



2019

Annual
Report

2019

**Annual
Report**



1

COMPANY BACKGROUND

- p.8 Board of Directors
- p.9 Elecmetal Management
- p.10 History

2

CONSOLIDATED RESULTS

- p.15 Consolidated Results 2019

3

RESULTS BY BUSINESS

- p.23 3.1 The Metallurgical Business
- p.31 3.2 The Container Business
- p.37 3.3 The Wine Business
- p.45 3.4 The Communications Business
- p.47 3.5 The Power Generation Business

4

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

- p.50 4.1 102nd Annual Report Presentation
- p.58 4.2 General Information
- p.61 4.3 Consolidated Financial Statements
- p.68 4.4 Related Companies
- p.80 4.5 Disclaimer



1

Company Background

CORPORATE NAME

Electro Metalúrgica S.A. Elecmetal S.A.

LEGAL DOMICILE

Avenida Andrés Bello 2233, floor 11th
Providencia, Chile

TELEPHONE NUMBER

+[56] 223614010

TAXPAYER ID NUMBER

90.320.000-6

TYPE OF LEGAL ENTITY

Open Stock Corporation.
Registered in the Securities Registry
of the Chilean Financial Market
Commission, N°45.

MNEMONIC

ELECMETAL, Santiago Stock Exchange,
Santiago, Chile.

WEB PAGE

www.me-elecmetal.com
www.elecmetal.cl

Board of Directors

CHAIRMAN

Juan Antonio Álvarez Avendaño

ID Number 7.033.770-3

Attorney at Law, MBA Pontificia Universidad Católica de Chile; Chairman of the Boards of Quemchi S.A., Navarino S.A. and Marítima de Inversiones S.A. Vice-chairman of the Board of Cristalerías de Chile S.A. Executive Vice-chairman of Parque Arauco S.A.; member of the Advisory Council of Generación Empresarial.

VICE-CHAIRMAN

Baltazar Sánchez Guzmán

ID Number 6.060.760-5

Commercial Engineer; Chairman of the Board of Cristalerías Chile S.A., Ediciones Financieras S.A., and Sociedad Anónima Viña Santa Rita. Vice-Chairman of the Board of Quemchi S.A., Board Member of Navarino S.A., ME Global Inc. (United States), Inversiones Siemel S.A. and Sociedad Anónima Jahuel Aguas Minerales y Balneario.

DIRECTORS

Carlos F. Cáceres Contreras

ID Number 4.269.405-3

Commercial Engineer, MBA Cornell University, ITP Harvard Business School; Board Member of several companies and nonprofit organizations; Chairman of Libertad y Desarrollo Institute's Advisory Council. Permanent member of the Chilean Social Sciences, Policy and Morals Academy, public positions at Instituto de Chile. As a public servant he has served as member of the State Council; Chairman of the Chilean Central Bank, Minister of Finance, and Minister of Internal Affairs.

Fernando Franke García

ID Number 6.318.139-0

Commercial Engineer, Master of Finance Universidad Adolfo Ibáñez. Board Member of Cristalerías de Chile S.A., Compañía Inversiones la Española S.A., Colegio Cree of Cerro Navia, and other corporations.

José Ignacio Figueroa Elgueta

ID Number 7.313.469-2

Attorney at Law, Universidad de la República. Master in Company Law, Pontificia Universidad Católica de Chile; Postgraduate studies at Universidad de Chile's Law School and FEN, Faculty of Law at Universidad Diego Portales, the London School Economics and Political Science, and Universidad de Salamanca. Senior Partner of "Estudio Juan Agustín Figueroa". Board Member in for profit and nonprofit entities.

Alfonso A. Swett Opazo

ID Number 7.016.281-4

Commercial Engineer, MBA Duke University, President of the Confederation of Production and Commerce (CPC); Board Member of several companies; professor of the Pontificia Universidad Católica de Chile.

Alfonso Swett Saavedra

ID Number 4.431.932-2

Entrepreneur; Chairman of the Board of Forus S.A.; Costanera S.A.C.I and Olisur S.A; Board Member of Cristalerías de Chile S.A, Sociedad Anónima Viña Santa Rita, Corporación Patrimonio Cultural de Chile, and Protectora de la Infancia. Counselor of SOFOFA.

Board of Directors Committee

CHAIRMAN

Carlos F. Cáceres Contreras

BOARD OF DIRECTORS

Baltazar Sánchez Guzmán

Alfonso Swett Saavedra

Elecmetal Management

GENERAL MANAGER

Rolando Medeiros Soux

ID Number 5.927.393-0

Chemical Engineer. MS Upsala. Chairman of the Board of Talleres Limitada, ME Global Inc. (USA), ME Elecmetal (China) Co. Limitada, and Board member of different subsidiaries; Chairman of UNIAPAC International; Board member of FALP; Counselor of SOFOFA.

ME ELECMETAL CHILE GENERAL MANAGER

José Pablo Domínguez Bustamante

ID Number 10.557.722-2

Commercial Engineer. MBA Pontificia Universidad Católica de Chile

CORPORATE MANAGEMENT AND DEVELOPMENT MANAGER

Eugenio Arteaga Infante

ID Number 6.374.575-8

Commercial Engineer. MBA Pontificia Universidad Católica de Chile

FINANCE AND ADMINISTRATION MANAGER

Nicolás Cuevas Ossandón

ID Number 7.050.857-5

Commercial Engineer

INTERNATIONAL BUSINESS MANAGER

Eduardo Muñoz Huerta

ID Number 7.311.248-6

Commercial Engineer

History

1917

Compañía Electro Metalúrgica S.A., Elecmetal, was founded in 1917 by Mr. Emilio Orrego Luco, along a group of local renowned entrepreneurs and investors. The project involved installing the first electric steel casting furnace in Latin America, initially to manufacture steel spare parts for the agriculture, mining, industry, and the Empresa de Ferrocarriles del Estado (State Railway Company).

This year the Minneapolis Electric Steel Casting ("ME") was founded in the United States in the same line of business.

1970

In the mid-1970s, Elecmetal initiated an active investment and diversification plan of its activities. In 1975 the company acquired 46% of the shares of Cristalerías de Chile S.A., a glass container manufacturer, in a tender offering called by the Corporación de Fomento de la Producción (CORFO).

It subsequently continued buying shares until completing 68.17% of its shareholding. From that moment on, it started an important technological and commercial modernization process; within that process an important technical cooperation agreement was celebrated in 1977 with Owens Illinois of the United States, the world's leading glass containers producer.

1980

As a natural extension of the glass container business, in 1980, the Company through Cristalerías de Chile S.A. expanded its activities to the plastic container industry. Through the same subsidiary, and jointly with Owens Illinois, the company continued its diversification with the acquisition of Viña Santa Rita Ltda. and begun its activities in the agro-industrial sector.

1986-1989

New steps within the diversification plan were taken in 1986. Initially, Cristalerías de Chile acquired 17% of Marinsa S.A., an investment company with significant interests in the shipping company Compañía Sudamericana de Vapores S.A. At the end of 1989 Navarino S.A. was born from Cristalerías de Chile's spin-off and it was assigned with the investment in the shipping sector.

In 1989 Elecmetal continued with the diversification plan through Cristalerías de Chile S.A. by acquiring television frequencies tendered by Televisión Nacional de Chile and founding Red Televisiva Megavisión S.A. "MEGA"; which was subsequently sold in 2012.



1992-1993

During 1992 the Board approved Elecmetal's spin-off, creating Quemchi S.A. a new company to whom the shipping sector investment was transferred.

In 1993, as a way of financing its modernization and diversification process, Cristalerías de Chile S.A. carried out a capital increase in which a large part of the shares was sold in the international markets through American Depositary Receipts (ADR). Since then up to 2005, its shares were listed in the New York Stock Exchange, with the ticker symbol "CGW".

1994

In 1994, through its subsidiary Cristalerías de Chile S.A., Elecmetal expanded its investments within the Communications sector with an investment in the cable television business in partnership with TCI/Bresnan, currently Liberty Global Inc. New cable television systems were acquired to found the company

Metrópolis S.A. During the following year, the Board of Directors agreed to merge Metrópolis S.A with the cable television company Intercom. The result was Metrópolis Intercom S.A whereby Cristalerías and Liberty jointly owned 60%. Afterwards, in 2000 Cristalerías de Chile and Liberty jointly purchased the remaining 40% of Metrópolis Intercom. In 2005 Cristalerías agreed with Liberty Global Inc. to merge Metrópolis Intercom S.A. and VTR GlobalCom S.A. As a result, Cristalerías de Chile owned 20% of the merged entity called VTR GlobalCom S.A. This investment was sold in 2010.

1995

In 1995, through Cristalerías de Chile S.A., part of the business newspaper "El Diario" was purchased. It is currently called "Diario Financiero", and it's the main business national media. Subsequently, Cristalerías Chile purchased Ediciones e Impresos S.A. "Capital" and "ED" magazines editorial.

1996 - 1997

In 1996 the subsidiary Cristalerías de Chile acquired an additional 49.9% of Cristal Plásticos (Crowpla) and Reicolite S.A reaching 99.9% ownership from the merged companies Crowpla-Reicolite S.A. Thereafter in 2001, Cristalerías de Chile S.A and Embotelladora Andina S.A. established an association in the plastic packing sector through their subsidiaries Crowpla-Reicolite S.A and Envases Multipack S.A, establishing Envases CMF S.A. They held equal ownership in said company until 2012, when Cristalerías de Chile sold its part.

In 1996, the subsidiary Viña Santa Rita S.A. acquired 39.4% of Viña Los Vascos in which, soon after, in 1999, it increased to 43%. The main shareholder owning the remaining 57% participation was Les Domaines Barons de Rothschild (Laffite) company, held by the Rothschild family. In 1997, in order to continue with the expansion, Viña Santa Rita founded the subsidiary Viña Doña Paula in Argentina.



History

1999

In 1999, the subsidiary Cristalerías de Chile S.A. acquired 40% of Rayén Curá S.A.I.C, a glass container production company located in Mendoza, Argentina, from the Spanish company Vicasa S.A. The remaining 60% shareholding is owned by the Verallia group, one of the three principal glass container producers in the world.

2001- 2003

In 2001, Elecmetal formed the subsidiary ME Global Inc. (USA) in Delaware, USA, aiming to carry out its globalization project, as a steel spare parts supplier. With this purpose, the company successfully participated in the acquisition process of the assets of ME International Inc. and ME West Castings Inc. Both companies were in Chapter 11 of the US Bankruptcy Law due to their owner's financial problems, namely, GS Industries Inc. and its holding company GS Technologies Corp. The assets that

were purchased consisted primarily in two high-technology foundries located in Duluth, Minnesota, and Tempe, Arizona, USA.

Continuing with the development of the metallurgical business, in 2003 Elecmetal was awarded 60% of the company Fundición Talleres in the National and International Public Tender of the Foundry Business of the Workshops Division carried out by Codelco, Chile. Later, in 2007, Elecmetal completed 100% ownership.

2006-2007

In 2006, the subsidiary Cristalerías de Chile initiated the operation of its second glass container production plant in Chile, located in the municipality of Llay-Llay, Chile's Fifth Region.

In 2007, Elecmetal and Esco Corp. (USA) signed a Joint Venture agreement and established the company Esco Elecmetal Fundición Limitada, a subsidiary that

produces steel spare parts for ground engaging to supply both domestic and export markets, for which a modern plant was built in Colina.

2009-2012

As part of the development of new products and markets, Elecmetal began the sale of grinding balls for large mining companies in 2009. In 2011, Elecmetal and Longteng Special Steel Co. Ltd. – a major steel company- established a 50/50 Joint Venture in China, named “ME Long Teng Grinding Media (Changshu) Co. Ltd.”, which has a manufacturing plant in Changshu, China, with a capacity to produce, with ME Elecmetal's technology and specifications, 500,000 tons of grinding balls annually.

In 2012, Elecmetal continued its international expansion program by incorporating the subsidiary ME Elecmetal (China) Co. Ltd. in the city of Changzhou, China. This subsidiary built a modern mill liner plant, which was inaugurated in 2014.



2014

During this year Cristalerías de Chile (with 34% participation), jointly with Viñedos Emiliana [33%] and Industria Corchera [33%] established the company Wine Packaging & Logistic S.A “WLP”, with the purpose of participating in the provision of bottling, labeling, and wine guard business services. WLP began its operations in 2016.

2016

In 2016 the modernization project of Fundición Talleres' Foundry Plant in Rancagua was completed. This project began in 2015 and involved the most modern technology within the mill liner and other spares parts products. In addition, during this year, Elecmetal carried out a reorganization of its productive operations in the metallurgical business in Chile, as part of its long term development strategic plan, which involved closing the foundry plant located in Santiago by transferring the productive capacity to the new plant in Rancagua.

Furthermore, Elecmetal continued with its international expansion program creating the subsidiary ME Long Teng Gridling Media (Zambia) Limited in Lusaka, Zambia.

Related to other businesses, the subsidiary Cristalerías de Chile inaugurated the Wind Power Plant Las Peñas in Arauco, Chile, accessing to the electric power generation business with non-conventional renewable energy sources.

2017

On the occasion of the company's centennial, Elecmetal carried out different celebratory activities with the participation of the Board of Directors, shareholders, employees and their families, suppliers, authorities, and friends. The tender process for the sale of the property in Vicuña Mackenna, in Santiago, where the old foundry was located, also took place this year.

2018

During this year, Elecmetal saw the completion of a modern grinding ball production plant in Zambia. It was inaugurated towards the end of the year and is servicing the needs of clients in Africa.

2019

The subsidiary Cristalerías Chile continued its investment plan in the glass container sector, beginning with the third stage at the Llay Llay Plant. The investment, nearing US\$ 120 million, involved a new oven with a 400 ton daily capacity, allowing increasing the annual production capacity by roughly 100.000 ton. The startup and testing process was carried out during the last quarter of the year.







2

Consolidated Results

The 2019 profit attributable to the owners reached CLP 25,900 million, 6.2% higher than the prior year (CLP 24,377 million).

The 2019 consolidated profit was CLP 36,063 million, 5.7% below the 2018 total profit of CLP 38,233 million. The consolidated operating income was CLP 67,158 million, 4.9% below the prior year (CLP 70,596 million). The non-operating income was a CLP 19,902 million loss, similar to the 2018 loss (CLP 19,987 million).

The consolidated sales during this period reached CLP 755,605 million, which is 0.4% higher than 2018 (CLP 752,690 million). During the year, sales grew 2.7% in the metallurgical business and 0.4% in the glass container business, partly offset by a 5.7% reduction in the wine business. The Chilean events during the fourth quarter 2019 affected negatively the container and wine sector sales due to operational and distribution channel complications, unlike the metallurgical business, which only experienced delivery delays during the first weeks.

The consolidated gross profit was CLP 178,074 million, which is 4.6% greater than 2018 (CLP 170,255 million). The variance is explained by higher gross profit in the metallurgical business (19.3%) partly offset by lower profit in the wine business (-4.9%) and in the glass container business (-2.4%).

The line other operating income/expense includes gains of CLP 2,538 million during 2019 in comparison with gains of CLP 7,118 million during 2018, when an industrial property was sold (CLP 1,683 million gain) and

an extraordinary one-time adjustment to the fair value of properties held for investment with significant real estate potential (profit of CLP 3,002 million).

The consolidated operating income reached CLP 67,158 million, which is 4.9% lower than 2018 (CLP 70,596 million). Of that amount, CLP 28,816 million belong to the metallurgical business (CLP 25,336 million in 2018), CLP 23,346 million to the glass container business (CLP 26,589 million in 2018), CLP 15,118 million to the wine business (CLP 19,576 million in 2018), and includes a CLP 122 million loss in other businesses (CLP 905 million loss in 2018).

Regarding 2019 consolidated non-operating result, the income from associates achieved a profit of CLP 2,795 million (profit of CLP 3,861 million in 2018) and the variance is mainly explained by lower results in the subsidiary Rayén Curá, in Argentina, due to the effects of the hyperinflation in that economy, which affected the depreciation and monetary correction items.

The net financial result reached CLP 12,264 million (CLP 11,718 million in 2018). The result for readjustment units was a loss of CLP 2,712 million (loss of CLP 3,780 million in 2018), associated with Unidad de Fomento (UF) denominated bonds, and the foreign exchange gains or losses resulted in a CLP 7,092 million loss (loss of CLP 8,135 million in 2018), which is generated by exchange rate changes during both periods, in Chile and in Argentina.

The operating results per business are the following:

The Metallurgical Business

PROFIT AND LOSS STATEMENT (MM\$)	01-01-2019 31-12-2019	01-01-2018 31-12-2018	VARIATION	
			JANUARY - DECEMBER MM CLP	%
Exploitation Incomes	460,657	448,579	12,078	2.7%
Exploitation Costs	[381,731]	[382,436]	705	-0.2%
Gross Profit	78,926	66,143	12,783	19.3%
Operational Activities Profit	28,816	25,336	3,480	13.7%

The incomes from metallurgical business sales, which involve the own Elecmetal individual business, besides the Fundición Talleres subsidiaries, ME Global (USA) and ME Elecmetal (China), and the commercialization of manufactured products by ME Longteng, Esco Elecmetal and third under our specifications, reached CLP 460,657 million, which depict an increase of 2.7% in comparison with 2018 (CLP 448,579 million).

The metallurgical business consolidated gross profit was CLP 78,926 million, which depicts an increase of 19.3% in comparison with the last year (CLP 66,143 millions).

The metallurgical business consolidated operational activities earnings were CLP 28,816 million, 13.7% greater than the CLP 25,336 million from 2018, which is mainly explained because of larger sales and better results in Chile, South America, and China, compensated, in part, because of less results in United States affected by the effects of the trade war between this country and China.

The Container Business

CRISTALERÍAS DE CHILE (INDIVIDUAL)

PROFIT AND LOSS STATEMENT (MM\$)	01-01-2019 31-12-2019	01-01-2018 31-12-2018	VARIATION	
			JANUARY - DECEMBER MM CLP	%
Exploitation Incomes	137,646	137,095	551	0.4%
Exploitation Costs	(100,425)	(98,957)	(1,468)	1.5%
Gross Profit	37,221	38,138	(917)	-2.4%
Operational Activities Profit	23,346	26,589	(3,243)	-12.2%

The container business sales incomes during 2019 reached CLP 137,646 million, 0.4% greater than 2018 incomes [CLP 137,095] compound by the 4.2% sales increased during the January-September 2019, period compared with the same period in 2018, compensated by the 2019 fourth quarter sales decreased.

During the 2019 fourth quarter, sales decreased in 8.6%, reached CLP 37,074 million, compared with the CLP 40,542 million during the same period in 2018, explained mainly, because of the sales volume decreased due to the social events from October 18th which do not allow an appropriate operation and distribution from our clients affected negatively the sales.

The gross profit was CLP 37,221 million, which is 2.4% less than 2018 [CLP 38,138 million] explained mainly because of a less gross profit during the 2019 fourth quarter, which was CLP 10,166 million, this is 21.6% less in regarding to the last year same period [CLP 12,974 million], because of the decreasing of the sales volume and because of the cost increasing of store, packaging and workforce. All of those items due to the national events that occurred during the fourth quarter of the year, and to increased exchange rate.

The annual operational activities earnings were CLP 23,346 million, which is not directly comparable with 2018 [CLP 26,589 million], because this involved in other earnings CLP 1,683 million profit because of an industrial property sale. The operational activities profits during October-December of 2019 was CLP 6,177 million, compared with CLP 9,131 million profit during the last year same period. This quarter difference could be explained because of the registered annual variation, excluding the already mentioned industrial property sale effects.

The Cristalerías de Chile S.A. total consolidated profit to the December 31st 2019 was CLP 22,591 million, in comparison to the CLP 31,103 million in 2018. This variation is explained because of the less operational result mentioned before, and because of the worst non-operational result associated mainly with the Rayén Curá in Argentina subsidiary and the losses because of the exchange rate [profit in 2018] because of the exchange rate disparity, mainly in Viña Santa Rita in Chile and its subsidiary in Argentina, Viña Doña Paula, respectively.

The Wine Business

VIÑA SANTA RITA AND SUBSIDIARIES

PROFIT AND LOSS STATEMENT (MM\$)	01-01-2019 31-12-2019	01-01-2018 31-12-2018	VARIATION	
			JANUARY - DECEMBER MM CLP	%
Exploitation Incomes	160,974	170,686	[9,712]	-5.7%
Exploitation Costs	[96,698]	[103,084]	6,386	-6.2%
Gross Profit	64,275	67,602	[3,326]	-4.9%
Operational Activities Profit	15,118	19,576	[4,458]	-22.8%

Viña Santa Rita and its subsidiaries registered sales incomes in 2019 by CLP 160,974 million, which depicts a decreased of 5.7% compared with 2018.

Regarding to the consolidated exports, Viña Santa Rita and its subsidiaries exported a 6.9% volume, inferior to the last year, because of the less shipping to Brazil, and a large decreased from Viña Doña Paula to United States, which affected the average price roughly 2 US dollar per box. Those effects were compensated, in part, by the rate exchanged increased. Export valued sales equivalent in Chilean pesos reached CLP 72,238 million, which depict a 5.7% increasing compared with 2018.

Related with national market, the incomes form sales reached CLP 79,720 million, decreased of 6.7% compared with 2018. The local market registered a strong and negative impact among the sales volume during the last quarter of 2019 (from October) because of social instability. The sales volume during the last quarter decreased 12.4% compared with the 2018 same period which caused an annual decrease of 6.4% compared to 2018.

The gross profit was CLP 64,275 million, this is 4.9% less compared with the last year, explained mainly because

of the less exports volume and less tangible sales on the national market, those effects were compensated, in part, because of the rate exchange increased.

The operational activities profit was CLP 15,118 million, [CLP 19,577 million last year] which is not directly comparable, because the last exercise involved in Other Profits CLP 3,002 million profit, because of adjusting to a reasonable investment property value, extraordinary effect, and for one time related with the revalorization land declared as investment properties with a huge real-estate potential.

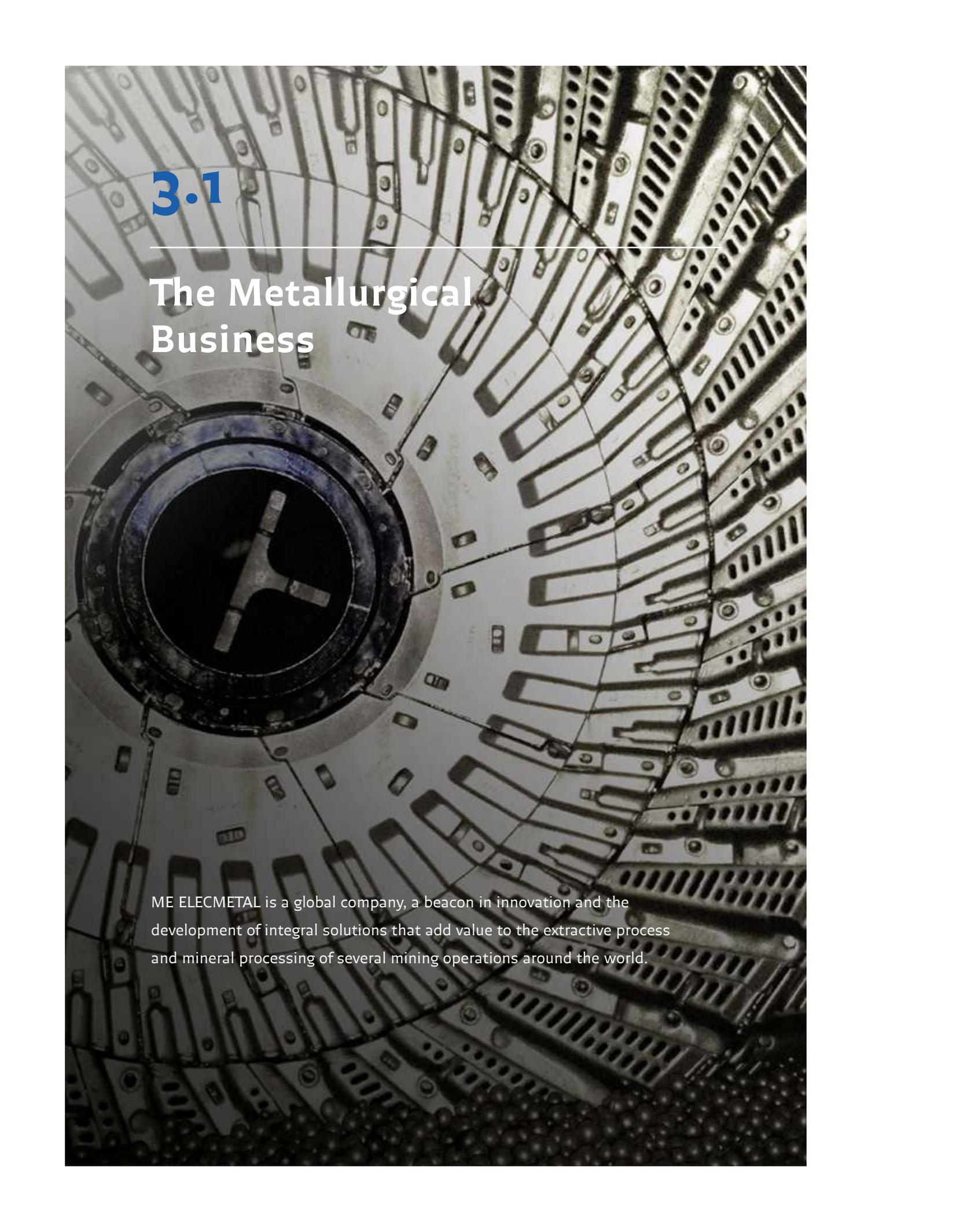
The consolidated total profit of S.A. Viña Santa Rita and its subsidiaries during 2019 was CLP 6,707 million [CLP 11,786 million in 2018]. The variation is explained because the less operational result previously mentioned and because of the non-operational losses of CLP 5,525 million in 2019 [non-operational loss of CLP 2,896 million in 2018]. This variation occurred mainly, because of exchange rate differences of CLP 2,126 million in 2019, in comparison with the registered CLP 1,030 million profit by this concept during the last year explained by differences in disparate change in Viña Santa Rita in Chile and in its subsidiary Viña Doña Paula in Argentina, respectively.



3

Results per Business

- p.23 3.1 The Metallurgical Business
- p.31 3.2 The Container Business
- p.37 3.3 The Wine Business
- p.45 3.4 The Communications Business
- p.47 3.5 The Power Generation Business



3.1

The Metallurgical Business

ME ELECMETAL is a global company, a beacon in innovation and the development of integral solutions that add value to the extractive process and mineral processing of several mining operations around the world.



ME Elecmetal is one of the leading worldwide producers and marketers of special steel parts, grinding media, and other products and services for the mining market, through a large array of manufacturing plants, joint ventures, and strategic partnerships with high level corporations, such as ESCO, a division of WEIR Group, Scotland; Valley Forge from United States, Ferry Captain from France and Long Teng Special Steel Co. Ltda., from China. Likewise, the company has a wide network of commercial offices and representatives in all regions of the world. This coverage is the result of its globalization and geographical expansion strategy as well as the continuous innovation of its product and services lines for the mining sector and other target markets.

ME Elecmetal aims to satisfy the global demand of the following products and integral solutions: spare parts for grinding equipment (steel and white iron castings for SAG, ball, vertical and bar mills); grinding bars and balls for SAG and secondary grinding mills; crusher parts (for rotary, cone, jaws, impact and other crushers), and spare parts for ground engaging equipment (blade systems, shovel bucket adapters,

points & shrouds for cable and hydraulic shovels, front loaders and others). Additionally, it manufactures pump components for pulp transport and industrial uses, large castings for primary crushers, grinding mills and copper smelters and for other mining and industrial machinery. It also delivers high hardness steel plates and equipment repair and reconditioning services for mineral processors.

Through its representation lines, it offers a large variety of products and complementary solutions for mining applications. For example, for milling operations: fixing bolts and nuts, rubber and rubber-metal composite products and acoustic systems to monitor and improve the performance of grinding mills. For crushing operations: bronze components and others, epoxy resins for backing and AST application pumps; in addition, a series of services based on sensors and failure and early warning detection tools, simulations, equipment repair services, and productivity improvement for mining operations through integral solutions called ME FIT.



STRATEGIC ALLIANCES AND PURCHASES

ME Global Inc., subsidiary founded in 2001 in United States, was the legal vehicle that acquired ME International and ME West Castings Inc. in said country. From 2002, ME Elecmetal began an optimization program of those assets by introducing new product and process technologies and organizational development, which has allowed reaching the highest industrial standards in steel spare parts worldwide.

In Chile, Fundición Talleres Ltda., also dedicated to manufacturing and marketing steel spare parts in South America was acquired through an international tender process for 60% of its equity ownership in 2004. In 2007, Elecmetal purchased the remaining 40%, reaching 100% ownership.

ESCO, a WEIR Group Division, worldwide leader in the steel piece manufacture for ground engaging tools, which in 2019 celebrated 106 history years, has been ME Elecmetal's licensor since 1959, through a license and technical assistance agreement to manufacture and sell its products in Chile. This alliance with ME Elecmetal was strengthened in 2007 with a 50/50 Joint Venture, establishing in Chile the subsidiary Esco Elecmetal Fundación Ltda. ["Esco Elecmetal"].

As part of the new products and markets development and its vision to deliver integral solutions to its clients, ME Elecmetal developed the technology, both metallurgical and processes, for the manufacturing of top quality special steel balls, which are used, jointly with castings, in grinding mills by large mining companies. Thus, from 2009, its new products: "ME Super SAG" and "ME Ultragrind" manufactured through an exclusive production agreement with Longteng Special Steel Co. Ltda. began to sell successfully. Thereupon, during 2011, ME Elecmetal and Longteng

Special Steel Co. Ltda., founded in China the 50/50 Joint Venture "ME Long Teng Grinding Media (Changshu) Co. Ltd." ["ME Long Teng"] to exclusively manufacture those products that ME Elecmetal sells around the world.

ME Elecmetal has developed important commercial and strategic relationships with renowned international brands, by means of representations that have been in place for many years. A clear example of that is the representation of Ferry Captain and CMD, from Groupe CIF of France, an important holding which supplies to international heavy industries from its six plants located in France and Germany. It delivers large foundry components such as reducers, sprockets, crowns, crusher bodies, and end caps for mills. Moreover, continuing the search for new alliances, ME Elecmetal began to sell within the Chilean market a high quality epoxy resin line "ME Electmetal" for backing applications in grinding equipment. Related with grinding equipment, the company maintains the representation of the prestigious brand "Valley Forge" for bolts and nuts to fix castings inside grinding mills in the mining sector.

Continuing with the development of integral solutions for its clients, in 2016 it signed an exclusive representation and product development agreement with the Chinese company Jlangxi Naipu Mining Machinery and New Materials Co. Ltd. With the purpose of supplying rubber and steel/rubber parts for mineral processing grinding mills. To date a series of new rubber and steel/rubber solutions have been developed for SAG and balls mill applications with positive results.

IMPORTANT INVESTMENT PLAN

ME Elecmetal has carried out a significant investment plan in order to consolidate its leadership and to supply the demand coming from the global mining activity.

ME Elecmetal owns special steel foundries for wear parts in United States, China, and Chile, in all of processes are carried out pursuant to the highest industrial safety, quality, productivity, and environmental protection standards. These plants represent a total installed production capacity of more than 120,000 tons per year.

In addition, the “Esco Elecmetal” subsidiary opened in 2012 the latest technology steel foundry to supply from Chile Esco products exclusively to the Chilean and international markets; this product line has a renowned worldwide leadership for mineral extraction and for ground engaging in mining and construction companies.

Likewise, after the pilot plant commissioning in 2010, the “ME Long Teng” subsidiary, began in 2011 the construction of a modern modular grinding ball manufacturing plant in Changshu, China, whose production ME Elecmetal directly sells around the world. In 2018, the construction of the fifth phase of this plant was carried out, reaching an annual production capacity of 500,000 tons, which positions this plant as the largest grinding media plant in the world.

The subsidiary “ME Elecmetal [China] Co. Ltda.” completed in 2014 the construction of state-of-the-art special steel foundry in Changzhou, Jiangsu province, China, with an annual capacity of 30.000 ton of steel spare parts for grinding equipment. In March 2016, the plant got the ISO-9000 and ISO-14.000 certifications, which reflect the high quality products and the highest clean production standards of its manufacturing processes.



On the other hand, in Chile, the Company completed in 2016, the modernization project of its special steel spare parts plant in Rancagua to serve its customers from the large mining market in Chile and South America. This plant, with an annual production capacity of 36,000 ton of special steel parts, integrates ME Elecmetal's experience in all of its worldwide plants and involves the most advanced process and manufacturing equipment for this type of industry. Elecmetal implemented an operational reorganization of its Chilean metallurgical business as part of its long term development strategic plan, which meant the closing of the plant located in Santiago, transferring its productive capacity to this modern plant in Rancagua.

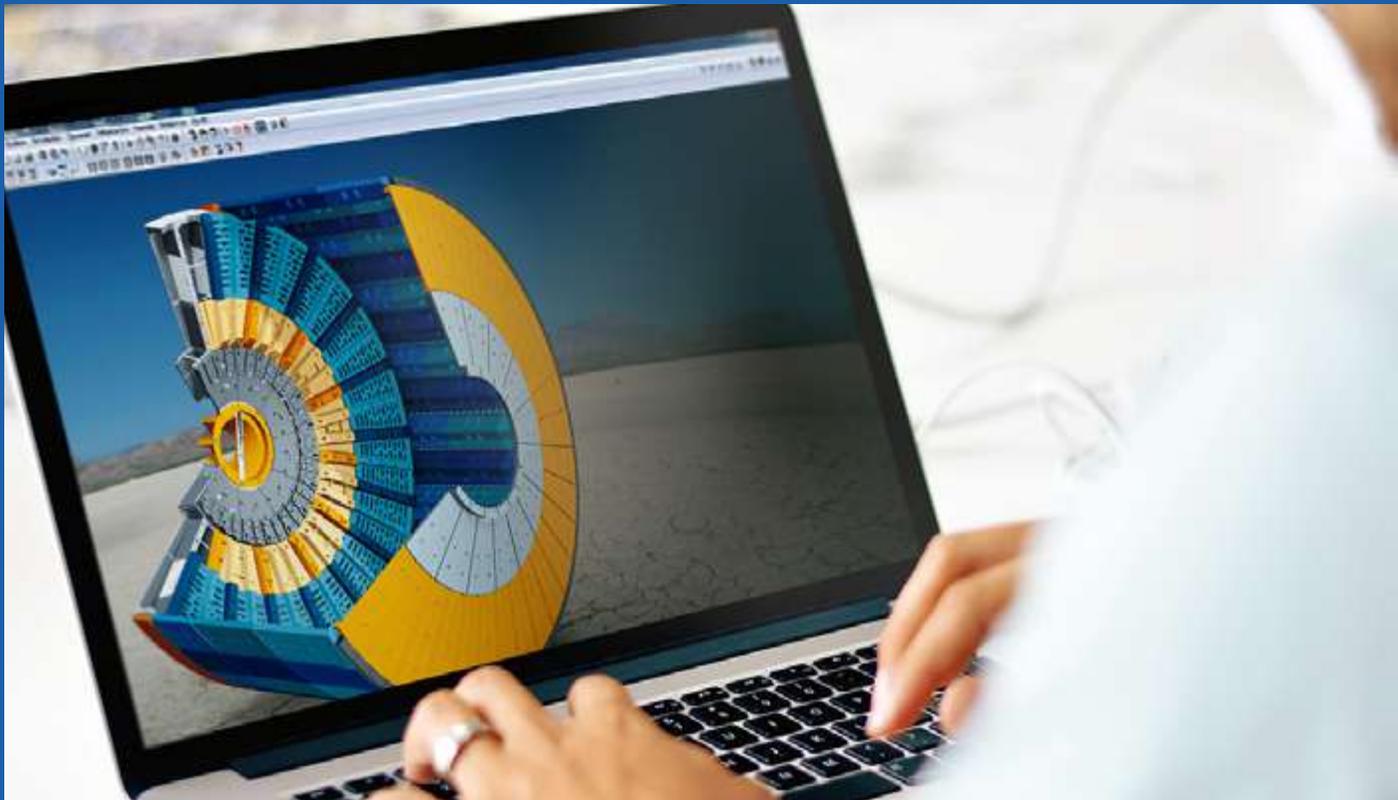
Continuing with its international expansion plan, in 2016 ME Elecmetal formed the subsidiary ME Long Teng Grinding Media (Zambia) in the city of Lusaka, Zambia. This subsidiary completed in 2018 the construction of a modern grinding ball plant in the town of Kalumbila, important mining zone, to meet the needs of its clients in Africa. In 2019 it completed its first year of operations.

In addition, ME Elecmetal has established manufacturing agreements concerning some selected castings of less technological requirements with several

foundries in China, North America, and Chile. Those products are manufactured according to international quality, industrial safety and environmental protection standards and ME Elecmetal's technical specifications.

TERRITORIAL EXPANSION AND GLOBAL COVERAGE

ME Elecmetal has a worldwide distribution network with sales and technical service capabilities to cover the five continents. The company delivers integral solutions in order to ensure satisfying the needs of its clients' widespread around 40 countries, working together with them in the design of solutions and productivity improvements through products and services which meet the highest quality and technological innovation requirements. For that, it has its own specialized personnel that visits the different mining sites around the world from its main offices in Chile, United States, and China and from its subsidiary offices in Australia, Brazil, Canada, Mexico, Mongolia, Peru, and Zambia. In addition, it keeps representation alliances in several regions and countries.





MELT Plant, Kalumbia, Zambia

INTEGRAL SOLUTIONS DELIVERY AND INNOVATION FOR CLIENTS

ME Electmetal's quality reputation and leadership is founded on the delivery of solutions that add value to client's processes, combining designs, alloys or materials, services, and technologies tailored to the specific needs of each client, pursuant to the strictest technical standards, which make possible to achieve performances that significantly reduce processing costs of minerals and other materials. This value proposal is inspired in our VAIS philosophy ["Value Added Integral Solutions"], which involves a series of activities focused on 6 fundamental mining operation areas: Production Increase, Higher Equipment Availability, Effective Cost Reduction, Environmental Protection, Training, and Safety. This philosophy is very appreciated by our clients and is the base of our leading position in the wear solutions market for worldwide mining. One example is the leadership achieved within the market of wear solutions for SAG grinding mills, in which, excluding Australia and Asia, where the company is beginning its introduction, ME Electmetal has over 50% of worldwide

market participation. Every project inspired on this VAIS philosophy is measured and controlled to monitor the progress transparently and jointly and to validate the results with the clients.

In this context, ME FIT System reflects the constant search of new integral solutions for mining client processes, by integrating product and service solutions in key mining processes: Mine, Crushing, and Grinding. The ME FIT System proposal is based on the synergy obtained by integrating consultancy, products, services, workers, logistics, and manufacturing, making it possible to add value for the client in a way that would be impossible to achieve any other way. "FIT" is the acronym for "Fully Integrated Technology" meaning that ME Electmetal is a technology integrator in the mine, crushing, and grinding processes.

The technical service offered by ME Electmetal, which creates an effective differentiation with the competition, is oriented to seek the less effective cost for its clients and involves advisory in optimizing the loading and mineral and other material treatment, new designs, and

mine site services granted by professionals with vast experience and that are highly trained. Besides working together with clients detecting opportunities, searching for innovative solutions and applying improvements on productive processes and maintenance practices, this benefits sales strategy allows to establish strategic alliances with clients.

Within the new products for Mine it is important to highlight the introduction of the product lines NEMISYS and ULTRALOCK from Esco for hydraulic and cable shovels in the Chilean market. They depict significant improvements on the Mine management and they have been proven to be very successful in Chile. These systems incorporate in their design significant productive advantages for the client, which translate into greater performance, risk reductions in the installation, operation and removal of wear elements and effective time reduction on those activities. In this ground engaging wear products market, clients have recognized the quality, safety, and installation easiness of our products, allowing ME Elecmetal to reach a leading position in the Chilean market of shovels for large mining companies.

Complementing its business and integral solutions to its clients, ME Elecmetal consolidated its new Inspection Service Business and Early Alert Area, which delivers monitoring, mining equipment inspection, 3D laser scanning, predictive/symptomatic analysis and the most advanced technology available in the sensors market, acoustic systems, ultrasound equipment, thermography and laser scanning, and a highly qualified technical team. The incorporation of new technologies and the smart data collection (IoT) is an important part of this area's daily life.

All of these developments and the continuous emphasis in high quality products and excellence in services are part of the innovation program, which is always present in the activities of ME Elecmetal workers. The collaborative work with clients, the technical knowledge and the world-class simulation systems used by our Engineering and Design and Early Alert teams create fundamental conditions to increase mining equipment and mineral processing availability, increase extraction and product processing rate and product quality, increase useful lives, and reduce accidents, among other benefits that constitute innovative solutions and better practices for the mining market.

ORGANIZATIONAL DEVELOPMENT

The ME Elecmetal metallurgical business staff comprises 1,150 persons located mainly in Chile, United States, and China, and also in Australia, Brazil, Canada, Mongolia, Peru, United Kingdom, and Zambia.

During 2019, ME Elecmetal continued developing its efforts of organizational alignment, motivation and commitment of its staff in order to realize its Vision of the Future: "Our vision is to be a globally competitive supplier, recognized by its excellence and leadership in the delivery of integral solutions which add value to the mining processes and to other target markets". To this end, ME Elecmetal makes progress by accomplishing its corporate Mission of satisfying the needs and exceeding the expectations of its shareholders, clients, collaborators, and communities in which it operates through the delivery of integral solutions to the market.

The corporate values framework is supported by the fundamental principle of respect to the dignity of people and is formed by a set of corporate values such as: integral human development; proactive search for excellence; focus on the client; creativity and innovation; teamwork and cooperation; accountability and integrity; and commitment with the environment. Thus, ME Elecmetal allocates the highest priority to establish working environments where people can deploy their maximum potential, creativity, and initiative, so they can integrally realize themselves through their work. This is the essence of the ME Elecmetal Route to Excellence. The company continues developing its people management policies oriented to promote personal and professional development of its collaborators, their safety and improve the quality of life of its workers and their families.

On the other hand, it is important to highlight the excellent working relations in the plants, the understanding spirit among workers and the administration and everybody's collaboration and commitment to tackle challenges, which involve many global activities that require the participation of collaborators from different regions of the world where ME Elecmetal is present.





2019 RESULTS

The sales in the metallurgical business include the direct business carried out by Elecmetal and the subsidiaries Fundición Talleres, ME Global (USA) and ME Elecmetal (China). It also includes sales of products manufactured by ME Longteng, Esco Elecmetal and by third party manufacturers following our technical specifications. In 2019, sales reached CLP 460,657 million, depicting an increase of 2.7% compared to 2018 (CLP 448,579 million).

The metallurgical business consolidated gross profit in 2019 was CLP 78,926 million, which depicts an increase of 19.3% in comparison with 2018 (CLP 66,143 million). The metallurgical business consolidated operating income was CLP 28,816 million, in comparison to 2018 (CLP 25,336 million). The increase is explained mainly by higher sales and better results in Chile, South America, and China, partly offset by lower results in the United States which were affected by the effects of the trade war with China.

It is important to highlight that from May 2019 – and for an ongoing period of one year– in Chile a 5.6% antidumping tariff is applicable to steel balls imports from China of sizes smaller than 4 inches

as a result of an investigation carried out by the National Commission Responsible for Investigating the Existence of Distortions in the Price of Imported Goods, the Commission.

To serve the demand of its mining clients in Chile, Elecmetal actively participates in the import of these products that are manufactured in China according to your own designs and technical specifications by the joint venture, “ME Long Teng Grinding Media (Changshu) Co. Ltd.” where the company has 50% equity participation.

Finally, the Company states that this antidumping measure damages the development of the country and it specifically negatively affects competitiveness of the Chilean mining industry, and reestablishes the quasi monopoly that existed in the Chilean market until the entry of imported balls from China. Elecmetal developed its business model with an important productive plant in China, with a local partner, who produces grinding balls according to ME Elecmetal's technical specifications and standards, based on the framework established by the Free Trade Agreement signed in 2006 between Chile and China and on Chile's strict adherence to the rules of the World Trade Organization.

3.2

The Container Business

Cristalerías de Chile is the leader in the production and sales of glass containers in Chile, with more than 110 years of experience and supplies the wine, beer, carbonated drinks, juices, mineral water, liquors, and foodstuff markets.



The main products manufactured by Cristalerías de Chile S.A. consist in returnable and non-returnable glass containers, crown and thread covers, wide covers, decorated, painted and labeled; all with the quality required by national and international markets. The company supplies more than 350 national and international clients offering a wide array of complementary technical and commercial assistance services, both in the design and new container development, as well as in their filling, closing, labeling, packaging, and distribution management.

The revenues of the sale of the glass container business reached CLP 137,646 million in 2019, 0.4% higher than 2018 revenues (CLP 137,095 million), amount made up of a 4.2% increase in sales during the January-September 2019 period compared to the same period in 2018, offset by a decline in sales in the fourth quarter of the year. During the fourth quarter of 2019, sales decreased by 8.6% reaching CLP 37,074 million compared to CLP 40,542 million in the same period of 2018, explained mainly by a volume sales decrease due to the events occurred in the country as of October 18th 2019, which did not allow a normal operation and distribution by our clients, impacting the sales negatively.

The container sale for the wine industry, the company's main market, showed a decline compared to the previous year, mainly explained by a decrease in the container sales for the wine export market, explained by the 3.6% decrease in the bottled wine exports at a national level in 2019 compared to the previous year.

In relation to the beer market, in 2019, the beer consumption showed a higher volume than the previous year, with an increase in the non-returnable containers sales, mainly in the sales of individual formats and a decrease in the sale of returnable containers.

Regarding the non-alcoholic (soft drinks) bottle sector, the sales of returnable and non-returnable containers decreased compared to the previous year, product, mainly due to lower sales of family-sized returnable formats for soft drinks and individual non-returnable formats for juices.

Sales of pisco and liquors bottles decreased compared to the previous year, due to lower consumption in both markets. The foodstuff packaging sales decreased due to lower sales of baby food jars.

It's important to note that in 2019, the container export registered an increase of 47% in comparison the previous year-, due to the efforts in diversifying countries and clients. During this period, the exports were mainly geared towards Paraguay, Argentina, Peru, United States, and Brazil.

Regarding the monetary results of the glass container business, the gross profit was CLP 37,221 million, 2.4% lower than in 2018 [38,138 million], mainly explained by a lower gross profit during the fourth quarter of 2019, which was CLP 10,166 million, namely 21.6% lower in comparison to the same period [CLP 12,974 million] of the previous year. This is set off due to a decrease in sales volume and an increase in store, packaging, and workforce costs; all of which respond to the social events at a national scale during 2019's third quarter and the exchange-rate increase.

The profit from operational activities for the year was CLP 23,346 million, which is not directly comparable to 2018 [CLP 26,589 million], because this involved in other earnings a profit of CLP 1,683 million for the sale of an industrial property. The profit from operational activities during October-December 2019 period was CLP 6,177 million, compared to the profit of CLP 9,131 million in the same period of the previous year, quarterly difference that explains the registered annual variation, excluding the effect of the aforementioned sale of the industrial property, and that was due in its totality to the sales difficulties of our clients in light of the national situation of the last few months.

In terms of commercial matters, during 2019 the company continued its activities intended to offer a better service to its clients, study and promote the development of new glass container projects and highlight their benefits. Some of the most important activities were:

- Working together with the clients in new containers projects and supporting them with advertising and point of sale material for the final product.
- The sponsorship of important wine, beer, and foodstuff fairs in which Cristalerías de Chile's clients had an outstanding participation.
- Support in carrying out different activities aimed at promoting Chilean wine abroad.
- As in previous years, the massive glass container recycling campaign was extended to new parts of the country and was publicized through mass media, allowing the ecological advantages of glass containers to be highlighted. In addition, the company continued to collaborate with the Corporación de Ayuda al Niño Quemado, COANIQUEM (Burned Child Aid Corporation), a prestigious institution in the country.
- Ongoing publication of "En Vitrina" magazine for our clients. It includes topics on different industries that use glass; it provides information on new packing with glass products, and news of the company information. This medium continues to be an excellent way to stay in touch with clients, and has allowed us to increase and improve communication and information with them.



Since 2015, Cristalerías has promoted and positioned the Elige Vidrio (Choose Glass) brand as a citizen's cause that seeks to raise awareness among Chileans about responsible packaging consumption, promoting benefits of glass containers and highlighting the positive impact of these on peoples' quality of life. Its mission is that no glass bottle or container ends up in the garbage and fosters initiatives such as recycling, reuse, innovation, and education in a community that grows day by day and that already gathers over 200,000 people in social networks. To strengthen the role of consumers in choosing glass as the planet's most sustainable packaging, during 2019 the Company distributed about half a million glass refill bottles, by putting glass on the national agenda as a high-impact solution vs. single use plastics. Through joint work with municipalities and establishing strategic alliances, currently the bottle refill system Elige Vidrio has reached hundreds of thousands of consumers at no cost.

Elige Vidrio took on the challenge of creating a sustainable recycling model that allows covering every corner of our country through public-private alliances with highly involved actors aware about the contributions they can make for the environment. In a scenario where environmental impact is becoming increasingly important for consumers, Elige Vidrio has gained more and more importance, becoming an actor that gathers and attracts several brands to promote their planet commitment. That is how Chile Elige Vidrio was born (Chile Chooses Glass). This initiative has worked to create an extensive permanent recycling network, economically viable, and environmentally responsible, which may be implemented in any territory with its particular needs and complexities. During 2019, the Aconcagua, Araucanía, and Magallanes Regions were covered, reaching a network of more than 1,500 recycling points.

In terms of operations, during 2019 the Company continued to focus its efforts on continuous improvement processes to flexibilize and increase its capacity alongside an innovative culture seeking to optimize the containers' quality as well as the services provided.

In terms of investment, construction continued on the third glass melting furnace at the Llay-Llay plant, which will make it the most modern plant in its field in Latin America, both in terms of production processes and environmental care. The new production oven implementation process at the Llay-Llay plant began during the fourth quarter. It has a melting capacity of 400 tons per day, three production lines, new automatic inspection equipment, its own batch house, and full servo-assisted training technology, allowing for greater safety and efficiency. The total investment amounts to nearly US\$ 120 million, of which approximately US\$ 65 million were invested during 2019. The environmental protection is a fundamental pillar in our management, so like all the furnaces, the new one includes an improved electrostatic precipitator and scrubber, as well as a new NOX abatement system, which will allow us to consolidate as a world-class company, with more efficient processes and environmentally responsible.

This investment policy allows the Company to be in optimal conditions to supply the growing demand of clients with quality, opportunity, and providing the best service.





The company continued consolidating its commitment with sustainable development through projects and activities with its different targets groups. In 2019, with the collaboration of different areas, the Sustainability Strategy 2030 was created to position glass containers as the most sustainable packaging worldwide, the best in the planet, through the development of new environmental attributes of the product, increasingly required by the clients, valued by the consumers and consistent with and inspired by the Company's Purpose: "We create packages that care for/preserve/protect/take care of life", preparing us for the permanent evolution of market and clients.

In terms of the associated businesses development, 2019 was the third year of operations of the Wine Packaging and Logistic plant (WPL); subsidiary specializing in bottling, labeling, and storing wines, that came to be from the alliance of the Company with Viña Emiliana and Industria Corchera (Cork Industry). This plant is one of the most modern bottling companies in Chile, and its high efficiency and process quality levels are positioning it as an excellent alternative for externalization operations in the area. The sale incomes increased 53% compared with the previous year, with high occupancy rates on its productive and service units.

CONSOLIDATES RESULTS

According to the total results, Cristalerías de Chile S.A. consolidates its results with S.A. Viña Santa Rita, Ediciones Chiloé S.A., Cristalchile Inversiones S.A., and Taguavento SpA.

During 2019 the consolidated sales reached CLP 294,494 million, compared with CLP 303,693 million in 2018. The decrease is mainly due to lower sales in Viña Santa Rita [-5.7%], due to a lower exportation volume during the year, and due to lower sales in the national market during the last quarter of the year, responding to the events occurred in the country.

The gross profit of CLP 102,347 million, compared with CLP 106,572 million in 2018, is mainly explained by the events occurred during 2019's fourth quarter which negatively affected the results.

The other profits (losses) generated profits of CLP 456 million during 2018. This is explained mainly because during 2018 involves a profit of CLP 1,683 million due to the sale of Cristalchile Vidrios industrial land and a profit of CLP 3,002 million due to an extraordinary one-time adjustment, to the reasonable value of investment property of Viña Santa Rita with an important real-estate potential. The results of associates show profits of CLP 1,900 million, compared with CLP 3,209 million during 2018, explained by the lower results of Rayén Curá due to the hyperinflation in Argentina that affected the accountability of its result, mainly for depreciation and monetary correction.

Currency exchange differences present a loss of CLP 2,150 million, set off mainly due to negative results in Viña Santa Rita's export coverage in Chile and due to the differences regarding positive greater results during the previous year in Viña Doña Paula because of coverage in Argentina.

Cristalerías de Chile S.A.'s total consolidated results as of December 31, 2019, amounted to CLP 2,591 million, in comparison with CLP 31,103 million in profits during 2018. Regarding 2019 fiscal year's total profits, CLP 20,025 million are attributable to the owners of the holding company (CLP 26,608 million in 2018) and the quantity of CLP 2,566 million are attributable to non-controlling participations (minority interest) [CLP 4,495 million in 2018].

3.3

The Wine Business

ELECMETAL participates in the wine industry through the direct and indirect ownership of Sociedad Anónima Viña Santa Rita.. Viña Santa Rita markets wines of Chilean origin under its own brand, in addition to the wines of Viña Carmen, Sur Andino, and Nativa, and of Argentinean origin, through the brands Doña Paula and Sur Andino.



During 2019 Viña Santa Rita's consolidated sales, and its subsidiaries reached CLP 160,974 million, a decrease of 5.7% in comparison with 2018 (CLP 170,686 million). National market sales reached CLP 79,720 million, being 6.7% lower than the sales of the previous year, and sales in the export market reached CLP 72,238 million, increasing 5.7% if compared to 2018. Revenues from other sales amounted to CLP 9,016 million, 4.1% higher than the previous year.

The domestic market sales volume was strongly affected during the last quarter of 2019 as a result of the events that occurred in the country, which

negatively impacted sales by problems in normal operation, distribution, and in the sales establishments. The sales volume during the last quarter decreased 12.4% compared to the same period of 2018. The year closed with total sales of 73.3 million liters, 6.3% below the previous year, and sales prices decreased 0.4% compared to 2018, having valued sales reaching CLP 79,720 million. Viña Santa Rita maintained, for the sixth consecutive year, its leading position in this market reaching 30.5% of market share, which accounts for the strength of their brands, consistent quality, and reputation of its wines.



Regarding export markets in terms of consolidated sales, S.A. Viña Santa Rita and its subsidiaries exported during 2019, a volume of 3 million 427 thousand boxes, which is 6.9% lower compared to the previous year, mainly explained by losses in two of the most relevant markets: fewer shipping from Chile to Brazil and an important decrease in Viña Doña Paula's sales in the United States, which affected the average price in about 2 dollars per box. Those effects were compensated partly by the 2019 exchange rate increase. At an international level, there were key market increases such as Colombia, Denmark, England, South Korea, and Canada. The plan "Colección de Origen" (Origin/Source Collection) was globally implemented throughout the year; it aims to strengthen the position of relevance of Santa Rita's high-end wines. Furthermore, as part of the global campaign "Vive la Vida 120" (Live Life 120), Santa Rita renewed its association as official wine sponsor with the English football club Arsenal for the next three years, in order to reach consumers and football fans in every corner of the world, in addition to promoting their wines among key markets in Asia, Europe, and Latin America, presenting as well their 120 Arsenal FC limited edition wine in countries like Brazil, China, Hong Kong, England, and Chile. During 2019 Viña Santa Rita and its subsidiaries received important recognitions in Chile and abroad.

At the beginning of the year, Santa Rita was chosen among the most acclaimed wine brands in the world by Drinks International, being the vineyard that raised the most in the global ranking compared to 2018, reaching the 30th place worldwide. Drinks International highlighted its "geographical reach and muscle throughout its different wine lines, showing consistency and quality in every one of them." It also commented on its extensive portfolio, including brands like 120, Medalla Real, Pehuén, Triple C, and Casa Real.



The Casa Real Reserva Especial 2014 and Triple C 2014 wines ranked among the top ten leading wines in the US magazine Wine Spectator, in Kim Marcus's report on Chile. Meanwhile, Descorchados 2020 raised Pewën de Apalta as the Best Carmenera and Best Apalta with 97 points, while Triple C 2014 was chosen as the best Chilean wine among Wine Enthusiast's top 100 aged wines . On the other hand, Carmen Frida Kahlo Single Vineyard Cabernet Sauvignon 2017 was placed among the top 100 wines of the year by Wine Enthusiast. Carmen Gran Reserva Cabernet Sauvignon 2017 achieved a platinum medal, maximum recognition, and 97 points in the Decanter World Wines Awards, one of the largest and most influential competitions worldwide. The Carmen DO Florillón #2 was nominated White Wine Discovery of the Year in Tim Atkin MW's Chile report.





VIÑA DOÑA PAULA

Doña Paula is projected today as one of the most important wineries in Mendoza, being acclaimed worldwide for the quality of its wines.

In 2019 Doña Paula reached a sale volume of 333 thousand cases, which represents a 33.8% decrease compared to 2018, mainly explained by the lower exports to its main market, the United States of America, which were significantly affected by the implementation of the importer change in this country. The new importer for Doña Paula in that market is Prestige Beverage Group, a company lead by the Johnson family, owner of the fourth largest distributor in the United States, Johnson Brothers.

The year's revenue was US\$ 10.1 million, which meant a decrease of 45.7% in relation with the previous year, recording an average price of US\$ 30.4 per case, 18.0% lower in comparison to the previous fiscal year. The main markets for Doña Paula are Argentina, Ireland, Brazil, Canada, and the United States.

During the year, Doña Paula stood out in national and international competitions and publications. Among others, winning the Trophy award at the International Wine Challenge with its wine Selección de Bodega 2016, was very important; the highest award given by this competition. Moreover, this wine was also highlighted by Tim Atkin MW with 95 points.

INVESTMENTS

In terms of investments, Viña Santa Rita invested US\$ 11.8 million in 2019, mainly in the areas of winemaking, operations, and logistics.

The agricultural and winemaking investments were carried out with the main purpose of supporting Viña Santa Rita's strategic plan, aimed at improving winemaking efficiency, productivity, and achieving greater self-supply of grapes and ensuring availability of irrigation.





One of the main initiatives in the viticulture area is the WiSe project, translated as wisdom or “Wine Seed” and whose main goal “planting wine”, has allowed to build a solid base of growth and projection, developing new a generation of quality vineyards to meet the requirements of consumers around the world. At the end of the period, we surpassed the 1,000 hectares of new vineyards and replanting, with an advance of 87%, with a program in 2019 plantations mainly around Buin, Cauquenes, Pumanque, and other areas of the Central Valley. Currently, Viña Santa Rita and its subsidiaries have a total of 4,008 hectares planted in fields in Chile [3,279 hectares] and Argentina [729 hectares].

In addition, progress was made with other investments such as the start of the expansion of the bottling lines at the Buin plant, and improvements in the Palmilla winemaking plant, and, in the logistic area, the expansion of the distribution center in Alto Jahuel was completed.

CONSOLIDATED RESULTS

In relation to the year’s results, gross profit was CLP 64,276 million, 4.9% lower than the previous year, explained mainly by the lower volume of exports and lower sales in the domestic market mentioned above, effects that were partially offset by the increase in the exchange rate. Distribution expenses decreased by 3.0% compared to the previous year, explained by lower export volumes and greater efficiency in unit costs as a result of synergies obtained in the new distribution center in Alto Jahuel. Administrative expenses decreased by 4.5% compared to the previous year.

The profit from operational activities was CLP 15,118 million [CLP 19,576 million in the previous year] which is not directly comparable, given that the previous exercise included in Other Income a profit of CLP 3,002 million for the fair value adjustment of investment properties, extraordinary and one-time only, corresponding to the reassessment of properties that are declared as investment properties with an important real-estate potential.

Viña Santa Rita registered profits in its non-consolidated subsidiaries of CLP 655 million in 2019, in comparison to the profit of CLP 1,037 million during the previous year, which is mainly explained by the lower results of Viña Los Vascos S.A., whose main shareholder, with 57.0% is Les Domaines Barons de Rothschild (Laffite) and where Viña Santa Rita owns the remaining 43.0%.

The result per readjustment unity consisted in a loss of CLP 1,319 million, compared to the loss of CLP 2,604 million in 2018, variation that is mainly explained by the effect of the adjustment for the hyperinflation statement in Argentina declared on July 1st in 2018, resulting in a cost of CLP 1,322 million during that period.

Tax expenses were CLP 2,886 million (CLP 4,895 million in 2018). The difference is explained by the lower result and by the fact that 2018 included a deferred tax charge associated with the extraordinary profit from fair value adjustment of investment properties and the hyperinflation statement in Argentina.

The total results of S.A. Viña Santa Rita and its subsidiaries as of December 31, 2019, was a profit of CLP 6,707 million, representing a decrease of 43.1% compared to the previous year (CLP 11,786 million). From the total profit in 2019, the amount of CLP 6,707 million is attributable to the owners of the holding company (CLP 11,784 million in 2018).



3.4

The Media Business



ELECMETAL has participated since 1989 in the media and communications area through Cristalerías de Chile S.A., which through its subsidiary Ediciones Chiloé S.A. (owner of the Corporation Sociedad Ediciones Financieras S.A.) is engaged in the written press business with “Diario Financiero” and in the editorial business with magazines “CAPITAL” and “ED” among others.



EDICIONES FINANCIERAS S.A.

The media industry was strongly affected during 2019 by the decrease in the advertising business and also by the events that occurred in Chile during the last months of the year. However, Grupo DF (Diario Financiero, Capital, and ED) managed to stay active in the development of new content, increasing its digital relevance, and retaining the previous years' advertisement levels.

Within the advertising revenues, the investment increase in the Diario Financiero website (20.4%) and printed advertising in ED Magazine (29.5%) stand out.

One of the lines of business boosted during the year was the digital subscription business. One example is the product DF Full Digital, which grew 62.5% in comparison to the previous period. This was achieved largely by the joint work between the editorial and management areas, particularly during the last months of 2019, where the team increased its coverage and publication days that used to run from Monday to

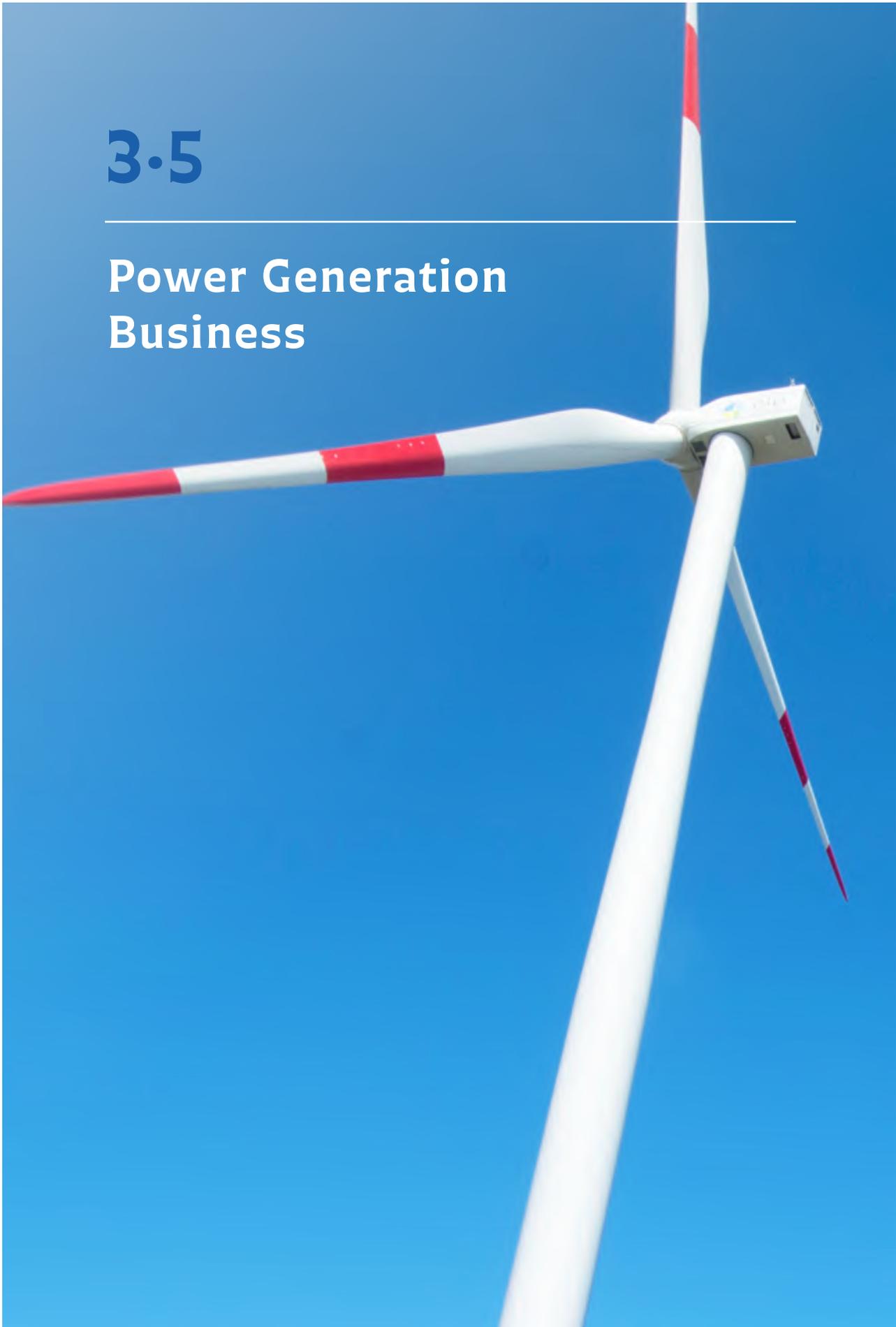
Friday, to Monday through Sunday; demonstrating the quality and relevance of the information it delivers.

Another challenge proposed by Grupo DF during the year, was to explore sustainability and events that contributed to society. That is how ED Suma was created; a project carried out in collaboration with Fundación Vivir más Feliz, where the worlds of design, decoration, and fashion came together in a benefit for the rehabilitation of children with cancer.

Despite the growth of some of the lines of business, given the national circumstances during the last quarter, the sharp drop in advertising revenues for the month of November, and the cancellation of the most important event of the year, Bazar ED, the financial year ended with a final result of a CLP 981 million loss.

3.5

Power Generation Business





As a commitment to integral sustainability on the issue of climate change, Elecmetal, through its subsidiary Cristalerías de Chile, participates in the renewable energy business through its subsidiary company Taguavento.

The first initiative was the study, construction, and operation of the Las Peñas wind farm (“ELP”), located in the Eight Region in Chile. The ELP farm has four wind turbines with a total capacity of 8.4 MW which are injected into the National Electric System (SEN).

The intention of Cristalerías to create containers that care for life not only implies proactively taking care of its processes, but also going beyond that and being part of the solution for the development of state-of-the-art technologies that are a beacon in terms of environmental matters, and being part of the solution and development of renewable technologies that give coherence to a long-term proposal.

The year 2019 was an important year for the Company’s electricity generation area, due to the fact that Las Peñas Wind Farm (ELP) managed to break once again the record of generation at the plant factor level in wind farms with an outstanding 44.4%, consolidating it as the best record in the history of the National Electricity System (SEN) in terms of renewable wind technology, surpassing the national average of 27%. The third year of operations also marks the beginning of the consolidation of a highly productive model, with availability of over 95% for the second year in a row, in line with opening the way to cutting-edge technology and productivity in the renewable energy generation industry.

In financial terms, during 2019 Taguavento managed to keep up outstanding results at operational levels through the results of its ELP operating unit, with revenues of US\$2.2 million, slightly higher than the previous year, and obtaining an operational result similar to the previous year as well.



4

Annual Report and Financial Statements 2019

p.50	4.1 102nd Annual Report Presentation
p.58	4.2 General Information
p.61	4.3 Consolidated Financial Statements
p.68	4.4 Related Companies
p.80	4.5 Disclaimer

4.1

102nd Annual Report Presentation

Presented to the General Ordinary Shareholders Meeting, April 2020

Fellow Shareholders:

In accordance with Article 74 of the Corporations Law, we are pleased to present the Annual Report and Financial Statements corresponding to the fiscal year comprised between January 1 and December 31, 2019. We include as well, the opinion on Financial Statements issued by the independent auditors, KPMG Auditores Consultores Ltda.

1. PROFITS AND PAYMENT OF DIVIDENDS

The profits and loss account, for the year commercial year ended December 31, 2019, presents a profit attributable to the owners of the holding company[owners] CLP 25,900,352,762.

The dividend amount established in the policy, equivalent to 50% of the distributable net profit, is presented below:

Earning/Profit attributable to the owners of the holding company	CLP 25,900,352,762
Distributable net profit/income	CLP 25,900,352,762
Dividend payout	CLP 12,950,176,381
[50% of the distributable net profit/income]	CLP 12,950,176,381
Dividend CLP /share according to payout policy	CLP 295.67

Regarding the interim dividends paid out of the Earning/Profit attributable to the owners of the holding company for the year 2019, at the Board of Directors' meetings No. 1,370 [27/06/19], No. 1,373 [26/09/19], and No. 1,376 [19/12/19] it was agreed to pay dividends No. 257, No. 258, and No. 259 of CLP 74 per share each, on the total of 43,800,000 shares.

Thus, the value of the interim dividends paid out of the profits for commercial year 2019 amount to CLP 222 per share, equivalent to CLP 9,723,600,000.-

The Board of directors, at its meeting on March 3, 2020, agreed to propose for consideration by the Ordinary Shareholders' Meeting, to be held on April 2020, the payment of the final dividend No. 260 of CLP 73.70 per share out of the profits of the commercial year 2019.

Thus, the equity attributable to the owners of the controlling company once the final dividend is approved is as follows:

Issued capital divided into 43,800,000 shares	CLP 23,024,952,866
Accumulated Profit	CLP 358,859,648,819
Other Provisions	CLP 19,828,576,821
Total Equity attributable to the owners of the holding company	CLP 401,713,178,506

Finally, during the period comprehended between 2017-2019 the Company effected the following dividend payments:

YEAR	NO. DIVIDENDS	NO. SHARES	CLP PER SHARE	TOTAL DIVIDEND CLP
2019	255/258	43,800,000	CLP 278.30	CLP 12,189,540,000
2018	251/254	43,800,000	CLP 799.00	CLP 34,996,200,000
2017	247/250	43,800,000	CLP 354.05	CLP 15,507,390,000

2. DIVIDENDS PAYOUT POLICY

The Board of Directors will suggest to the Ordinary Shareholders' Meeting the approval of the dividend payout policy for the fiscal year 2020 .

The current policy, approved at the April 2019 Ordinary Shareholders' Meeting is as follows:

Of the net distributable net profits of each fiscal year, and provided there are no accumulated losses, at least 50% will be destined to the payment of dividends in cash, which may be provisional or definitive.

3. CORPORATE PROPERTY

a) As of December 31, 2019, the twelve main shareholders of the company/corporation are:

SHAREHOLDERS	NO. SHARES	%
Productos Agrícolas Pucalán S.A.	10,844,115	24.76
Costanera S.A.C.I.	8,910,550	20.34
Marítima de Inversiones S.A.	4,787,578	10.93
Compañía de Inversiones La Española S.A.	3,683,124	8.41
Productos Agrícola La Esmeralda S.A.	2,727,927	6.23
Vegas de Pangueco S.A.	2,280,409	5.21
Quemchi S.A.	1,704,643	3.89
Inmobiliaria Villarrica Ltda.	1,666,857	3.81
Inversiones Alonso de Ercilla S.A.	1,370,955	3.13
Navarino S.A.	859,540	1.96
Sucesión Ricardo Claro Valdés	733,833	1.68
Inversiones San Carlos Ltda.	521,737	1.19
TOTAL	40,091,268	91.54

b) Individuals or Legal Entities that own or control directly or indirectly shares or are entitled to rights representing 10% or more of the company's share capital:

b.1) Individuals or Legal Entities related to Mrs. María Luisa Vial de Claro, ID Number : 2.852.104-9:

SHAREHOLDERS	NO. SHARES	%
Productos Agrícolas Pucalán S.A.	10,844,115	24.76
Marítima de Inversiones S.A.	4,787,578	10.93
Quemchi S.A.	1,704,643	3.89
Inmobiliaria Villarrica Ltda.	1,666,857	3.81
Navarino S.A.	859,540	1.96
Sucesión Ricardo Claro Valdés	733,833	1.68
Inversiones San Carlos Ltda.	521,737	1.19
María Luisa Vial de Claro	220,988	0.50
Inversiones San Luis Ltda.	89,686	0.20
TOTAL	21,428,977	48.92

The companies and individuals Productos Agrícolas Pucalán S.A., Marítima de Inversiones S.A., Quemchi S.A., Inmobiliaria Villarrica Ltda., Navarino S.A., Sucesión Ricardo Claro Valdés, Inversiones San Carlos Ltda., María Luisa Vial de Claro e Inversiones San Luis Ltda., have not yet formalized a joint action agreement, notwithstanding which, it should be noted that the presumption of a joint action agreement in Article 98 of the Securities Market Law is applicable to them.

Individuals who indirectly control the corporation:

Compañía Electro Metalúrgica S.A.'s final controller is Mrs. María Luisa Vial de Claro, ID Number: 2.852.104-9, in her capacity as Guardian/Overseer/Protectress/Advocate of the Fundación Educacional Internacional Claro Vial. Mrs. María Luisa Vial de Claro directly and indirectly controls the 48.92% of the issued voting shares of the Company.

b.2) Individuals or Legal Entities related with Mr. Alfonso Swett Saavedra ID Number: 4.431.932-2:

SHAREHOLDERS	NO. SHARES	%
Costanera S.A.C.I.	8,910,550	20.34
Swett Saavedra, Alfonso	387,235	0.88
Opazo Herreros, María Isabel	7,780	0.02
Swett Opazo, Macarena	3,071	0.01
Swett Opazo, Carolina	3,000	0.01
Swett Opazo, Sebastián	1,247	0.00
Swett Matte, Santiago	1,000	0.00
Swett Matte, Sebastián	1,000	0.00
Swett Matte, Nicolás	1,000	0.00
Swett Matte, Paulina	1,000	0.00

SHAREHOLDERS	NO. SHARES	%
Swett Schmidt, María Francisca	1,000	0.00
Swett Schmidt, Margarita María	1,000	0.00
Allard Swett, Blanca	1,000	0.00
Allard Swett, María Carolina	1,000	0.00
Hevia Edwards, Josefina Antonia	1,000	0.00
Swett Opazo Alfonso	67	0.00
TOTAL	9,321,950	21.28

b.3] Individuals or Legal Entities related with Mr. Patricio García Domínguez. ID Number: 3.309.849-9

SHAREHOLDERS	NO. SHARES	%
Compañía de Inversiones La Española S.A.	3,683,124	8.41
Inversiones Alonso de Ercilla S.A.	1,370,955	3.13
Compañía Inmobiliaria La Hispano Chilena S.A.	252,692	0.58
Inversiones San Benito S.A.	157,476	0.36
Inversiones Hispania S.A.	145,000	0.33
Inversiones Cristóbal Colón S.A.	127,815	0.29
Inversiones Montemarcelo S.A.	95,481	0.22
Inversiones Ausejo S.A.	70,102	0.16
Inversiones Glogar S.A.	70,102	0.16
Inversiones Lago Gris S.A.	70,102	0.16
Inversiones Santa Clara S.A.	70,102	0.16
Inversiones Beda S.A.	63,597	0.15
Asesorías y Servicios Finan. Galicia Ltda.	13,106	0.03
García Domínguez, Gloria	9,250	0.02
TOTAL	6,198,904	14.15

4. INVESTMENT AND FINANCING POLICIES

The financing policy for investment projects and working capital needs is established that the sources of financing are managed according to the Company's long term financial plan. Financial resources are obtained from the Company's own sources, from traditional direct indebtedness or with derivative instruments, from public and private offering instruments with or without an option to convert them into capital, whether in Chile or abroad, supplier credits and capital contributions, if strategic conditions so advise. Shareholders' equity consists of book depreciation, other amortizations, and net income for the period that represents a net source of financing in that portion of withholding that is approved by the Ordinary Shareholders' Meeting.

In addition, the Board of Directors also discussed financial risks, mainly associated with the different currencies in which the metallurgical business is involved and the evolution and variation related of the respective parities as well as interest rates. Nevertheless, Elecmetal presents an excellent level of solvency, low debt at a consolidated level, and had had very positive returns; the Company confronts those elements of risk.

The Board of Directors maintains the policy of covering financial risks which considers different instruments available, such as the subscription of derivative instruments in order to cover these exchange or interest rate risks for future events with a high degree of certainty in terms of flows, assets or liabilities. The most commonly traded derivative instruments in the capital market that the Board of Directors approves of using are the following:

a. Forwards: are instruments that set the exchange rate or other relevant risk variable, on a determined amount and term. It is a liquidity contract for the exchange rate and inflation in the market, with generally short and/or medium terms.

b. Swaps: are instruments that allow the exchange of two flows that may be in different currencies or different interest rates. Mainly used in timeframes longer than two years.

When executing a derivative instrument, special consideration must be given to the credit quality of the counterparty, in addition to the terms of the instrument itself. To this end, the Board of Directors approved working exclusively with top-level banks, including Banco de Chile, BCI, Bice, Estado, Santander, and Scotiabank among others.

Regarding the financing through a combination of debt and derivative instruments, operations that qualify as hedge accounting must be contracted, i.e., operations that meet accounting standards requirements, so that transitory variations present in the market valuation of the instrument at the date of closing of each financial statement throughout the duration of the instrument, must be recorded in the equity accounts and not in the profit and loss statement for said period, thereby avoiding the impact that this would involve.

The operation of these agreements will be responsibility of the financial management.

5. SHARE TRANSACTIONS

a) Purchases and Sales of shares carried out in 2019 by individuals or Legal entities related to the Company:

SHAREHOLDER	Relationship	N° Shares		CLP Amount	CLP Price	Investment Type
		Purchase	Sale			
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	116		1,624,000	14,000	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	1,000		14,600,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	40		584,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	150		2,190,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	45		652,500	14,500	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	767		11,198,200	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	185		2,479,000	13,400	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	285		4,161,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	87		1,270,200	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	2,000		29,200,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	70		1,022,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	30		438,000	14,600	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S.A.	S.C.	651		9,504,600	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	45		652,500	14,500	Financial Inv.
COSTANERA S.A.C.I.	M.S.	39		569,400	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	115		1,610,000	14,000	Financial Inv.
COSTANERA S.A.C.I.	M.S.	70		1,022,000	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	1,000		14,600,000	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	150		2,190,000	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	766		11,183,600	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	185		2,479,000	13,400	Financial Inv.
COSTANERA S.A.C.I.	M.S.	285		4,161,000	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	87		1,270,200	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	2,000		29,200,000	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	29		423,400	14,600	Financial Inv.
COSTANERA S.A.C.I.	M.S.	651		9,504,600	14,600	Financial Inv.

Note:

M.S.: Majority Shareholder

S.C.: Stakeholder Controller

b) Quarterly statistics for the last three years of transactions of the Company's shares on the Stock Exchanges:

QUARTER	NO. SHARES	AMOUNT CLP	AVERAGE PRICE CLP /ACC
1st quarter-2017	8,662	69,143,907	7,982.44
2nd quarter -2017	9,655	79,639,180	8,248.49
3rd quarter-2017	681	5,584,200	8,200.00
4th quarter-2017	8,669	74,670,453	8,613.50
1st quarter- 2018	15,165	164,255,170	10,831.20
2nd quarter-2018	244,687	3,303,463,835	13,500.77
3rd quarter- 2018	154,176	2,248,786,200	14,585.84
4th quarter-2018	20,650	304,793,500	14,759.98
1st quarter- 2019	514	7,557,900	14,704.09
2nd quarter-2019	5,708	83,354,100	14,603.03
3rd quarter-2019	5,082	73,744,200	14,510.86
4th quarter-2019	231	3,234,000	14,000.00

6. BOARD OF DIRECTORS ELECTION

The Company's Board of Directors was elected for a period of three years, as established in its bylaws, at the Annual Shareholders' Meeting held on April 10, 2019.

7. BOARD COMMITTEE/BOARD OF DIRECTORS

During the Board meeting held on April 10, 2019, the election of Elecmetal S.A. Board's Committee took place as established in Article 50 bis of Law 18,046, with the Directors being Mr. Carlos F. Cáceres Contreras, Mr. Baltazar Sánchez Guzmán, and Mr. Alfonso Swett Saavedra. Mr. Carlos F. Cáceres Contreras assumed as Chairman of the Directors' Committee.

The committee sits in ordinary sessions to discuss with matters entrusted to it in Article 50 bis of Law 18,046.

The main activities developed by this Committee during the year 2019 were the following:

Examination of the reports of the independent auditors and the financial statements of Elecmetal S.A. corresponding to the year-end closing and prior pronouncement in respect thereof to the Board of

Directors for its approval and presentation to the Financial Market Commission (CMF), and subsequent presentation to the Shareholders' Meeting for its approval.

Revision of the 2019 Interim Financial Statements (March, June, and September) and consideration of the report of the independent auditors to the interim review of the Interim Financial Statements as at 30 June 2019.

Review and approval for the habitual and ordinary operations with related parties such as: i) purchase and sale pertinent to the metallurgical line of business with Esco Elecmetal Fundición Limitada, Fundición Talleres Ltda., ME Global Inc., ME Elecmetal (China) Co. Ltd., and others, in addition to other inner transactions related to their respective lines of business with Cristalerías de Chile S.A.,

Servicios y Consultorías Hendaya S.A., Servicios Compartidos Ticel Ltda., Ediciones Financieras S.A., S.A. Viña Santa Rita, and others. In connection with the subsidiary Servicios y Consultorías Hendaya S.A., it is worth mentioning that this company has an employment contract with Mr. Baltazar Sánchez G., Vice-Chairman of Elecmetal S.A.'s Board of Directors, with the purpose of coordinating control measures, functions, and activities between the subsidiaries.

Proposals review and recommendations to the Board to designate the appointment of independent auditors that were suggested to the Ordinary Shareholders' Meeting in April 2019, as were the Company's risk classifiers.

Meetings with the independent auditors, Messrs. KPMG for the Financial Statements analysis and review, updating of the auditory plan, and other matters alike.

Meetings with the Corporate Comptroller to review matters such as the Crime Prevention Model under Law 20,393, the results of the corporate risks map, the adoption of the Financial Market Commission regulations, objectives to be covered by the Comptroller's Plan, review of progress and results, etc.

On the other hand, during specific meetings the Committee analyzed the transfer prices related to the transactions made between the different companies of Elecmetal, the evaluation of the Comptroller's unit, and the remuneration and incentive systems, among other matters.

During 2019, the Committee incurred in expenses for a total equivalent to 1,430 Unidades de Fomento (UF, an index linked unit of accounts. It is the indexed unit of the Peso, value revised daily on the basis of the percentage variation undergone by the CPI during the preceding month, and is determined by the Central Bank) for several independent external consultants, related to the continuous audit system, the survey of processes and risks, the Crime Prevention Model certification work, the operation of the corporate reporting system, and others.

8. REMUNERATIONS TO THE BOARD DIRECTORS AND ADMINISTRATORS/MANAGERS

In conformity with the provisions of Law 18,046, the Ordinary Shareholders' Meeting held on April 10, 2019 approved the remuneration of the Board of Directors of Compañía Electro Metalúrgica S.A. for the year, setting it at a participation of 3% of the net profits and a per diem for attendance equivalent to two monthly tax units for each session attended. The detail of the amounts paid is indicated in note No. 38 of the consolidated financial statements. The Board of Directors did not incur in any expenses for consulting services and/or others.

In addition, gross remuneration paid to executives of the parent company during 2019, amounted to M CLP 2,056,341.-

It is hereby stated that no incentive plans such as stock compensation, stock options, or others exist.

4.2

General Information

GENERAL BACKGROUND

Corporate Name:	Compañía Electro Metalúrgica S.A. Elecmetal
Legal Domicile:	Av. Andrés Bello 2233, 11th floor, Providencia.
Telephone Number:	223614020
Tax ID Number:	90.320.000-6
Type of Legal Entity:	Publicly traded stock corporation. Registered in the Securities Registry of the Chilean Financial Market Commission, No. 45

CONSTITUENT DOCUMENTS:

Elecmetal was legally incorporated by means of a public deed issued at the Public Notary's Office of Santiago, by Don Eulogio Altamirano on September 27, 1917, and authorized by the Ministry of Finance through Decree No. 2,253, dated October 23, 1917. The extract from the statutes, as well as Decree No. 2,253 were published in the Official Gazette [Diario Oficial] No. 11,915 in November 7, 1917. By Decree No. 2,522 dated December 4, 1917, the company was declared legally established and registered in the Securities Registry of Santiago on December 7, 1917. The last amendments to the bylaws were agreed upon at the Extraordinary Shareholders' Meeting held on December 21, 1995, as recorded in a public deed dated January 3, 1996, issued by the Notary Public of Ñuñoa, Don René Martínez Miranda, and April 15, 2011, according to public deed dated May 18, 2011, issued by the Notary Public of Santiago Don Patricio Raby Benavente.

COMPANY PURPOSE:

The purpose of the Company, according to its bylaws is the following:

- a) Industrial and commercial activities in the field of metallurgy.
- b) Investment and/or exploitation, whether directly or indirectly, in activities related to the glass and container industry in general, as well as in mining, industrial chemicals, shipping-related, forestry, agro-industry, construction, fishery, tourism, transportation, manufacturing and marketing of mass consumer goods, and communication media.
- c) Undertake sanitary and real estate activities, particularly those that entail giving and/or taking in lease and, in general, any other form of temporary assignment of use or enjoyment of furnished or unfurnished properties.
- d) Import, export and, in general, marketing of goods, products, unprocessed or semi-processed materials related to the activities that, as aforementioned, are included in the corporate purpose.
- e) Providing management and advisory services to related or unrelated third parties.

ELECMETAL:

MAIN OFFICES

SANTIAGO

Av. Andrés Bello 2233, 11th floor, Providencia

Telephone: 223614020

P.O. Box 3463, Correo Central, Santiago

PROPERTIES AND EQUIPMENT:

The Company owns the following properties and main equipment:

- Offices located in Hendaya 60, 15th floor, Las Condes, Santiago.
- Properties:
 - Av. Estación 1200, Rancagua.
 - Los Yacimientos 570, Maipú, Santiago.
 - Av. Las Industrias 10881, Maipú, Santiago.
 - El Yodo 8150, Antofagasta.
 - Av. Agustín Samsó Sivori 459, La Negra, Antofagasta.
 - Camino a Chiu Chiu, sitio No. 43, Puerto Seco, Calama.
- Electric Arch Furnace for foundries.
- Machinery and equipment for molding lines.
- Metallurgical and raw materials control laboratory.
- Heat treatment furnaces.
- Lathes and machinery equipment.
- Support machinery.

MAIN CLIENTS:

- Minera Escondida Ltda.
- Corporación Nacional del Cobre de Chile, CODELCO
- Minera Lumina Copper Chile S.A.
- Compañía Minera Doña Inés de Collahuasi SCM
- Anglo American Sur S.A.
- Minera Centinela S.A. – Antofagasta Holdings
- Minera Los Pelambres S.A. – Antofagasta Holdings
- Cia. Contractual Minera Candelaria
- Komatsu Chile S.A.
- Soc. Contractual Minera el Abra
- Sierra Gorda SCM
- Finning Chile S.A.
- Kalumbila Minerals Ltd.
- Newcrest Mining Ltd.
- Kinross Brasil Mineracao S.A.
- KAZ Minerals

- Sukari Gold Mine
- Minera San Cristóbal S.A.
- Minera Yanacocha
- Southern Perú Copper Corp.
- Lihir Gold Ltd.
- IAMGOLD Essakane S.A.
- Minera Chinalco Perú S.A.
- Tasiast Mauritanie Ltd. S.A.
- North Mara Gold Mine

MAIN SUPPLIERS:

- Changshu Longte Grinding Ball Co., Ltd.
- ESCO Group LLC
- Hans Shipping Ltd.
- Hamburg Sud Chile
- Zhejiang Wujing Machine Manufacture CO.,LTD.,
- Dist. de Productos Metalúrgicos Ltda. (Dipromet)
- AES Gener S.A.
- Ind. Metalurgia Somarriva Ltda.
- United Cargo Management Inc.
- Metrogas S.A.
- Soc. Recicladora de Excedentes Spa (SOREX)
- Hapag Lloyd Chile Spa
- Corporación Nacional del Cobre de Chile, CODELCO
- Marítima Valparaíso Chile S.A.
- M&D Global Logistics, Inc.
- Transportes Transhuara Ltda.
- LSC New Material Co., Ltd.
- Compañía General de Remates Spa.
- Carpenter Brothers Inc.
- Casas del Valle Barros Hnos. Ltda.
- Metalúrgica Rancagua S.A.
- Proveedora Industrial Minera Andina S.A.
- RHI Chile S.A.
- Excel Foundry & Machine
- Christensen Comercial S.A.
- Fexpa Industrial S.A.
- Migrin S.A.

RESEARCH AND DEVELOPMENT:

The Company is permanently committed to developing new services and products, as well as their designs and manufacturing processes, in order to maintain its global leadership position. This area is addressed internally in the Chilean, U.S. and RPC plants, with the collaboration of national universities, consultants and with the technical license contract with Esco Corporation (U.S.), the world's leading manufacturer of steel parts for earthmoving.

CONTRACTS/AGREEMENTS:

The Company regularly signs contracts and purchase orders, both on the domestic and international markets, with customers and suppliers. It also holds contracts with national suppliers for the provision of fuel, electricity and other consumables.

TRADEMARKS AND PATENTS:

The company and its subsidiaries have several registered trademarks that protect the products they market.

TECHNICAL ASSISTANCE CONTRACT:

In 1959, Compañía Electro Metalúrgica S.A. signed a technical assistance agreement to manufacture and market ESCO Corp. (USA), which was extended in 2007 to a 50/50 Joint Venture, establishing the subsidiary company "Esco Elecmetal Fundición Limitada".

INSURANCES:

The Company keeps up-to-date insurances with first class companies to protect its assets, which cover properties, machinery, installations, vehicles, raw materials, and products in process and final. The risks covered include fire, earthquakes, machinery malfunctions, and damage due to stoppage. Additionally, there are other insurances, such as transport, civil responsibility, and theft, among others.

BANKS:

Banco BCI, Banco BICE, Banco de Chile, Banco Estado, Banco Santander Chile, China Construction Bank (CCB), HSBC Bank, US Bank USA.

LEGAL ADVISORS:

Claro y Cía.
Barros y Errázuriz Abogados
Estudio Juan Agustín Figueroa
Silva & Compañía Patentes y Marcas Ltda.

4.3

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CLASSIFIED FINANCIAL STATUS

Statements of Classified Financial Status	Note	31-12-2019 M CLP	31-12-2018 M CLP
Current Assets			
Cash and Cash Equivalents	25	62,255,755	21,033,441
Other Current Financial Assets	35	90,402	42,384
Other Current Non-financial Assets	26	2,158,460	2,579,845
Trade-Debtors and Other Current Accounts Payable	24	187,744,396	203,912,591
Accounts Receivable from Related Current Entities	38	4,264,290	4,026,200
Inventories	23	220,039,219	215,239,644
Current Biological Assets	17	11,264,479	9,168,742
Current Tax Assets	27	27,170,932	21,973,617
Total current assets other than assets or groups of assets for disposal classified as held for sale or held for distribution to owners		514,987,933	477,976,464
Non-current assets or groups of assets for disposal classified as held for the for sale or held for distribution to owners	20	-	-
Total current assets		514,987,933	477,976,464
Non-current assets			
Other Non-current Financial Assets	35	2,853,101	2,888,136
Other Non-current Non-financial Assets	26	2,800,501	2,504,926
Non-current Accounts Receivable	24	769,420	849,388
Investments Accounted for Using the Equity Method	19	89,602,628	83,094,876
Intangible Assets Other Than Capital Gains	15	17,940,095	18,079,059
Properties, Plants, and Equipment	14	480,852,508	416,842,025
Investment Properties	18	5,656,417	5,684,042
Non-Current Tax Assets	27	529,211	529,557
Deferred Tax Assets	22	10,624,399	9,255,954
Total Non-current Assets		611,628,280	539,727,963
Total Assets		1,126,616,213	1,017,704,427

The attached notes belong to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CLASSIFIED FINANCIAL STATUS

Statements of Classified Financial Status	Note	31-12-2019 M CLP	31-12-2018 M CLP
Assets and Liabilities			
Liabilities			
Current Liabilities			
Other Current Financial Liabilities	30	78,185,384	72,475,695
Commercial and Other Current Accounts Payable	34	98,851,803	112,877,694
Accounts Payable to Related Current Entities	38	3,459,822	4,056,237
Other Current Provisions	33	1,240,927	1,153,867
Current Tax Liabilities	27	7,765,729	8,532,385
Provisions for Benefits to Current Employees	31	9,691,081	8,702,261
Other Non-current Financial Liabilities	32	3,595,439	4,041,087
Total current liabilities other than liabilities included in groups of assets for disposal classified as held for sale		202,790,185	211,839,226
Total Current Liabilities		202,790,185	202,790,185
Non-current Liabilities			
Other Non-current Financial Liabilities	30	314,217,116	231,903,357
Other Non-current Accounts Payable	34	1,892,298	2,103,625
Deferred Tax Liabilities	22	24,172,793	23,038,650
Provisions for Non-current Employee Benefits	31	15,587,987	14,231,174
Other Non-current Non-financial Liabilities	32	6,161,593	5,598,297
Total Non-current Liabilities		362,031,787	276,875,103
Total Liabilities		564,821,972	488,714,329
Equity			
Issued Capital	28	23,024,953	23,024,953
Accumulated Gains (losses)		358,861,133	345,911,855
Other Reserves		19,828,577	6,298,058
Equity Attributable to the owners of the Holding Company		401,714,663	375,234,866
Non-controlling participations		160,079,578	153,755,232
Total Equity		561,794,241	528,990,098
Total Equity and Liabilities		1,126,616,213	1,017,704,427

The attached notes belong to the consolidated financial statements.

CONSOLIDATED PROFIT & LOSS STATEMENTS PER FUNCTION

P&L Statement per Function	Note	01-01-2019 31-12-2019 M CLP	01-01-2018 31-12-2018 M CLP
Profit (Loss)			
Ordinary Activities Incomes	7	755,604,545	752,690,495
Cost of Sales		(577,530,901)	(582,435,257)
Gross Earnings		178,073,644	170,255,238
Other Income per Function	8	2,233,762	2,568,452
Distribution Costs		(20,624,529)	(18,997,644)
Administration Expenses		(92,828,604)	(87,780,191)
Other Expenses per Function	8	(219,670)	(173,202)
Other Profit (Losses)	9	523,539	4,723,211
Operational Activities Profits (Losses)		67,158,142	70,595,864
Financial Income	11	915,979	2,065,059
Financial Costs	11	(13,179,654)	(13,783,232)
Impairment losses (impairment gains and reversal of impairment losses of value) determined in accordance with IFRS 9	21	(629,257)	(213,914)
Share of profits (losses) of associates and joint ventures accounted for using the equity method	19	2,794,604	3,860,543
Exchange Rate Differences	12	(7,092,339)	(8,135,047)
Results per Adjustment Units	12	(2,711,528)	(3,779,988)
Profit (Loss), Before Tax		47,255,947	50,609,285
Income Tax Expense	13	(11,192,666)	(12,376,340)
Profit (Loss) from Ongoing Operations		36,063,281	38,232,945
Profit (Loss) from Discontinued Operations			
Profit (Loss)		36,063,281	38,232,945
Profit (Loss) Attributable to			
Profit (Loss) Attributable to the Owners of the Holding Company			
Profit (Loss) Attributable to Non-controller Participations	29	25,900,355	24,377,285
Profit (Loss)	41	10,162,926	13,855,660
Profit per Share		36,063,281	38,232,945
Basic Profit per Share	29		
Profit (Loss) per basic share in continued operations		591.33	556.56
Profit (Loss) per basic share in discontinued operations			
Profit (Loss) per basic share		591.33	556.56

The attached notes belong to the consolidated financial statements.

**CONSOLIDATED COMPREHENSIVE
PROFIT & LOSS STATEMENTS**

Comprehensive P&L Statement	01-01-2019 31-12-2019 M CLP	01-01-2018 31-12-2018 M CLP
Profit (Loss)	36,063,281	38,232,945
Other Comprehensive Results (P&L)		
Components of other comprehensive results not to be reclassified to profit or loss for the period, before tax		
Other comprehensive results, before tax, re-valuation profit (loss)	2,681	
Other comprehensive results, before tax, profits (losses) on new measures of defined benefit plans.	(533,278)	(167,242)
Total other comprehensive results that will not be reclassified to the profit and loss for the period, before tax	(530,597)	(167,242)
Other comprehensive result components to be reclassified to profit or loss for the period, before tax		
Profit (loss) on exchange rate differences, before tax	13,664,082	12,478,295
Profit (loss) on cash flow hedges, before tax	346,642	(329,748)
Total other comprehensive results that will be to the profit and loss for the period, before tax	14,010,724	(12,136,999)
Other components of other comprehensive results, before tax		
Income tax relating to new measures of defined benefit plans of other comprehensive result	143,985	45,155
Income taxes related to cash flow hedges of other comprehensive results	(93,593)	89,032
Total other comprehensive result	13,530,519	12,115,492
Total comprehensive result	49,593,800	50,348,437
Comprehensive result attributable to		
Comprehensive result attributable to the holders of the controlling company	39,430,874	36,492,777
Comprehensive result attributable to non-controlling shareholdings	10,162,926	13,855,660
Total comprehensive result	49,593,800	50,348,437

The attached notes belong to the consolidated financial statements.

**CONSOLIDATED CASH FLOWS STATEMENTS
(DIRECT METHOD)**

Cash Flow Statement	01-01-2019	01-01-2018
	31-12-2019	31-12-2018
	M CLP	M CLP
Categories of collections per operating activities		
Collections from sales of goods and services	882,515,628	810,568,950
Payments to suppliers for the provision of goods and services	[666,537,640]	[614,835,193]
Payments to and on behalf of employees	[103,888,553]	[90,084,030]
Other payments for operating activities	[14,539,719]	[18,157,043]
Net cash flows from (used in) operating activities	97,549,716	87,492,684
Dividends received	64,095	2,234,344
Interest paid	[12,530,317]	[10,824,203]
Interest received	1,282,941	1,724,873
Income taxes refunded (paid)	[10,964,494]	[21,954,854]
Other cash inflows (outflows)	740,625	[2,681,972]
Cash flows from (used in) operating activities	76,142,566	55,990,872
Cash flows from (used in) investing activities		
Cash flows used in the purchase of non-controlling interests	[1,856]	[1,893]
Other collections from the sale of equity or debt instruments of other entities	21,871,258	22,706,753
Other payments to acquire interests in joint ventures	[21,868,367]	[17,211,670]
Other payments to acquire joint venture participation	-	[1,926,482]
Loans to related entities	1,240	-
Payments from the sale of property, plant, and equipment	932,292	149,097
Purchases of property, plant, and equipment	[84,427,481]	[51,237,804]
Purchases of intangible assets	[688,069]	[420,954]
Amounts from other long-term assets	-	1,780,507
Payments arising from futures, forward, options, and swap contracts	[4,379,111]	[3,567,390]
Collections arising from futures, forward, options, and swap contracts	3,429,261	2,447,629
Collections from related entities	1,019	-
Dividends received	510,394	-
Other cash inflows (outflows)	251,259	92,645
Net cash flows from (used in) investing activities	[84,368,161]	[47,189,562]
Cash flows from (used in) financing activities		
Amounts from the issue of shares	20,853	21,268
Amounts from long-term loans	84,984,774	2,233,468
Amounts from short-term loans	172,570,379	190,306,554
Total amounts from loans, classified as financing activities	257,576,006	192,561,290
Loans from related entities	20,000	87,147
Loan payments	[187,803,027]	[181,817,264]
Loan payments to related entities	[12,664]	[29,468]
Dividends paid	[19,191,982]	[42,674,974]
Interest paid	[539,491]	[566,705]
Other cash inflows (outflows)	4,491	-
Net cash flows from (used in) financing activities	50,053,333	[32,439,974]
Net increase (decrease) in cash and cash equivalents, before the effect of exchange rate variation	41,827,738	[23,638,664]
Effects of exchange rate variations on cash and cash equivalents	[605,424]	469,538
Net increase (decrease) in cash and cash equivalents	41,222,314	[23,169,126]
Cash and cash equivalents at the beginning of the period	21,033,441	44,202,567
Cash and cash equivalents at end of period	62,255,755	21,033,441

The attached notes belong to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN (NET) EQUITY

	Issued Capital	Reserves for foreign exchange rate translation differences	Cash flow hedge reserves	Reserves for actuarial gains or losses on defined benefit plans	Other miscellaneous reserves	Other reserves	Accumulated gains (losses)	Equity attributable to the owners of the holding company	Non-controlling interests	Total Equity
Opening Balance 01-01-2019	23,024,953	368,954	[1,343,742]	[2,530,281]	9,803,127	6,298,058	345,911,855	375,234,866	153,755,232	528,990,098
Increase (decrease) for changes in accounting policies										
Increase (decrease) for correction of errors										
Restated Opening Balance	23,024,953	368,954	[1,343,742]	[2,530,281]	9,803,127	6,298,058	345,911,855	375,234,866	153,755,232	528,990,098
Changes in equity										
Comprehensive Result										
Gain (Loss)							25,900,355	25,900,355	10,162,926	36,063,281
Other Comprehensive Result		13,664,082	253,049	[389,293]	2,681	13,530,519		13,530,519		13,530,519
Comprehensive Result								39,430,874	10,162,926	49,593,800
Issuance of Equity										
Dividends							[12,951,077]	[12,951,077]		[12,951,077]
Increase (decrease) for other owners' contributions										
Decrease (increase) for other pay-outs to owners										
Increase (decrease) for transfers and other changes									[3,838,580]	[3,838,580]
Increase (decrease) for portfolio share transactions										
Increase (decrease) due to changes in the shareholding of subsidiaries not implying loss of ownership										
Total changes in equity	-	13,664,082	253,049	[389,293]	2,681	13,530,519	12,949,278	26,479,797	6,324,346	32,804,143
Ending Balance 12-31-2019	23,024,953	14,033,036	[1,090,693]	[2,919,574]	9,805,808	19,828,577	358,861,133	401,714,663	160,079,578	561,794,241

	Issued Capital	Reserves for foreign exchange rate conversión	Cash flow hedge reserves	Reserves for actuarial gains or losses on defined benefit plans	Other miscellaneous reserves	Other reserves	Accumulated gains (losses)	Equity attributable to the owners of the holding company	Non-controlling interests	Total Equity
Opening Balance 01-01-2018	23,024,953	[12,109,341]	[1,103,026]	[2,408,194]	9,803,127	[5,817,434]	326,118,221	343,325,740	142,612,711	485,938,451
Increase (decrease) for changes in accounting policies										
Increase (decrease) for correction of errors										
Restated Opening Balance	23,024,953	[12,109,341]	[1,103,026]	[2,408,194]	9,803,127	[5,817,434]	326,118,221	343,325,740	142,612,711	485,938,451
Changes in Equity										
Comprehensive Result										
Gain (Loss)							24,377,285	24,377,285	13,855,660	38,232,945
Other Comprehensive Result		12,478,295	[240,716]	[122,087]		12,115,492		12,115,492		12,115,492
Comprehensive Result ¹								36,492,777	13,855,660	50,348,437
Issuance of Equity										
Dividends							[12,192,449]	[12,192,449]		[12,192,449]
Increase (decrease) for other owners' contributions										
Decrease (increase) for other pay-out to owners										
Increase (decrease) for transfers and other changes							7,608,798	7,608,798	[2,713,139]	4,895,659
Increase (decrease) for portfolio share transactions										
Increase (decrease) due to changes in the shareholding of subsidiaries not implying loss of ownership										
Total changes in equity	-	12,478,295	[240,716]	[122,087]	-	12,115,492	19,793,634	31,909,126	11,142,521	43,051,647
Closing Balance 31-12-2018	23,024,953	368,954	[1,343,742]	[2,530,281]	9,803,127	6,298,058	345,911,855	375,234,866	153,755,232	528,990,098

The attached notes belong to the consolidated financial statements.

4.4

Related Companies

ELECMETAL COMPAÑÍA ELECTRO METALÚRGICA S.A.

In accordance with the current rules of the Financial Market Commission, we detail below a summary of the Financial Statements for Subsidiaries. These financial statements can be consulted in full at the offices of Compañía Electro Metalúrgica S.A. and at the Financial Market Commission.

OWNERSHIP RELATIONSHIP

ISSUING COMPANY	ELECTMETAL	HENDAYA	INVERSIONES ELECTMETAL	CRISTALERÍAS DE CHILE	BAYONA	LAS VEGAS	EDICIONES CHILOÉ S.A.	VIÑA SANTA RITA	CRISTALCHILE INVERSIONES	VIÑA CARMEN	FUNDICIÓN TALLERES	VIÑA CENTENARIA	SUR ANDINO
Hendaya S.A.	99.99%	-	-	-	-	-	-	-	-	-	-	-	-
Cristalerías de Chile S.A.	34.03%	10.30%	-	-	9.24%	-	-	-	-	-	-	-	-
Inversiones Electrometal Ltda.	99.99%	0.01%	-	-	-	-	-	-	-	-	-	-	-
Fundición Talleres Ltda.	98.00%	2.00%	-	-	-	-	-	-	-	-	-	-	-
Esco Electrometal Fundición Ltda.	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
ME Global Inc.	-	-	99.90%	-	0.10%	-	-	-	-	-	-	-	-
ME Long Teng Grinding Media [Changshu] Co. Ltd.	-	-	50.00%	-	-	-	-	-	-	-	-	-	-
ME Electrometal [China] Co. Ltd.	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
ME Hong Kong Co. Limited	-	1.00%	99.00%	-	-	-	-	-	-	-	-	-	-
ME Electrometal Comercial Perú S.A.C.	0.10%	-	-	-	-	-	-	-	-	-	99.90%	-	-
ME Electrometal Brasil Representacao Comercial Ltda.	0.10%	-	-	-	-	-	-	-	-	-	99.90%	-	-
ME MNG LLC [Mongolia]	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
ME Electrometal Australia Pty Ltd.	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
ME Long Teng Grinding Media [Zambia] Limited *	-	-	50.00%	-	-	-	-	-	-	-	-	-	-
ME Electrometal Canadá Ltd.	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
Soc.Com. ME Electrometal México S de RL de CV	-	0.01%	99.99%	-	-	-	-	-	-	-	-	-	-
Indesa S.A.	99.87%	-	-	-	-	-	-	-	-	-	-	-	-
ME Naipu Ltda.	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Bayona S.A.	4.06%	95.94%	-	-	-	20.00%	-	-	-	-	-	-	-
S.A. Viña Santa Rita	1.92%	-	-	60.56%	23.52%	-	-	-	-	-	-	-	-
Cristalchile Inversiones S.A.	-	-	-	99.99%	-	-	-	-	-	-	-	-	-
Malaga Ltda.	-	20.00%	-	-	80.00%	-	-	-	-	-	-	-	-
Ediciones Chiloé S.A.	-	0.07%	-	99.93%	-	-	-	-	-	-	-	-	-
Ediciones Financieras S.A.	-	0.349%	-	-	-	-	94.51%	-	-	-	-	-	-
Viña Los Vascos S.A.	-	-	-	-	-	-	-	43.00%	-	-	-	-	-
Viña Carmen S.A.	-	-	-	-	-	-	-	99.97%	-	-	-	-	-
Viña Centenaria S.A.	-	-	-	-	-	-	-	99.00%	-	1.00%	-	-	-
Distribuidora Santa Rita Ltda.	-	-	-	-	-	-	-	99.00%	-	-	-	1.00%	-
Rayén Curá S.A.I.C.	-	-	-	-	-	-	-	-	40.00%	-	-	-	-
Viña Doña Paula S.A.	-	-	-	-	-	-	-	-	-	-	-	0.01%	99.99%
Sur Andino S.A	-	-	-	-	-	-	-	0.10%	-	99.90%	-	-	-
Serv. Compartidos Tichel Ltda.	20.00%	20.00%	-	20.00%	-	-	-	20.00%	-	-	20.00%	-	-
Nativa Eco Wines S.A.	-	-	-	-	-	-	-	99.00%	-	1.00%	-	-	-
Sur Andino Argentina S.A	-	-	-	-	-	-	-	-	-	96.70%	-	3.30%	-
Taguavento S.P.A	-	-	-	100.00%	-	-	-	-	-	-	-	-	-
Wine Packaging & Logistics Ltd.	-	-	-	34.00%	-	-	-	-	-	-	-	-	-

* Direct and indirect participation

INVERSIONES ELEC METAL LTDA.

Equity	:	MUSD\$ 250,459	
Type of Legal Entity	:	Limited liability company	
Company Purpose	:	Investments	
ID Number	:	99.506.820-6	
Chairman	:	Jaime Claro Valdés	
Vice Chairman	:	Baltazar Sánchez Guzmán	Elecmetal Director
Director	:	Rolando Medeiros Soux	Elecmetal General Manager
CEO	:	Rolando Medeiros Soux	Elecmetal General Manager
Direct Participation	:	99.99%	
Direct or Indirect Participation	:	100%	
Proportion of Individual Assets	:	28.21%	

ME GLOBAL INC. (USA)

Equity	:	MUSD\$ 261,696	
Type of Legal Entity	:	Closed Corporation	
Company Purpose	:	Manufacture and commercialization of steel spare parts	
Chairman	:	Rolando Medeiros Soux	Elecmetal General Manager
Directors	:	Jaime Claro Valdés Jeff Heinemann Eduardo Muñoz Huerta Baltazar Sánchez Guzmán	Elecmetal Director
CEO	:	Eduardo Muñoz Huerta	
Indirect Participation	:	100%	

SERVICIOS Y CONSULTORÍAS HENDAYA S.A.

Equity	:	M CLP 105,051,296	
Type of Legal Entity	:	Closed Corporation	
Company Purpose	:	Investments in companies and provision of services and consultancies.	
ID Number	:	83.032.100-4	
Chairman	:	Juan Antonio Álvarez Avendaño	Elecmetal Chairman
Directors	:	José Ignacio Figueroa Elgueta Patricio García Domínguez Rolando Medeiros Soux Alfonso Swett Saavedra	Elecmetal Director Elecmetal General Manager Elecmetal Director
General Manager	:	Luis Grez Jordán	
Direct Participation	:	99.99%	
Share of Individual Assets	:	15.39%	

CRISTALERÍAS DE CHILE S.A.

Equity	:	M CLP 358,929,116	
Type of Legal Entity	:	Publicly traded stock corporation	
Company Purpose	:	Manufacture of glass containers and investments in companies.	
ID Number	:	90.331.000-6	
Chairman	:	Baltazar Sánchez Guzmán	Elecmetal Director
Vice-Chairman	:	Juan Antonio Álvarez Avendaño	Elecmetal Chairman
Directors	:	Joaquín Barros Fontaine Abel Bouchon Silva José Ignacio Figueroa Elgueta Fernando Franke García Juan Andrés Olivos Bambach Sebastián Swett Opazo Alfonso Swett Saavedra Antonio Tuset Jorratt	Elecmetal Director Elecmetal Director Elecmetal Director Elecmetal Director
General Manager	:	Eduardo Carvallo Infante	
Direct Participation	:	34.03%	
Direct or Indirect Participation	:	53.57%	
Share of Individual Assets	:	14.80%	[Direct]

SOCIEDAD ANÓNIMA VIÑA SANTA RITA

Equity	:	M CLP 174,011,318	
Type of Legal Entity	:	Publicly traded stock corporation	
Company Purpose	:	Production and marketing of wines	
ID Number	:	86.547.900-K	
Chairman	:	Baltazar Sánchez Guzmán	Elecmetal Director
Vice Chairman	:	Arturo Claro Fernández	
Directors	:	Gregorio Amunategui Prá Joaquín Barros Fontaine José Ignacio Figueroa Elgueta Andrés Navarro Betteley Pedro Ovalle Vial Alfonso Swett Saavedra	Elecmetal Director Elecmetal Director Elecmetal Director
General Manager	:	Andrés Lavados Germain	
Direct Participation	:	1.92%	
Direct or Indirect Participation	:	57.92%	

FUNDICIÓN TALLERES LTDA.

Equity	:	[M CLP 4,832,243]	
Type of Legal Entity	:	Limited Liability Company	
Company Purpose	:	Manufacture and commercialization of steel spare parts.	
ID Number	:	99.532.410-5	
Chairman	:	Rolando Medeiros Soux	Elecmetal General Manager
Directors	:	Eugenio Arteaga Infante José Pablo Domínguez Bustamante Edwin Gong Jeff Heinemann Eduardo Muñoz Huerta Zhenyu Xu	
General Manager	:	José Pablo Domínguez Bustamante	
Direct Participation	:	98%	
Direct or Indirect Participation	:	100%	

CRISTALCHILE INVERSIONES S.A.

Equity	:	M CLP 2,013,236	
Type of Legal Entity	:	Closed Corporation	
Company purpose	:	Investments, both in Chile and abroad in all types of movable property, tangible or intangible, shares and corporate rights.	
ID Number	:	96.972.440-5	
Chairman	:	Baltazar Sánchez Guzmán	Elecmetal Director
Directors	:	Juan Antonio Álvarez Avendaño Cirilo Elton González	Elecmetal Chairman
General Manager	:	Eduardo Carvallo Infante	
Indirect Participation	:	53.56%	

RAYÉN CURÁ S.A.I.C. (REPÚBLICA ARGENTINA)

Equity	:	M\$ Arg. 3,286,333
Type of Legal Entity	:	Closed Corporation
Company purpose	:	Manufacture and commercialization of glass products.
Chairman	:	Michelle Giannuzzi
Vice-Chairman	:	Cirilo Elton González
Directors	:	Damián Fernando Beccar Varela [† diciembre 2019] Walter Formica Mauricio Palacios Silva Quintín Testa Domínguez [suplente] Pedro Nicholson [suplente] Juan Pablo Chevallier Boutell [suplente] Horacio Beccar Varela [suplente]
General Manager	:	Walter Formica
Direct Participation	:	21.43%

ESCO ELECMETAL FUNDICIÓN LIMITADA

Equity	:	M CLP 37,439,664
Type of Legal Entity	:	Limited liability company
Company Purpose	:	Manufacture and commercialization of steel spare parts
ID Number	:	76.902.190-6
Directors	:	José Pablo Domínguez Bustamante ME Elecmetal Chile General Manager
Director	:	Joseph Weber
Alternate Director	:	Raoul Meunier Artigas
Site Manager	:	Ramón Alarcón Arias
Direct Participation	:	50%
Share of Individual Assets	:	2.82%

ME ELECMETAL (CHINA) CO., LTD.

Equity	:	MUSD\$ 28,058	
Type of Legal Entity	:	Wholly Foreign Owned Enterprise	
Company Purpose	:	Manufacture and commercialization of steel spare parts	
Chairman	:	Rolando Medeiros Soux	Elecmetal General Manager
Directors	:	Eugenio Arteaga Infante	
		José Pablo Domínguez Bustamante	
		Jeff Heinemann	
		Edwin Gong	
		Eduardo Muñoz Huerta	
		Zhenyu Xu	
General Manager	:	Edwin Gong	
Indirect Participation	:	100%	

Summary Of Financial Statements Of Subsidiaries

SUMMARY FINANCIAL STATEMENTS OF MAIN SUBSIDIARIES

	2019 MUS\$	2018 MUS\$
INVERSIONES ELECTMETAL LTDA. (CONSOLIDATED)		
Current Assets	153,769	144,154
Non-current Assets	245,522	251,275
Total Assets	399,291	395,429
Current Liability	58,910	63,922
Non-current Liability	89,922	91,340
Equity	250,459	240,167
Total Liability and Equity	399,291	395,429
Ordinary Activities Incomes	382,381	375,555
Gross Profit	50,244	44,581
Period Profit	11,634	11,215
Net Cash Variation and Equivalent Cash	21,603	[7,915]
Cash and Equivalents to Cash at the End of the Period	22,552	949

	2019 MUS\$	2018 MUS\$
ME GLOBAL INC (USA)		
Current Assets	118,991	108,850
Non-current Assets	179,082	181,742
Total Assets	298,073	290,592
Current Liability	22,166	22,500
Non-current Liability	14,211	16,395
Equity	261,696	251,697
Total Liability and Equity	298,073	290,592
Ordinary Activities Incomes	207,665	203,703
Gross Profit	36,456	34,503
Period Profit	10,393	11,833
Net Cash Variation and Equivalent Cash	21,057	[5,213]
Cash and Equivalents to Cash at the End of the Period	21,060	3

SERVICIOS Y CONSULTORÍAS HENDAYA S.A. (CONSOLIDADO)	2019 M CLP	2018 M CLP
Current Assets	5,457,425	6,340,506
Non-current Assets	101,599,518	97,968,358
Total Assets	107,056,943	104,308,864
Current Liability	1,206,275	1,198,900
Non-current Liability	799,372	949,374
Equity	105,051,296	102,160,590
Total Liability and Equity	107,056,943	104,308,864
Ordinary Activities Incomes	1,648,456	1,590,786
Gross Profit	519,978	330,058
Period Profit	5,823,625	7,864,358
Net Cash Variation and Equivalent Cash	354,068	256,749
Cash and Equivalents to Cash at the End of the Period	3,869,455	3,515,387

CRISTALERÍAS DE CHILE S.A. (CONSOLIDADO)	2019 M CLP	2018 M CLP
Current Assets	244,787,621	228,186,825
Non-current Assets	399,980,840	338,155,874
Total Assets	644,768,461	566,342,699
Current Liability	90,447,850	88,143,065
Non-current Liability	195,391,494	133,509,716
Equity	358,929,117	344,689,918
Total Liability and Equity	644,768,461	566,342,699
Ordinary Activities Incomes	294,493,597	303,692,650
Gross Profit	102,346,939	106,572,435
Period Profit	22,591,198	31,102,696
Net Cash Variation and Equivalent Cash	16,452,202	[15,856,621]
Cash and Equivalents to Cash at the End of the Period	29,638,566	13,186,364

SOCIEDAD ANÓNIMA VIÑA SANTA RITA (CONSOLIDADO)	2019	2018
	M CLP	M CLP
Current Assets	140,899,240	140,154,450
Non-current Assets	164,729,055	155,833,824
Total Assets	305,628,295	295,988,274
Current Liability	55,408,904	53,102,156
Non-current Liability	76,208,073	74,900,519
Equity	174,011,318	167,985,599
Total Liability and Equity	305,628,295	295,988,274
Ordinary Activities Incomes	160,973,656	170,685,536
Gross Profit	64,272,264	67,601,881
Period Profit	6,706,878	11,785,627
Net Cash Variation and Equivalent Cash	1,547,274	[4,085,516]
Cash and Equivalents to Cash at the End of the Period	4,859,336	3,312,062

FUNDICIÓN TALLERES LTDA. (CONSOLIDADO)	2019	2018
	M CLP	M CLP
Current Assets	83,263,315	69,484,071
Non-current Assets	79,127,855	78,584,382
Total Assets	162,391,170	148,068,453
Current Liability	68,275,055	59,870,504
Non-current Liability	98,948,358	91,455,582
Equity	[4,832,243]	[3,257,633]
Total Liability and Equity	162,391,170	148,068,453
Ordinary Activities Incomes	103,803,247	89,721,399
Gross Profit	20,073,524	15,355,408
Period Profit	[1,444,657]	[5,092,905]
Net Cash Variation and Equivalent Cash	116,400	502,573
Cash and Equivalents to Cash at the End of the Period	2,599,678	2,483,278

CRISTALCHILE INVERSIONES S.A.	2019	2018
	M CLP	M CLP
Current Assets	-	-
Non-current Assets	19,528,251	17,650,263
Total Assets	19,528,251	17,650,263
Current Liability	554,350	20,702
Non-current Liability	16,960,665	16,514,840
Equity	2,013,236	1,114,721
Total Liability and Equity	19,528,251	17,650,263
Period Profit	111,952	1,575,823

ESCO ELECMETAL FUNDICION LIMITADA	2019	2018
	M CLP	M CLP
Current Assets	11,752,029	11,180,168
Non-current Assets	33,698,345	33,097,980
Total Assets	45,450,374	44,278,148
Current Liability	4,714,429	4,847,993
Non-current Liability	3,296,281	4,601,293
Equity	37,439,664	34,828,862
Total Liability and Equity	45,450,374	44,278,148
Period Profit	2,610,802	1,096,661
Net Cash Variation and Equivalent Cash	[967,031]	[1,833,845]
Cash and Equivalents to Cash at the End of the Period	955,582	1,922,613

ME ELECMETAL (CHINA) CO., LTD.	2019	2018
	MUS\$	MUS\$
Current Assets	22,907	19,909
Non-current Assets	31,839	33,901
Total Assets	54,746	53,810
Current Liability	25,817	25,451
Non-current Liability	871	1,510
Equity	28,058	26,849
Total Liability and Equity	54,746	53,810
Ordinary Activities Incomes	42,684	36,144
Gross Profit	12,428	8,092
Period Profit	1,644	148
Net cash variation and equivalent cash	530	[2,928]
Cash and equivalents to cash at the end of the period	942	412



INDEPENDENT AUDITOR'S REPORT

Messrs. Shareholders and Board Members of Compañía Electro Metalúrgica S.A.

We have audited the enclosed consolidated financial statements of Compañía Electro Metalúrgica S.A. and subsidiaries, which comprise the consolidated statements of financial standing as of December 31, 2019 and 2018, as well as the related consolidated statements of comprehensive results, of changes in equity and cash flows for the years then ended and related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and reasonable presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE AUDITOR

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. As of December 31, 2019 and 2018, we did not audit the financial statements of the associates Viña Los Vascos S.A. and affiliate and Rayen Cura S.A.I.C., reflected in the consolidated financial statements under the equity method, which represent total assets of M CLP 40,838,297 and M CLP 36,915,497 as of December 31, 2019 and 2018, respectively, for the years then ended. Those statements were audited by other auditors whose reports have been provided to us, and our opinion expressed herein, insofar as it relates to the amounts included for such affiliates, is based solely on the reports issued by those auditors. We conducted our audits in accordance with Chilean generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence regarding the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express such an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, based on our audits and the reports of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Compañía Electro Metalúrgica S.A. and affiliates at December 31, 2019 and 2018 and the results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards.

4.5 Disclaimer

The undersigned, in their capacity as Board of Directors and General Manager of Compañía Electro Metalúrgica S.A., Elecmetal S.A., registered in the Securities Registry of the Chilean Financial Market Commission No. 045, declare under oath that the information included in the Company's 2019 Annual Report is truthful and that it is sent to the Financial Market Commission duly signed by a majority of its Directors.



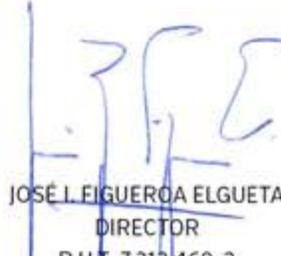
JUAN ANTONIO ÁLVAREZ AVENDAÑO
PRESIDENTE
R.U.T. 7.033.770-3



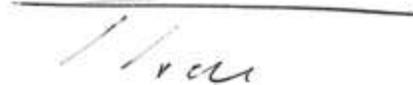
BALTAZAR SÁNCHEZ GUZMÁN
VICEPRESIDENTE
R.U.T. 6.060.760-5



CARLOS F. CÁCERES CONTRERAS
DIRECTOR
R.U.T. 4.269.405-3



JOSÉ I. FIGUEROA ELGUETA
DIRECTOR
R.U.T. 7.313.469-2



FERNANDO FRANKE GARCÍA
DIRECTOR
R.U.T. 6.318.139-0



ALFONSO A. SWETT OPAZO
DIRECTOR
R.U.T. 7.016.281-4



ALFONSO SWETT SAAVEDRA
DIRECTOR
R.U.T. 4.431.932-2



ROLANDO MEDEIROS SOUX
GERENTE GENERAL
R.U.T. 5.927.393-0

COMPAÑÍA ELECTRO METALÚRGICA S.A.

