Stock No: 1604

SAMPO CORPORATION and it's Subsidiary

Consolidated financial statements and Auditor's Report

2020 and 2019

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Statement of Affiliate's Consolidated Financial Report

In 2020 (from January 1, 2020 to December 31, 2020), the companies that should be included in the consolidated financial reports of affiliated companies based on "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and the companies that should be included in the consolidated financial reports of subsidiaries based on "Consolidated and separate financial statements" of Section 10 of International Financial Reporting Standards were the same. The related information that should be disclosed in the consolidated financial statements of affiliated companies is also already disclosed in the consolidated financial reports for subsidiaries, so the consolidated financial statements of affiliated companies will not be published separately.

Hereby declare

Company name: SAMPO CORPORATION

Person in charge: Chen Mao-Bang Industry and Commerce Development Foundation

March 29, 2021

Independent Auditor's Report

To SAMPO CORPORATION:

Auditor's opinions

We have audited the consolidated balance sheet of SAMPO CORPORATION and its subsidiaries as of December 31, 2020 and 2019, and the consolidated comprehensive income statements, consolidated statement of changes in shareholders' equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the SAMPO Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis of an audit opinion

We concluded our 2020 audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants and generally accepted auditing standards. We concluded our 2019 audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants, Financial Supervisor Commission's letter Jing-Guan-Zheng-Shen-Zi No. 1090360805 dated 25 February 2020, and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of SAMPO GROUP in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that our audit provides a reasonable 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 2020 consolidated financial statements of SAMPO GROUP. These matters were addressed in the content 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 those matters.

Key audit matters of the 2020 consolidated financial statements of SAMPO CORPORATION and its subsidiaries are as follows:

Key Audit Matter: Authenticity of sales to hypermarket channels

For 2020, SAMPO CORPORATION's and its subsidiaries' revenues from sales to major hypermarkets is a key indicator used by management to evaluate business performance, and the effect of the recognition of related revenues on the financial statements is material. Therefore, we have determined that the recognition of the aforementioned operating revenues is a key audit matter and the related accounting policies are described in Note 4(15) to the consolidated financial statements.

Our auditing procedures with respect to the above matter are as follows:

1. Understood, evaluated and tested the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. In order to confirm the authenticity of the revenue, we obtained the sales revenue details of the hypermarket channel in 2020, sampled and verified original sales orders, shipping documents and invoices of the relevant transactions, and reconciled them with the recorded amounts in the accounting books.
3. Obtained the details of sales returns and discounts for the subsequent period from the hypermarket channel, sampled and verified the relevant certificates of sales returns and discounts, and examined the reasonableness of the returns and discounts.

Other Matters

We have also audited the individual financial statements of SAMPO CORPORATION as of and for the year ended December 31, 2020 and 2019 on which we have issued an unqualified opinion.

Responsibilities of Management and Those in Charge of Governance of the Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture

The responsibility of management is to prepare fairly presented consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reports Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain necessary internal control related to the preparation of consolidation of financial statements in order to ensure the material misstatement caused by fraud or error does not exist in the consolidated financial statements.

In preparing the consolidated financial statements, the management is also responsible for assessing the ability of SAMPO GROUP as a going concern, disclosing as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate SAMPO GROUP or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of SAMPO GROUP.

Auditor's Responsibilities for the Audit of the Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture

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 and auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that and audit conducted in accordance with the accounting principles generally accepted in the Republic of China will always detect a material misstatement when it exists. Material misstatement could arise from fraud or errors. If fraud or errors are considered materials, 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.

The independent auditors when conducting the audit in accordance with generally accepted auditing standards shall exercise professional judgment and maintain professional suspicion. The independent auditors also perform the following tasks:

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 risks, and obtain evidence that is sufficient and appropriate to provide a basis of our opinion. Fraud may involve conspiracy, forgery, deliberate omission, false declaration, or violation of internal control; therefore, the risk of material misstatement arising from fraud is higher than that caused by error.
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 internal control effective in SAMPO GROUP.
3. Assess the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SAMPO GROUP to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. The conclusion of the independent auditors is based on the audit evidence obtained as of the audit report date. However, future events or conditions may cause SAMPO GROUP to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group; also, is responsible for forming an opinion on the audit of the Group.

We communicate with those in charge of 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 in charge of governance with a statement 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 in charge of governance, we determine those matters that were of most significance in the audit of the 2020 consolidated financial statements of SAMPO GROUP and are therefore the key audit matters. The independent auditors shall state the key audit matters in the audit report except for the specific matters prohibited from being disclosed by law and regulations, or, in rare cases, where the independent auditor decides not to have specific matters communicated in the audit report since the negative effect of such disclosure can be reasonably expected to be greater than the increase of public interest.

Deloitte and Touche Taiwan

CPA Su-Huan Yu

CPA: Yi-Hui Lin

Securities and Futures Bureau Approval Document No.
Tai-Cai-Zheng (6) Zi No. 0920123784

Financial Supervisory Commission approval no.
Jin-Guan-Zheng-Liu-Zi No.: 0940161384

March 29, 2021

SAMPO CORPORATION and its Subsidiary

Consolidated balance sheet

December 31, 2020 and 2019

Unit: NT$1 thousand

Code	Asset	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 6)	$ 834,049	7	$ 1,164,536	9
1136	Financial assets at amortized cost – current (Note 7)	322,053	2	249,467	2
1150	Notes receivable, net (Note 9)	113,415	1	107,906	1
1160	Notes receivable – related parties, net (Notes 9 and 29)	-	-	4	-
1170	Accounts receivable, net (Note 9)	454,261	4	502,806	4
1180	Accounts receivable – related parties, net (Notes 9 and 29)	5,247	-	955	-
1200	Other receivables (Note 9)	13,368	-	14,395	-
1210	Other receivables – related parties (Notes 9 and 29)	1	-	26	-
1220	Current tax assets (Note 24)	490	-	493	-
130X	Inventory (Note 10)	1,381,334	11	1,295,605	11
1479	Other current assets (Note 16)	424,193	3	289,488	2
11XX	Total current assets	3,548,411	28	3,625,681	29
	non-current assets				
1517	The financial assets measured for the fair values through other comprehensive income- non-current (Note 8)	425,208	3	521,384	4
1535	Financial assets based on cost after amortization-Non-current (Note 7)	27,000	-	27,000	-
1550	Investments accounted for using equity method (Note 12)	2,843,169	23	2,584,292	21
1600	Property, plant and equipment (Note 13)	4,883,232	39	4,773,614	39
1755	Right-of-use asset (Note 14)	250,474	2	257,587	2
1760	Investment Property (Note 15)	359,691	3	307,056	2
1780	Intangible asset	67,968	1	83,853	1
1840	Deferred tax assets (Note 24)	160,772	1	144,621	1
1920	Refundable deposits	30,690	-	62,198	1
1990	Other non-current assets (Note 16)	18,194	-	18,923	-
15XX	Total non-current assets	9,066,398	72	8,780,528	71
1XXX	Total assets	$ 12,614,809	100	$ 12,406,209	100
Code	Liabilities and equity				
	Current liability				
2100	Short-term borrowings (Note 17)	$ -	-	$ 60,000	-
2110	Short-term notes and bills payable (Note 17)	-	-	489,785	4
2150	Payable notes	189,950	1	212,971	2
2160	Notes payable – related party (Note 29)	-	-	782	-
2170	Accounts payable	655,956	5	496,465	4
2180	Accounts payable – related parties (Note 29)	2,690	-	65	-
2219	Other payables (Note 18)	528,811	4	445,042	4
2220	Other payables – related parties (Note 29)	31	-	-	-
2230	Current tax liabilities (Note 24)	97,865	1	16,173	-
2250	Provisions – current (Note 19)	72,845	1	69,589	-
2280	lease liabilities – current (Note 14)	111,325	1	58,215	-
2320	Long-term loans due within one year or one business cycle (Note 17)	-	-	575,000	5
2399	Other current liabilities (Note 18)	349,807	3	359,178	3
21XX	Total of current liabilities	2,009,280	16	2,783,265	22
	non-current liabilities				
2540	Long-term borrowings (Note 17)	900,000	7	1,050,000	8
2550	Provisions – Non-current (Note 19)	106,481	1	106,390	1
2570	Deferred tax liabilities (Note 24)	874,801	7	965,922	8
2580	Lease liabilities – Non-current (Note 14)	182,223	2	202,292	2
2640	Net defined benefit liability – Non-current (Note 20)	403,477	3	444,838	4
2670	Other non-current liabilities	44,476	-	65,110	-
25XX	Total non-current liability	2,511,458	20	2,834,552	23
2XXX	Total liabilities	4,520,738	36	5,617,817	45
	Equity of the parent company (Note 21)				
3110	Common stock capital	3,872,000	31	3,872,000	31
3200	Additional paid-in capital	171,699	1	151,374	1
	Retained earnings				
3310	Statutory reserves	485,157	4	411,261	3
3320	Special reserves	1,592,788	12	1,688,706	14
3350	undistributed earnings	2,379,146	19	1,141,276	9
3300	Total retained earnings	4,457,091	35	3,241,243	26
3400	Other equity	(142,666)	(1)	(170,475)	(1)
3500	Treasury shares	(592,827)	(5)	(608,807)	(5)
31XX	Total equity of the parent company	7,765,297	61	6,485,335	52
36XX	non-controlling interest	328,774	3	303,057	3
3XXX	Total equity	8,094,071	64	6,788,392	55
	Total Liabilities and Equity	$ 12,614,809	100	$ 12,406,209	100

The notes attached shall constitute an integral part of this Consolidated financial statement.

Chairman: Chen Mao-Bang Industry and Commerce Development Foundation   Managerial officer: Hsu, Ching-Chao   Accounting officer: Chiang, Chuan-Tien

SAMPO CORPORATION and its Subsidiary

Consolidated Income Statement

January 1 to December 31, 2020 and 2019

Unit: NTD thousand, except Earnings Per Share (NTD)

		2020		2019	
Code		Amount	%	Amount	%
	Operating income				
4100	Sales revenue	$ 6,639,970	87	$ 6,213,094	87
4600	Labor revenue	988,006	13	872,411	12
4800	Other operating revenue	42,044	-	30,504	1
4000	Total operating revenues	7,670,020	100	7,116,009	100
	Operating cost				
5110	Cost of sales	5,374,635	70	5,204,174	73
5600	Labor service cost	890,975	12	790,755	11
5800	Other operating cost	2,387	-	1,099	-
5000	Total operating costs	6,267,997	82	5,996,028	84
5900	Gross profit	1,402,023	18	1,119,981	16
	Operating expenses				
6100	Marketing expenses	384,426	5	410,354	6
6200	Administrative expenses	389,165	5	306,650	4
6300	Research and development expenses	99,319	1	108,207	2
6450	Expected credit impairment loss (gain)	1,803	-	(3,025)	-
6000	Total operating expenses	874,713	11	822,186	12
6900	Net Operating Income	527,310	7	297,795	4
	Non-operating income and expenses				
7100	Interest income	10,097	-	24,059	-
7010	Other income	54,217	1	51,178	1
7020	Other profits and losses	1,322,250	17	287,445	4
7050	Financial costs	(24,275)	-	(30,013)	-
7060	Share of profit or loss of affiliated companies accounted for using the equity method	195,007	2	181,341	2
7000	Total non-operating revenues and expenses	1,557,296	20	514,010	7

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Code		2020 Amount	2020 %	2019 Amount	2019 %
7900	Profit before tax	$ 2,084,606	27	$ 811,805	11
7950	Income tax expense (Note 24)	(248,611)	(3)	(38,943)	-
8200	Net profits of the current year	1,835,995	24	772,862	11
	Other comprehensive income				
8310	The items that are not reclassified as profit or loss				
8311	Remeasurement of defined benefit plan	(8,430)	-	(34,556)	-
8316	Unrealized valuation gains or losses of equity instruments investments in financial assets measured at FVTOCI	(96,176)	(1)	159,056	2
8330	Share of other comprehensive income of affiliates accounted for under equity method	94,984	1	5,669	-
8349	Income tax related to titles not subject to reclassification	(600)	-	1,086	-
		(10,222)	-	131,255	2
8360	Items that may be reclassified subsequently under profit or loss				
8361	Exchange differences from the translation of financial statements of foreign operations	(2,276)	-	50,520	1
8370	Share of other comprehensive income of affiliates accounted for under equity method	31,708	-	(98,404)	(2)
		29,432	-	(47,884)	(1)
8300	Other comprehensive income of the current year (net amount after taxation)	19,210	-	83,371	1
8500	Total amount of comprehensive income of the current year	$ 1,855,205	24	$ 856,233	12
	Profit attributable to:				
8610	Shareholders of parent company	$ 1,795,993	23	$ 738,963	10
8620	Non-controlling interest net profits	40,002	1	33,899	1
8600		$ 1,835,995	24	$ 772,862	11

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Code		2020 Amount	2020 %	2019 Amount	2019 %
	The total comprehensive income belongs to				
8710	Owners of parent	$ 1,814,257	24	$ 824,399	12
8720	non-controlling interest	40,948	-	31,834	-
8700		$ 1,855,205	24	$ 856,233	12
	EPS (Note 25)				
9710	Basic	$ 4.86		$ 2.00	
9810	Diluted	$ 4.82		$ 2.00	

The notes attached shall constitute an integral part of this Consolidated financial statement.

Chairman: Chen Mao-Bang Industry and Commerce Development Foundation

Managerial officer: Hsu, Ching-Chao

Accounting officer: Chiang, Chuan-Tien

SAMPO CORPORATION and its Subsidiary

Consolidated Statements of Changes in Shareholders' Equity

January 1 to December 31, 2020 and 2019

Unit: NT$1 thousand

		Equity of the company											
					Retained earnings			Other equity					
Code		Shares	Share capital	Additional paid-in capital	Statutory reserves	Special reserves	undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	Treasury shares	Total	Non-controlling interest	Total equity
A1	Balance as of January 1, 2019	387,200	$ 3,872,000	$ 132,933	$ 345,080	$ 1,917,160	$ 840,989	($ 258,372)	($ 66,138)	($ 624,787)	$ 6,158,865	$ 276,706	$ 6,435,571
B17	Reversal of special reserve	-	-	-	-	(228,454)	228,454	-	-	-	-	-	-
	Distribution of 2018 earnings												
B1	Statutory reserves	-	-	-	66,181	-	(66,181)	-	-	-	-	-	-
B5	Cash dividend to the Company's shareholders	-	-	-	-	-	(531,160)	-	-	-	(531,160)	-	(531,160)
C7	Changes in affiliates and joint ventures recognized under the equity method	-	-	3,683	-	-	-	-	-	-	3,683	-	3,683
D1	Net profits for 2019	-	-	-	-	-	738,963	-	-	-	738,963	33,899	772,862
D3	Other comprehensive profit and loss after tax in 2019	-	-	-	-	-	(32,328)	(47,026)	164,790	-	85,436	(2,065)	83,371
D5	Total profit and loss in 2019	-	-	-	-	-	706,635	(47,026)	164,790	-	824,399	31,834	856,233
L1	Purchase and disposal of treasury shares	-	-	-	-	-	(1,190)	-	-	15,980	14,790	-	14,790
M1	Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	-	-	14,824	-	-	-	-	-	-	14,824	-	14,824
M5	The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	-	-	(66)	-	-	-	-	-	-	(66)	66	-
O1	Increase/decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,549)	(5,549)
Q1	Equity instrument at fair value through other comprehensive income statement	-	-	-	-	-	(36,271)	-	36,271	-	-	-	-
Z1	Balance as of December 31, 2019	387,200	3,872,000	151,374	411,261	1,688,706	1,141,276	(305,398)	134,923	(608,807)	6,485,335	303,057	6,788,392
B17	Reversal of special reserve	-	-	-	-	(95,918)	95,918	-	-	-	-	-	-
	Distribution of 2019 earnings												
B1	Statutory reserves	-	-	-	73,896	-	(73,896)	-	-	-	-	-	-
B5	Cash dividend to the Company's shareholders	-	-	-	-	-	(570,600)	-	-	-	(570,600)	-	(570,600)
C7	Changes in affiliates and joint ventures recognized under the equity method	-	-	752	-	-	-	-	-	-	752	-	752
D1	Net profits for 2020	-	-	-	-	-	1,795,993	-	-	-	1,795,993	40,002	1,835,995
D3	Other comprehensive profit and loss after tax in 2020	-	-	-	-	-	(9,545)	29,136	(1,327)	-	18,264	946	19,210
D5	Total profit and loss in 2020	-	-	-	-	-	1,786,448	29,136	(1,327)	-	1,814,257	40,948	1,855,205
L3	Purchase and disposal of treasury shares	-	-	3,670	-	-	-	-	-	15,980	19,650	-	19,650
M1	Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	-	-	15,882	-	-	-	-	-	-	15,882	-	15,882
M5	The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	-	-	21	-	-	-	-	-	-	21	(21)	-
O1	Increase/decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(15,210)	(15,210)
Z1	Balance as of December 31, 2020	387,200	$ 3,872,000	$ 171,699	$ 485,157	$ 1,592,788	$ 2,379,146	($ 276,262)	$ 133,596	($ 592,827)	$ 7,765,297	$ 328,774	$ 8,094,071

The notes attached shall constitute an integral part of this Consolidated financial statement.

Chairman: Chen Mao-Bang Industry and Commerce Development Foundation　　Managerial officer: Hsu, Ching-Chao　　Accounting officer: Chiang, Chuan-Tien

SAMPO CORPORATION and its Subsidiary

Consolidated Statements of Cash Flow

January 1 to December 31, 2020 and 2019

Unit: NT$1 thousand

Code		2020	2019
	Cash flow from operating activities		
A10000	Current year net profit before taxation	$ 2,084,606	$ 811,805
A20010	Profits and loss		
A20100	depreciation expense	176,680	142,171
A20200	Amortization expenses	39,628	42,998
A20300	Expected credit impairment loss (gain on reversal)	1,803	(3,025)
A20400	Gain (loss) on financial assets and liabilities at fair value through profit and loss	(906)	(1,019)
A23800	Gain on reversal of decline in value of inventories	(8,273)	(673)
A20900	Financial costs	24,275	30,013
A21200	Interest income	(10,097)	(24,059)
A21300	Dividend income	(8,708)	(3,339)
A22300	Share of profit or loss of affiliated companies accounted for using the equity method	(195,007)	(181,341)
A22500	Net income from the disposal and obsolescence of property, plant and equipment	(1,371,906)	(628)
A23000	Gain on disposal of non-current assets held for sale	-	(361,486)
A29900	Lease modification gain	(92)	(25)
A30000	Net change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	906	1,019
A31130	Notes receivable	(5,709)	57,260
A31140	Notes receivable – related party	4	(1)
A31150	Trade receivable	46,645	(53,727)
A31160	Accounts receivable – related parties	(4,292)	(791)
A31180	Other receivables	983	4,163
A31190	Other receivables – related parties	25	(26)
A31200	Inventory	(135,697)	153,435
A31240	Other current assets	(134,960)	(45,370)
A32130	Payable notes	(23,021)	(39,085)
A32140	Notes payable – related party	(782)	(957)
A32150	Accounts payable	159,491	107,939
A32160	Accounts payable – related parties	2,625	65
A32180	Other payables	84,200	23,883

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Code		2020	2019
A32190	Other payables – related parties	$ 31	$ -
A32200	Liability reserve	3,347	(3,195)
A32230	Other current liabilities	(9,371)	(45,105)
A32240	Net defined benefit liability	(49,791)	(53,161)
A33000	Cash inflow from operating activities	666,637	557,738
A33100	Interest received	10,097	24,059
A33300	Interest payment	(24,706)	(30,187)
A33500	Income tax payment	(274,788)	(36,635)
AAAA	Net cash inflow from operating activities	377,240	514,975
	Cash flow from investing activities		
B00020	Sale of financial assets at fair value through other comprehensive income	-	16,536
B00040	Financial assets acquired on the basis of cost after amortization	(72,586)	(249,467)
B00050	Financial assets on the basis of cost after amortization	-	48
B01800	Acquisition of investment under the equity method	(6,255)	-
B02600	Disposal of non-current assets held for sale	-	481,835
B02700	Purchase of property, plant, and equipment	(579,022)	(416,446)
B02800	Proceeds from disposal of property, plant and equipment	1,792,951	2,752
B03800	Decrease in Refundable deposits	31,508	855
B04500	Purchase of intangible assets	(23,743)	(29,851)
B06800	Decrease of other non-current assets	828	2,415
B07600	Dividends received from the affiliated company	69,831	167,251
B09900	Receive other dividends	8,708	3,339
BBBB	Net cash inflow (outflow) from investing activities	1,222,220	(20,733)
	Cash flow from financing activities		
C00200	Decrease in short-term loans	(60,000)	(350,000)
C00600	Decrease in short-term notes payable	(489,785)	(59,747)
C01600	Proceeds from long-term loan	900,000	650,000
C01700	Repayments of long-term borrowings	(1,625,000)	(725,000)
C04020	Lease principal repayment	(82,194)	(38,613)
C04300	Increase in other non-current liabilities	-	39,785
C04400	Decrease in other non-current liabilities	(20,634)	-
C04500	Cash dividend released	(554,718)	(516,336)
C05100	Treasury stock purchased by employees	19,650	14,790
C05800	Change in non-controlling interest	(300)	11,296
C09900	Payment of Non-controlling Equity Cash Dividends	(14,910)	(16,845)
CCCC	Net cash outflow from financing activities	(1,927,891)	(990,670)

(Continued on next page)

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Code		2020	2019
DDDD	Impact of changes in exchange rate on cash and cash equivalents	($ 2,056)	$ 49,778
EEEE	Net decrease in cash and cash equivalents	(330,487)	(446,650)
E00100	Cash and cash equivalents balance – beginning of year	1,164,536	1,611,186
E00200	Cash and cash equivalents balance – end of year	$ 834,049	$ 1,164,536

The notes attached shall constitute an integral part of this Consolidated financial statement.

Chairman: Chen Mao-Bang Industry and Commerce Development Foundation

Managerial officer: Hsu, Ching-Chao

Accounting officer: Chiang, Chuan-Tien

SAMPO CORPORATION and its Subsidiary

Notes to consolidated financial statements

January 1 to December 31, 2020 and 2019

(In thousand New Taiwan dollars, unless otherwise specified)

1. Organization and operations

SAMPO CORPORATION. (hereinafter referred to as "SAMPO" or the "Company"), formerly known as "DONGXING ELECTRIC CO., LTD.," was established in September 1962. In September 1964, DONGXING merged with DONJOY ELECTRIC CO., LTD. and changed its name to SAMPO ELECTRONICS CO., LTD. In 1970, its stock was publicly traded, and in 1974, the name was changed to SAMPO CORPORATION.

The Company engages in the manufacture, processing, contracting, wholesaling, retailing, repair services, and consignment of electronics, electrochemicals, telecommunications, electrical materials, information products, and audio products, and engages in the import and export business and investment in foreign related businesses.

The consolidated financial statements are presented in the Company's functional currency – New Taiwan dollar.

2. Financial reporting date and procedures

The consolidated financial statements were approved by the Board of Directors on March 24, 2021.

3. Application of new and revised standards and interpretation

(1) First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations ("IFRICs" and "SICs") (hereinafter collectively referred to as the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC").

The adoption of the IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Consolidated Company's accounting policies, except as indicated below:

1. Amendment to "Definition of a business" in IFRS 3

This amendment shall apply to the Consolidated Company's transactions occurring after January 1, 2020. This amendment requires that the business shall consist of at least inputs and significant processes that together make a significant contribution to the ability to generate output. The determination of whether the "process of acquisition" is material will vary depending on whether there is an output on the date of acquisition. In addition, a new and simplified way of assessing the consistency of the acquired activities and asset portfolio with the business – the concentration test – is available for companies to choose.

2. Amendments to IAS 1 and IAS 8 “Definition of Materiality”

Effective January 1, 2020, the Consolidated Company adopted the amendment to use “reasonably expected to affect users” as the threshold of materiality and adjusted the disclosure of consolidated financial statements to remove immaterial information that may obscure material information.

(2) IFRSs endorsed by the Financial Supervisory Commission (hereinafter referred to as “FSC”) applicable for 2021.

The new/amended/revised standards or interpretation	Effective Date per IASB
Amendment to IFRS 4 “Extension of Provisional Exemption for Application of IFRS 9”	Effective from the date of publication
Amendments to the IFRS 9, IAS 39, and IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase II”	Effective for annual reporting periods beginning after January 1, 2021
Amendment to IFRS 16 “Rent Reduction associated with COVID-19 pandemic.”	Effective for annual reporting periods beginning after June 1, 2020.

As of the date of publication of this financial report, the Company has evaluated that the amendments to the above standards and interpretations will not have a material impact on the financial position and financial performance.

(3) The IFRSs released by the IASB but not yet approved and announced effective by the Financial Supervisory Commission

The new/amended/revised standards or interpretation	IASB publication effective date (Note 1)
“2018-2020 IFRSs improvements”	January 1, 2022 (Note 2)
Amendment to IFRS 3 “Update the index of the conceptual framework.”	January 1, 2022 (Note 3)
Amendment to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture and Investment in Affiliates.”	Undefined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendment to IAS 1 “Classification of Liabilities as Current or Noncurrent”	January 1, 2023
Amendment to IAS 1 “Disclosure of Accounting Policies.”	January 1, 2023 (Note 6)
Amendment to IAS 8 “Definition of Accounting Estimates.”	January 1, 2023 (Note 7)
Amendment to IAS 16 “Property, plant and equipment: price before reaching the intended state of use”	January 1, 2022 (Note 4)
Amendment to IAS 37 “Onerous Contracts – Cost of Performing Contracts.”	January 1, 2022 (Note 5)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

Note 2: The amendment to IFRS 9 applies to swaps or changes in the terms of financial liabilities that occur in annual reporting periods beginning after January 1, 2022; the amendment to IAS 41, “Agriculture,” applies to fair value measurements in annual reporting periods beginning after January 1, 2022; and the amendment to IFRS 1, “First-time Adoption of IFRSs,” applies retrospectively to annual reporting periods beginning after January 1, 2022.

Note 3: This amendment applies to business mergers for which the acquisition date falls within the annual reporting period after January 1, 2022.

Note 4: This amendment applies to plant, property and equipment that begins to operate in the manner such as location and condition expected by management after January 1, 2021.

Note 5: This amendment applies to contracts with unfulfilled obligations as of January 1, 2022.

Note 6: The application of this amendment is deferred for annual reporting periods beginning after January 1, 2023

Note 7: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

1. Amendment to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture and Investment in Affiliates.”

The amendment provides that if the Consolidated Company sells or contributes an asset to an affiliated party (or joint venture), or if the Consolidated Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, the Consolidated Company recognizes all of the gains or losses resulting from such transactions if the aforementioned asset or former subsidiary meets the definition of “business merger” for “business” under IFRS 3.

In addition, if the Consolidated Company sells or contributes assets to affiliated companies (or joint ventures), or the Consolidated Company losses the control over a subsidiary but retains significant influence on the subsidiaries (or joint control), and if the aforementioned assets or subsidiary not in compliance with the definition of IFRS 3 “Business,” the Consolidated Company is to recognize the profit and loss of the transactions only within the equity scope of the affiliated companies (or joint ventures) irrelevant to the investors, in other words, the profit and loss attributable to the Consolidated Company should be offset.

2. Amendment to IAS 1 “Classification of Liabilities as Current or Noncurrent”

The amendment aims to clarify whether a liability is classified as noncurrent; the Consolidated Company should assess whether it has the right to defer settlement at the end of the reporting period for at least 12 months after the reporting period. If the Consolidated Company has such a right as of the end of the reporting period, the liability is classified as noncurrent whether or not the Consolidated Company exercises its right to defer settlement of a liability. The amendment aims to clarify if the Consolidated Company is required to comply with certain conditions in order to have the right to defer settlement of a liability. The Consolidated Company must have complied with specific conditions as of the end of the reporting period, even if the lender tests whether the Consolidated Company has complied with those conditions at a later date.

The amendment provides the purpose to clarify that settlement refers to the transfer to the counterparty of cash, other economic resources or equity instruments of the Consolidated Company that results in the extinguishment of the liability. However, if the terms of the liability may result in transferring the Consolidated Company's equity instruments at the option of the counterparty, and if the option is separately recognized in equity in accordance with IAS 32, "Financial Instruments: Presentation," the above-mentioned provisions do not affect the classification of the liability.

3. Annual Improvements 2018 – 2020 Cycle

The amendment to IFRS 9, "Financial Instruments," to assess whether there is a material difference between the exchange or modification of the terms of a financial liability and whether there is a 10% difference in the discounted cash flows (including the net fees received for entering into new or modified contracts) between the terms of the old and new contracts, should only include fees received by the borrower and the lender. The above fees shall only include fees received and paid between the borrower and the lender.

4. Amendment to IFRS 3 "Update the index of the conceptual framework."

The amendment updates the index to the conceptual framework and adds a new requirement that the acquirer should apply IFRIC 21 "Levies" to determine whether there is an obligation to incur a levy payment liability at the date of acquisition.

5. Amendment to IAS 16 "Property, plant and equipment: price before reaching the intended state of use"

The amendment provides that the sale price of output items of property, plant and equipment produced to bring them to the location and condition necessary to meet management's expectations for the manner in which they will be operated is not appropriate as a deduction to the cost of those assets. The aforementioned output items should be measured in accordance with IAS 2, "Inventories," and the sales price and cost should be recognized in profit or loss in accordance with the applicable standards.

The amendment applies to plant, property and equipment in the locations and condition necessary to achieve management's intended location mode of operation after January 1, 2021, and the information for the comparative period shall be restated when the amendment is first applied by the Consolidated Company.

6. Amendment to IAS 37 "Onerous Contracts – Cost of Performing Contracts."

The amendment specifies that in assessing whether a contract is onerous, the "cost of performing the contract" should include the allocation of incremental costs of performing the contract (e.g. direct labor and raw materials) and other costs directly related to the performance of the contract (e.g. the allocation of depreciation expense for property, plant and equipment used to perform the contract).

When the amendment is first applied, the Consolidated Company will recognize the cumulative effect as retained earnings at the date of initial application.

7. Amendment to IAS 1 "Disclosure of Accounting Policies."

The amendment specifies that the Consolidated Company shall determine the material accounting policy information to be disclosed based on the definition of materiality. Accounting policy information is considered material if it could reasonably be expected to affect the decisions of the primary users of the general-purpose financial statements based on those financial statements. The amendment also clarifies:

- Accounting policy information related to immaterial transactions, other events or circumstances is immaterial and the Consolidated Company is not required to disclose such information.
- The Consolidated Company may determine that related accounting policy information is material because of the nature of the transactions, other events or circumstances, even if the amount is not material.
- Not all accounting policy information related to significant transactions, other events or circumstances is material.

In addition, the amendment provides examples of accounting policy information that may be material if it relates to significant transactions, other events or circumstances and under the following circumstances, the information may be material:

(1) A change in the Consolidated Company's accounting policy during the reporting period that results in a material change in financial statement information;

(2) The Consolidated Company selects applicable accounting policies from among the options permitted by the standards;

(3) Due to the lack of specific standards, the Consolidated Company establishes accounting policies in accordance with IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates";

(4) The Consolidated Company discloses the relevant accounting policies that require the application of significant judgments or assumptions; or

(5) that it involves complex accounting requirements when users of financial statements rely on such information to understand such significant transactions, other events or circumstances.

8. Amendment to IAS 8 "Definition of Accounting Estimates."

The amendment explicitly specifies that accounting estimate represents the monetary amounts in the financial statements that are subject to measurement uncertainty. In applying accounting policies, the Consolidated Company may need to measure financial statement items using monetary amounts that are not directly observable but must be estimated, and therefore measurement techniques and input values are required to create accounting estimates for this purpose. The effect of changes in measurement techniques or input values on accounting estimates that are not corrections of prior period errors are accounted for as changes in accounting estimates.

Further to the aforementioned influence, the companies in the consolidated financial statements will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the companies in the consolidated financial statements to the date this parent company only financial statement approved and released, and will make appropriate disclosure after the evaluation.

4. Summary of significant accounting policies

(1) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and published by the FSC.

(2) Basis of preparation

Except for the financial instruments on the basis of fair value and the recognition of net defined benefit liabilities on the basis of the present value of net defined benefit obligation net of the fair value of planned assets, this consolidated financial statement was compiled on the basis of historical cost. The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

(3) Standards in differentiating current and non-current assets and liabilities.

Current assets including:

1. Assets held mainly for trading purpose:
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (not including those that are limited to exchange or repay liabilities exceeding 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held for trading purposes;

2. The liabilities to be liquidated upon due within 12 months after the balance sheet date (those with long-term refinancing or payment term rearrangement completed from the balance sheet date to the financial reports approved and published date are also classified as current liabilities), and

3. Liabilities with the repayment deadline that cannot be unconditionally deferred to at least 12 months after the balance sheet date.

For those that are not current assets or liabilities above are classified as non-current assets or liabilities.

The Consolidated Company is engaged in the construction business, and its operating cycle is longer than one year. Therefore, the assets and liabilities related to the construction business are classified as current or non-current based on the normal operating cycle.

(4) Basis of consolidation

The accompanying consolidated financial statements include the financial statements of SAMPO CORPORATION and the entities (subsidiaries) controlled by SAMPO The Consolidated Statement of Comprehensive Income already covered the operating profit and/or loss of the subsidiaries, which have been acquired or disposed of the current term, from the date of acquisition until the date of disposal. The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the consolidated company. In preparing these consolidated financial statements, the transactions, account balances, incomes and loss and expenses among the individual entities are written off in full amount. The total comprehensive incomes of the subsidiaries were non-controlling interest attributed to the Company's owners and the non-controlling interest, to become the balance of loss even as the non-controlling interest.

When the changes of interest of the subsidiaries' ownership by the Consolidated Company do not lead to the loss of control, it is disposed of as interest transactions. The book value of the Consolidated Company and non-controlling interest has been adjusted to reflect the changes of the relative interest of subsidiaries. The differential between the adjustment amount of non-controlling interest and the fair value of consideration received is directly recognized as interest and belongs to the owner of the Company.

For details of subsidiaries, shareholding and business items, see Note 11, "Subsidiaries" and Exhibit 4.

(5) Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing the individual financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as current profit or loss. However, for the changes in fair value recognized in the other comprehensive profit or loss, the exchange difference is recognized in the other comprehensive profit or loss.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

Upon preparation of the consolidated financial reports, the assets and liabilities of overseas operating institutions (including the subsidiaries, affiliates in the countries of business operation or those using currencies different from the Company's) were converted to NTD based on the exchange rate quoted on every balance sheet date. The profits and losses are translated in accordance with the current average exchange rates, and the exchange differences resulted is booked in other comprehensive income (and attributable to the Company's shareholders and non-controlling equity respectively).

If the Consolidated Company disposes of all interests in a foreign operation, or disposes of a portion of an interest in a subsidiary of a foreign operation but loses control, or disposes of a retained interest in an affiliate of a foreign operation that is a financial asset and is accounted for under the accounting policy for financial instruments, all cumulative translation differences attributable to the Company's owners and related to the foreign operations will be reclassified to profit or loss.

If the partial disposal of a foreign operating subsidiary does not result in a loss of control, the accumulated exchange differences are reattributed to the non-controlling interest of the subsidiary on a pro rata basis and are not recognized in profit or loss. In any other event of partial disposal of an overseas operating institution, the accumulated difference in foreign exchange was reclassified to profit and/or loss pro rata to the percentage of disposal.

(6) Inventory

General Inventory

General Inventory includes raw materials, supplies, finished goods and work-in-process. General Inventory is valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. The cost of general inventory is calculated using the weighted average method.

Land under construction

Land under construction is recorded at acquisition cost. Land under construction represents land that has been invested but not yet constructed, construction costs and interest capitalized prior to completion of construction, and the cost is allocated using the selling price ratio or the building ratio when the cost is carried forward after revenue is recognized from the sale of the property. Once selected, the method cannot be changed for the same project in the subsequent years.

Land under construction is measured at the lower of cost or net realizable value, and the net realizable value is based on management's estimate according to the prevailing market conditions.

(7) Investments in Affiliates

The Consolidated Company has a significant influence on an affiliated company that is not a subsidiary.

The Consolidated Company adopts the equity method for investment in affiliates.

Under the equity method, investments in the affiliated companies were originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the affiliated company and other comprehensive profit or loss by the consolidated company. Additionally, the change in the interests the Consolidated Company holds in the affiliates was recognized pro rata to the shareholding percentages.

Acquisition costs in excess of the Consolidated Company's share of net identifiable assets and liabilities (i.e. fair value) in an affiliated company on the date of acquisition are recognized as goodwill. This goodwill includes book value of the investment and is not amortized. Share of net identifiable assets and liabilities (i.e. fair value) in an affiliated company that exceeds acquisition cost on the date of acquisition is recognized as gains for the current year.

When affiliates issue new shares, if the Consolidated Company fails to subscribe stock share proportionally to their shareholding, resulting in changes in shareholding ratio and thus causing changes in net equity investment, the increase or decrease amount should be adjusted to the additional paid-in capital – recognizing changes in net equity of affiliates under the equity method and investment under equity method. If the Consolidated Company' did not subscribe to the new shares pro rata to the shareholding percentages and led to a decrease of the shareholding percentages subscribed to or obtained from the affiliate, nevertheless, the amount of other comprehensive income so recognized was reclassified pro rata to the decrease ratio in the affiliate. The accounting management was on the grounds same as the grounds the affiliate must comply with if it directly disposed assets or liabilities. If the aforementioned adjustment must be debited into capital reserve where the balance of capital reserve yielded by the investment in equity method, the difference was debited as retained earnings.

In the event that the Consolidated Company's shares of loss in the affiliates equal to or exceed its equity in the affiliates (including the book value of investment in the affiliates in equity method and other long-term interest of the Consolidated Company' in the investment composition of the affiliates), the Consolidated Company' discontinued recognition of the further losses. The Consolidated Company recognized extra losses and liabilities only in the event of occurrence of legal obligations, presumed obligations or within the scope that the Consolidated Company' had made payment on behalf of the affiliate.

When assessing impairment, the consolidated company has the overall book value (including goodwill) of the investment deemed as a single asset when comparing the recoverable amount and the book amount in order to conduct impairment testing. The recognized impairment loss is an integral part of the book amount of the investment. Any reversal of the impairment loss can be recognized within the range of the recoverable amount of the subsequently increased investment.

The Consolidated Company ceases to adopt the equity method from the date its investment ceases to be an affiliate, and its retained interest in the former affiliate is measured at fair value. The difference between the fair value and the disposal price and the carrying amount of the investment on the date of cessation of the equity method is recognized in profit or loss for the current period. Furthermore, all relevant amounts relevant to the affiliates recognized in other comprehensive income were managed on the accounting grounds same as the grounds which it should comply with if the affiliates directly disposed the relevant assets or liabilities. If the investment in affiliates become an investment in the joint venture, or the investment in the joint venture becomes an investment in affiliates, the consolidated company will continue using the equity method and will not have the reserved equity remeasured.

The profit or loss resulting from the countercurrent, downstream and side-stream transactions between the consolidated company and the affiliated company is recognized in the consolidated financial statement within the range that is irrelevant to the consolidated company's interest in the affiliated company.

(8) Property, Plant and Equipment

Real property, plant and equipment are recognized as costs, and they will be measured by the amount after the costs less the amount of accumulated depreciation and accumulated impairment losses afterwards.

Those real estate, plant buildings, equipment & facilities under construction were recognized at the amount of the costs after deducting the loss in the accumulated impairment. Costs include professional service expanses and loan costs that meet the capitalization conditions. When such assets are completed and reach expected use status, such assets will be classified to proper items under real property, plant and equipment and the provision of depreciation shall begin.

The depreciation of each material part of real estate, plants, and equipment should be appropriated independently in accordance with the useful year and a straight-line method. The Consolidated Company shall at least inspect the estimated service life, residual value and depreciation method by the day of the end of each fiscal year and postpone the effect of applying estimated accounting changes.

In the case of delisting real estate, plants, and equipment, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(9) Investment Property

Investment property is real estate held to earn rentals or for capital appreciation or both (including property in the process of construction that meets the definition of investment property). Investment property also includes land held for future use that is currently undetermined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All investment property is depreciated on a straight-line basis.

In removing investment property, the difference between the net proceeds of disposal and the book value shall be recognized as income.

(10) Intangible asset

1. Acquired separately

The intangible asset with limited useful life acquired separately was originally measured at cost and subsequently measured at cost, net of accumulated amortization and accumulated impairment losses. Depreciation is recognized using the straight-line method for intangible asset. The estimated useful lives, residual values and depreciation method are reviewed at the end of each yearly reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible asset with indefinite useful lives is measured at cost net of accumulated impairment losses.

2. Derecognition

In removing intangible assets, the difference between the net proceeds of disposal and the book value shall be recognized as income.

(11) Impairment of tangible and intangible assets (except for goodwill).

The consolidated company at each balance sheet date is to assess whether there is any indication of the impairment occurring to the tangible and intangible assets (except for goodwill). If there is any indication of impairment occurring, the recoverable amount of the asset should be estimated. If the recoverable amount of an individual asset cannot be estimated, the consolidated company is to estimate the recoverable amount of the respective cash-generating unit. The common asset is amortized to each cash-generating unit in accordance with a consistent and reasonable sharing basis.

The intangible asset with indefinite useful lives and not yet available for use should be tested for impairment at least annually or should be tested when there is an indication of impairment.

The recoverable amount is the fair value net of cost or the value in use whichever is higher. When the recoverable amount of an individual asset or cash-generating unit is less than its book amount, the book amount of the asset or cash-generating unit should be reduced to its recoverable amount. The impairment loss is recognized in the profit or loss.

When the impairment loss was reversed subsequently, the book amount of the asset or cash-generating unit is increased to the adjusted recoverable amount, but the increased book amount may not exceed the book amount of the asset or cash-generating unit without recognizing the impairment loss in prior periods (net of amortization or depreciation). The reversed impairment loss is recognized in the profit or loss.

(12) Non-current assets held for sale

The carrying amount of non-current assets is classified as held for sale when it is expected to be recovered primarily through a sale transaction rather than through continued use. The non-current assets complying with the classification must be available for immediate sale in the current state and the probability of the sale must be highly likely. When the appropriate level of the management commits to sell the plan asset and the sale is expected to be completed within one year from the date of classification, the probability of the sale is highly likely.

The classified held-for-sale non-current asset is measured at book amount or fair value net of the selling cost whichever is lower and stop the appropriate depreciation for such assets.

(13) Financial instrument

When the Consolidated Company has become a party to the instrument contract, the financial assets and financial liabilities are to be recognized in the consolidated balance sheet.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in the profit or loss.

1. Financial asset

The regular way of purchase or sale of financial assets are recognized and derecognized based on the accounting on the transaction date.

(1) Classification of measurement

The types of financial assets held by the Company are financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through profit and loss

Financial assets at fair value through income statement included mandatory fair value through income statement. Financial instruments designated at fair value through income statements included the investment of equity instruments not designated at fair value through other comprehensive income and those not conforming to the standard of debt instruments on the basis of cost after amortization or at fair value through other comprehensive income.

The financial assets measured at fair value though profit or loss is measured at fair value; also, the profit or loss of revaluation (including any dividend or interest arising from the financial asset) is recognized in the profit and loss. Fair value is determined in the manner described in Note 28.

B. Financial assets based on cost after amortization

If the financial assets of the Company met both of the following conditions, classify as financial assets on the basis of cost after amortization:

a. Financial assets held under particular mode of operation and the purpose of holding is for the collection of cash flow from contracts; and

b. Cash flow generated on particular dates deriving from the contacts and the cash flow is wholly for the payment of principal and interest accrued from the outstanding amount of the principal.

Financial assets on the basis of cost after amortization (including cash and cash equivalents and accounts receivable on the basis of cost after amortization) shall be determined for the total book value under the effective interest rate method after the initial recognition net of the cost of any impairment after amortization for measurement. Any exchange gains or loss will be recognized as income.

Interest income will be the product of effective interest rate and total book value of financial assets except under the following two conditions:

a. The interest income of financial assets procured or initiated under credit impairment will be the product of the effective interest rate after credit adjustment and the cost of financial assets after amortization.

b. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amount of cash with minimal risk of changes in value within 3 months from the acquisition date and are used to meet short-term cash commitments.

C. Investment of equity instruments at fair value through other comprehensive income

The Company may make an irrevocable choice at the time of initial recognition for designating the investment of equity instruments not available-for-sale and not recognized by the acquirer under business merger and acquisition or with consideration at fair value through other comprehensive income for measurement.

The investment of equity instruments at fair value through other comprehensive income is measured at fair value. Subsequent changes in fair value will be recognized as other comprehensive income and accumulated into other equity. In the disposal of assets, accumulated gains or loss shall be directly transferred to retained earnings without classification as income.

The dividend of the investment of equity instruments at fair value through other comprehensive income shall be recognized as income when the right of the Company in the collection of dividends is ascertained, unless the dividend is obviously representing the recovery of the cost of investment in part.

(2) Impairment of financial assets

The Company assesses financial assets (including accounts receivable) measured at amortized cost at each balance sheet date based on expected credit losses.

Allowance for loss is recognized for accounts receivable based on the expected credit loss over their life. Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the perpetuity of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the perpetuity of the financial instruments means the expected loss of credit from the financial instruments within the perpetuity of these financial instruments.

All impairment of financial assets is recognized through the reduction of the book value of the provisioned account. However, the provision for loss of investment of debt instruments at fair value through comprehensive income shall be recognized as other comprehensive income without the reduction of its book value.

(3) The derecognition of financial assets

The Company's financial assets are derecognized only when the contractual rights from the cash flows of a financial asset becomes invalid, or when the financial assets are transferred and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as income. When investments in debt instruments measured at fair value through other comprehensive income are derecognized as a whole, the difference between the carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss. When particular equity instruments measured at fair value through comprehensive income are entirely derecognized, the accumulated gains of loss shall be directly transferred to retained earnings without being classified as profit or loss.

2. Equity instrument

The debt and equity instruments issued by the Company are classified as financial liabilities or equity pursuant to the contractual agreements and the definition of financial liabilities and equity instruments.

An equity instrument issued by the Company is recognized for an amount after deducting the direct issuing cost from the proceeds collected.

The Company's equity retrieved is debited or credited to the equity. The Company's equity purchased, sold, issued, or cancelled is not recognized in the profit or loss.

3. Financial liability

(1) Subsequent measurement

All financial liabilities are evaluated at the amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between the book amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

(14) Liability reserve

The recognized liability reserve amount is with the risk and uncertainty of the obligation considered, and it is the optimum estimate of the expenditure required to settle the obligations on the balance sheet date. Provision for liabilities shall be measured based on the discount value of the estimated cash flow for the settlement of obligation.

Warranty

Product warranties and warranties that promise to customers that the delivered product is as specified in the contract and will work as specified in the contract, shall be measured based on management's best estimate on the cost to settle the consolidated company's obligation, and such warranties shall be recognized upon recognition of revenue from the corresponding products.

(15) Recognition of revenue

The consolidated company, after identifying the performance obligations, had the transaction price amortized to each performance obligation and recognized as income when the performance obligations were fulfilled.

1. Commodity sales revenue

Revenue from merchandise sales is derived from sales of electronics, electrochemicals, telecommunications, electrical materials, information products. The Consolidated Company recognizes revenue and accounts receivable at the point of delivery of products and audio products to the customer's designated location, at the time of shipment or at the time of pickup by the customer, when the customer has the right to set the price and use the products and has the primary responsibility for reselling the products and bears the risk of obsolescence of the products.

2. Labor revenue

Labor service income is recognized at the time the service is provided.

Revenues yielded by the labor services rendered in accordance with the contract were recognized based on the progress degrees set forth under the contract. The progress degrees set forth under the contract were determined in the following manners:

(1) Revenue from freight transportation is recognized when the trip is completed and the cargo is delivered to its destination.

(2) Rental income from warehousing is recognized on an accrual basis over the period in which the services are rendered.

3. Licensing revenues

Royalty received is determined based on the actual sales volume for trademark licensing transaction.

(16) Leases

The Company assesses whether or not the arrangement is (or includes) a lease arrangement on the agreement date

1. The Company is the lessor.

When the lease term is to have all risks and returns attached to the ownership of assets transferred to the lessee, it is classified as a financing lease. All other leases are classified as operating leases.

Lease payments for operating leases upon deduction of lease incentives are recognized as income on a straight-line basis in relevant lease periods. Initial direct costs generated in the acquisition of operating leases are added to the underlying asset carrying amount and recognized as expenses on a straight-line basis in lease periods.

2. The Company is the lessee.

Except for recognizing low-value asset leases applying to exemption and lease payments for short-term leases being recognized as an expense on a straight-line basis over the lease term, other leases will be recognized as right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use asset is measured at cost (including the amount equal to the lease liability at its initial recognition, lease payments made before the commencement of the lease less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by restoring the underlying asset to the condition required) less any depreciation and any accumulated impairment losses. Additionally, the cost is subsequently adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the period from the commencement date of the lease to expiration of its useful life or expiration of the lease term, whichever date is earlier.

Lease liabilities are measured at the present value of the lease payments (including fixed payments). If the implied interest rate of the lease is easily determined, the lease payments will be discounted to their present value using that interest rate. If such interest rate is not easily determined, the incremental borrowing rate will be used.

Subsequently, the lease liabilities are measured at amortized cost using the effective interest method, and the interest expenses are amortized over the lease term. If changes in indices or rates utilized to determine lease payments lead to changes in future lease payments, the Company should remeasure lease liabilities and adjust right-of-use assets correspondingly. However, if right-of-use asset carrying amounts have already dropped to zero, remaining remeasurement amounts are recognized as profit or loss. Lease liabilities are presented separately in the balance sheet.

(17) Borrowing costs

Borrowing costs directly belonging to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities that the assets reaching the status of expected use or sale.

In addition to the transaction stated in the preceding paragraph, all other loan costs are recognized as profit and loss upon occurring.

(18) Employee welfare

1. Short-term employee benefits

Liabilities relating to short-term employee benefits are measured by the non-discounted amount of the expected payment in exchange for employee services.

2. Post-employment benefits

Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

The determined cost of benefit for defined benefit retirement plan (including the cost of service, net interest, and reevaluation) is based on the actuary of projected unit method. The net interests of the service cost (including the service cost for the current period) and net defined benefit liability (asset) are recognized as employee benefit expenses when they occur. The value of second measurement (including the profits and loss under actuary and the return on assets of the plan net or interest) shall be recognized as other comprehensive incomes and as retained earnings, if realized. No reclassification as profits and loss in subsequent periods.

Net defined benefit liability (asset) is the appropriation deficit (surplus) of the defined benefit pension plan. Net defined benefit asset shall not exceed the refund of the appropriated fund or decrease the present value of appropriation of fund in the future.

3. Termination benefits

Consolidated company has resignation benefit liability recognized when the resignation benefit contract cannot be revoked or when recognizing the related reorganization cost (whichever is sooner).

(19) Share-based payment arrangement

<u>Equity Settled Share-based Payment Agreement to Employees</u>

For equity-settled share-based payment agreement, expenses are recognized on a straight-line basis over the vesting period based on the fair value of the equity instruments at the date of grant and the best estimate of the number of shares expected to be vested, with a simultaneous adjustment to capital surplus – employee stock options. If gain is realized as of the day of transfer, recognize as expenses in full amount as of the transfer day.

The Consolidated Company revises the estimated number of equity instruments expected to be vested at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss so that the accrued expenses reflect the revised estimate, with a corresponding adjustment to capital surplus – employee stock options.

(20) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income tax expenses in the current period

The Consolidated Company determines income (loss) for the period in accordance with the regulations enacted by the income tax reporting jurisdictions and calculates income tax payable (recoverable) accordingly.

Additional income tax on unappropriated earnings is calculated in accordance with the provisions of the Income Tax Act of the Republic of China, to be recognized in the year of the shareholder resolution meeting.

The adjustment to prior period income tax payable is booked as current income tax.

2. Deferred tax

Deferred tax is computed in accordance with the temporary differences between the book value of assets and liabilities and the tax bases of taxable income.

Deferred tax liabilities are generally recognized in accordance with all taxable temporary differences. Deferred tax assets are recognized when there are likely to have taxable income available for deductible temporary difference or loss credit.

All taxable provisional differences relevant to the investment in subsidiaries and affiliates were recognized as deferred income tax liabilities, except an event while the Consolidated Company' could control the time point of recovery of the control over the provisional difference or while the said provisional difference would be very likely not recoverable in the foreseeable future. The deductible temporary differences related to such investments are recognized as deferred income tax assets when there is likely a sufficient taxable income available for realizing a temporary difference and within the expected reverse in the foreseeable future.

The book amount of deferred income tax asset must be reviewed at each balance sheet date. The book amount of those that no longer have any sufficient taxable income to recover all or part of the asset, should be adjusted down. Those that are not originally recognized as deferred income tax assets should also be reexamined at each balance sheet date. The book amount of those that are likely to generate taxable income in the future for the recovery of all or part of its assets should be adjusted up.

Deferred income tax assets and liabilities are measured in accordance with the expected liability liquidation or the tax rate in the period when the asset is realized. The tax rate is based on the tax rate and tax laws that are legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulted from the book value of the assets or liabilities expected to be recovered or liquidated on the balance sheet date.

3. Current and deferred income tax for the year

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive profit or loss or directly included in the equity are recognized in the other comprehensive profit or loss or directly included in the equity.

5. Main source of significant accounting judgment, estimates and assumptions uncertainty

When adopting accounting policy, the management of the Company shall make related judgments, estimations, and assumptions for information that cannot be easily retrieved from other sources based on historical experiences and other relevant factors. Actual results may differ from the estimates.

The Company has taken the economic impact of the coronavirus pandemic into consideration for significant accounting estimates, and management will review the estimates and underlying assumptions on an ongoing basis. If the amendment affects only the current estimates, it is recognized in the current period. If the amendment of accounting estimates affects both current and future periods, it is recognized in the respective current and future periods.

6. Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and working capital	$ 4,777	$ 3,163
Bank checks and demand deposits	768,272	505,753
Cash equivalents (Investment with the original maturity date within three months)		
Bank time deposit	11,000	595,660
Bonds under repurchase agreement	50,000	59,960
	$ 834,049	$ 1,164,536

The interest rate ranges for bank deposits and bonds with repurchase agreements as of the balance sheet date were as follows:

	December 31, 2020	December 31, 2019
Bank time deposit	0.04%~0.41%	0.09%~2.47%
Bonds under repurchase agreement	0.25%	2.25%~2.50%

7. Financial assets based on cost after amortization

	December 31, 2020	December 31, 2019
Current		
Domestic investment		
Time deposit with the original maturity date over three months	$ 312,907	$ 239,840
Reserve account demand deposit	9,146	9,627
	$ 322,053	$ 249,467

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	December 31, 2020	December 31, 2019
Non-current		
Domestic investment		
Mortgaged time deposit	$ 27,000	$ 27,000

(1) As of December 31, 2020 and 2019, the interest rate ranges for time deposits with original maturities over 3 months were 0.52% to 0.72% and 2.55% to 2.75% per annum.

(2) As of December 31, 2020 and 2019, the interest rate range of pledged time deposits was 0.10% to 0.12% and 0.13% to 0.22% per annum, respectively.

(3) For information on pledges of financial assets measured at amortized cost, see Note 30.

8. Financial assets at fair value through other comprehensive profit or loss

	December 31, 2020	December 31, 2019
Non-current		
Investment of equity instruments at fair value through other comprehensive income	$ 425,208	$ 521,384

(1) Investment of equity instruments at fair value through other comprehensive income

	December 31, 2020	December 31, 2019
Non-current		
Domestic investment		
Unlisted/OTC		
Common stock of Nucom International Corporation	$ 36,730	$ 35,537
Common stock of Chinese Television System Inc.	103,392	122,219
Common stock of WK ASSOCIATES LTD.	4,671	7,123
Common stock of Pushi Venture Capital Co., Ltd.	7,084	10,258
Common stock of WK VIII ASSOCIATES LTD.	4,352	5,878
Common stock of MICROMAX INTERNATIONAL CORP.	12,471	12,234
Common stock of A-KIN ALLIANCE LOGISTICS CO., LTD.	1,151	1,174
Subtotal	169,851	194,423

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	December 31, 2020	December 31, 2019
Foreign investment		
Unlisted stocks		
Common stock of GRACE THW HOLDING	$ 255,357	$ 326,961
Subtotal	255,357	326,961
	$ 425,208	$ 521,384

The consolidated company invested in the aforementioned common shares of companies in line with its long-term investment strategic objective with the anticipation of return from long-term investment. The management of the consolidated company holds that the short-term fluctuation in the fair value of these investments shall be recognized as income or loss and is not congruent with the aforementioned long-term investment plan, therefore they chose to designate these investments as financial assets at fair value through other comprehensive income.

9. Notes receivable, accounts receivable, and other accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable		
Measured on the basis of cost after amortization		
Total carrying amount – non-related parties	$ 117,529	$ 111,820
Total carrying amount – related parties	-	4
Less: Allowance for losses	(4,114)	(3,914)
	$ 113,415	$ 107,910
Trade receivable		
Measured on the basis of cost after amortization		
Total carrying amount – non-related parties	$ 498,301	$ 543,520
Total carrying amount – related parties	5,437	989
Less: Allowance for losses	(44,230)	(40,748)
	$ 459,508	$ 503,761
Other receivables		
Other receivables – non-related parties	$ 13,853	$ 14,835
Other receivables – related parties	1	27
Less: Allowance for losses	(485)	(441)
	$ 13,369	$ 14,421
Overdue receivables (Note 16)		
Overdue receivables	$ 32,713	$ 32,812
Less: Allowance for losses	(30,137)	(30,236)
	$ 2,576	$ 2,576

The average credit period for product sales ranges from 30 to 120 days, and no interest is charged on accounts receivable.

The Consolidated Company will recognize the lifetime expected credit losses as loss allowance for accounts receivable. The full lifetime expected credit losses are calculated using Provision Matrix, which considers the historical default records and current financial status, industry economic conditions, as well as GDP forecast and industry outlook. Due to the historical experience of credit losses of the consolidated companies, there is no significant difference in the loss patterns of different customer groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the expected credit loss rate based on the overdue days of receivables.

If there is evidence that the counterparty is facing serious financial difficulties and the consolidated company cannot reasonably expect the recoverable amount back, the consolidated company will directly write off the relevant accounts receivable, but will continue its recourses, and the amount recovered will be recognized in profit or loss.

Consolidated companies measure loss allowance of receivables based on provision matrix as follows:

December 31, 2020

	Not overdue	Overdue 1 to 30 days	Overdue 31 to 60 days	Overdue 61 to 90 days	Overdue over 90 days	The counterparty has signs of default	Total
Total book value	$ 596,529	$ 14,155	$ 6,715	$ 1,742	$ 32,713	$ 15,980	$ 667,834
Allowance for loss (expected credit loss of the given duration)	(26,656)	(2,783)	(2,478)	(932)	(30,137)	(15,980)	(78,966)
Amortized cost	$ 569,873	$ 11,372	$ 4,237	$ 810	$ 2,576	$ -	$ 588,868

December 31, 2019

	Not overdue	Overdue 1 to 30 days	Overdue 31 to 60 days	Overdue 61 to 90 days	Overdue over 90 days	The counterparty has signs of default	Total
Total book value	$ 622,865	$ 30,147	$ 2,179	$ 399	$ 32,437	$ 15,980	$ 704,007
Allowance for loss (expected credit loss of the given duration)	(27,342)	(1,378)	(534)	(244)	(29,861)	(15,980)	(75,339)
Amortized cost	$ 595,523	$ 28,769	$ 1,645	$ 155	$ 2,576	$ -	$ 628,668

The expected credit loss rate for each of the above-mentioned ranges is less than 50% for those who are not overdue and those who are less than 60 days overdue, and 50% to 100% for those who are more than 60 days overdue.

Loss allowance of receivables as follows:

	2020	2019
Beginning retained earnings	$ 75,339	$ 78,604
Add: Recovery of bad debts written off	1,582	389
Add: Impairment loss appropriated in current period	1,803	-
Less: Reversal of impairment loss in the period	-	(3,025)
Written-off of the year	-	(6)
Foreign currency translation differences	242	(623)
Balance, ending	$ 78,966	$ 75,339

10. Inventory

	December 31, 2020	December 31, 2019
Finished good	$ 415,411	$ 371,020
Work in progress	101,696	68,008
Material	250,946	235,484
Merchandise	610,765	563,621
Inventory in-transit	2,516	4,071
Land under construction	-	53,401
	$ 1,381,334	$ 1,295,605

Cost of goods sold related to inventories amounted to $5,374,635 thousand and $5,204,174 thousand for 2020 and 2019, respectively. Cost of goods sold included gains of $8,273 thousand and $673 thousand, respectively, on reversal of decline in value of inventories

As of December 31, 2020 and 2019, the allowance for decline in value of inventories and allowance for slow moving amounted to $63,718 thousand and $71,957 thousand, respectively.

The breakdown of land under construction is as follows.

Construction site	December 31, 2020		
	Prepayment for superficies	Construction cost	Total
Lilin Section, Linkou District	$ -	$ -	$ -

Construction site	December 31, 2019		
	Prepayment for superficies	Construction cost	Total
Lilin Section, Linkou District	$ -	$ 53,401	$ 53,401

In order to assist SAMPO CORPORATION in the revitalization of the Group’s assets, SAMPO HOME INC. acquired superficies from SAMPO CORPORATION in the amount of $108,408 thousand in Q2 2015.

The superficies were signed by SAMPO CORPORATION with the North District Office of the National Property Administration of the Ministry of Finance on October 19, 2014. The two parties agreed several superficies located in the Lilin Section of Linkou District, New Taipei City, to be assigned to the Company, and the duration was from October 19, 2014 to October 18, 2084, a total of 70 years.

SAMPO HOME INC. completed the constructions of buildings in the Lilin section of Linkou District in 2020 and 2019, and the management assessed that the purpose was to earn rental. Therefore, after the completion of the constructions, they were transferred from inventories to investment properties, which were $58,462 thousand and $347,360 thousand, respectively.

11. Subsidiary

(1) Subsidiaries included in the consolidated financial statements

The business entities of the consolidated financial statements are as follows:

Investor	Subsidiary name	Nature of the operation	December 31, 2020	December 31, 2019	Description
SAMPO CORPORATION	New Swell International Investment Co., Ltd. (New Swell International)	General Investments	100	100	-
	QUANBAO INVESTMENT CO., LTD. (QUANBAO INVESTMENT)	General Investments	100	100	-
	Debao Home Appliance Co., Ltd (Sampo Home Appliance)	Manufacturing of plastic products for home appliances and industrial use	100	100	-
	AMIGO LOGISTICS CORPORATION (AMIGO LOGISTICS)	Warehousing and transportation	49	49	-
	SAMPO HOME INC. (SAMPO HOME)	Real estate trading, leasing	100	100	-
	SAMPO JAPAN INC.	Marketing and Promotion	100	100	-
New Swell International	DONGGUAN SAMPO ELECTRONICS CO., LTD. (DONGGUAN SAMPO)	Manufacturing and sale of electrics and electrons equipment	70	70	-
QUANBAO INVESTMENT	AMIGO LOGISTICS CORPORATION	Warehousing and transportation	24	24	-
	NELONG ENTERPRISE CORPORATION LTD. (NELONG Company)	Manufacturing and sale of electrics and electrons equipment	61	61	-
	SAMPO INTERNATIONAL FOOD SERVICE CO., LTD. (SAMPO FOOD SERVICE)	Food & Beverage	100	100	-
AMIGO LOGISTICS CORPORATION	NISSIN GLOBAL LOGISTICS (TAIWAN) CO., LTD. (NISSIN GLOBAL LOGISTICS)	Warehousing and transportation	51	51	(1)
	AMIGO HOME LIFE CO., LTD. (AMIGO HOME)	Product installation and wholesale of electrics and electronic materials	100	100	-
SAMPO HOME INC.	SAMPO ASSET MANAGEMENT CO., LTD. (SAMPO ASSET MANAGEMENT)	Real estate trading, leasing	100	100	-

Description

(1) In March 2019, the board of directors of NISSIN Company resolved to refund $3,100 thousand of share prices in cash in proportion to shareholding for capital reduction. In April 2019, the Board of Directors of NISSIN Company resolved to increase capital by $24,500 thousand and renamed the firm as NISSIN GLOBAL LOGISTICS (TAIWAN) CO., LTD. Since AMIGO LOGISTICS CORPORATION did not subscribe in accordance with the original shareholding percentage, AMIGO LOGISTICS CORPORATION's shareholding was reduced to 51% after the capital increase.

12. Investment under the equity method

	December 31, 2020	December 31, 2019
Investments in Affiliates	$ 2,843,169	$ 2,584,292

(1) Investments in Affiliates

	December 31, 2020	December 31, 2019
A major affiliated company		
RECHI PRECISION CO.,LTD.	$ 2,843,169	$ 2,584,292

Affiliates of significance

Company name	December 31, 2020	December 31, 2019
Listed company		
RECHI PRECISION CO.,LTD.	28%	28%

For information on the business nature, principal place of business and country of registration of the aforementioned affiliated companies, please refer to Exhibit 4, "Information on Investees, Location, etc."

Level 1 fair value information of affiliated companies with quoted prices in the open market is as follows.

Company name	December 31, 2020	December 31, 2019
RECHI PRECISION CO.,LTD.	$ 2,920,690	$ 3,198,677

The following summarized financial information is based on the consolidated financial report of all the affiliates in conformity with IFRSs and reflected the adjustments made due to the adoption of the equity method.

RECHI PRECISION CO.,LTD.

	December 31, 2020	December 31, 2019
Current assets	$ 20,343,375	$ 17,304,310
non-current assets	9,083,696	9,383,670
Current liabilities	(13,601,152)	(10,982,594)
non-current liabilities	(5,546,112)	(6,253,485)
Equity	10,279,807	9,451,901
Non-controlling interests	(1,441,564)	(1,526,062)
	$ 8,838,243	$ 7,925,839
The consolidated company's shareholding ratio	28%	28%
The equity attributed to the consolidated company	$ 2,446,349	$ 2,187,459
Unrealized profits and losses in upstream transactions	(31)	(18)
Goodwill	402,671	402,671
Other adjustments	(5,820)	(5,820)
Book value of investment	$ 2,843,169	$ 2,584,292

	2020	2019
Operating income	$ 19,338,213	$ 20,193,662
Net profits of the current year	$ 722,644	$ 649,166
Other comprehensive income	471,130	(450,600)
Total comprehensive income	$ 1,193,774	$ 198,566
Dividends received from RECHI PRECISION CO., LTD.	$ 69,831	$ 167,251

For information on the business nature, principal place of business and country of registration of the aforementioned affiliated companies, please refer to Exhibit 4, “Information on Investees, Location, etc.”

13. Property, Plant and Equipment

	Proprietary land	Building	Machinery and equipment	Mold equipment	Transportation equipment	Leasehold improvement	Construction in progress	Other equipment	Total
Cost									
Balance as of January 1, 2020	$3,761,933	$1,331,165	$ 369,385	$ 422,538	$ 123,671	$ 38,707	$ 442,633	$ 381,981	$6,872,013
Additions	36,536	2,318	782	25,268	14,160	2,030	488,029	9,899	579,022
Disposal	(287,519)	(266,803)	(199)	(10,948)	(1,481)	-	-	(20,532)	(587,482)
Reclassification	27,443	-	-	-	-	-	(27,699)	256	-
Net exchange differences	-	-	76	-	18	1	-	18	113
Balance as of December 31, 2020	$3,538,393	$1,066,680	$ 370,044	$ 436,858	$ 136,368	$ 40,738	$ 902,963	$ 371,622	$6,863,666
Accumulated depreciation and impairment									
Balance as of January 1, 2020	$ 32,518	$ 908,489	$ 343,318	$ 376,806	$ 69,545	$ 18,886	$ -	$ 348,837	$2,098,399
Disposal	-	(192,175)	(199)	(170)	(1,350)	-	-	(19,952)	(213,846)
depreciation expense	-	31,730	9,422	25,511	12,338	5,118	-	11,020	95,139
Reclassification	-	704	-	-	-	-	-	-	704
Net exchange differences	-	-	25	-	8	(1)	-	6	38
Balance as of December 31, 2020	$ 32,518	$ 748,748	$ 352,566	$ 402,147	$ 80,541	$ 24,003	$ -	$ 339,911	$1,980,434
Net as of December 31, 2020	$3,505,875	$ 317,932	$ 17,478	$ 34,711	$ 55,827	$ 16,735	$ 902,963	$ 31,711	$4,883,232
Cost									
Balance as of January 1, 2019	$3,761,933	$1,284,998	$ 365,558	$ 400,152	$ 120,717	$ 18,124	$ 103,127	$ 373,754	$6,428,363
Additions	-	11,280	4,043	24,503	4,601	17,596	339,506	14,917	416,446
Disposal	-	-	-	(2,117)	(1,608)	-	-	(6,644)	(10,369)
Reclassification	-	34,887	-	-	-	2,990	-	-	37,877
Net exchange differences	-	-	(216)	-	(39)	(3)	-	(46)	(304)
Balance as of December 31, 2019	$3,761,933	$1,331,165	$ 369,385	$ 422,538	$ 123,671	$ 38,707	$ 442,633	$ 381,981	$6,872,013
Accumulated depreciation and impairment									
Balance as of January 1, 2019	$ 32,518	$ 875,553	$ 333,470	$ 346,308	$ 58,918	$ 17,486	$ -	$ 344,411	$2,008,664
Disposal	-	-	-	-	(1,608)	-	-	(6,637)	(8,245)
depreciation expense	-	32,643	9,934	30,498	12,254	1,400	-	11,084	97,813
Reclassification	-	293	-	-	-	-	-	-	293
Net exchange differences	-	-	(86)	-	(19)	-	-	(21)	(126)
Balance as of December 31, 2019	$ 32,518	$ 908,489	$ 343,318	$ 376,806	$ 69,545	$ 18,886	$ -	$ 348,837	$2,098,399
Net as of December 31, 2019	$3,729,415	$ 422,676	$ 26,067	$ 45,732	$ 54,126	$ 19,821	$ 442,633	$ 33,144	$4,773,614

Depreciation expenses is appropriated in accordance with the straight-line method and the years of useful life illustrated below:

Building	2–60 years
Main structure	60 years
Mechanical and electrical power equipment	15 years
Engineering System	4 years
Others	2–10 years
Machinery and equipment	3–15 years
Transportation equipment	2–7 years
Mold equipment	2–3 years
Leasehold improvement	2–6 years
Other equipment	2–20 years

There was no indication of impairment of the above listed property, plant and equipment as assessed by the management in 2020 and 2019.

For the amount of property, plant and equipment pledged as collateral for loans, please refer to Note 30.

Please refer to Note 14 for a description of the sale and leaseback of land and buildings in 2020.

14. Lease agreement

(1) right-of-use asset

	December 31, 2020	December 31, 2019
Carrying amount of right-of-use assets		
Land	$ 30,109	$ 30,884
Building	214,633	215,715
Transportation equipment	5,732	10,988
	$ 250,474	$ 257,587

	2020	2019
Addition of right-of-use assets	$ 70,982	$ 134,481
Depreciation expense of right-of-use assets		
Land	$ 472	$ 476
Building	70,999	37,499
Transportation equipment	3,539	3,663
	$ 75,010	$ 41,638

(2) lease liabilities

	2020	2019
Carrying amount of lease liabilities		
Current	$ 111,325	$ 58,215
Non-current	$ 182,223	$ 202,292

The range of discount rates for lease liabilities is as follows:

	2020	2019
Land	1.50%	1.50%
Building	1.50%	1.50%
Transportation equipment	1.50%	1.50%

(3) Important lease activities and terms

The Consolidated Company signed two contracts of superficies to 2 pieces of state-owned land, including land numbers 107 and 108, Lilin Section, Linkou District, New Taipei City, with the North District Office of the National Property Administration of the Ministry of Finance in August 2014. The contract duration is 70 years and the total royalties of $108,408 thousand was paid in full when the lease was signed. In addition to the aforementioned royalties, a monthly land rental calculated based on 3.5% of the announced land price must be paid.

The Consolidated Company leases certain buildings for plant and office use for a period of 2 to 6 years. Upon termination of the lease term, the Consolidated Company has no preferential right to acquire the leased building and the Consolidated Company shall not sublease or transfer all or part of the subject of the lease without the consent of the lessor.

In order to activate assets, SAMPO CORPORATION sold the land and above-ground buildings in the Dinghu Section of Guishan District, Taoyuan City to a non-related party, Genyi Construction Co., Ltd. in July 2020, for a total of $1,781,470 thousand after deducting business tax and intermediary commissions and other related expenses. Subsequently, due to the time required to vacate the original plant, it was leased back for a period of one year and three months. The leaseback transaction resulted in a right-to-use asset of $11,994 thousand and a lease liability of $59,403 thousand. Therefore, the transferred gain on disposal of land and above-ground buildings was $1,371,913 thousand, which was recorded under “Gain on disposal of property, plant and equipment.”

(4) Other lease information

	2020	2019
Short-term lease expense	$ 48,281	$ 96,306
Total cash (outflow) of leases	($ 130,475)	($ 134,919)

The Consolidated Company has elected to apply the recognition exemption to building leases that qualify as short-term leases and does not recognize the related right-of-use assets and lease liabilities for such leases.

15. Investment Property

	Land	Building	Total
Cost			
Balance as of January 1, 2020	$ 96,723	$ 212,760	$ 309,483
From Inventory	-	58,462	58,462
Reclassification	-	-	-
Balance as of December 31, 2020	$ 96,723	$ 271,222	$ 367,945
Accumulated depreciation and impairment			
Balance as of January 1, 2020	$ 620	$ 1,807	$ 2,427
depreciation expense	1,668	4,863	6,531
Reclassification	(180)	(524)	(704)
Balance as of December 31, 2020	$ 2,108	$ 6,146	$ 8,254
Net as of December 31, 2020	$ 94,615	$ 265,076	$ 359,691

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	Land	Building	Total
Cost			
Balance as of January 1, 2019	$ -	$ -	$ -
From Inventory	108,408	238,952	347,360
Reclassification	(11,685)	(26,192)	(37,877)
Balance as of December 31, 2019	$ 96,723	$ 212,760	$ 309,483
Accumulated depreciation and impairment			
Balance as of January 1, 2019	$ -	$ -	$ -
depreciation expense	695	2,025	2,720
Reclassification	(75)	(218)	(293)
Balance as of December 31, 2019	$ 620	$ 1,807	$ 2,427
Net as of December 31, 2019	$ 96,103	$ 210,953	$ 307,056

The Consolidated Company completed the constructions of buildings in the Lilin section of Linkou District in 2020 and 2019, and the management assessed that the purpose was to earn rental. Therefore, after the completions of the constructions, they were transferred from inventories to investment properties, which were $58,462 thousand and $347,360 thousand, respectively.

The amortized depreciation in on the straight-line basis for its investment in real estate at 65-year useful life.

The fair values of $579,788 thousand and $603,946 thousand as of December 31, 2020 and 2019, respectively, have not been evaluated by an independent appraiser and are only measured by the Company's management using Level 3 input values using valuation models commonly used by market participants. Since there was no significant change in real estate transaction prices in the region in 2020 and 2019, the evaluation was made with reference to market evidence of similar real estate transaction prices.

16. Other assets

	December 31, 2020	December 31, 2019
Current		
Prepayment for purchase	$290,964	$132,724
Prepaid rent	6,721	8,665
Tax credit	38,591	40,651
Prepaid expenses and others	87,917	107,448
	$424,193	$289,488
Non-current		
Overdue receivables (Note 9)	$ 2,576	$ 2,576
Prepaid expenses and others	15,618	16,347
	$ 18,194	$ 18,923

17. Loans

(1) Short-term borrowings

	December 31, 2020	December 31, 2019
Unsecured loans		
Credit loan	$ -	$ 60,000

The interest rate on bank loans for operating turnover was 1.043% in 2019.

(2) Short-term notes payable

	December 31, 2020	December 31, 2019
Commercial papers payable	$ -	$490,000
Less:Discount of short-term notes and bills payable	-	(215)
	$ -	$489,785

The short-term bills payable but not yet due were enumerated below:

December 31, 2020: None

December 31, 2019

Guarantee/underwriting institutions	Face amount	Discounted amount	Carrying amount
Commercial papers payable (1)			
International Bills Finance Corporation	$ 200,000	($ 115)	$ 199,885
Mega Bills Finance Co., Ltd.	180,000	(49)	179,951
Mega Bills Finance Co., Ltd.	110,000	(51)	109,949
	$ 490,000	($ 215)	$ 489,785

The interest rate range of short-term bills payable for 2019 was 1.038% to 1.58%.

(3) Long-term borrowings

	Loan Contents		December 31, 2020	December 31, 2019
Bank of Taiwan	Total amount of loans:	NTD600,000 thousand	$ -	$ 600,000
	Nature of Borrowing:	Medium and long-term mortgage loans		
	Loan period:	2017.08.22–2022.07.20		
	Borrowing interest rate:	1.50%		
	Repayment method:	Each loan will be repaid in one lump sum on the agreed settlement date.		
Bank of Taiwan	Total amount of loans:	NTD400,000 thousand	-	400,000
	Nature of Borrowing:	Medium and long-term mortgage loans		
	Loan period:	2019.11.25–2020.01.14		
	Borrowing interest rate:	1.06%		
	Repayment method:	Each loan will be repaid in one lump sum on the agreed settlement date.		

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	Loan Contents		December 31, 2020	December 31, 2019
Bank of Taiwan	Total amount of loans:	NTD100,000 thousand	$ -	$ 100,000
	Nature of Borrowing:	Medium and long-term mortgage loans		
	Loan period:	2019.12.24–2020.02.04		
	Borrowing interest rate:	1.06%		
	Repayment method:	Each loan will be repaid in one lump sum on the agreed settlement date.		
Bank of Taiwan	Total amount of loans:	NTD600,000 thousand	600,000	-
	Nature of Borrowing.	Medium and long-term mortgage loans		
	Loan period:	2020.06.01–2023.05.20		
	Borrowing interest rate:	1.15%		
	Repayment method:	Each loan will be repaid in one lump sum on the agreed settlement date.		
KGI Bank	Total amount of loans:	NTD300,000 thousand	-	300,000
	Nature of Borrowing:	Medium-term borrowings		
	Loan period:	2019.1.25–2022.01.25		
	Borrowing interest rate.	1.22%		
	Repayment method:	From 2021.01.25, Repayment of 60 million every 3 months for a total of 5 installments.		
KGI Bank	Total amount of loans:	NTD300,000 thousand	300,000	-
	Nature of Borrowing:	Medium-term borrowings		
	Loan period:	2020.10.30–2023.10.30		
	Borrowing interest rate:	1.08656%		
	Repayment method:	From 2022.10.30, Repayment of 60 million every 3 months for a total of 5 installments.		
Hua Nan Bank	Total amount of loans:	NTD150,000 thousand	-	150,000
	Nature of Borrowing:	Medium-term borrowings		
	Loan period:	2019.06.21–2021.06.21		
	Borrowing interest rate.	1.25%		
	Repayment method:	Each loan will be repaid in one lump sum on the agreed settlement date.		
Chang Hwa Bank	Total amount of loans:	NTD100,000 thousand	-	75,000
	Nature of Borrowing:	Medium-term borrowings		
	Loan period:	2017.07.04–2020.07.03		
	Borrowing interest rate:	1.40%		
	Repayment method:	From 2019.10.04, repayment of 25 million every 3 months for a total of 4 installments.		
			900,000	1,625,000
Less: Amount due in one year			-	(575,000)
Long-term borrowings			$ 900,000	$ 1,050,000

The Consolidated Company provides property, plant and equipment to financial institutions as collaterals for long-term loans, please refer to Note 30 for details of the collaterals.

18. Others

	December 31, 2020	December 31, 2019
Current		
Other payables		
Salary and bonus payables	$ 324,544	$ 250,820
Pension benefits payable	9,314	9,025
Insurance payable	12,037	11,824
Advertising payable	21,782	19,049
Electronics disposal expenses payable	20,303	14,675
Expenses payable	140,831	139,649
	$ 528,811	$ 445,042
Others		
Refund liability (Note 22)	$ 303,658	$ 303,424
Contract liability (Note 22)	29,969	49,182
Others	16,180	6,572
	$ 349,807	$ 359,178

19. Liability reserve

	December 31, 2020	December 31, 2019
Current		
Warranty (1)	$ 72,845	$ 69,589
Non-current		
Warranty (1)	$ 7,265	$ 7,174
Reserve for compensation (2)	99,216	99,216
	$ 106,481	$ 106,390

	Warranty	Reserve for compensation	Total
Balance as of January 1, 2020	$ 76,763	$ 99,216	$ 175,979
Appropriated for the year	3,347	-	3,347
Balance as of December 31, 2020	$ 80,110	$ 99,216	$ 179,326
Balance as of January 1, 2019	$ 79,958	$ 99,216	$ 179,174
Reversal in current year	(3,195)	-	(3,195)
Balance as of December 31, 2019	$ 76,763	$ 99,216	$ 175,979

(1) Warranty liabilities reserve is based on the sale of goods contract and it is the best estimated present value of the future economic outflow due to warranty liabilities estimated by the management of the consolidated company. The estimates are based on historical warranty experience and are subject to adjustment due to new raw materials, process changes or other events that affect product quality.

(2) Please refer to Note 31(2) for the description of reserve for compensation.

20. Post-employment benefit plans

(1) Defined contribution plans

For the Company, DEBAO HOME APPLIANCE, AMIGO LOGISTICS, NISSIN GLOBAL LOGISTICS, AMIGO HOME, NELONG Company, SAMPO HOME INC., and SAMPO FOOD SERVICE within the consolidated entities, the pension system under the Labor Pension Act is a government-administered defined contribution pension plan, for which 6% of employees' monthly salaries are contributed to the individual accounts in the Bureau of Labor Insurance.

(2) Defined benefit plan

For the Company, DEBAO HOME APPLIANCE, AMIGO LOGISTICS, the pension system under the Labor Standards Act is a government-administered defined benefit pension plan Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. These companies have pensions appropriated for an amount equivalent to 4%–15% of the total monthly salary and the fund is deposited in the account with the Bank of Taiwan in the name of the Labor Pension Reserve Committee. If the estimated balance of the special account before the end of the year is not enough to pay for the workers who are expected to meet the retirement requirements in the following year, the difference will be appropriated in one lump sum by the end of March of the following year. The special account has been commissioned to the Bureau of Labor Fund of the Ministry of Labor Affairs for management. The Consolidated Company exercises no influence on the right of the bureau in its investment management strategy.

The amount of defined benefit plan recognized in the consolidated balance sheet is shown below:

	December 31, 2020	December 31, 2019
Present value of the defined benefit obligations	$703,213	$721,248
The fair value of plan assets	(299,736)	(276,410)
Net defined benefit liability	$403,477	$444,838

Change in net defined benefit liability is shown below

	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liability
Balance as of January 1, 2019	$ 716,713	($ 253,268)	$ 463,445
servicing costs			
Current service cost	6,077	-	6,077
Interest expenses (revenues)	7,989	(2,899)	5,090
Recognized in the profit or loss	14,066	(2,899)	11,167

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	Present value of the defined benefit obligations	The fair value of plan assets	Net defined benefit liability
Reevaluation			
Planned ROE (except the amount of net interest)	$ -	($ 7,763)	($ 7,763)
Actuarial (gains) losses – Changes in Demographic Assumptions	4,911	-	4,911
Actuarial (gains) losses – Change in financial assumptions	27,691	-	27,691
Actuarial gains – adjustment through experience	9,717	-	9,717
Recognized in the other comprehensive profit of loss	42,319	(7,763)	34,556
Employer appropriation	(3,035)	(23,956)	(26,991)
Benefits paid	(44,936)	3,035	(41,901)
Paid off	(3,879)	8,441	4,562
Balance as of December 31, 2019	721,248	(276,410)	444,838
servicing costs			
Current service cost	5,399	-	5,399
Interest expenses (revenues)	5,410	(2,163)	3,247
Recognized in the profit or loss	10,809	(2,163)	8,646
Reevaluation			
Planned ROE (except the amount of net interest)	-	(8,714)	(8,714)
Actuarial (gains) losses – Changes in Demographic Assumptions	285	-	285
Actuarial (gains) losses – Change in financial assumptions	17,597	-	17,597
Actuarial gains – adjustment through experience	(738)	-	(738)
Recognized in the other comprehensive profit of loss	17,144	(8,714)	8,430
Employer appropriation	-	(22,610)	(22,610)
Benefits paid	(45,988)	10,161	(35,827)
Balance as of December 31, 2020	$ 703,213	($ 299,736)	$ 403,477

The pension fund system of the Consolidated Company contained in the consolidated financial statements is exposed to the following risks due to the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor Affairs uses the labor pension fund for investment in domestic and foreign equity securities and debt securities, and as bank deposits through proprietary trade or commissioned third parties. However, the amount attributable to the planned asset of the consolidated company shall not fall below the interest rate offered

by the banks in the regions or countries of investment for 2-year time deposit as return.

2. Interest rate risk: The decrease of the interest rate of government bonds and corporate bonds will cause the present value of the defined benefit obligations to go up; however, the return on the debt of the plan assets will go up too; therefore, they will mutually offset the impact on the net defined benefit liabilities.

3. Salary risk: the calculation of the present value of defined benefit obligation is based on the salaries of the members in the plan of the future. As such, an increase of the salaries of the members of the plan is bound to increase the present value of defined benefit obligation.

The defined benefit obligation of the Consolidated Company contained in the consolidated financial statements is based on the actuarial calculation of the actuary and the major assumption as of the evaluation day is shown below:

	December 31, 2020	December 31, 2019
Discount rate	0.50%	0.75%
The expected rate of increase in salaries	2.00~2.50%	2.00~2.50%

In case of reasonable and possible change in the major actuarial assumptions, and other assumptions remained unchanged, the amount of increase (decrease) in the present value of defined benefit obligation will be:

	December 31, 2020	December 31, 2019
Discount rate		
Increase by 0.25%	($ 17,598)	($ 18,672)
Decrease by 0.25%	$ 18,241	$ 19,379
The expected rate of increase in salaries		
Increase by 0.25%	$ 17,586	$ 18,727
Decrease by 0.25%	($ 17,060)	($ 18,143)

Actuarial assumptions may be inter-related. The possibility of change in specific assumption is not high. The aforementioned sensitivity analysis may not be able to reflect the actual change in the present value of defined benefit obligation.

	December 31, 2020	December 31, 2019
Amount projected for appropriation in 1 year	$ 21,980	$ 23,910
Average maturity of defined benefit obligation	10–11 years	10–11 years

21. Equity

(1) Capital stock

Common share

	December 31, 2020	December 31, 2019
Authorized number of shares (thousand shares)	1,500,000	1,500,000
Authorized capital	$ 15,000,000	$ 15,000,000
Number of shares issued with fully paid-in capital (thousand shares)	387,200	387,200
Outstanding capital	$ 3,872,000	$ 3,872,000

(2) Additional paid-in capital

	December 31, 2020	December 31, 2019
For loss make-up, payment in cash or capitalization as equity (1)		
Treasury stock trade	$ 34,376	$ 14,824
Gain on disposal of assets	50	50
The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	2,090	2,069
Only for loss make-up		
Changes in net equity in affiliated companies and joint ventures recognized under the equity method (2)	135,183	134,431
	$ 171,699	$ 151,374

1. Such additional paid-in capital can be used to make up for losses; also, when the Company is without any loss, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.
2. Such additional paid-in capital is the equity trade effect recognized due to the changes in the subsidiary's equity when the Company has not actually acquired or disposed the equity of the subsidiary, or the amount of adjustment to the additional paid-in capital of the subsidiary recognized under the equity method.

A reconciliation of the balances of various types of capital surplus for 2020 and 2019 is as follows

	Treasury stock trade	Gain on disposal of assets	Changes in affiliates and joint ventures recognized under the equity method	The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	Total
Balance as of January 1, 2020	$ 14,824	$ 50	$ 134,431	$ 2,069	$ 151,374
Transfer of treasury shares to employees	3,670	-	-	-	3,670
Changes in affiliates and joint ventures recognized under the equity method	-	-	752	-	752
Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	15,882	-	-	-	15,882
The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	-	-	-	21	21
Balance as of December 31, 2020	$ 34,376	$ 50	$ 135,183	$ 2,090	$ 171,699
Balance as of January 1, 2019	$ -	$ 50	$ 130,748	$ 2,135	$ 132,933
Changes in affiliates and joint ventures recognized under the equity method	-	-	3,683	-	3,683
Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	14,824	-	-	-	14,824
The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	-	-	-	(66)	(66)
Balance as of December 31, 2019	$ 14,824	$ 50	$ 134,431	$ 2,069	$ 151,374

(3) Retained earnings and Dividend Policy

According to the Articles of Incorporation, the policy for the distribution of earnings stated that if there is a surplus after account settlement of the fiscal year, SAMPO shall pay applicable taxes and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, and appropriate for special reserve or reverse special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividend under a proposal prepared by the Board subject to the final approval of the General Meeting of Shareholders. See Note 23, “7. Remuneration to Employees and Directors” for SAMPO’s policy on the distribution of employee and director remuneration under the Articles of Incorporation.

SAMPO’s dividend policy is to distribute dividends to shareholders in cash or in stock, with cash dividends being no less than 10% of the total dividends, in accordance with current and future development plans and taking into account the investment environment, capital requirements and domestic and international competition, and the interests of shareholders.

Legal reserve shall be allocated up to the amount equivalent to the paid-in capital of the Company. Legal reserve could be allocated for covering loss carried forward. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out as cash dividend.

SAMPO has special reserve appropriated and reversed in accordance with the Jin-Guan-Zhen-Fa-Zi No. 1010012865 Letter, Jin-Guan-Zhen-Fa-Zi No. 1010047490 Letter, Jin-Guan-Zhen-Fa-Zi No. 1030006415 Letter and “Appropriation of Special Reserve Q&A after the Adoption of International Financial Reporting Standards (IFRSs).”

At the shareholders’ meetings held on June 12, 2020 and June 19, 2019, SAMPO resolved to distribute the earnings for the years 2019 and 2018, respectively, as follows.

	Distribution of retained earnings		Dividend Per Share (NTD)	
	2019	2018	2019	2018
Statutory reserves	$ 73,896	$ 66,181	$ -	$ -
Cash dividend	570,600	531,160	1.5	1.4

The Board of Directors proposed the following earnings distribution proposal for 2020 on March 24, 2021.

	Distribution of retained earnings	Dividend Per Share (NTD)
Statutory reserves	$178,645	$ -
Cash dividend	955,750	2.5

The earnings distribution proposal for 2020 is pending the resolution of the shareholders’ meeting scheduled to be held in June 2021.

(4) Special reserves

	2020	2019
Beginning retained earnings	$ 1,688,706	$ 1,917,160
Reversal of special reserve		
Disposal of land	(95,918)	-
Disposal of non-current assets held for sale	-	(44,135)
Disposition of subsidiaries	-	(184,319)
Balance, ending	$ 1,592,788	$ 1,688,706

(5) Other equity

1. Exchange differences from the translation of financial statements of foreign operations

	2020	2019
Balance, beginning of year	($ 305,398)	($ 258,372)
Generated in the year		
Translation differences of foreign operations	(2,572)	51,378
The shares of profit and/or loss at equity method over the affiliates	31,708	(98,404)
Other comprehensive income of the current year	29,136	(47,026)
Balance, end of year	($ 276,262)	($ 305,398)

2. Unrealized gain on financial assets at fair value through other comprehensive profit or loss

	2020	2019
Beginning retained earnings	$ 134,923	($ 66,138)
Accrued in current year		
Unrealized gain or loss		
Equity instrument	(96,170)	159,073
The shares of profit and/or loss at equity method over the affiliates	94,843	5,717
Other comprehensive income of the current year	(1,327)	164,790
The accumulated gain/loss from the disposition of equity instruments will be transferred to retained earnings.	-	36,271
Balance, end of year	$ 133,596	$ 134,923

(6) Non-controlling interests

	2020	2019
Beginning retained earnings	$ 303,057	$ 276,706
Net profits for the year	40,002	33,899
Other comprehensive income of the current year		
Exchange differences from the translation of financial statements of foreign operations	296	(858)
Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	(6)	(17)
Remeasurement of defined benefit plan	656	(1,190)
The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	(21)	66
Acquisition of non-controlling interests in subsidiaries	(300)	-
Cash dividends paid by subsidiaries	(14,910)	(16,845)
Cash capital reduction by subsidiaries	-	(13,204)
Cash capital increase by subsidiaries	-	24,500
Balance, end of year	$ 328,774	$ 303,057

(7) Treasury shares

Unit: 1,000 shares/thousand

Cause	Stock transfer to employees	Shares of parent company held by subsidiaries	Total
Number of shares as of January 1, 2020	7,800	10,432	18,232
Decrease	(1,000)	-	(1,000)
Number of shares as of December 31, 2020	6,800	10,432	17,232
Number of shares as of January 1, 2019	8,800	10,432	19,232
Decrease	(1,000)	-	(1,000)
Number of shares as of December 31, 2019	7,800	10,432	18,232
Amount as of January 1, 2020	$ 124,661	$ 484,146	$ 608,807
Decrease in the period:			
Stock transfer to employees	(15,980)	-	(15,980)
Amount as of December 31, 2020	$ 108,681	$ 484,146	$ 592,827
Amount as of January 1, 2019	$ 140,641	$ 484,146	$ 624,787
Decrease in the period:			
Stock transfer to employees	(15,980)	-	(15,980)
Amount as of December 31, 2019	$ 124,661	$ 484,146	$ 608,807

In order to protect SAMPO's credit and shareholders' interests, the subsidiary held the Company's shares as of the balance sheet date, and the related information is as follows.

Subsidiary name	Shares (thousand shares)	Carrying amount	Market price
December 31, 2020			
QUANBAO INVESTMENT	10,050	$ 482,468	$ 261,798
AMIGO LOGISTICS CORPORATION	382	1,678	9,945
		$ 484,146	$ 271,743
December 31, 2019			
QUANBAO INVESTMENT	10,050	$ 482,468	$ 202,504
AMIGO LOGISTICS CORPORATION	382	1,678	7,693
		$ 484,146	$ 210,197

On January 8, 2020 and January 17, 2019, the Board of Directors resolved to transfer 1,000 thousand shares of treasury stock to employees in accordance with the measures for transferring treasury stock to employees. The above transfers were completed in February 2020 and February 2019, respectively, and the treasury stock of $15,980 thousand was written off.

SAMPO's Treasury stock may not be pledged in accordance with the Security and Exchange Law; moreover, it is without the privilege of dividend and voting right. Sampo Corporation's shares held by subsidiaries are treated as treasury stock and have the same rights as those of ordinary shareholders, except that they are not allowed to participate in the capital increase of Sampo Corporation and have no voting rights.

22. Income

	2020	2019
Revenue from contracts with customer		
Commodity sales revenue	$ 6,639,970	$ 6,213,094
Transportation Service revenues	729,374	647,741
Licensing revenues	21,977	17,365
Other income	278,699	237,809
	$ 7,670,020	$ 7,116,009

(1) Description of customer contracts

1. Commodity sales revenue

Home appliances and electronic products are sold to distributors or through SAMPO's self-operated stores and online. The Consolidated Company gives price discounts to distributors when they meet the contractual requirements. The amount of revenue is based on the most probable amount of the discount considering the distributor's past orders, and the refund liability (recorded as other current liabilities) is recognized accordingly. Please refer to Note 18. The rest of the products are sold at a fixed price as agreed in the contract.

In accordance with commercial practice, the Consolidated Company accepts returns of home appliances and electronic products for full refund. Considering the experience accumulated in the past, the Consolidated Company estimated the return rate based on the most probable amount and recognized the refund liability (recorded as other current liabilities), please refer to Note 18. Please refer to Note 19 for the description of defective warranty obligations for home appliances and electronic products.

2. Transportation Service revenues

The contracts signed by the Transportation business include two performance obligations: freight transportation and storage rental. Since the time interval between the transfer of goods and services and the customer's payment does not exceed one year, the significant financial components of the contract consideration are not adjusted. The individual selling prices for freight transportation and storage rentals are determined using the expected cost plus profit method and observable selling prices, respectively, and are used to allocate contractual consideration.

3. Licensing revenues

SAMPO's trademark licensing is determined based on the actual sales volume for trademark licensing transaction.

(2) Contract balances

	December 31, 2020	December 31, 2019
Accounts receivable (Note 9)	$ 459,508	$ 503,761
Contract liabilities – current (Note 18)		
Product sales	$ 29,969	$ 49,182

Revenue from customer contracts is mainly derived from merchandise sales. Under the contracts with customers, the Consolidated Company receives advance payments from customers in advance and records contract liabilities.

23. Net profits of the current year

The net income of the current year includes the following items:

(1) Interest income

	2020	2019
Bank deposits	$ 2,960	$ 5,204
Financial assets measured at amortized cost	6,192	14,104
Others	945	4,751
	$ 10,097	$ 24,059

(2) Other income

	2020	2019
Rent revenue	$ 7,235	$ 6,652
Dividend income	8,708	3,339
Others	38,274	41,187
	$ 54,217	$ 51,178

(3) Other profits and losses

	2020	2019
Gain (loss) on financial assets and liabilities at fair value through profit and loss	$ 906	$ 1,019
Gain in disposal of real estate, plant buildings, equipment & facilities	1,371,906	628
Gain on disposal of non-current assets held for sale	-	361,486
Net foreign exchange loss	(20,878)	(56,570)
Lease modification gain	92	25
Others	(29,776)	(19,143)
	$ 1,322,250	$ 287,445

(4) Financial costs

	2020	2019
Interest from bank borrowings	$ 20,099	$ 27,045
Interest on lease liabilities	4,176	2,968
	$ 24,275	$ 30,013

(5) Depreciation and amortization

	2020	2019
Property, Plant and Equipment	$ 95,139	$ 97,813
right-of-use asset	75,010	41,638
Investment Property	6,531	2,720
Intangible asset	39,628	42,998
Total	$216,308	$185,169
Consolidation of depreciation expenses based on functions		
Operating cost	$112,580	$ 89,290
Operating expenses	64,100	52,881
	$176,680	$142,171
Consolidation of amortization expenses based on functions		
Operating expenses	$ 39,628	$ 42,998

(6) Employee benefits expenses

	2020	2019
Post-employment benefits (Note 20)		
Defined contribution plans	$ 33,027	$ 31,963
defined benefit plan	8,646	11,167
	41,673	43,130
Termination benefits	2,467	2,621
Other employee benefits	1,152,291	1,033,672
Total employee benefits expenses	$ 1,196,431	$ 1,079,423
Consolidation based on functions		
Operating cost	$ 599,089	$ 588,861
Operating expenses	597,342	490,562
	$ 1,196,431	$ 1,079,423

(7) Remuneration to the employees and the directors

SAMPO appropriates no less than 1% and no more than 3% of the profits before tax and before the distribution of employees' and directors' remuneration for the year as Remuneration to employees and directors The remuneration to employees and directors for 2020 and 2019 was resolved on March 24, 2021 and March 17, 2020 by the board of directors as follows.

Estimate on ratio

	2020	2019
Remuneration to employees	2.20%	2%
Remuneration to directors	0.80%	1%

Amount

	2020	2019
	Cash	Cash
Remuneration to employees	$ 45,577	$ 15,649
Remuneration to directors	16,574	7,825

If there are still changes in the amount specified in the consolidated financial statement after announcement, proceed to the accounting of change and adjusted for booking in the next fiscal year.

There was no difference between the actual amount of employees' and directors' remuneration paid for 2019 and 2018 and the amount recognized in the consolidated financial statements in 2019 and 2018.

For information on remuneration to employees and directors as resolved by the Board of Directors in 2021 and 2020, please visit the Market Observation Post System of the Taiwan Stock Exchange.

24. Income tax

(1) The main composition items recognized as income tax expenses in income

	2020	2019
Income tax expenses in the current period		
Accrued in current year	$353,422	$ 24,865
Additional levy on undistributed earnings	1,464	2,301
Prior year adjustment	1,597	(11,887)
	356,483	15,279
Deferred tax		
Accrued in current year	(107,872)	23,664
Income tax expense recognized in the profit or loss	$248,611	$ 38,943

Adjustment of accounting income and income tax expense are as follows:

	2020	2019
Profit before tax	$ 2,084,606	$ 811,805
Income tax expense of net income before tax at the statutory tax rate (20%)	$ 416,921	$ 162,361
Non-deductible expenses and losses for tax purposes	604	10,783
Non-taxable income	(310,265)	(116,882)
Additional levy on undistributed earnings	1,464	2,301
Unrecognized loss carryforward	(7,417)	6,904
Unrecognized temporary differences	4,086	(22,687)
Land revaluation increment tax	141,958	-
The prior year's income tax expenses adjusted in the current period	1,597	(11,887)
Effect of variation in taxation rates on the consolidation of the group and individual entities.	(337)	8,050
Income tax expense recognized in the profit or loss	$ 248,611	$ 38,943

The tax rate applicable to the subsidiaries in the China is 25%; the tax rates applicable to other subsidiaries are based on the tax rate applicable to the respective jurisdictions.

(2) Income tax recognized in the other comprehensive profit or loss

	2020	2019
Deferred tax		
Generated in the year		
- Remeasurement of defined benefit plan	($ 600)	$ 1,086
Income tax recognized in the other comprehensive profit or loss	($ 600)	$ 1,086

(3) Current income tax asset and liability

	December 31, 2020	December 31, 2019
Current income tax asset		
Tax refund receivable	$ 490	$ 493
Current Tax Liability		
Payable income tax	$ 97,865	$ 16,173

(4) Deferred income tax assets and liabilities

Changes in the deferred income tax assets and liabilities are as follows:

2020

	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Balance, end of year
Deferred tax assets				
Temporary difference				
Loss allowance	$ 9,971	$ 506	$ -	$ 10,477
Inventory	11,943	(1,842)	-	10,101
Investment under the equity method	(47,948)	15,200	-	(32,748)
right-of-use asset	188	(188)	-	-
Other payables	137,313	15,130	-	152,443
Vacation benefit payable	5,794	(681)	-	5,113
Liability reserve	35,196	669	-	35,865
Net defined benefit liability	(10,720)	(7,523)	(600)	(18,843)
Employee benefits payable	101	7	-	108
Other non-current liabilities	13	(11)	-	2
Exchange gain	2,236	(4,605)	-	(2,369)
Others	534	89	-	623
Total	$ 144,621	$ 16,751	($ 600)	$ 160,772
Deferred tax liabilities				
Temporary difference				
Land revaluation increment tax	$ 965,922	($ 91,121)	$ -	$ 874,801

2019

Deferred tax assets	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Balance, end of year
Temporary difference				
Loss allowance	$ 10,536	($ 565)	$ -	$ 9,971
Inventory	11,370	573	-	11,943
Investment under the equity method	(73,983)	26,035	-	(47,948)
right-of-use asset	-	188	-	188
Other payables	143,694	(6,381)	-	137,313
Vacation benefit payable	4,932	862	-	5,794
Liability reserve	35,835	(639)	-	35,196
Net defined benefit liability	(2,524)	(9,282)	1,086	(10,720)
Employee benefits payable	43	58	-	101
Other non-current liabilities	14	(1)	-	13
Exchange gain	(2,406)	4,642	-	2,236
Loss deduction	39,276	(39,276)	-	-
Others	412	122	-	534
Total	$ 167,199	($ 23,664)	$ 1,086	$ 144,621

Deferred tax liabilities	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Balance, end of year
Temporary difference				
Land revaluation increment tax	$ 991,474	($ 25,552)	$ -	$ 965,922

(5) Unused loss carryforwards not recognized in the consolidated balance sheet as deferred income tax assets

	December 31, 2020	December 31, 2019
Loss deduction		
2020 Annual dues	$ -	$ 111,819
2021 Annual dues	-	944
2022 Annual dues	90,910	95,611
2023 Annual dues	53,939	53,939
2024 Annual dues	49,505	49,505
2025 Annual dues	19,625	19,625
2026 Annual dues	10,896	10,896
2027 Annual dues	37,019	37,019
2028 Annual dues	17,216	17,216
2029 Annual dues	44,161	-
	$ 323,271	$ 396,574

(6) Income tax audit

The profit-seeking enterprise income tax returns for SAMPO CORPORATION, NELONG Company, DEBAO HOME APPLIANCE, AMIGO LOGISTICS, QUANBAO INVESTMENT, NISSIN GLOBAL LOGISTICS, QUANBAO INVESTMENT, SAMPO HOME INC. have been assessed by tax authorities through 2018.

25. Earnings per share (EPS)

The earnings and weighted average common stock shares used in calculating the earnings per share are as follows:

Net profits of the current year

	2020	2019
Net profit attributable to the company	$ 1,795,993	$ 738,963
The earnings used to calculate diluted earnings per share (EPS)	$ 1,795,993	$ 738,963

Shares

Unit: shares in thousands

	2020	2019
Weighted average common stock shares used to calculate basic earnings per share	369,885	368,802
Effect of dilutive potential common stock:		
Remuneration to employees	2,546	973
Weighted average common stock shares used to calculate diluted earnings per share	372,431	369,775

If the consolidated company may choose to have the employee compensation distributed via a stock or cash dividend, calculate the diluted earnings per share, assuming that the bonus to employees is with a stock dividend distributed, with the weighted average number of shares outstanding included when the potential common stock has a diluted effect. When diluted EPS is calculated in the next year resolves the number of share distribution for employee compensation, the dilution effect is also considered for such potential common shares.

26. Equity transactions with the non-controlling equity

In March 2020, the Consolidated Company acquired 0.04% of the shares of AMIGO LOGISTICS CORPORATION, resulting in an increase in shareholding from 72.61% to 72.65%.

In April 2019, the Consolidated Company subscribed for the cash capital increase of NISSIN GLOBAL LOGISTICS (formerly “NISSIN Company”) not in proportion to its shareholding, resulting in a reduction of its shareholding from 100% to 51%.

Since the transaction referred to above did not change the control of the Consolidated Company over the subsidiaries, the Consolidated Company has it processed as an equity transaction.

2020

	NISSIN GLOBAL LOGISTICS	Total
Payment of cash consideration	($ 300)	($ 300)
The carrying amount of the subsidiary's net assets should be (transferred in) transferred out of non-controlling interests based on the relative changes in equity.	321	321
Equity transaction balance	$ 21	$ 21
Adjustment of equity transaction balance		
Capital surplus – The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	$ 21	$ 21

2019

	NISSIN GLOBAL LOGISTICS	Total
Payment of cash consideration	$ -	$ -
The carrying amount of the subsidiary's net assets should be (transferred in) transferred out of non-controlling interests based on the relative changes in equity.	(66)	(66)
Equity transaction balance	($ 66)	($ 66)
Adjustment of equity transaction balance		
Capital surplus – The differences between carrying amount and market price of actual acquisition or disposal of shares in subsidiaries.	($ 66)	($ 66)

27. Capital risk management

The consolidated company manages capital to ensure the Group's enterprises to maximize shareholder's returns by optimizing the balance of debt and equity under the precondition of continuing operation.

The Consolidated Company's capital structure consists of net debt (i.e. borrowings less cash and cash equivalents) and equity attributable to shareholders of SAMPO (i.e. capital stock, capital surplus, retained earnings and other equity items).

28. Financial instrument

(1) Information on fair value – financial instruments at fair value on repetition.

1. Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive profit or loss				
Equity investment				
- Domestic unlisted stocks	$ -	$ -	$ 169,851	$ 169,851
- Foreign unlisted stocks	-	-	255,357	255,357
Total	$ -	$ -	$ 425,208	$ 425,208

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive profit or loss				
Equity investment				
- Domestic unlisted stocks	$ -	$ -	$ 194,423	$ 194,423
- Foreign unlisted stocks	-	-	326,961	326,961
Total	$ -	$ -	$ 521,384	$ 521,384

There were no transfers between Level 1 and Level 2 fair value measurements in 2020 and 2019.

2. Financial instruments are adjusted according to Level 3 fair value.

January 1 to December 31, 2020

Financial asset	Financial assets at fair value through other comprehensive profit or loss Equity instrument
Beginning retained earnings	$ 521,384
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income)	(96,176)
Balance, ending	$ 425,208

January 1 to December 31, 2019

Financial asset	Financial assets at fair value through other comprehensive profit or loss Equity instrument
Beginning retained earnings	$ 364,358
Recognized in other comprehensive income (unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income)	157,689
Disposal	(663)
Balance, ending	$ 521,384

3. Evaluation techniques and an input value of Level 3 fair value measurement

The fair value of unlisted (over-the-counter) equity instruments is estimated based on an analysis of the financial condition and results of operations of the investees, the quoted prices of the shares of companies with similar operations in active markets, the value multipliers implied by these prices and relevant transaction information, and the valuation of the subject by an appropriate multiplier, taking into account the financial performance of the subject.

(2) Categories of financial instruments

	December 31, 2020	December 31, 2019
Financial asset		
Financial assets based on cost after amortization (Note 1)	$ 1,769,394	$ 2,067,095
Financial assets at fair value through other comprehensive profit or loss		
Equity investment	425,208	521,384
Financial liability		
Based on cost after amortization (Note 2)	2,277,438	3,330,110

Note 1: The balance consists of financial assets measured at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, notes and accounts receivable from related parties, other receivables, other receivables from related parties, time deposits with original maturities of more than three months and pledged time deposits.

Note 2: The balance consists of financial liabilities measured at amortized cost, including short-term borrowings, short-term notes payable, notes payable, accounts payable, notes and accounts payable to related parties, other payables, long-term loans due within one year, and long-term loans.

(3) Purpose and policy of financial risk management

The Consolidated Company's major financial instruments include investments in equity and debt, accounts receivable, accounts payable and borrowings. Among the financial instruments held by the Consolidated Company mentioned above, the financial risks associated with operations include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

Due to the operating activities, the major financial risk faced by the consolidated company is the foreign currency exchange rate risk (see (1) below) and interest rate risk (see (2) below).

(1) Exchange rate risk

Several subsidiaries of SAMPO engage in foreign currency-denominated sales and purchase transactions, which expose the Consolidated Company to exchange rate risk.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are shown in Note 32.

Sensitivity analysis

The Consolidated Company is prone to the impact of changes in USD exchange rates.

The consolidated company's sensitivity analysis for New Taiwan Dollar (functional currency) to each relevant foreign currency exchange rates that increased or decreased by 1% is illustrated in the following table. The 1% sensitivity is used internally for reporting the exchange rate risk to management and is the assessment by management regarding the reasonable and possible changes in foreign exchange rates. The sensitivity analysis includes only the outstanding monetary items in foreign currency; also, the translation at year-end is adjusted in accordance with the changes in exchange rates by 1%. The positive numbers in the following table represent the increase in net profits before tax if the NTD weakens by 1% against the respective currencies, and the negative numbers for the same amount represent the decrease in net profits before tax if the NTD strengthens by 1% against the respective currencies.

	Impact of USD (i)	
	2020	2019
Profit or loss	$ 3,621	$ 9,669

(i) These receivables and payables are mainly due to the Consolidated Company's outstanding USD-denominated receivables and payables that are not cash flow hedged as of the balance sheet date.

(2) Interest rate risk

Interest rate risk exposure is due to the entities within the consolidated company borrowing funds at floating interest rates.

The book value of the consolidated company's financial assets and financial liabilities with interest rate exposure on the balance sheet date is as follows:

	December 31, 2020	December 31, 2019
With fair value interest rate risk		
Financial asset	$ 410,053	$ 932,087
Financial liability	-	549,785
Contain cash flow interest rate risk		
Financial asset	765,146	502,520
Financial liability	900,000	1,625,000

The Consolidated Company is exposed to cash flow interest rate risk as a result of holding floating rate bank loans. These circumstances are consistent with the Consolidated Company's policy of maintaining floating rate borrowings to reduce interest rate fair value risk. The Consolidated Company's cash flow interest rate risk is mainly due to fluctuations in benchmark interest rates related to NTD-denominated borrowings.

Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk exposure of the derivative and non-derivative instruments on the balance sheet date. For liabilities with floating rate, it is analyzed by assuming the liabilities on the balance sheet date are outstanding throughout the reporting period. The rate of change used by the Group to report interest rates to management is increased or decreased by 0.25%, which also represents management's assessment of the reasonably possible range of interest rates.

If interest rates had increased by 0.25%, with all other variables held constant, the Consolidated Company's net profits before income tax would have decreased by $337 thousand and $2,806 thousand for 2020 and 2019, respectively, mainly due to the Consolidated Company's exposure to fair value interest rate risk on its floating rate borrowings.

(3) Other price risk

The Consolidated Company has equity price risk exposure due to its investment in equity securities.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk at the balance sheet date.

If the equity price had increased by 1%, other comprehensive income after tax would have increased by $4,252 thousand in 2020, respectively, due to the increase in fair value of financial assets measured at fair value through other comprehensive income.

If the equity price had increased by 1%, other comprehensive income after tax would have increased by $5,214 thousand in 2019, respectively, due to the increase in fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

Credit risk meant for the consolidated company's risk of financial loss due to the counterparty's failure in fulfilling contractual obligations. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk of financial loss due to non-performance of counter-parties is mainly the carrying amount of financial assets recognized in the Consolidated Balance Sheet.

The Consolidated Company's credit risk is mainly concentrated in the Consolidated Company's top four customers. As of December 31, 2020 and 2019, the percentage of total accounts receivable from the aforementioned customers was 24% and 31%, respectively.

3. Liquidity risk

The consolidated company has supported the Group's business operation and mitigated the impact of changes in cash flow by managing and maintaining sufficient cash and cash equivalent position. The consolidated company's management monitors the use of banking facilities and ensures the compliance of loan agreement.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

Non-derivative financial liabilities remaining contract maturity analysis is prepared in accordance with the Consolidated Company's undiscounted cash flow of financial liabilities on the possible earliest repayment date upon request. Therefore, the consolidated company may be required to immediately repay the bank loan is illustrated in the following table without considering the probability that the bank may immediately exercise such right. The other non-derivative financial liabilities maturity analysis is prepared in accordance with the agreed repayment date.

For the cash flow of the interest paid in accordance with the floating rate, the undiscounted interest amount is deduced from the yield rate curve on the balance sheet date.

December 31, 2020

	Weighted average effective interest rate (%)	Less than 1 year	2–3 years	4 to 5 years	Total
Non-derivative financial liabilities					
Note and account payables	-	$ 848,596	$ -	$ -	$ 848,596
Other payables	-	528,842	-	-	528,842
lease liabilities	1.5	111,325	102,109	80,114	293,548
Floating rate instruments	1.08656~1.15	-	900,000	-	900,000
Fixed interest rate	-	-	-	-	-

December 31, 2019

	Weighted average effective interest rate (%)	Less than 1 year	2–3 years	4 to 5 years	Total
Non-derivative financial liabilities					
Note and account payables	-	$ 712,083	$ -	$ -	$ 712,083
Other payables	-	445,042	-	-	445,042
lease liabilities	1.5	58,215	85,561	116,731	260,507
Floating rate instruments	1.06~1.50	575,000	390,000	660,000	1,625,000
Fixed interest rate	1.038~1.58	549,785	-	-	549,785

Floating interest rate for the above-mentioned non-derivative financial liabilities will vary due to the differences of the floating interest rate and the interest rate estimated on the balance sheet.

(2) Financing amount

	December 31, 2020	December 31, 2019
Unsecured bank loan amount		
Amount utilized	$ 611,000	$ 1,313,000
Amount unutilized	3,199,000	2,067,000
	$ 3,810,000	$ 3,380,000
Secured bank loan		
Amount utilized	$ 600,000	$ 1,100,000
Amount unutilized	870,000	370,000
	$ 1,470,000	$ 1,470,000

29. Related party transaction

The transactions, account balances, income, expenses and losses between the Company and subsidiaries (related party of the Company) are offset at the time of consolidation; therefore, it is not disclosed in this note. The transactions conducted between the consolidated company and other related parties are as follows:

(1) Name of related parties and the relations

Name	Affiliation
RECHI PRECISION CO.,LTD.	Affiliate
Dyna Rechi Co., Ltd.	Other affiliate
Nucom International Corporation	Other affiliate
SYNVISION TECHNOLOGY SERVICE CORPORATION	Other affiliate
CINCHY CORPORATION	Other affiliate
NISSIN CORPORATION	Other affiliate
Chen Zhang Xiu Ju Culture and Education Foundation	Other affiliate
Chen Mao-Bang Industry and Commerce Development Foundation	Chairman of The Company

(2) Operating income

Account titles in book	Related party classification	2020	2019
Operating income	Affiliate	$ 929	$ 809
	Other affiliate	6,087	1,549
	Chairman of The Company	928	-
		$ 7,944	$ 2,358

The sales for related parties are based on the general distribution price, and the collection policy is the same as that for general customers, except for the 120-day collection period for some related parties.

(3) Purchase

Related party classification	2020	2019
Affiliate	$ 2,966	$ 2,630
Other affiliate	3,294	1,925
	$ 6,260	$ 4,555

The terms of the transactions between the Company and its related parties are not significantly different from those of the transactions with non-related parties.

(4) Receivables from concerned parties (excluding loans borrowed from concerned parties)

Account titles in book	Related party classification	December 31, 2020	December 31, 2019
Notes receivable	Other affiliate	$ -	$ 4
Trade receivable	Other affiliate	$ 5,247	$ 955
Other receivables	Other affiliate	$ 1	$ 26

The outstanding receivables from the related party are without any guarantees collected.

(5) Payables to concerned parties (excluding loans borrowed from concerned parties)

Account titles in book	Related party classification	December 31, 2020	December 31, 2019
Payable notes	Affiliate	$ -	$ 8
	Other affiliate	-	774
		$ -	$ 782
Accounts payable	Affiliate	$ 1,278	$ 65
	Other affiliate	1,412	-
		$ 2,690	$ 65
Other payables	Other affiliate	$ 31	$ -

For balance of payables to concerned parties outstanding, no guarantee has been provided.

(6) Operating expenses

Related party classification	2020	2019
Affiliate	$ 175	$ 18

(7) Remuneration to key management

	2020	2019
Short-term employee benefits	$ 47,279	$ 41,508
Post-employment benefits	989	1,053
	$ 48,268	$ 42,561

The salaries and remunerations to directors and other key management were determined by the Salary Committee in accordance with the personal performances and trends in the markets:

30. Pledged assets

The following assets have been provided as collateral for various loans to financial institutions and for tariff guarantees.

Guarantee items and assets	Content	Book value December 31, 2020	Book value December 31, 2019
Long-term borrowings			
Property, Plant and Equipment	Land (including revaluation increment)	$ 804,306	$ 804,306
	Land (including revaluation increment)	195,486	197,229
Guarantee of imported raw materials for bank letter of credit transactions			
Restricted assets – current	Demand deposits	9,146	9,627
Fuel Guarantee			
Restricted assets-non-current	Time deposits	24,000	24,000
Setting of Pledge for shipping Contract Transportation			
Restricted assets-non-current	Time deposits	3,000	3,000
		$ 1,035,938	$ 1,038,162

31. Significant contingent liabilities and unrecognized contractual commitments

In addition to those described in other notes, the Consolidated Company had the following material commitments and contingencies as of the balance sheet date.

(1) As of December 31, 2020 and 2019, the Consolidated Company had unused letters of credit of US$11,738 thousand and US$6,961 thousand, respectively, for the purchase of goods and materials.

(2) During 2004, SAMPO CORPORATION sold a number of home appliances to dealer, one of which was sold by its parent company, to an end customer in the United States. The end customer later claimed that a fire caused by SAMPO's appliances caused the damage caused by a fire in 2012 and sued dealer for compensations. Dealer and the customer had reached a settlement of their lawsuit, with paying compensation. Subsequently, Dealer filed an arbitration case with the American Arbitration Association, requesting SAMPO and Tianjin New Swell to compensate jointly and severally. The arbitration decision was rendered by the American Arbitration Association on February 3, 2016, which ruled that SAMPO and Tianjin New Swell should pay US$3,052 thousand in compensation for the relevant losses. The arbitration decision was approved by the U.S. Federal Court on January 17, 2018, which recognized the arbitration decision, but dealer has not yet done anything concrete as of September 30, 2020, and SAMPO has not yet received any documents such as notice of the arbitration ruling that dealer has filed with the court in Taiwan.

In accordance with Article 47 Paragraph 2 of the Arbitration Law of ROC, the foreign arbitral decision shall have the same effect among the parties involved as the final judgment of the R.O.C. court if it is recognized by the R.O.C. court upon dealer's application. On October 27, 2016, SAMPO received the Taiwan Taoyuan District Court's 2016 Letter Zhu-Zi No. 15 for dealer's application for recognition of the U.S. Arbitration Judgment, and based on the principle of conservatism, the Consolidated Company has made a provision of $99,216 thousand for compensation in that year.

As a result of the aforementioned claim by dealer, SAMPO turned to its insurer, Chung Kuo Insurance Co., Ltd. (hereinafter referred to as Chung Kuo Insurance), to seek compensation. In accordance with the contents of the product liability insurance policy signed with Chung Kuo Insurance, SAMPO filed a lawsuit in the court, demanding Chung Kuo Insurance to fulfill the insurance contract and compensate for the delayed interest in this case. The result of the lawsuit was unfavorable as ruled by the Taipei District Court in 2019. In 2020, SAMPO filed an appeal for the second instance trial and the case is still pending at the Taiwan High Court.

32. Information of foreign currency assets and liabilities with significant effects

The following information is expressed in foreign currencies other than the functional currencies of each entity within the consolidated company; also, the exchange rate disclosed refers to the exchange rate used for having such foreign currency converted into the functional currency. Foreign currency assets and liabilities with significant influence as follows:

December 31, 2020

	Foreign currency	Ending exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 12,599	28.48 (USD:NTD)	$ 358,817
USD	2,683	6.5249 (USD:RMB)	76,402
Foreign currency liabilities			
Monetary items			
USD	2,072	28.48 (USD:NTD)	59,011
USD	496	6.5249 (USD:RMB)	14,135
JPY	13,646	0.2763 (JPY:NTD)	3,770

December 31, 2019

	Foreign currency	Ending exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 32,298	29.980 (USD:NTD)	$ 968,288
USD	3,178	6.9762 (USD:RMB)	95,285
Foreign currency liabilities			
Monetary items			
USD	1,789	29.980 (USD:NTD)	53,630
USD	1,436	6.9762 (USD:RMB)	43,038
JPY	4,135	0.2760 (JPY:NTD)	1,141

The Consolidated Company is primarily exposed to foreign currency exchange rate risk in USD. The following information is presented in the functional currency of each entity possessing foreign currency. The disclosed exchange rate refers to the exchange rate of such functional currency converting into the presentation currency. Foreign currency gains/losses of material impact are as follows:

Foreign currency	2020 Average exchange rate	2020 Net exchange losses (gains)	2019 Average exchange rate	2019 Net exchange losses (gains)
USD	31.26 (USD:NTD)	($ 15,351)	31.09 (USD:NTD)	($ 19,635)
USD	7.1165 (USD:RMB)	(5,527)	6.9060 (USD:RMB)	(36,935)
		($ 20,878)		($ 56,570)

33. Notes of disclosure

(1) Material transactions (2) and transfer investment information:

1. Loans to others: none.
2. Endorsements/guarantees for others: none.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Exhibit 1
4. The cumulative purchase or sale of the same security for an amount exceeding NT$300 million or 20% of paid-in capital: None.
5. The acquisition of real estate for an amount exceeding NT$300 million or 20% of paid-in capital: None.
6. The disposal of real estate for an amount exceeding NT$300 million or 20% of paid-in capital: Exhibit 2
7. The purchase or sale with the related party for an amount exceeding NT$100 million or 20% of paid-in capital: Exhibit 3.
8. Receivables from related parties reaching $100 million or 20% of paid-in capital or more. None.
9. Engagement in derivative transactions: None.
10. Information on investees: Exhibit 4
11. Business relationships and significant intercompany transactions between parent and subsidiary and between subsidiaries: Exhibit 5

(3) Information regarding investment in the territory of Mainland China:

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China: Exhibit 6
2. The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses: Exhibit 7
    (1) Amounts and percentages of purchases and related payables at the end of the period.
    (2) Amounts and percentages of sales and related receivables at the end of the period.
    (3) Amount of property transaction and amount of the profit and/or loss so incurred.

(4) Balance and purposes of endorsements/guarantees or collateral provided at end of the term.

(5) The highest balance of fund financing balance at end of the term, range of interest rates and total amount of interest in the current term.

(6) Other transactions having significant effect upon profit and/or loss or financial standing of the current term, e.g. provision or acceptance of services.

(4) Name, number and percentage of shares held by shareholders with 5% or more of the shares: Exhibit 8

34. Segment information

The information provided to the major operating decision-maker for allocating resources and assessing segment performance is focusing on the type of product or service delivered or offered. The reportable segments of the Consolidated Company are as follows:

Electronics and Home Appliances Business

Transportation Business

(1) Segment revenues and operating results

The revenues and operating results of the Consolidated Company are analyzed by reportable segment as follows:

	Segment revenue		segment profit or loss	
	2020	2019	2020	2019
Electronics and Home Appliances Business	$ 6,940,646	$ 6,468,268	$ 381,312	$ 180,071
Transportation Business	729,374	647,741	145,998	117,724
Total amount	$ 7,670,020	$ 7,116,009	527,310	297,795
Interest income			10,097	24,059
Other income			54,217	51,178
Other profits and losses			1,322,250	287,445
Share of profit or loss of affiliated companies accounted for using the equity method			195,007	181,341
Financial costs			(24,275)	(30,013)
Profit before tax			$ 2,084,606	$ 811,805

Revenues reported above are generated from transactions with external customers. There were no inter-segment sales in 2020 and 2019

Segment profit represents the profit earned by each segment, excluding interest income, other income, other gains and losses, share of affiliated companies using the equity method, finance costs and income tax expense. The measured figures are provided for main decision makers to allocate resources to segments and evaluate the performance of each segment.

(2) Main revenues from products and service

An analysis of the Consolidated Company's revenue from major products and services is as follows

	2020	2019
Electronics and home appliance products	$ 6,940,646	$ 6,468,268
Transportation business and others	729,374	647,741
	$ 7,670,020	$ 7,116,009

(3) Information by areas

The Consolidated Company operates mainly in two areas – Taiwan and China

Information on the Consolidated Company's revenue from external customers by area of operations and non-current assets by area of assets is presented below:

	Income from external customers		non-current assets	
	2020	2019	December 31, 2020	December 31, 2019
Taiwan	$ 7,284,498	$ 6,706,910	$ 5,559,927	$ 5,441,030
Asia (excluding Taiwan)	385,522	409,099	50,322	62,201
	$ 7,670,020	$ 7,116,009	$ 5,610,249	$ 5,503,231

Non-current assets exclude investments accounted for using the equity method, financial instruments and deferred income tax assets.

(4) Information on key customers

Income generated from a single customer for more than 10% of the consolidated company's total income is as follows:

	2020	2019
Customer A	$ 1,528,624	$ 1,344,046

SAMPO CORPORATION and its Subsidiary

Marketable securities held – end of year

December 31, 2020

Exhibit 1

Unit: Unless otherwise stated, NT$ thousand

Holding company	Types and names of securities	Relationship with the securities issuer	Account titles in book	End of the period				Remarks
				Number of shares/units (in thousands)	Carrying amount	Ratio of Shareholding	Market price	
SAMPO CORPORATION	Nucom International Corporation	Other affiliate	Financial assets at fair value through other comprehensive income or loss – non-current	882	$ 31,576	4	$ 31,576	@35.79
	Chinese Television System Inc.	-	-	7,581	103,392	4	103,392	@13.64
	WK ASSOCIATES LTD.	-	〃	299	4,671	1	4,671	@15.62
	Pushi Venture Capital Co., Ltd.	-	〃	899	7,084	2	7,084	@7.88
	WK VIII ASSOCIATES LTD.	-	〃	867	4,352	2	4,352	@5.02
	GRACE THW HOLDING	-	〃	2,178	255,357	1	255,357	@117.26
	MICROMAX INTERNATIONAL CORP.	-	〃	3,380	12,471	19	12,471	@3.69
QUANBAO INVESTMENT CO., LTD.	Nucom International Corporation	Other affiliate	〃	144	5,154	1	5,154	@35.79
AMIGO LOGISTICS CORPORATION	A-KIN ALLIANCE LOGISTICS CO., LTD.	-	〃	250	1,151	7	1,151	@4.61
					$ 425,208		$ 425,208	
QUANBAO INVESTMENT CO., LTD.	SAMPO CORPORATION	Parent and Subsidiary	Financial assets at fair value through other comprehensive income or loss – non-current	10,050	$ 261,798	3	$ 261,798 (Note 1)	@26.05
AMIGO LOGISTICS CORPORATION	SAMPO CORPORATION	Parent and Subsidiary	Financial assets at fair value through other comprehensive income or loss – non-current	538	$ 14,030	-	$ 14,030 (Note 1)	@26.05

Note 1: QUANBAO INVESTMENT CO., LTD. and AMIGO LOGISTICS CORPORATION held the shares of SAMPO, which were treated as treasury stock and transferred from investments accounted for using the equity method to treasury stock with carrying amounts of $482,468 thousand and $1,678 thousand, respectively.

SAMPO CORPORATION and its Subsidiary

The disposal of real estate for an amount exceeding NT$300 million or 20% of paid-in capital

2020

Exhibit 2

Unit: Unless otherwise stated, amounts in NT$ Thousand

Company disposing property	Asset title	Date of event	Original acquisition date	Carrying amount	Trade value	The collection of proceeds	Capital gain/loss from disposition	Counterparties	Relation	Purpose of disposition	Reference for price determination	Other stipulations of the transaction
SAMPO CORPORATION	606, 619, 628, 620, 621, 630, 625, 627, 636, 567, 631, 631-1, 636-1, 636-2 and 636-3 of Dinghu Section, Guishan District, Taoyuan City and their above-ground buildings	2020.7.14	1988.8.8	$ 362,289	$ 1,800,000	Full recovery	$ 1,371,913 (Note 1)	Gen Yi Construction Co., Ltd.	None	Revitalization of company assets and efficient use of capital	In accordance with the valuation reports of Eurasian Real Estate Appraisal Associates and DTZ Real Estate Appraisal Associates, the sale will be conducted by public tender and bargaining, and the board of directors will authorize the chairman to decide.	Note 2

Note 1: The contract price of $1,800,000 thousand (including business tax), net of business tax and brokerage commission, was $1,781,470 thousand. The carrying amount of the real estate was $362,148 thousand and the non-transferred gain of $47,409 thousand from the sale and leaseback, resulting in a gain of $1,371,913 thousand from the transferred portion.

Note 2: The Company entered into a plant lease with Gen Yi Construction Co., Ltd., which was recognized as a lease agreement in accordance with IFRS 16 Sale and Leaseback Transactions.

SAMPO CORPORATION and its Subsidiary

The purchase or sale with the related party for an amount exceeding NT$100 million or 20% of paid-in capital

2020

Exhibit 3

Unit: Unless otherwise stated, NT$ thousand

Purchase (sale) company	Counterparties	Relation	Transactions				Trading terms different from general trade and reasons		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Percentage of total purchase (sale)	The credit period	Unit price	The credit period	Balance	Percentage of total notes and accounts receivable (payable)	
SAMPO CORPORATION	DEBAO HOME APPLIANCE CO., LTD.	Parent and Subsidiary	Purchase	$ 2,362,552	51%	Same as general suppliers	Cost plus 1% to 6.5%	—	—	—	
	NELONG ENTERPRISE CORPORATION LTD.	Parent and Sub-subsidiary	Purchase	138,919	3%	Same as general suppliers	Cost plus 1% to 6.5%	—	Accounts payable ($ 20,891)	(2%)	Note 1

Note 1: As of December 31, 2020, SAMPO's prepayment to NELONG ENTERPRISE CORPORATION LTD. was $73,288 thousand.

Note 2: Related party transactions between consolidated entities have been adjusted and eliminated

SAMPO CORPORATION and its Subsidiary

Information regarding investee's name and location, etc.

December 31, 2020

Exhibit 4

Unit: Unless otherwise stated, NT$ thousand

Investor	Name of investee	Location	Principal business	Sum of initial investment: Current period-end	Sum of initial investment: Previous period-end	Ending shareholding: Number of Shares (in thousands)	Ending shareholding: Ratio	Ending shareholding: Carrying amount	Current period profit/loss of the investee	Recognized investments for current period (loss) profit (Note 1)	Remarks
SAMPO CORPORATION	AMIGO LOGISTICS CORPORATION	Taiwan	Warehousing, transportation	$ 209,546	$ 209,546	21,155	49	$ 449,861	$ 116,389	$ 55,943	Note 2
	RECHI PRECISION CO.,LTD.	Taiwan	Compressor manufacturing, sales	1,550,990	1,544,735	135,610	27	2,739,654	709,491	189,203	Note 3
	New Swell International Investment Co., Ltd.	British Virgin Islands	Investment holding	31,060 (USD 1,000)	31,060 (USD 1,000)	1,000	100	82,360	1,699	1,699	Note 2
	QUANBAO INVESTMENT CO., LTD.	Taiwan	Investment business	1,076,000	1,076,000	114,325	100	528,149	41,496	25,533	Note 2
	DEBAO HOME APPLIANCE CO., LTD.	Taiwan	Home appliance manufacturing and sales	200,000	200,000	20,000	100	103,259	68,200	51,794	Note 2
	SAMPO HOME INC.	Taiwan	Real estate trading, leasing	500,000	500,000	50,000	100	420,298	(10,113)	(16,947)	Note 2
	SAMPO JAPAN INC.	Japan	Marketing and Promotion	JPY 30,000	JPY 30,000	3,000	100	5,627	(484)	(484)	Note 2
QUANBAO INVESTMENT CO., LTD.	AMIGO LOGISTICS CORPORATION	Taiwan	Warehousing, transportation	126,097	125,797	10,365	24	220,905	116,389	27,796	Note 2
	RECHI PRECISION CO.,LTD.	Taiwan	Compressor manufacturing, sales	92,740	92,740	4,136	1	103,515	709,491	5,804	Note 3
	NELONG ENTERPRISE CORPORATION LTD.	Taiwan	Electronics manufacturing and sales	36,600	36,600	3,660	61	52,843	19,193	11,707	Note 2
	SAMPO INTERNATIONAL FOOD SERVICE CO., LTD.	Taiwan	Food and beverage	100,000	50,000	10,000	100	62,278	(20,848)	(20,848)	Note 2
AMIGO LOGISTICS CORPORATION	NISSIN GLOBAL LOGISTICS (TAIWAN) CO., LTD.	Taiwan	Warehousing, transportation	32,090	32,090	2,550	51	21,026	(6,096)	(3,109)	Note 2
	AMIGO HOME LIFE CO., LTD.	Taiwan	Product installation and wholesale of electrics and electronic materials	21,000	21,000	2,100	100	22,039	1,243	1,243	Note 2
New Swell International Investment Co., Ltd.	DONGGUAN SAMPO ELECTRONICS CO., LTD.	China	Manufacturing and sale of electrics and electrons equipment	USD 1,400	USD 1,400	1,400	70	USD 1,993	USD 390	USD 273	Note 2
SAMPO HOME INC.	SAMPO ASSET MANAGEMENT CO., LTD.	Taiwan	Real estate trading, leasing	10,000	10,000	1,000	100	7,753	(1,550)	(1,550)	Note 2

Note 1: The investment income or loss recognized by the Company includes investment income or loss recognized for upstream transactions recorded in the book, net of dividends paid by the parent company to its subsidiaries.

Note 2: Subsidiary included in the consolidated entities.

Note 3: Equity-method investee included in the consolidated financial statements.

Note 4: For the equity-method subsidiaries included in the consolidated financial statements, investment income or loss recognized under the equity method, and the net equity of the investee are fully eliminated.

SAMPO CORPORATION and its Subsidiary

Business relationship and significant transactions between Parent Company and Subsidiaries

January 1 to December 31, 2020

Exhibit 5

Unit: Unless otherwise stated, NT$ thousand

Serial No. (Note 1)	Trader's name	Counterparty	Relationship with trader (Note 2)	Transactions			
				Title	Amount	Terms and conditions	Percentage in consolidated total revenue or total assets (Note 3)
0	SAMPO CORPORATION	DEBAO HOME APPLIANCE	1	Purchase	$ 2,362,552	The purchase price is based on cost.	31
		AMIGO LOGISTICS CORPORATION	1	Other payables	11,693		-
				Accounts payable	81,919		1
				Rent revenue	11,214	Rentals are priced based on general rental level	-
				Rental expense	56,686	Rentals are priced based on general rental level	1
				Transportation expenses	167,540	Transportation expenses are based on general market level	2
		DONGGUAN SAMPO ELECTRONICS CO., LTD.	1	Purchase	80,725	The purchase price is the cost, and the payment terms are the same as the general manufacturers.	1
				Accounts payable	15,126		-
		NELONG Company	1	Purchase	138,919	The purchase price is the cost, and the payment terms are the same as the general manufacturers.	2
				Accounts payable	20,891		-
				Prepayment for goods	73,288		1
2	AMIGO LOGISTICS CORPORATION	AMIGO HOME	3	Transportation expenses	145,404	Transportation expenses are based on general market level	2
				Notes payable	32,017		-

Note 1: The information of business operation between the parent company and its subsidiaries should be documented in the respectively numbered column as follows:

1. Fill in "0" for parent company.
2. The subsidiaries are sequentially numbered from 1 and so forth.

Note 2: The relationship with the traders is classified into three categories as follows:

1. Parent to Subsidiary.

2. Subsidiary to Parent

3. The Subsidiary to the Subsidiary.

Note 3: Calculate the ratio of the transaction amount to consolidate the total income or total assets. For the assets and liabilities account, calculate the ratio of the ending balance to the consolidated total assets. For the profits and losses account, calculate the ratio of the interim cumulated amount to the consolidated total income.

Note 4: The Company may determine discretionally whether to have the material transactions in the table illustrated according to its materiality.

SAMPO CORPORATION and its Subsidiary

Information regarding investment in the territory of mainland china

2020

Exhibit 6

Unit: Unless otherwise stated, NT$ thousand

Names of investees in China	Principal business	Paid-up capital	Mode of investments (Note 1)	Accumulated investment amount remitted at the beginning of the period	Amount of investment remitted or recovered in current period		Accumulated investment amount remitted at the end of the period	Current period profit/loss of the investee	Ratio of shareholding of investment directly or indirectly made by the Company	Investment gain and loss recognized in current period (Note 2)	Book value of investment at ending	The investment income received at the end of the current period	Remarks
					Outward remittance	Recover							
DONGGUAN SAMPO ELECTRONICS CO., LTD.	Manufacturing and sale of electrics and electrons equipment	USD 2 million	3	$ 42,180	$ -	$ -	$ 42,180	$ 12,204	70	$ 8,543 (Recognition basis B)	$ 56,769	$ -	

Company name	Accumulated amount of investment from Taiwan to mainland China at the end of the period .	Amount of investment approved by Investment Commission of MOEA	Investment amount approved by the Investment Commission MOEAIC
SAMPO CORPORATION	$ 2,105,454	$ 2,437,870	$ 4,659,178

Note 1: The investment methods can be divided into the following 5 types:

1. To invest in Mainland China companies through remittance from a third area.
2. To invest in Mainland China companies through a company invested and established in a third area.
3. To invest in Mainland China companies through reinvesting in an existing company in a third area.
4. To invest in Mainland China companies directly.
5. Other ways.

Note 2: Recognized as gains or losses on investment in current period:

(1) Please mark out if there has no investment gain or loss yet because the investment is still under planning.

(2) The basis of recognition of investment income is classified into following three types, which should be marked out.

A. The financial statements have been audited by an international CPA firm with which CPA firms in the ROC. has a cooperative relationship.

B. Financial statements audited by the CPAs who audit the parent company in Taiwan.

C. Others

Note 3: In accordance with the new regulations issued by the Investment Commission of the Ministry of Economic Affairs in August 2008, the Company's investment limit in Mainland China is calculated as 60% of the net worth or consolidated net worth, whichever is higher.

SAMPO CORPORATION and its Subsidiary

Significant transactions with investees in Mainland China directly or indirectly through enterprises in third regions

2020

Exhibit 7

Unit: Unless otherwise stated, NT$ thousand

Purchase (sale) company	Counterparties	Relation	Transaction type	Purchase (sale)		Terms and conditions			Notes and accounts receivable (payable)		Unrealized gain or loss
				Balance	Percentage (%)	Price	Payment term	Comparison with general transaction	Balance	Percentage (%)	
SAMPO CORPORATION	DONGGUAN SAMPO ELECTRONICS CO., LTD.	Parent and Sub-subsidiary	Purchase	$ 80,725	2%	Cost or cost plus 1% to 6.5%	Same as general suppliers	Purchase price is better than general manufacturers	Accounts payable ($ 15,126)	(2%)	$ -

Note 1: Related party transactions between consolidated entities have been adjusted and eliminated

SAMPO CORPORATION and its Subsidiary

Information on Dominant Shareholders

December 31, 2020

Exhibit 8

Names of Dominant Shareholders	Share	
	Shareholding	Shareholding percentage
MACLADY INVESTMENT LTD.	33,108,800	8.55%

Note 1: The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares whose registration and delivery have been completed in non-physical form (including treasury shares). The number of shares recorded in the Company's consolidated financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.

Note 2: If a shareholder delivers his or her shares to a trust, the above information shall be disclosed by the individual trustor account opened by the trustee As for the shareholder's declaration of insider's equity in accordance with the Securities and Exchange Act, the shareholding of the shareholder includes his or her own shares plus the shares that he or she has delivered to a trust and has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider's equity declaration.