disposal of financial assets measured at fair value through other comprehensive profit and loss	1,667,905
Add: Financial assets measured at fair value through comprehensive profit and loss that are disposed by the subsidiary under the equity method	2,750,105
Less: After-tax actuarial profit of defined benefit plan	(42,832,605)
Less: Defined benefit plan measurement amount of the affiliated companies under the equity method	(412,111)
Earnings available for distribution	4,344,805,768
Distributions:	
Appropriated legal reserve	127,027,318
Shareholders' dividend and bonus appropriated and paid (NT\$1.9/share in cash)	780,558,000
Unappropriated earnings - ending	3,437,220,450

Note: Cash dividend is calculated and rounded up to the dollar; also, the total amount paid for odd share amounted to less than NT\$1 is booked as "other income" of the company.

Resolution:

Matters for Discussion

Action 1 (Proposed by the Board of Directors)

Proposal: The amendments to the Company’s “Rules of Procedure for Shareholders Meetings” submitted for discussions.

Explanation: The “Rules of Procedure for Shareholders Meetings” is amended in accordance with the Tai.Jen.Tzi.Li.Zi No. 10900094681 Letter dated June 3, 2020 and Tai.Jen.Tzi.Li.Zi No. 11000014461 Letter dated January 28, 2021 of Taiwan Stock Exchange Corporation. Please refer to the amendment comparison list below.

Amendments to “Yungtay Engineering Co., Ltd. – Rules of Procedure for Shareholders Meetings”
before and after

After amendment	Before amendment	Explanation
<p>Article 3 (Shareholders Meeting convening and meeting notice)</p> <p>Paragraphs 1, 2, and 3 are omitted.</p> <p>The election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the cease of a public offering, approval of competing with the company by directors, profit distributed in the form of new shares, additional paid-in capital distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of <u>the Company Act</u>, <u>Article 26-1 and Article 3-6 of the Securities Exchange Act</u>, and <u>Article 56-1 and Article 60-2 of the “Regulations Governing the Offering and Issuance of</u></p>	<p>Article 3 (Shareholders Meeting convening and meeting notice)</p> <p>Paragraphs 1, 2, and 3 are omitted.</p> <p>The election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the cease of a public offering, approval of competing with the company by directors, profit distributed in the form of new shares, additional paid-in capital distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1, Article 185 of the Company Act should be detailed in the meeting notice instead of being proposed in motions.</p>	<p>I. Taiwan Stock Exchange Corporation had Article 3 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” amended with the Tai-Chen-Tzi-Li-Zi No. 10900094681 Letter issued on June 3, 2020. At the same time, for the purpose of complying with the sample template and structure of the competent authority, the company’s “Rules of Procedure for Shareholders Meetings” is amended accordingly for compliance.</p> <p>II. Taiwan Stock Exchange Corporation had the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” amended with the Tai-Chen-Tzi-Li-Zi No. 11000014461 Letter issued on January 28, 2021. The “Rules of Procedure for Shareholders Meetings” is amended accordingly.</p> <p>III. Adjust the announcements in line with the regulations.</p>

<p><u>Securities by Securities Issuers</u>” should be detailed in the meeting notice instead of being proposed in motions.</p> <p>Paragraph 5 is omitted</p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at a general shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. <u>The Board of Directors may disregard shareholder proposals if the proposed agendas exhibit any of the conditions described in Paragraph 4, Article 172-1 of the Company Act. However, shareholders may propose suggestive proposals to urge the company to promote the public interest or fulfill its social responsibilities; also, it is limited to one item only per proposal in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p>Text is omitted hereinafter.</p>	<p>Paragraph 5 is omitted</p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at a general shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. <u>However, if the shareholders’ proposal is to urge the company to promote the public interest or fulfill its social responsibilities, the Board of Directors may still include it in the agenda. The Board of Directors may disregard shareholder proposals if the proposed agendas exhibit any of the conditions described in Paragraph 4, Article 172-1 of the Company Act.</u></p> <p>Text is omitted hereinafter.</p>	
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<p>Article 9</p> <p>Paragraph 1 is omitted.</p> <p>The chair shall call the meeting to order at the scheduled meeting time; <u>also, shall announce the number of non-voting rights and the number of shares represented by the shareholders present.</u></p> <p>However, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>Text is omitted hereinafter.</p>	<p>Article 9</p> <p>Paragraph 1 is omitted.</p> <p>The chair shall call the meeting to order at the scheduled meeting time; however, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>Text is omitted hereinafter.</p>	<p>Paragraph 2 is amended to improve corporate governance and to safeguard the rights and interests of shareholders.</p>
<p>Article 14</p> <p>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes with which they were elected, <u>and the names of those who were not elected as</u></p>	<p>Article 14</p> <p>The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes with which they were elected.</p>	<p>Paragraph 1 is amended to improve corporate governance and to safeguard the rights and interests of shareholders.</p>

<u>directors and the number of votes with which they were not elected.</u> Paragraph 2 is omitted.	Paragraph 2 is Omitted.	
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Resolution:

Action 2 (Proposed by the Board of Directors)

Proposal: Cancellation of the non-competition clauses restrictions on the Director and the corporate shareholder with its representative elected as the Director of the company.

Explanation: (I) Due to the fact that the Director of the company may have invested in or operated another company that engages in the same or similar business as the company or they may have served as a Director of such company, according to the interpretation of the MOEA Sun Zu No. 89206938 Letter dated April 24, 2000, the corporate director and corporate shareholder were subject to the non-competition clauses restrictions; also, under the precondition of not jeopardizing the interests of the company, the directors' expertise and relevant experience should be applied to assist the company in business operation. Therefore, a Proposal for the cancellation of the non-competition clauses restrictions on the directors and corporate shareholder is presented to the shareholders meeting for resolutions in accordance with Article 209 of the Company Act, the same is applicable to the change in the delegation of the legal representative.

(II) The list of directors who are to be lifted from the restriction on non-competition clauses jobs and the important contents are illustrated in the table below.

(III) The proposal of lifting the non-competition clauses restriction on directors has been reviewed and resolved by the Audit Committee and the Board of Directors; also, it is hereby submitted to the shareholders meeting for approval.

Job title	Name / company / representative	Part-time job	Explanation
Chairman & Directors	Makoto Nagashima	1. Director of Hong Kong Yungtay Electric Co., Ltd. 2. Director and Chairman of Yungtay Elevator Equipment (China) Co., Ltd.	The business scope includes elevator (component), manufacturing, installation, repair, and maintenance, etc.
Corporate shareholder	Hitachi, Ltd.	There is a Mandate with the corporate director (as aforementioned in details) involving investment in or operating another company that engages in the same or similar business operation as the company.	It is processed in accordance with the MOEA Sun Zu No. 89206938 Letter dated April 24, 2000.

Resolution:

Provisional Motions

Appendix

2020 Business Report

Dear Shareholders,

In 2020, the Company's consolidated revenue was NT\$15,319,000,000, an increase of 12% compared to the previous year. The profit attributable to owners of parent was about NT\$1,309,000,000 and the earnings per share was NT\$3.2, an increase of 39% compared to the previous year. We achieve high revenue in 2020 despite COVID-19 pandemic because of the contribution from all employees and management and support from shareholders.

In terms of research and development, the cost of research and development in 2020 was about NT\$464,000,000, roughly equivalent to the previous year. The Company has mainly accomplished the function development of IoT, intelligent elevator system of E-Pass, destination level calling group-control system and high-speed elevators. This year, the Company will continue to develop disk permanent-magnet motor series, to develop absolute position APS in the hoistway and to develop high-speed elevators, etc.

As for the trend in 2020, due to the impact of COVID-19, global economic growth slowed down. Housing needs were low because of the epidemic but they have been gradually released along with the recovery of economic and social order. In 2020, Yungtay China received orders for 24,433 units of machines with a growth of 33%. Looking into the year of 2021, to respond to real estate bubble in China, the Chinese government actively and conservatively facilitates steady, healthy development of real estate market. Yungtay China will implement numerous operating styles flexibly, adjust the marketing organizational structure, expand innovative product series, and increase brand visibility via new media. It expects to reach the 2021-year order goal of 31,000 units and continue to boost market share. In Taiwan, thanks to low interest rates and return of Taiwanese business operators in 2020, the real estate transaction volume reached 326,000, the highest in seven years. Cash flow and low interest rates continue in 2021, the economy flashed a yellow-red light for the first time in ten years, indicating that the economic momentum exceeded expectation. However, there are some unfavorable factors, such as government policies on house flipping. In construction sector, labor shortage and labor and material hike are happening. Economy this year is expected to be stable and slightly improved. The Company carries out proactive marketing strategies, adjusts the product structure and promotes cost rationalization. In view of the above, the annual sales quantity for this year is expected to be approximately 19,970 units with a growth of 33% compared to the year of 2020.

Hitachi Group has acquired over half of our equity. Hitachi will strive for continuous development. Yungtay will develop social innovative businesses via environmental, social and economical values to contribute to better QOL and higher customer value. Lastly, may I extend our most heartfelt thanks to each shareholder and may you continue to spur us on.

Wishing you all the best of health and success in your endeavors.

Chairman : Tso Ming Hsu



President : Shang Yu Tsai



Chief Accountant : Wei Chuan Wang



Audit Committee's Review Report

The board of directors had prepared the company's 2020 business report and financial statements. Also, the financial statements were audited by Jiang Sheng & Co., CPAs Certified Public Accountants with an independent auditor's report issued. The Audit Committee had reviewed the aforementioned business report and financial statements without any discrepancies found. Therefore, an Audit Committee's Review Report is hereby issued for review and approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours

The 2021 Annual General Shareholders Meeting of Yungtay Engineering Co., Ltd.

Yungtay Engineering Co., Ltd.



Convener of the Audit Committee: Fu Hsiung Huang



March 30, 2021

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

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, or 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.

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.

林昇平 陳仁志



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		31-Dec-19	
			Amount	%	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		<u>16,444,657</u>	<u>69</u>	<u>14,396,688</u>	<u>66</u>
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		<u>7,471,896</u>	<u>31</u>	<u>7,271,460</u>	<u>34</u>
1xxx	Total assets		<u>\$ 23,916,553</u>	<u>100</u>	<u>21,668,148</u>	<u>100</u>

(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		31-Dec-19	
			Amount	%	Amount	%
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		<u>11,327,860</u>	<u>48</u>	<u>9,616,587</u>	<u>44</u>
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		<u>546,393</u>	<u>2</u>	<u>626,216</u>	<u>3</u>
2xxx	Total liabilities		<u>11,874,253</u>	<u>50</u>	<u>10,242,803</u>	<u>47</u>
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		<u>11,834,028</u>	<u>49</u>	<u>11,235,419</u>	<u>52</u>
36xx	Non-controlling interests		<u>208,272</u>	<u>1</u>	<u>189,926</u>	<u>1</u>
3xxx	Total equity		<u>12,042,300</u>	<u>50</u>	<u>11,425,345</u>	<u>53</u>
3x2x	Total liabilities and equity		<u>\$ 23,916,553</u>	<u>100</u>	<u>21,668,148</u>	<u>100</u>

(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		2019	
			Amount	%	Amount	%
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 or 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)

Item	Equity attributable to owners of parent					Other equity				Total equity	
	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
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	-	-	89,967	-	(89,967)	-	-	-	-	-	-
Special reserve	-	-	-	306,716	(306,716)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(603,804)	-	-	-	(603,804)	-	(603,804)
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)	-	-	-	20,360	780	-	19,389	-	19,389
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(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)	<u>130,167</u>	<u>97,760</u>
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	<u>(1,375,847)</u>	<u>(420,811)</u>
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	<u>1,598,159</u>	<u>96,630</u>
A30000	Total change in operating assets and liabilities	<u>222,312</u>	<u>(324,181)</u>
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	<u>1,774,241</u>	<u>759,054</u>
BBBB	Cash flows from investing activities		
B00010	Acquisition 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	<u>(230,562)</u>	<u>108,612</u>
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	<u>(959,678)</u>	<u>(688,654)</u>
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	<u>\$ 4,488,289</u>	<u>3,903,861</u>

(Notes attached are part of the consolidated financial statements)

Chairman: (sealed)



Manager: (sealed)



Accounting Supervisor: (sealed)



INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Recognition of sales

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

The main clients come from construction industry, which have already signed the contract with regard to the sales of elevator and maintenance. The timing for revenue recognition lies in the point when the elevator is installed completely and are examined and qualified by the competent authority, and the maintenance is recognized over time followed by the designated service time in accordance with the contract. Since the timing for revenue recognition and correct attribution of revenue is subject to the significant judgment and decision from the management, it has been identified a key audit matter. Please refer to Note 4(18) to the parent company only financial statements for the details of accounting policy about the recognition of sales. Our key audit procedures responded to the above area included: 1.obtained an understanding and evaluating of the implementation of internal controls over the recognition of sales revenue designed by the Company's management in order to evaluate the effectiveness of the related activity of internal control; 2.performed the cut-off tests to sales revenue, which is occurred in the specific period before and after the balance sheet date as well as reviewed the material contracts to verify the recognition of the sales of elevators, maintenance and related products and services to be in the right time and reasonable.

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

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

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

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

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

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

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

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

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

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



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

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

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

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

林昇平 陳仁志



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

Notice to Readers

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

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

Yungtay Engineering Co., Ltd.

Parent Company Only Balance Sheets - Assets

December 31, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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

Chairman: (sealed)



Manager: (sealed)



Accounting Supervisor: (sealed)



Yungtay Engineering Co., Ltd.
Parent Company Only Balance Sheets – Liabilities and Equity
December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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

Chairman: (sealed)



Manager: (sealed)



Accounting Supervisor: (sealed)



Yungtay Engineering Co., Ltd.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

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

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

Chairman: (sealed)



Manager: (sealed)



Accounting Supervisor: (sealed)



Yungfay Engineering Co., Ltd.

Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Item	Retained earnings				Other equity			Total equity	
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences arising on translation of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income		Treasury stock
Restated balance as of January 1, 2019	4,108,200	270,267	3,009,694	-	3,978,068	24,756	(25,679)	(69,411)	11,295,795
Appropriation & distribution of earnings in 2018									
Legal reserve			67,474		(67,474)				-
Special reserve				923	(923)				-
Cash dividends					(739,476)				(739,476)
Adjustments of capital surplus due to cash dividends paid from parent to subsidiaries		3,834							3,834
Overdue dividends unclaimed		939							939
Share of changes in net assets of associates accounted for using equity method		2							2
Net income in 2019 (Note 1)					939,668				939,668
Other comprehensive income (loss) in 2019					43,375	(309,708)	990		(265,343)
Total comprehensive income (loss) in 2019					983,043	(309,708)	990		674,325
Adjustments to share of disposal and capital reduction of investments in equity instruments at fair value through other comprehensive income owned by associates					(2,002)		2,002		-
Balance as of December 31, 2019	\$ 4,108,200	275,042	3,077,068	923	4,151,236	(284,952)	(22,667)	(69,411)	11,235,419
Balance as of January 1, 2020	\$ 4,108,200	275,042	3,077,068	923	4,151,236	(284,952)	(22,667)	(69,411)	11,235,419
Appropriation & distribution of earnings in 2019									
Legal reserve			93,967		(93,967)				-
Special reserve				306,716	(306,716)				-
Cash dividends					(903,804)				(903,804)
Adjustments of capital surplus due to company's cash dividends paid to subsidiaries		4,686							4,686
Overdue dividends unclaimed		1,401							1,401
Net income in 2020 (Note 2)					1,309,100				1,309,100
Other comprehensive income (loss) in 2020					(43,245)	95,637	115,435		167,827
Total comprehensive income (loss) in 2020					1,265,855	95,637	115,435		1,476,927
Disposal of associate accounted for using equity method		(1,731)				20,350	780		19,399
Disposal of equity instruments at fair value through other comprehensive income					1,667		(1,667)		-
Changes of associate accounted for using equity method					2,750		(2,750)		-
Balance as of December 31, 2020	\$ 4,108,200	279,398	3,171,035	307,639	4,117,021	(166,965)	89,111	(69,411)	11,634,028

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

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

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

Chairman: (sealed)



Manager: (sealed)



Accounting Supervisor: (sealed)



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

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

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

Chairman: (sealed)



Manager: (sealed)



Accounting Supervisor: (sealed)



Yungtay Engineering Co., Ltd.

Rules of Procedure for Shareholders Meetings

Article 1: The “Rules of Procedure for Shareholders Meetings” is formulated pursuant to Article 5 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” for compliance in order to establish a strong governance system and sound supervisory capabilities for the company’s shareholders meetings, and to strengthen management capabilities.

Article 2: The shareholders meeting of the company is handled in accordance with the “Rules of Procedure for Shareholders Meetings.”

Article 3: Unless otherwise provided by law and regulation, the company’s shareholders meeting is to be convened by the board of directors.

The company shall prepare electronic versions of the shareholders meeting notice, proxy forms, and the cause of action and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a general shareholders meeting or 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting material and upload them to the MOPS 21 days before the date of the general shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, the company, 15 days before the date of the shareholders meeting, shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and the professional shareholder services agent designated by the company as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. The meeting notice may be given in electronic form with the consent of the addressee.

Election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application for suspension of public offerings, directors’ competition permission, capital increase from earnings, capital increase from additional paid-in capital, the dissolution, merger, or demerger of the corporation, and any matter under Article 185, paragraph 1 of the Company Act shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; also, the main contents may be placed on the website designated by the securities authority or the company, and the address of the website shall be detailed in the meeting notice. The reason for convening the shareholders meeting is for the election of all board directors and the inauguration date

is indicated in the meeting notice. After the election in the shareholders meeting is completed, the scheduled inauguration date may not be changed in any way by a motion in the same shareholders meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the company a written proposal for discussion at a general shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, the shareholders' proposal that is to urge the company to promote the public interest or to fulfill its social responsibilities can be included in the agenda.

In addition, when the circumstances of any subparagraph of paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Prior to the book closure date before a general shareholders meeting is held, the company shall publicly announce that it will receive shareholder proposals in writing or an electronic form, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the general shareholders meeting and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders meeting, the board of directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the company 5 days before the date of the shareholders meeting. When proxy forms are delivered in duplication, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the company 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: The venue for a shareholders meeting shall be the premises of the company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of

the meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively known as “shareholders”) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The company shall furnish attending shareholders with the meeting agenda handbooks, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the acting directors to act as chairman. If there is no acting director appointed, one director shall be appointed to chair the meeting. Where the chairman does not make such a designation, the acting directors or directors shall select from among themselves one person to serve as chairman.

When an acting director or a director serves as chairman, as referred to in the preceding paragraph, the acting director or the director shall have held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a corporate director that serves as chairman.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairman of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

The company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting.

Article 8: The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote-counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairman shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Also, the relevant proposals (including extraordinary motions and amendments to the original motions) shall be voted on respectively. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairman may not declare the meeting adjourned prior to completion of

deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairman shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote with ample time for voting arranged.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 12: Voting at a shareholders meeting shall be calculated based on the number of issued shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending

shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that threshold is exceeded, the voting rights in excess of that threshold shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders meeting, it allows the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; therefore, the company shall avoid proposing a motion or adjustment to the original proposal.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, 2 days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the company's Articles of Incorporation; the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the

MOPS.

When there is an amendment or an alternative to a proposal, the chairman shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote; also, if one of them is passed, the other proposals will then be deemed rejected without the need of further voting.

The chairman shall appoint the vote monitoring and counting personnel for the voting on a proposal, provided that all monitoring personnel shall be shareholders of the company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the number of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the number of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in an electronic form.

The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the statistical weight of shares); also, the voting right received by each director candidate in an election shall be disclosed. The minutes meeting shall be retained for the duration of the existence of the company.

Article 16: On the day of a shareholders meeting, the company shall compile in the prescribed format of a statistical statement the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable law or regulations or Taiwan Stock Exchange Corporation regulations, the company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders meeting shall wear identification

cards or armbands.

The chairman may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

If a shareholder attempts to speak through any device other than the equipment prepared by the company at the shareholders meeting, the chairman may have such shareholder disciplined. A shareholder who defies the chairman's correction from violating the rule of procedure, obstructing the proceedings, and refusing to obey, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continuing use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 These Rules and any amendments hereto shall be implemented after being resolved in the shareholders meetings.

Yungtay Engineering Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company, organized under the Company Act as a Company limited by shares, and shall be named Yungtay Engineering Co., Ltd. (hereinafter, “the Company”).

Article 2: The Company’s scope of business is as follows:

1. CB01010 Machinery and Equipment Manufacturing
2. F113010 Wholesale of Machinery
3. E603020 Elevator Construction
4. E604010 Machinery Installation Construction
5. F401010 International Trade
6. E599010 Pipe Lines Construction
7. E605010 Computing Equipment Installation Construction
8. E603040 Fire Fighting Equipment Construction
9. E603090 Illumination Equipment Construction
10. E603050 Cybernation Equipment Construction
11. H701010 Residence and Buildings Lease Construction and Development
12. F112040 Wholesale of Petrochemical Fuel Products
13. F113020 Wholesale of Household Appliance
14. F113030 Wholesale of Precision Instruments
15. F113050 Wholesale of Computing and Business Machinery Equipment
16. JE01010 Rental and Leasing Business
17. IF01010 Traditional Physical Management
18. IB01010 Buildings Public Security Check
19. G202010 Parking Garage Business
20. J101010 Buildings Cleaning Service
21. CB01030 Pollution Controlling Equipment Manufacturing
22. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
23. CC01080 Electronic Parts and Components Manufacturing
24. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
25. E701010 Telecommunications Construction
26. I301010 Software Design Services
27. I301020 Data Processing Services
28. I301030 Digital Information Supply Services
29. CA02010 Metal Architectural Components Manufacturing
30. H703100 Real Estate Rental and Leasing

Article 2-1: The Company can invest other companies and become their shareholders. The amount of investment is not limited by the percentage of paid-up share capital.

Article 3: The Company is headquartered in Taipei City, Taiwan and when necessary may

establish branches at home and abroad according to resolutions by the board of directors.

Article 4: Any and all public announcements to be made by the Company shall be published in a conspicuous place on a daily newspaper circulating in the municipality or county (city) wherein the company is located, or uploaded to Market Observation Post System, or through other common ways.

Chapter 2 Shares

Article 5: The authorized capital of the Company is NT\$4.6 billion, consisting of 460 million shares, all of common stock, with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in separate installments as required.

Article 6: The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of five directors, and stamped and authenticated by the competent governmental authority upon issuance. Shares issued by the Company and registered with centralized securities depository enterprises need not be in certificate form.

Article 7: Shareholders or representatives shall fill in signature cards and send to the Company for record. The procedures apply to any change. Acquisition of shares or dividends, contacts in writing, and exercise of all rights shall be made with signature.

Article 8: If a shareholder's seal is lost, damaged, or replaced, the shareholder shall fill in the application form for seal change or loss, stating the share number, and shareholdings and submit the application form, new seal, ID card, and shares to the Company for the registration of new seal. If the shareholder entrusts a representative to register the new seal, the representative shall submit the shareholder's ID card or the seal certificate issued by the household registration office, the power of attorney, and the representative's ID card to the Company for the registration of new seal.

Article 9: If intending to transfer shares, shareholders shall fill in the application form for share transfer and have the assignors and assignees sign and submit the application form and shares to the Company for share transfer. After being registered in the shareholders register, they shall be the shareholders of the Company. If the procedures mentioned above are not performed, the original shareholders remain unchanged. Successors shall provide the valid proof documents to apply for the change in the title.

Article 10: In case of share loss or damage, shareholders shall inform the Company in writing and receive new shares in accordance with Company Act and related laws and regulations.

Article 11: If shares are defaced or reissued in accordance with the provisions of the preceding two articles, a fee will be charged by the Company.

Article 12: All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter 3 Shareholders' Meeting

- Article 13:** Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.
- Article 14:** The convener of the shareholders' meeting shall inform shareholders of time, venue, and subject of the meeting or extraordinary meeting 30 days or 15 days prior to the meeting or extraordinary meeting respectively.
- Article 15:** For any shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy. A proxy shall act on behalf of the shareholder in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and related laws and regulations.
- Article 16:** The chairman of the Board of Directors presides as the chair of the Shareholders' meeting. In the event that the chairman is on a leave of absence, or is unable to exercise his powers and authorities, the vice chairman of the Directors shall act in lieu of the chairman. If the vice chairman of the Directors is also on a leave of absence, or cannot exercise his powers and authorities, the chairman shall designate a director to chair such general meeting. If the chairman does not designate a proxy, the Directors shall select one from among themselves to act as the chair. If a general shareholders' meeting is called by any person(s) other than the Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.
- Article 17:** Unless otherwise provided by applicable law or regulation, a resolution of the shareholders' meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.
- Article 18:** Each shareholder of the Company is entitled to one vote per share, unless otherwise provided in Article 179 of Company Act.
- Article 19:** The resolutions of the shareholders meeting shall be recorded in the minutes stating the time, venue, and chairman's name, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting and distributed to all shareholders within 20 days. The making and distribution of such minutes may be made in electronic form. The distribution of such minutes mentioned in the preceding paragraph may include the announcement on the market observation post system.

Chapter 4 Directors and Board of Directors

- Article 20:** The Company shall have 7 to 15 directors, and adopt a candidates nomination system for election of the directors. The directors shall be elected from among the nominees listed in the roster of director candidates by the shareholders. The term of office shall be three years, and they may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors shall comply

with the regulations prescribed by the securities supervisory authorities.

The Company's independent directors shall be 2 to 4 in number and shall not less than one-fifth of directors seats, and the method of nomination and election together with other matters for compliance with respect to independent directors shall be prescribed by the Company Act and the security competent authority.

The Board of Directors shall set up an audit committee, which consists of all independent directors, and its powers and related matters shall be stipulated by the Securities and Exchange Act and other applicable laws.

Article 21: The Board of Directors is composed of directors from which a chairman shall be selected by a majority vote at a meeting attended by over two-thirds of the directors, and a vice chairman may also be elected in the same manner. The chairman shall externally represent the Company.

Article 22: Meetings of the Board of Directors shall be called once per quarter; though in emergency situations, a meeting may be called whenever necessary. Except for the first meeting of the Board of Directors of every new term, all other meetings of the Board of Directors shall be convened and presided by the chairman of the Board of Directors. If the chairman of the board is on leave or cannot perform his duties for some reason, the vice chairman of the Directors shall act in lieu of the chairman. If the vice chairman of the Directors is also on a leave of absence, or cannot exercise his powers and authorities, the chairman of the Board of Directors shall designate one director. If the chairman of the Board of Directors does not designate one proxy, the chairman shall be elected from among the directors present.

Article 23: Unless otherwise provided for by applicable law or regulation, a resolution of the Board of Directors shall be adopted by the consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting. The resolutions of the meetings of the Board of Directors shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting.

Article 24: If there exists a shortfall of one-third of directors, the Board of Directors shall convene a shareholders' meeting for the by election of absent directors. The term of newly elected directors shall continue for the original term of the directors replaced.

Article 25: A directors may authorize a director to attend the meeting of the Board of Directors on behalf of them with the power of attorney stating the scope of authorization.

Chapter 5 Managers

Article 26: The Company may appoint managers, including one Chief Executive Officer, whose commissioning, decommissioning and pay rate shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the Board of Directors attended by at least a majority of the entire directors of the Company.

Chapter 6 Finance

Article 27: The fiscal year of the Company is fixed from January 1 to December 31.

Article 28: After the close of each year, the following reports shall be prepared by the Board of Directors and submitted to the general shareholders' meeting for ratification in

accordance with regulations:

- (1) Business Report
- (2) Financial Statements
- (3) Proposal Concerning Appropriation of Net Profits or Recovering of Losses

Article 29: If the Company makes profits in a fiscal year, it shall appropriate at least 1% as the remuneration of employees by share or cash, determined by the Board of Directors; the Company may request Remuneration Committee to submit the proposal for up to 1% of the earnings mentioned above as the remuneration of directors to the Board of Directors for resolution. The distribution of remuneration of employees and directors shall be reported in the Shareholders' Meeting.

However, the distribution of remuneration of employees and directors based on the ratio mentioned in the preceding paragraph shall be made after deducting the reserve for offsetting the accumulated losses, if any.

Article 29-1: If the Company makes profits in a fiscal year, such profits shall be used to offset the losses and pay the taxes in accordance with applicable laws; then, 10% of the remaining earnings shall be held as the legal reserve, followed by the special reserve and dividends. The rest of such profits shall be appropriated in accordance with the following procedures:

- (1) Shareholders' bonuses.
- (2) Retained earnings.

The distribution ratio mentioned in the preceding paragraph shall be determined by the Board of Directors and then adopted in the General Shareholders' Meeting.

Article 29-2: The dividends and bonuses shall be distributed by the Company from 50% of net profit after tax for the period. Among the dividends and bonuses, cash dividends shall account for 50% or more in response to the mature market development of major products and operations of the Company the abovementioned distribution ratio may be adjusted subject to actual demands for business development or investments.

Article 30: The remuneration of directors and employees shall be paid regardless of profits or losses.

Article 30-1: The Board of Directors is authorized to reach an agreement that the remuneration of directors (including the chairman) shall refer the recommendation of Remuneration Committee and the normal standards in the same industry.

Chapter 7 Supplementary Provisions

Article 31: Any matters not sufficiently provided for in these Articles of Association shall be handled in accordance with the Company Act and other applicable laws or regulations.

Article 32: The amendments to Articles of Association shall be approved by a majority of shareholders in attendance at a meeting attended by shareholders accounting for at least two-thirds of total shares. If the shareholding mentioned in the preceding paragraph is short, the amendments to Articles of Association shall be approved by at least two-thirds of shareholders having votes in attendance at a meeting attended by shareholders accounting for a majority of total shares issued.

Article 33: The Company may provide endorsements and guarantees and act as a guarantor.

Article 34: These Articles of Incorporation were enacted on June 16, 1966(The previous amendments omitted) The 46th amendment is made on June 18, 2019.

Yungtay Engineering Co., Ltd.

Shareholdings of Directors

Paid-in capital : 410,820,000 shares

Book closure date: April 23, 2021

Title	Name	Shareholdings at the shareholders meeting
Chairman	Makoto Nagashima (Corporate Representative: Hitachi, Ltd.)	31,817,168
Director	Tso Ming Hsu (Note 1)	2,159,888
Director	Chao Ching Hsu	0
Director	Fong Chieh Tsai	95,416
Independent director	Fu Hsiung Huang	0
Independent director	Chih Hung Hsieh (Note 2)	0
Independent director	Li-Hsiu Chen	0
Shareholdings of the board of directors		34,072,472
Mandatory minimum shareholdings of the board of directors		16,000,000

Note 1: The former Chairman Tso Ming Hsu resigned on March 26, 2021 due to his career plan. The company's board of directors elected the new Chairman Makoto Nagashima on March 26, 2021 (Corporate represented: Hitachi, Ltd.).

Note 2: Independent director Fu Hsiung Huang convened the first special shareholders meeting for the year of 2021 on February 8, 2021 to have Independent Director Shih Yang Chen dismissed and to have Independent Director Chih Hung Hsieh elected ahead of schedule.