

CHINA METAL PRODUCTS CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

with Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023

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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, 2024 and 2023, and the related consolidated statements of comprehensive income, and the changes in equity and cash flows for the three months ended March 31, 2024 and 2023, 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 the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 Standards on Auditing of the Republic of China 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 the total assets amounting to \$3,959,851 thousand and \$3,053,722 thousand, constituting 7.28% and 5.79% of the consolidated total assets; and the total liabilities amounting to \$1,853,322 thousand and \$1,532,533 thousand, constituting 5.01% and 4.25% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively, as well as the total comprehensive income (loss) amounting to \$(4,635) thousand and \$24,416 thousand, constituting (0.60)% and 151.46% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(e), the other equity accounted investments of the Group in its investee companies of \$675,334 thousand and \$670,118 thousand as of March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$(14,641) thousand and \$(8,233) thousand for the three months ended March 31, 2024 and 2023, 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, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 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 Tsou, Yi-Yun and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China)

May 9, 2024

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)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****March 31, 2024, December 31, 2023, and March 31, 2023****(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Notes 6(a) and (y))	\$ 7,132,848	13	6,556,648	12	5,166,978	10	2100	Short-term borrowings (Notes 6(l) and (y))	\$ 12,709,531	23	11,193,977	21	12,972,817	25
1170	Notes and accounts receivable, net (Notes 6(c), (v) and (y))	3,509,104	7	3,659,978	7	3,453,432	6	2130	Current contract liabilities (Notes 6(v), 7 and 9(a))	5,283,302	10	4,994,268	9	5,247,091	10
1180	Accounts receivable due from related parties, net (Notes 6(y) and 7)	10,081	-	5,993	-	7,454	-	2170	Notes and accounts payable (Notes 6(y) and 7)	3,490,389	6	4,087,130	8	2,735,724	5
1200	Other receivables (Note 6(y))	86,766	-	66,931	-	99,258	-	2180	Accounts payable due to related parties (Notes 6(y) and 7)	24,281	-	26,087	-	34,848	-
1210	Other receivables due from related parties (Notes 6(y) and 7)	4,349	-	4,503	-	85	-	2200	Other payables (Note 6(y))	2,124,200	4	1,724,133	3	1,131,694	2
130X	Inventories (Notes 6(d), 8 and 9(a))	21,919,444	40	22,791,079	42	22,828,015	43	2220	Other payables due to related parties (Notes 6(y) and 7)	184	-	835	-	178	-
1410	Prepayments (Note 9(a))	187,465	-	171,744	-	198,348	1	2230	Current income tax liabilities	273,856	1	250,651	-	75,212	-
1476	Other current financial assets (Notes 6(y), 8 and 9(a))	1,975,226	4	1,654,490	3	1,804,906	3	2280	Current lease liabilities (Notes 6(o) and (y))	202,809	-	202,937	-	190,608	1
1479	Other current assets, others	566,290	1	480,231	1	527,529	1	2321	Bonds payable, current portion (Notes 6(n) and (y))	1,435,169	3	-	-	-	-
1480	Incremental costs of obtaining contracts	445,440	1	423,267	1	430,512	1	2322	Long-term borrowings, current portion (Notes 6(m) and (y))	2,766,393	5	2,971,393	6	1,296,806	2
	Total current assets	<u>35,837,013</u>	<u>66</u>	<u>35,814,864</u>	<u>66</u>	<u>34,516,517</u>	<u>65</u>	2399	Other current liabilities (Note 6(r))	379,568	1	186,413	-	120,470	-
Non-current assets:									Total current liabilities	<u>28,689,682</u>	<u>53</u>	<u>25,637,824</u>	<u>47</u>	<u>23,805,448</u>	<u>45</u>
1510	Non-current financial assets at fair value through profit or loss (Notes 6(n) and (y))	-	-	156	-	-	-	2500	Non-current financial liabilities at fair value through profit or loss (Notes 6(n) and (y))	-	-	-	-	825	-
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(b) and (y))	201,977	-	192,751	-	176,151	-	2530	Bonds payable (Notes 6(n) and (y))	-	-	1,445,763	3	1,552,818	3
1550	Investments accounted for using equity method (Note 6(c))	675,334	1	685,724	1	670,118	1	2540	Long-term borrowings (Notes 6(m) and (y))	6,224,268	11	7,710,742	14	8,216,960	15
1600	Property, plant and equipment (Notes 6(f), 8 and 9(a))	10,861,522	20	10,588,497	20	10,621,974	20	2570	Deferred tax liabilities (Note 6(s))	497,966	1	501,892	1	509,797	1
1755	Right-of-use assets (Notes 6(g) and 9(a))	1,629,897	3	1,673,213	3	1,811,142	4	2580	Non-current lease liabilities (Notes 6(o) and (y))	1,247,775	2	1,294,887	2	1,429,921	3
1760	Investment property, net (Notes 6(h) and 8)	660,804	1	661,229	1	662,765	1	2640	Non-current net defined benefit liabilities (Note 6(r))	30,139	-	29,185	-	28,297	-
1780	Intangible assets (Note 6(i))	437,587	1	429,275	1	425,431	1	2670	Other non-current liabilities, others (Notes 6(p), (y) and 7)	338,892	1	342,104	1	486,839	1
1840	Deferred tax assets (Note 6(s))	180,627	-	186,598	-	181,345	1		Total non-current liabilities	<u>8,339,040</u>	<u>15</u>	<u>11,324,573</u>	<u>21</u>	<u>12,225,457</u>	<u>23</u>
1975	Non-current net defined benefit assets (Note 6(r))	-	-	-	-	6,446	-		Total liabilities	<u>37,028,722</u>	<u>68</u>	<u>36,962,397</u>	<u>68</u>	<u>36,030,905</u>	<u>68</u>
1980	Other non-current financial assets (Notes 6(j), (y), 7 and 9(a))	704,386	2	704,533	2	686,913	1	Equity attributable to owners of parent (Note 6(t)):							
1990	Other non-current assets, others (Notes 6(k), 7, 8 and 9(a))	3,233,514	6	3,212,749	6	2,969,943	6	3100	Ordinary share	3,788,962	7	3,787,865	7	3,761,252	7
	Total non-current assets	<u>18,585,648</u>	<u>34</u>	<u>18,334,725</u>	<u>34</u>	<u>18,212,228</u>	<u>35</u>	3200	Capital surplus (Note 6(n))	1,602,738	3	1,600,373	3	1,542,513	3
								3300	Retained earnings	7,940,384	15	8,004,646	15	7,466,129	14
								3400	Other equity	43,377	-	(110,385)	-	103,360	-
									Total equity attributable to owners of parent:	<u>13,375,461</u>	<u>25</u>	<u>13,282,499</u>	<u>25</u>	<u>12,873,254</u>	<u>24</u>
								36XX	Non-controlling interests	4,018,478	7	3,904,693	7	3,824,586	8
									Total equity	<u>17,393,939</u>	<u>32</u>	<u>17,187,192</u>	<u>32</u>	<u>16,697,840</u>	<u>32</u>
									Total liabilities and equity	<u>\$ 54,422,661</u>	<u>100</u>	<u>\$ 54,149,589</u>	<u>100</u>	<u>\$ 52,728,745</u>	<u>100</u>
	Total assets	<u>\$ 54,422,661</u>	<u>100</u>	<u>54,149,589</u>	<u>100</u>	<u>52,728,745</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2024 and 2023

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

		For the Three Months Ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenues (Notes 6(v) and 7)	\$ 4,827,541	100	2,871,172	100
5000	Operating costs (Notes 6(d) and 7)	<u>(3,567,532)</u>	<u>(74)</u>	<u>(2,317,158)</u>	<u>(81)</u>
	Gross profit from operations	<u>1,260,009</u>	<u>26</u>	<u>554,014</u>	<u>19</u>
	Operating expenses (Note 7):				
6100	Selling expenses	(123,354)	(2)	(116,480)	(4)
6200	Administrative expenses (Note 6(w))	(429,058)	(9)	(411,350)	(14)
6300	Research and development expenses	(3,007)	-	(4,757)	-
6450	Expected credit (losses) gains (Note 6(c))	<u>(7,442)</u>	<u>-</u>	<u>1,606</u>	<u>-</u>
	Total operating expenses	<u>(562,861)</u>	<u>(11)</u>	<u>(530,981)</u>	<u>(18)</u>
	Net operating income	<u>697,148</u>	<u>15</u>	<u>23,033</u>	<u>1</u>
	Non-operating income and expenses:				
7100	Interest income (Notes 6(x) and 7)	26,329	1	17,332	1
7010	Other income (Notes 6(x) and 7)	24,546	-	39,217	1
7020	Other gains and losses (Notes 6(n) and (x))	11,018	-	1,094	-
7050	Finance costs (Notes 6(x) and 7)	(81,241)	(2)	(106,301)	(4)
7060	Share of loss of associates and joint ventures accounted for using equity method, net (Note 6(e))	<u>(14,641)</u>	<u>-</u>	<u>(8,233)</u>	<u>-</u>
	Total non-operating income and expenses	<u>(33,989)</u>	<u>(1)</u>	<u>(56,891)</u>	<u>(2)</u>
	Profit (loss) from continuing operations before tax	663,159	14	(33,858)	(1)
7950	Less: Tax (expense) income (Note 6(s))	<u>(69,693)</u>	<u>(2)</u>	<u>1,968</u>	<u>-</u>
8200	Net profit (loss)	<u>593,466</u>	<u>12</u>	<u>(31,890)</u>	<u>(1)</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (Notes 6(t) and (y))	-	-	(3,112)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that may not be reclassified subsequently to profit or loss	-	-	<u>(3,112)</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(t))	181,787	4	51,222	2
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	<u>181,787</u>	<u>4</u>	<u>51,222</u>	<u>2</u>
8300	Other comprehensive income (after tax)	<u>181,787</u>	<u>4</u>	<u>48,110</u>	<u>2</u>
8500	Comprehensive income	<u>\$ 775,253</u>	<u>16</u>	<u>16,220</u>	<u>1</u>
	Net profit (loss), attributable to:				
8610	Owners of parent	\$ 507,706	10	(24,139)	(1)
8620	Non-controlling interests	<u>85,760</u>	<u>2</u>	<u>(7,751)</u>	<u>-</u>
		<u>\$ 593,466</u>	<u>12</u>	<u>(31,890)</u>	<u>(1)</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 661,468	14	16,209	1
8720	Non-controlling interests	<u>113,785</u>	<u>2</u>	<u>11</u>	<u>-</u>
		<u>\$ 775,253</u>	<u>16</u>	<u>16,220</u>	<u>1</u>
	Earnings (loss) per share (expressed in dollars) (Note 6(u))				
9750	Basic earnings (loss) per share	<u>\$ 1.34</u>		<u>(0.06)</u>	
9850	Diluted earnings (loss) per share	<u>\$ 1.18</u>		<u>(0.09)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the Three Months Ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of Parent									
	Share Capital		Retained Earnings			Other Equity				
	Ordinary Share	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 at January 1, 2023	\$ 3,761,221	1,542,440	1,964,848	49,081	5,478,142	10,196	51,013	12,856,941	3,827,949	16,684,890
Profit for the three months ended March 31, 2023	-	-	-	-	(24,139)	-	-	(24,139)	(7,751)	(31,890)
Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	43,460	(3,112)	40,348	7,762	48,110
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	(24,139)	43,460	(3,112)	16,209	11	16,220
Conversion of convertible bonds	31	73	-	-	-	-	-	104	-	104
Cash dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(3,374)	(3,374)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,803)	-	1,803	-	-	-
Balance on March 31, 2023	\$ 3,761,252	1,542,513	1,964,848	49,081	5,452,200	53,656	49,704	12,873,254	3,824,586	16,697,840
Balance on January 1, 2024	\$ 3,787,865	1,600,373	2,046,183	49,081	5,909,382	(160,089)	49,704	13,282,499	3,904,693	17,187,192
Profit for the three months ended March 31, 2024	-	-	-	-	507,706	-	-	507,706	85,760	593,466
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	153,762	-	153,762	28,025	181,787
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	507,706	153,762	-	661,468	113,785	775,253
Appropriation and distribution of retained earnings:										
Cash dividends	-	-	-	-	(571,968)	-	-	(571,968)	-	(571,968)
Conversion of convertible bonds	1,097	2,365	-	-	-	-	-	3,462	-	3,462
Balance on March 31, 2024	\$ 3,788,962	1,602,738	2,046,183	49,081	5,845,120	(6,327)	49,704	13,375,461	4,018,478	17,393,939

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the Three Months Ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the Three Months Ended March 31	
	2024	2023
Cash flows from operating activities:		
Profit (loss) before tax	\$ 663,159	(33,858)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	251,328	263,290
Amortization expense	1,648	1,254
Expected credit losses (gains)	7,442	(1,606)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	156	(7,428)
Interest expense	81,241	106,300
Interest income	(26,329)	(17,332)
Dividend income	-	(40)
Share of profit loss of associates and joint ventures accounted for using equity method	14,641	8,233
Losses on disposal of property, plant and equipment	1,523	568
Property, plant and equipment transferred to expenses	74	382
Lease modification gains	-	(3)
Deferred credits recognized as the deduction of cost	(84,559)	-
Effect of exchange rate changes on short-term and long-term borrowings	1,021	(13,872)
Total adjustments to reconcile profit	<u>248,186</u>	<u>339,746</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable, net	201,179	375,238
Accounts receivable due from related parties, net	(3,665)	2,283
Other receivables	4,157	(4,714)
Inventories	1,044,866	(752,797)
Prepayments	(11,258)	(3,431)
Other current assets	(79,310)	(167,108)
Other financial assets	(309,636)	(100,450)
Incremental costs of obtaining contracts	(22,173)	(1,169)
Total changes in operating assets	<u>824,160</u>	<u>(652,148)</u>
Changes in operating liabilities:		
Notes and accounts payable (including related parties), net	(619,732)	(303,612)
Other payables	(200,576)	(241,003)
Current contract liabilities	291,216	383,738
Other current liabilities	186,813	(55,721)
Increase in net defined benefit liability	1,503	-
Other non-current liabilities	(54)	(54)
Total changes in operating liabilities	<u>(340,830)</u>	<u>(216,652)</u>
Total changes in operating assets and liabilities	<u>483,330</u>	<u>(868,800)</u>
Total adjustments	<u>731,516</u>	<u>(529,054)</u>
Cash inflow generated from (used in) operations	1,394,675	(562,912)
Interest received	24,038	13,738
Dividends received	-	33,295
Interest paid	(133,020)	(133,307)
Income taxes paid	(56,204)	(30,521)
Net cash flows generated from (used in) operating activities	<u>1,229,489</u>	<u>(679,707)</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(9,226)	-
Acquisition of property, plant and equipment	(363,884)	(182,660)
Proceeds from disposal of property, plant and equipment	921	779
Acquisition of intangible assets	(114)	-
(Increase) decrease in other financial assets	(10,267)	196,489
Increase in other non-current assets	(43,472)	(179,474)
Net cash flows used in investing activities	<u>(426,042)</u>	<u>(164,866)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	2,951,361	3,802,973
Decrease in short-term borrowings	(1,700,562)	(2,298,931)
Increase (decrease) in short-term notes and bills payable	209,956	(115,392)
Proceeds from long-term borrowings	670,000	850,000
Repayments of long-term borrowings	(2,369,800)	(2,251,500)
Payment of lease liabilities	(51,701)	(47,896)
Decrease in other non-current liabilities	(181)	(1,079)
Cash dividends paid to non-controlling interests	-	(3,374)
Net cash flows used in financing activities	<u>(290,927)</u>	<u>(65,199)</u>
Effect of exchange rate changes on cash and cash equivalents	63,680	7,848
Net increase (decrease) in cash and cash equivalents	576,200	(901,924)
Cash and cash equivalents at the beginning of the period	6,556,648	6,068,902
Cash and cash equivalents at the end of the period	<u>\$ 7,132,848</u>	<u>5,166,978</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2024 and 2023

(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 9, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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

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

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material 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, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023. For the related information, please refer to Note 4(c) of the consolidated financial statements for the year ended December 31, 2023.

(i) List of subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Principal Activity	Percentage Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
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	85.51 %	85.51 %	85.51 %	Note 1
The Company	Sunflower Investment Co., Ltd. (Sunflower Investment)	Investing	99.01 %	99.01 %	99.01 %	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, 2024	December 31, 2023	March 31, 2023	
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 2
The Company	CMAI CO., LIMITED. (CMAI)	Vehicle parts retailing	100.00 %	100.00 %	100.00 %	Note 1
The Company	CMJ CO., LTD. (CMJ)	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	71.82 %	71.82 %	71.82 %	Note 2
The Company	Shangrila Tourism Co., Ltd. (Shangrila Tourism)	Amusement park and hotel services	100.00 %	100.00 %	100.00 %	Note 1
The Company	Taichung CMP Hospitality Management Consulting Co., Ltd.(Taichung CMP Hospitality)	International tourist hotel services	100.00 %	100.00 %	100.00 %	Note 1 and 5
The Company	Calligraphy Greenway Plaza Co., Ltd. (Calligraphy Greenway Plaza)	Management and consulting services	100.00 %	100.00 %	100.00 %	Note 1
The Company	Great Naturalistic Block Co., Ltd. (Great Naturalistic Block)	Management and consulting, department store retailing services	100.00 %	100.00 %	- %	Note 1 and 3
UEA	China Metal International Holdings Inc. (CMI)	Investing and cast iron product retailing	83.27 %	83.27 %	83.27 %	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 %	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, 2024	December 31, 2023	March 31, 2023	
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 %	Note 1 and 4
PUJEN Land Development	PUZHI Construction Co., Ltd. (PUZHI Construction)	Comprehensive construction Activities, residents, commercial buildings and factories leasing and developing	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
CMAI Holding	CMAI-MEX Holding LLC(CMAI-MEX)	Investing	100.00 %	100.00 %	- %	Note 1 and 6
CMAI Holding&CMAI-MEX	MEXICO CMI-CMAI S. de R.L. de C.V. (MEXICO CMI-CMAI)	Vehicle parts retailing	100.00 %	100.00 %	- %	Note 1 and 6

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

Note 2: The financial statements have been reviewed.

Note 3: Obtained in the 2nd quarter of 2023.

Note 4: The liquidation procedure was completed on June 27, 2023.

Note 5: Formerly named as the “InterContinental Taichung Co., Ltd.”

Note 6: The establishments of both CMAI-MEX and MEXICO CMI-CMAI had registered on June 19, 2023 and December 14, 2023.

(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 which is forecasted by the management. This should be recognized fully as tax expense for the current period.

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

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 for 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 occasions.

(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, 2023. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023. Please refer to Note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 5,455	5,499	5,298
Cash in banks	4,817,670	4,457,079	3,170,577
Time deposits	2,309,723	2,094,070	1,991,103
Cash and cash equivalents	<u>\$ 7,132,848</u>	<u>6,556,648</u>	<u>5,166,978</u>

Please refer to Note 6(y) for the sensitivity analysis of the financial assets.

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

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Equity investments at fair value through other comprehensive income			
Stocks unlisted on domestic markets— MEITA Industrial Co., Ltd.	\$ 99,955	99,955	99,955
Stocks unlisted on domestic markets— GUANGYUAN Investment Co., Ltd.	31,134	31,134	31,134
Stocks unlisted on domestic markets— DEVELOPMENT Venture Capital Co., Ltd.	11,662	11,662	15,062
Stocks unlisted on domestic markets— Asia World Engineering & Construction Co., Ltd.	30,000	30,000	30,000
Stocks unlisted on domestic markets— MASADA Technology Limited Co., Ltd.	29,226	20,000	-
Total	<u>\$ 201,977</u>	<u>192,751</u>	<u>176,151</u>

Note 1: DEVELOPMENT Venture Capital Co., Ltd. had completed its liquidation registration procedures on January 24, 2024.

- (i) The Group holds the equity investments for long-term strategic purposes, rather than transaction purposes. Therefore, the investments are measured at FVOCI.
- (ii) For the three months ended March 31, 2024 and 2023, the Group received dividend income amounting to \$0 thousand and \$40 thousand, respectively, from the above investments measured at FVOCI.
- (iii) The Group had strategic investments in YUHUA Venture Capital Co., Ltd. and FUHUA Venture Capital Co., Ltd., whose liquidation registration procedures had been completed in 2023, resulting in the investment amounts, which had been remitted back to the Group, to be reclassified from FVOCI to other receivables, and the accumulated losses of \$1,803 thousand to be reclassified from other comprehensive income to retained earnings.
- (iv) Please refer to Note 6(y) for the information on credit risk (including the impairment of debt instrument investments) and market risk.
- (v) As of March 31, 2024, December 31, 2023 and March 31, 2023, 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) Notes and accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable from operating activities	\$ 749,883	601,091	501,427
Accounts receivable measured as amortized cost	<u>2,771,422</u>	<u>3,063,571</u>	<u>2,955,759</u>
Subtotal	3,521,305	3,664,662	3,457,186
Less: Loss allowance	<u>(12,201)</u>	<u>(4,684)</u>	<u>(3,754)</u>
Total	<u>\$ 3,509,104</u>	<u>3,659,978</u>	<u>3,453,432</u>

The Group applies the simplified approach to estimate its 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:

	<u>March 31, 2024</u>		
	<u>Gross Carrying Amount</u>	<u>Weighted Average Loss Rate</u>	<u>Loss Allowance Provision</u>
Current	\$ 3,362,510	0%	-
1 to 30 days past due	85,406	0%	-
31 to 90 days past due	28,462	0%	-
91 to 120 days past due	9,302	0%	-
121 days to a year past due	22,959	27.03%~68.26%	12,201
Over a year past due	<u>12,666</u>	100%	<u>-</u>
	<u>\$ 3,521,305</u>		<u>12,201</u>
	<u>December 31, 2023</u>		
	<u>Gross Carrying Amount</u>	<u>Weighted Average Loss Rate</u>	<u>Loss Allowance Provision</u>
Current	\$ 3,515,929	0%	-
1 to 30 days past due	81,888	0%	-
31 to 90 days past due	31,553	0%	-
91 to 120 days past due	14,044	0%	-
121 days to a year past due	8,350	27.03%~68.26%	4,222
Over a year past due	<u>12,898</u>	100%	<u>462</u>
	<u>\$ 3,664,662</u>		<u>4,684</u>

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

	March 31, 2023		
	Gross Carrying Amount	Weighted Average Loss Rate	Loss Allowance Provision
Current	\$ 3,311,228	0%	-
1 to 30 days past due	61,704	0%	-
31 to 90 days past due	55,916	0%	-
91 to 120 days past due	20,423	0%	-
121 days to a year past due	6,343	25.23%~49.96%	2,182
Over a year past due	1,572	100%	1,572
	\$ 3,457,186		3,754

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

	For the Three Months Ended March 31	
	2024	2023
Balance on January 1	\$ 4,684	5,348
Impairment losses recognized (reversed)	7,442	(1,606)
Foreign exchange losses	75	12
Balance on March 31	\$ 12,201	3,754

The financial assets mentioned above were not pledged as collateral.

(d) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 147,274	174,117	212,811
Work in process	203,870	200,848	270,136
Semi-finished goods	97,087	101,620	141,561
Finished goods	1,096,649	1,154,947	1,301,233
Merchandise	132,122	147,271	130,208
Land held for development	4,154,393	4,151,545	8,542,037
Properties and land held for sale	4,831,649	6,301,871	164,881
Construction-in-progress	11,133,980	10,444,392	11,780,789
Prepayments for land	60,070	60,070	91,570
Other inventories	62,350	54,398	192,789
	\$ 21,919,444	22,791,079	22,828,015

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

- (i) For the three months ended March 31, 2024 and 2023, the cost of goods sold amounted to \$3,567,532 thousand and \$2,317,158 thousand, respectively. For the three months ended March 31, 2024 and 2023, the loss for inventory obsolescence from the decrease in inventories' net realizable value amounted to \$1,794 thousand and \$15,216 thousand, respectively.
- (ii) For the information on inventories pledged as collateral, as of March 31, 2024, December 31, 2023 and March 31, 2023, please refer to Note 8.
- (iii) For the three months ended March 31, 2024 and 2023, the capitalized interest expense recognized in the inventory amounted to \$45,984 thousand and \$20,388 thousand, respectively. The interest rate of capitalization were 2.54%~2.55% and 2.40%~2.47%, respectively.
- (e) 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, 2024	December 31, 2023	March 31, 2023
Associates	\$ 328,536	331,711	354,930
Joint ventures	346,798	354,013	315,188
	<u>\$ 675,334</u>	<u>685,724</u>	<u>670,118</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, 2024 and 2023, the unrealized investment losses amounted to \$71 thousand and \$135 thousand, respectively; the accumulated unrealized investment losses, as of March 31, 2024 and 2023, amounted to \$58,603 thousand and \$58,263 thousand, respectively.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of individually insignificant associates' equity	\$ <u>328,536</u>	<u>331,711</u>	<u>354,930</u>
		For the Three Months Ended March 31	
		2024	2023
Attributable to the Group:			
Net loss		\$ (7,425)	(6,492)
Other comprehensive income		-	-
Comprehensive income		<u>\$ (7,425)</u>	<u>(6,492)</u>

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

(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, 2024	December 31, 2023	March 31, 2023
Carrying amount of individually insignificant joint ventures' equity	\$ 346,798	354,013	315,188
	For the Three Months Ended March 31		
	2024	2023	
Attributable to the Group:			
Net loss		\$ (7,216)	(1,741)
Other comprehensive income		-	-
Comprehensive income		\$ (7,216)	(1,741)

(iii) Pledge to secure

As of March 31, 2024, December 31, 2023 and March 31, 2023, 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.

(f) 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, 2024 and 2023 are as follows:

	Land	Buildings	Machinery	Office Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Construction in Progress	Total
Cost:									
Balance on January 1, 2024	\$ 3,176,092	4,313,532	10,409,370	127,203	57,156	265,880	971,520	973,794	20,294,547
Additions	-	1,188	13,808	987	390	252	6,334	340,925	363,884
Disposals	-	-	(36,574)	(201)	(1,512)	(1,881)	(4,931)	-	(45,099)
Reclassification	-	1,045	13,973	368	-	62	14,628	(21,214)	8,862
Influence from exchange rates	352	61,494	169,465	1,473	604	5,110	8,646	2,719	249,863
Balance on March 31, 2024	\$ 3,176,444	4,377,259	10,570,042	129,830	56,638	269,423	996,197	1,296,224	20,872,057
Balance on January 1, 2023	\$ 3,129,584	4,332,425	10,056,387	124,071	58,909	261,248	868,402	1,001,199	19,832,225
Additions	-	1,392	24,567	5,616	-	3,434	2,037	145,614	182,660
Disposals	-	-	(30,195)	(2,336)	(3,769)	(3,064)	(783)	-	(40,147)
Reclassification	-	60,882	86,956	740	1,571	-	26,746	(156,608)	20,287
Influence from exchange rates	(70)	13,751	40,128	220	119	1,067	1,885	3,442	60,542
Balance on March 31, 2023	\$ 3,129,514	4,408,450	10,177,843	128,311	56,830	262,685	898,287	993,647	20,055,567

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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>Construction in Progress</u>	<u>Total</u>
Accumulated depreciation and impairment loss									
Balance on January 1, 2024	\$ -	1,780,961	7,011,127	97,729	48,484	125,445	642,304	-	9,706,050
Depreciation	-	31,482	132,022	3,261	887	8,237	22,883	-	198,772
Disposals	-	-	(34,385)	(187)	(1,512)	(1,683)	(4,888)	-	(42,655)
Reclassification	-	-	-	(98)	-	-	98	-	-
Influence from exchange rates	-	21,464	116,622	1,228	487	2,484	6,083	-	148,368
Balance on March 31, 2024	<u>\$ -</u>	<u>1,833,907</u>	<u>7,225,386</u>	<u>101,933</u>	<u>48,346</u>	<u>134,483</u>	<u>666,480</u>	<u>-</u>	<u>10,010,535</u>
Balance on January 1, 2023	\$ -	1,675,417	6,707,455	94,942	49,322	115,819	578,624	-	9,221,579
Depreciation	-	31,472	143,984	3,402	1,073	11,291	20,908	-	212,130
Disposals	-	-	(29,213)	(2,123)	(3,677)	(3,064)	(723)	-	(38,800)
Reclassification	-	-	4,986	-	-	-	-	-	4,986
Influence from exchange rates	-	4,586	27,038	161	95	455	1,363	-	33,698
Balance on March 31, 2023	<u>\$ -</u>	<u>1,711,475</u>	<u>6,854,250</u>	<u>96,382</u>	<u>46,813</u>	<u>124,501</u>	<u>600,172</u>	<u>-</u>	<u>9,433,593</u>
Carrying value:									
Balance on January 1, 2024	<u>\$ 3,176,092</u>	<u>2,532,571</u>	<u>3,398,243</u>	<u>29,474</u>	<u>8,672</u>	<u>140,435</u>	<u>329,216</u>	<u>973,794</u>	<u>10,588,497</u>
Balance on March 31, 2024	<u>\$ 3,176,444</u>	<u>2,543,352</u>	<u>3,344,656</u>	<u>27,897</u>	<u>8,292</u>	<u>134,940</u>	<u>329,717</u>	<u>1,296,224</u>	<u>10,861,522</u>
Balance on January 1, 2023	<u>\$ 3,129,584</u>	<u>2,657,008</u>	<u>3,348,932</u>	<u>29,129</u>	<u>9,587</u>	<u>145,429</u>	<u>289,778</u>	<u>1,001,199</u>	<u>10,610,646</u>
Balance on March 31, 2023	<u>\$ 3,129,514</u>	<u>2,696,975</u>	<u>3,323,593</u>	<u>31,929</u>	<u>10,017</u>	<u>138,184</u>	<u>298,115</u>	<u>993,647</u>	<u>10,621,974</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, 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.

(g) Right-of-use assets

The cost and accumulated depreciation of the right-of-use assets, which includes land, buildings, machinery and transportation equipment rented by the Group, for the three months ended March 31, 2024 and 2023 are as follows:

	<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, 2024	\$ 1,003,993	2,399,913	37,451	22,439	1,584	120,726	3,586,106
Additions	-	-	-	3,169	897	-	4,066
Reduction for expiration	-	(439)	-	(2,645)	-	-	(3,084)
Influence from exchange rates	6,233	152	637	-	33	-	7,055
Balance on March 31, 2024	<u>\$ 1,010,226</u>	<u>2,399,626</u>	<u>38,088</u>	<u>22,963</u>	<u>2,514</u>	<u>120,726</u>	<u>3,594,143</u>
Balance on January 1, 2023	\$ 1,010,225	2,401,476	33,287	22,150	1,762	120,670	3,589,570
Additions	-	1,142	-	907	-	-	2,049
Reduction for expiration	-	(1,394)	(7,016)	(1,024)	-	-	(9,434)
Influence from exchange rates	1,559	38	106	(11)	(6)	-	1,686
Balance on March 31, 2023	<u>\$ 1,011,784</u>	<u>2,401,262</u>	<u>26,377</u>	<u>22,022</u>	<u>1,756</u>	<u>120,670</u>	<u>3,583,871</u>
Accumulated depreciation:							
Balance on January 1, 2024	\$ 224,598	1,639,220	15,028	11,206	788	22,053	1,912,893
Depreciation	5,881	40,876	2,824	1,638	126	786	52,131
Reduction for expiration	-	(439)	-	(2,645)	-	-	(3,084)
Influence from exchange rates	1,933	103	267	-	3	-	2,306
Balance on March 31, 2024	<u>\$ 232,412</u>	<u>1,679,760</u>	<u>18,119</u>	<u>10,199</u>	<u>917</u>	<u>22,839</u>	<u>1,964,246</u>

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

	<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, 2023	\$ 202,927	1,478,153	20,424	8,676	1,068	18,973	1,730,221
Depreciation	5,909	40,842	1,384	1,531	87	786	50,539
Transferred to construction cost	-	104	-	-	-	-	104
Reduction for expiration	-	(1,394)	(7,016)	(227)	-	-	(8,637)
Influence from exchange rates	444	11	55	(3)	(5)	-	502
Balance on March 31, 2023	<u>\$ 209,280</u>	<u>1,517,716</u>	<u>14,847</u>	<u>9,977</u>	<u>1,150</u>	<u>19,759</u>	<u>1,772,729</u>
Carrying value:							
Balance on January 1, 2024	<u>\$ 779,395</u>	<u>760,693</u>	<u>22,423</u>	<u>11,233</u>	<u>796</u>	<u>98,673</u>	<u>1,673,213</u>
Balance on March 31, 2024	<u>\$ 777,814</u>	<u>719,866</u>	<u>19,969</u>	<u>12,764</u>	<u>1,597</u>	<u>97,887</u>	<u>1,629,897</u>
Balance on January 1, 2023	<u>\$ 807,298</u>	<u>923,323</u>	<u>12,863</u>	<u>13,474</u>	<u>694</u>	<u>101,697</u>	<u>1,859,349</u>
Balance on March 31, 2023	<u>\$ 802,504</u>	<u>883,546</u>	<u>11,530</u>	<u>12,045</u>	<u>606</u>	<u>100,911</u>	<u>1,811,142</u>

(h) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, 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, 2024	<u>\$ 596,723</u>	<u>64,506</u>	<u>661,229</u>
Balance on March 31, 2024	<u>\$ 596,723</u>	<u>64,081</u>	<u>660,804</u>
Balance on January 1, 2023	<u>\$ 596,723</u>	<u>66,663</u>	<u>663,386</u>
Balance on March 31, 2023	<u>\$ 596,723</u>	<u>66,042</u>	<u>662,765</u>

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(q) for the regarding information.

Information on depreciation for the three months ended March 31, 2024 and 2023 is discussed in Note 12(c), and for the information on rental revenue and other direct operating expense, please refer to Note 6(q).

The fair value of the investment property was not significantly different from those disclosed in the Note 6(i) of the consolidated financial statements for the year ended December 31, 2023.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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As of March 31, 2024, December 31, 2023 and March 31, 2023, the details of investment properties pledged as collateral, please refer to Note 8.

(i) Intangible assets

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

	<u>Goodwill</u>	<u>Patent</u>	<u>Client Relationship</u>	<u>Computer Software</u>	<u>Total</u>
Cost:					
Balance on January 1, 2024	\$ 410,156	62,942	227,226	56,315	756,639
Acquisitions	-	-	-	114	114
Influence from exchange rates	<u>9,846</u>	<u>1,163</u>	<u>4,199</u>	<u>140</u>	<u>15,348</u>
Balance on March 31, 2024	<u>\$ 420,002</u>	<u>64,105</u>	<u>231,425</u>	<u>56,569</u>	<u>772,101</u>
Balance on January 1, 2023	\$ 414,417	64,105	231,424	46,300	756,246
Influence from exchange rates	<u>(61)</u>	<u>291</u>	<u>1,050</u>	<u>(29)</u>	<u>1,251</u>
Balance on March 31, 2023	<u>\$ 414,356</u>	<u>64,396</u>	<u>232,474</u>	<u>46,271</u>	<u>757,497</u>
Accumulated amortization:					
Balance on January 1, 2024	\$ -	62,942	227,226	37,196	327,364
Amortization	-	-	-	1,648	1,648
Influence from exchange rates	<u>-</u>	<u>1,163</u>	<u>4,199</u>	<u>140</u>	<u>5,502</u>
Balance on March 31, 2024	<u>\$ -</u>	<u>64,105</u>	<u>231,425</u>	<u>38,984</u>	<u>334,514</u>
Balance on January 1, 2023	\$ -	64,105	231,424	33,971	329,500
Amortization	-	-	-	1,254	1,254
Influence from exchange rates	<u>-</u>	<u>291</u>	<u>1,050</u>	<u>(29)</u>	<u>1,312</u>
Balance on March 31, 2023	<u>\$ -</u>	<u>64,396</u>	<u>232,474</u>	<u>35,196</u>	<u>332,066</u>
Carrying value:					
Balance on January 1, 2024	<u>\$ 410,156</u>	<u>-</u>	<u>-</u>	<u>19,119</u>	<u>429,275</u>
Balance on March 31, 2024	<u>\$ 420,002</u>	<u>-</u>	<u>-</u>	<u>17,585</u>	<u>437,587</u>
Balance on January 1, 2023	<u>\$ 414,417</u>	<u>-</u>	<u>-</u>	<u>12,329</u>	<u>426,746</u>
Balance on March 31, 2023	<u>\$ 414,356</u>	<u>-</u>	<u>-</u>	<u>11,075</u>	<u>425,431</u>

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

(j) Other non-current financial assets

	March 31, 2024	December 31, 2023	March 31, 2023
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
Less: Accumulated impairment— Debt obligation receivable— Chin Ling Steel Co., Ltd.	-	-	(23,250)
Refundable deposits	129,386	129,533	111,913
	<u>704,386</u>	<u>704,533</u>	<u>686,913</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:

March 31, 2024				
Underlying	Obligation Cost	Obligation Principal	Valuation Assessment	Collateral
The Splendor Hospitality International	<u>\$ 575,000</u>	<u>796,845</u>	According to the assessment of Colliers International Real Estate Appraiser Joint Office, the valuation of mortgage is \$8,453,706 thousand. After deducting the 1 st security, which amounted to \$3,960,000 thousand, the residual mortgage attributed to the Group amounted to \$2,246,853 thousand.	The building of The Splendor Hospitality International (the 2 nd security)

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

December 31, 2023

<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 Colliers International Real Estate Appraiser Joint Office, the valuation of mortgage is \$8,453,706 thousand. After deducting the 1 st security, which amounted to \$3,960,000 thousand, the residual mortgage attributed to the Group amounted to \$2,246,853 thousand.	The building of The Splendor Hospitality International (the 2 nd security)

March 31, 2023

<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 \$8,132,816 thousand. After deducting the 1 st security, which amounted to \$3,960,000 thousand, the residual mortgage attributed to the Group amounted to \$2,086,408 thousand.	The building of The Splendor Hospitality International (the 2 nd security)

(ii) For the year ended December 31, 2023, the cost and principal of debt obligation from Chin Ling Steel Co., Ltd. were \$23,250 thousand and \$118,561 thousand, respectively. Chin Ling steel Co., Ltd. had been liquidated, wherein the account receivables had been written off in 2023.

(k) Other non-current assets

The details of other non-current assets are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Construction in progress	\$ 3,088,120	3,062,212	2,833,224
Land	44,299	44,299	44,299
Other	101,095	106,238	92,420
	<u>\$ 3,233,514</u>	<u>3,212,749</u>	<u>2,969,943</u>

(i) The construction in progress is the development of land and shopping mall of the Group, please refer to Note 9(a), (viii) for details.

(ii) The land held by the Group is located at Xinfeng Township Kengzikou and Zaoqiao Township Niulan 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.

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

(iii) For the three months ended March 31, 2024 and 2023, the capitalized interest expense recognized in other non-current assets amounted to \$11,076 thousand and \$7,566 thousand, respectively. The interest rate of capitalization were 2.50% and 2.38%, respectively.

(l) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank borrowings	\$ 5,830,424	5,252,529	5,007,008
Secured bank borrowings	6,093,118	5,365,415	7,566,382
Notes and bills payable	785,989	576,033	399,427
Total	<u>\$ 12,709,531</u>	<u>11,193,977</u>	<u>12,972,817</u>
Unused credit limit	<u>\$ 7,108,802</u>	<u>6,208,717</u>	<u>6,150,157</u>
Range of interest rates	<u>1.58%~6.67%</u>	<u>1.35%~6.61%</u>	<u>1.58%~6.43%</u>

(i) Borrowing and repayment

For the three months ended March 31, 2024 and 2023, the Group obtained from short-term borrowings amounting to \$2,951,361 thousand and \$3,802,973 thousand with an interest rate of 1.40%~6.53% and 1.50%~6.43%; the repayment amounting to \$1,700,562 thousand and \$2,298,931 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 assets pledged as collateral for bank borrowings.

(m) Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank borrowings	\$ 2,135,190	2,995,170	1,800,000
Secured bank borrowings	6,855,479	7,686,979	7,713,785
Less: Current portion	(2,766,393)	(2,971,393)	(1,296,806)
Unamortized long-term borrowings costs	(8)	(14)	(19)
Total	<u>\$ 6,224,268</u>	<u>7,710,742</u>	<u>8,216,960</u>
Unused credit limit	<u>\$ 1,250,779</u>	<u>954,630</u>	<u>1,379,198</u>
Interest rate range	<u>1.73%~4.78%</u>	<u>1.73%~4.78%</u>	<u>0.93%~5.63%</u>

(i) Borrowing and repayment

For the three months ended March 31, 2024 and 2023, the Group obtained from long-term borrowings amounting to \$670,000 thousand and \$850,000 thousand with an interest rate of 1.75%~2.67% and 1.68%~2.24%; the repayment amounting to \$2,369,800 thousand and \$2,251,500 thousand, respectively. Please refer to Note 6(x) for details of the interest expense.

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

(ii) Collateral for bank borrowings

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

(iii) Borrowing covenants

The Group entered into a syndicated loan contract in a total credit of \$3,150,000 thousand with multiple 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 financial debt ratio shall be less than or equal to 180%, 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, 2023, the Group was in compliance with the above borrowing covenants.

(n) Bonds payable

The details of the bonds payable are as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Unsecured convertible bonds	\$ 1,414,000	1,417,400	1,499,900
Unamortized premium on bonds payable	21,169	28,363	52,918
Less: Current portion	<u>(1,435,169)</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>1,445,763</u>	<u>1,552,818</u>
Embedded derivative-call option (which is listed under "non-current financial assets at FVTPL")	<u>\$ -</u>	<u>156</u>	<u>-</u>
Embedded derivate-put option (which is listed under "non-current financial liabilities at FVTPL")	<u>\$ -</u>	<u>-</u>	<u>825</u>
Equity component-convertible option (which is listed under "capital surplus-stock option")	<u>\$ 45,778</u>	<u>45,888</u>	<u>48,559</u>
		For the Three Months Ended	
		March 31	
		<u>2024</u>	<u>2023</u>
Embedded derivative- (losses) gains on remeasurements through fair value (which is listed under "other gains and losses")		<u>\$ (156)</u>	<u>7,428</u>
Interest expense		<u>\$ (7,132)</u>	<u>(7,711)</u>

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

On January 24, 2022, the Group issued the fourth domestic unsecured convertible corporate bonds amounting to \$1.5 billion with the following conditions:

- (i) Coupon rate: 0%
- (ii) Issuance period: Three years (maturing on January 24, 2025)
- (iii) Repayment: Unless the bonds had been redeemed before maturity, repurchased and converted, the bonds will be redeemed by the Group upon maturity at par value.
- (iv) Redemption: The Group will redeem the bonds from its creditors under the following circumstances:
 - 1) The Group would repurchase the bond at par value if the close price of the Group's ordinary share listed on the Taiwan Stock Exchange exceeds or equals 30% of the conversion price for 30 consecutive days from the day after the bonds have been issued for three months to 40 days before maturity.
 - 2) The Group would repurchase the bond at par value if the outstanding balance of bonds is less than 10% of the original issuance value from the day after the bonds have been issued for three months to 40 days before maturity.
- (v) Repurchase:

The holders can require the Group to repurchase the bonds at 100.5% of the par value from the day after the bonds have been issued for two years.
- (vi) Conversion:
 - 1) The holders can convert the bonds into ordinary shares according to the conversion method from the day after the bonds have been issued for three months to the expiry.
 - 2) The conversion price is \$34.2 per share, which is the average close price on the first day, as well as the first three and five operating days, before the base date of the Group's ordinary share listed on the Taiwan Stock Exchange, which was on January 4, 2022, multiply by 104%. To cooperate with the ex-dividend work in 2023, the conversion price had been adjusted from \$32.0 per share to \$31.0 per share on July 23, 2023 (ex-dividends date).
- (vii) For the three months ended March 31, 2024 and 2023, the holders had converted their bonds into 109,675 and 3,125 ordinary shares of the Company, with the face value of \$3,400 thousand and \$100 thousand, and the conversion prices of \$31.0 and \$32.0 per share, respectively. However, the relevant statutory registration procedures of 109,675 ordinary shares have yet to be completed as the date of report.

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

(o) Lease liabilities

The details of the lease liabilities are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	<u>\$ 202,809</u>	<u>202,937</u>	<u>190,608</u>
Non-current	<u>\$ 1,247,775</u>	<u>1,294,887</u>	<u>1,429,921</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	
	2024	2023
Interest on lease liabilities	<u>\$ 4,848</u>	<u>5,301</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,479</u>	<u>-</u>
Expenses relating to leases short-term assets	<u>\$ 5,065</u>	<u>2,165</u>

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

	For the Three Months Ended March 31	
	2024	2023
Total cash outflow for leases	<u>\$ 63,093</u>	<u>55,362</u>

(i) Real estate leases

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 indices, 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 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 the lessee 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.

(p) Other non-current liabilities

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Non-current:			
Financial guarantee contracts	\$ 47,474	50,203	5,554
Legal	236,052	236,052	236,052
Deposits received	31,603	32,332	24,897
Others	<u>23,763</u>	<u>23,517</u>	<u>220,336</u>
Total	<u>\$ 338,892</u>	<u>342,104</u>	<u>486,839</u>

(i) Financial guarantee contracts

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

(ii) Legal

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

(q) Operating leases

The Group leases out investment properties under operating lease which was classified based on not transferring substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset to the lessee. Please refer to Note 6(h) for the regarding information on investment properties.

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Less than one year	\$ 9,457	11,728	12,922
One to two years	5,563	6,273	3,113
Two to three years	<u>504</u>	<u>1,363</u>	<u>-</u>
Total undiscounted lease payments	<u>\$ 15,524</u>	<u>19,364</u>	<u>16,035</u>

(Continued)

CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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For the three months ended March 31, 2024 and 2023, rental revenues from investment properties amounted to \$3,704 thousand and \$3,259 thousand, respectively. The equipment and maintenance costs arising from the investment properties (recognized under "operating costs") are \$0 thousands.

(r) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or no 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, 2023 and 2022.

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

	For the Three Months Ended March 31	
	2024	2023
Operating cost	\$ 9	-
Administration expenses	61	33
Research and development expenses	-	1,081
Total	\$ 70	1,114

(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	
	2024	2023
Operating cost	\$ 12,376	12,391
Selling expenses	746	677
Administration expenses	9,654	9,730
Research and development expenses	104	103
Total	\$ 22,880	22,901

(iii) Short-term employee benefits

	March 31, 2024	December 31, 2023	March 31, 2023
Paid leave and other liabilities	\$ 6,807	9,590	9,378

(Continued)

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

(s) Income tax

(i) Applied legal tax rates of foreign subsidiaries: China: 10%~25%; Japan: 33.79%; the USA: 21%.

(ii) The income tax expense (benefit) are as follows:

	For the Three Months Ended	
	March 31	
	2024	2023
Current income tax expense		
Current period incurred	\$ 42,572	18,057
Land value increment taxes	24,481	-
Adjustment for prior periods	(130)	(11,400)
	66,923	6,657
Deferred tax expense (income)		
Origination and reversal of temporary differences	2,770	(8,625)
Income tax expense (benefit)	\$ 69,693	(1,968)

(iii) The income tax returns of the Company had been assessed and approved by the Tax Authority through 2021, other domestic consolidated subsidiaries had been assessed and approved through 2022. The Company and Sunflower Investment did not agree with the proposed tax adjustments made by the tax authority, and filed the petition of administration. Please refer to Note 9(b) for details.

(t) 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, 2024 and 2023. For the related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital stock

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Company's authorized share capital are 5,000,000 thousands, with par value of \$10 per share and the issued capital are \$3,788,962 thousand, \$3,787,865 thousand and \$3,761,252 thousand respectively. All the proceeds from the issued capital have been remitted. However, the relevant statutory registration procedures of 109,675 ordinary shares have yet to be completed as the date of report.

(Continued)

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

(ii) Capital surplus

The components of the capital surplus are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
From issuance of share capital	\$ 674,354	671,879	611,348
Employee stock option of subsidiaries	33,352	33,352	33,352
Stock option of convertible bonds	45,778	45,888	48,559
From conversion of convertible bonds	843,035	843,035	843,035
Difference between consideration and carrying amount of subsidiaries acquired or disposed of	<u>6,219</u>	<u>6,219</u>	<u>6,219</u>
	<u>\$ 1,602,738</u>	<u>1,600,373</u>	<u>1,542,513</u>

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, after-tax earnings and other items in undistributed earnings except from 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, as required by its operation or 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 amount of cash dividends of appropriations of the Company's 2023 and 2022 earnings was based on the resolutions decided during the meetings of the Board of Directors held on March 14, 2024 and March 16, 2023, respectively.

(Continued)

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

These earnings are appropriated as follows:

	2023		2022	
	Allotment (NTD)	Amount	Allotment (NTD)	Amount
Common stock dividends per share				
Cash	\$ 1.51	<u>571,968</u>	1.20	<u>451,347</u>

(iv) 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, 2024	\$ (160,089)	49,704	3,904,693	3,794,308
Profit attributable to non-controlling interests	-	-	85,760	85,760
Exchange differences on foreign operations	<u>153,762</u>	-	<u>28,025</u>	<u>181,787</u>
Balance on March 31, 2024	<u>\$ (6,327)</u>	<u>49,704</u>	<u>4,018,478</u>	<u>4,061,855</u>
Balance on January 1, 2023	\$ 10,196	51,013	3,827,949	3,889,158
Loss attributable to non-controlling interests	-	-	(7,751)	(7,751)
Exchange differences on foreign operations	43,460	-	7,762	51,222
Unrealized losses on financial assets measured at FVOCI	-	(3,112)	-	(3,112)
Cash dividends paid to non-controlling interests	-	-	(3,374)	(3,374)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	<u>-</u>	<u>1,803</u>	<u>-</u>	<u>1,803</u>
Balance on March 31, 2023	<u>\$ 53,656</u>	<u>49,704</u>	<u>3,824,586</u>	<u>3,927,946</u>

(u) Earnings per share

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

	For the Three Months Ended March 31	
	2024	2023
Basic earnings (loss) per share		
Profit (loss) attributable to owners of the parent	\$ <u>507,706</u>	<u>(24,139)</u>
Weighted average number of ordinary shares	<u>378,886</u>	<u>376,123</u>
Basic earnings (loss) per share	<u>\$ 1.34</u>	<u>(0.06)</u>

(Continued)

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

	For the Three Months Ended March 31	
	2024	2023
Diluted earnings (loss) per share		
Profit (loss) attributable to owners of the parent (after the adjustment of diluted ordinary shares)	\$ 507,706	(24,139)
Effect of potential diluted ordinary shares		
Convertible bonds	(5,550)	(13,597)
Profit (loss) attributable to owners of the parent (after the adjustment of diluted ordinary shares)	\$ 502,156	(37,736)
Weighted average number of ordinary shares	378,886	376,123
Effect of potential diluted ordinary shares		
Employee stock option	986	-
Convertible bonds	45,613	46,872
Weighted average number of ordinary shares (after the adjustment of diluted ordinary shares)	425,485	422,995
Diluted earnings (loss) per share	\$ 1.18	(0.09)

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Three Months Ended March 31, 2024			
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Innovation Segment	Total
Major geographic markets:				
Taiwan	\$ 96,369	2,235,551	170,441	2,502,361
United States	454,574	-	-	454,574
Japan	348,603	-	-	348,603
China	1,232,876	-	-	1,232,876
Europe	165,319	-	-	165,319
South America	16,534	-	-	16,534
Others	107,274	-	-	107,274
	\$ 2,421,549	2,235,551	170,441	4,827,541
Major product/service lines:				
Iron casting hardware	\$ 2,414,491	-	-	2,414,491
Construction	-	2,231,605	-	2,231,605
Counter commissions	-	-	110,349	110,349
Others	7,058	3,946	60,092	71,096
	\$ 2,421,549	2,235,551	170,441	4,827,541

(Continued)

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

	For the Three Months Ended March 31, 2023			
	Metal Manufacturing Segment	Real Estate Development Segment	Lifestyle Innovation Segment	Total
Major geographic markets:				
Taiwan	\$ 70,229	3,740	163,456	657,194
United States	466,583	-	-	466,583
Japan	505,231	-	-	505,231
China	1,333,945	-	-	1,333,945
Europe	126,798	-	-	126,798
South America	32,943	-	-	32,943
Others	168,247	-	-	168,247
	\$ 2,703,976	3,740	163,456	2,871,172
Major product/service lines:				
Iron casting hardware	\$ 2,694,497	-	-	2,694,497
Construction	-	-	-	-
Counter commissions	-	-	109,025	109,025
Others	9,479	3,740	54,431	67,650
	\$ 2,703,976	3,740	163,456	2,871,172

(ii) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable	\$ 3,521,305	3,664,662	3,457,186
Less: Loss allowance	(12,201)	(4,684)	(3,754)
Total	\$ 3,509,104	3,659,978	3,453,432
Contract assets	\$ -	-	-
Contract liabilities—Advance real estate receipts	\$ 5,229,167	4,949,634	5,201,716
Contract liabilities—Advance receipts	\$ 54,135	44,634	45,375

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

The amount of revenue recognized for the three months ended March 31, 2024 and 2023, that were included in the contract liabilities balance at the beginning of the period were \$1,018,557 thousand and \$8,233 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.

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

(w) Employees' compensation and remuneration of directors

Based on the amended Company's Articles of Incorporation, employees' compensation is appropriated at the rate of no less than 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.

For the three months ended March 31, 2024 and 2023, appropriated employees' compensation by \$15,245 thousand and \$0 thousand, respectively, and appropriated remuneration of directors by \$13,608 thousand and \$0 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 period. 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.

For the years ended December 31, 2023 and 2022, appropriated employees' compensation by \$28,094 thousand and \$19,953 thousand, respectively, and appropriated remuneration of directors by \$25,084 thousand and \$17,815 thousand, respectively. There were no significant difference between employees' compensation and remuneration of directors approved by the Board of Directors meeting and the estimated amount.

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.

(x) Non-operating income and expenses

(i) Interest income

The information on interest income is listed as follows:

	For the Three Months Ended	
	March 31	
	2024	2023
Interest income from bank deposits	\$ 23,600	13,774
Interest income from financial guarantee contracts	2,729	3,558
Total Interest income	\$ 26,329	17,332

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

(ii) Other income

The information on other income is listed as follows:

	For the Three Months Ended March 31	
	2024	2023
Rental revenue	\$ 5,073	5,905
Others	19,473	33,312
Total other income	\$ 24,546	39,217

(iii) Other gains and losses

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

	For the Three Months Ended March 31	
	2024	2023
Losses on disposal of property, plant and equipment	\$ (1,523)	(568)
Foreign exchange gains (losses)	12,702	(5,656)
(Losses) gains on financial assets at FVTPL	(156)	7,428
Other losses	(5)	(110)
Net amount of other gains and losses	\$ 11,018	1,094

(iv) Finance costs

The information on interest expense is listed as follows:

	For the Three Months Ended March 31	
	2024	2023
Borrowing interest expense	\$ 140,212	136,414
Lease liability interest expense	4,848	5,301
Capitalized interest expense	(57,060)	(27,954)
Bonds interest expense	(7,132)	(7,711)
Amortized long term borrowings costs	373	251
Net amount of finance costs	\$ 81,241	106,301

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

(y) Financial instruments

Except for the content 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(z) of the consolidated financial statements for the year ended December 31, 2023.

(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.

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(c). 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, 2024 and 2023, please refer to Note 6(c).

(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, 2024						
Non-derivative financial liabilities						
Bank borrowings	\$ 21,015,815	7,367,886	1,040,516	4,573,612	8,033,801	-
Bonds payable	1,414,000	-	1,414,000	-	-	-
Lease liabilities	1,631,823	110,937	109,405	211,365	510,068	690,048
Notes and accounts payables (including related parties)	3,514,670	3,514,670	-	-	-	-
Other payables (including related parties)	2,124,384	2,124,384	-	-	-	-
	<u>\$ 29,700,692</u>	<u>13,117,877</u>	<u>2,563,921</u>	<u>4,784,977</u>	<u>8,543,869</u>	<u>690,048</u>

(Continued)

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

	<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>
December 31, 2023						
Non-derivative financial liabilities						
Bank borrowings	\$ 22,856,372	6,406,821	2,828,247	4,770,175	8,851,129	-
Bonds payable	1,417,400	-	-	1,417,400	-	-
Lease liabilities	1,683,711	111,377	109,740	213,022	555,334	694,238
Notes and accounts payables (including related parties)	4,113,217	4,113,217	-	-	-	-
Other payables (including related parties)	<u>1,724,968</u>	<u>1,724,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,795,668</u>	<u>12,356,383</u>	<u>2,937,987</u>	<u>6,400,597</u>	<u>9,406,463</u>	<u>694,238</u>
March 31, 2023						
Non-derivative financial liabilities						
Bank borrowings	\$ 23,373,662	8,594,089	1,951,345	6,980,328	3,892,751	1,955,149
Bonds payable	1,499,900	-	-	1,499,900	-	-
Lease liabilities	1,820,447	102,796	107,383	209,484	602,333	798,451
Notes and accounts payables (including related parties)	2,770,572	2,770,572	-	-	-	-
Other payables (including related parties)	<u>1,131,872</u>	<u>1,131,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,596,453</u>	<u>12,599,329</u>	<u>2,058,728</u>	<u>8,689,712</u>	<u>4,495,084</u>	<u>2,753,600</u>

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

(iii) Currency risk

Information on the significant exposure to foreign currency risk of the Group is as follows:

	<u>March 31, 2024</u>			<u>December 31, 2023</u>			<u>March 31, 2023</u>			
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD:NTD	\$	5,403	32.00	172,884	6,992	30.71	214,733	10,046	30.45	305,914
USD:CNY		37,998	7.26	1,215,932	28,207	7.09	866,229	44,641	6.87	1,359,330
USD:JPY		894	151.30	28,598	1,245	141.39	38,227	1,431	133.09	43,559
EUR:NTD		655	34.46	22,576	520	33.98	17,665	926	33.15	30,689
EUR:CNY		3,156	7.81	108,745	2,085	7.85	70,855	2,177	7.48	72,157
JPY:NTD		104,548	0.21	22,112	141,726	0.22	30,783	192,778	0.23	44,108
JPY:CNY		25,075	0.05	5,303	1,149,283	0.05	249,624	64,442	0.05	14,744
HKD:USD		-	-	-	16	0.13	64	5,829	0.13	22,617
HKD:NTD		56	4.09	229	9,056	3.93	35,590	53	3.88	206
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD:CNY		37,316	7.26	1,194,120	29,919	7.09	918,800	30,255	6.87	921,272
EUR:CNY		504	7.81	17,382	1,258	7.85	42,738	1,995	7.48	66,148
HKD:USD		-	-	-	-	-	-	219,614	0.13	852,102
JPY:CNY		6,814	0.05	1,441	1,874,821	0.05	407,211	9,272	0.05	2,122

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

1) 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, 2024 and 2023 would have increased the after-tax net income for the three months ended March 31, 2024 and 2023 by \$727 thousand and \$103 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, 2024 and 2023, the foreign exchange gains (losses), including both realized and unrealized, amounted to \$12,702 thousand and \$(5,656) thousand, respectively.

(iv) Interest rate risk

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

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 increase /decrease by \$26,020 thousand and \$21,724 thousand for the three months ended March 31, 2024 and 2023, 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			
	2024		2023	
	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%	\$ 20,198	-	17,615	(83)
Decrease 10%	\$ (20,198)	-	(17,615)	83

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

(vi) Fair value of financial instruments

1) Fair value hierarchy

The Group measured its financial assets and liabilities at FVTPL, and 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, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Non-current financial assets at FVOCI	<u>\$ 201,977</u>	<u>-</u>	<u>-</u>	<u>213,317</u>	<u>213,317</u>
Financial assets measured at amortized cost	<u>\$ 13,408,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost	<u>\$ 30,256,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Non-current financial assets at FVOCI	<u>\$ 192,751</u>	<u>-</u>	<u>-</u>	<u>204,091</u>	<u>204,091</u>
Non-current financial assets at FVTPL	<u>\$ 156</u>	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
Financial assets measured at amortized cost	<u>\$ 12,651,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost	<u>\$ 30,690,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	March 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Non-current financial assets at FVOCI	<u>\$ 176,151</u>	<u>-</u>	<u>-</u>	<u>176,151</u>	<u>176,151</u>
Non-current financial liabilities at FVTPL	<u>\$ 825</u>	<u>-</u>	<u>-</u>	<u>825</u>	<u>825</u>
Financial assets measured at amortized cost	<u>\$ 11,195,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost	<u>\$ 29,587,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

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.

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, 2024 and 2023.

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

4) Reconciliation of Level 3 instruments

	Non-current Financial Assets at FVOCI
	Equity Instrument without Quoted Price
Balance on January 1, 2024	\$ 192,751
Purchase	9,226
Balance on March 31, 2024	\$ 201,977
Balance on January 1, 2023	\$ 179,363
Total gains or losses	
Recognized as other comprehensive income	(3,112)
Capital reduction	(100)
Balance on March 31, 2023	\$ 176,151

The total gains or losses is listed under “unrealized gains (losses) on financial assets at FVOCI”. The information regarding assets held as of March 31, 2024 and 2023 is as follows:

	For the Three Months Ended March 31	
	2024	2023
Total gains or losses		
Recognized as other comprehensive income (which is listed under "unrealized losses on financial assets of FVOCI")	\$ -	(3,112)

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
Notes to the Consolidated Financial Statements

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, 2024, December 31, 2023 and March 31, 2023, were \$905~18,916 thousand, \$251~18,916 thousand and \$251~23,510 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, 2024, December 31, 2023 and March 31, 2023 were 3.42%, 2.73% and 5.72%, respectively.)	· The estimated fair value would decrease, if the weighted average capital cost is increased.
		· Discounting rate without market liquidity (As of March 31, 2024, December 31, 2023 and March 31, 2023, were both 15%)	· The estimated fair value would decrease, if the discounting rate without market liquidity is increased.
	Net asset value method	· Net asset value	· The estimated fair value would increase, if the net asset value 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 (Note)</u>	<u>Fluctuation in Inputs</u>	<u>Other Comprehensive Income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2024				
Financial assets at FVOCI				
Equity investments without an active market	3.42 %	1%	5,120	(4,860)
December 31, 2023				
Financial assets at FVOCI				
Equity investments without an active market	2.73 %	1%	5,335	(5,062)

(Continued)

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

March 31, 2023	<u>Inputs (Note)</u>	<u>Fluctuation in Inputs</u>	<u>Other Comprehensive Income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
Financial assets at FVOCI				
Equity investments without an active market	5.72 %	1%	5,252	(4,994)

Note: Inputs are the weighted average capital cost.

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(aa) of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6 (ab) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(ab) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended March 31, 2024 and 2023, were as follows:

Reconciliation of assets arising from investing activities were as follows:

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>March 31, 2024</u>
			<u>Reclassification</u>	<u>Reclassification</u>	
Other non-current assets	\$ <u>3,212,749</u>	<u>43,472</u>	<u>(22,707)</u>		<u>3,233,514</u>
	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>March 31, 2023</u>
Other non-current assets	\$ <u>2,811,563</u>	<u>179,474</u>	<u>(21,094)</u>		<u>2,969,943</u>

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

(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
Keng-Hsin Urban Renewal Co., Ltd. (Keng-Hsin Urban Renewal)	Associate of subsidiaries
Beyond Fitness Co., Ltd. (Beyond Fitness)	Associate of subsidiaries
Fuzhou Aprec Mechanical and Electrical Co., Ltd. (Fuzhou Aprec)	Subsidiaries of subsidiaries' associates
Advancision Corporation (Advancision)	Subsidiaries of subsidiaries' associates
Chain-Yuan Investment Co., Ltd. (Chain-Yuan Investment)	Other related parties
San Lien Technology Corp. (San Lien Technology)	Other related parties
CMP PUJEN Foundation for Arts and Culture (Foundation)	Other related parties
Hao Bao Investment Co., Ltd. (Hao Bao Investment)	Other related parties
Rui Hua Investment Co., Ltd. (Rui Hua Investment)	Other related parties
LEESCO Development Co. Ltd. (LEESCO Development)	Other related parties
Gee Lien Resource Development Corp. (Gee Lien Resource)	Other related parties
Yi-Shi Investment Corporation (Yi-Shi)	Other related parties
Mr. Ming Shiann, Ho	Other related parties
Mr. Dai Jun, Lin	Other related parties
Mr. Ting Fung, Lin	Key Management

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

(c) Significant transactions with related parties

(i) Sales to related parties

- 1) 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</u>		<u>March 31,</u>	<u>December</u>	<u>March 31,</u>
	<u>Ended March 31</u>				
	<u>2024</u>	<u>2023</u>			
Associates	\$ 3,478	1,988	9,221	5,831	7,384
Joint ventures	644	-	840	-	-
Other related parties	26	127	20	162	70
	<u>\$ 4,148</u>	<u>2,115</u>	<u>10,081</u>	<u>5,993</u>	<u>7,454</u>

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

- 2) The amounts of significant real estate sales transactions and outstanding balance between the Group and related parties are as follows:

	<u>Revenue recognized</u>		<u>Advance real estate receipts</u>		
	<u>For the Three Months</u>		<u>March 31,</u>	<u>December</u>	<u>March 31,</u>
	<u>Ended March 31</u>				
	<u>2024</u>	<u>2023</u>			
Other related parties	\$ -	-	57,422	57,422	97,426

As of March 31, 2024, December 31, 2023 and March 31, 2023, the total contract price of real estate in contract with related parties mentioned above is \$142,730 thousand (tax included), \$302,920 thousand (tax included) and \$302,920 thousand (tax included), respectively. The terms and pricing of sales transactions with related parties were not significantly different from those with the third parties.

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

(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</u>		<u>March 31,</u>	<u>December</u>	<u>March 31,</u>
	<u>Ended March 31</u>				
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>31, 2023</u>	<u>2023</u>
Associates	\$ 17,138	29,961	23,549	25,353	34,150
Joint ventures	6	3	2	4	-
Other related parties	338	5	1,004	730	703
	<u>\$ 17,482</u>	<u>29,969</u>	<u>24,555</u>	<u>26,087</u>	<u>34,853</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.

(iii) Leases

1) Rental expenses

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

	<u>Rental Expenses</u>	
	<u>For the Three Months Ended</u>	
	<u>March 31</u>	
	<u>2024</u>	<u>2023</u>
Other related parties	\$ <u>608</u>	<u>608</u>

	<u>Guarantee Deposit Paid</u>		
	<u>(Recognized under other non-current financial</u>		
	<u>assets)</u>		
	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Other related parties	\$ <u>443</u>	<u>443</u>	<u>443</u>

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

2) Rental revenues

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

	Rental Revenues	
	For the Three Months Ended	
	March 31	
	2024	2023
Associates	\$ 66	66
Other related parties	150	15
	\$ 216	81

	Guarantee Deposit Received		
	(Recognized under other non-current liabilities)		
	March 31,	December 31,	March 31,
	2024	2023	2023
Associates	\$ 300	300	300

(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	
	2024	2023
Joint ventures	\$ 1,605	985

(v) Non-performing receivables

	Total Claims		
	March 31,	December 31,	March 31,
	2024	2023	2023
Joint ventures:			
The Splendor Hospitality	\$ 796,845	796,845	796,845

	Costs of Claims		
	March 31,	December 31,	March 31,
	2024	2023	2023
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(j).

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

(vi) Guarantees and endorsements

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

	Borrowing Limits		
	March 31, 2024	December 31, 2023	March 31, 2023
Joint ventures:			
The Splendor Hospitality	\$ 1,900,000	1,800,000	2,050,000
Others	10,000	10,000	22,500
	\$ 1,910,000	1,810,000	2,072,500
	Actual Usage Amount		
	March 31, 2024	December 31, 2023	March 31, 2023
Joint ventures:			
The Splendor Hospitality	\$ 1,455,000	1,450,000	1,480,000
Others	10,000	10,000	12,642
	\$ 1,465,000	1,460,000	1,492,642

(vii) Guarantee for bank borrowings

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

(viii) Construction

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

	March 31, 2024	December 31, 2023	March 31, 2023
Other related parties	\$ 360	360	344

(ix) Other transactions

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

	Other Expenses	
	For the Three Months Ended March 31	
	2024	2023
Associates	\$ 1	-
Joint ventures	40	-
	\$ 41	-

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

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

	Interest Revenues	
	For the Three Months Ended	
	March 31	
	2024	2023
Joint ventures:		
The Splendor Hospitality	\$ 2,711	3,516
Others	18	42
	\$ 2,729	3,558

- 3) Other receivables and advance payments from related parties

	Other Receivables		
	(including advance payments)		
	March 31,	December 31,	March 31,
	2024	2023	2023
Associates:			
Keng-Hsin Urban Renewal	\$ 28	125	36
Others	23	23	23
Joint ventures	133	191	20
Other related parties-LEESCO Development	4,163	4,163	-
Other related parties	2	1	6
	\$ 4,349	4,503	85

- 4) Other payables and advance receipts from related parties

	Other Payables		
	(including advance receipts)		
	March 31,	December 31,	March 31,
	2024	2023	2023
Joint ventures	\$ 9	268	3
Other related parties	175	350	175
Key management	-	217	-
	\$ 184	835	178

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

(d) Key management transactions

The compensation of key management is as follows:

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 70,110	39,812
Post-employment benefits	1,103	506
	\$ 71,213	40,318

(8) Assets pledged as security

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

Pledged Assets	Object	March 31, 2024	December 31, 2023	March 31, 2023
Land (including other non-current assets)	The credit limits of long-term and short-term bank borrowings	\$ 1,424,715	1,424,715	1,424,715
Buildings	"	270,225	274,267	284,949
Investment properties	"	590,816	591,041	591,976
Inventories—Land held for development	"	3,390,270	3,390,210	7,887,974
Inventories—Construction in progress	"	8,884,289	8,196,880	8,808,185
Inventories—Buildings and land held for sale	The credit limits of short-term borrowings	4,759,797	6,193,133	7,820
Other current financial assets	Bank acceptance bills	38,107	30,323	5,269
"	Trusts	1,158,901	1,012,654	1,125,694
		\$ 20,517,120	21,113,223	20,136,582

(9) 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:

	March 31, 2024	December 31, 2023	March 31, 2023
Unused standby letters of credit	\$ -	54	-

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

- (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:

	March 31, 2024	December 31, 2023	March 31, 2023
Total contract price	<u>\$ 11,891,510</u>	<u>11,701,079</u>	<u>16,826,521</u>
Total amounts paid under contracts (Note)	<u>\$ 7,621,344</u>	<u>7,054,531</u>	<u>10,613,145</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:

	March 31, 2024	December 31, 2023	March 31, 2023
Total contract price	<u>\$ 16,458,148</u>	<u>15,431,149</u>	<u>17,346,953</u>
Total amounts received under contracts (recognized under current contract liabilities)	<u>\$ 5,229,167</u>	<u>4,949,634</u>	<u>5,201,716</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Total contract price	<u>\$ 168,748</u>	<u>168,748</u>	<u>168,748</u>
Total amounts paid under contracts (recognized under prepayments)	<u>\$ 84,374</u>	<u>84,374</u>	<u>84,374</u>

- (v) The Group’s security deposits paid to landlords for joint construction projects is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Security deposits of joint construction projects (recognized under other current and non- current financial assets)	<u>\$ 427,181</u>	<u>418,080</u>	<u>406,707</u>

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(vi) The Group's security deposits for renting real estates is as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Security deposits (recognized under other current and non-current financial assets)	\$ <u>106,160</u>	<u>106,190</u>	<u>101,650</u>

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Total contract price	\$ <u>67,080</u>	<u>67,080</u>	<u>217,036</u>
Total amounts paid under contracts (recognized under inventories — prepayments for land)	\$ <u>60,070</u>	<u>60,070</u>	<u>91,570</u>

- (viii) 1) The Group and The Presbyterian Church in Taiwan entered into an 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 amounting to \$126,000 thousand. As of March 31, 2024 and 2023, the accumulated royalty payments amounted to \$126,000 thousand, respectively, which was recognized under right-of-use assets.
- 2) The Group leased a parcel of land to construct several buildings for its shopping malls and hotels. The Group agreed that the ownership of the buildings would still be under the title deed of the Presbyterian Church in Taiwan even after the completion of the construction. Upon maturity of the lease period, the Group shall dismantle the buildings and related facilities, and return the land to the Presbyterian Church in Taiwan.
- 3) The security deposits paid by the Group for land development and leased land and buildings for operating use amounted to \$106,080 thousand, \$106,110 thousand and \$101,460 thousand, as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- (ix) The Group entered into various services agreement with InterContinental Hotels Group for its hotel operation, including planning, constructing and building, as well as during the pre-opening phase, and the period from the pre-opening phase to the opening day and fifteen years afterwards. According to the contract, the fees shall either be paid based on the services rendered, or be calculated in accordance with certain ratio of the gross revenue for the fiscal year or each accounting period.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(b) Contingencies

- (i) Please refer to Note 7 for the Group's guarantees and endorsements for related parties' loans as of March 31, 2024 and 2023.
- (ii) Contingencies for the Company and its subsidiary, Sunflower Investment, regarding the stages of Daguangsan tax petition for real estate transaction and non-performing receivables 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 amounting 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. Sunflower Investment 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. Sunflower Investment 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, Sunflower Investment 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(p).

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

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Notes to the Consolidated Financial Statements

(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. 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.
- (b) The SFIPC filed a lawsuit against the Company, its directors and supervisors, and certain employees of the Group. On January 17, 2024, Taiwan High Court dismissed the appeal filed by the SFIPC for the third time. On February 17, 2024, the SFIPC filed an appeal to the Supreme Court against the aforementioned conviction, which is in trial in the Taiwan High Court.
- (c) Employee benefits, depreciation, and amortization are summarized as follows:

By item	By function	For the Three Months Ended March 31					
		2024			2023		
		Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits							
Salary		164,739	196,761	361,500	165,399	175,579	340,978
Labor and health insurance		16,109	14,698	30,807	15,575	13,832	29,407
Pension		12,385	10,565	22,950	12,391	11,624	24,015
Others		17,099	17,137	34,236	16,207	16,405	32,612
Depreciation		172,132	79,196	251,328	183,554	79,736	263,290
Amortization		348	1,300	1,648	355	899	1,254

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions for the three months ended March 31, 2024, 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		
0	The Company	Taichung CMP Hospitality	Accounts receivable due from related parties	Yes	2,520,000	2,520,000	-	2.50%	2	-	Operation requirements	-		-	4,012,638	5,350,184
1	Tianjin CMT	CMH	Accounts receivable due from related parties	Yes	304,500	220,500	220,500	0.75%	2	-	Operation requirements	-		-	227,302	303,070
2	Suzhou CMS	CMH	Accounts receivable due from related parties	Yes	683,550	683,550	683,550	0.75%	2	-	Operation requirements	-		-	1,409,706	1,879,608
3	CMAI	Pilot	Accounts receivable due from related parties	Yes	35,200	35,200	35,200	5.12%	2	-	Operation requirements	-	Land, buildings and improvement	71,124	55,311	73,748
4	CMW(C.I.)	CMI	Accounts receivable due from related parties	Yes	441,000	441,000	280,035	5.00%	2	-	Operation requirements	-		-	1,773,342	2,364,456
5	CMW (Tianjin)	CMH	Accounts receivable due from related parties	Yes	396,900	396,900	396,900	0.75%	2	-	Operation requirements	-		-	1,780,741	2,374,321

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.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES
Notes to 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	5,350,184	320,000	320,000	101,000	-	2.39 %	6,687,730	Y	N	N
0	The Company	The Hotel National	1	5,350,184	50,000	50,000	-	-	0.37 %	6,687,730	Y	N	N
0	The Company	Shangrila Tourism	1	5,350,184	624,000	624,000	404,500	-	4.67 %	6,687,730	Y	N	N
0	The Company	The Splendor Hospitality	2	5,350,184	1,900,000	1,900,000	1,455,000	-	14.21 %	6,687,730	N	N	N
0	The Company	CMAAN Health	2	5,350,184	10,000	10,000	10,000	-	0.07 %	6,687,730	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.

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%.

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%.

(iii) Securities held as of March 31, 2024 (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	99,955	3.12 %	99,955	
The Company	GUANGYUAN Investment Co., Ltd.	-	Non-current financial assets at FVOCI	3,750,000	31,134	3.91 %	31,134	
The Company	DEVELOPMENT Venture Capital Co., Ltd.	-	Non-current financial assets at FVOCI	3,260,000	11,662	4.00 %	11,662	
The Company	Pacific Electric Wire & Cable Co., Ltd.	-	Current financial assets at FVTPL	81,666	-	0.01 %	-	
Sunflower Investment	Fantasystory Inc.	-	Non-current financial assets at FVOCI	653,530	-	19.80 %	-	
Sunflower Investment	il. COM, INC.	-	Non-current financial assets at FVOCI	100,000	-	0.52 %	-	
Sunflower Investment	Asia World Engineering & Construction Co., Ltd.	-	Non-current financial assets at FVOCI	4,644,000	30,000	6.63 %	41,340	
Sunflower Investment	Masada Technology Limited Co., Ltd.	-	Non-current financial assets at FVOCI	2,922,600	29,226	3.51 %	29,226	
The Hotel National	Century National Technology Co., Ltd.	-	Non-current financial assets at FVOCI	35,600	-	2.34 %	-	
Atrans Precision	Acore Material Technology Co., Ltd.	-	Non-current financial assets at FVOCI	42,466	-	2.12 %	-	

(Continued)

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

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding NT\$100 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\$100 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	160,222	34.43 %	180 days	-	-	1,763,239	78.74%	
CMW (Tianjin)	CMW (C.I.)	Subsidiaries	Sale	347,274	35.59 %	180 days	-	-	1,843,429	55.49%	

Note : Intra-group transactions have been eliminated in 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		
CMW (Tianjin)	CMW (C.I.)	Subsidiaries	Accounts receivable due from related parties 1,843,429	0.80	-	-	CNY 8,225,908	-
Tianjin CMT	CMI	Subsidiaries	Accounts receivable due from related parties 293,930	-	-	-	-	-
Suzhou CMB	CMI	Subsidiaries	Accounts receivable due from related parties 176,973	1.39	-	-	-	-
Suzhou CMS	CMI	Subsidiaries	Accounts receivable due from related parties 1,763,239	0.36	-	-	CNY 10,027,073	-
CMW (Tianjin)	CMH	Affiliates	Accounts receivable due from related parties, other 396,900	Note 2	-	-	-	-
Tianjin CMT	CMH	Affiliates	Accounts receivable due from related parties, other 220,500	Note 2	-	-	-	-
Suzhou CMS	CMH	Affiliates	Accounts receivable due from related parties, other 683,550	Note 2	-	-	-	-
CMW (C.I.)	CMI	Subsidiaries	Accounts receivable due from related parties, other 280,035	Note 2	-	-	-	-
CMP(H.K.)	Tianjin CMT	Parent Company	Accounts receivable due from related parties, other 344,450	-	-	-	-	-

Note1: Intra-group transactions have been eliminated in the consolidated financial statements.

Note2: Balance of loans to other parties.

- (ix) Trading in derivative instruments: None.

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

(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)
1	CMW (Tianjin)	CMW (C.I.)	2	Operating revenue	347,274	180 days	7.19%
3	Suzhou CMS	CMI	2	Operating revenue	160,222	180 days	3.32%
3	Suzhou CMS	CMP (H.K.)	2	Operating revenue	20,040	180 days	0.42%
4	Suzhou CMB	CMI	2	Operating revenue	64,925	180 days	1.34%
4	Suzhou CMB	CMB(H.K.)	2	Operating revenue	23,804	180 days	0.49%
5	National Management	China Metal Products	2	Operating revenue	21,271	OA25 days	0.44%
9	CMH	CMW (Tianjin)	3	Operating revenue	31,389	90 days	0.65%
7	CMW(C.I.)	CMAI	3	Accounts receivable due from related parties	10,844	180 days	0.02%
1	CMW (Tianjin)	CMW(C.I.)	2	Accounts receivable due from related parties	1,843,429	180 days	3.39%
2	Tianjin CMT	CMI	2	Accounts receivable due from related parties	293,930	180 days	0.54%
9	CMH	Suzhou CMS	3	Accounts receivable due from related parties	15,845	90 days	0.03%
9	CMH	CMW (Tianjin)	3	Accounts receivable due from related parties	19,112	90 days	0.04%
3	Suzhou CMS	CMI	2	Accounts receivable due from related parties	1,763,239	180 days	3.24%
3	Suzhou CMS	CMP (H.K.)	2	Accounts receivable due from related parties	33,048	180 days	0.06%
4	Suzhou CMB	CMB (H.K.)	2	Accounts receivable due from related parties	51,865	180 days	0.10%
4	Suzhou CMB	CMI	2	Accounts receivable due from related parties	176,973	180 days	0.33%
4	Suzhou CMB	Suzhou CMS	3	Accounts receivable due from related parties	27,839	90 days	0.05%
10	CMAI(N.A.)	CMAI	2	Accounts receivable due from related parties	14,975	180 days	0.03%
2	Tianjin CMT	CMH	3	Other receivables due from related parties	220,500	-	0.41%
3	Suzhou CMS	CMH	3	Other receivables due from related parties	683,550	-	1.26%
1	CMW (Tianjin)	CMH	3	Other receivables due from related parties	396,900	-	0.73%
6	CMI	CMH	1	Other receivables due from related parties	24,984	-	0.05%
7	CMW(C.I.)	CMI	2	Other receivables due from related parties	280,035	-	0.51%
7	CMW(C.I.)	CMW (Tianjin)	1	Other receivables due from related parties	46,894	-	0.09%
11	CMAI	Pilot	1	Other receivables due from related parties	35,200	-	0.06%
12	The Hotel National	PUJEN Land Development	3	Other receivables due from related parties	50,889	-	0.09%
13	CMP (H.K.)	Tianjin CMT	1	Other receivables due from related parties	344,450	-	0.63%
8	CMB(H.K.)	Suzhou CMB	1	Other long-term receivables due from related parties	27,221	-	0.05%

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.

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CHINA METAL PRODUCTS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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, 2024 (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, 2024			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	UEA	British Virgin Islands	Investing in CMI	865,286	865,286	667,820	100.00 %	7,807,756	81,896	81,896	Subsidiaries
The Company	Sunflower Investment	Taiwan	Investing	99,096	99,096	67,013,057	99.01 %	1,026,410	36,122	35,764	Subsidiaries
The Company	Atrans Precision	Taiwan	Vehicle parts processing	247,218	247,218	25,782,134	72.24 %	448,988	5,835	4,413	Subsidiaries
The Company	CMJ	Japan	Cast iron product retailing	4,887	4,887	500	83.33 %	119,325	3,016	2,513	Subsidiaries
The Company	CMAI	Hong Kong	Vehicle parts retailing	24,036	24,036	1,000,000	100.00 %	195,515	10,953	10,953	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 %	4,715,786	219,960	136,056	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)	(148)	-	Investees accounted for using equity method
The Company	The Hotel National	Taiwan	International tourist hotel services	1,515,952	1,515,952	5,000,000	100.00 %	1,742,832	271,500	271,010	Subsidiaries
The Company	National Management	Taiwan	Management and consulting services	10,000	10,000	1,000,000	100.00 %	20,158	3,438	3,438	Subsidiaries
The Company	The Splendor Hospitality	Taiwan	International tourist hotel services	1,125,000	1,125,000	32,500,000	50.00 %	294,690	(9,653)	(7,538)	Joint ventures accounted for using equity method
The Company	Shangrila Tourism	Taiwan	Amusement park and hotel services	564,303	564,303	22,664,800	100.00 %	363,105	(7,127)	(6,755)	Subsidiaries
The Company	CMAAN Health	Taiwan	Management and consulting services	50,000	50,000	5,000,000	50.00 %	46,694	646	305	Joint ventures accounted for using equity method
The Company	Taichung CMP Hospitality	Taiwan	International tourist hotel services	938,800	938,800	93,880,000	100.00 %	887,123	(20,121)	(17,107)	Subsidiaries
The Company	Calligraphy Greenway Plaza Co., Ltd	Taiwan	Management and consulting services	59,000	59,000	5,900,000	100.00 %	70,594	3,015	3,015	Subsidiaries
The Company	Great Naturalistic Block	Taiwan	Management and consulting, department store retailing services	30,000	20,000	3,000,000	100.00 %	23,865	(2,478)	(2,478)	Subsidiaries
Sunflower Investment	PUJEN Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	288,437	288,437	42,568,300	15.18 %	1,228,834	219,960	Exempt from disclosure	Subsidiaries of the Company
Sunflower Investment	Atrans Precision	Taiwan	Vehicle parts processing	77,836	77,836	4,737,380	13.27 %	81,808	5,835	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)	(148)	Exempt from disclosure	Investee accounted for using equity method
Sunflower investment	ADVANCISION (CAYMAN)	Cayman Islands	Investing and cast iron product retailing	23,457	23,457	1,871,288	4.46 %	11,315	(900)	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	83.27 %	USD 243,310,295	USD 3,130,200	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 %	CNY 1,316,140,365	CNY 14,372,070	Exempt from disclosure	Subsidiaries of CMI
CMI	CMW (C.I.)	Cayman Islands	Investing in CMW (Tianjin) and CMH	USD 75,156,500	USD 75,156,500	50,000,000	100.00 %	CNY 1,393,644,650	CNY 14,132,084	Exempt from disclosure	Subsidiaries of CMI
CMI	CMB (H.K.)	Hong Kong	Investing in Suzhou CMB	USD 92,970,000	USD 92,970,000	151,120,350	100.00 %	CNY 590,195,695	CNY (539,532)	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 1,317,816,345	CNY 14,372,070	Exempt from disclosure	Subsidiaries of CMI(BVI)
CMAI	CMAI Holding	USA	Investing	USD 8,328,644	USD 8,328,644	10,000	100.00 %	USD 2,621,545	USD (179,562)	Exempt from disclosure	Subsidiaries of CMAI
CMAI Holding	Pilot	USA	Assets leasing	USD 8,328,644	USD 8,328,644	-	100.00 %	USD 2,603,545	USD (179,562)	Exempt from disclosure	Subsidiaries of CMAI Holding
CMAI Holding	CMAI-MEX	Mexico	Investing	USD 17,820	-	17,820	100.00 %	USD 17,820	-	Exempt from disclosure	Subsidiaries of CMAI Holding
CMAI Holding and CMAI-MEX	MEXICO CMI-CMAI	Mexico	Vehicle parts retailing	USD 18,000	-	18,000	100.00 %	USD 18,000	-	Exempt from disclosure	Subsidiaries of CMAI Holding and CMAI-MEX
Pilot	CMAI N.A.	USA	Vehicle parts retailing	USD 7,792,972	USD 7,792,972	10,000	100.00 %	USD 1,437,984	USD (193,241)	Exempt from disclosure	Subsidiaries of Pilot

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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, 2024			Net Income (Losses) of Investee	Share of Profits/Losses of Investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
Atrans Precision	FAR HSING (SAMOA)	SAMOA	Investing	USD 1,272,055	USD 1,272,055	1,272,055	100.00 %	33,128	(112)	Exempt from disclosure	Subsidiaries of Atrans Precision
FAR HSING (SAMOA)	ADVANCISION (CAYMAN) Industries Co., Ltd	Cayman Islands	Investing and cast iron product retailing	USD 4,052,188	USD 4,052,188	9,068,414	21.59 %	USD 1,023,394	USD (29)	Exempt from disclosure	Investees of FAR HSING (SAMOA) accounted for using equity method
PUJEN Land Development	Keng-Hsin Urban Renewal	Taiwan	Residents, commercial buildings and factories leasing and developing	234,496	234,496	31,220,979	30.00 %	310,891	(22,402)	Exempt from disclosure	Investees of PUJEN Land Development accounted for using equity method
PUJEN Land Development	CHINGGENG Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	1,500	1,500	150,000	50.00 %	5,323	(43)	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	PUJEN CHENGMEI Land Development	Taiwan	Residents, commercial buildings and factories leasing and developing	199,500	199,500	19,950,000	70.00 %	173,772	(101)	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	PUZHI Construction	Taiwan	Residents, commercial buildings and factories leasing and developing	34,800	34,800	22,500	100.00 %	28,911	(1,890)	Exempt from disclosure	Subsidiaries of PUJEN Land Development
PUJEN Land Development	Hua-Pu Development	Taiwan	Residents, commercial buildings and factories leasing and developing	5,000	5,000	500,000	50.00 %	5,414	35	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	494,333	36.82 %	3,068	(1,430)	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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Net Income (Losses) of the Investee	Percentage of Ownership	Investment Income (Losses) (Notes 3)	Book Value (Note 3)	Accumulated Remittance of Earnings in Current Period (Note 5)	Note
					Outflow	Inflow							
Tianjin CMT	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	608,000 (USD19,000) (Note 6)	2	388,238	-	-	388,238	10,031 (CNY2,295)	83.27%	8,353 (CNY1,911)	757,675 (CNY171,808)	82,542	Note 2
Suzhou CMS	Cast iron products, machine parts and vehicle parts designing, developing, manufacturing and selling	768,000 (USD24,000)	2	423,406	-	-	423,406	51,109 (CNY11,695)	83.27%	42,531 (CNY9,733)	4,699,468 (CNY1,065,639)	14,601	Note 2
Suzhou CMB	Cast iron product designing, manufacturing and retailing	2,624,000 (USD82,000)	2	-	-	-	-	(127) (CNY29)	83.27%	(106) (CNY24)	2,610,554 (CNY591,962)	-	Note 2
CMW (Tianjin)	Vehicle parts, E&M as-casting and finished product developing, manufacturing and selling	1,024,000 (USD32,000)	2	-	-	-	-	71,797 (CNY16,429)	83.27%	60,804 (CNY13,914)	5,912,928 (CNY1,340,800)	-	Note 2
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	1,024,000 (USD32,000)	2	-	-	-	-	(33,605) (CNY7,690)	83.27%	(27,983) (CNY6,403)	646,832 (CNY146,674)	-	Note 2
Qingdao Sourcing Specialists	Cast iron product retailing	3,200 (USD100)	2	-	-	-	-	996 (JPY4,697)	83.33%	830 (JPY3,914)	53,895 (JPY254,823)	-	-

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

(ii) Limitation on investment in Mainland China:

(In Thousands of NTD and USD)

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amount Authorized by the Investment Commission, MOEA (Note 7)	Upper Limit on Investment (Note 4)
811,644	6,675,872 (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 reviewed 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 obtained the certified documents of the operational scope of the headquarters from the Industrial Development Bureau, Ministry of Economic Affairs, with the valid period from March 3, 2023 to March 1, 2026. The restriction on the cumulative investment amount or proportion in China is not applicable.

Note 5: As of March 31, 2024, the company had obtained a surplus of \$3,256,084 thousand (USD108,140 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 share capital was reduced by USD\$11,000 thousand in 2024.

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

Note 8: The aforementioned investments have been eliminated in the consolidated financial statements.

(iii) Significant transactions: None.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Chain-Yuan Investment Co., Ltd.		57,460,965	15.16 %
Mr. Ming Shiann, Ho		26,312,540	6.94 %

(Continued)

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

(14) Segment information:

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

	<u>Metal Manufacturing Segment</u>	<u>Real Estate Development Segment</u>	<u>Lifestyle Innovation Segment</u>	<u>Reconciliation and Elimination</u>	<u>Total</u>
For the Three Months Ended March 31, 2024					
Revenue from external customers	\$ 2,421,549	2,235,551	170,441	-	4,827,541
Intersegment revenues	<u>705,408</u>	<u>850</u>	<u>24,496</u>	<u>(730,754)</u>	<u>-</u>
Total revenue	<u>\$ 3,126,957</u>	<u>2,236,401</u>	<u>194,937</u>	<u>(730,754)</u>	<u>4,827,541</u>
Reportable segment profit or loss	<u>\$ 109,562</u>	<u>564,887</u>	<u>339</u>	<u>(11,629)</u>	<u>663,159</u>
For the Three Months Ended March 31, 2023					
Revenue from external customers	\$ 2,703,976	3,740	163,456	-	2,871,172
Intersegment revenues	<u>634,469</u>	<u>850</u>	<u>22,941</u>	<u>(658,260)</u>	<u>-</u>
Total revenue	<u>\$ 3,338,445</u>	<u>4,590</u>	<u>186,397</u>	<u>(658,260)</u>	<u>2,871,172</u>
Reportable segment profit or loss	<u>\$ 121,041</u>	<u>(87,914)</u>	<u>4,542</u>	<u>(71,527)</u>	<u>(33,858)</u>

Note 1: The amount of assets and liabilities of the Group's reportable segments was not provided to the management. It is not required for disclosure.

Note 2: The information on the "Lifestyle Hospitality Segment" was adjusted to "Lifestyle Innovation Segment" instead.