

**CHINA METAL PRODUCTS CO., LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**with Independent Auditors' Review Report
For the Three Months Ended March 31, 2020 and 2019**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of China Metal Products Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of China Metal Products Co., Ltd. (the "Company") and its subsidiaries (the "Group") as of March 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$5,300,300 thousand and \$5,497,528 thousand, constituting 12.50% and 13.56% of consolidated total assets, and total liabilities amounting to \$3,433,177 thousand and \$3,173,801 thousand, constituting 12.79% and 13.70% of consolidated total liabilities as of March 31, 2020 and 2019, respectively, as well as total comprehensive income (loss) amounting to \$(60,424) thousand and \$27,018 thousand, constituting 30.77% and 5.46% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2020 and 2019, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$815,300 thousand and \$860,030 thousand as of March 31, 2020 and 2019, respectively, and its equity in net earnings on these investee companies of \$(30,894) thousand and \$(5,918) thousand for the three months ended March 31, 2020 and 2019, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020 and 2019, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Kuo-Yang Tseng and Shih-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)
May 12, 2020

Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2020 and 2019

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2020, December 31, 2019, and March 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

		<u>March 31, 2020</u>		<u>December 31, 2019</u>		<u>March 31, 2019</u>				<u>March 31, 2020</u>		<u>December 31, 2019</u>		<u>March 31, 2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets															
Current assets:															
1100	Cash and cash equivalents (Notes 6(a) and (y))	\$ 3,895,906	9	3,700,547	9	3,984,008	10	2100	Short-term borrowings (Notes 6(l) and (y))	\$ 9,744,038	23	8,168,354	19	7,424,751	18
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and (y))	47,200	-	51,440	-	12,800	-	2130	Current contract liabilities (Notes 6(u) and 9(a))	1,662,666	4	1,388,953	4	619,794	2
1170	Notes and accounts receivable, net (Notes 6(d), (u) and (y))	3,249,330	8	3,903,549	9	4,282,773	10	2170	Notes and accounts payable (Notes 6(y) and 7)	1,920,574	5	2,598,484	6	2,447,137	6
1180	Accounts receivable due from related parties, net (Notes 6(y) and 7)	1,047	-	515	-	1,751	-	2180	Accounts payable due to related parties (Notes 6(y) and 7)	28,349	-	29,717	-	21,077	-
1200	Other receivables (Note 6 (y))	51,390	-	47,180	-	49,037	-	2200	Other payables (Note 6(y))	688,596	2	837,271	2	984,934	3
1210	Other receivables due from related parties (Notes 6(y) and 7)	34,549	-	28,160	-	21,063	-	2220	Other payables due to related parties (Notes 6(y) and 7)	9,922	-	13,491	-	3,694	-
130X	Inventories (Notes 6(e), 8 and 9(a))	17,768,676	42	17,686,807	41	14,407,549	35	2230	Current income tax liabilities	100,882	-	113,999	-	64,326	-
1410	Prepayments (Note 9(a))	299,787	1	268,535	1	262,534	1	2280	Current lease liabilities (Notes 6(n) and (y))	189,867	-	190,521	-	189,928	-
1470	Other current assets	264,415	1	243,827	1	260,968	1	2322	Long-term borrowings, current portion (Notes 6(m) and (ac))	2,634,655	6	2,533,247	6	1,007,792	3
1476	Other current financial assets (Notes 6(y), 7, 8 and 9(a))	1,014,031	2	1,078,864	2	672,499	2	2360	Current net defined benefit liabilities	-	-	-	-	1,389	-
1480	Incremental costs of obtaining contracts	180,354	-	156,104	-	106,202	-	2399	Other current liabilities (Notes 6(o) and (q))	156,615	-	156,465	-	163,046	-
	Total current assets	<u>26,806,685</u>	<u>63</u>	<u>27,165,528</u>	<u>63</u>	<u>24,061,184</u>	<u>59</u>		Total current liabilities	<u>17,136,164</u>	<u>40</u>	<u>16,030,502</u>	<u>37</u>	<u>12,927,868</u>	<u>32</u>
Non-current assets:															
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and (y))	208,065	-	216,065	1	225,680	1	2540	Long-term borrowings (Notes 6(m) and (y))	6,774,732	16	8,161,069	19	7,074,618	17
1550	Investments accounted for using equity method (Note 6(f))	815,300	2	853,073	2	860,030	2	2570	Deferred tax liabilities	621,766	1	628,060	1	647,166	2
1600	Property, plant and equipment (Notes 6(g), 8 and 9(a))	9,541,452	22	9,589,959	22	10,436,163	26	2580	Non-current lease liabilities (Notes 6(n) and (y))	1,944,534	5	1,991,672	5	2,133,346	5
1755	Right-of-use assets (Note 6(h))	2,365,640	6	2,422,158	6	2,597,479	6	2600	Other non-current liabilities (Notes 6(o) and 7)	332,253	1	319,118	1	327,679	1
1760	Investment property, net (Notes 6(i) and 8)	638,081	2	639,573	2	602,904	2	2640	Non-current net defined benefit liabilities	39,259	-	55,190	-	56,111	-
1780	Intangible assets (Note 6(j))	409,056	1	415,890	1	452,305	1		Total non-current liabilities	<u>9,712,544</u>	<u>23</u>	<u>11,155,109</u>	<u>26</u>	<u>10,238,920</u>	<u>25</u>
1840	Deferred tax assets	33,996	-	32,234	-	27,200	-		Total liabilities	<u>26,848,708</u>	<u>63</u>	<u>27,185,611</u>	<u>63</u>	<u>23,166,788</u>	<u>57</u>
1900	Other non-current assets (Notes 6(g), 7 and 9(a))	886,287	2	905,188	2	593,451	1	Equity attributable to owners of parent (Note 6(s)):							
1975	Non-current net defined benefit assets	8,026	-	7,643	-	-	-	3100	Share capital	3,852,521	9	3,852,521	9	3,852,521	9
1980	Other non-current financial assets (Notes 6(k), (y), 7 and 9(a))	680,671	2	680,391	1	683,000	2	3200	Capital surplus	1,523,104	4	1,523,104	4	1,522,961	4
	Total non-current assets	<u>15,586,574</u>	<u>37</u>	<u>15,762,174</u>	<u>37</u>	<u>16,478,212</u>	<u>41</u>	3300	Retained earnings	6,512,175	15	6,569,681	15	7,268,435	18
	Total assets	<u>\$ 42,393,259</u>	<u>100</u>	<u>42,927,702</u>	<u>100</u>	<u>40,539,396</u>	<u>100</u>	3400	Other equity	(165,899)	-	(56,109)	-	428,368	1
									Total equity attributable to owners of parent:	<u>11,721,901</u>	<u>28</u>	<u>11,889,197</u>	<u>28</u>	<u>13,072,285</u>	<u>32</u>
								36XX	Non-controlling interests	3,822,650	9	3,852,894	9	4,300,323	11
									Total equity	<u>15,544,551</u>	<u>37</u>	<u>15,742,091</u>	<u>37</u>	<u>17,372,608</u>	<u>43</u>
									Total liabilities and equity	<u>\$ 42,393,259</u>	<u>100</u>	<u>42,927,702</u>	<u>100</u>	<u>40,539,396</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2020 and 2019

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

		For the Three Months Ended March 31			
		2020		2019	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenues (Notes 6(u) and 7)	\$ 2,266,183	100	3,787,071	100
5000	Operating costs (Note 6(e) and 7)	<u>(1,833,058)</u>	<u>(81)</u>	<u>(2,865,401)</u>	<u>(76)</u>
	Gross profit from operations	<u>433,125</u>	<u>19</u>	<u>921,670</u>	<u>24</u>
	Operating expenses (Note 7):				
6100	Selling expenses	(108,707)	(4)	(174,230)	(5)
6200	Administrative expenses	(318,133)	(14)	(383,396)	(10)
6300	Research and development expenses	(2,472)	-	(2,438)	-
6450	Reversal of expected credit loss (Note 6(d))	<u>7,031</u>	<u>-</u>	<u>876</u>	<u>-</u>
	Total operating expenses	<u>(422,281)</u>	<u>(18)</u>	<u>(559,188)</u>	<u>(15)</u>
6500	Net other income and expenses (Note 6(w))	<u>1,976</u>	<u>-</u>	<u>1,070</u>	<u>-</u>
	Net operating income	<u>12,820</u>	<u>1</u>	<u>363,552</u>	<u>9</u>
	Non-operating income and expenses:				
7010	Other income (Notes 6(x) and 7)	15,842	1	28,021	1
7020	Other gains and losses (Notes 6(x))	26,349	1	(18,717)	-
7050	Finance costs (Note 6(x))	(78,231)	(4)	(74,859)	(2)
7375	Share of loss of associates and joint ventures accounted for using equity method (Note 6(f))	<u>(30,894)</u>	<u>(1)</u>	<u>(5,918)</u>	<u>-</u>
	Total non-operating income and expenses	<u>(66,934)</u>	<u>(3)</u>	<u>(71,473)</u>	<u>(1)</u>
	(Loss) profit from continuing operations before tax	(54,114)	(2)	292,079	8
7950	Less: Tax expense (Note 6(r))	<u>(11,438)</u>	<u>(1)</u>	<u>(63,899)</u>	<u>(2)</u>
8200	Net (loss) profit	<u>(65,552)</u>	<u>(3)</u>	<u>228,180</u>	<u>6</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income (Notes 6(s) and (y))	-	-	17,862	-
	Total items that may not be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>17,862</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 6(s))	<u>(130,824)</u>	<u>(6)</u>	<u>248,775</u>	<u>7</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(130,824)</u>	<u>(6)</u>	<u>248,775</u>	<u>7</u>
8300	Other comprehensive income (after tax)	<u>(130,824)</u>	<u>(6)</u>	<u>266,637</u>	<u>7</u>
8500	Comprehensive income	<u>\$ (196,376)</u>	<u>(9)</u>	<u>494,817</u>	<u>13</u>
	Net (loss) profit, attributable to:				
8610	Owners of parent	\$ (57,506)	(3)	169,457	4
8620	Non-controlling interests	<u>(8,046)</u>	<u>-</u>	<u>58,723</u>	<u>2</u>
		<u>\$ (65,552)</u>	<u>(3)</u>	<u>228,180</u>	<u>6</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ (167,296)	(8)	391,755	10
8720	Non-controlling interests	<u>(29,080)</u>	<u>(1)</u>	<u>103,062</u>	<u>3</u>
		<u>\$ (196,376)</u>	<u>(9)</u>	<u>494,817</u>	<u>13</u>
	(Deficit)/earnings per share (expressed in dollars) (Note 6(t))				
9750	Basic (deficit)/earnings per share	<u>\$ (0.15)</u>		<u>0.44</u>	
9850	Diluted (deficit)/earnings per share	<u>\$ (0.15)</u>		<u>0.44</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent									
	Share Capital		Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity Attributable to Owners of Parent	Non-Controlling Interests	Total Equity
Balance on January 1, 2019	\$ 3,852,521	1,525,666	1,572,590	49,081	5,537,969	136,291	69,779	12,743,897	4,199,268	16,943,165
Effects of retrospective application	-	-	-	-	(58,290)	-	-	(58,290)	(332)	(58,622)
Balance on January 1, 2019, after adjustments	<u>3,852,521</u>	<u>1,525,666</u>	<u>1,572,590</u>	<u>49,081</u>	<u>5,479,679</u>	<u>136,291</u>	<u>69,779</u>	<u>12,685,607</u>	<u>4,198,936</u>	<u>16,884,543</u>
Profit for the three months ended March 31, 2019	-	-	-	-	169,457	-	-	169,457	58,723	228,180
Other comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	204,436	17,862	222,298	44,339	266,637
Total comprehensive income for the three months ended March 31, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,457</u>	<u>204,436</u>	<u>17,862</u>	<u>391,755</u>	<u>103,062</u>	<u>494,817</u>
Other changes in capital surplus:										
Changes in equity of associates and joint ventures accounted for using equity method	-	(2,705)	-	-	(2,372)	-	-	(5,077)	(51)	(5,128)
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,624)	(1,624)
Balance on March 31, 2019	<u>\$ 3,852,521</u>	<u>1,522,961</u>	<u>1,572,590</u>	<u>49,081</u>	<u>5,646,764</u>	<u>340,727</u>	<u>87,641</u>	<u>13,072,285</u>	<u>4,300,323</u>	<u>17,372,608</u>
Balance on January 1, 2020	\$ 3,852,521	1,523,104	1,756,147	49,081	4,764,453	(143,749)	87,640	11,889,197	3,852,894	15,742,091
Loss for the three months ended March 31, 2020	-	-	-	-	(57,506)	-	-	(57,506)	(8,046)	(65,552)
Other comprehensive income for the three months ended March 31, 2020	-	-	-	-	-	(109,790)	-	(109,790)	(21,034)	(130,824)
Total comprehensive income for the three months ended March 31, 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,506)</u>	<u>(109,790)</u>	<u>-</u>	<u>(167,296)</u>	<u>(29,080)</u>	<u>(196,376)</u>
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,164)	(1,164)
Balance on March 31, 2020	<u>\$ 3,852,521</u>	<u>1,523,104</u>	<u>1,756,147</u>	<u>49,081</u>	<u>4,706,947</u>	<u>(253,539)</u>	<u>87,640</u>	<u>11,721,901</u>	<u>3,822,650</u>	<u>15,544,551</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2020	2019
Cash flows from operating activities:		
(Loss) profit before tax	\$ (54,114)	292,079
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	241,862	251,061
Amortization expense	5,209	7,111
Reversal of expected credit loss	(7,031)	(876)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	4,240	(788)
Interest expense	78,231	74,859
Interest income	(11,174)	(17,724)
Share of loss of associates and joint ventures accounted for using equity method	30,894	5,918
(Gain) loss on disposal of property, plant and equipment	(6,189)	2,002
Property, plant and equipment transferred to expenses	-	13
Impairment loss on property, plant and equipment	-	447
Lease modification gain	(21)	-
Total adjustments to reconcile profit	<u>336,021</u>	<u>322,023</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Current financial assets at fair value through profit or loss	-	(9,052)
Notes and accounts receivable, net	631,148	118,338
Accounts receivable due from related parties, net	(8,063)	51,724
Other receivables	5,586	20,146
Inventories	(72,253)	(75,462)
Prepayments	(33,478)	5,049
Other current assets	(23,691)	(101,633)
Other financial assets	65,701	191,728
Incremental costs of obtaining contracts	(24,250)	-
Total changes in operating assets	<u>540,700</u>	<u>200,838</u>
Changes in operating liabilities:		
Notes and accounts payable (including related parties), net	(637,926)	(123,407)
Other payables	(199,610)	(87,509)
Current contract liabilities	274,130	81,239
Other current liabilities	1,265	1,329
Total changes in operating liabilities	<u>(562,141)</u>	<u>(128,348)</u>
Total changes in operating assets and liabilities	<u>(21,441)</u>	<u>72,490</u>
Total adjustments	<u>314,580</u>	<u>394,513</u>
Cash inflow generated from operations	260,466	686,592
Interest received	7,833	14,401
Interest paid	(89,133)	(72,074)
Income taxes paid	(32,467)	(32,702)
Net cash flows generated from operating activities	<u>146,699</u>	<u>596,217</u>
Cash flows from investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,000	-
Acquisition of property, plant and equipment	(180,258)	(165,937)
Proceeds from disposal of property, plant and equipment	4,433	4,714
Acquisition of intangible assets	-	(1,072)
Increase in other financial assets	(35)	(68,292)
Increase in other non-current assets	(3,266)	(111,157)
Net cash flows used in investing activities	<u>(171,126)</u>	<u>(341,744)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	3,404,251	1,640,215
Decrease in short-term borrowings	(1,959,982)	(851,122)
Increase in short-term notes and bills payable	339,754	10,111
Proceeds from long-term borrowings	633,000	1,199,810
Repayments of long-term borrowings	(2,144,118)	(2,152,841)
Increase in other non-current liabilities	2,810	9,490
Payments of lease liabilities	(47,463)	(54,934)
Net cash flows generated from (used in) financing activities	<u>228,252</u>	<u>(199,271)</u>
Effect of exchange rate changes on cash and cash equivalents	(8,466)	32,116
Net increase in cash and cash equivalents	195,359	87,318
Cash and cash equivalents at the beginning of the year	<u>3,700,547</u>	<u>3,896,690</u>
Cash and cash equivalents at the end of the year	<u>\$ 3,895,906</u>	<u>3,984,008</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

CHINA METAL PRODUCTS CO., LTD. (the “Company”) was established on September 9, 1972, via Ministry of Economic Affairs’ authorization. The registered office is located at 4F, No. 85, Section 4, Ren’ai Road, Taipei. The major business activities of the Company and its subsidiaries (the “Group”) are iron hardware manufacturing and casting, residents and commercial buildings developing, leasing and selling, international hotel servicing and department store retailing. Please refer to Note 14, for the aforementioned information.

(2) Approval date and procedures of the consolidated financial statements:

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on May 12, 2020.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020
Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”	January 1, 2020
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020

The Group assesses that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Effective date to be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2019. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2019.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to Note 4(c) of the consolidated financial statements for the year ended December 31, 2019.

(i) List of subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership			Note
			March 31, 2020	December 31, 2019	March 31, 2019	
The Company	United Elite Agents Limited (UEA)	Investing	100.00 %	100.00 %	100.00 %	Note 2
The Company and Sunflower Investment	Atrans Precision Industries Co., Ltd. (Atrans Precision)	Vehicle parts processing	83.74 %	83.74 %	83.58 %	Note 1
The Company	Sunflower Investment Co., Ltd. (Sunflower Investment)	Investing	99.00 %	99.00 %	99.00 %	Note 1
The Company	The Hotel National Co., Ltd. (The Hotel National)	International tourist hotel services and other hotel business approved by the Ministry of Transportation and Communications	100.00 %	100.00 %	100.00 %	Note 1
The Company	CHINA METAL AUTOMOTIVE INTERNATIONAL CO., LTD. (CMAI)	Vehicle parts retailing	94.00 %	94.00 %	94.00 %	Note 1
The Company	CMJ CO., LTD. (CMJ) (Note 3)	Cast iron product retailing	83.33 %	83.33 %	83.33 %	Note 1
The Company	National Management Co., Ltd. (National Management)	Management and consulting services	100.00 %	100.00 %	100.00 %	Note 1
The Company and Sunflower Investment	PUJEN Land Development Co., Ltd. (PUJEN Land Development)	Residents, commercial buildings and factories leasing and developing	71.72 %	71.72 %	71.72 %	Note 2

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership			Note
			March 31, 2020	December 31, 2019	March 31, 2019	
The Company and PUJEN Land Development	Pu Sheng Construction Co., Ltd. (Pu Sheng Construction)	Residents, commercial buildings and factories leasing and developing	50.00 %	50.00 %	50.00 %	Note 1
The Company and PUJEN Land Development	Shangrila Tourism Co., Ltd. (Shangrila Tourism)	Amusement park and hotel services	100.00 %	100.00 %	100.00 %	Note 1
The Company	InterContinental Taichung Co., Ltd. (InterContinental Taichung)	International tourist hotel services	100.00 %	- %	- %	Notes 1 and 5
UEA	China Metal International Holdings Inc. (CMI)	Investing and cast iron product retailing	82.55 %	82.55 %	82.55 %	Note 2
CMI	China Metal International (BVI) Limited (CMI (BVI))	Investing	100.00 %	100.00 %	100.00 %	Note 2
CMI	CMW (Cayman Islands) Co., Ltd. (CMW (C.I.))	Investing	100.00 %	100.00 %	100.00 %	Note 2
CMI	CMB (H.K.) Co., Ltd. (CMB (H.K.))	Investing	100.00 %	100.00 %	100.00 %	Note 2
CMB (H.K.)	Suzhou CMB Machinery Co., Ltd. (Suzhou CMB)	Cast iron product designing, manufacturing and retailing	100.00 %	100.00 %	100.00 %	Note 2
CMI (BVI)	CMP (H.K.) Industry Co., Ltd. (CMP (H.K.))	Investing	100.00 %	100.00 %	100.00 %	Note 2
CMP (H.K.)	Tianjin CMT Industry Co., Ltd. (Tianjin CMT)	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	100.00 %	100.00 %	100.00 %	Note 2
CMP (H.K.)	Suzhou CMS Machinery Co., Ltd. (Suzhou CMS)	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	100.00 %	100.00 %	100.00 %	Note 2
CMW (C.I.)	CMW (Tianjin) Industry Co., Ltd. (CMW (Tianjin))	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	100.00 %	100.00 %	100.00 %	Note 2
CMW (C.I.)	CMI (Wu Han) Precision Machinery Co., Ltd. (CMH)	Vehicle parts, farm wagon parts, industrial wagon parts, household appliances parts and E&M as-casting and molds developing, manufacturing, selling and the after sales services	100.00 %	100.00 %	100.00 %	Notes 2 and 4
CMJ	Qingdao Sourcing Specialists Trading Co., Ltd. (Qingdao Sourcing Specialists)	Cast iron product retailing	100.00 %	100.00 %	100.00 %	Note 1
Atrans Precision	FAR HSING (SAMOA) ENTERPRISE CO., LTD. (FAR HSING (SAMOA))	Investing	100.00 %	100.00 %	100.00 %	Note 1
PUJEN Land Development	CHINGENG Land Development Co., Ltd. (CHINGENG Land Development)	Residents, commercial buildings and factories leasing and developing	50.00 %	50.00 %	50.00 %	Note 1
PUJEN Land Development	PUJEN CHENGMEI Land Development Co., Ltd. (PUJEN CHENGMEI Land Development)	Residents, commercial buildings and factories leasing and developing	70.00 %	70.00 %	70.00 %	Note 1
PUJEN Land Development	PUCHIA Land Development Co., Ltd. (PUCHIA Land Development)	Residents, commercial buildings and factories leasing and developing	50.00 %	50.00 %	50.00 %	Note 1

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership			Note
			March 31, 2020	December 31, 2019	March 31, 2019	
CMAI	Qinxin Trade Co., Ltd. (Qinxin Trade)	Vehicle parts retailing	100.00 %	100.00 %	100.00 %	Note 1
CMAI	CMAI Holding, Inc. (CMAI Holding)	Investing	100.00 %	100.00 %	100.00 %	Note 1
CMAI Holding	Pilot Drive LLC (Pilot)	Assets leasing	100.00 %	100.00 %	100.00 %	Note 1
Pilot	CMAI INDUSTRIES INC (CMAI N.A.)	Vehicle parts retailing	100.00 %	100.00 %	100.00 %	Note 1

Note 1: An non-significant subsidiary, its financial statements have not been reviewed.

Note 2: The financial statements have been reviewed.

Note 3: The former name was “CHINA METAL JAPAN COMPANY LIMITED”.

Note 4: Set up in the 4th quarter of 2018.

Note 5: Set up in the 1st quarter of 2020.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, and be adjusted by the significant market flotation, significant curtailment, settlement or other significant single occasion.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2019.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2019. Please refer to Note 6 of the 2019 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand	\$ 7,969	8,361	9,635
Cash in banks	2,021,930	2,164,951	2,275,759
Time deposits	<u>1,866,007</u>	<u>1,527,235</u>	<u>1,698,614</u>
Cash and cash equivalents	<u><u>\$ 3,895,906</u></u>	<u><u>3,700,547</u></u>	<u><u>3,984,008</u></u>

The Group disclosed the sensitivity analysis of the financial assets in Note 6(y).

(b) Financial assets at fair value through profit or loss

	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets at fair value through profit or loss			
Stocks listed on domestic markets	<u><u>\$ 47,200</u></u>	<u><u>51,440</u></u>	<u><u>12,800</u></u>

- (i) The Group holds financial assets designated as at FVTPL, which recognizes gain or loss on valuation of financial assets. Please refer to Note 6(x) for the recognized gains or losses.
- (ii) The Group disclosed the relative risk of financial instruments in Note 6(y).
- (iii) As of March 31, 2020, December 31 and March 31, 2019, the financial assets were not pledged as collateral.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Non-current financial assets at fair value through other comprehensive income

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
Equity investments at fair value through other comprehensive income			
Stocks unlisted on domestic markets— MEITA Industrial Co., Ltd.	\$ 135,300	135,300	135,300
Stocks unlisted on domestic markets— YUHUA Venture Capital Co., Ltd.	830	830	1,652
Stocks unlisted on domestic markets— FUHUA Venture Capital Co., Ltd.	1,920	1,920	2,713
Stocks unlisted on domestic markets— GUANGYUAN Investment Co., Ltd.	44,080	44,080	44,080
Stocks unlisted on domestic markets— DEVELOPMENT Venture Capital Co., Ltd.	25,935	33,935	41,935
Total	<u>\$ 208,065</u>	<u>216,065</u>	<u>225,680</u>

- (i) The Group intends to hold the equity investments for long-term strategic purposes, rather than transaction purposes. Therefore, the investments are measured at FVOCI.
- (ii) The Group did not dispose the strategic investments during the first quarter of 2020 and 2019. Therefore, the accumulated income and loss was not transferred in equity.
- (iii) Please refer to Note 6(y) for the information on credit risk (including the impairment of debt instrument investments) and market risk.
- (iv) As of March 31, 2020, December 31 and March 31, 2019, the financial assets were not pledged as collateral.

(d) Notes and accounts receivable

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
Notes receivable from operating activities	\$ 419,036	425,013	436,209
Accounts receivable measured as amortized cost	<u>2,849,095</u>	<u>3,504,541</u>	<u>3,867,952</u>
Subtotal	3,268,131	3,929,554	4,304,161
Less: Loss allowance	<u>18,801</u>	<u>26,005</u>	<u>21,388</u>
Total	<u>\$ 3,249,330</u>	<u>3,903,549</u>	<u>4,282,773</u>

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward-looking information including macroeconomics and relative industries information. The loss allowance provision is determined as follows:

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2020		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	\$ 3,030,139	0%	-
1 to 30 days past due	152,095	0%	-
31 to 90 days past due	40,182	0%	-
91 to 120 days past due	7,604	0%~8.87%	597
121 days to a year past due	31,111	17.13~52.79%	11,204
Over a year past due	<u>7,000</u>	100%	<u>7,000</u>
	<u>\$ 3,268,131</u>		<u>18,801</u>
	December 31, 2019		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	\$ 3,720,432	0%	-
1 to 30 days past due	137,451	0%	-
31 to 90 days past due	17,700	0%	-
91 to 120 days past due	5,770	0%~8.87%	310
121 days to a year past due	40,459	17.13~52.79%	17,953
Over a year past due	<u>7,742</u>	100%	<u>7,742</u>
	<u>\$ 3,929,554</u>		<u>26,005</u>
	March 31, 2019		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	\$ 4,005,036	0%	-
1 to 30 days past due	191,657	0%	-
31 to 90 days past due	67,462	0%~6%	2,503
91 to 120 days past due	12,729	3.34~11.82%	694
121 days to a year past due	17,259	24.73%~62.68%	8,173
Over a year past due	<u>10,018</u>	100%	<u>10,018</u>
	<u>\$ 4,304,161</u>		<u>21,388</u>

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movements in the allowance for notes and accounts receivable is as follows:

	<u>For the Three Months Ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Balance on January 1	\$ 26,005	21,874
Impairment losses reversed	(7,031)	(876)
Foreign exchange (losses)/gains	(173)	390
Balance on March 31	<u>\$ 18,801</u>	<u>21,388</u>

The financial assets mentioned above were not pledged as collateral.

(e) Inventories

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
Raw materials	\$ 133,141	129,856	140,421
Work in process	250,443	272,337	233,803
Semi-finished goods	156,524	144,254	153,902
Finished goods	656,077	876,524	908,339
Merchandise	66,672	69,151	65,667
Land held for development	6,062,494	6,032,491	4,055,501
Properties and land held for sale	3,798,608	3,798,608	4,209,860
Construction-in-progress	6,172,280	5,906,061	4,282,372
Prepayments for land	123,269	121,228	10,788
Other inventories	349,168	336,297	346,896
	<u>\$ 17,768,676</u>	<u>17,686,807</u>	<u>14,407,549</u>

For the three months ended March 31, 2020 and 2019, the cost of goods sold amounted to \$1,833,058 thousand and \$2,865,401 thousand, respectively. For the three months ended March 31, 2020 and 2019, the loss for inventory obsolescence from the inventories write-down and the reversal gain from the increase in inventories' net realizable value amounted to \$15,953 thousand and \$6,486 thousand, respectively.

For the information on inventories pledged as collateral, as of March 31, 2020, December 31 and March 31, 2019, please refer to Note 8.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date is as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Associates	\$ 460,738	472,260	456,620
Joint ventures	354,562	380,813	403,410
	<u>\$ 815,300</u>	<u>853,073</u>	<u>860,030</u>

(i) Associates

Due to the fact that the Group does not have the obligation of assuming the excess losses, it ceased the recognition of the losses from the investment of Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets). For the three months ended March 31, 2020 and 2019, the unrealized investment losses amounted to \$67 thousand and \$78 thousand, respectively; the accumulated unrealized investment losses, as of March 31, 2020 and 2019, amounted to \$57,114 thousand and \$56,811 thousand, respectively.

The Group's financial information for investments accounted for using the equity method that were individually insignificant is as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Carrying amount of individually insignificant associates' equity	<u>\$ 460,738</u>	<u>472,260</u>	<u>456,620</u>
		<u>For the Three Months Ended March 31</u>	
		2020	2019
Attributable to the Group:			
Net loss		\$ (4,643)	(3,368)
Other comprehensive income		-	-
Comprehensive income		<u>\$ (4,643)</u>	<u>(3,368)</u>

(ii) Joint ventures

The Group's financial information for joint ventures accounted for using the equity method that were individually insignificant is as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Carrying amount of individually insignificant joint ventures' equity	<u>\$ 354,562</u>	<u>380,813</u>	<u>403,410</u>

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the Three Months Ended March 31	
	2020	2019
Attributable to the Group:		
Net loss	\$ (26,251)	(2,550)
Other comprehensive income	-	-
Comprehensive income	\$ (26,251)	(2,550)

(iii) Pledge to secure

As of March 31, 2020, December 31 and March 31, 2019, the investments accounted for using equity method were not pledged as collateral.

(iv) The unreviewed financial statements of investments accounted for using equity method

The investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(g) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the three months ended March 31, 2020 and 2019 are as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office Equipment</u>	<u>Transportation Equipment</u>	<u>Leasehold Improvement</u>	<u>Other Equipment</u>	<u>Prepayments for Equipment and Construction in Progress</u>	<u>Total</u>
Cost:									
Balance on January 1, 2020	\$ 3,106,656	3,361,551	9,176,092	122,759	56,945	199,768	849,881	543,517	17,417,169
Additions	-	676	7,398	1,745	333	2,336	2,878	164,892	180,258
Disposals	-	-	(73,811)	-	-	(24,253)	(194)	-	(98,258)
Reclassification	-	-	26,714	1,356	-	-	2,813	(14,985)	15,898
Influence from exchange rates	68	(25,293)	(91,219)	(544)	(357)	(1,874)	(4,490)	(7,014)	(130,723)
Balance on March 31, 2020	\$ 3,106,724	3,336,934	9,045,174	125,316	56,921	175,977	850,888	686,410	17,384,344
Balance on January 1, 2019	\$ 3,748,835	3,456,414	8,897,490	112,871	64,673	175,896	843,898	362,328	17,662,405
Additions	-	-	25,136	829	-	2,393	5,324	165,516	199,198
Disposals	-	(9,701)	(52,972)	(259)	(390)	(1,844)	(1,953)	-	(67,119)
Reclassification	-	(7,874)	61,511	125	250	10,545	13,092	(43,879)	33,770
Influence from exchange rates	27	57,472	187,703	1,268	1,010	4,151	9,865	7,300	268,796
Balance on March 31, 2019	\$ 3,748,862	3,496,311	9,118,868	114,834	65,543	191,141	870,226	491,265	18,097,050
Accumulated depreciation and impairment loss:									
Balance on January 1, 2020	\$ -	1,327,569	5,674,431	96,102	45,102	108,067	575,939	-	7,827,210
Depreciation	-	25,937	129,862	2,762	843	10,799	17,154	-	187,357
Disposals	-	-	(75,600)	-	-	(24,252)	(162)	-	(100,014)
Influence from exchange rates	-	(9,242)	(57,630)	(443)	(284)	(1,015)	(3,047)	-	(71,661)
Balance on March 31, 2020	\$ -	1,344,264	5,671,063	98,421	45,661	93,599	589,884	-	7,842,892

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Office Equipment</u>	<u>Transportation Equipment</u>	<u>Leasehold Improvement</u>	<u>Other Equipment</u>	<u>Prepayments for Equipment and Construction in Progress</u>	<u>Total</u>
Balance on January 1, 2019	\$ -	1,268,502	5,376,957	82,927	49,251	70,864	533,493	-	7,381,994
Depreciation	-	26,858	134,692	3,162	1,071	11,166	18,957	-	195,906
Impairment loss	-	-	447	-	-	-	-	-	447
Disposals	-	(9,701)	(46,458)	(11)	(371)	(1,844)	(2,018)	-	(60,403)
Reclassification	-	(8,013)	22	(35)	(17)	-	8,043	-	-
Influence from exchange rates	-	18,612	114,483	997	782	1,682	6,387	-	142,943
Balance on March 31, 2019	<u>\$ -</u>	<u>1,296,258</u>	<u>5,580,143</u>	<u>87,040</u>	<u>50,716</u>	<u>81,868</u>	<u>564,862</u>	<u>-</u>	<u>7,660,887</u>
Carrying value:									
Balance on January 1, 2020	<u>\$ 3,106,656</u>	<u>2,033,982</u>	<u>3,501,661</u>	<u>26,657</u>	<u>11,843</u>	<u>91,701</u>	<u>273,942</u>	<u>543,517</u>	<u>9,589,959</u>
Balance on March 31, 2020	<u>\$ 3,106,724</u>	<u>1,992,670</u>	<u>3,374,111</u>	<u>26,895</u>	<u>11,260</u>	<u>82,378</u>	<u>261,004</u>	<u>686,410</u>	<u>9,541,452</u>
Balance on March 31, 2019	<u>\$ 3,748,862</u>	<u>2,200,053</u>	<u>3,538,725</u>	<u>27,794</u>	<u>14,827</u>	<u>109,273</u>	<u>305,364</u>	<u>491,265</u>	<u>10,436,163</u>
Balance on January 1, 2019	<u>\$ 3,748,835</u>	<u>2,187,912</u>	<u>3,520,533</u>	<u>29,944</u>	<u>15,422</u>	<u>105,032</u>	<u>310,405</u>	<u>362,328</u>	<u>10,280,411</u>

- (i) As of March 31, 2020, December 31 and March 31, 2019, please refer to Note 8 for the details of property, plant and equipment pledged as collateral for the Group's long-term loan and financing guarantee.
- (ii) The land held by the Group is located at Xinfeng Township Kengzikou and Zaoqiao Township Niclan Lake. According to the laws and regulations, companies cannot be registered as landowners, due to the usage of the land is registered for farming, graveyard and conservation. Therefore, the ownership of the land was passed to individuals and was registered as private personal property. For obtaining the right of land, the Group held the land certificate and entered into an agreement with the registered owner, which specified that the Group retain all rights and obligations of the land, and pledged the land as collateral for the Group. The information regarding the land mentioned above, which is presented in the line item of other non-current assets, is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Land	<u>\$ 44,299</u>	<u>44,299</u>	<u>44,299</u>

(h) Right-of-use assets

The Group leases many assets including land, buildings, machinery and transportation equipment. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation Equipment</u>	<u>Office Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
Cost:							
Balance on January 1, 2020	\$ 1,002,435	2,397,748	54,032	25,475	2,240	122,607	3,604,537
Additions	-	237	-	-	-	196	433
Reduction for expiration	-	(1,696)	-	(1,784)	-	(604)	(4,084)
Influence from exchange rates	(3,895)	-	(546)	6	5	-	(4,430)
Balance on March 31, 2020	<u>\$ 998,540</u>	<u>2,396,289</u>	<u>53,486</u>	<u>23,697</u>	<u>2,245</u>	<u>122,199</u>	<u>3,596,456</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation Equipment</u>	<u>Office Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
Balance on January 1, 2019	\$ -	-	-	-	-	-	-
After application of IFRS 16 adjustments	1,017,511	2,394,192	58,966	22,155	1,658	122,607	3,617,089
Additions	-	1,183	-	-	36	-	1,219
Influence from exchange rates	11,768	1,446	(1,991)	1,070	-	-	12,293
Balance on March 31, 2019	<u>\$ 1,029,279</u>	<u>2,396,821</u>	<u>56,975</u>	<u>23,225</u>	<u>1,694</u>	<u>122,607</u>	<u>3,630,601</u>
Accumulated depreciation and impairment loss:							
Balance at January 1, 2020	\$ 130,437	999,972	24,730	15,221	1,022	10,997	1,182,379
After application of IFRS 16 adjustments	-	-	-	-	-	-	-
Depreciation	5,857	40,392	3,805	1,945	133	881	53,013
Transferred to construction cost	-	217	-	-	-	-	217
Reduction for expiration	-	(1,402)	-	(1,785)	-	(412)	(3,599)
Influence from exchange rates	(904)	-	(296)	4	2	-	(1,194)
Balance on March 31, 2020	<u>\$ 135,390</u>	<u>1,039,179</u>	<u>28,239</u>	<u>15,385</u>	<u>1,157</u>	<u>11,466</u>	<u>1,230,816</u>
Balance on January 1, 2019	\$ -	-	-	-	-	-	-
After application of IFRS 16 adjustments	115,406	837,173	9,813	6,670	421	7,476	976,959
Depreciation	6,101	40,812	4,013	2,062	117	880	53,985
Influence from exchange rates	1,779	180	217	2	-	-	2,178
Balance on March 31, 2019	<u>\$ 123,286</u>	<u>878,165</u>	<u>14,043</u>	<u>8,734</u>	<u>538</u>	<u>8,356</u>	<u>1,033,122</u>
Carrying value:							
Balance on January 1, 2020	<u>\$ 871,998</u>	<u>1,397,776</u>	<u>29,302</u>	<u>10,254</u>	<u>1,218</u>	<u>111,610</u>	<u>2,422,158</u>
Balance on March 31, 2020	<u>\$ 863,150</u>	<u>1,357,110</u>	<u>25,247</u>	<u>8,312</u>	<u>1,088</u>	<u>110,733</u>	<u>2,365,640</u>
Balance on January 1, 2019	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance on March 31, 2019	<u>\$ 905,993</u>	<u>1,518,656</u>	<u>42,932</u>	<u>14,491</u>	<u>1,156</u>	<u>114,251</u>	<u>2,597,479</u>

(i) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 5 to 10 years. Some leases provide the lessees with options to extend at the end of the term.

For all investment property leases, the rental income is fixed under the contracts, but some leases require the lessee to reimburse the insurance costs of the Group. When this is the case, the amounts of insurance costs are determined annually.

The movements in the investment property is as follows:

	<u>Owned Property</u>		<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	
Carrying value:			
Balance on January 1, 2020	<u>\$ 545,783</u>	<u>93,790</u>	<u>639,573</u>
Balance on March 31, 2020	<u>\$ 545,783</u>	<u>92,298</u>	<u>638,081</u>
Balance on January 1, 2019	<u>\$ 528,019</u>	<u>76,238</u>	<u>604,257</u>
Balance on March 31, 2019	<u>\$ 528,019</u>	<u>74,885</u>	<u>602,904</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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Investment properties comprise a number of commercial properties that are leased to third parties. Each leasing contract includes an original non-cancelable lease term of one to three years, and the lease term of the renewal is available for discussion with the lessee. The contingent rent is not charged in the contract. Please refer to Note 6(p) for the regarding information.

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2020 and 2019.

Information on depreciation for the period is discussed in Note 12(c), and for the information on rental revenue and other direct operating expense, please refer to Note 6(p).

The fair value of the investment property was not significantly different from those disclosed in the Note 6(l) of the annual consolidated financial statements for the year ended December 31, 2019.

As of March 31, 2020, December 31 and March 31, 2019, the details of investment properties pledged as collateral, please refer to Note 8.

(j) Intangible assets

The movements in the costs of intangible assets, amortization, and impairment loss of the Group are as follows:

	<u>Goodwill</u>	<u>Patent</u>	<u>Client Relationship</u>	<u>Computer Software</u>	<u>Total</u>
Costs:					
Balance on January 1, 2020	\$ 393,630	62,652	226,177	32,427	714,886
Influence from exchange rates	<u>(1,580)</u>	<u>(727)</u>	<u>(2,624)</u>	<u>27</u>	<u>(4,904)</u>
Balance on March 31, 2020	<u>\$ 392,050</u>	<u>61,925</u>	<u>223,553</u>	<u>32,454</u>	<u>709,982</u>
Balance on January 1, 2019	\$ 405,342	64,974	234,560	24,333	729,209
Acquisitions	-	-	-	1,072	1,072
Influence from exchange rates	<u>6,295</u>	<u>1,600</u>	<u>5,777</u>	<u>-</u>	<u>13,672</u>
Balance on March 31, 2019	<u>\$ 411,637</u>	<u>66,574</u>	<u>240,337</u>	<u>25,405</u>	<u>743,953</u>
Accumulated amortization and impairment loss:					
Balance on January 1, 2020	\$ -	62,652	218,384	17,960	298,996
Amortization	-	-	3,896	1,313	5,209
Influence from exchange rates	<u>-</u>	<u>(727)</u>	<u>(2,578)</u>	<u>26</u>	<u>(3,279)</u>
Balance on March 31, 2020	<u>\$ -</u>	<u>61,925</u>	<u>219,702</u>	<u>19,299</u>	<u>300,926</u>
Balance on January 1, 2019	\$ -	64,974	203,022	9,926	277,922
Amortization	-	-	5,994	1,117	7,111
Influence from exchange rates	<u>-</u>	<u>1,600</u>	<u>5,015</u>	<u>-</u>	<u>6,615</u>
Balance on March 31, 2019	<u>\$ -</u>	<u>66,574</u>	<u>214,031</u>	<u>11,043</u>	<u>291,648</u>
Carrying value:					
Balance on January 1, 2020	<u>\$ 393,630</u>	<u>-</u>	<u>7,793</u>	<u>14,467</u>	<u>415,890</u>
Balance on March 31, 2020	<u>\$ 392,050</u>	<u>-</u>	<u>3,851</u>	<u>13,155</u>	<u>409,056</u>
Balance on January 1, 2019	<u>\$ 405,342</u>	<u>-</u>	<u>31,538</u>	<u>14,407</u>	<u>451,287</u>
Balance on March 31, 2019	<u>\$ 411,637</u>	<u>-</u>	<u>26,306</u>	<u>14,362</u>	<u>452,305</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Other non-current financial assets

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
Debt obligation receivable—The Splendor Hospitality International Co., Ltd.	\$ 575,000	575,000	575,000
Debt obligation receivable—Chin Ling Steel Co., Ltd.—non-guaranteed	23,250	23,250	23,250
Less: Accumulated impairment—Debt obligation receivable—Chin Ling Steel Co., Ltd.	(23,250)	(23,250)	(23,250)
Refundable deposits	<u>105,671</u>	<u>105,391</u>	<u>108,000</u>
	<u>\$ 680,671</u>	<u>680,391</u>	<u>683,000</u>

- (i) In June, 2006, the Group and Prince Housing and Development Co., Ltd. (Prince Housing and Development) entered into an assignment of debt agreement with Amida Trustlink Assets which the Group and Prince Housing and Development each owned half of the obligation. The Group and Prince Housing and Development each injected 50% and obtained the major mortgages, collateral, and the appurtenant rights of Taichung Port Splendor Hospitality International Co., Ltd. (Taichung Port Splendor). The Group and Prince Housing and Development agreed to pay Amida Trustlink Assets the residual debt in the agreement, the related costs and returns when the real right of the underlying is completed. The Group and Prince Housing and Development each injected 50% and cofounded The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality International). In November 2006, The Splendor Hospitality International and Taichung Port Splendor entered into a specific asset transfer agreement and obtained the specific assets of Taichung Port Splendor by assuming its debts. The Group's right of receivables transferred from Taichung Port Splendor to The Splendor Hospitality International. In December 2006, the Group and Prince Housing and Development signed a supplementary agreement with Amida Trustlink Assets which increased the selling price of all debt obligations and canceled the payment of the related cost and return. The verdinglichung obligatorischer rechte was assumed by the Group and Prince Housing and Development equally. The details of total debt obligation receivable and obligation cost after deducted the received amount in 2007 is as follows:

<u>March 31, 2020</u>				
<u>Underlying</u>	<u>Obligation</u> <u>Cost</u>	<u>Obligation</u> <u>Principal</u>	<u>Valuation Assessment</u>	<u>Collateral</u>
The Splendor Hospitality International	\$ <u>575,000</u>	<u>796,845</u>	According to the assessment of Zhonglian Real Estate Appraiser Joint Office, the valuation of mortgage is \$7,579,711 thousand. After deducting the 1 st security, which amounted to \$3,960,000 thousand, the residual mortgage attributed to the Group amounted to \$1,809,856 thousand.	The building of The Splendor Hospitality International (the 2 nd security)

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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December 31, 2019

<u>Underlying</u>	<u>Obligation Cost</u>	<u>Obligation Principal</u>	<u>Valuation Assessment</u>	<u>Collateral</u>
The Splendor Hospitality International	<u>\$ 575,000</u>	<u>796,845</u>	According to the assessment of Zhonglian Real Estate Appraiser Joint Office, the valuation of mortgage is \$7,579,711 thousand. After deducting the 1 st security, which amounted to \$3,960,000 thousand, the residual mortgage attributed to the Group amounted to \$1,809,856 thousand.	The building of The Splendor Hospitality International (the 2 nd security)

March 31, 2019

<u>Underlying</u>	<u>Obligation Cost</u>	<u>Obligation Principal</u>	<u>Valuation Assessment</u>	<u>Collateral</u>
The Splendor Hospitality International	<u>\$ 575,000</u>	<u>796,845</u>	According to the assessment of Zhonglian Real Estate Appraiser Joint Office, the valuation of mortgage is \$7,153,000 thousand. After deducting the 1 st security, which amounted to \$3,960,000 thousand, the residual mortgage attributed to the Group amounted to \$1,596,500 thousand.	The building of The Splendor Hospitality International (the 2 nd security)

(ii) As of March 31, 2020, December 31 and March 31, 2019, the costs and principal of debt obligation from Chin Ling Steel were \$23,250 thousand and \$118,561 thousand, respectively.

(l) Short-term borrowings

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Unsecured bank borrowings	\$ 2,887,940	1,638,974	1,272,115
Secured bank borrowings	6,286,625	6,299,662	5,707,923
Notes and bills payable	569,473	229,718	444,713
Total	<u>\$ 9,744,038</u>	<u>8,168,354</u>	<u>7,424,751</u>
Unused credit limit	<u>\$ 5,641,523</u>	<u>6,206,252</u>	<u>8,800,977</u>
Interest rate range	<u>0.71%~2.83%</u>	<u>0.90%~2.84%</u>	<u>0.91%~3.21%</u>

(i) Borrowing and repayment

For the three months ended March 31, 2020 and 2019, the Group obtained from short-term borrowings amounted to \$3,404,251 thousand and \$1,640,215 thousand with an interest rate of 0.71%~2.25% and 0.91%~2.25%; the repayment amounted to \$1,959,982 thousand and \$851,122 thousand, respectively. Please refer to Note 6(x) for details of the interest expense.

(ii) Collateral for bank borrowings

Please refer to Note 8 for details of the related assets pledged as collateral.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(m) Long-term borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
Unsecured bank borrowings	\$ 2,042,373	2,449,877	2,164,092
Secured bank borrowings	7,367,973	8,244,478	5,918,708
Less: Current portion	(2,634,655)	(2,533,247)	(1,007,792)
Unamortized long-term borrowings costs	(959)	(39)	(390)
Total	<u>\$ 6,774,732</u>	<u>8,161,069</u>	<u>7,074,618</u>
Unused credit limit	<u>\$ 1,297,038</u>	<u>792,170</u>	<u>1,469,859</u>
Interest rate range	<u>1.00%~4.21%</u>	<u>1.00%~4.03%</u>	<u>1.00%~3.79%</u>

(i) Borrowing and repayment

For the three months ended March 31, 2020 and 2019, the Group obtained from long-term borrowings amounted to \$633,000 thousand and \$1,199,810 thousand with an interest rate of 1.00%~2.00% and 1.00%~1.30%; the repayment amounted to \$2,144,118 thousand and \$2,152,841 thousand, respectively. Please refer to Note 6(x) for details of the interest expense.

(ii) Collateral for bank borrowings

Please refer to Note 8 for details of the related assets pledged as collateral.

(iii) Borrowing covenants

The Group entered into a borrowing contract in a total credit of \$3,150,000 thousand with several financial institutions on April 23, 2019. According to the contract, during the borrowing repayment periods the Company should file annual and semi-annual consolidated financial statements which were audited and reviewed by CPA and must comply with certain financial covenants, such as the current ratio shall be greater than or equal to 100%, the debt ratio shall be less than or equal to 200%, the interest coverage ratio shall be greater than or equal to 5 times, and the tangible net value shall be greater than or equal to \$14,000,000 thousand. The compliance with the aforementioned covenants will be examined semi-annually. As of December 31, 2019, the Group was in compliance with the above borrowing covenants.

The Group entered into a borrowing contract in a total credit of USD104,000 thousand with one financial institution on July 27, 2017. According to the contract, during the repayment periods the Company should file UEA annual non-consolidated and CMI annual consolidated financial statements which were audited by CPA and must comply with certain financial covenants. The financial covenants based on the years of 2018 and 2017 CMI annual consolidated financial statements is EBITDA/(CPLTD+1), which shall be greater than or equal to 1, and of which based on UEA annual non-consolidated and CMI annual consolidated financial statements is debt ratio, which shall be less than or equal to 80%. The compliance with the aforementioned covenants will be examined annually. As of December 31, 2019, the Group was in compliance with the above borrowing covenants.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(n) Lease liabilities

The details of the lease liabilities is as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Current	<u>\$ 189,867</u>	<u>190,521</u>	<u>189,928</u>
Non-current	<u>\$ 1,944,534</u>	<u>1,991,672</u>	<u>2,133,346</u>

For the maturing analysis, please refer to Note 6(y).

The amounts recognized in profit or loss are as follows:

	For the Three Months Ended March 31	
	2020	2019
Interest on lease liabilities	<u>\$ 7,049</u>	<u>6,011</u>
Expenses relating to leases short-term assets	<u>\$ 4,423</u>	<u>2,466</u>

The amounts recognized in the statement of cash flows are as follows:

	For the Three Months Ended March 31	
	2020	2019
Total cash outflow for leases	<u>\$ 58,935</u>	<u>63,411</u>

(i) Real estate leases

As of March 31, 2020, the Group leases land and buildings for its offices, retail stores and future project development. The leases of offices, typically run for a period of 2 years, retail stores for a period of 15 years, and the land use rights leased for future project development for 40 to 50 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price index, or sales that the Group makes at the leased store in the period. Some also require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of equipment contain extension or cancellation options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other leases

The Group leases equipment and transportation, with lease terms of 2 to 6 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases equipment and machinery, dormitory and company cars with contract terms of one year. These leases are short-term or low-value items which the Group has elected not to recognize right-of-use assets and lease liabilities.

(o) Provisions

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Current:			
Warranties	\$ 242	246	36
Legal	<u>42,600</u>	<u>43,100</u>	<u>-</u>
Subtotal	<u>42,842</u>	<u>43,346</u>	<u>36</u>
Non-current:			
Financial guarantee contracts	41,415	44,756	53,358
Legal	<u>236,052</u>	<u>236,052</u>	<u>236,052</u>
Subtotal	<u>277,467</u>	<u>280,808</u>	<u>289,410</u>
Total	<u>\$ 320,309</u>	<u>324,154</u>	<u>289,446</u>

(i) Warranties

The Group's warranties are mainly related to the sales of construction projects. They are estimated on the historical data and are expected to occur after 3 to 5 years of selling the construction projects.

(ii) Financial guarantee contracts

The Group assisted the joint venture to obtain the endorsement guarantee of credit limit borrowing from the financial institutions. According to IFRS 9 "Financial Instruments", the financial guarantee contracts are measured at fair value.

(iii) Legal

Please refer to Note 9(b) for the information on estimated legal provisions and losses.

(p) Operating leases

Lessor

The Group leases out investment properties under operating lease which was based on the assessment of the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. Please refer to Note 6(i) for the regarding information on investment properties.

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A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Less than one year	\$ 7,086	10,678	8,470
One to two years	-	355	1,446
Total undiscounted lease payments	<u>\$ 7,086</u>	<u>11,033</u>	<u>9,916</u>

For the three months ended March 31, 2020 and 2019, rental revenues from investment properties amounted to \$2,982 thousand and \$1,493 thousand, respectively. The equipment and maintenance costs arising from the investment properties (recognized under "Operating costs") are as follows:

	For the Three Months Ended March 31	
	2020	2019
Lease-out property	<u>\$ 2</u>	<u>2</u>

(q) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material onetime events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2019 and 2018.

The expenses recognized in profit or loss for the Group are as follows:

	For the Three Months Ended March 31	
	2020	2019
Operating cost	\$ 593	246
Selling expenses	100	40
Administration expenses	277	203
Research and development expenses	87	30
Total	<u>\$ 1,057</u>	<u>519</u>

For the three months ended March 31, 2020 and 2019, the Group's employee benefits retirement expenses amounted to \$0 and \$228 thousand, respectively.

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(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance are as follows:

	For the Three Months Ended March 31	
	2020	2019
Operating cost	\$ 8,055	13,278
Selling expenses	512	698
Administration expenses	5,258	4,817
Research and development expenses	83	131
Total	\$ 13,908	18,924

(iii) Short-term employee benefits

	March 31, 2020	December 31, 2019	March 31, 2019
Paid leave and other liabilities	\$ 15,673	20,503	23,680

(r) Income tax

(i) Applied legal tax rates of foreign subsidiaries: China: 15%~25%; Japan: 29.05%~33.24%; the USA: 21%~27%.

(ii) The income tax expense for the three months ended March 31, 2020 and 2019 are as follows:

	For the Three Months Ended March 31	
	2020	2019
Current income tax expense		
Current period incurred	\$ 11,438	49,472
Land value increment taxes	-	14,617
Adjustment for prior periods	-	(190)
Income tax expense	\$ 11,438	63,899

(iii) Under income tax return filing of the Group, the income tax returns of the Company had been assessed and approved by the Tax Authority through 2017, other domestic consolidated subsidiaries had been assessed and approved through 2018. The Company and Sunflower Investment did not agree on the proposed tax adjustments from the Tax Authority, and filed the petition of administration. Please refer to Note 9(b) for the details of the petition.

(s) Share capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2020 and 2019. For the related information, please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2019.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Capital surplus

The components of the capital surplus are as follows:

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
From issuance of share capital	\$ 626,110	626,110	626,110
Employee stock option of subsidiaries	33,352	33,352	33,352
From conversion of convertible bonds	863,499	863,499	863,499
Changes in equity of associates and joint ventures accounted for using equity method	143	143	-
	<u>\$ 1,523,104</u>	<u>1,523,104</u>	<u>1,522,961</u>

(ii) Retained earnings

The Company's Articles of Incorporation require that after-tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate for special reserve. The remaining balance of the earnings, if any, may be appropriated according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. If all or part of the aforementioned employees' compensation is distributed in cash, the resolution will be approved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and the distribution shall be submitted to the shareholders' meeting.

The Company is in the growth stage of business cycle and the annual earnings and future cash flow is maintained stable. Considering the Company's significant investment plan for the future, the Company applied "Residual dividend policy" for long-term operating plan and funding needs. The dividend distribution of cash and stock is correlated with annual earning. The Company's stock dividends cannot be higher than 70% of the total dividend.

1) Earnings distribution

The Company appropriated its 2019 and 2018 earnings based on the resolution decided during the meeting of the Board of Directors and the shareholders held on May 12, 2020 and June 24, 2019, respectively, as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Allotment</u> <u>(NTD)</u>	<u>Amount</u>	<u>Allotment</u> <u>(NTD)</u>	<u>Amount</u>
Common stock dividends per share				
Cash	\$ 0.90	<u>346,727</u>	2.70	<u>1,040,181</u>

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other equity (net of tax)

	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at FVOCI	Non-controlling Interest	Total
Balance on January 1, 2020	\$ (143,749)	87,640	3,852,894	3,796,785
Loss attributable to non-controlling interests	-	-	(8,046)	(8,046)
Exchange differences on foreign operations	(109,790)	-	(21,034)	(130,824)
Cash dividends paid to non-controlling interests	-	-	(1,164)	(1,164)
Balance on March 31, 2020	<u>\$ (253,539)</u>	<u>87,640</u>	<u>3,822,650</u>	<u>3,656,751</u>
Balance on January 1, 2019	\$ 136,291	69,779	4,199,268	4,405,338
Effects of retrospective application	-	-	(332)	(332)
Balance on January 1, 2019, after adjustments	136,291	69,779	4,198,936	4,405,006
Profit attributable to non-controlling interests	-	-	58,723	58,723
Exchange differences on foreign operations	204,436	-	44,339	248,775
Unrealized gain on financial assets measured at FVOCI	-	17,862	-	17,862
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(51)	(51)
Cash dividends paid to non-controlling interests	-	-	(1,624)	(1,624)
Balance on March 31, 2019	<u>\$ 340,727</u>	<u>87,641</u>	<u>4,300,323</u>	<u>4,728,691</u>

(t) Earnings per share

The Group's (deficits)/earnings per share are calculated as follows:

	For the Three Months Ended March 31	
	2020	2019
Basic (deficits)/earnings per share		
(Loss) profit attributable to owners of the parent	\$ <u>(57,506)</u>	<u>169,457</u>
Weighted average number of ordinary shares	<u>385,252</u>	<u>385,252</u>
Basic (deficits)/earnings per share	<u>\$ (0.15)</u>	<u>0.44</u>
Diluted (deficits)/earnings per share		
Profit attributable to owners of the parent (after the adjustment of diluted ordinary shares)	\$ <u>(57,506)</u>	<u>169,457</u>
Weighted average number of ordinary shares	385,252	385,252
Effect of potential diluted ordinary shares		
Employee stock option	-	1,406
Weighted average number of ordinary shares (after the adjustment of diluted ordinary shares)	<u>385,252</u>	<u>386,658</u>
Diluted (deficits)/earnings per share	<u>\$ (0.15)</u>	<u>0.44</u>

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

For the Three Months Ended March 31, 2020				
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Hospitality Segment	Total
Major geographic markets:				
Taiwan	\$ 107,408	3,463	147,894	258,765
United States	506,698	-	-	506,698
Japan	349,317	-	-	349,317
China	986,053	-	-	986,053
Europe	63,468	-	-	63,468
South America	6,871	-	-	6,871
Others	95,011	-	-	95,011
	<u>\$ 2,114,826</u>	<u>3,463</u>	<u>147,894</u>	<u>2,266,183</u>
Major product/service lines:				
Iron casting hardware	\$ 2,105,161	-	-	2,105,161
Construction	-	-	-	-
Counter commissions	-	-	83,580	83,580
Others	9,665	3,463	64,314	77,442
	<u>\$ 2,114,826</u>	<u>3,463</u>	<u>147,894</u>	<u>2,266,183</u>
For the Three Months Ended March 31, 2019				
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Hospitality Segment	Total
Major geographic markets:				
Taiwan	\$ 120,601	640,951	186,207	947,759
United States	616,321	-	-	616,321
Japan	408,268	-	-	408,268
China	1,641,352	-	-	1,641,352
Europe	71,398	-	-	71,398
South America	2,445	-	-	2,445
Others	99,528	-	-	99,528
	<u>\$ 2,959,913</u>	<u>640,951</u>	<u>186,207</u>	<u>3,787,071</u>

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the Three Months Ended March 31, 2019			
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Hospitality Segment	Total
Major product/service lines:				
Iron casting hardware	\$ 2,940,471	-	-	2,940,471
Construction	-	636,301	-	636,301
Counter commissions	-	-	84,258	84,258
Others	19,442	4,650	101,949	126,041
	\$ 2,959,913	640,951	186,207	3,787,071

(ii) Contract balances

	March 31, 2020	December 31, 2019	March 31, 2019
Notes and accounts receivable	\$ 3,268,131	3,929,554	4,304,161
Less: Loss allowance	(18,801)	(26,005)	(21,388)
Total	\$ 3,249,330	3,903,549	4,282,773
Contract assets	\$ -	-	-
Contract liabilities—Advance real estate receipts	\$ 1,608,723	1,346,583	592,704
Contract liabilities—Advance receipts	\$ 53,943	42,370	27,090

For the details of accounts receivable and loss allowance, please refer to Note 6(d).

The amount of revenue recognized for three months ended March 31, 2020 and 2019, that were included in the contract liabilities balance at the beginning of the period were \$0 and \$94,180 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received.

(v) Employees' compensation and remuneration of directors

Based on the amended Company's Articles of Incorporation, employees' compensation is appropriated at the rate of at least 2.5% and remuneration of directors is appropriated no more than 2.5% of profit before tax, respectively. Prior years' accumulated deficit is first offset before any appropriation of profit, then calculate the employees' compensation and remuneration of directors by the appropriate ratio stipulated in the bylaws. The employees to whom the Company distributes employees' compensation, or issued new restricted employee shares, employee stock option certificates, preemptive right of new shares, and transfer of shares include the employees of subsidiaries which are qualified with the requirements stipulated by the Board of Directors.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

There were no appropriation for remuneration to employees and directors for the three months ended March 31, 2020 due to the operation losses incurred by the Company during the period. For the three months ended March 31, 2019, appropriated employees' compensation and remuneration of directors by \$5,098 thousand and \$4,902 thousand, respectively, which were estimated on the basis of the Company's net profit before tax, excluding employees' compensation and the remuneration of directors of each period, then multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles of Incorporation. Such amounts were recognized as operating cost or operating expense for the three months ended March 31, 2020 and 2019. The number of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting. Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and charged to profit or loss.

There were no significant difference between employees' compensation and remuneration of directors approved by the Board of Directors meeting and the estimated amount for the years of 2019 and 2018.

Information on the employees' compensation and remuneration of directors approved by the Board of Directors meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(w) Net other income and expenses

The information on net other income and expenses is listed as follows:

	<u>For the Three Months Ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Rental revenue	<u>\$ 1,976</u>	<u>1,070</u>

(x) Non-operating income and expenses

(i) Other income

The information on other income is listed as follows:

	<u>For the Three Months Ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Interest income		
Interest income from bank deposits	\$ 7,833	14,401
Interest income from financial guarantee contracts	<u>3,341</u>	<u>3,323</u>
Total interest income	<u>11,174</u>	<u>17,724</u>
Others	<u>4,668</u>	<u>10,297</u>
Total other income	<u>\$ 15,842</u>	<u>28,021</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other gains and losses

The information on other gains and losses is listed as follows:

	For the Three Months Ended March 31	
	2020	2019
Gains (losses) on disposal of property, plant and equipment	\$ 6,189	(2,002)
Foreign exchange gains (losses)	24,814	(17,045)
(Losses) gains on financial assets at FVTPL	(4,240)	788
Impairment loss on property, plant and equipment	-	(447)
Other losses	(414)	(11)
Net amount of other gains and losses	<u>\$ 26,349</u>	<u>(18,717)</u>

(iii) Finance costs

The information on interest costs is listed as follows:

	For the Three Months Ended March 31	
	2020	2019
Bank borrowing interest expense	\$ 70,740	68,470
Lease liability interest expense	7,049	6,011
Other finance costs	442	378
Net amount of finance costs	<u>\$ 78,231</u>	<u>74,859</u>

For the three months ended March 31, 2020 and 2019, the capitalized interest costs amounted to \$10,024 thousand and \$4,755 thousand, respectively.

(y) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to Note 6(ac) of the consolidated financial statements for the year ended December 31, 2019.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

Since the Group had a large number of unrelated customers, the concentration of the credit risk is limited.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Credit risks of receivables and debt securities

For the information regarding credit risk exposure of notes and accounts receivables, please refer to Note 6(d). Other financial assets at amortized cost include other receivables and time deposits.

All of these financial assets mentioned above are considered to be low risk, therefore, the impairment provision recognized during the period was limited to 12 months expected losses. For the allowance of impairment on financial assets for the three months ended March 31, 2020 and 2019, please refer to Note 6(d).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments, but not the impact of netting agreements.

	<u>Contractual Cash Flow</u>	<u>Within 6 Months</u>	<u>6-12 Months</u>	<u>1-2 Years</u>	<u>2-5 Years</u>	<u>Over 5 Years</u>
March 31, 2020						
Non-derivative financial liabilities						
Bank borrowings	\$ 19,602,134	5,593,839	3,396,872	5,404,077	5,159,385	47,961
Lease liabilities	2,404,574	109,002	107,214	204,514	587,009	1,396,835
Notes and accounts payables (including related parties)	1,948,923	1,948,923	-	-	-	-
Other payables (including related parties)	698,518	698,518	-	-	-	-
	<u>\$ 24,654,149</u>	<u>8,350,282</u>	<u>3,504,086</u>	<u>5,608,591</u>	<u>5,746,394</u>	<u>1,444,796</u>
December 31, 2019						
Non-derivative financial liabilities						
Bank borrowings	\$ 19,546,749	2,685,966	4,771,158	4,103,271	7,917,829	68,525
Lease liabilities	2,459,427	109,857	107,755	209,687	585,500	1,446,628
Notes and accounts payables (including related parties)	2,628,201	2,628,201	-	-	-	-
Other payables (including related parties)	850,762	850,762	-	-	-	-
	<u>\$ 25,485,139</u>	<u>6,274,786</u>	<u>4,878,913</u>	<u>4,312,958</u>	<u>8,503,329</u>	<u>1,515,153</u>
March 31, 2019						
Non-derivative financial liabilities						
Bank borrowings	\$ 16,507,722	4,298,390	1,353,275	5,444,323	5,318,295	93,439
Lease liabilities	2,622,792	109,952	109,306	216,271	591,257	1,596,006
Notes and accounts payables (including related parties)	2,468,214	2,468,214	-	-	-	-
Other payables (including related parties)	988,628	988,628	-	-	-	-
	<u>\$ 22,587,356</u>	<u>7,865,184</u>	<u>1,462,581</u>	<u>5,660,594</u>	<u>5,909,552</u>	<u>1,689,445</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposure to foreign currency risk is as follows:

	March 31, 2020			December 31, 2019			March 31, 2019		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD:NTD	\$ 19,748	30.23	596,994	25,467	29.98	763,486	42,164	30.82	1,299,503
USD:CNY	114,352	7.10	3,456,857	33,943	6.96	1,017,620	111,865	6.73	3,447,664
USD:JPY	708	108.43	21,403	639	108.62	19,163	643	110.74	19,818
EUR:NTD	874	33.24	29,041	2,354	33.59	79,064	1,239	34.61	42,895
EUR:CNY	1,068	7.80	35,512	2,258	7.79	75,842	1,938	7.56	67,062
JPY:NTD	62,848	0.28	17,522	93,893	0.28	25,914	67,275	0.28	18,723
JPY:CNY	62,329	0.07	17,377	33,989	0.06	9,381	11,004	0.06	3,062
HKD:USD	6,196	0.13	24,166	9,752	0.13	37,546	2,642	0.13	10,384
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD:NTD	1,023	30.23	30,940	-	29.98	-	-	30.82	-
USD:CNY	104,705	7.10	3,165,233	109,837	6.96	3,292,900	108,638	6.73	3,348,215
EUR:CNY	15,859	7.80	527,154	8,618	7.79	289,492	4,605	7.56	159,365
HKD:USD	390,880	0.13	1,524,432	390,880	0.13	1,504,888	502,560	0.13	1,975,061

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable and other payables that are denominated in foreign currency. A 1% of appreciation or depreciation of each major foreign currency against the Group's functional currency as of March 31, 2020 and 2019 would have increased (decreased) the after-tax net income for the three months ended March 31, 2020 and 2019 by \$2,098 thousand and \$1,147 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended March 31, 2020 and 2019, the foreign exchange gains (losses), including both realized and unrealized, amounted to \$24,814 thousand and \$(17,045) thousand, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments at the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date.

If the interest rate increases or decreases by 1% the Group's net income will decrease /increase by \$30,091 thousand and \$32,100 thousand for the three months ended March 31, 2020 and 2019, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's variable rate bank borrowings.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows, assuming the analysis were based on the same basis, and other variables considered in the analysis remain the same:

	For the Three Months Ended March 31			
	2020		2019	
	Other Comprehensive Income (net of tax)	Net Income (Loss) (net of tax)	Other Comprehensive Income (net of tax)	Net Income (Loss) (net of tax)
Increase 10%	\$ 20,807	4,720	22,568	1,280
Decrease 10%	\$ (20,807)	(4,720)	(22,568)	(1,280)

(vi) Fair value of financial instruments

1) Fair value hierarchy

The Group measured its financial assets at FVOCI on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy are as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2020				
	Book Value	Fair Value			Total
	Level 1	Level 2	Level 3	Total	
Financial assets at FVTPL	\$ 47,200	47,200	-	-	47,200
Non-current financial assets at FVOCI	\$ 208,065	-	-	208,065	208,065
Financial assets measured at amortized cost	\$ 8,924,175	-	-	-	-
Financial liabilities measured at amortized cost	\$ 23,935,267	-	-	-	-

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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	December 31, 2019				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	<u>\$ 51,440</u>	<u>51,440</u>	<u>-</u>	<u>-</u>	<u>51,440</u>
Non-current financial assets at FVOCI	<u>\$ 216,065</u>	<u>-</u>	<u>-</u>	<u>216,065</u>	<u>216,065</u>
Financial assets measured at amortized cost	<u>\$ 9,437,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost	<u>\$ 24,523,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	March 31, 2019				
	Book Value	Fair Value			Total
	Level 1	Level 2	Level 3		
Financial assets at FVTPL	<u>\$ 12,800</u>	<u>12,800</u>	<u>-</u>	<u>-</u>	<u>12,800</u>
Non-current financial assets at FVOCI	<u>\$ 225,680</u>	<u>-</u>	<u>-</u>	<u>225,680</u>	<u>225,680</u>
Financial assets measured at amortized cost	<u>\$ 9,692,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost	<u>\$ 21,287,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

Financial instruments traded in active markets are based on quoted market prices. Market prices quoted from main exchanges and over-the-counter are the basis of fair value of equity instruments and credit instrument traded in active markets.

If the quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

If the financial instruments held by the Group have active market, the measurements of fair value are categorized as follows:

- The listed redeemable bonds, listed stocks, drafts and bonds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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If the financial instruments held by the Group have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at discounted cash flow model. The assumption is discounted investees' expected future cash flows by using the discounting rate which reflects the time value of money and the return of the investment.

3) Transfers between Level 1 and Level 2

There were no transfers in either direction for the three months ended March 31, 2020 and 2019.

4) Reconciliation of Level 3 instruments

	Non-current Financial Assets at FVOCI
	Equity Instrument without Quoted Price
Balance on January 1, 2020	\$ 216,065
Capital reduction	(8,000)
Balance on March 31, 2020	<u>\$ 208,065</u>
Balance on January 1, 2019	\$ 207,818
Total gains recognized as other comprehensive income	17,862
Balance on March 31, 2019	<u>\$ 225,680</u>

The total gains or losses is listed under "unrealized gain on financial assets at FVOCI". The information regarding assets held as of March 31, 2020 and 2019 is as follows:

	For the Three Months Ended March 31	
	2020	2019
Total gains or losses		
Recognized as other comprehensive income (which is listed under "unrealized gain on financial assets of FVOCI")	\$ -	<u>17,862</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's major financial instruments that use Level 3 inputs to measure fair value is "financial assets measured at FVOCI – equity investments".

Most of the Group's financial assets in Level 3 have only one significant unobservable input, while its equity investments without an active market have more than one significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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Quantified information regarding significant unobservable inputs are as follows:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement</u>
Financial assets at FVOCI equity investments without active market	Dividend discount model	·Average expected future dividend income of 5 years (As of March 31, 2020, December 31 and March 31, 2019 were \$0~\$30,176 thousand, \$0~30,176 thousand, and \$0~31,752 thousand, respectively.)	·The estimated fair value would increase, if the 5-year average expected future dividend income is increased.
		·Weighted average capital cost (As of March 31, 2020, December 31 and March 31, 2019, were 4.95%, 3.45% and 3.95%, respectively.)	·The estimated fair value would decrease, if the weighted average capital cost is increased.
		·Discounting rate without market liquidity (As of March 31, 2020, December 31 and March 31, 2019, were all 15%)	·The estimated fair value would decrease, if the discounting rate without market liquidity is increased.

6) Fair value measurements in Level 3-sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	<u>Inputs</u>	<u>Fluctuation in Inputs</u>	<u>Other Comprehensive Income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2020				
Financial assets at FVOCI				
Equity investments without an active market	4.95 %	1%	7,043	(6,695)
December 31, 2019				
Financial assets at FVOCI				
Equity investments without an active market	3.45 %	1%	8,103	(7,693)
March 31, 2019				
Financial assets at FVOCI				
Equity investments without an active market	3.95 %	1%	8,498	(8,069)

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(z) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(ad) of the consolidated financial statements for the year ended December 31, 2019.

(aa) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2019. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2019. Please refer to Note6 (ae) of the consolidated financial statements for the year ended December 31, 2019 for further details.

(7) Related-party transactions:

(a) The ultimate parent company

The company is both the parent company and the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
The Splendor Hospitality International Co., Ltd. (The Splendor Hospitality)	Joint ventures
CMAAN Health Co., Ltd. (CMAAN Health)	Joint ventures
Amida Trustlink Assets Management Co., Ltd. (Amida Trustlink Assets)	Associates
Hua-Pu Development Co., Ltd. (Hua-Pu Development)	Joint venture of subsidiaries
Keng-Hsin Urban Renewal Co., Ltd. (Keng-Hsin Urban Renewal)	Associate of subsidiaries
ADVANCISION (CAYMAN) Industries Co., Ltd. (ADVANCISION (CAYMAN))	Associate of subsidiaries
Beyond Fitness Co., Ltd. (Beyond Fitness)	Associate of subsidiaries
Acore Material Technology Co., Ltd. (Acore Material Technology)	Associate of subsidiaries
Fuzhou Aprec Mechanical and Electrical Co., Ltd. (Fuzhou Aprec)	Subsidiaries of subsidiaries' associates

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Advancision Corporation (Advancision)	Subsidiaries of subsidiaries' associates
Chain-Yuan Investment Co., Ltd. (Chain-Yuan Investment)	Other related parties
Kemitek Industrial Corp. (Kemitek Industrial)	Other related parties
CMP PUJEN Foundation for Arts and Culture (Foundation)	Other related parties
San Lien Educational Foundation (San Lien Foundation)	Other related parties
Pu Yuan Construction Co., Ltd. (Pu Yuan Construction)	Other related parties
LEESCO Development Co., Ltd. (LEESCO Development)	Other related parties
Hao Bao Investment Co., Ltd. (Hao Bao Investment)	Other related parties
Gee Lien Resource Development Corp. (Gee Lien Resource)	Other related parties
Mr. Ming Shiann, Ho	Other related parties
Mr. Ting Fung, Lin	Key Management

(c) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales transactions and outstanding balance between the Group and related parties are as follows:

	<u>Sales</u>		<u>Notes and Accounts Receivables</u>		
	<u>For the Three Months Ended March 31</u>		<u>March 31,</u>	<u>December</u>	<u>March 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>31, 2019</u>	<u>2019</u>
Associates	\$ 1,147	1,696	1,036	498	1,751
Other related parties	35	123	11	17	-
	<u>\$ 1,182</u>	<u>1,819</u>	<u>1,047</u>	<u>515</u>	<u>1,751</u>

The sales between the Group and related parties approximated the market price.

(ii) Purchases from related parties

The amounts of significant purchases transactions and outstanding balances between the Group and related parties are as follows:

	<u>Purchases</u>		<u>Notes and Accounts Payable</u>		
	<u>For the Three Months Ended March 31</u>		<u>March 31,</u>	<u>December</u>	<u>March 31,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>31, 2019</u>	<u>2019</u>
Associates	\$ 14,682	13,500	27,892	29,434	21,062
Other related parties	1,663	-	704	2,823	15
	<u>\$ 16,345</u>	<u>13,500</u>	<u>28,596</u>	<u>32,257</u>	<u>21,077</u>

The purchases mentioned above could not compare to the market because the Group did not purchase the same items from non-related parties. The payment terms with related parties are not significantly different from those with third parties.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(iii) Leases

1) Rental expenses

The information on office leased by the Group is as follows:

	Rental Expenses	
	For the Three Months Ended March 31	
	2020	2019
Joint ventures	\$ -	12
Other related parties:		
Mr. Ming Shiann, Ho	578	578
Others	15	15
	\$ 593	605

**Guarantee Deposit Paid (Recognized under other
current and non-current financial assets)**

	March 31, 2020	December 31, 2019	March 31, 2019
Other related parties	\$ 443	443	452

2) Rental revenues

The information on office leased to related parties is as follows:

	Rental Revenues	
	For the Three Months Ended March 31	
	2020	2019
Associates:		
Advancision	\$ 67	143
Beyond Fitness	-	383
Acore Material Technology	-	383
Others	9	9
Other related parties:		
Foundation	306	76
Others	15	-
	\$ 397	994

**Guarantee Deposit Received
(Recognized under other non-current liabilities)**

	March 31, 2020	December 31, 2019	March 31, 2019
Associates	\$ 300	300	240

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(iv) Providing services to related party

The information on providing management consulting and application services to related parties is as follows:

	Service Revenues	
	For the Three Months Ended March 31	
	2020	2019
Associates	\$ 75	-
Joint ventures	1,840	1,438
	\$ 1,915	1,438

(v) Non-performing receivables

	Total Claims		
	March 31, 2020	December 31, 2019	March 31, 2019
Joint ventures:			
The Splendor Hospitality	\$ 796,845	796,845	796,845
	Costs of Claims		
	March 31, 2020	December 31, 2019	March 31, 2019
Joint ventures:			
The Splendor Hospitality	\$ 575,000	575,000	575,000

The claims mentioned above was recognized in other non-current financial assets, please refer to Note 6(k).

(vi) Guarantees and endorsements

The information on guarantees and endorsements of financing quotas and actual usage is as follows:

	Borrowing Limits		
	March 31, 2020	December 31, 2019	March 31, 2019
Joint ventures:			
The Splendor Hospitality	\$ 2,150,000	1,900,000	2,100,000
Others	45,680	45,680	95,680
	\$ 2,195,680	1,945,680	2,195,680

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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	Actual Usage Amount		
	March 31, 2020	December 31, 2019	March 31, 2019
Joint ventures:			
The Splendor Hospitality	\$ 1,620,000	1,640,000	1,650,000
Others	45,680	45,680	55,681
	\$ 1,665,680	1,685,680	1,705,681

(vii) Guarantee for bank borrowings

The Group didn't pay any guarantee fee to related parties as a guarantor.

(viii) Property transaction

The information on acquisitions of assets (including capitalized costs from development projects, which was recognized under other non-current assets) and subsidiaries investments from related parties is as follows:

	For the Three Months Ended March 31	
	2020	2019
Other related parties	\$ 834	-

The information on construction in retention for development projects to be paid by the Group is as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Other related parties	\$ 138	138	-

(ix) Other transactions

1) The information on donation to related parties is as follows:

	Donation	
	For the Three Months Ended March 31	
	2020	2019
Other related parties: Foundation	\$ 15	125

2) The information on management services provided by related parties is as follows:

	Management Service Expenses	
	For the Three Months Ended March 31	
	2020	2019
Other related parties: Foundation	\$ 3,500	600

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 3) The information on other services or transactions provided by related parties is as follows:

	Other Expenses	
	For the Three Months Ended March 31	
	2020	2019
Associates	\$ -	5
Joint ventures	-	37
Other related parties	<u>28</u>	<u>36</u>
	<u>\$ 28</u>	<u>78</u>

- 4) The amounts on revenues from providing guarantees and endorsements to related parties is as follows:

	Interest Revenues	
	For the Three Months Ended March 31	
	2020	2019
Joint ventures:	\$ 3,260	3,216
The Splendor Hospitality		
Others	<u>81</u>	<u>107</u>
	<u>\$ 3,341</u>	<u>3,323</u>

- 5) Other receivables and advance payments from related parties

	Other Receivables		
	(including advance payments)		
	March 31,	December 31,	March 31,
	2020	2019	2019
Associates:			
Keng-Hsin Urban Renewal	\$ 30,183	27,773	20,190
Others	100	53	584
Joint ventures	131	96	240
Other related parties:			
LEESCO Development	3,900	-	-
Others	<u>235</u>	<u>238</u>	<u>49</u>
	<u>\$ 34,549</u>	<u>28,160</u>	<u>21,063</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6) Other payables and advance receipts from related parties

	Other Payables (including advance receipts)		
	March 31, 2020	December 31, 2019	March 31, 2019
Associates	\$ 8,001	12,062	3,479
Joint ventures	2	97	118
Other related parties	1,919	1,307	97
Key Management	-	25	-
	<u>\$ 9,922</u>	<u>13,491</u>	<u>3,694</u>

(d) Key management transactions

The compensation of key management is as follows:

	For the Three Months Ended March 31	
	2020	2019
Short-term employee benefits	\$ 22,697	31,295
Post-employment benefits	414	561
	<u>\$ 23,111</u>	<u>31,856</u>

(8) Pledged assets

The information on pledged assets' carrying value is as follows:

Pledged Assets	Object	March 31, 2020	December 31, 2019	March 31, 2019
Land (including other non-current assets)	The credit limits of long-term and short-term bank borrowings	\$ 1,466,374	1,250,335	1,412,375
Buildings	"	332,600	330,012	412,738
Investment properties	"	597,490	598,843	602,904
Inventories—Land held for development	"	5,841,338	5,865,338	3,955,953
Inventories—Construction in progress	"	4,222,195	2,850,050	2,739,462
Inventories—Buildings and land held for sale	The credit limits of short-term borrowings	3,776,433	3,776,433	4,146,680
Other current financial assets	Bank acceptance bills	59,356	27,636	42,804
"	Trusts	644,261	606,649	166,937
		<u>\$ 16,940,047</u>	<u>15,305,296</u>	<u>13,479,853</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Significant commitments and contingencies

(a) The Group's unrecognized contractual commitments are as follows:

(i) The unused standby letters of credit for purchasing machinery and equipment and raw material are as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Unused standby letters of credit	\$ <u>-</u>	<u>-</u>	<u>1,156</u>

(ii) The unrecognized contractual commitment from contracts of buildings for future operational use, selling and purchasing of equipment, decorating constructions, and engineering constructions entered into by the Group is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Total contract price	\$ <u>8,806,969</u>	<u>5,153,812</u>	<u>4,736,100</u>
Total amounts paid under contracts (Note)	\$ <u>1,667,738</u>	<u>1,331,255</u>	<u>859,691</u>

Note: Recognized in "prepayments for equipment and construction in progress", "other non-current assets", "inventory- construction in progress" and "administrative expenses".

(iii) The Group's total selling price for presale construction projects is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Total contract price	\$ <u>10,808,262</u>	<u>10,032,583</u>	<u>4,355,504</u>
Total amounts received under contracts (recognized under current contract liabilities)	\$ <u>1,603,135</u>	<u>1,340,994</u>	<u>592,704</u>

(iv) The Group's purchase contracts of building capacity is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Total contract price	\$ <u>200,944</u>	<u>200,944</u>	<u>200,944</u>
Total amounts paid under contracts (recognized under prepayments)	\$ <u>116,570</u>	<u>116,570</u>	<u>116,570</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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- (v) The Group's security deposits paid to landlords for joint construction projects is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Security deposits of joint construction projects (recognized under other current and non-current financial assets)	\$ <u>304,334</u>	<u>283,614</u>	<u>219,940</u>

- (vi) The Group's security deposits for renting real estates is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Security deposits (recognized under other current and non-current financial assets)	\$ <u>97,412</u>	<u>97,311</u>	<u>97,712</u>

- (vii) The Group's unrecognized contractual commitments for purchasing land is as follows:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Total contract price	\$ <u>289,542</u>	<u>279,342</u>	<u>219,342</u>
Total amounts paid under contracts (recognized under inventories—prepayments for land)	\$ <u>123,269</u>	<u>121,229</u>	<u>10,788</u>

- (viii) The Group and The Presbyterian Church in Taiwan entered into a real estate leasing contract, with the contract term of 40 years, commencing the day after the signing date, September 30, 2016. For the development of the leasing real estates, the Group agreed to pay development royalty amounted to \$126,000 thousand. As of March 31, 2020 and 2019, the accumulated royalties paid amounted to \$126,000 thousand, respectively, which was recognized under other non-current assets and transferred to right-of-use assets when the first application of IFRS16 on January 1, 2019, and was depreciated by the contract term.

(b) Contingencies

- (i) Please refer to Note 7 for the Group's guarantees and endorsements for related parties' loans as of March 31, 2020 and 2019.

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- (ii) Contingencies for the Company and subsidiaries- the stages of Sunflower Investment Daguangsan tax petition for real estate transaction and non-performing receivables, and the petition stages of CMW (Tianjin) sales contract dispute is as follows:

<u>Litigant</u>	<u>Issue</u>	<u>Current Status</u>
The Company	Filing a petition for the administrative penalty of the value-added tax in the Daguangsan real estate transaction which was approved by National Taxation Bureau of Taipei	National Taxation Bureau of Taipei has approved the additional value-added tax and the regarding penalty amounted to \$38,497 thousand, which the Company had paid \$25,665 thousand in 2012. The Company was dissatisfied with the verdict from the original authority, which has filed the administrative petition. According to the ruling of the Taipei High Administrative Court, the lawsuit has now been suspended.
Sunflower Investment	Since 2011, Sunflower Investment had received several administrative penalties approved by National Tax Bureau of Taipei which arose from the withholding tax, value-added tax, enterprise income tax and undistributed earning tax of the Daguangsan non-performing receivables. The Company has sought administrative remedy for the aforementioned verdict.	National Tax Bureau of Taipei reduced the approved value-added tax and the regarding penalties to the total amount of \$564,452 thousand on June 6, 2014, which arose from Daguangsan non-performing receivables. The aforementioned amount had been paid in the amount of \$46,174 thousand. The Company was dissatisfied with the verdicts and filed the petitions of the review, appeal and administrative litigation, which are being processed by the authority. The administrative litigation was filed against Taipei High Administrative Court on December 24, 2013. In accordance with the Administrative Regulation Article 177, Section 1 and 2, Taipei High Administrative Court suspended the proceeding of the lawsuit on July 25, 2016. Considering the risk of losing the lawsuit in the future, the Company assessed the aforementioned possible losses based on the conservative principle and estimate the contingent liabilities. For details of regarding contingencies, please refer to Note 6(o).
CMW (Tianjin)	CMW (Tianjin) engaged in a sales contract dispute with its customer and received the arbitration notice in February 2019, which the arbitration tribunal was formed in April 2019. The appeal is now in the trial of arbitration tribunal.	The customer requested CMW (Tianjin) to compensate for the loss caused by the deficiency of the product quality. However, CMW (Tianjin) developed the product based on the technical criterion and specifications provided by the customer. During the development stage, CMW (Tianjin) found a problem within the design and reminded the customer to modify. Due to the pressure of supply, the customer did not agree the proposal of the design modification to its end customers. In addition, the customer failed to follow the schedule in the process of verifying and approving the materials CMW (Tianjin) used in the production, which was inappropriate to the supply chain quality assurance. CMW (Tianjin) believes that the arbitration request lacks the facts and conclusive evidence, which is not possible for CMW (Tianjin) to take the whole responsibility of the end customers' loss. The case appointed lawyer stated that it is unlikely that all of the customers' arbitration requests will be accepted. The arbitration tribunal of this case was formed, however, the court session for the trial has not been opened. The engagement attorney stated that the arbitration request raised by the customer is unlikely to be supported. The responsible party will be determined after the third party examines the defective products. This case is still in the trial of the arbitration tribunal. Considering the risk of losing the lawsuit, the Company assessed the aforementioned possible losses based on the conservative principle to estimate the contingent liabilities. For the details of regarding contingencies, please refer to Note 6(o).

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses due to major disasters: None.

(11) Subsequent events:

Due to the outbreak of COVID-19 in the beginning of 2020, the China operation business environment still remained uncertain. However, there were no significant influences on the operation. Since the global situation is changing, the assessment of the impact is not probable. The Group will continue to monitor the situation and give assessment of the impact of those changes.

(12) Other:

- (a) The Securities and Futures Investors Protection Center (SFIPC) filed a criminal incidental civil action on behalf of the Company against the former chairman of the Company, Mr. Ming Shiann, Ho. However, the SFIPC was dissatisfied with the High Court's decision on June 26, 2018 and filed an appeal to the Supreme Court, the appeal was handed back over to the High Court for reconsideration on August 22, 2019, which is in trial in the Tainan Branch of Taiwan High Court. On February 28, 2020, both parties agreed to temporarily suspend the case mentioned above.
- (b) The SFIPC filed a lawsuit against the Company, its directors and supervisors, and certain employees of the Group. On March 27, 2019, the Supreme Court vacated the adjudication on February 13, 2018 and remanded it to the Taiwan High Court. On January 2, 2020, Taiwan High Court dismissed the appeal filed by the SFIPC for the second time. On February 5, 2020, the SFIPC filed an appeal to the Supreme Court against the aforementioned conviction, which is now in trial in the Supreme court.
- (c) Employee benefits, depreciation, and amortization are summarized as follows:

By item	By function	For the Three Months Ended March 31					
		2020			2019		
		Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits							
Salary		144,049	135,141	279,190	175,063	167,733	342,796
Labor and health insurance		11,362	10,034	21,396	19,346	13,997	33,343
Pension		8,648	6,317	14,965	13,524	6,147	19,671
Others		13,716	9,568	23,284	12,801	11,278	24,079
Depreciation		170,557	71,305	241,862	173,120	77,941	251,061
Amortization		459	4,750	5,209	325	6,786	7,111

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:**(a) Information on significant transactions:**

The following is the information on significant transactions for the three months ended March 31, 2020, required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of NTD)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance During the Period	Ending Balance (Note 1)	Actual Borrowing Amount	Interest Rate	Nature for Financing (Note 2)	Transaction Amount for Business	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 4)
													Item	Value		
1	Tianjin CMT	Suzhou CMB	Accounts receivable due from related parties	Yes	216,000	213,000	213,000	0.75%	2	-	Operation requirements	-		-	328,845	438,460
1	Tianjin CMT	CMW (Tianjin)	Accounts receivable due from related parties	Yes	194,400	191,700	191,700	0.75%	2	-	Operation requirements	-		-	328,845	438,460
2	FAR HSING (SAMOA)	Atrans Precision	Accounts receivable due from related parties	Yes	30,250	30,230	30,230	1.00%	2	-	Operation requirements	-		-	49,368	65,824

Note 1: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

Note 2: 1. For business transactions.

2. For the necessity of short-term financing.

Note 3: The lender's total amount available for lending shall not exceed 30% of its net worth.

Note 4: The lender's total amount available for lending shall not exceed 40% of its net worth.

Note 5: Intra-group transactions have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of NTD)

No.	Name of Guarantor/Endorse	Counter-party of Guarantee and Endorsement		Limitation on Amount of Guarantees and Endorsements for a Specific Enterprise (Note 4)	Highest Balance for Guarantees and Endorsements During the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Property Pledged for Guarantees and Endorsements	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amount for Guarantees and Endorsements (Note 5)	Parent Company Endorsements/ Guarantees to Third Parties on Behalf of Subsidiary (Note 3)	Subsidiary Endorsements/ Guarantees to Third Parties on Behalf of Parent Company (Note 3)	Endorsements/ Guarantees to Third Parties on Behalf of Companies in Mainland China (Note 3)
		Name	Relationship with the Company (Note 1)										
0	The Company	Sunflower Investment	1	4,688,760	110,000	110,000	60,500	-	0.94 %	5,860,950	Y	N	N
0	The Company	The Hotel National	1	4,688,760	100,000	50,000	50,000	-	0.43 %	5,860,950	Y	N	N
0	The Company	Shangrila Tourism	1	4,688,760	652,500	652,500	426,000	-	5.57 %	5,860,950	Y	N	N
0	The Company	The Splendor Hospitality	2	4,688,760	2,150,000	2,150,000	1,620,000	-	18.34 %	5,860,950	N	N	N
0	The Company	CMAAN Health	2	4,688,760	45,680	45,680	45,680	-	0.39 %	5,860,950	N	N	N
1	CMAI N.A.	Pilot	4	55,483	57,228	53,127	52,814	-	95.75 %	55,483	N	N	N
2	CMI	UEA	3	3,911,681	1,524,432	1,524,432	1,524,432	-	15.59 %	4,889,602	N	N	N

Note 1: 1. The Company held directly or indirectly more than 50% of the shares with voting rights.

2. Due to the joint investment relationship, all of the shareholders of the Group endorse the company in accordance with their investment ratio.

3. The company held directly or indirectly more than 50% of the shares with voting rights.

4. The company held directly or indirectly more than 90% of the shares with voting rights.

Note 2: Balance of guarantees and endorsements as of the reporting date was within the credit limit approved by the Board of Directors.

Note 3: The following three situations are filled in Y: the endorsement of the subsidiary by the Company; the endorsement of the Company by the subsidiary and the endorsement to the company located in Mainland China.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 4: The guarantor's total amount available for guarantee and endorsement shall not exceed the percentage mentioned below of its net worth: The Company 40%, CMAI N.A.100%, and CMI 40%.

Note 5: The guarantor's total amount available for guarantee and endorsement shall not exceed the percentage mentioned below of its net worth: The Company 50%, CMAI N.A.100%, and CMI 50%.

(iii) Securities held as of March 31, 2020 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of NTD)

Name of Holder	Category and Name of Security	Relationship with Issued Company	Account	Ending Balance				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
The Company	MEITA Industrial Co., Ltd.	The Company is the legal person	Non-current financial assets at FVOCI	1,351,164	135,300	3.12 %	135,300	
The Company	YUHUA Venture Capital Co., Ltd.	-	Non-current financial assets at FVOCI	112,574	830	1.25 %	830	
The Company	FUHUA Venture Capital Co., Ltd.	-	Non-current financial assets at FVOCI	86,625	1,920	1.67 %	1,920	
The Company	GUANGYUAN Investment Co., Ltd.	-	Non-current financial assets at FVOCI	5,000,000	44,080	3.91 %	44,080	
The Company	DEVELOPMENT Venture Capital Co., Ltd.	The Company is the legal person	Non-current financial assets at FVOCI	4,400,000	25,935	4.00 %	25,935	
The Company	Pacific Electric Wire & Cable Co., Ltd.	-	Current financial assets at FVTPL	81,666	-	0.01 %	-	
Sunflower Investment	YungTay Engineering Co., Ltd.	-	Current financial assets at FVTPL	800,000	47,200	0.19 %	47,200	
Sunflower Investment	i1. COM, INC.	-	Non-current financial assets at FVOCI	100,000	-	0.52 %	-	
The Hotel National	Century National Technology Co., Ltd.	-	Non-current financial assets at FVOCI	35,600	-	2.34 %	-	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20% of the share capital: None.

(v) Information on the acquisition of real estate exceeding NT\$300 million or 20% of the share capital: None.

(vi) Information on the disposal of real estate exceeding of NT\$300 million or 20% of the share capital: None.

(vii) Information regarding related-party transactions for purchases and sales exceeding NT\$300 million or 20% of the share capital:

(In Thousands of NTD)

Name of Company	Related Party	Nature of Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage of Total Purchases/Sales	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Accounts Receivable (Payable)	
Suzhou CMS	CMI	Subsidiaries	Sale	176,073	31.23 %	120-180 days	-	-	1,165,738	68.30%	
CMW (Tianjin)	CMW (C.I.)	Subsidiaries	Sale	203,891	35.34 %	120-180 days	-	-	1,453,348	62.16%	

Note : Intra-group transactions have been eliminated in the consolidated financial statements.

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the share capital:

(In Thousands of NTD/In CNY)

Name of Company	Counter-party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
CMI	CMB (H.K.)	Parent company	Accounts receivable due from related parties, other 208,991	-	-	-	CNY 1,500,000	-
CMW (C.I.)	CMI	Subsidiaries	Accounts receivable due from related parties, other 2,294,252	-	-	-	-	-
CMW (C.I.)	CMW (Tianjin)	Parent company	Accounts receivable due from related parties, other 286,952	-	-	-	-	-
CMP (H.K.)	CMI	Subsidiaries	Accounts receivable due from related parties, other 355,818	-	-	-	-	-
CMW (Tianjin)	CMW (C.I.)	Subsidiaries	Accounts receivable due from related parties 1,453,348	0.55	-	-	CNY 12,332,660	-
Tianjin CMT	CMI	Subsidiaries	Accounts receivable due from related parties 283,843	-	-	-	-	-
Tianjin CMT	CMW (Tianjin)	Affiliates	Accounts receivable due from related parties, other 191,700	-	-	-	-	-
Tianjin CMT	Suzhou CMB	Affiliates	Accounts receivable due from related parties, other 213,000	-	-	-	-	-
Suzhou CMS	CMI	Subsidiaries	Accounts receivable due from related parties 1,165,738	0.57	-	-	CNY 6,932,050	-

Note : Intra-group transactions have been eliminated in the consolidated financial statements.

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of NTD)

No. (Note 1)	Name of Company	Name of Counter-party	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Trading Terms	Percentage of the Total Consolidated Revenue or Total Assets (Note 4)
0	China Metal Products	Atrans Precision	1	Operating revenue	18,153	60~90 days	0.80%
1	CMW (Tianjin)	CMW (C.I.)	2	Operating revenue	203,891	120~180 days	9.00%
3	Suzhou CMS	CMI	2	Operating revenue	176,073	120~180 days	7.77%
4	Suzhou CMB	Suzhou CMS	3	Operating revenue	10,631	120~180 days	0.47%
4	Suzhou CMB	CMI	2	Operating revenue	15,528	120~180 days	0.69%
6	National Management	China Metal Products	2	Operating revenue	15,850	OA 25 days	0.70%
0	China Metal Products	Atrans Precision	1	Accounts receivable due from related parties	24,819	60~90 days	0.06%
1	CMW (Tianjin)	CMW (C.I.)	2	Accounts receivable due from related parties	1,453,348	120~180 days	3.43%
2	Tianjin CMT	CMI	2	Accounts receivable due from related parties	283,843	120~180 days	0.67%
2	Tianjin CMT	CMW (Tianjin)	3	Accounts receivable due from related parties	35,241	120~180 days	0.08%
3	Suzhou CMS	CMI	2	Accounts receivable due from related parties	1,165,738	120~180 days	2.75%
4	Suzhou CMB	Suzhou CMS	3	Accounts receivable due from related parties	10,961	120~180 days	0.03%
4	Suzhou CMB	CMB (H.K.)	2	Accounts receivable due from related parties	40,744	120~180 days	0.10%
4	Suzhou CMB	CMI	2	Accounts receivable due from related parties	33,221	120~180 days	0.08%
5	CMAI (N.A.)	CMAI	2	Accounts receivable due from related parties	15,297	90~120 days	0.04%
2	Tianjin CMT	CMW (Tianjin)	3	Other receivables due from related parties	191,700	-	0.45%
2	Tianjin CMT	Suzhou CMS	3	Other receivables due from related parties	11,099	-	0.03%
2	Tianjin CMT	Suzhou CMB	3	Other receivables due from related parties	213,000	-	0.50%
11	CMAI	CMAI (N.A.)	1	Other receivables due from related parties	12,016	-	0.03%

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note 1)	Name of Company	Name of Counter-party	Nature of Relationship (Note 2)	Intercompany Transactions (Note 3)			
				Account	Amount	Trading Terms	Percentage of the Total Consolidated Revenue or Total Assets (Note 4)
7	CMI	CMB (H.K.)	1	Other receivables due from related parties	208,991	-	0.49%
8	CMW (C.I.)	CMW (Tianjin)	1	Other receivables due from related parties	286,952	-	0.68%
8	CMW (C.I.)	CMI	2	Other receivables due from related parties	2,294,252	-	5.41%
10	CMP (H.K.)	CMI	2	Other receivables due from related parties	355,818	-	0.84%
12	CHINGENG Land Development	PUJEN Land Development	2	Other receivables due from related parties	30,138	-	0.07%
13	FAR HSING (SAMOA)	Atrans Precision	2	Other receivables due from related parties	30,230	-	0.07%
9	CMB (H.K.)	Suzhou CMB	1	Other long-term receivables due from related parties	26,259	-	0.06%

Note 1: For the inter-company business relationship and transaction condition in the “Number” column, the labeling method is as follows:

1. Parent company - 0.
2. Subsidiaries – In sequence from 1.

Note 2: Relationship is classified into three types:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The Group only disclosed the information on sales and accounts receivable with subsidiary and did not give unnecessary details of opposite purchases and accounts payables in this part.

Note 4: The transaction amount is divided by the consolidated operating revenue or the consolidated total assets.

Note 5: Intra-group transactions have been eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2020 (excluding information on investees in Mainland China):

(In Thousands of NTD/In USD and CNY)

Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of March 31, 2020			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				March 31, 2020	December 31, 2019	Shares	Percentage of Ownership	Carrying Value			
The Company	UEA	British Virgin Islands	Investing in CMI	865,286	865,286	667,820	100.00 %	6,743,332	75,288	75,288	Subsidiaries
The Company	Sunflower Investment	Taiwan	Investing	99,000	99,000	67,006,291	99.00 %	845,736	(21,076)	(20,865)	Subsidiaries
The Company	Atrans Precision	Taiwan	Vehicle parts processing	236,780	236,780	25,149,502	70.47 %	397,149	(6,881)	(4,849)	Subsidiaries
The Company	CMJ	Japan	Cast iron product retailing	4,887	4,887	500	83.33 %	70,915	15,019	12,515	Subsidiaries
The Company	CMAI	Hong Kong	Vehicle parts retailing	71,644	71,644	2,820,000	94.00 %	195,834	(2,408)	(2,263)	Subsidiaries
The Company	Pu Sheng Construction	Taiwan	Residents, commercial buildings and factories leasing and developing	30	30	3,000	30.00 %	9,997	50	15	Subsidiaries
The Company	PUJEN Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	2,003,067	2,003,067	158,877,643	56.65 %	3,855,962	(56,590)	(55,968)	Subsidiaries
The Company	Amida Trustlink Assets	Taiwan	Real estate developing, leasing and financial claims acquiring from financial institutions	44,576	44,576	16,763,726	35.21 %	(21,760)	(140)	-	Investees accounted for using equity method
The Company	The Hotel National	Taiwan	International tourist hotel services and other hotel business approved by the Ministry of Transportation and Communications	1,304,549	1,304,549	31,200,000	100.00 %	763,670	(22,988)	(23,461)	Subsidiaries
The Company	National Management	Taiwan	Management and consulting services	10,000	10,000	1,000,000	100.00 %	12,984	(1,810)	(1,810)	Subsidiaries
The Company	The Splendor Hospitality	Taiwan	International tourist hotel services	975,000	975,000	97,500,000	50.00 %	302,094	(46,956)	(26,738)	Joint ventures accounted for using equity method
The Company	Shangrila Tourism	Taiwan	Amusement park and hotel services	359,470	359,470	18,131,840	80.00 %	194,048	(11,149)	(8,622)	Subsidiaries
The Company	CMAAN Health	Taiwan	Management and consulting services	50,000	50,000	5,000,000	50.00 %	47,345	1,148	494	Joint ventures accounted for using equity method
The Company	InterContinental Taichung	Taiwan	International tourist hotel services	300	-	30,000	100.00 %	257	(43)	(43)	Subsidiaries

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Location	Main Businesses	Original Investment Amount		Balance as of March 31, 2020			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				March 31, 2020	December 31, 2019	Shares	Percentage of Ownership	Carrying Value			
Sunflower Investment	PUJEN Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	280,768	280,768	42,269,213	15.07 %	990,535	(56,590)	Exempt from disclosure	Subsidiaries of the Company
Sunflower Investment	Atrans Precision	Taiwan	Vehicle parts processing	77,836	77,836	4,737,380	13.27 %	74,115	(6,881)	Exempt from disclosure	Subsidiaries of the Company
Sunflower Investment	Amida Trustlink Assets	Taiwan	Real estate developing, leasing and financial claims acquiring from financial institutions	-	-	5,951,619	12.50 %	(7,726)	(140)	Exempt from disclosure	Investees accounted for using equity method
Sunflower Investment	ADVANCISION (CAYMAN)	Cayman Islands	Investing and cast iron product retailing	29,154	29,154	1,871,288	4.46 %	30,994	(6,116)	Exempt from disclosure	Investee accounted for using equity method
Sunflower Investment	Fantasy Inc.	Taiwan	Interior design, landscape design, and urban renewal	19,793	19,793	1,742,746	19.80 %	19,593	-	Exempt from disclosure	Investee accounted for using equity method
UEA	CMI	Cayman Islands	Investing in CMI (BVI) and cast iron product retailing	USD 136,536,250	USD 136,536,250	823,281,475	82.55 %	USD 271,423,503	USD 3,579,995	Exempt from disclosure	Subsidiaries of UEA
CMI	CMI (BVI)	British Virgin Islands	Investing in CMP (H.K.)	USD 280,426	USD 280,426	161	100.00 %	USD 1,134,955,619	USD 16,520,866	Exempt from disclosure	Subsidiaries of CMI
CMI	CMW (C.L.)	Cayman Islands	Investing in CMW (Tianjin) and CMH	USD 75,156,500	USD 75,156,500	50,000,000	100.00 %	CNY 1,708,380,726	CNY 19,668,690	Exempt from disclosure	Subsidiaries of CMI
CMI	CMB (H.K.)	Hong Kong	Investing in Suzhou CMT	USD 85,820,000	USD 85,820,000	82,000,000	100.00 %	CNY 577,780,237	CNY (7,873,023)	Exempt from disclosure	Subsidiaries of CMI
CMI(BVI)	CMP (H.K.)	Hong Kong	Investing in Tianjin CMT and Suzhou CMS	USD 21,000,000	USD 21,000,000	21,000,000	100.00 %	CNY 1,137,310,685	CNY 16,520,866	Exempt from disclosure	Subsidiaries of CMI(BVI)
CMAI	CMAI Holding	USA	Investing	USD 8,328,644	USD 8,328,644	8,328,644	100.00 %	USD 2,459,915	USD (127,656)	Exempt from disclosure	Subsidiaries of CMAI
CMAI Holding	Pilot	USA	Assets leasing	USD 8,328,644	USD 8,328,644	8,328,644	100.00 %	USD 2,459,915	USD (127,656)	Exempt from disclosure	Subsidiaries of CMAI Holding
Pilot	CMAI (N.A.)	USA	Vehicle parts retailing	USD 7,792,972	USD 7,792,972	7,792,972	100.00 %	USD 1,679,719	USD (155,648)	Exempt from disclosure	Subsidiaries of Pilot
Atrans Precision	FAR HSING (SAMOA)	SAMOA	Investing	USD 4,922,055	USD 4,922,055	4,922,055	100.00 %	154,966	(1,638)	Exempt from disclosure	Subsidiaries of Atrans Precision
Atrans Precision	Acore Material	Taiwan	Mechanical equipment, electronic parts and other equipment manufacturing	31,000	31,000	775,000	21.23 %	-	(533)	Exempt from disclosure	Associates of Atrans Precision
FAR HSING (SAMOA)	ADVANCISION (CAYMAN)	Cayman Islands	Investing and cast iron product retailing	USD 4,959,029	USD 4,959,029	9,068,414	21.59 %	USD 3,998,177	USD (203,107)	Exempt from disclosure	Investees of FAR HSING (SAMOA) accounted for using equity method
PUJEN Land Development	Pu Sheng Construction	Taiwan	Residents, commercial buildings and factories leasing and developing	20	20	2,000	20.00 %	6,665	50	Exempt from disclosure	Subsidiaries of the Company
PUJEN Land Development	Keng-Hsin Urban Renewal	Taiwan	Residents, commercial buildings and factories leasing and developing	250,928	250,928	32,864,188	30.00 %	315,231	(9,275)	Exempt from disclosure	Investees of PUJEN Land Development accounted for using equity method
PUJEN Land Development	CHINGENG Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	72,500	72,500	7,250,000	50.00 %	69,467	(45)	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	PUJEN CHENGMEI Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	59,500	59,500	5,950,000	70.00 %	40,827	(98)	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	PUCHIA Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	35,000	35,000	3,500,000	50.00 %	27,922	39	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	Shangrila Tourism	Taiwan	Amusement park and hotel services	89,867	89,867	4,532,960	20.00 %	48,512	(11,149)	Exempt from disclosure	Subsidiaries of the Company
PUJEN Land Development	Hua-Pu Development	Taiwan	Residents, commercial buildings and factories leasing and developing	5,000	5,000	500,000	50.00 %	5,123	(12)	Exempt from disclosure	Joint ventures of PUJEN Land Development accounted for using equity method
PUJEN Land Development	Beyond Fitness	Taiwan	Sport training and other consulting service	4,050	4,050	405,000	36.82 %	3,542	320	Exempt from disclosure	Investees of PUJEN Land Development accounted for using equity method

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of NTD, CNY, USD and JPY)

Name of Investee	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2020	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses) (Notes 2,3)	Book Value (Note 3)	Accumulated Remittance of Earnings in Current Period (Note 5)
					Outflow	Inflow						
Tianjin CMT	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	906,900 (USD30,000)	2	388,238	-	-	388,238	2,116 (CNY491)	82.55%	1,747 (CNY405)	1,096,151 (CNY257,312)	82,542
Suzhou CMS	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	725,520 (USD24,000)	2	423,406	-	-	423,406	66,996 (CNY15,544)	82.55%	55,279 (CNY12,826)	3,390,712 (CNY795,942)	14,601

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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Name of Investee	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2020	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses) (Notes 2,3)	Book Value (Note 3)	Accumulated Remittance of Earnings in Current Period (Note 5)
					Outflow	Inflow						
Suzhou CMB	Cast iron product designing, manufacturing and retailing	2,478,860 (USD82,000)	2	-	-	-	-	(28,639) (CNY(6,645))	82.55%	(23,642) (CNY(5,485))	2,630,220 (CNY617,423)	-
CMW (Tianjin)	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	967,360 (USD32,000)	2	-	-	-	-	2,697 (CNY626)	82.55%	13,193 (CNY3,061)	4,190,143 (CNY983,602)	-
CMH	Vehicle parts, farm wagon parts, industrial wagon parts household appliances parts and E&M as-casting and molds developing, manufacturing, selling and after sales services	722,044 (USD23,885)	2	-	-	-	-	(2,186) (CNY(507))	82.55%	(1,805) (CNY(419))	703,289 (CNY165,091)	-
Qinxin Trade	Vehicle parts retailing	4,232 (USD140)	2	-	-	-	-	(3,452) (USD(115))	94.00%	(3,245) (USD(108))	937 (USD31)	-
Qingdao Sourcing Specialists	Cast iron product retailing	3,023 (USD100)	2	-	-	-	-	2,104 (JPY7,613)	83.33%	1,753 (JPY6,344)	33,236 (JPY119,211)	-

(ii) Limitation on investment in Mainland China:

(In Thousands of NTD and USD)

Accumulated Investment in Mainland China as of March 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on Investment (Note 4)
811,644	6,306,612 (USD 208,621)	-

Note 1: Method of investment is classified into three types:

1. Directly invested in Mainland China.
2. Indirectly invested in Mainland China through the third region.
3. Other methods.

Note 2: The recognition basis of the investment income and losses is the financial report audited by an international accounting firm which is in partnership with the accounting firm in the R.O.C.

Note 3: The amount stated is the investment income and losses and the book value of the investment at the end of the period which is recognized by the subsidiaries established through the investment in the third region.

Note 4: The Company complies with the amended Permit 9704604680 ‘ Investment or technical cooperation review principal in China’ which is numbered 9704604680, which obtained the certification documents of the operational scope of the operational headquarters from the Industrial Development Bureau, Ministry of Economic Affairs, with the valid period from March 3, 2020 to March 2, 2023. The restriction on the cumulative investment amount or proportion in China is not applicable.

Note 5: As of March 31, 2020, the company had obtained a surplus of \$2,213,997 thousand (USD71,955 thousand) from the investment companies set up in the third region. The surplus was remitted to the companies by the subsidiaries which was invested indirectly in China and then was remitted to Taiwan. It was impossible to distinguish the remittance from the company in China.

Note 6: The aforementioned investments have been eliminated in the consolidated financial statements.

Note 7: The amount in the table is translated by the spot rate on the financial reporting date.

(iii) Significant transactions: None.

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(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Chain-Yuan Investment Co., Ltd.		47,340,965	12.28 %
Fubon Life Assurance Co., Ltd.		27,944,000	7.25 %
Mr. Ming Shiann, Ho		26,312,540	6.82 %

(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Hospitality Segment	Reconciliation and Elimination	Total
For the Three Months Ended March 31, 2020					
Revenue from external customers	\$ 2,114,826	3,463	147,894	-	2,266,183
Intersegment revenues	481,497	1,292	19,340	(502,129)	-
Total revenue	<u>\$ 2,596,323</u>	<u>4,755</u>	<u>167,234</u>	<u>(502,129)</u>	<u>2,266,183</u>
Reportable segment profit or loss	<u>\$ 169,713</u>	<u>(77,720)</u>	<u>(37,987)</u>	<u>(108,120)</u>	<u>(54,114)</u>
For the Three Months Ended March 31, 2019					
Revenue from external customers	\$ 2,959,913	640,951	186,207	-	3,787,071
Intersegment revenues	768,699	28	19,990	(788,717)	-
Total revenue	<u>\$ 3,728,612</u>	<u>640,979</u>	<u>206,197</u>	<u>(788,717)</u>	<u>3,787,071</u>
Reportable segment profit or loss	<u>\$ 202,629</u>	<u>133,170</u>	<u>(25,343)</u>	<u>(18,377)</u>	<u>292,079</u>

Note: The amount of assets and liabilities of the Group's reportable segments was not provided to the management. It is not required for disclosure.