



Annual Report 2021  
(Form 56-1 One Report)





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# Financial Highlight

(Unit : Million Baht)

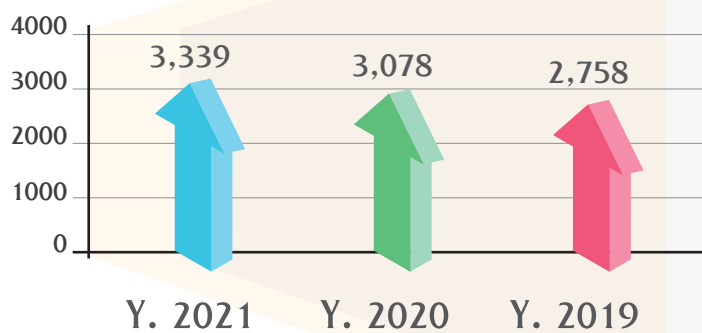
Financial Performance	2021	2020	2019
Net Sale	7,185	4,802	6,067
Total Revenues	7,388	4,818	6,072
Cost and Expenses	7,113	4,759	5,917
Profit (Loss) Before Income Tax	274	59	156
Income Tax	55	12	31
Net Profit (Loss)	220	47	125
Other comprehensive income for the year	4	0	0
Total comprehensive Income for the year	224	47	125
Basic Earnings (Loss) Per Share (Baht)	4.57	0.98	2.60
Dividend Per Share (Baht)	2.625	1.625	1.625
Return on Total Revenue (%)	2.98	0.98	2.05
Return on Shareholders' Equity (%)	13.61	2.97	7.89
Return on Total Assets (%)	6.57	1.53	4.53

(Unit : Million Baht)

Financial Ratio	2021	2020	2019
Current Assets	2,916	2,667	2,323
Total Assets	3,339	3,078	2,758
Current Liabilities	1,482	1,364	1,007
Long-Term Loans	-	-	-
Total Liabilities	1,621	1,506	1,153
Shareholders' Equity	1,718	1572	1,605
Issued & Paid-Up Capital	480	480	480
Par Value (Baht)	10	10	10
Book Value Per Share (Baht)	35.79	32.75	33.44

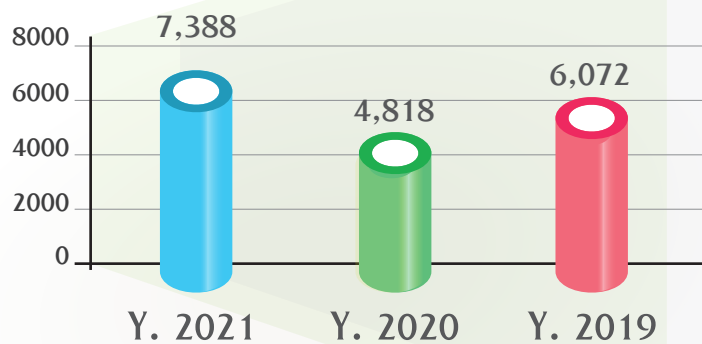
### Total Assets

(Unit : Million Baht)



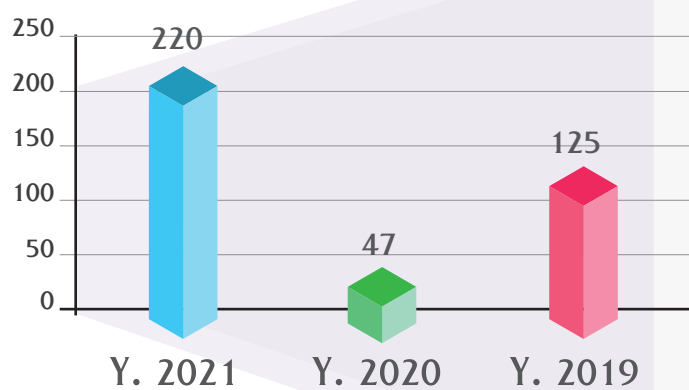
### Total Revenues

(Unit : Million Baht)



### Net Profit

(Unit : Million Baht)



# Message from the Chairman



(Mr. Chai Sophonpanich)

Chairman

Since the Company changed its name to Fine Metal Technologies Public Company Limited (FMT), the Company has also elevated its performance to support customers' needs with good quality products and advanced production technologies. This has resulted in increased customer confidence and fulfillment of stakeholders' expectations despite the ongoing effects of the coronavirus pandemic on the society and economy at large, as well as on the individual way of life across every dimension.

The Company has also placed emphasis on Sustainable Development Goals (SDGs), carbon neutrality, and zero emission of carbon dioxide and greenhouse gases, which continues to be a vital global issue, causing climate change events of increasing severity in many regions across the world. Many countries have started collaborating to implement policies and plans to tackle this issue.

Operating in such an environment requires the Company to be keenly aware of external changes and the voice of customers, as all stakeholders expect a fast response to these shifting demands. Additionally, in 2021, the Company's customers that mainly operate in the air conditioner manufacturing business have adjusted their production plan considerably due to the impact of the coronavirus pandemic, which has affected the Company's business substantially. However, the Company took several steps to increase the sales volume of high-value copper tube products used in manufacturing air conditioners and refrigerators, as well as expanding into other markets for copper tube products such as the highly efficient multi-groove tubes for use in refrigeration equipment in 5G communication data centers. The Company started production on these products in 2020 to support the increasing demand from customers, resulting in a considerable increase in the Company's sales volume.

The Company's overall operation in 2021 and the increase in copper prices, resulted in the Company's sales volume increasing by 49% compared to 2020, and sales value totaling 7,185 million Baht. The Company generated a net profit of 220 million Baht, an rising of 368% compared to 2020. Therefore, the Company's Board of Directors proposed to pay a dividend of 2.625 Baht per share, an increase of 1 Baht per share.

On behalf of the Company's Board of Directors, I would like to express my gratitude to the shareholders, customers, and business alliances who have always supported the Company, and to all executives and employees for their determination and dedication, resulting in the Company's successful operations. All of you can be assured that the Company adheres to the principles of virtue, integrity, and transparency for sustainable growth.

# Board Of Directors



**Mr. Chai Sophonpanich**  
Chairman



**Mrs. Chanida Asdathorn**  
Director



**Mr. Tinnakorn Asdathorn**  
Director



**Mr. Junichi Ishihara**  
Director & Managing Director



**Mr. Nobutaka Taniguchi**  
Director



**Mr. Shingo Nishijima**  
Director



**Mr. Yoshihiko Mezaki**  
Director  
(Effective 10 Aug 2021)



**Mr. Hideki Takayasu**  
Director  
(Effective 10 Aug 2021)



**Mr. Hideki Shiraishi**  
Director



**Mr. Vibul Aunsuntha**  
Chairman of the Audit  
Committee and Independent Director



**Mr. Chor Nun Petpaisit**  
Audit Committee Member  
and Independent Director



**Mr. Akira Fujita**  
Audit Committee Member  
and Independent Director



**Mr. Deja Tulananda**  
Independent Director



**Mr. Iruru Hidaka**  
Independent Director



**Mr. Takeshi Nishizawa**  
Director  
(Ended 10 Aug 2021)



**Mr. Daisuke Hamada**  
Director  
(Ended 10 Aug 2021)



# Part 1

## Business Operations and Operation Results

### 1 Business Structure and Operation

#### 1.1 Policy and Overview of Business Operations

The former name of Fine Metal Technologies Public Company Limited is Furukawa Metal (Thailand) Public Company Limited and had registered to change its name on 18 November 2020. The Company was incorporated with the starting registered capital of 140 million Baht on 15 June 1988 under the initial registration as “Furukawa Metal (Thailand) Co., Ltd.” as the trade cooperation between Tampa Ltd., which is the holding Company, Thai nationality, at the shareholding ratio of 51 percent and two Japanese companies, which are The Furukawa Electric Co., Ltd., Japan, the manufacturer and distributor of various products, such as telephone line, electrical wire, automotive component, and copper tube products, with Shoko Trading Co., Ltd.



Fine Metal Technologies Public Company Limited was promoted for investment by the Board of Investment for manufacturing seamless metal tubes of 3,000 tons p.a. in October 1987, and extended the scope of promotion from production capacity of 3,000 tons p.a. to 4,200 tons p.a. Later in 1993,



the Company expanded its production capacity in double from 4,200 tons p.a. to 8,400 tons p.a. the manufacture of Smooth Tube, Multi Grooved Tube, and Accumulator Tube, and supporting the air-conditioner market in Thailand with higher demand from the past and preparing the production capacity for a new product that is Capillary Tube. In 1994, the Company increased the registered capital from 195,000,000 Baht to 335,000,000 Baht to purchase additional machinery types. In the following two years, the Company changed its par value from 100 Baht to a par value of 10 Baht in 1995.

The Company had registered to change the status from a Limited Company to a Public Company on 22 February 1996, Registration No. PCL 606 and altered the Thai name from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited and changed the English name from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited. Currently, the Company is in the industrial product category. The business category in the stock market is industrial materials and machinery by using the name of the securities as “FMT”.

In 1996, the Company applied for expanding the additional production capacity of 10,600 tons p.a. from the Office of the Board of Investment and increased the registered capital from 335,000,000 Baht to 480,000,000 Baht and purchased land for the prepared next production expansion project. On 6 February 1997, the Company was approved to be listed on the Stock Exchange of Thailand using the name of the securities as “FMT”. However, the Company has developed a quality management system and was granted the quality system certificate according to the international standards ISO:9001 from TUV NORD Institute, Germany in 1999. After that, the Company has developed manufacturing engineering and new manufacturing techniques for copper tube products.

In 2001, the overall state of the country's economy, particularly the business sector of air-conditioners and refrigerators, was highly increased. Remarkably, the Japanese manufacturers continuously increased the production quantity. The Company constructed the expanding part of the factory and ordered additional machinery to expand the production capacity. Until 2005, the Company's total production capacity was 31,000 tons p.a.

Fine Metal Technologies Public Company Limited operates the business with the single main company only without subsidiaries and associates. The Company has developed on manufacturing products until the present to acquire the copper tubes that are quality and accepted by the local and export customers.

### 1.1.1 Vision, Objectives, and Goals, or Strategies of the Company's Operations

#### Vision

Fine Metal Technologies Public Company Limited advances towards the top manufacturing company of copper tubes in Southeast Asia to become the Company that can work safely with comfort and the Company trusted by its customers.

#### Objectives and Goals

Fine Metal Technologies Public Company Limited is a producer and distributor of a seamless copper tube which is a vital part of the manufacture of air-conditioners and refrigerators, such as refrigerators and air conditioners. The copper tube has the conductor property with maximum heat transfer and high corrosion resistance. It serves as a passage for the substance for cooling the refrigerator and any other piping application that requires a highly efficient heat conductor and transfer quality and endurance. The Company gives precedence to creating a good corporate governance system that is transparent and fair for all parties of stakeholders, legal supervision and execution, and duty performance ethics. The Board of Directors has also entrusted the crucial duties and responsibilities to the Chairman, Executive Committee, and the Audit Committee.

The Company has formulated the basic management benchmark for the executives and employees who work with environmental protection and aim at creating social value through technological innovation, respect for the law, compliance with the social norm, morals, and ethics, as well as maintaining and strengthening good relationships with all parties of stakeholders, and taking responsibility for the sustainable development of society, and corporate culture as the things prescribing the work method of everyone to be in line with the business strategies to advance towards success as follows.

1. Execute to acquire new purchase orders and enhance proactive distribution of the different products, such as Capillary Tube, Tapper Pipe, High-Performance Thread Taper, Heat Pipe, etc.
2. Retain market share and increase sales volume with advance manufacture to support the short-term delivery schedule in a high-demand period.
3. Implement cost reduction activity, such as using low-cost raw materials, reducing production costs, etc.
4. Increase sales volume for other purposes of use besides air-conditioner.

5. Add types of products manufactured in a part of OFC and copper alloy
6. Manufacture copper tube processed components inside the Company.

To help the Company appropriately achieve the organizational goal, mission, and vision, the Company has determined core corporate values and culture.

1. Integrity
2. Innovation
3. Addressing Reality
4. Ownership & Speed
5. Collaboration,

In addition, the Company yearly establishes the plan. The Management Team of each division makes the operation plan consistent with the Company's policies and goals. The Company monitors and evaluates the performance with a KPI applied to the measurement of actual success compared to the predetermined action plan with a review and report of the outcomes carried out monthly.

Each year, the Management Team sets the annual budget. It makes the operation plan that has already been approved by the Board of Directors, emphasizing the long-term successful and sustainable business operations and the fulfillment of the needs of all parties of stakeholders. The Company has formulated the business operation policies and goals as follows.

1. To conduct research and development and manufacture new products that can support the diverse needs of both local customers and export customers;
2. To reduce the production cost to enhance competitive capacities by improving the efficacy of the production process;
3. To consistently enhance personnel's capabilities and to encourage personnel of new generations who have proper knowledge and capabilities to catch up with the changes in production technologies;
4. To enhance the growth of the revenue of the Company every year by expanding customer bases inside and outside the country and looking for new business opportunities that will enable the revenue of the Company to grow in the future;
5. To expand the sale of new products that are different from those of other manufacturers to be greater.

The aforementioned business administration principles are considered as what shall be recognized and strictly complied with by the Company and all executives, heads, and employees.

According to its business operations for more than 30 years, Fine Metal Technology Limited is aware of the customer's needs. The customers of the Company emphasize product price and have expectations in terms of product quality, service provision capabilities, and reliability of the products of the Company. Therefore, the Company has made marketing plans that suit the structures of business operations and competitiveness and how to run the Company's business to grow sustainably in the future. Therefore, the Board of Directors and the executives of the Company have set the policy guideline and guidelines for business administration to focus on the fulfillment of customer needs as follows :

### Quality Policy

The Company's policy prescribes that "Customer Satisfaction is Our Supreme Priority", and the Company is the company trusted by the customers, causing the Company and the employees to create customer satisfaction and confidence, and customer care and responsibility. The Company always realizes that the customers must receive good and quality products and services according to the determined standards, strictly comply with the conditions and terms entered with the customers in a sustainable manner, and not disclose the customer information to be used for the benefits of the Company and the related parties. If the Company detects the problem of customer complaint on product and service, it will urgently take corrective action to solve the said problem with the customer to minimize the customer's working impact, collaborate with the customer to find the conclusion, and deliver the quality and standard products to meet the customer's needs under the fair conditions, and continuously develop products and services.

### Management Strategies

1. In terms of product quality, the Company shall manufacture copper tubes that meet standards and have quality, are acceptable for customers, and are competitive with other competitors both in local and export;
2. In terms of production cost, the Company shall control production costs, as well as other expenses, by enhancing productivity and minimizing waste volume from the production process,
3. In terms of sales and profit-making, the Company shall expand the sale and launch new products that are different from those of other companies, for instance, straight tube, heat pipe, and capillary tube, etc., and retain market shares by having products in inventory to support the short-term delivery during the period of high product demand, conducting marketing research works, and expanding the sale for new customers of air-conditioner market and in non-air-conditioner branches in the region of Asia;
4. The Company shall have logistic systems for the customers, which are efficient, punctual, and short time product delivery period; and have quick after-sales services to satisfy the customers;
5. The Company shall have internal and external communication systems that are accurate, precise, and quick to build a common understanding and prevent errors.

The aforementioned principles of business administration are considered what shall be recognized and collectively and strictly complied with by the Company and all executives, supervisors, and employees.

### Strategies of the Company's Operations

In order to accomplish the predetermined goals and visions, the Company has the guideline for operating the business by implementing strategies to enhance competitiveness in terms of price so that the Company can compete the foreign competitors in global markets and sustain sale volume (profit) with the efforts of all the executives and employees who have worked together to eliminate waste and to reduce production cost as much as possible. In addition, in terms of quality, the Company must prevent waste and enhance productivity (Yield) in order to get better quality products.



### 1.1.2 Major Changes and Development

Summary of the Major Changes and Development of the Company, Business Operations and Administration Since Its Establishment until 2021

#### June 1988

Established Furukawa Metal (Thailand) Co., Ltd. with registered capital of 140,000,000 million Baht, under promotion of investment from the Office of the Board of Investment (BOI) for the seamless copper tube production

#### January 1989

The Company started the construction of seamless copper tube factory on the area of 56 Rai at the factory at No. 213 Moo 4 Mittraphap Highway Km.125th, Tab-kwang, Kaeng Khoi, Saraburi, to manufacture seamless copper tubes.

#### June 1989

Received BOI's approval to expand the promoted production capacity from 3,000 tons p.a. to 4,200 tons p.a.

#### **May 1990**

Received BOI's approval to increase the production process in part of thread on the wall surface inside the copper tube only.

#### **July 1990**

Smooth Tube started production of seamless copper tubes (Smooth Tube).

#### **June 1991**

Add another 1 type of product by manufacturing seamless copper tube with the characteristic of thread wall inside the tube using the name of Furukawa Multi Grooved Tube (FMGT).

#### **March 1992**

Started the production of seamless copper tube in type of Large Diameter Tube.

#### **March 1993**

Received the promotion of investment in part of increase in the additional production capacity of 4,200 tons p.a. to 8,400 tons p.a. for expanding the production of Smooth Tube, Multi Grooved Tube, and Accumulator Tube, and prepare production capacity for new product that is Capillary Tube, of which its production has been started in 1994.

#### **January 1994**

Increased registered capital from Baht 195,000,000 Baht to 335,000,000 Baht in order to invest in additional machineries by raising the additional capital from the shareholders in three primary groups that are Tampa Co., Ltd., Shoko Trading Co., Ltd., and The Furukawa Electric Co., Ltd.

#### **February 1994**

Started the production of new product called Capillary Tube and launch to the market.

#### **November 1995**

Changed par value formerly from 100 Baht/share to 10 Baht/share.

#### **February 1996**

Transformed the Company status to Public Company Limited, changed the Company's name from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited, and changed English name formerly from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited.

#### **June 1996**

Received the investment promotion in part of production capacity expansion of 10,600 tons p.a.

#### **November 1996**

Increased registered capital from 335,000,000 Baht to 480,000,000 Baht in order to invest in machineries and building for production expansion by public offering of shares for capital increase for 14.5 million shares.

#### **December 1996**

Purchased additional land of approximately 26 rai, which is adjacent to the land where the existing factory is currently located for future expansion project. (Total land of the factory is 82 rai)

#### **February 1997**

Received the approval to be a listed company in the Stock Exchange of Thailand.

#### **October 1998**

Developed two additional types of product designs that are Taper Pipe and Half Hard.

#### **January 1999**

Developed the quality management system until being granted for the ISO 9001: 2000 International Standard Quality System Certification from RWTUV Anlagentechnik GmbH, Germany.

#### **April 1999**

Developed another type of Treatment for Capillary Tube Ends in type of End Welding in addition to the existing Stopper, Flaring, Pinch Seal and Deburring.

#### **December 2001**

Started construction of the expanding factory, and installed the machinery to increase the production capacity of additional 6,000 p.a. (formerly from 16,000 tons p.a. to 22,000 tons p.a.)

#### **July 2003**

Began the operation in the extension part that has been promoted for investment.

#### **November 2003**

The Company increased production capacity of another 3,000 tons p.a. to be 25,000 tons p.a. in total.

#### **October 2004**

Increased production capacity from 25,000 tons p.a. to 28,000 tons p.a.

#### **October 2005**

Increased production capacity from 28,000 tons p.a. to 31,000 tons p.a.

#### **March 2006**

Received the ISO 14001:2004 Environmental Management System Certification from TUV NORD (Thailand) Ltd.

#### **September 2009**

The Company received the certificate and signboard of the Sustainable Drug-Free Workplace Project from Saraburi Provincial Office of Labour Protection and Welfare.

#### **September 2015**

The Company received "Green Factory Certificate" from the Ministry of Industry indicating that the Company's factory is Green Factory in Green System Level 3, with the systematic environmental management, monitoring, assessment and review for continuous development.

#### **May 2016**

The Company received the Certificate of Model Work Unit of 100% Helmet Wearing Campaign from Saraburi Provincial Governor and Kaeng Khoi Police Station, Saraburi Province.

#### **February 2017**

The Company received the ISO 9001:2015 Quality Standard Certification from TUV NORD (Thailand) Ltd.

#### **August 2017**

The Company received the certificate "as the excellent model work unit that maintains the organizational standards and measures in terms of 100% helmet wearing" (Phase 3/2015) from Saraburi Provincial Governor and Provincial Police Station 1 in order to participate in the decade of road safety in Thailand event.

#### **March 2018**

The Company received ISO 14001: 2015 Environmental Management Standard Certification from TUV NORD (Thailand) Ltd.

#### **December 2018**

The Company increased ISO 14001: 2015 Environmental Management Standard Certification from TUV NORD (Thailand) Ltd. at Bangkok office in the section of Marketing, Import and Export Division.

#### **1 June 2020**

Furukawa Electric Company Limited as the Company's Major Shareholder transferred the sale of shares held in the Company to CTJ Holdings 2, Ltd. in total of 20,280,280 shares or 42.25% of total sold shares of the Company. After the complete entry into the share purchase and sale transactions, CTJ Holdings 2, Ltd. is the major shareholder of the Company.

#### **18 November 2020**

Changed the Company's name from Furukawa Metal (Thailand) Public Company Limited to Fine Metal Technologies Public Company Limited.

### 1.1.3 Whether the use of money acquired from fund-Raising according to the purpose.

The Company has used capital from fund-raising in the Stock Exchange of Thailand according to the purpose notified to the Stock Exchange of Thailand and the investors in all respects.

### 1.1.4 Engagement committed by the Company in Registration Statement for Offer for Sale of Securities. and/or the conditions of permission of the Office (if any), and/or the conditions of securities acquisition of the Stock Exchange of Thailand (if any)

The Company's shares are transferrable without limitation.

### 1.1.5 Name of the location of headquarters, type of business, company registration, telephone, facsimile, website of the Company, number and type of total sold shares of the Company.

• Company Name	Fine Metal Technologies Public Company Limited
• Securities Symbol	FMT
• Company Registration	0107539000057
• Registered Capital	480,000,000 Baht (Four Hundred and Eighty Million Baht Only)
• Called and Paid-Up Capital	480,000,000 Baht (Four Hundred and Eighty Million Baht Only)
• Par Value per Share	10 Baht (Ten Baht Only)
• Nature of Business Operation	Manufacture and distribute various types of seamless copper tubes used in the manufacturing industry of air-conditioner, refrigerator, and general refrigerator.
• Website	<a href="http://www.fmt.co.th">http://www.fmt.co.th</a>
• Location of Headquarters	183 Regent House Building 14 <sup>th</sup> Floor, Rajadamri Road, Lumpini, Pathumwan, Bangkok 10330 Telephone 02 - 256 - 0641 to 50 Facsimile 02 - 256 - 0651
• Location of Factory	213 Moo 4, Mitraparb Road, Km. 125, Tambol Tub-Kwang, Amphur Kaengkhroi, Saraburi Province 18260 Telephone 036 - 329 - 811 to 20 Facsimile 036 - 329 - 822

## 1.2 Business Characteristics

### 1.2.1 The Revenue Structure of the Company Products

Revenue structure of the Company during the past 3 years

Product	Y. 2019		Y. 2020		Y. 2021	
	MB	%	MB	%	MB	%
<u>Domestic</u>						
1. Smooth Tube	2,121.78	34.97	1,730.26	36.03	2,575.92	35.85
2. Multi Grooved Tube	1,258.08	20.74	838.89	17.48	744.44	10.37
3. Accumulator Tube	257.45	4.24	224.89	4.68	367.10	5.11
4. Capillary Tube	298.55	4.92	267.50	5.57	355.83	4.95
Sub Total	3,935.86	64.87	3,061.54	63.76	4,043.29	56.28
<u>Export</u>						
1. Smooth Tube	1,243.99	20.51	981.17	20.42	1,488.03	20.70
2. Multi Grooved Tube	688.76	11.35	609.69	12.70	1,357.28	18.89
3. Accumulator Tube	134.59	2.22	111.68	2.33	182.08	2.53
4. Capillary Tube	63.41	1.05	37.93	0.79	114.61	1.60
Sub Total	2,130.75	35.13	1,740.47	36.24	3,142.00	43.72
<u>Total Sales</u>						
1. Smooth Tube	3,365.77	55.48	2,711.43	56.46	4,063.95	56.56
2. Multi Grooved Tube	1,946.84	32.09	1,448.58	30.17	2,101.72	29.25
3. Accumulator Tube	392.04	6.46	336.57	7.01	549.18	7.64
4. Capillary Tube	361.96	5.97	305.43	6.36	470.44	6.55
Total	6,066.61	100%	4,802.01	100%	7,185.29	100%

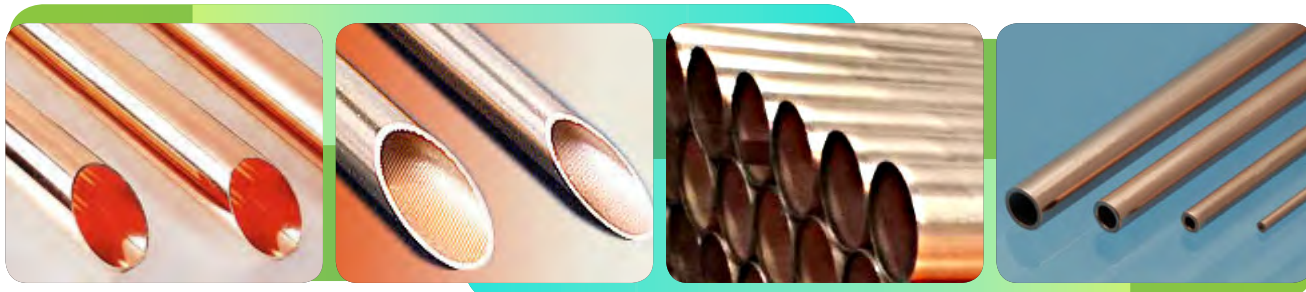
### 1.2.2 Product Information

#### (1) Characteristics of Products and Services, and Innovation Development

Fine Metal Technologies Public Company Limited is a producer and distributor of seamless copper tube which is a vital part in manufacture of refrigeration equipment, such as air-conditioners, refrigerators and car air-conditioners. As copper tube has the conductor property with maximum heat transfer and high resistance of corrosion, it is suitable to serve as a passage for the refrigeration substance in the refrigerator and any other piping application that requires a conductor with high efficiency and endurance of heat transfer.

The Company has a factory of seamless copper tubes, which is located at Tub Kwang Sub-district, Kaeng Khoi District, Saraburi Province, as a factory having the complete integrated and modern production process. At present, total production capacity is 31,000 tons p.a., with the strict quality control system and production control system in all steps.

The current major production lines of the Company are Level Wound Coil, Multi Grooved Tube, Half Hard, Straight Tube, and Capillary Tube. However, in 2021, the Company has had total local distribution has been at the rate of 56% and export for foreign distribution at the rate of 44%.



Each of four types of the Company's products has the different specific property as follows.

1. **Smooth Tube** is a seamless copper tube that has smooth outer and inner wall of the copper tube, and is the major product used in general air-conditioner. Most customers are local ones. There are two types as follows.
  - 1.1 Smooth Tube for Heat Exchanger which is used for carrying refrigerant within refrigerator.
  - 1.2 Smooth Tube for Piping which is used for carrying refrigerant outside refrigerator.
2. **Multi Grooved Tube** is seamless copper tube of which its outer wall is smooth and its inner wall is threaded to act as the first type of copper tube, but the efficiency on better heat transfer is up to twice due to the increase in inner surface area from the thread area, which is popular in the production of the air conditioner of the small type that is highly efficient and expensive as the result of the increasing inner surface area, causing a decrease in amount of copper tube used in production process of cooling coil when compared to the requirement of efficiency with smooth tube.
3. **Large Diameter Tube** is the straight and large seamless copper tube that is popular for using as the pressure reservoir tank for refrigerant.
4. **Capillary Tube** is the small seamless copper tube to act as the passage of the refrigerant after adjusting the temperature to lower from the compressor to go through the refrigerant inside the cold storage, and also help adjusting and reducing the pressure of the refrigerant at the suitable level before entering to the refrigerator.

Fine Metal Technologies Public Company Limited has been promoted for the investment from the Office of the Board of Investment (BOI) for 4 Promotion Certificates as follows:

**Received Date of Promotion Certificate, Date of Full Operation, and Promotion Certificate-Acquired Production Capacity**

Promotion Certificate No. 1 No. 1326/SorOr./2531

dated 8 July 1988, where date of full operation is 15 November 1991, and production capacity is 350 tons/month or 4,200 tons p.a.

Promotion Certificate No. 2 No. 1198/2537

dated 7 April 1994, where date of full operation is 16 May 1994, and production capacity is 350 tons/month or 4,200 tons p.a.

Promotion Certificate No. 3 No. 1555/2539

dated 15 August 1996, where date of full operation is 2 December 1996, and production capacity is 10,600 tons p.a.

Promotion Certificate No. 4 No. 1134 (2)/2545

dated 21 February 2002, where date of full operation is 24 July 2003, and production capacity is 6,000 tons p.a.

#### Current Benefits Received from Investment Promotion

Referring to the Promotion Certificate from the Board of Investment No. R64-1775

The Company has still been granted for the additional rights and benefits pursuant to Section 36(1) and 36(2) of the Investment Promotion Act B.E. 2520 (1977) as follows:

1) Pursuant to Section 36 (1)

Received the exemption for import duties for raw materials and essential materials required for import from overseas to be used in manufacturing for export from 14 July 2021 to 13 July 2023.

2) Pursuant to Section 36 (2)

Received the exemption for import duties for the goods imported by the promoted person for re-export from 14 July 2021 to 13 July 2023.



The Company's research, change and development on various areas and the crucial innovation development in 2021

1. Development of high-performance FMGTs that meet customer requirements.
2. Increase the production capacity of capillary tubes and taper pipes, for which orders from customers are increasing.
3. Improvement of yield rate by improving quality and promotion of cost reduction through various kinds of improvement activities.
4. Encourage the Promotive Standard Activity for knowledge and understanding of the employees and proper implementation.



## 2 Marketing and Competition

Fine Metal Technologies Public Company Limited is the producer of seamless copper tube products based on purchase orders of each customer. The products may have different features and sizes according to the customer usage need particularly of each type according to the nature of usage based on the customer need. The Company has the marketing policy by direct contact with the manufacturers as the Company's products are produced in the size and property required by the customers because each type has different requirement of the copper tube usage.

### Competition Condition of Copper Tube Market

Due to the COVID-19 pandemic, the Company's sales quantity decreased when compared with 2020. In 2021, sales quantity increased by 9%. According to the competition of copper tube industry of Thailand in 2021, sales quantity of Fine Metal Technologies Public Company Limited was at 22,482 tons

In 2021, the Company's market share was 20%, copper tube manufactures in Thailand 40% and copper tube imported 40%.

### Target Market Segments

There are two major target market segments for FMT.

1. Existing markets Major air conditioner and refrigerator manufacturers use value-added Hi-End products in addition to traditional products
2. New markets Other than air conditioner and refrigerator manufacturers, electronic component manufacturers, etc. that use special high-performance copper tubes

### Pricing Policy

The Company has the floating pricing policy depending on the price of raw materials for every customer in order to contribute to the Company's standardization on product pricing, and mitigation of risk from the fluctuation of raw material price for the Company through comparison of the Company's selling prices with other manufacturers in Thailand.

### Capability to Customize Products to Fulfill the Customer Needs

From the Company's capability to produce seamless copper tubes up to four types. The forms and sizes of each type can also be adjusted to suitably fulfill the needs of each customer. Therefore, the said capability is regarded as the key strategy for the Company to retain the old customers and also help attracting the new customers into the Company.

### Product Quality

The Company highly emphasizes on its product quality due to the characteristic of product that is immediate product. Hence, the product quality is important for final product. The Company, therefore, has invested a large number of modern machineries and equipment for producing seamless copper tubes, and closely supervised by the experienced engineer who is the work controller in each production procedure. In addition, the Company also provides the regular quality inspection in each production procedure from quality inspection of raw materials (Copper Cathode) until quality inspection of finished copper tubes before customer delivery. The Company has developed the quality management system covering the product development and design process that has been certified with ISO 9001:2000 International Standard Quality System from RWTUV Anlagentechnik Institute, Germany; and continuously maintained the quality and developed. On December 2016, the Company has audited for certification of the ISO 9001:2015 Quality System, and has received the Certificate of Quality System on 7 February 2017. In addition, the Company has audited for certification of the ISO 14001:2015 Environmental Management System on December 2017, and received the Certificate of Environmental Management System on 29 March 2018. On December 2018, the Company has additionally applied for certification of the ISO 14001:2015 Environmental Management System from TUV NORD (Thailand) Ltd. at Bangkok office, work section of Marketing, Import and Export Division; and the Company has audited for certification of the ISO 9001:2015 Quality System on December 2019.

### Product Delivery System

The Company has expanded the product delivery system to facilitate the customers with limitation of their warehouse area. Therefore, the Company has managed to build big warehouse inside the Company in order to store the products manufactured based on purchase orders of those customers, and the Company can immediately deliver to the customers in the quantity and time required by the customers.

### Customer Relationship Maintenance

The Company emphasizes on developing the Company's product quality and product delivery system in order to provide the services to the aforesaid customers; maintaining the close relationships with the customers by regularly monitoring and inquiring the customer needs in order to recognize the product property required by the customers for continuously developing the quality of product and type of product that fulfill both current and future customer needs; and providing counsels and mutually discussing in case where the problem from usage of the Company's products is occurred with the customers.

### Leadership of Capillary Tube Production.

The Company's capability to produce small tube "Capillary Tube" product and various types of copper tube respond to customers' requirement.

In 2021, the Company has installed machines to increase production capacity of Capillary Tube product and Taper Pipe product to meet the increasing demand of customers.

### Supply of Products and Services

The Company's Office and Manufacturing Factory are as follows:

- Head Office 183 Regent House Building, 14<sup>th</sup> Floor  
Rajadamri Road, Lumpini, Pathumwan  
Bangkok 10330  
Telephone 02-256-0641-50  
Facsimile 02-256-0651

Head Office consists of Accounting and Finance Department, Sales Department, Import and Export Department, as the office for contacting customer and government officers.

- Factory 213 Moo 4, Mitraparb Road, Km. 125,  
Tambol Tub-Kwang, Amphur Kaengkhroi,  
Saraburi Province 18260  
Telephone 036-329-811 to 20  
Facsimile 036-329-822

Total machine capacity and actual production volume Y. 2019 - Y. 2021

Product	Y. 2019	Y. 2020	Y. 2021
Total machine capacity (Unit : Tons/year)	31,000 Tons/year	31,000 Tons/year	31,000 Tons/year
Actual product volume (Unit : Tons/year)	25,254 Tons/year	20,622 Tons/year	22,526 Tons/year
Capacity utilization rate (%)	81.46%	66.52%	72.66%
Increase of production volume (%)	4.61%	-18.35%	9.24%



### Raw Materials

The raw materials used in production of copper tubes consist of pure copper sheets imported from overseas (Cathode). The price of raw material cost depends on the purchasing and selling price in London Metal Exchange (LME) including the use of the ordered local copper.

### Raw Material Ordering Policy

The ordering of raw materials is planned in advance by coordinating with Sale Department and Production Department. The ordering of raw materials is managed by Sale Department which is assigned to be the contact representative of the manufacturing source of pure coopers or raw materials from various countries, and deliver the raw materials to the Company. In 2021 the Company imported raw material of copper cathode from abroad 70% and in country 30%

### Distribution and Distribution Channels

Fine Metal Technologies Public Company Limited distributed copper tube directly to air conditioner manufactures and through distributors.

## Assets Used in Business Operation

### Core Fixed Assets of the Company

The core fixed assets of the Company has book value as of 31 December 2021 as follows:

Item	(Unit : Baht)
1 Land and Land Improvement	181,600,316.98
2 Building and Building Improvement	598,748,314.64
3 Machineries and Equipment	4,438,042,402.09
4 Decorations, Fixtures and Office Equipment	46,787,151.81
5 Intangible Assets	147,540,157.03
6 Vehicle	3,548,909.73
7 Right-of-Use Assets	34,458,472.20
8 Machineries under Installation	61,107,577.76
9 Intangible Assets under Installation	2,054,127.44
<u>Less</u> Accumulated Depreciation	(5,121,647,183.39)
Total	392,240,246.29

The factory of Fine Metal Technologies Public Company Limited is located at No. 213 Moo 4, Mitraparb Road, Km. 125, Tambol Tub-Kwang, Amphur Kaengkhoi, Saraburi Province 18260 as per the following details.

Land as of 31 December 2021

No.	Title Deed No.	Area (Rai-Ngan-Square wah)	Cost (Baht)	Ownership	Mortgage Obligation
1	The Company's total land area	82 Rai - 2 Ngan - 9 Square wah	105,855,370	By the Company	None

Building and Building Improvement as of 31 December 2021

- The factory and office building of the factory are located at No. 213, Moo 4, Mitraparb Road, Km. 125, Tambol Tub-Kwang, Amphur Kaengkhoi, Saraburi Province 18260, Title Deed No. 2248, 12197, and Nor.Sor.3 Kor No. 1297 and Nor.Sor.3 Kor No. 1298, in total area of 82 Rai 2 Ngan 9 Square wah, being divided into factory and office buildings that are single floor buildings.

The Company divides the proportion of usage area as follows:

- Production	60,620 Square Meter
- Storage	3,646 Square Meter
- Office	895 Square Meter
- Others	66,875 Square Meter
Total	132,036 Square Meter

- Bangkok Office is located at No. 183 Regent House Building, 14th Floor, Rajadamri Road, Lumpini, Pathumwan, Bangkok 10330, with total area of 304.73 square meter.

#### Building and Building Improvement as of 31 December 2021

Detail	Cost (Baht)	Book Value (Baht)	Useful Life (Years)	Remaining Useful Life	
				(Years)	(Month)
Factory	551,621,168.48	44,812,556.69			
- Factory	491,344,742.48	29,627,389.68	20	6	4
- Factory Improvement	60,276,426.00	15,185,167.01	5-20	11	0
Office	31,712,649.99	2,282,175.04			
- Office	2,336,167.45	2.00	20	-	-
- Office Improvement	29,376,482.54	2,282,173.04	5	-	-
Officer Residence	4,507,612.17	4.00			
- Officer Residence	4,014,376.92	2.00	20	-	-
- Officer Residence Improvement	493,235.25	2.00	5	-	-
Others in Bangkok	10,906,884.00	4,757,784.58	5	5	0
Total	598,748,314.64	51,852,520.31			

Machineries and Equipment as of 31 December 2021, the Company's machineries and equipment are as follows:

No.	Machineries and Equipment	Quantity (Items)	Cost (Baht)	Book Value (Baht)	Useful Life
1	Machineries	3,045	4,342,395,921.30	144,329,624.94	5-20 Years
2	Equipment	1,199	95,646,480.79	4,787,083.28	5-20 Years
	Total	4,244	4,438,042,402.09	149,116,708.22	

#### Net Asset Value

As of 31 December 2021, the Company's total net asset value has been Baht 3,339 million.

- Net asset value where the asset value has been adjusted based on cost estimate or based on investment value.
  - Cost price of asset was not appraised. Therefore, total asset value has been Baht 3,339 million.
- Net asset value pursuant to 1. has been deducted with contingent liabilities from entry into guarantee, aval, mortgage obligation or guarantee for other person or incurrence of other obligations, and the detail of the said items has also been presented as follows.
  - There has been none of contingent liability from guarantee. Therefore, total asset value has been Baht 3,339 million.

3. Net Asset Value pursuant to 1. and 2. per share

- Total net asset value per share has bene 69.56 Baht.

#### Policy of Investment in Subsidiary and Associates

- None -

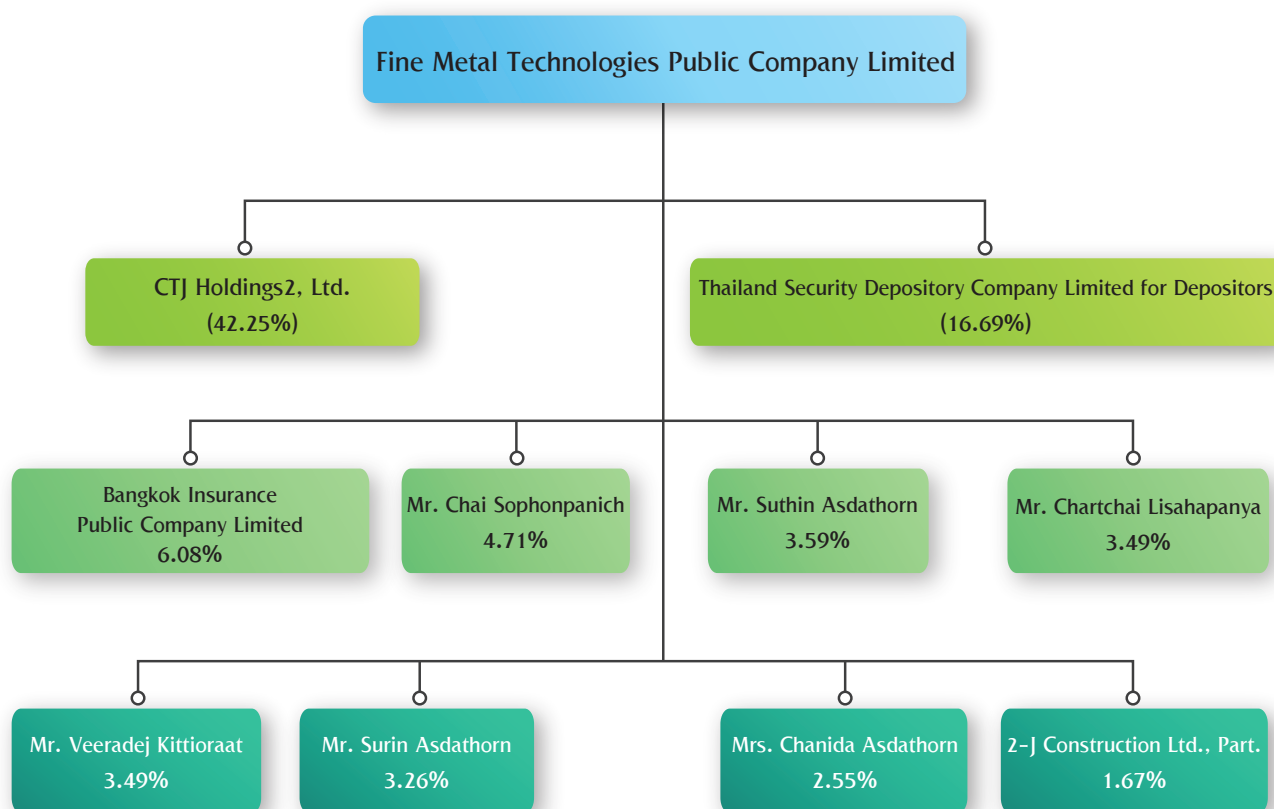
#### Cost Estimate of Assets (Acquisition or Disposal of Asset)

- None -

## 1.3 Company Shareholding Structure

### 1.3.1 Shareholding Structure

Shareholding structure of the top 10 major shareholders as of 31 December 2021.



### 1.3.2 The persons who have shareholding conflict in the subsidiaries or associates in total of exceeding 10% of voting shares of the said companies.

- None -

### 1.3.3 Relationship with the business group of the Major Shareholders

CTJ Holding2, Ltd., Parent Company and Major Shareholders.

### 1.3.4 Shareholders

(1) Name List of Major Shareholders

(n) Name List of Top Ten Major Securities Holders (without address consideration) of Fine Metal Technologies Public Company Limited, together with the number of held shares and shareholding proportion pursuant to the Securities Holders' Register as of 31 December 2021 are as follows:

No.	Name List of Shareholders	Number of Shares	Percent of Number of Shares
1)	CTJ Holdings2, Ltd. <sup>(1)</sup>	20,280,280	42.25
2)	Thailand Securities Depository Company Limited for Depositor	8,008,629	16.69
3)	Bangkok Insurance Public Company Limited <sup>(2)</sup>	2,919,300	6.08
4)	Mr. Chai Sophonpanich	2,265,200	4.71
5)	Mr. Suthin Asdathorn	1,726,610	3.59
6)	Mr. Chartchai Lisahapanya	1,674,710	3.49
7)	Mr. Veeradej Kittioraat	1,674,710	3.49
8)	Mr. Surin Asdathorn	1,564,910	3.26
9)	Mrs. Chanida Asdathorn	1,225,810	2.55
10)	2-J Construction Ltd., Part.	800,000	1.67

#### Remark

- Shareholder No.1) CTJ Holdings2, Ltd.

#### Brief Nature of Business

CTJ Holdings2, Ltd. is a Juristic Person established for specific objectives on 25 September 2019. JIP's objectives are to hold the shares in the companies that operate the industrial material businesses relating to the copper production and distribution in Japan, and Asia Pacific Region; and to purchase the shares of businesses in Thailand.

JIP is the Private Investment Firm where the office is located at Tokyo, Japan. JIP had been founded on 2002 by Mr. Hidemi Moue, who has currently held the office as Chief Executives Officer, director, and indirect major shareholder of JIP. However, JIP has the direction to invest in the industrial business of Japan's conventional manufacturing sector with potential and the operation goal of the Spin-off investment strategic policy, where the business value does not reflect real value, and the business is not a non-core business under the structure of the large-sized organizations that have many affiliated businesses. The investment pattern is an investment by splitting off the target business from the primary company structure so that the said business is able to fully utilize the existing business potential for the business growth. Until present, JIP has entered into the 24 transactions of investment in the target business, including an investment by splitting off the target business from several famous primary companies, for instance, NEC Corporation Yamaha Corporation and Sony Corporation, etc.

#### Shareholder No.3) Bangkok Insurance Public Company Limited

Bangkok Insurance Public Company Limited is a company that operates a business of non-life insurance, for instance, fire insurance, maritime and transportation insurance, motor insurance, miscellaneous insurance, and reinsurance, where Mr. Chai Sophonpanich is "Chairman of the Board".

- (1) The group of Major Shareholders by the circumstance that the policy making, management or operations of the Company are significantly influenced.  
- None -
- (2) In case of being the holding Company, the name list of minor shareholders that operate the main business shall be also presented.  
- None -
- (3) Major Shareholders' Agreement in the matter that affects the issuance and offering for sales of securities or management of the Company.  
- None -

## 1.4 Registered Capital and Paid-Up Capital Amount

### 1.4.1 Registered Capital/Paid-Up Capital/Number of Shares

As of 30 December 2021, the Company has had the registered capital of Baht 480 million, being classified into 48 million ordinary shares at par value of 10 Baht per share, and paid-up capital of Baht 480 million.

### 1.4.2 Other types of shares with the rights or conditions different from ordinary shares, for instance, preference shares

- None -

### 1.4.3 In the case where the convertible shares or securities of the Company are the underlying securities in issuing the investment units of Thai Trust Fund, and Non-Voting Depository Receipt (NVDR), specifying the number of shares and number of shares supporting convertible securities that are the said underlying securities, and explanation about the impact on the shareholder's voting right as the result of non-exercise of voting rights by Thai Trust Fund or NVDR issuer in the Shareholders' Meeting.

- None -

## 1.5 Issuance of Other Securities

- None -

### 1.5.1 Convertible Securities

- None -

### 1.5.2 Debt Instruments

- None -

## 1.6 Dividend Payment Policy

The Board of Directors establishes a policy for the Company's shareholders to consider annual dividend payment to the shareholders at the rate of not less than 50% of net profit after deduction of corporate income tax for the year. The shareholders shall be proposed to consider the approval on the annual dividend payment.

The past dividend payment of the Company for 5 retrospective years are as follows:

Year	Dividend per share paid in year (Baht)
2017	2.00 Baht
2018	1.50 Baht
2019	1.625 Baht
2020	1.625 Baht
2021	2.625 Baht

Remark Dividend payment for 2021 has been paid from the Company's net profit from the operation result from January to December 2021 at payout rate of 2.625 Baht per share for total amount of the paid dividend at 126 million baht.

However, the Board of Directors will propose the General Meeting of Shareholders for consideration and approval on the date of 2022 Annual General Meeting of Shareholders of the Company, that will be held on Friday 29 April 2022; and further notify the shareholders for acknowledgment.

## 2 Risk Management

### 2.1 Risk Management Policy and Plan

The Company's Board of Directors emphasizes on the enterprise-wide risk management in overview, where the said risk management is deemed as the important management mechanism and tool that make the organization achieve the setting objectives and goals; and takes the overall responsibility to provide and control the risk management framework of the Company. The Board of Directors has set up the Risk Management Committee to be responsible for developing and monitoring the risk management policy of the Company, and regularly report the said execution to the Board of Directors.

The Company's risk management policy shall be prepared to identify and analyze the risks encountered by the Company in order to define the suitable level of risk, and control and monitor the risk to be at acceptable level. The risk management policy and system shall be regularly reviewed to reflect the change in market situation and operation of the Company. The Company has the goal to conserve the environment, and control to be in order and effective by organizing trainings and formulating the management standard and procedures for understanding of all employees on their roles and duties.

The Audit Committee of the Company supervises, through the internal auditor, that the executives shall monitor the compliance with practice and risk management policy, and review the adequacy of the risk management framework to be consistent with the risk encountered by the Company. The internal auditor performs the duty to regularly review the control and practice of the risk management. In the special case, the outcome shall be reported to the Audit Committee.

However, please see the detail of credit risk, liquidity risk, foreign exchange rate risk, interest rate risk, and commodity price risk, in notes to financial statements of the Company for the year ended 31 December 2021 as per the attachment and this Statement.

### 2.2 Risk Factors of the Company's Business Operation

#### 2.2.1 Risk of the Company's or the Company's Business Operations

##### Business Operation Risk (Procurement of Raw Materials)

The Company realizes the importance of the procurement of raw materials by giving precedence to price, quality and time of delivery of raw materials. The Company closely monitor the movement news of raw material purchase and procurement market, and regularly and efficiently communicate with the sellers in order to acquire the accurate news information about the procurement and delivery of raw materials to make the Company timely receive the raw materials as required.

Due to very high fluctuation of the price of the raw material that is copper sheet, in world market, therefore, the Company has the policy not to stock raw materials of copper sheet. The Company will produce raw materials according to the purchase order of customers, and make the marketing plan more than three months in advance in collaboration with Raw Materials Purchase Division and Marketing Division, by suitably ordering raw materials to match the customer orders. For the copper price, it is not answerable by anyone that it will tend to decrease or increase or when and how it will be increased. In 2021, the copper raw material price was severely fluctuated and varied from 2019-2020. However, the copper raw material price has still been fluctuated depending on the factors of oil price, gold price, state of war, and price speculation of world market. The Company has managed the copper raw material procurement risk to hedge the fluctuation of this copper raw material price.

#### Countermeasures for the risk from depending on the raw material ordering

The Company establishes the raw material purchasing policy and plans in advance for more than 3 months by coordinating with Sales Department, Production Department, and Raw Material Import and Procurement Department. The purchase of raw materials is managed as follows:

Copper cathode as at present, there has not been the copper cathode manufacturer in Thailand.

Therefore, the Company must import copper cathode from foreign countries. The price of copper cathode raw material is set from the price of copper in London Metals Exchange (LME) plus other expenses. However, since copper is commodity, the price of copper has been dynamic all the time. Therefore, in order to hedge the risk that may occur from the fluctuation of copper price, the Company has the countermeasures for the risk from depending the raw material ordering from abroad, by also ordering the raw material of copper residue in the country. The Company attempts to order the raw material of copper residue in the country in the ratio of 50:50. In order to prevent the problems that may be occurred from the uncontrollable risk factors, resulting in delay on transportation of raw materials, for example, monsoon happening, or disaster events, etc. and in order to prevent and solve such problems, the Company has currently purchased copper residue inside the country to re-melt to be another type of raw material of the Company, causing the Company's ability to determine the amount, quantity and time of delivery independently and more definitely.

#### The customers of the Company can select the conditions for determining the suitable ordering of raw materials to match the purchase orders of customers as follows:

- 1.1 Buying/selling in type of determining copper price in advance in the acceptable level (Hedging) is the ordering method that the customers want to reduce the risk of price fluctuation of world market copper price, by booking for buying/selling in advance.
- 1.2 Buying/selling with average price is rather popular for the customers, as the price is the one that the customer can determine the cost, for example, the customer determines to use the price of raw material of copper cathode for one retrospective month, or for two retrospective months.

In the conditions for determining the ordering of raw materials in Clause 1.1 and 1.2, the Company will summarize the buying amount and the sales volume at the end of each month, to make Paper Trade in order to reduce stock of raw materials, or margin buying/selling for hedging for another time. In determining the ordering of raw materials by the customers, the Company will separate the price of raw materials according to London Metals Exchange (LME) and fees and expenses paid by the customers

- 1.3 The Company purchases and procures raw materials from the distributor, where the customer mutually determines the basic conditions and production capacity among the Sales Division, Production Division and Production Planning and Controlling Division.
- 1.4 The Company monthly controls and manages the inventories to have the suitable inventories, where the Company regularly sets a target and production planning to be consistent with the purchase order quantity of customers, mutually reviews the ordering and production capacity among Sales Department, Production Department, Production Planning Section, and Production Delivery Section.

#### Risk from Importing Copper Tubes from Overseas and Competition of Product Price

The said risk is the risk from importing copper tubes from overseas and competition of product price, and the risk from competition of the copper tube import from China, Malaysia, and Korea, which are the foreign competitors that offer the cheap selling price of copper tube. Some domestic customers have turned to use the cheap copper tubes, but they have encountered with the quality problem of products and services. When compared with the Company's products, the said competitors have still been unable to compete with the Company in case of quality and service problems of the copper tube import. However, in 2021, the copper tubes have been imported approximately 86% from China, 6% from Malaysia, and approximately 4% from Korea, and 4% from other countries. According to the risk from more severe price competition, the Company has formulated the operation guideline by focusing the production of quality products for customers to be consistent with the Company's policies for the will to be the leader in the manufacturing business of copper tubes in the Southeast Asia Region, the Company has continuously and consistently developed and improved the operation system and technologies.

#### Competition Risk

The copper tube manufacturing industry in Thailand is an industry that focuses on both domestic sales and export markets. Apart from competing with local manufacturers, the Company has to compete with the foreign country manufacturers, especially products imported from China that have a large amount and products imported from Korea, causing the increased price competition. In accompany with the economic conditions with the change in the concept of consumers who want the quality products and reasonable prices, the Company focuses on increasing productivity, providing services and delivering products that can fulfill the customers, in order to ensure that the Company can also compete with other suppliers. The Company has developed the products to support the various technologies of the customer companies.

### Labour Risk

Thailand has currently encountered with more labour shortage at the operational level, particularly in the private industrial sector business due to the people's popularity to further the higher education, causing less personnel at operational level. The Company has prepared the measures for reducing the labour risk, for instance, offering remuneration and welfare, and emphasized on the workplace safety and working environment by targeting to be a company that can work safely and comfortably, and must have zero accidents, in order to motivate the employees to work with the Company.

### Industrial Risk

Seamless copper tube are used by the customers as main material in manufacturing air-conditioners. At present, the new raw material, namely aluminum tube, has been tested for using instead of copper tube in manufacturing air-conditioners. However, aluminum tube has been unable to be used in complete replacement of copper tube in manufacturing tubes, and unable to be used to manufacture all parts of air-conditioners. In addition, the price of machinery used in manufacturing has been more expensive than the machinery for manufacturing copper tubes. Even though for the cost of raw materials used for production, aluminum is cheaper than copper. However, the Company's customers have still used copper tubes as material in manufacturing. Nevertheless, the impact may be arisen in the future if the manufacturers of aluminum pipe develop the quality of production to be usable and not cause welding problem when the customers use the aluminum tube, resulting in the change of customers to use more aluminum tube. However, the quality of aluminum tube dose not tolerate like copper tube. In addition, the customers demand copper tubes that are smaller in size and higher in efficiency in order to support the new inverter air conditioner. In this part, the Company has developed and innovated to produce copper tubes that are smaller in size and higher in efficiency for support this part of demand.

### Risk from Customer Relocation of Production Base to Other Countries

The major customers of the Company are the manufacturers and distributors of the air-conditioners and the refrigerators of which their majority of production base is located in Thailand. If the customers relocate their production base to other country where the production cost is cheaper than in Thailand in the future, for instance, Vietnam, it may affect the operating result of the Company but it is not much. However, in the opinion of the Company, Thailand has still had the good basic main factors to be further the production base, and has still had the production potential with modern technologies and continuous production and product development. Moreover, those customers are the trade partners who deal the business with the Company for long time, resulting in the customer confidence on the Company's products until present. However, the Company has still additionally acquired the new markets and customers both domestic and abroad.

### Personnel Dependence Risk

The Company's business requires the knowledgeable, skilled and experienced personnel in production in order to obtain the high standard and accurate products to meet the various customer needs. Therefore, the Company has a policy to promote human resource development by organizing the training for the employees. In addition, the Company alternates the working duty of the employees for



rotation to work at other section as the employee development and encouragement to have skill, learn how to work, have knowledge on use of various types of machineries of each production process so that the employees can work in replacement, contributing to reduction of the Company's risk on depending any person. The Company organizes training in the topic of production learning, where the manager, and heads are trainers, and provides the trainings on the quality for all employees, and employs the Company's retired employees to be the consultants in various areas in order to help advising and developing working for improvement.

#### Risk from the COVID-19 Pandemic

Since 2020, all the countries around the world have faced with the COVID-19 pandemic problem. In part of Fine Metal Technologies Public Company Limited, the Company has implemented the measures to prevent the COVID-19 pandemic for safety of the employees and their families, as well as business partners whether from working and at home. The measure for strictly screening the persons who enter-exit the factory and the headquarters include measuring the temperature, checking travel records for the past 14 days, arranging the social distancing place, preparing hand

cleaning alcohol gel before entering the Company's gateway, hand washing soap and water in front of canteen, and alcohol gel in front of the Company's factory In the canteen, company set social distancing seat for employees to sit and eat and have partitions on every table which an open canteen area and alternated time for employees take turn to sit and eat to prevent congestion and in common area at all spots of shirt breaks and before entry into the office, and providing to all employees face masks and PPE for the protective wearing, and publicizing through wire broadcasting of the Company, as well as campaigning the employees and contractors to be completely vaccinated for two doses to prevent the COVID-19, and supporting the local administrative agencies to provide the vaccination services to the communities in the locality. However, the Company estimated that the global and Thailand situations in 2022 will not be free from the COVID-19. Thus, the Company has prepared the Work From Home measure in case of necessity in order to ensure the safety of the employees and their families, and business partners, and ability to continuously deliver products and services to the customers. In addition, the Company has encouraged everyone to follow the advices of the Centre for COVID-19 Situation Administration 2019 (CCSA) and the warnings from Ministry of Public Health in the strict manner, and allowed the employees to Work From Home by using the digital technologies, for instance, teleconference, or determining to screen the employees and outsiders at all buildings/offices, and in the factory, by measuring the temperature, checking their timelines and wearing face masks every time of entering the Company in a strict manner, and daily publicizing the information about the COVID-19 pandemic via wire broadcasting system of the Company at lunch time in order that all employees and contractors who enter to work in the Company will be aware of information and report of the COVID-19 pandemic situation for continuously notifying the daily progress of the COVID-19 pandemic preventive measure in Thailand. Moreover, the Company has coordinated with the local administrative agencies to set up the FAI Center to support the employees who are infected with the COVID-19. Consequently, in 2021, the Company detected the infected persons in the Company but could control not to become Cluster.

### 2.2.2 Risk of Investment of the Securities Holder

Furukawa Electric Co., Ltd. sold all shares of the Company to CTJ Holdings2, Ltd. in 2020. CTJ Holdings2, Ltd. holds 20,280,280 shares of the Company or in the proportion of 42.25% of all voting shares of the Company.

The Company has still operated the copper tube manufacturing business with concurrent stability and growth and has still been listed company in the Stock Exchange of Thailand. The Company's business is the leader of the copper tube manufacturing industry in the future according to the determined action plan without the plan to change the Company's business and executive team.

The Company's management structure consists of:

- 1) The Board of Directors
- 2) The Audit Committee
- 3) The Executive Committee and Management Team

In the detail of the management structure, the scope of authority of each set of committees is clearly defined. All of the audit committee members of the Company are the Company's independent directors. Each member has knowledge and competence in business management and understands the financial statements and financial reports. Hence, they can help to operate the Company to be transparent and accountable. In addition, the Company establishes the policy relating to the entry into the connected transactions by the directors, executives, major shareholders, and persons that may have a conflict of interest, where the conditions with third parties will be firstly compared. Then the said transactions will be considered by the Audit Committee before proposing to the Board of Directors' Meeting for consideration and approval in the following order.

#### 2.2.3 Risk of Investment in Foreign Securities

- None -

### 3 Business Drive for Sustainability

#### 3.1 Policies and Goals of Sustainability Management

Fine Metal Technologies Public Company Limited operates the business under Ethics and Corporate Governance Code, together with environmental and social care by expecting to bring about the sustainable business development with transparency and corporate social responsibility. For the Company, the social, community, and environmental responsibility has not just been the extra activity of the Company, but it has been the main activity of the Company. However, the Company adheres the principle of operation with the business goals together with Corporate Social Responsibility or CSR. The Company is confident that the sustainable linkage of consumer and society is important for contributing to the development of the organization to be successful. Thus, the Company gives precedence to the quality of life, happiness, safety, and livelihood of the employees, customers, and all parties of stakeholders, as well as society and environment.

Throughout over 30 years of the business operation as the manufacturer and distributor of seamless copper tube that is the vital part of the industrial industry of refrigerators. The Company can produce the extensive products that fulfill the consumer needs, and take social and environmental responsibility for sustainability of the overall business and society, which is the part of normal business operation and the customers of the Company through both before and after sales services with sincerity, accountability, and creation of equality to shareholders, in accompany with social responsibility and return. The Company is committed to continuously carry out under the corporate social responsibility for the continual stability and sustainability.





## 1. Fair Business Operations

The fair business operations are important for the Company's practice on maintaining the relationships with the Company's customers based on the equity and fairness since this will make the related parties confident on the Company. The Company shall take into account the maximum satisfaction of the customers, and avoid the situation that may cause conflict of interest. The Company aims at maintaining the good and sustainable relationships both with the customers and suppliers of the Company by performing on fairness basis, adhering to the principle of ethics, and having virtue. The Company also promotes the employees to be honest in operation, and respect one another. However, the Company has set the fair guidelines for mutual observance of all employees by determining in Code of Business Conduct in the matter of fair operation. Throughout the past period, the Company has never had the litigating cases relating to the business operations that are lack of fairness at all. However, the following rule shall be adhered in the Company's fair competition.

- 1.1 The Company shall not seek for the confidential information of the trade competitors by dishonest or improper means, for instance, payment of consideration to the competitor's employee.
- 1.2 The Company shall not discredit the trade competitor with any way of accusation.
- 1.3 The Company shall not perform any act with the nature of infringement of intellectual properties or copyrights of other persons both in the country and abroad, and shall use the proper copyrighted products and services.
- 1.4 In the Company's business operations, the laws and rules relating to the trade competition and trade monopoly shall be properly observed.

- 1.5 The Company formulates the work rules in order to ensure that the organizational employees are aware and careful of sending news information and images related to the Company from personal communication devices through Application Networks, Social Media, and Social Networks to prevent the personal, organizational and social impacts.

However, the Board of Directors' Meeting held on 9 November 2018 studied the information and participation of Thai Private Sector Collective Action Coalition Against Corruption (CAC) Project for applying to join the Project. The Company has currently been under study on the participation with this Project.

## 2. Anti-Corruption

Fine Metal Technologies Public Company Limited operates the business by emphasizing on anti-fraud/ corruption, and supports and promotes the personnel at all levels to have consciousness on giving or receiving bribe, and corruption in all business activities of the Company. At the Company's Board of Directors No. 1/2558 held on 6 March 2013 established the "Anti-Corruption Policy in writing and announced for acknowledgement and strict observance all over the organization.

### Definition

Corruption means to perform or omission to perform in the position or abuse of the position in all forms whether giving or receiving bribe, offering, committing to give, request or demand in cash, asset, article or any other benefit, with the government officers, government agencies, private agencies or with any other persons that operate the business with the Company in order to wrongfully acquire any other improper business interests or any other interests that are improper both directly or indirectly, and any acts that are in conflict with the business ethics of the Company, unless it is the event that is allowed by laws, rules, notifications, regulations, local customs and traditions, or trade mores, to perform.

### Anti-Corruption Policy

The Company prohibits the directors, executives, employees, and workers of the Company to claim, take action, or accept the corruption both directly or indirectly for the business, organizational, personal, family, friend and acquaintance benefits, where the said prohibition covers all work units of the Company. The compliance with the anti-corruption policy is regularly inquired. If any violation or act that supports, assists, or collaborates the corruption are detected, the punishment will be considered pursuant to the Company's rules.

### Scope

This Policy is enforced with the Board of Directors, all executives, employees and workers of the Company, as well as the contractors and sub-contractors relating with the business operations of Fine Metal Technologies Public Company Limited. The Company anticipates that the business agents that are related or act on behalf of the Company comply with this Policy.

#### Practices pursuant to the Anti-Corruption Policy

According to corruption, the Company gives precedence to the abuse of acquired power or existing assets for the personal, family, friend, and acquaintance benefits that may cause damage to other persons' benefits. The Company deems that the corruption may be arisen in several natures, for instance, bribery for the government official through giving or receiving a bribe both in cash and article, availability of complicated interest, embezzlement, and concealment of fact, etc.

In the past, the Company has formulated a guideline for the proper conduct of the Board of Directors, the Executive, and employees in Code of Business Conduct, and Good Corporate Governance. The Company's directors, executives, employees, and workers are prohibited to perform any acts relating to all forms of corruption whether as the receiver or giver both in the monetary or intangible forms to the government agencies or private agencies with which the Company operates its business; and shall strictly comply with the Anti-Corruption Policy by not getting involved with corruption, not performing any behavior that indicates as receipt of bribe/bribery for the stakeholders in the matter that they have both direct or indirect duty and responsibility in order to acquire the illegitimate interest, including contacting the works with other related contractors/sub-contractors. The following shall be complied with.

1. In purchasing and procuring, the transparent and verifiable procedures shall be carried out pursuant to the Company's rules.
2. Not receive or give gift, cash, cheque, or article in similarity from or to the related parties both of the government agencies and private agencies, whom they contact and coordinate.
3. Not receive any asset, article, gift, present or other benefit as an inducement to omit their duty performance or for persuading the decision-making, or resulting in the receiver's breach of the same trade practice as other trade partners.
4. The spending for business entertainment and other spending relating to the execution of business contracts are allowed but the spending must be reasonable and verifiable.
5. The charitable donation must be carried out in the name of the Company only, and must be for the foundations, public charitable organizations, monasteries, schools, hospitals and healthcare centers or organizations that make the social interests, which are certified or reliable and accountable. The said donation must be carried out by following the procedures pursuant to the Company's rules. The Company has issued the rules and guidelines on donation and support provision for charitable donation as the guidelines in charitable donation.
6. The provision of grant-in-aid must be used from the money or assets of the Company, for supporting the projects, specifying the name of the Company as the donor only. The spent grant-in-aid must be for business purposes and build good images and reputations of the Company. The disbursement of such grant-in-aid requires the clear indication of objectives, the support of accountable proofs, and execution by following the procedures and rules of the Company.
7. The employees must not neglect or ignore in case where they perceive any act or behavior that is within the scope of corruption or implies to corruption with consequences that are directly and indirectly related to the Company. In such a case, the employees must inform their heads or persons in charge, and collaborate in the investigation. If there is any doubt or question, the employees should consult their heads or persons designated to be in charge in monitoring the compliance with this policy, through different channels set by the Company.

8. The Company shall provide the justice and protection for any employee who denies committing corruption or reports any case of corruption that is related to the Company.
9. Anyone who has committed corruption is deemed to violate the policy of the Company and is subjected to disciplinary punishments according to the rule of the Company, and may be subjected to legal punishment in case where the said act is illegal.
10. The Company's Board of Directors and the Executive Committee are aware of the importance of the dissemination of knowledge, the provision of consultation and the building of understanding with the organizational personnel and the related parties, about the anti-corruption in order to ensure that the personnel and related parties comply with the anti-corruption policy, and become the role models concerning honesty, good ethics and morality.
11. This anti-corruption policy shall cover the process of human resource management, from the personnel recruitment or selection to the promotion, training and evaluation of the employee performance, where the superiors of all levels are responsible for communicating with and building understanding with the employees, in order to be used in the business activities under their responsibilities, and efficiently supervise the compliance with this policy.
12. The Company and the employees must not take any action that is related to the politics within the Company. However, the Company is an organization that adheres to the political impartiality, and encourages the compliance with laws and democracy, and has no guideline for providing any political assistance to any political party, either directly or indirectly.  
In order to ensure that the employees within the organization are aware of the anti-corruption policy, the Company has publicized the said policy through the Company's communication channels, for instance, publishing the documents to be distributed to the employees, etc.

#### Corruption Complaint

1. When witnessing the commitment of corruption in connection with the organization either directly or indirectly, for instance, witnessing the persons within the organization offering/taking bribe with competent official of the government agency, private agency, trading partner companies, stores, and contractors.
2. When witnessing the acts that violate the procedures pursuant to the Company's practice or affecting the Company's internal control system to the extent that a doubt on the possibility of becoming the channel of corruption exists.
3. When witnessing the acts that cause the Company's loss of interest or the Company's reputation impact, notify by mail or send documents to the Managing Director or the Chairman of the Audit Committee.

#### Head Office

Fine Metal Technologies Public Company Limited  
183 Regent House Building, 14<sup>th</sup> Floor, Rajadamri Road,  
Lumpini, Pathumwan, Bangkok 10330

#### or Saraburi Factory

Fine Metal Technologies Public Company Limited  
213 Moo 4, Mitraparb Road, Km. 125,  
Tambol Tub-Kwang, Amphur Kaengkhohi, Saraburi Province 18260

4. In assessing the risk regarding corruption, the Company has already considered that it is necessary for establishing a guideline for complaining the internal corruption problems to prevent the occurrence of corruption within the Company. Therefore, the Company has issued the Company's notification dated 19 September 2018, prescribing the guidelines and complaining matters that are the violation of the rules or laws for the executives and the employees of the Company by specifying the scope of acts that are illegal, break the rule or law, or take a bribe, to make a complaint directly to the Managing Director via "Hotline to MD" in the suggestion box, or complain to the parent company that is the major shareholder, to check the other way. In addition, the Company has issued the rules and guidelines for donation and support in order to achieve the good operation within the organization and support the policy of Fine Metal Technologies Public Company Limited regarding the suitable appropriation of donations and for the recipient's benefit on the use for the purpose and effect, including supporting the prevention of corruption within the Company or occur with the employees at all levels.

In addition, the Company has established the donation and support policy for adherence and compliance of the executives and employees with this policy by expecting that the Company's donation and support shall be transparently taken place without involvement with political assistance and support. However, the donation for assistance is regarded as a basic virtue of coexistence, culture of good consciousness, availability of love and generosity to one another in the society, and non-selfishness, and also regarded as making friendship to mainly recognize the sake of community at large. The executives and employees have been notified for mutual acknowledgement and practice.

#### **Protection and Confidentiality Measure for Whistle-Blower of Corruption Information**

In order to protect the rights of the complainant and the informant who acts in good faith, the Company shall conceal the name, address or information of the complainant or informant, and keep all information confidential, by limiting to the person in charge of investigation on the complaint issues to be accessible to the said information only.

However, the person who acquires the information from duty performance relating to the complaint issues shall have duty to keep the information, complaints, and documentary evidence of the complainant and informant as confidential, unless it is the dutiful disclosure as required by laws only.

In the past 2021, the Company did not receive the corruption complaints both within and external organizations. The Company has reviewed to ensure that the Company's directors, executives and employees, as well as contractors who have entered to work with the Company, are transparent when entering into the transactions with each other. The documents indicating the guidelines for preventing corruption, giving or receiving various bribes, have been prepared.

Nevertheless, the Company has trained the employees at the management level and communicated the employees within the organization to be thoroughly informed on a periodic basis. The Company has been in the process of studying the guidelines to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC) Project

### 3. Fair Labour Treatment

The Company gives priority to all employees with the awareness that the employees are valuable human resources that enable the Company to operate the business toward the success based on the predetermined goals. Therefore, the Company has the policy to treat all employees equally and fairly, for instance, supervising working environment, supervising safety and hygiene at work place, as well as promoting learning and development of the work systems, appointment and transfer without discrimination, promoting equality without discrimination in terms of genders and classes, and fairly offering other non-monetary reward and welfare in the fair manner. The labour treatment is as follows:

- 3.1 To oversee the fair employment conditions and to ensure that the employees receive the suitable remuneration as prescribed by labor law;
- 3.2 To set the policies and guidelines concerning reward and other welfares. Apart from salaries, bonuses and provident fund as prescribed by law, the Company also provides additional welfares, for instance, free rice, provisions of cremation allowance for the deceased members of personnel's families, scholarship for the employee's children who are studying from the level of kindergarten, to high school or vocational college levels, and presents for children in community schools on the Children's Day, including organizing the retirement party to express a gratitude to the employees who work with the Company until their retirement;
- 3.3 To provide welfares to the employee, for instance, annual leave, personal leaves for taking care of hospitalized family member or wife who delivers birth, leave for attending funeral in case of the death of family member of the employee, and leave for the COVID-19 vaccination for safety of the employee and colleagues in the organization, proper overtime, allowance for medical fees of the employee and his/her family, annual health check, group insurance for accidents, and refund for the employee who does not use the annual leave at the end of the year;
- 3.4 In appointment, transfer and reward provision must be based on each employee's knowledge, capabilities, and suitability of the employees, as well as employee punishment, rules and regulations of the Company shall be considered with justice;
- 3.5 To supervise and maintain working environment to be safe for the employee's life and properties under the Company's concern on the day-long safety of the employee at work;
- 3.6 The Company establishes the policy to become "a company in which all employees can work safely with relaxing minds" by organizing several activities of safety of labors and in workplace, for instance.
  - Provide the yearly fire extinguishing drill and fire evacuation drill for readiness. In 2021, fire evacuation drill was organized on December under the training assistance from Kaeng Khoi Municipality;
  - Inspect the readiness of fire extinguishing instruments according to the determined plan.
  - The Company supplies PPEs for the operators based on the nature of job in order to make the operators confident and safe at work because safety is important for the business operations of the Company;
  - Prepare annual plan to mitigate safety impacts, for instance, targeting to reduce the occupational accidents up to the off stage to zero accident, and reduce the ratio of accidental injury and occupational illness ratio on target, campaign the occupational risk assessment of all employees

in order to find the concrete preventive and corrective measures, encourage the employees to know the analytical thinking through the KYT (Kiken Yoshi Training) activity doing, which means the analytical method for safety using the analytical or anticipation method that any hazards are latent in the jobs that must be performed and find the controlling and protecting method of the said hazards.

- To arrange training on the use of pacemakers and equipment for helping the patients in an ambulance.

- 3.7 To encourage the employees to work happily by improving the working environment in all aspects through survey, presentation, and follow-up for improvement on the monthly basis (Safety Kaizen);
- 3.8 To encourage and develop the employees to have the additional related knowledge and expertise all the time through the courses of the actions for green industry certificate, the quantitative risk assessment for health and safety, and techniques of production management for the supervisors, etc.;
- 3.9 To oversee, inspect, and provide the measurement of the environment in the factory and production process in order to prevent impacts on the health of the employees, other people in the factory, and members of nearby communities;
- 3.10 To have waste management systems that are permitted and licensed as prescribed by law; and
- 3.11 To develop HRMS system for facilitating the employees to enable to search for information about working, rules, welfare, and request for approval on leave and overtime, which allows all employees execute both in working hours and late working hours.

#### 4. Consumer Responsibility

With the policy of the Company stipulated that "Customer Satisfaction is Our Supreme Priority" and is a Company that customers can trust, making the Company and the employees committed to create customer satisfaction and confidence, taking care of and being responsible for customers through the constant awareness that the customers must receive good and quality products and services that meet the established standards, including strict compliance with the conditions and terms entered with the customers in the sustainable manners with the customers, not using the customer information for the benefit of the Company and the related parties. If the Company detects the problem of customer complaints on products and services, it will immediately take corrective action to resolve the problem together with the customer in order to minimize the customer's working impact, and come to conclusions with the customer, and deliver quality and standard products that meet the customer needs under fair conditions, and continuously develop products and services.

#### 5. Environmental Care

The Company is well aware of the importance of environment care and protection that may affect the employees, communities and society, through the legal compliance to prevent and avoid causing the pollution problems, especially global warming problem, which have currently impacted human life quality and environment. At the same time, the Company also supports the activities that take part in promoting the care and protection of environment and natural resources through the following practice.

- 5.1 To use resources in the efficient and maximum benefit manners, and seriously implement the energy conservation measures.
- 5.2 The Company has established the environmental policy, and managed the reduction of waste and pollution generation from production process focusing on maximum reduction of waste generation and minimum emission of pollution, and complied with the environment standards and related law,

such as waste water quality standard and air quality standard. In the past operations, the Company has complied with the requirements of the government agencies and encouraged to establish the guidelines for the environmental management and operations, which can be reflected through the consistent certification of ISO 14001 standards and the certification as Green Industry in Level 3 from the Ministry of Industry.

- 5.3 The Company has set the policy on energy and natural resource conservation in order to make the organizational employees aware of the energy conservation and the use of natural resources in the cost-effective manner with the awareness of the value, and have a brain-storming for the ways to reduce the use of energy or to increase the productivity in order to decrease the cost of energy. In addition, the Company has also set the goal for the maximum efficiency of resource usage from the executives as the measurable indicator.

In 2021, the test result of the factory environmental quality has met the standard criteria. The Company has hired United Analyst & Engineering Consultant Co., Ltd., to test the quality of environment, and the results are as follows:

- Quality of waste water: The test result of waste water quality is within the standard criteria required by law.
- Heat level, air quality, waste water quality, contaminating substance content (in the entire ecosystem): The test results is within the standard criteria required by law.
- Loudness level: The test result indicated that the loudness in some points where big machines are located together exceeds the standard value of the Company. The Company, through the Safety and Occupational Health Division, has implemented the activities for conserving hearing in order to educate the employees, and protect with PPE that meets the standards as set by law.
- Regarding the energy conservation, and resource usage campaign for value awareness and economical usage, as well as support on doing the activities related to the economical usage of resources, for instance, to switch off the light during lunch break, not to leave water running for nothing, to turn the air-conditioners off during a break and before the end of the day, to travel with carpool, to use both pages of paper, and to cut unnecessary colored printing, and to set up the Energy Conservation Committee by the Company to make annual energy conservation plan, for instance, to replace light bulbs in the factory and street lamps into LED bulbs, and to start installing the solar roof system to reduce power consumption in 2021.
- The Company has scheduled training on several working areas and conducted the test to receive specific working licenses such as licenses for fork-lift maneuvering and crane controlling, which the Company deems as the matter of safety at work for promoting and developing work skills and mitigating accidents at work.
- The Company has always strictly complied with the requirements of ISO 14001 Environmental Management Standard.

#### 6. Mutual Development of Community or Society

The Company always has the policy to promote and support the activities that are beneficial for communities and society for developing quality of life, building economy and strengthening the communities and society. However, for the sustainable coexistence benefit, the Company takes the following actions:

- 6.1 To build consciousness of social and environmental responsibility in the employees at all levels;
- 6.2 To promote employment in the community area where the factory is located;
- 6.3 To enforce the strict compliance with the environment law and labour law;
- 6.4 To evaluate the impacts from the business operation activities that affect safety and environment, on a monthly basis, set preventive and corrective measures, and appoint the person in charge of the aforementioned matters, and to monitor the matters; and
- 6.5 To collaborate with the educational institutes by accepting interns during a break between semesters or students who desire to be trainees while studying in order to allow the students to have chances to accumulate the experiences and practice on skills that are relevant to works and professions in the program of which the students are studying.

#### 7. Availability of Innovation and Dissemination of Innovation from the Operation in Social, Environmental, and Stakeholder Responsibility

The Company can operate business to grow continually and respond the customer needs. With the customer's expectation, the Company has constantly developed products and services with innovation and technology. The Company has emphasized on innovation that is deemed as the foundation of making a management plan that can contribute to the success of the Company's business operations according to the target.

## 3.2 Management of Impacts on Stakeholders in Value Chain of the Business

### 3.2.1 Value Chain of the Business

Sales and Marketing	Acquisition of Raw Materials	Production Process	Delivery	Product Usage	Waste Disposal
Stakeholders					
<ul style="list-style-type: none"> <li>- Customers</li> <li>- Agents</li> <li>- Trade Competitors</li> </ul>	<ul style="list-style-type: none"> <li>- Raw material manufacturers</li> <li>- Raw material suppliers</li> <li>- Raw material transporters</li> </ul>	<ul style="list-style-type: none"> <li>- Employees</li> <li>- Contractors</li> <li>- Shareholders</li> <li>- Financial institutions</li> <li>- Community, society</li> <li>- Government agencies</li> <li>- Investors</li> </ul>	<ul style="list-style-type: none"> <li>- Employees</li> <li>- Transportation Contractors</li> <li>- Shareholders</li> <li>- Financial Institutions</li> <li>- Community and society</li> <li>- Government agencies</li> <li>- Investors</li> </ul>	<ul style="list-style-type: none"> <li>- Customers</li> <li>- Product Users</li> <li>- Community and Society</li> </ul>	<ul style="list-style-type: none"> <li>- Community and Society</li> <li>- Waste Disposers</li> <li>- Product Users</li> <li>- Government Agencies</li> </ul>
Issues and Impacts					
<ul style="list-style-type: none"> <li>- Fair competition</li> <li>- Anti - Corruption</li> <li>- Product and service responsibility</li> </ul>	<ul style="list-style-type: none"> <li>- Human Rights</li> <li>- Fair treatment</li> <li>- Anti - Corruption</li> <li>- Environment</li> </ul>	<ul style="list-style-type: none"> <li>- Human rights</li> <li>- Labour treatment</li> <li>- Health and safety</li> <li>- Anti - Corruption</li> <li>- Energy usage</li> <li>- Weather change and pollution</li> <li>- Waste management</li> <li>- Disclosure of information, report of good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>- Human rights</li> <li>- Health and safety</li> <li>- Labour treatment</li> <li>- Anti - Corruption</li> <li>- Fair treatment</li> </ul>	<ul style="list-style-type: none"> <li>- Usage safety</li> <li>- Energy usage</li> <li>- Weather change</li> <li>- Product and service responsibility</li> </ul>	<ul style="list-style-type: none"> <li>- Health and Safty</li> <li>- Pollution</li> <li>- Disposal</li> </ul>

### 3.2.2 Analysis on Stakeholders in Value Chain of the Business

The stakeholders are highly important for the Company's sustainability for the helpful business operations in collaboration with the stakeholders. Therefore, the Company has established the stakeholder participation procedure, and taken into account the key issues as follows:

Group of Stakeholders	Expectation	Guidelines
Employees	<ul style="list-style-type: none"> <li>- Receipt of the good remuneration and welfares</li> <li>- Career growth</li> <li>- Occupational safety</li> <li>- Good quality of life in working</li> </ul>	<ul style="list-style-type: none"> <li>- Payment of the appropriate remuneration and welfares</li> <li>- Promotion of line progress that is consistent with the knowledge and competence</li> <li>- Setting up the Safety, Nearmiss, KYT, and Kaizen Activities Committee</li> <li>- Organizing the supporting activities for the projects to make the employees have better quality of life</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>- Continuous good return on investment</li> <li>- Good Corporate Governance</li> <li>- Disclosure of the adequate information for making the investment decision</li> </ul>	<ul style="list-style-type: none"> <li>- Shareholder and investor treatment, and good corporate governance according to the Code of Business Conduct Policy</li> <li>- Holding the Shareholders' Meeting, discourse of information, and preparation of Annual Report</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Quality products and punctual delivery at the appropriate price</li> </ul>	<ul style="list-style-type: none"> <li>- Development of products and services to continuously fulfill the various needs, as well as mutually operate business with fairness</li> <li>- Customer treatment with fairness and equality</li> </ul>
Community and Society	<ul style="list-style-type: none"> <li>- Business operations without causing the impact on the community's quality of life, environment, and society.</li> </ul>	<ul style="list-style-type: none"> <li>- Support on the community activities</li> <li>- No creation of negative impacts on community and society</li> <li>- Compliance with the principle of human rights and anti-corruption</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Fair and transparent selection</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with the procurement policy, agreement, and fair price competition</li> <li>- Compliance with the principle of human rights, and anti-corruption</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>- Fair and transparent competition</li> </ul>	<ul style="list-style-type: none"> <li>- Fair and transparent compliance with the Code of Business Conduct</li> </ul>
Financial Institutions	<ul style="list-style-type: none"> <li>- Compliance with the conditions and terms of the contract</li> <li>- Transparency of the business operations</li> </ul>	<ul style="list-style-type: none"> <li>- Disclosure of information and Annual Report</li> <li>- Good Corporate Governance</li> </ul>
Waste Disposers	<ul style="list-style-type: none"> <li>- Strict compliance with the agreements</li> <li>- Proper execution according to laws</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring, inspection, and execution of the waste disposer according to the rules prescribed by the government service.</li> </ul>
Government Agencies	<ul style="list-style-type: none"> <li>- Compliance with the prescribed laws</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with the relevant rules and laws</li> <li>- Payment of taxes and other expenses as specified by the government service rules</li> </ul>

### 3.3 Management of Sustainability in Environmental Dimension

#### 3.3.1 Environmental Policy and Guideline

Fine Metal Technologies Public Company Limited FMT, the producer of seamless copper tubes for the air-conditioning and refrigeration system, is aware of the value of this earth and the value of all humans on the earth, and prevention of the environment that is going to be the crucial problem of the earth. The Company will collaborate to protect the environment in all activities as the continual development support, for joyful society, and for health protection of the next generation.

##### Activities and Guidelines:

The Company has prescribed the conditions and guidelines of the activities for compliance with above policies as follows:

- 1) All performed activities must be based on the awareness on the environmental impact in order to prevent air pollution, water pollution, waste derived from the Company's activities and the continuous improvement of environmental protection and conservation activities.
- 2) The Company shall comply with other laws and requirements relating to the nature of the organizational environmental problems, as well as the customer requirements by determining as standards, objectives, and goals of the organizational environment.
- 3) Environmental problem in every working procedure shall be taken into account from the procedures of research and development, and design, and the Company is committed to deliver the environmentally friendly products.
- 4) In every production and delivery procedure of products, the Company focuses on the use of energy to generate worthiness and minimize pollutions, for instance, waste, air pollution, oil contamination-free waste water, and chemical for mitigating the environmental burden.
- 5) The Company shall set up and maintain the working group that is needed to be available for promoting the environmental conservation activities, for instance, environmental management system.
- 6) The Company shall provide knowledge to all employees to pay attention on the environmental protection. Moreover, the Company shall maintain and develop the understanding on this environmental policy, and more realize on prevention of the environmental problems.

#### 3.3.2 Environmental Performance

The Company gives precedence to the environmental care by operating the business through concern on the contingent environmental impact, as well as the guidelines for complying with the environmental care-related laws as per the following guidelines.

1. Determine the person in charge, and control activity of the business operations in order to avoid the environmental impact beyond the determined standard, take responsibility and take part in the environmental care, as well as control the use of wasteful resources of the Company.
2. Assess risks, organize activities, and formulate the accident prevention measures, and control the waste management according to the standards, and formulate the policies, measures, and activities for controlling the generation of waste, and disposal of the generated waste according to the determined standards.
3. Encourage the employees to be conscious and responsible for society and environment in production process according to the ISO14001:2015 environmental management system, and control the efficient resource usage.

In producing seamless copper tube of the Company from the production process of copper tube starting from melting and casting the copper bar until ending to be the finished copper tube product, it is discovered that waste derived from the production in all procedures is copper residue. The said copper residue can be entirely recycled for re-melting. Hence, in the production process of copper tube, there are no abundant raw materials causing the environmental impact at all.

Furthermore, in the melting process of copper, there may be waste gas derived from combustion of fuels of which natural gas and raw materials (Cathode and copper residue) are used. In this regard, the followings are installed in the copper melting system.

1. Blower System in the capacity of 940 cubic meter/hour for collecting waste air from furnace and delivering for treatment at Wet Scrubber System, which is the pollution treatment system with Wet Scrubber System at the area of copper furnace chimney in the capacity of not less than 59,000 cubic meter/hour.
2. Water in excess from circulation in production process is delivered to waste water well by eliminating oil slick and fat by Oil Skimmer and Oil Separator, and then aerated by Aerator before further discharging down to the public aqueduct.

In the case of water usage during the production process, there shall be the specific case of copper tube cooling water usage during casting process and the cooling water is used with machineries only. The said used water is cooled down using Cooling Tower System, and circulated for recycle.

Furthermore, Fine Metal Technologies Public Company Limited realizes on the importance of natural resources and environmental impact. However, the Company has carried out via the application for certification of ISO 14001:2004 Standard System, which is the international environmental management system standard. The Company has been firstly certified on March 2006 from TUV NORD (Thailand) Co., Ltd., and has audited for the system certification from the said institution on a yearly basis. On December 2017, the Company has audited for certification of the ISO 14001:2015 Environmental Management System, and received the Certificate of the Environmental Management System on 29 March 2018, and on December 2018, the Company has added the certification of the environmental management system of Marketing, Export, and Import Division, and has been promoted for investment of Bangkok Office. In addition, the Company has continuously audited for the system certification on a yearly basis, and most recently audited and received the certification on 29 March 2021, where the Certificate is effective to 28 March 2024.

However, the Company has yearly assessed the consistency of laws in every section in order to focus on the practice to be consistent with the environmental law. The Company has provided the internal audit of the quality system and environmental system in order to ensure that the quality of the said product shall be conforming to the standard, and emphasized on the organizational environment care, and concern on all parties of stakeholders who operate the business with the Company, for instance, customers, suppliers, shareholders, and labour, to perform to be consistent with the environmental management policy, and to avoid the external environmental

impact. The Company has also supervised and controlled the origin of waste inside the factory, and sorted out before delivering for disposal by the external agencies that are permitted from the Department of Industrial Works, Ministry of Industry. The Company shall properly comply with laws and build the employee consciousness of the environmental protection and maintenance.

The Company anticipates the importance of the appreciated resource usage by building the consciousness of the organizational employees to conserve the energy, campaigning all work sections to propose the participation in yearly doing the energy saving activities, and continuously doing the routine 5S activities of all work sections, and mutually minimizing the generation of waste in each activity.

#### Practice of Pollution Mitigation

1. Oil used in lubrication while drawing and rolling the tube shall be separated to eliminate the contaminants for recyclability. For the oil that is unable to be recycled is resold to be fuel by the disposal company that is permitted from the Department of Industrial Works, Ministry of Industry.
2. Dust and smoke derived from melting copper are treated with Wet Scrubber System before discharging out of the factory. In addition, pollution derived from other origins is controlled and used according to the requirements of law, and the environmental quality is inspected by the external agencies in order to ensure that the Company will not cause pollution that affects the environment.
3. Waste derived from production process in each step is taken out for disposal by separating the type of waste. The person who accepts to dispose shall be licensed and registered on taking out waste for legal disposal.
  - 3.1 Chemical-contaminated hazardous wastes, for instance, resin, filter element, electronic parts, spray can, NBR, copper test parts, oil-contaminated belt, used chemical, construction material scrap, desiccant, fiber glass, used electric lamp, chemical-contaminated container, ink jet copper tube, graphite parts, air filter carbon, chemical-contaminated rag, are disposed by Better World Green Public Company Limited.
  - 3.2 Fire Brick is disposed by Better World Green Public Company Limited and Foresee Corporation Company Limited.
  - 3.3 Used lubricant oil, used oil tank, and used hydrocarbon solvent are sold in form of recycle by Wangchula Development (2004) Company Limited.
  - 3.4 Chemical or oil-contaminated hazardous waste, for instance, oil-contaminated oil, oil-contaminated sediment, sludge from treatment system, machinery cleaning water, battery, and contaminated material, are disposed by Foresee Corporation Company Limited, and water-contaminated oil are taken for disposal by World Care Company Limited.
  - 3.5 Used oil-contaminated rag is taken out for disposal by Better World Green Public Company Limited, and abundant material scraps from production process, for instance, paper scrap, wood scrap, steel scrap, plastic scrap, and foam scrap are taken out for disposal by Malai Rungreang Group Limited Partnership, and Chor. Imlee Steel Trade 1999 Limited Partnership for sales as abundant material scraps.
4. Garbage from canteen is taken out for disposal by Thap Kwang Municipality and the Company makes service charge as defined by Thap Kwang Municipality at the monthly rate of 1,000 Baht (One Thousand Baht Only). The Company takes out the said garbage for monthly disposal.

5. Waste derived from the first aid room (infectious waste), for instance, from wound dressing and bathing, including used face masks, are delivered by the Company for disposal at Kaeng Khoi Hospital.
6. Small pieces of dry refuses from the office, leaf scraps, branches, and trimmed trees, are taken out by the Company for disposal at Better World Green Public Company Limited.
7. The Company assigns the person in charge to enter to yearly test the environmental quality, for instance, test air quality, waste water quality, noise and heat, etc. by complying with the environmental impact mitigation measures, and environmental quality monitoring and inspection measures, in order to prevent any impacts on the nearby communities or external environment.
8. In the work section of CSR, Environment and ISO (CEI) Department, the activity of oil separation from oil is carried out to increase the efficiency in oil stratification, enhance the treatment potential of oil-contaminated waste water, and reduce the waste content required for delivering to dispose, for instance, oil sludge, oil-contaminated water, etc. by preparing oil separator tank to support the management of oil-contaminated water delivered from Production Department and Departments that used oil in the factory. However, the oil layer with low impurity and usable quality is stratified and can be used for selling as blended fuel by the disposal company that is licensed by The Department of Industrial Works, Ministry of Industry. However, the Company has established the additional installation project for waste water treatment system before entering to treatment well in order to reduce the contaminated oil content before entering to the central waste water treatment system according to the standards of the Department of Industrial Works, and the relevant laws.
9. All work units that works on documents shall help sorting papers from working, and papers derived from delivering supplies, and articles, without delivery for disposal, but sorting to deliver for sale, in order to build the employee consciousness to mutually conserve the environment.
10. The Company launches the campaign of reduction of paper usage in the factory by using both pages of pager within the Company's activities.
11. The Company has started gradually installing the air treatment system for filtering the oil that is contaminated and diffused from the machinery in order to mitigate the oil pollution diffused in the air in the factory, and control to conform to the standards of the Department of Industrial Works before emission into the external environment.

In the past 5 years from 2017 to 2021, the Company has had no disputes or has not been sued about the environment.

#### Energy Conservation Project

Fine Metal Technologies Public Company Limited realizes on the importance of the natural resource consumption with maximum utilization, and the mitigation of environmental impacts particularly global warming problem due to the energy and natural resource consumption worldwide.

The executives of Fine Metal Technologies Public Company Limited and the employees within the organization are aware and emphasize on the efficient energy consumption in all procedures of production process. In 2021, the Company has targeted to improve the energy and resource consumption to be efficient under the control of the energy and resource consumption management to be consistent with the relevant laws. The Company's goal is to reduce the emission of greenhouse gas from the organizational operations, leading to a drive on the management of greenhouse gas emission reduction within the Company to be efficient in collaboration with the government sector. The executives have assigned the work units of Maintenance Department and Environmental Department to assess Carbon Footprint of Organization, and greenhouse gas content

emitted from the business operations in the organizational activities, for instance, from combustion of fuel oils, from the electricity usage, waste management and transportation services. The measurement is conducted in form of equivalent carbon dioxide, which is taken to analyze and find the significant causes of greenhouse gas emission as a direction for taking the information to assess and seek for a guideline for reducing the greenhouse gas occurred in the organization. The said goal promotes the organization and employees to be aware of the reduction on greenhouse gas emission that have both direct and indirect impacts on the environment, quality of life of the people in the society as currently arisen, as well as becomes a part of the social responsibility to bring about a sustainability.

The Company has been currently prepared the information and documents in order to participate in the Carbon Footprint of Organization Project to reduce the greenhouse gas emission content. Advance Energy Plus Co., Ltd. (AEP) has been assigned as the consulting firm to give advices on the proper and complete data collection and evidence prior to submission to Bureau Veritas (Thailand) Co., Ltd. to verify and certify the report of carbon footprint result of the Company for applying the Certification with "Thailand Greenhouse Gas Management Organization (TGO)" within this 2022

However, the Company's activity carried out in 2021 to support the Carbon Footprint of Organization Project is the installation of the solar roof power generation system at the building of the factory at Saraburi Province. The said electrical energy can be partially used in the manufacturing factory on February 2021. The Company, the executives and employees are committed to operate the business in order to promote the conservation of natural resources to be subsistent and mitigate the occurred environmental impact under the following objectives:-

1. To be the model of electrical energy cost and expense within the Company, whereas the electricity charge purchased from the Provincial Electricity Authority has tended to be higher in the future.
2. To join the environmental conservation through the promotion of power generation with alternative energy from solar or natural clean fuels for recycles in replacement of the fossil fuel usage.
3. To reduce the environmental pollution through the reduction of electrical energy consumption, contributing to a decrease in the producing level of the atmospheric carbon dioxide
4. To install Solar Roof to help reducing temperature of around 10°C.

This Solar roof project is a long-term project of the Company, it can reduced the Company's energy costs and also can reduce the impact of pollution from the environment. This Solar roof project able to produce renewable electricity as follow:

Electricity Generation Information	Unit	Y. 2021
Power Generation Quantity	Megawatt	146

Other energy management, the Company has the following actions:

**Control and Management of Electricity and Water** The Company's Energy Conservation Committee has established the factory energy usage campaign activities. The action result can reduce the energy and water usage as follows.

Energy Usage	Unit	Y. 2021	Y. 2020	Y. 2019
Electricity Usage Quantity	Megawatt	39,205,000	35,914,400	40,932,000
Ground Water Usage Quantity	Cubic Meter	229,720	209,927	269,301



### 3.4 Environmental Sustainability Management

#### 3.4.1 Respect for Human Rights

We comply with laws, regulations, and principles concerning fundamental human rights, respect human rights for all stakeholders, communities, and society, and do not violate fundamental rights. We also have a policy to ensure justice and job security for our employees, to support and promote, without discrimination, higher-level position and career commensurate with the knowledge and capabilities, to recognize the employment of people with disabilities, to care for our employees through the provision of welfare as required by law, and to treat our workers in a fair and just manner.

The Company has never received any complaint about a violation of human rights in the past. The Company's guidelines are as follows:

1. The human rights protection shall be supported and respected by keeping on inspecting and supervising the business not to be involved with the violation of human rights, for instance, not supporting forced labor, and resisting child labor.
2. The Company shall protect the employee's personal data under the Company's supervision.
3. The employees shall treat one another with respect and honor.
4. The nomination and feat-based performance consideration process shall be properly and fairly carried out

#### 3.4.2 Social Operation Results

The Company has a policy to support the activities that are useful for the society and environment, not just the extra activities of the Company. However, they are regarded as the crucial primary task that shall be continuously carried out together with the Company's business operations for continuous development. However, the Company always emphasizes social and environmental development through assistance and the creation of benefits in return to the society, community, and environment. The Company has established a written policy and trained everyone to build a good consciousness by protecting the environment both within and outside the Company with care and awareness of the responsibility for good citizenship, starting with environmental care, problem-solving, pollution prevention, not causing the impact. The Company has thoughtfully built the consciousness in all employees from the commencement of a serious doing 5S activities in all work units. The Company deemed that the promotion of 5S activities is essential for promoting the employees to have a good quality of life and efficiently work. It will contribute to the employees' happy operation effect and good quality of life toward their working. The Company promoted and supported the following activities that are useful for the society and environment in the period 2021



### Supporting the Local Administrative Agencies on Prevention of COVID-19 Pandemic

To prevent and mitigate the COVID-19 pandemic in Tub Kwang Sub-district, the Company, in collaboration with Tub Kwang Municipality, has set up a Factory Accommodation Isolation (FAI) Center for the COVID-19 infected persons in the factory or establishment to alleviate the burden of the COVID-19 infected patients. The Company anticipated that if the Company sets up FAI in the factory and if no employee is infected with COVID-19, it would cause the communities to lose the opportunity to have a quarantine and treatment place during the infection period. Therefore, in collaboration with Tub Kwang Municipality, the Company has opened the Community Isolation (CI) Center. The Company has supported the equipment, drinking water, CCTV, and overseer of the CI Center control for Tub Kwang Municipality. The CI Center could be opened at Tub Kwang Municipality 1 School (Samu Phrom) on 31 August 2021, where a certain number of the COVID-19 infected people used the services. In addition, the Company has also supported the vaccination for the people in Tub Kwang Municipality zone by supporting drinking water for the people who came for vaccination at Tub Kwang Municipality, and supporting lunch for the person who provided the vaccination services on the vaccination date.

### Provision of Rice to the Nearby Communities to Help Alleviating the Problem in the COVID-19 Pandemic Period

To alleviate the impact arising on the nearby communities during the COVID-19 pandemic period in Tub Kwang Municipality, the Company donated rice to the people in the communities in the area of Tub Kwang Municipality to alleviate the burden and relieve the impact of the people's loss of income in the community area surrounding the factory.



### Provision of Scholarship to the Employee's Children

The Company has also supported providing the scholarship to the employee's children by giving the yearly scholarship in the period before the opening of the first semester





### Supporting the Useful Social Activities

The Company has supported the organizing budget of Children's Day activities for the schools in the community, supported drinking water for the defense officers. The Company also mitigate road accidents for Tub Kwang Municipality during the yearly festival period, for instance, Songkran Festival and New Year Festival.



### Supporting the Disabled Persons

The Company has also supported and promoted the career of disabled persons by supporting the disabled persons to enter to sell lotteries inside the factory to promote job and income generation for the disabled persons.

## 4 Management Discussion & Analysis (MD&A)

### 4.1 Operation and Financial Position Analysis

In 2021, several waves of coronavirus disease 2019 (COVID-19) outbreaks were severe, resulting in a delay in the recovery of the Thai economy. The return of the novel coronavirus disease 2019 (COVID-19) epidemic in late 2020 and the widespread outbreak of the delta virus in Thailand in the third quarter of 2021 has resulted in much economic activity has been restricted under strict epidemic control measures for several months. The explosion has also spread to businesses and caused production line disruptions in some industrial and construction sectors. Vaccination has made significant progress. The outbreak in the country has eased. There has been a gradual relaxation of strict control measures. Economic activities can resume. As for the outbreak of the new strain of Omicron virus at the end of the year, it again raised concerns about the direction of economic recovery. Overall, the Thai economy in 2021 is likely to grow only slightly at 1.2% from a severe contraction in 2020 of -6.1%.

The air conditioner market, although 2020 will fall due to the epidemic of coronavirus disease 2019 (COVID-19), 2021 has recovered to the level of demand for air conditioners in 2019. It is expected that from 2022 onwards Measured growth rate CAGR (Compound Annual Growth Rate) will fluctuate from 3% to 5% as the Chinese market deteriorates. The relationship between the United States and China continues to decline, Causing Chinese air conditioner manufacturers to rush into Southeast Asia. Each air conditioning company is pushing for price-first business practices, and meeting environmental legislation is an issue that needs to be addressed.

In the year 2022, the Company predicts that there will be more production and exports in the electricity and air conditioning industry. Compared to 2021, in terms of positive factors, each country has already begun vaccination against the COVID-19. Government by helping people in the country with various projects starting from the end of 2020 until the present at the beginning of 2021, for the air conditioner market in Thailand has developed as an inverter that tends to increase demand every year because it is a product with fast cooling technology. It provides constant cooling and saves electricity It has higher efficiency and longer service life than conventional air conditioners, and the company is always aware of developing and producing products to meet customers' needs. Provide services to deliver products to customers on time with the fastest care and focus on service both before and after the sale, as well as maintaining a good relationship with customers all the time to increase the sales of the company's products to have more can generate profits to grow sustainably

According to the Company's operation results in the year 2021, the Company's net revenue from sales was Baht 7,185 million, increasing from 2020 by Baht 2,383million, being classified into revenue from local sales of Baht 4,043 million (or 56%) and revenue from the export of Baht 3,142 million (or 44%).

In 2021, the Company's net comprehensive income was Baht 224 million, increasing from 2020 by Baht 177 million or 374% due to an increase in sales volume, including the world copper price increasing and profit from hedging the raw material price of Baht 167 million.

#### Revenue from Sales

Net revenue from sales in 2021 was Baht 7,185 million, increasing from 2020 by Baht 2,383 million, being local sales of Baht 4,043 million or 56% and export sales of Baht 3,142 million or 44% due to an increase in sales volume, including the world copper price increasing

#### Other Income

Other income in 2021 was Baht 20 million derived from revenue from sales of copper slag and others and a net gain on the exchange rate of Baht 16 million, and gained on hedging of materials baht 167 million.

#### Cost and Expenses

The Company's total cost and expenses in 2021 were Baht 7,133 million, increasing from 2020 by Baht 2,425 million due to the world copper price increasing, including increases in sales volume.

#### Cost of Goods Sold

The total cost of goods sold in 2021 was Baht 6,905 million or 97% of total cost and expenses, increasing from 2020 by Baht 2,438 million due to the world copper price increasing.

#### Selling and Administrative Expenses

In 2021, the Company's total selling and administrative expenses were Baht 228 million or 3% of total costs and expenses. Selling expenses increased by Baht 18 million based on the increasing sales quantity, where sales quantity in 2021 was 22,482 tons, growing from 2020 by Baht 1,901 tons, Administrative expenses close to 2020.

#### Financial Cost

In 2021, the Company's financial cost was Baht 14 million, increasing by Baht 6 million from 2020 due to the Company exiting from the Furukawa Group's inter Group financial management policy in April 2020 due to the interest rate being lower than the bank. Therefore in 2021, the company borrowed all from the bank. The Company has a financial cost with the bank of Baht 14 million and has financial cost under leases (TFRS-16) was Baht 0.3 million.

#### Income Tax

In 2021, the Company's payable corporate income tax burden was Baht 55 million.

#### Operation Results and Profitability

The Company's product is a seamless copper tube sold to the customers in the required size by setting the sale price based on the cost of the world's copper market at the time of reaching the sales agreement according to the conditions of each customer. In 2021, the Company's other net comprehensive income-net was Baht 224 million, increasing from 2020 by Baht 177 million or 374% due to an increase in sales volume, including focusing on increasing sales from high-profit products (Heat pipe, Taper pipe, and Capillary tube)

In 2021 the company had a net profit from the foreign exchange rate of Baht 16 million.

#### Asset Management Ability

1. Most debtors are trade partners who have a long relationship and payment history in good criteria. The Company's new customer policy is to sell with payment term in cash or deposit of a letter of guarantee from commercial banks. The Company hedges the risks for the debtors that may have a problem later.
2. Inventories are copper tubes, our main products, which can be re-used in the production process when defective products are generated. Therefore, no impairment loss is required, and on allowance for devaluation of product is recorded.
3. The Company has not had goodwill and impairment.

## 4.2 Factors or Events that may significantly affect Financial Position or Forward Looking Operations.

Copper prices have been on an upward trend since March 2020. If this upward trend continues over the medium - to long-term, the market price of copper, the primary raw material of our products, will continue to rise.

1. This may lead to a sharp rise in the retail price of our copper pipe products, leading to an increase in end-users switching to alternative products and a leveling off in the market.
2. A rise in copper prices could lead to an increase in inventory valuation and accounts receivable - trade, leading to an increase in the Company's working capital and an increase in external liabilities, leading to a rise in interest expenses

## 4.3 Statement of Financial Position

#### Assets

As of 31 December	Y. 2021		Y. 2020		Y. 2019	
	Baht	%	Baht	%	Baht	%
Current assets						
Cash and cash equivalents	104,011,660	3.12	92,009,488	2.99	14,690,278	0.53
Trade receivables	1,606,493,484	48.12	1,532,168,847	49.77	1,592,597,861	57.74
Other receivables	60,919,379	1.82	55,787,904	1.81	31,110,195	1.13
Inventories	1,128,288,143	33.79	899,258,756	29.21	684,650,213	24.82
Other current financial assets	16,691,201	0.50	87,482,718	2.84	-	-
Total current assets	2,916,403,867	87.35	2,666,707,713	86.63	2,323,048,547	84.23
Non-current assets						
Property, plant and equipment	374,030,179	11.20	355,972,974	11.56	385,676,575	13.98
Right-of-use assets	6,208,252	0.19	7,829,201	0.25	11,680,502	0.42
Intangible assets	12,001,815	0.36	8,426,460	0.27	7,531,705	0.27
Deferred tax assets	27,634,281	0.83	36,970,652	1.20	27,658,051	1.00
Other non-current assets	2,442,353	0.07	2,441,753	0.08	2,441,453	0.09
Total non-current assets	422,316,880	12.65	411,641,040	13.37	434,988,286	15.77
Total assets	3,338,720,747	100.00	3,078,348,753	100.00	2,758,036,833	100.00

As of 31 December	Y. 2021		Y. 2020		Y. 2019	
	Baht	%	Baht	%	Baht	%
Liabilities and equity						
Current Liabilities						
Short-term borrowings from financial institutions	888,000,000	26.60	825,000,000	26.80	100,000,000	3.63
Trade payables	476,356,679	14.27	339,734,556	11.04	437,677,625	15.87
Other payables	47,884,690	1.43	29,933,016	0.97	32,052,843	1.16
Current portion of lease liabilities						
Due within one year	3,941,320	0.12	4,286,444	0.14	4,333,606	0.16
Short-term loan from related parties	-	0.00	-	0.00	405,777,700	14.71
Income tax payable	30,641,803	0.92	15,339,494	0.50	13,580,311	0.49
Other current financial liabilities	18,309,582	0.55	133,204,950	4.33		
Other current liabilities	16,970,867	0.51	16,218,856	0.53	13,809,380	0.50
<b>Total current liabilities</b>	<b>1,482,104,941</b>	<b>44.39</b>	<b>1,363,717,316</b>	<b>44.30</b>	<b>1,007,231,465</b>	<b>36.52</b>
Non-current liabilities						
Lease liabilities	2,732,094	0.08	4,391,176	0.14	7,881,949	0.29
Provision for employee benefits	135,946,261	4.07	138,141,011	4.49	137,613,600	4.99
<b>Total liabilities</b>	<b>1,620,783,296</b>	<b>48.55</b>	<b>1,506,249,503</b>	<b>48.93</b>	<b>1,152,727,014</b>	<b>41.80</b>
Equity						
Share capital-ordinary shares, per value at Baht 10 per share						
Authorised share capital	480,000,000	14.38	480,000,000	15.59	480,000,000	17.40
Issued and paid-up share capital	480,000,000	14.38	480,000,000	15.59	480,000,000	17.40
Share premium on ordinary shares	507,500,000	15.20	507,500,000	16.49	507,500,000	18.40
Accumulated profits (loss)						
Appropriated legal reserve	48,000,000	1.44	48,000,000	1.56	48,000,000	1.74
Unappropriated	680,820,215	20.39	542,685,657	17.63	569,809,819	20.66
Gain (loss) on cash flow hedges	1,617,236	0.05	(6,086,407)	(0.20)		
<b>Total equity</b>	<b>1,717,937,451</b>	<b>51.46</b>	<b>1,572,099,250</b>	<b>51.07</b>	<b>1,605,309,819</b>	<b>58.20</b>
<b>Total liabilities and equity</b>	<b>3,338,720,747</b>	<b>100.00</b>	<b>3,078,348,753</b>	<b>100.00</b>	<b>2,758,036,833</b>	<b>100.00</b>

Statement of comprehensive income

As of 31 December	Y. 2021		Y. 2020		Y. 2019	
	Baht	%	Baht	%	Baht	%
Revenues						
Revenue from sale of goods	7,185,293,607	97.26	4,802,012,744	99.67	6,066,619,519	100.01
Gain on copper hedging and service fee	166,505,084	2.25	0	0	0	0
Ner gain on foreign exchange	15,764,306	0.21	9,016,651	0.19	(5,940,552)	(0.10)
Oher income	20,051,553	0.27	6,744,661	0.14	5,242,495	0.09
<b>Total revenues</b>	<b>7,387,614,550</b>	<b>100.00</b>	<b>4,817,774,056</b>	<b>100.00</b>	<b>6,065,921,462</b>	<b>100.00</b>
Cost and expenses						
Cost of sale of goods	6,905,487,452	93.47	4,467,344,209	92.73	5,601,023,037	92.34
Distribution cost	120,496,605	1.63	102,110,082	2.12	140,490,990	2.32
Administrative expenses	107,393,267	1.45	107,888,002	2.24	121,820,496	2.01
Loss on copper hedging and service fee	0	0	30,494,387	0.63	35,329,620	0.58
Foreign exchange loss	0	0	0	0	5,940,552	0.10
Finance cost	14,317,173	0.19	8,385,137	0.17	11,304,915	0.19
Hedging gain (loss) for hedge of group of items with off-setting risk positions	34,474,296	0.47	(42,873,897)	(0.89)	0	0.00
Executives compensation		0.00		0.00		0.00
<b>Total expense</b>	<b>7,113,220,201</b>	<b>96.29</b>	<b>4,759,095,714</b>	<b>98.78</b>	<b>5,909,969,058</b>	<b>97.43</b>
<b>Profit before income tax</b>	<b>274,394,349</b>	<b>3.71</b>	<b>58,678,342</b>	<b>1.22</b>	<b>155,952,404</b>	<b>2.57</b>
<b>Tax expense</b>	<b>54,882,107</b>	<b>0.74</b>	<b>11,610,243</b>	<b>0.24</b>	<b>31,091,954</b>	<b>0.51</b>
<b>Profit for this year</b>	<b>219,512,242</b>	<b>2.97</b>	<b>47,068,099</b>	<b>0.98</b>	<b>124,860,450</b>	<b>2.06</b>
Items that will not be reclassified to profit or loss						
Loss on remesaurements of defined benefit plans	(4,222,105)		-		-	
Income tax relating to items that will not be reclassified	844,421		-		-	
Items that will be reclassified subsequently to profit or loss						
Gain on cash flow hedges	9,629,554		148,192		-	
Income tax relating to items that will be seclassified	(1,925,911)		(29,638)		-	
<b>Total comprehensive income for this year</b>	<b>223,838,201</b>		<b>47,186,653</b>	<b>0.98</b>	<b>124,860,450</b>	<b>2.06</b>
Unapproproated retained earnings (loss) at the beginning of the year	542,685,657		569,809,819	11.84	524,030,606	8.64
The effect of the change in account policy		0.00	3,807,739	0.07	(1,081,237)	(0.02)
Allocated for reserve funds		0.00	-	0.00	-	0.00
Dividend payout	(78,000,000)		(78,000,000)	(1.62)	(78,000,000)	(1.29)
Retained earnings - unappropriated	680,820,215		542,685,657	11.26	569,809,819	9.39
<b>Basic earnings per share</b>	<b>4.57</b>		<b>0.98</b>		<b>2.60</b>	

## Statement of cash flows

As of 31 December	Y. 2021 (Baht)	Y. 2020 (Baht)	Y. 2019 (Baht)
Cash flow from operating activities			
Profit for the year	219,512,242	47,068,099	124,860,450
Adjustment to reconcile profit to cash receipt (payment)			
Depreciation and amortization	71,800,755	71,528,545	73,137,709
Allowance for impairment of machinery and equipment		-	-
Allowance for impairment of consumables reverses the allowance for reduced inventories		-	-
Finance costs	14,317,173	8,385,137	11,304,915
Doubtful debt		-	-
Tax expense	54,882,107	11,610,243	31,091,954
Unrealised (gain) loss on foreign exchange	(994,213)	1,033,889	(769,382)
Loss on amortization of fixed assets			
Unrealised (gain) loss on derivatives	(34,474,296)	42,873,897	
Gain on dispose of equipment	(12,228)	(3,892)	(201,965)
Provision for employee benefits	14,473,713	12,943,191	42,517,856
	339,505,253	195,439,109	281,941,537
Change in operating assets and liabilities			
Trade receivables	(74,330,487)	58,226,233	37,813,277
Inventories	(229,029,387)	(214,608,543)	107,551,810
Vat awaiting refund	-	-	-
Other receivables	(5,131,475)	(24,677,709)	34,324,679
Other non-current assets	(600)	(300)	(67,964)
Trade payables	137,622,186	(96,774,178)	(210,294,704)
Other payables	3,309,996	(2,239,838)	(8,284,162)
Income tax paid	(31,324,917)	(18,593,994)	(43,506,355)
Other current liabilities	714,645	(78,470)	581,232
Employee benefit paid	(20,890,568)	(12,415,780)	(12,357,220)
<b>Net cash from (used in) operating activities</b>	<b>120,444,646</b>	<b>(115,723,470)</b>	<b>187,702,130</b>
Cash flows from investing activities	-	-	-
Cash payment to purchase of plant and equipment	(68,982,039)	(35,602,453)	(27,019,658)
Cash payment to purchase of intangible assets	(5,722,565)	(2,497,326)	(2,027,891)
Cash receipts from sale of equipment	17,992	6,075	282,874
<b>Net cash used in investing activities</b>	<b>(74,686,612)</b>	<b>(38,093,704)</b>	<b>(28,764,675)</b>
Cash flow from financing activities			
Proceeds from borrowing from financial institutions	2,833,000,000	6,780,000,000	2,600,000,000
Proceeds from borrowing from related party	-	-	4,657,117,214
Interest paid	(13,788,092)	(8,331,428)	(11,197,240)
Repayment of borrowing from financial institutions	(2,770,000,000)	(6,055,000,000)	2,500,000,000
Repayment of borrowing from related party	-	(1,720,463,705)	(4,815,744,792)
Dividends paid	(77,962,634)	(75,512,054)	(75,540,690)
Payment of lease liabilities	(5,005,136)	(4,242,434)	(6,704,648)
Loan fee	-	-	-
<b>Net cash from (used in) financing activities</b>	<b>(33,755,862)</b>	<b>231,136,384</b>	<b>(152,070,156)</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,002,172</b>	<b>77,319,210</b>	<b>6,867,299</b>
Cash and cash equivalents at 1 January	92,009,488	14,690,278	7,822,979
Cash and cash equivalents at 31 December	104,011,660	92,009,488	14,690,278

### Summary of Financial Ratio

As of 31 December	Unit	Y. 2021	Y. 2020	Y. 2019
<b>LIQUIDITY RATIO</b>				
CURRENT RATIO	Times	1.97	1.96	2.31
RECEIVABLES TURNOVER	Times	4.58	3.07	3.76
COLLECTION PERIOD	Days	78.63	117.13	95.65
ACCOUNT PAYABLE TURNOVER	Times	16.92	11.49	10.31
PAYMENT PERIOD	Days	21.27	31.32	34.93
INVENTORY TURNOVER	Times	6.81	5.64	7.59
INVENTORY TURNOVER PERIOD	Days	52.85	63.82	47.46
<b>PROFITABILITY RATIO</b>				
GROSS PROFIT MARGIN	%	3.89	6.97	7.67
NET PROFIT MARGIN	%	2.97	0.98	2.06
RETURN ON EQUITY	%	13.61	2.97	7.89
<b>EFFICIENCY RATIO</b>				
RETURN ON TOTAL ASSETS	%	6.57	1.53	4.53
ASSET TURNOVER	Times	2.15	1.56	2.20
FIXED ASSET TURNOVER	Times	19.21	13.49	15.73
<b>FINANCIAL POLICY RATIO</b>				
DEBT TO EQUITY	Times	0.94	0.96	0.72
INTEREST COVERAGE	Times	20.17	8.00	14.80

## 5 Others Reference.

### 5.1 Information of Others Reference.

<u>Securities' Registrar</u>	Thailand Securities Depository Co., Ltd. (TSD) Group of the Stock Exchange of Thailand 93, 14 <sup>th</sup> Floor, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400 Telephone 02 - 009 - 9000 Facsimile 02 - 009 - 9991 Website <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a> E-Mail SETcontactCenter@set.or.th
<u>Auditor for 2021</u>	1. Mr. Songchai Wongpiriyaporn Certified Public Accountant No. 10996 ; or 2. Miss Sirinuch Vimolsathit Certified Public Accountant No. 8413 ; or 3. Mr. Sumate Jangsamsee Certified Public Accountant No. 9362 KPMG Phoomchai Audit Limited 1 Empire Tower Building, 50 <sup>th</sup> Floor Sathon Tai Road, Yannawa Sub-district, Sathon District, Bangkok 10120 Telephone 02 - 677 - 2000 Website <a href="http://www.kpmg.co.th">http://www.kpmg.co.th</a> Internal Auditor EY Corporate Services Limited 193/136-137, 33 <sup>rd</sup> Floor, Lake Ratchada Building, Klong Toei District, Bangkok 10110 Telephone 02 - 264 - 9090 Ext. 77071 Facsimile 02 - 264 - 0789 - 90 Website <a href="http://www.ey.com">http://www.ey.com</a>

### 5.2 Others Key Information

- None -

5.2.1 Other information that may significantly affect the investor's decision-making

- None -

5.2.2 Limitation of the foreign shareholders in case where the Company has the policy to request for the resolution of the Shareholders' Meeting in offering for sale of shares for capital increase or issuing Transferable Subscription Right or TSR of Shares for Capital Increase to the shareholders in the shareholding proportion, without issuing and offering for sale to the shareholders to make the Company have duty pursuant to the foreign laws.

- None -

### 5.3 Legal Disputes

- None -

### 5.4 Secondary Market

- None -

### 5.5 Regular Contact Financial Institutions (Particularly In Case of Debt Instrument)

- None -

# Corporate Governance



## Part 2

# Corporate Governance

### 6 Corporate Governance Policy

#### 6.1 Overview of the Corporate Governance Policy and Guideline

The Board of Directors establishes the policy to comply with the principle and code of best practices for the directors of the Company to be conforming to the Code of Best Practices for Directors of Listed Company according to the guideline of the Stock Exchange of Thailand. However, the legislations are prescribed and adhered as the actual guideline. In addition, the Company has adopted the Corporate Governance Code as the guideline for developing the policy covering the rights and equality of shareholders and stakeholders, structures, roles and duties, responsibilities and independence of the Board of Directors, disclosure of information and transparency, risk control and management, as well as business ethics, for the efficient and transparent management and operation of the Company's business.

The Company realizes and emphasizes on the efficient, transparent, and verifiable management system, causing the confidence with all related parties, and resulting in the sustainable growth under operation with Code of Conduct and compliance with relevant laws. Therefore, the Company has established the good corporate governance policy that is obvious and concretely complied with so that everyone within the organization is encouraged to strictly comply.

#### 6.2 Code of Business Conduct

The Company has prepared the practices relating to the code of conduct of the Board of Directors, Administration, and employees for adherence of the related parties as the guideline for duty performance according to the Company's tasks with integrity, honesty, and justice, and has regularly reviewed on the treatment to the Company, and stakeholders in the public and social group. The related parties shall be informed and observed, and the Company shall constantly communicate with the employees and regularly comply with the said guideline, as well as impose the disciplinary penalty.

#### 6.3 Significant Change and Development of the Corporate Governance Policy, Guideline, and System in the Previous Year

The Company manages by adhering to the guideline according to the Corporate Governance Code by continuously realizing on the significance and responsibility toward the Company's shareholders and stakeholders, and the Board of Directors gives precedence to the compliance with the Corporate Governance Code to enhance the confidence for the shareholders, investors, stakeholders, and all related parties. The corporate governance policy, business ethics and code of business conduct guideline, and operation policy and manual are established as the practical guideline. In 2021, the Board of Directors and the management have reviewed the following policies and guideline.

### Corporate Governance Policy

The Company has reviewed the good corporate governance policy and updated the policy to be consistent with the Rules of Compliance with the Corporate Governance Code or CG Code for Listed Companies as the code for applying by the Board of Directors as the guideline for corporate governance. The principle of CG Code consists of eight categories focusing on the roles and duty performance of the Board of Directors, as a key mechanism for driving and corporate governance of the Company to sustainably and reliably have the long-term good turnover for the shareholders and stakeholders as follows.

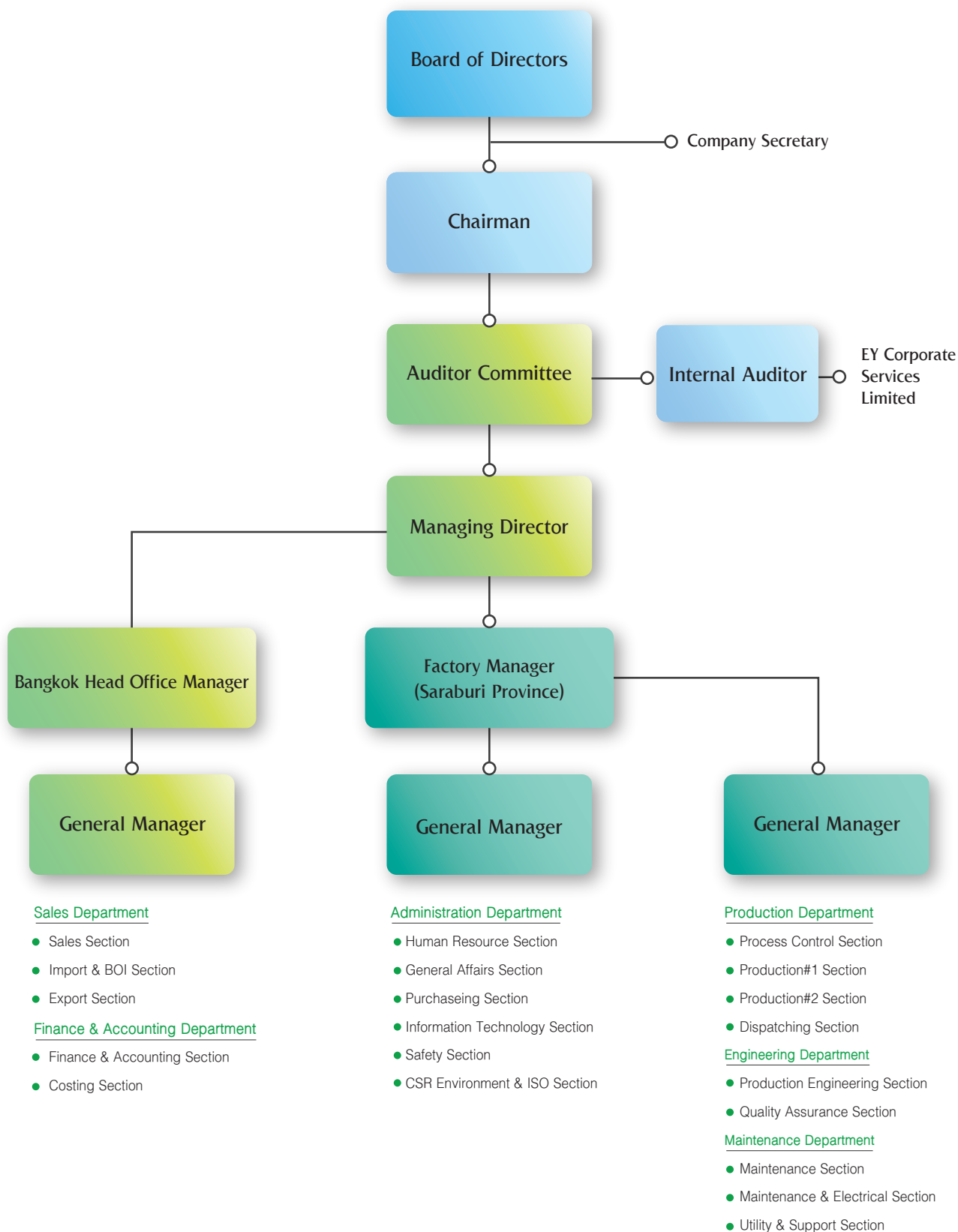
1. Realize on the roles and responsibilities of the Board of Directors as the corporate leader who creates the sustainable business value.
2. Define the objectives and goals of the entity that is taken place for sustainability.
3. Strengthen the effective Board of Directors.
4. Nominate and develop the top management and personnel management.
5. Promote the responsible innovations and business operations.
6. Supervise to have the appropriate risk management and internal control systems.
7. Maintain the financial reliability and disclose of information.
8. Support the participation and communication with the shareholders.

The Company has formulated the additional guideline that should be corrected and improved by the Company to be appropriate for the Company's situation and assigned the Board of Directors to consider and review the appropriateness on adaptation of the CG Code.

The Company has complied with the Quality Assessment Project for the Listed Companies' AGM prepared by the Thai Investors Association, with the objectives to promote the listed companies to give precedence to the Annual General Meeting of Shareholders, and maintain the standards of the Annual General Meeting of Shareholders to be internationally accepted. In 2021, the Company has been improvingly assessed compared with 2020, but has not yet earned 100 scores according to the Quality Assessment Project for Annual General Meeting of Shareholders (AGM). The Company will further improve the holding of Shareholders' Meeting to be consistent with the rules for holding the good Annual General Meeting of Shareholders.

## 7 Corporate Governance Structure and Important Information about the Board Sub-committees, Executives, and Others

### 7.1 Corporate Governance Structure



## 7.2 Information of the Board of Directors

### 7.2.1 Composition of the Board of Directors

The Board of Directors as at 31 December 2021 consists of 14 persons as follows.

- Executive Directors of the Company 3 Persons
- Non-Executive Directors of the Company 6 Persons
- Independent Directors (or 1/3 of the directors for the whole Board) 5 Persons

The proportion of the Company's independent directors has been at 1/3 level of the directors for the whole Board. The Company's structure determines that the Company's Chairman of the Board as the Managing Director. Therefore, it is confident that the said directors have fully performed their duties as the representative of the shareholders, with the appropriate checks and balances. However, all independent directors can independently perform their tasks and express their opinions, or report as it should be possible according to the tasks entrusted by the Board of Directors.

### 7.2.2 Information of the Directors and Regulator of the Company

- In 2021, the Board of Directors of Fine Metal Technologies Public Company Limited consists of 14 directors in total where there are 5 non-executive independent directors appointed by the resolution of the Shareholders' Meeting. At every Annual General Meeting of Shareholders, at least one-third (1/3) of the directors shall vacate the office. However, in election of the directors, one shareholder shall have votes equaling to 1 share per 1 vote and use all existing votes to elect one person or more as director(s).
- The rate of remuneration received by the Board of Directors is allowance meeting as resolved and specified at the Shareholders' Meeting at the appropriate rate.
- The Board of Directors can select the qualified person to hold the office of the Chairman of the Board, Managing Director, and other positions as deemed appropriate
- The Board of Directors has duty to establish the policy guideline, business plans and strategies, and control the Company's operations, where the Managing Director as the Chief of the Management is responsible for the Board of Directors to supervise the business operations, and operations of the Company according to the Board of Directors' policy.
- The Board of Directors is responsible for managing all businesses of the Company, and has authority to execute within the scope of laws, objectives, and Articles of Association of the Company, and according to the resolution of the General Meeting of Shareholders, and has power to perform any acts as specified in Memorandum of Association, or related to the said undertakings. The Board of Directors may entrust one person or more to perform any works in lieu of the Board of Directors to be consistent with the Board of Directors' policy guideline.
- The authorized directors who sign to bind the Company are two directors who countersign and affix the Company's seal. However, the Shareholders' or Board of Directors' Meeting have power to enlist the authorized directors who sign to bind the Company.

The Board of Directors of the Company as of December 31, 2021 consists of

1	Mr. Chai	Sophonpanich	Chairman
2	Mr. Junichi	Ishihara	Director and Managing Director
3	Mrs. Chanida	Asdathorn	Director
4	Mr. Hideki	Shiraishi	Director
5	Mr. Nobutaka	Taniguchi	Director
6	Mr. Yoshihiko	Mezaki	Director
7	Mr. Shingo	Nishijima	Director
8	Mr. Tinnakorn	Asdathorn	Director
9	Mr. Hideki	Takayasu	Director
10	Mr. Vibul	Aunsnunta	Chairman of the Audit Committee and Independent Director
11	Mr. Chor Nun	Petpaisit	Audit Committee Member and Independent Director
12	Mr. Akira	Fujita	Audit Committee Member and Independent Director
13	Mr. Deja	Tulananda	Independent Director
14	Mr. Iruru	Hidaka	Independent Director

### 7.2.3 Information of the Roles and Duties of the Board of Directors

The Board of Directors consists of the persons who have knowledge and competence, diversity of career, race, and sex, well understand the roles, duties, and responsibilities, play the key roles in governing, auditing, and assessing the Company's operations, have authority to operate the Company, and to operate the Company's businesses according to the laws, Articles of Association, and resolution of the Shareholders' Meeting with honesty and integrity, and participate in establishing vision, mission, strategy, goal, business plan, and budget of the Company, as well as govern the Administration to efficiently and effectively execute according to the established business plan and budget in order to add the maximum economic value for the business and maximum security for the shareholders.

In addition, for segregating the authority on establishing the Company's policy and management to be clearly separated, the Company determines that the Chairman of the Board and the Managing Director are the different persons.

#### Authorities of the Chairman of the Board

1. Call the Board of Directors' Meeting, and preside over the Board of Directors' Meeting, and the Shareholders' Meeting, as well as play the role in defining the meeting agenda together with the Managing Director.
2. Play the role to control the Meeting to be efficient according to the rules and regulations of the Company, support and give the opportunity to the Company's Board of Directors to independently express the opinions.
3. Oversee the communication between the directors and shareholders to be efficient.
4. Support and promote the Board of Directors to perform the duty with all its ability according to the scope of authorities and responsibilities, and according to the Corporate Governance Code.

5. Oversee and monitor the management of the Board of Directors, and other sets of Committees to achieve the defined objectives.
6. Being a cast voter in case where the Board of Directors votes and a tie of both parties exists.

#### Authorities of the Board of Directors

1. Oversee and manage the Company to operate the business according to laws, the Company's objectives, and Articles of Association, as well as resolution of the Shareholders' Meeting.
2. Have power to select one director as the Chairman of the Board.
3. Have power to appoint one director as the Managing Director who has the authority as deemed appropriate by the Board of Directors.
4. Have power to consider enlisting and revising the names of the authorized directors who sign to bind the Company.
5. Approve the appointment of the new directors in replacement of the directors who retire by rotation.
6. Approve the Company's entry into the connected transactions according to the criteria of the Capital Market Supervisory Board.
7. Approve the Company's financial statements.
8. Approve the opening and closing the Company's accounts with the banks.

#### Responsibilities of the Board of Directors

The Board of Directors performs the duty to establish the policies, visions, strategies for business operations, goals and budget of the Company, as well as efficiently supervise the Management, control and manage according to the established policies under the Company's objectives and Articles of Association, and resolution of the Shareholders' Meeting, with responsibility, integrity, and diligence according to the code of best practices. The Company's Board of Directors also control and audit the management of the Management to be transparent and in line with the code of conduct of the good management and employees, oversee the communication and disclosure of the Company's information to be appropriate.

The Board of Directors operates according to the securities and exchange law, the set of regulations of the Office of the Securities and Exchange Commission, the requirements of the Stock Exchange of Thailand, practices for the directors of the listed companies of the Stock Exchange of Thailand, as well as the Capital Market Supervisory Board, and the relevant laws of the Company's business operations.

#### Duties of the Board of Directors

1. Oversee and manage the Company to operate the business according to laws, the Company's objectives and Articles of Association.
2. The Board of Directors prudently and carefully consider selecting the qualified persons without prohibited characteristics by law in order to propose the shareholders to approve to be the directors through the screening or consideration process of the Board of Directors.

3. The Board of Directors shall hold the Shareholders' Meeting, and convene at least once in a quarter. The Company's directors shall schedule the meeting date of the following year in advance, where at least four (4) meetings shall be held in each year, and propose to the Board of Directors' Meeting for considering at the last meeting of the year. In 2021, the meetings were scheduled on February, April, August, and November, so that all directors of the Board can mutually plan and attend the Meeting.
4. The Board of Directors shall prepare balance sheet, and profit and loss account at the ending date of the Company's accounting year, and propose to the Shareholders' Meeting in the Annual General Meeting of Shareholders for considering and approving these balance sheet, and profit and loss account. The Board of Directors shall assign the auditor to complete the audit before proposing to the Shareholders' Meeting.

#### Authorities and Responsibilities of the Executive Directors

1. Have duty to manage the Company's business according to the Company's business operation objectives and pursuant to the policies established by the Board of Directors.
2. Have power to approve and/or give consent on any normal executions,, and the general management of the Company's business.
3. Consider screening the policies, goals, and annual plan of the Company, annual budget of the Company, and points of considerations that will be proposed to the Board of Directors for consideration and approval.
4. Consider the policy guideline and investment target before presenting to request the consent of the Board of Directors in order to establish as the action framework for the Management's implementation in operations accordingly.
5. Take any other actions as entrusted by the Company's Board of Directors.

### 7.3 Information of the Sub-Committees

The Board of Directors appoints the Audit Committee to help supervising the Company's business as follows

**Audit Committee**

The Audit Committee has been firstly appointed on 30 December 1999, where the office term is scheduled for 2 years per term, the Audit Committee consists of 3 non-executive directors who are entirely the independent directors as per the following name list.

- |                 |                |  |
|-----------------|----------------|--|
| 1. Mr. Vibul    | Aunsuntha      | Chairman of the Audit Committee and Independent Director |
| 2. Mr. Chor Nun | Petpaisit      | Audit Committee Member and Independent Director          |
| 3. Mr. Akira    | Fujita         | Audit Committee Member and Independent Director          |
| Mrs. Siriporn   | Lueangrachanee | Secretary of the Audit Committee                         |

Total of 4 Audit Committee's Meetings was held in 2021, where the Executive also attended the Meeting to review the quarterly financial statements and financial statements for the year 2021, and the related documents to be proper and complete, disclose the information that is adequate, reliable, and conforming to the Generally Accepted Accounting Standards, and also report the Minutes of the Audit Committee's Meeting to the Board of Directors every time of the meeting. The following is the summary of essence.

1. Review the Company to carry out the proper financial reporting and adequately disclose by coordinating with the external auditor and the executives in charge of preparing the quarterly and yearly reports. However, the Audit Committee may suggest the auditor to review or verify any transactions deemed necessary and deemed as the significant matters during the Company's audit.
2. Review the Company to have the appropriate and efficient internal audit on a yearly basis.
3. Review the compliance with the Securities and Exchange Act, the relevant regulations, requirements, and requirements in order to ensure the proper compliance of the Company with the relevant laws.
4. Consider selecting and proposing the appointment of the auditor, or proposing to terminate the employment of the auditor, as well as consider proposing the auditor's audit fee, by taking into account the reliability and workload of the audit of the said Audit Firm, including the experiences of the personnel assigned to audit the Company's accounts in order to further request for being appointed from the Shareholders' Meeting.
5. Attend the Annual General Meeting of Shareholders 2021 for clarifying the audit-related matters.
6. Remark about the compliance with the relevant laws and set of regulations, as well as all requirements of the Stock Exchange of Thailand.

## 7.4 Information about the management

### 7.4.1 List and position of management

#### Management

- |                  |                |                        |
|------------------|----------------|------------------------|
| 1. Mr. Junichi   | Ishihara       | Managing Director      |
| 2. Mr. Shingo    | Nishijima      | Factory Manager        |
| 3. Mr. Nopporn   | Moonsarn       | Factory Advisor        |
| 4. Mrs. Siriporn | Lueangrachanee | Administration Advisor |

#### Department General Manager

- |                  |              |   |
|------------------|--------------|---|
| 1. Mr. Daisuke   | Hamada       | General Manager of Sales Department (Ended 10 Aug 2021)                                       |
| 2. Mr. Hideki    | Takayasu     | General Manager of Sales Department (Effectived 10 Aug 2021)                                  |
| 3. Mr. Shinya    | Tsujimoto    | General Manager of Production Engineering Department  |
| 4. Mr. Hiroshige | Nose         | General Manager of Business Planning & Strategic Department (Effectived 1 March 2021)         |
| 5. Ms. Arpaporn  | Jitsuteesiri | General Manager of Finance & Accounting Department  |
| 6. Mrs. Subin    | Seesaentor   | General Manager of Administration Department & Safety Section Manager (Ended 31 Jul 2021)     |
| 7. Mr. Chirawat  | Ritthinee    | General Manager of Production Department (To 30 Jun 2021)                                     |
|                  |              | General Manager of Administration Department & Safety Section Manager (Effectived 1 Jul 2021) |
| 8. Mr. Narongrit | Samranjit    | General Manager of Production Department (Effectived 1 Jul 2021)                              |

#### Department Assistance General Manager

1. Mr. Narongrit Samranjit Assistance General Manager of Production Department (To 30 Jun 2021)
2. Mr. Phinyo Sodasit Assistance General Manager of Production Department (Effectived 1 Jul 2021)
3. Mr. Teeravit Pongsittichok Assistance General Manager of Sales Department (Effectived 1 Jul 2021)

#### Section Manager

1. Mr. Mana Wongsarasin Human Resources Section Manager
2. Mr. Metha Arunchaipong Production#1 Section Manager
3. Mr. Aphinun Ngamsanguna Production#2 Section Manager (Effectived 1 Jul 2021)
4. Mr. Sanguan Wattanawirun Export Section Manager
5. Mr. Phinyo Sodasit Process Control Section Manager (To 30 Jun 2021)
6. Mr. Manoon Chalermwat Information Technology Section Manager
7. Mr. Teeravit Pongsittichok Sales Section Manager (To 30 Jun 2021)
8. Mr. Prakrit Panomrattanakorn Environment & ISO Section Manager (Ended 30 Sep 2021)
9. Mrs. Marisa Tassana Quality Assurance Section Manager
10. Mrs. Unchana Yoosuk Purchasing Section Manager
11. Ms. Rassamee Monthakankul Cost Section Manager
12. Ms. Wiyada Wisittanon Finance & Accounting Section Manager
13. Mr. Virasak Intawong Maintenance Section Manager
14. Mr. Sittikorn Muenngern General Affairs Section Manager (Effectived 1 Jul 2021)
15. Mr. Metha Pakkarato Production Engineer Section Manager (Effectived 1 Jul 2021)
16. Mr. Donghwan Kim Import & BOI Section Manager (Effectived 1 Jul 2021)

#### **7.4.2 Remuneration Payment Policy for the Executive Directors and Executives**

The Company clearly and transparently establishes the policy of the remuneration for the Company's directors, where the remuneration has been at the same level as the similar industrial group, and higher enough to the required qualified directors and the approval of the Shareholders' Meeting has already been requested. The directors entrusted to be the member of the Audit Committee shall receive the additional remuneration based on the additional workload.

The remuneration for the executives shall be in line with the principle and policy established by the Board of Directors, which are linked with the Company's overall operation and each executive's performance.

The Company defined the remuneration amount for 2021 for the directors and executives. The said remuneration consists of meeting allowance and bonus by considering in comparison from the affiliated companies in the similar industry, and requesting to propose the Shareholders' Meeting to consider and approve the yearly remuneration for the Company's directors, and Meeting allowance in total amount of not exceeding 5,000,000 Baht/year. The following remuneration is defined.

### Monetary Remuneration

1. Chairman of the Board of Directors	480,000 Baht/Person/Year
2. Chairman of the Audit Committee	420,000 Baht/Person/Year
3. Audit Committee Member	360,000 Baht/Person/Year
4. Directors	300,000 Baht/Person/Year

### 7.4.3 The Remuneration for Executive Directors and Management

	Y. 2020		Y. 2021	
	No. of Person (Persons)	Amount (baht)	No. of Person (Persons)	Amount (baht)
Attendant Payment	11	26,092,952.00	12	29,728,168.00
Bonus	7	7,325,701.00	11	7,682,440.00
Others	-	-	-	-
Total		33,418,653.00		37,410,608.00

## 7.5 Employee's information

As of December 31, 2021, the Company has a total of 600 employees, comprising employees in each main line as follows: (413 male employees and 187 female employees)

Department / Section	Amount of Employee (Person)		
	31 Dec 2021	31 Dec 2020	31 Dec 2019
Japanese Management	5	5	5
Production Department	405	369	400
Production Engineer Section	26	26	28
Production Planning Section	16	16	18
Dispatching Section	11	11	11
CSR Environment & ISO Section	4	5	6
Human Resources Section	4	4	4
General Affairs Section	20	17	20
Maintenance Department	44	43	44
Quality Assurance Section	35	35	38
Sales Section	9	9	10
Import & BOI Section	2	2	2
Export Section	3	3	2
Finance & Accounting Section	8	8	7
Purchasing Section	6	5	7
Information Technology Section	2	2	2
Total Persons	600	560	604

The company pays compensation to employees includes salaries, bonuses and other benefits such as provident fund contributions, contributions to the Social Security Fund, etc., with details as follows:

(Thousand baht)

Employee compensation	Y. 2021	Y. 2020	Y. 2019
Salary, bonuses, wages and benefits	335,629	308,495	327,641
Defined Benefit Scheme	10,649	10,649	10,649
Provident fund contributions	6,533	6,524	6,493

Major labor disputes in the past 3 years (2019 - 2021)

- None -

## 7.6 Other Key Information

### 7.6.1 Name list of the persons entrusted to be directly responsible for controlling on the accountancy, the Company Secretary, or the internal auditors. (External)

The Board of Directors has appointed the Audit Committee consisting of the non-executive directors to supervise and take responsibility on the quality of financial report, internal control system, and opinions of the Audit Committee on the matters as appeared in the Report of the Audit Committee presented in 2021 Annual Report.

The Board of Directors remarked that the Company's overall internal control system has been at a satisfactory level and able to reasonably build the confidence on the reliability of the Company's financial statements as at 31 December 2021. In 2021, the Company has entrusted EY Corporate Services Limited as the internal auditor to audit the Company's internal control system of two work units in total as follows:

1. Human Resources Section
2. General Affairs Section

The internal control system has been reviewed within 31 August 2021 in order to ensure the operation pursuant to the rules and regulations prescribed by the executives by aiming at the audit covering the following primary issues.

- Compliance with the Company's policies, plans, and regulations.
- Achievement of the operating objectives and targets.
- Maintenance of the assets.

- High Risk Level	6 Issues (Corrective action period within 3 months)
- Medium Risk Level	6 Issues (Correction action period within 6 months)

Internal Auditor Year 2021

Company Secretary

## Duties of the Company Secretary

1. Prepare and store the following documents consisting of Director Register, Appointment Notice for the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and Annual Report of the Company, Appointment Notice for the Shareholders' Meeting, and Minutes of the Shareholders' Meeting.
2. Store the Stake holding Report reported by the Board of Directors or executives.
3. Hold the Shareholders' Meeting and the Board of Directors' Meeting according to the laws, Articles of Association of the Company, and practices.
4. Record Minutes of the Shareholders' Meeting, and the Board of Directors' Meeting, as well as monitor the compliance with the resolution of the Shareholders' Meeting, and the Board of Directors' Meeting.
5. Supervise the disclosure of data, and report the information in part responsible with the agencies that supervise the Company pursuant to the rules and requirements of the government agencies.
6. Supervise the Company and the Board of Directors to comply with laws and set of regulations of the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.
7. Take care of the activities of the Company's Board of Directors as assigned.

#### 7.6.2 Name List of the Head of Investor Relations and Contact Data

The Company's Board of Directors realizes on the significance on the equal disclosure of the correct, complete, transparent, and timely information to the shareholders and related parties to be used to support the investment decisions through the publicity channel of information of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. For Investors Relation Section, the Company has not yet set up the specific work unit due to less activities of contact with the investors and analysts. However, the Company Secretary (Mrs. Siriporn Lueangrachanee) performs the duty to contact and coordinate with the institutional investors and the related external agencies. The investors are able to contact to demand the Company's information at Mrs. Siriporn Lueangrachanee, Tel. 036-329-811-20 Ext. 201 or Mr. Sittikorn Muenngern Ext. 311 or Miss Siravee Dechpol Ext. 244.

However, the investors are able to study the Company's additional information From 56-1 One Report of the Company presented in [www.set.or.th](http://www.set.or.th) or [www.fmt.co.th](http://www.fmt.co.th)

#### 7.6.3 Audit Fee Obtained by the Auditor

##### Service Fee from the External Audit

In 2021, the Company paid the external audit fee to KPMG Phoomchai Audit Limited in the amount of 1,450,000 Baht (One Million Four Hundred and Fifty Thousand Baht Only), which was equal to the external audit service fee in 2020.

##### Other Service Fees

- N/A -

## **8 Report on key operating results related to corporate governance.**

### **8.1 Summary of the Duty Performance Result of the Board of Directors in the Previous Year**

The Company's Board of Directors has the duty to establish the policy guideline, business plans, and strategies and control the Company's operations. The Managing Director, as Top management is responsible for the Board of Directors in supervising the business operations and the Company's operations according to the policy of the Board of Directors. The Board of Directors is responsible for managing all businesses of the Company. It has the authority to execute within the scope of laws, the Company's objectives, and Articles of Association, and according to the resolution of the Shareholders' Meeting, and has the power to perform any acts as specified in the Memorandum of Association, or related to the said undertaking. The Board of Directors may entrust one person or more to perform any works on behalf of the Board of Directors to be consistent with the policy guideline of the Board of Directors, comply with the rules of good corporate governance, and enable to manage of the Company's execution according to the business policies and strategies until making a profit.

#### **8.1.1 Nomination, Development, and Assessment of Duty Performance Result of the Board of Directors**

##### Nomination and Remuneration Committee

The Company has not yet appointed the Nomination and Remuneration Committee because the Company is a small-sized listed company. Thus, in selecting the persons who will be appointed to the Company's Board of Directors, the Board of Directors shall mutually consider sex, knowledge, competence, experience, and qualification as required by law. The directors not less than half of the total number of directors shall have their domicile in the Kingdom according to the Company's Articles of Association. However, in considering the appropriate remuneration, the Company shall use the Company's remuneration information in the same industry with a similar size and take into account the Company's turnover to support the consideration before presenting the opinions to the Shareholders' Meeting for consideration

#### **8.1.2 Meeting Attendance and Individual Remuneration Payment of the Board of Directors**

The Board of Directors schedules the regular quarterly meeting and holds additional special meetings as necessary. The meeting agenda shall be clearly defined, and the Company Secretary shall deliver the Invitation Notice for the Meeting together with the meeting documentation to the Board of Directors before the meeting more than seven days in advance so that the Board of Directors has adequate time to study the information before attending the Meeting in order to prepare the information for interrogation at the Meeting. However, all directors are able to independently express their opinions without dependence on any person or group of persons. In the past 2021, the Board of Directors held four meetings. The following is the summary of the meeting attendance of the Company's Board of Directors and the remuneration for each director.

Directors Monetary Compensation for the Year 2021

No	Name	Position	(Baht/Year)
1	Mr. Chai Sophonpanich	Chairman	480,000
2	Mrs. Chanida Asdathorn	Director	300,000
3	Mr. Tinnakorn Asdathorn	Director	300,000
4	Mr. Hideki Shiraishi	Director	300,000
5	Mr. Junichi Ishihara	Director and Managing Director	-
6	Mr. Nobutaka Taniguchi	Director	300,000
7	Mr. Shingo Nishijima	Director	-
8	Mr. Takeshi Nishizawa (Ended 10 Aug 2021)	Director	183,064
	Mr. Yoshihiko Mezaki (Effectived 10 Aug 2021)	Director	117,742
9	Mr. Daisuke Hamada (Ended 10 Aug 2021)	Director	-
	Mr. Hideki Takayasu (Effectived 10 Aug 2021)	Director	-
10	Mr. Vibul Aunsnunta	Chairman of the Audit Committee and Independent Director	420,000
11	Mr. Chor Nun Petpaisit	Audit Committee Member and Independent Director	360,000
12	Mr. Akira Fujita	Audit Committee Member and Independent Director	360,000
13	Mr. Deja Tulananda	Independent Director	300,000
14	Mr. Iruru Hidaka	Independent Director	300,000
		Total	3,720,806 Baht

Attendance of the Board of Directors Meeting in 2021 is as follows:

No	Director's Name	Term Appointed to Office	Board of Directors Meeting (Times)	Audit Committee Meeting (Times)	Annual General Meeting of Shareholders (%)
1	Mr. Chai Sophonpanich	Apr 2019 - Apr 2022	4/4 (100%)	-	1/1 (100%)
2	Mr. Junichi Ishihara	Apr 2019 - Apr 2022	4/4 (100%)	4/4 (100%)	1/1 (100%)
3	Mr. Deja Tulananda	Apr 2019 - Apr 2022	2/4 (50%)	-	1/1 (100%)
4	Mr. Tinnakorn Asdathorn	Apr 2019 - Apr 2022	4/4 (100%)	-	1/1 (100%)
5	Mr. Nobutaka Taniguchi	Apr 2020 - Apr 2023	4/4 (100%)	-	1/1 (100%)
6	Mr. Takeshi Nishizawa (Ended 10 Aug 2021)	Apr 2020 - Apr 2023	3/3 (100%)	-	1/1 (100%)
	Mr. Yoshihiko Mezaki (Effectived 10 Aug 2021)	Aug 2021 - Apr 2023	2/2 (100%)	-	-
7	Mr. Vibul Aunsnunta	Apr 2020 - Apr 2023	4/4 (100%)	4/4 (100%)	1/1 (100%)
8	Mr. Chor Nun Petpaisit	Apr 2020 - Apr 2023	4/4 (100%)	4/4 (100%)	1/1 (100%)
9	Mr. Akira Fujita	Apr 2020 - Apr 2023	4/4 (100%)	4/4 (100%)	1/1 (100%)
10	Mrs. Chanida Asdathorn	Apr 2021 - Apr 2024	3/4 (75%)	-	1/1 (100%)
11	Mr. Hideki Shiraishi	Apr 2021 - Apr 2024	4/4 (100%)	-	1/1 (100%)
12	Mr. Daisuke Hamada (Ended 10 Aug 2021)	Apr 2021 - Apr 2024	3/3 (100%)	-	1/1 (100%)
	Mr. Hideki Takayasu (Effectived 10 Aug 2021)	Aug 2021 - Apr 2024	2/2 (100%)	-	-
13	Mr. Shingo Nishijima	Apr 2021 - Apr 2024	4/4 (100%)	-	1/1 (100%)
14	Mr. Iruru Hidaka	Nov 2020 - Nov 2023	4/4 (100%)	-	1/1 (100%)

Remark : In 2021, the Company doesn't hold an Extraordinary General Meeting of Shareholders.

### 8.1.3 Governance of the Subsidiaries and Associates

- N/A -

### 8.1.4 Monitoring to ensure compliance with the corporate governance policy and guideline

The Company emphasizes good corporate governance by establishing the relevant policies and guidelines in the Company's Corporate Governance Policy and Code of Business Conduct and promoting true compliance to build the confidence of all groups of stakeholders and to ensure compliance with the four issues of the good corporate governance through monitoring.

## 1. Prevention of Conflict of Interest

In operating the Company's business activities, the acts causing the conflict of interest shall be avoided. The Audit Committee shall propose to the Board of Directors about the related transactions and the report with conflict of interest, where the appropriateness is prudently considered, and the Stock Exchange of Thailand rules comply. However, the Company shall comply with the relevant requirements of laws and set of regulations for good care of the rights of these stakeholders.

The Company prohibits a director from operating the business that has the same condition and competing with the Company's business or entering to be a partner of the ordinary partnership or unlimited liability partnership in the limited partnership or entering to be a director of other private companies or other public companies that operate the business that has the same condition and compete for the Company's business unless the Shareholders' Meeting is notified before resolving the appointment. The Company also determines that the director shall give notice to the Company without delay if they have an interest in the contracts entered by the Company either directly or indirectly or holds more or fewer shares and debentures in the Company or the affiliated companies.

## 2. Supervision on Insider Trading

The Company establishes a policy on insider trading to limit the recognition, particularly top executives only, and enable to disclose the Company's employees for acknowledgment as much as necessary for acknowledgment in performing works only.

The Company establishes a policy and procedure for supervising the directors and executives on the use of the Company's insider information that is prohibited for using or disclosing to the public, to exploit his/her personal interest, and trade the securities as follows.

1. Determine that the directors, executives, or their families shall have a duty to report the change of holding the securities and futures contract to the Office of the Securities and Exchange Commission according to the Notification of the Office of the Securities and Exchange Commission No. SorJor. 38/2561.
2. Prohibit the executives or the work units informed of the insider information to disclose the insider information to third parties or another person whose duty is not related.
3. The Company prohibits the Board of Directors, executives, or employees who are informed of the insider information to disclose the said information to third parties and should omit the trading of the Company's shares in the period of time before publicizing the financial statements or position of the Company as well as other key information for at least thirty (30) days, and after disclosing the information to the public for at least thirty (30) working days before trading the Company's shares.

However, the Company has imposed an important disciplinary punishment for the person who uses the insider information of the Company for exploiting or disclosing until the Company is damaged. The Company shall consider punishing pursuant to the prescribed rules of the Company

### 3. Anti-Corruption

The Company prohibits the directors, executives, employees, and workers of the Company to claim, take action, or accept the corruption both directly or indirectly for the business, organizational, personal, family, friend, and acquaintance benefits, where the said prohibition covers all work units of the Company. Compliance with the anti-corruption policy is regularly inquired about. If any violation or act that supports, assists, or collaborates with the corruption are detected, the punishment will be considered pursuant to the Company's rules.

#### Scope

This Policy is enforced by the Board of Directors, all executives, employees, and workers of the Company, as well as the contractors and subcontractors relating to the business operations of Fine Metal Technologies Public Company Limited. The Company anticipates that the business agents that are related to or act on behalf of the Company comply with this Policy.

#### Practices pursuant to the Anti-Corruption Policy

According to corruption, the Company gives precedence to the abuse of acquired power or existing assets for the personal, family, friend, and acquaintance benefits that may cause damage to other persons' benefits. The Company deems that corruption arises in several natures, for instance, bribery for the government official through giving or receiving a bribe both in cash and article, availability of complicated interest, embezzlement, concealment of fact, etc.

In the past, the Company has formulated a guideline for the proper conduct of the Board of Directors, Management, and employees in the Code of Business Conduct and Good Corporate Governance. The Company's directors, executives, employees, and workers are prohibited from performing any acts relating to all forms of corruption, whether as the receiver or giver both in the monetary or intangible forms to the government agencies or private agencies with which the Company operates its business; and shall strictly comply with the Anti-Corruption Policy by not getting involved with corruption, not performing any behavior that indicates as the receipt of bribe/bribery for the stakeholders in the matter that they have both direct or indirect duty and responsibility to acquire the illegitimate interest, including contacting the works with other related contractors/sub-contractors. The following shall be complied with.

1. In purchasing and procuring, the transparent and verifiable procedures shall be carried out pursuant to the Company's rules.
2. Not receive or give gift, cash, cheque, or article in similarity to the related parties, both the government agencies and private agencies, whom they contact and coordinate.
3. Not receive any asset, article, gift, present or other benefits as an inducement to omit their duty performance or for persuading the decision-making, or resulting in the receiver's breach of the same trade practice as other trade partners.
4. The spending for business entertainment and other spending relating to the execution of business contracts are allowed, but the spending must be reasonable and verifiable.

5. The charitable donation must be carried out in the name of the Company only and must be for the foundations, public charitable organizations, monasteries, schools, hospitals, and healthcare centers or organizations that make the social interests, which are certified or reliable and accountable. The said donation must be carried out by following the procedures pursuant to the Company's rules. The Company has issued the rules and guidelines on donation and support provisions for charitable donation as guidelines in charitable donation.
6. The provision of grant-in-aid must be used from the money or assets of the Company for supporting the projects, specifying the name of the Company as the donor only. The spent grant-in-aid must be for business purposes and build a good image and reputation for the Company. The disbursement of such grant-in-aid requires a clear indication of objectives, the support of accountable proof, and execution by following the procedures and rules of the Company.
7. The employees must not neglect or ignore the case where they perceive any act or behavior that is within the scope of corruption or implies corruption with consequences that are directly and indirectly related to the Company. In such a case, the employees must inform their heads or persons in charge and collaborate in the investigation. If there is any doubt or question, the employees should consult their heads or persons designated to be in charge in monitoring the compliance with this policy through different channels set by the Company.
8. The Company shall provide justice and protection for any employee who denies committing corruption or reports any case of corruption that is related to the Company.
9. Anyone who has committed corruption is deemed to violate the policy of the Company and is subjected to disciplinary punishments according to the rule of the Company and may be subjected to legal punishment in a case where the said act is illegal.
10. The Company's Board of Directors and the Executive Committee are aware of the importance of the dissemination of knowledge, the provision of consultation, and the building of understanding with the organizational personnel and the related parties, about the anticorruption to ensure that the personnel and related parties comply with the anti-corruption policy, and become the role models concerning honesty, good ethics, and morality.
11. This anti-corruption policy shall cover the process of human resource management, from the personnel recruitment or selection to the promotion, training, and evaluation of employee performance, where the superiors of all levels are responsible for communicating with and building understanding with the employees, to be used in the business activities under their responsibilities, and efficiently supervise the compliance with this policy.
12. The Company and the employees must not take any action that is related to the politics within the Company. However, the Company is an organization that adheres to political impartiality, encourages compliance with laws and democracy, and has no guidelines for providing any political assistance to any political party, either directly or indirectly. To ensure that the employees within the organization are aware of the anti-corruption policy, the Company has publicized the said policy through the Company's communication channels, for instance, publishing the documents to be distributed to the employees, etc

#### 4. Whistle Blowing

##### Corruption Complaint

1. When witnessing the commitment of corruption in connection with the organization either directly or indirectly, for instance, witnessing the persons within the organization offering/taking bribes with a competent official of the government agency, private agency, trading partner companies, stores, and contractors.
2. When witnessing the acts that violate the procedures pursuant to the Company's practice or affect the Company's internal control system to the extent that doubt on the possibility of becoming the channel of corruption exists.
3. When witnessing the acts that cause the Company's loss of interest or the Company's reputation impact, notify by mail or send documents to the Managing Director or the Chairman of the Audit Committee.

##### Head Office

Fine Metal Technologies Public Company Limited  
183 Regent House Building, 14<sup>th</sup> Floor, Rajadamri Road  
Lumpini, Pathumwan, Bangkok 10330

##### or Saraburi Factory

Fine Metal Technologies Public Company Limited  
213 Moo 4, Mitraparb Road, Km. 125, Tambol Tub-Kwang,  
Amphur Kaengkhoi Saraburi Province 18260

4. In assessing the risk regarding corruption, the Company has already considered that it is necessary to establish a guideline for complaining about the internal corruption problems to prevent the occurrence of corruption within the Company. Therefore, the Company has issued the Company' notification dated 19 September 2018, prescribing the guidelines and complaining about matters that are a violation of the rules or laws for the executives and the employees of the Company by specifying the scope of acts that are illegal, break the rule or law, or take a bribe, to make a complaint directly to the Managing Director via "Hotline to MD" in the suggestion box, or complain to the parent company that is the major shareholder, to check the other way. In addition, the Company has issued the rules and guidelines for donation and support in order to achieve good operation within the organization and support the policy of Fine Metal Technologies Public Company Limited regarding the suitable appropriation of donations and for the recipient's benefit on the use for the purpose and effect, including supporting the prevention of corruption within the Company or occur with the employees at all levels.

In addition, the Company has established the donation and support policy for adherence and compliance of the executives and employees with this policy by expecting that the Company's donation and support shall be transparently taken place without involvement with political assistance and support. However, the donation for assistance is regarded as a basic virtue of coexistence, culture of good consciousness, availability of love and generosity to one another in the society, and non-selfishness, and also regarded as making friendship to mainly recognize the sake of community at large. The executives and employees have been notified for mutual acknowledgment and practice.

#### Protection and Confidentiality Measure for Whistle-Blower of Corruption Information

To protect the rights of the complainant and the informant who acts in good faith, the Company shall conceal the name, address, or information of the complainant or informant and keep all information confidential by limiting to the person in charge of the investigation on the complaint issues to be accessible to the said information only.

However, the person who acquires the information from duty performance relating to the complaint issues shall have a duty to keep the information, complaints, and documentary evidence of the complainant and informant confidential, unless it is the dutiful disclosure as required by laws only.

In 2021, the Company did not receive corruption complaints both within and external organizations. The Company has reviewed to ensure that the Company's directors, executives, and employees, as well as contractors who have entered to work with the Company, are transparent when entering into the transactions with each other. The documents indicating the guidelines for preventing corruption, giving or receiving various bribes, have been prepared.

Nevertheless, the Company has trained the employees at the management level and communicated to the employees within the organization to be thoroughly informed on a periodic basis. The Company has been in the process of studying the guidelines to join the Thai Private Sector Collective Action Coalition Against Corruption (CAC) Project.

## 8.2 Reporting of Duty Performance Result of the Audit Committee

### 8.2.1 Number of Meeting Attendance and Meeting Attendance of the Audit Committee

The Company has appointed the Audit Committee, who have complete qualifications as specified by the Office of the Securities and Exchange Commission in order to perform the duty of reviewing the operations of the Company, financial report, internal control system. The Audit Committee of the Company was firstly appointed on December 30, 1999, for an office term of 2 years, consisting of 3 non-executive directors, where all of them are independent directors as per the following name lists.

No.	Name List	Position	Number of Meeting Attendance
1	Mr. Vibul Aunsunnta	Chairman of the Audit Committee and Independent Director	4 times from total of 4 meetings
2	Mr. Chor Nun Petpaisit	Audit Committee Member and Independent Director	4 times from total of 4 meetings
3	Mr. Akira Fujita	Audit Committee Member and Independent Director	4 times from total of 4 meetings
4	Mrs. Siriporn Lueangrachnee	Secretary of Audit Committee	4 times for total of 4 meeting

### 8.2.2 Duty Performance Result of the Audit Committee

However, in 2021, the Audit Committee held four meetings. The Auditor Committee has prudently and independently performed the duty and used the knowledge and competence under the scope of entrusted duties and responsibilities together with the Executive, the internal auditor, and the auditor for the equal benefit of all stakeholders as per the following summary of main points.

- 1) To review the correctness of the quarterly financial statements and annual report 2021 of the Company, the adequacy of disclosure of information in order to ensure that the accounting system and financial report are prepared according to Generally Certified Accounting Principles, and the disclosure of adequate, complete, and reliable information.
- 2) To review the internal control and internal audit systems in order to ensure that the Company has the appropriate, adequate, and efficient internal control and internal audit systems.
- 3) To review the practice of the Company according to the determined guideline of the Securities and Exchange Law, the requirements of the Stock Exchange, and other prescribed laws relating to the Company's business.
- 4) To review the adequacy and effectiveness of the risk management system.
- 5) To supervise the Company to operate pursuant to the Corporate Governance Code for transparent operation of the Company and disclosure of the connected transactions or the transactions with a potential conflict of interest.
- 6) To attend the General Meeting of Shareholders 2021 of the Company in order to clarify the matters relating to the Audit Committee.
- 7) To consider nominating and appointing, and proposing an audit fee of the Company's auditor in order to present to the Shareholders' Meeting to request approval.
- 8) The Audit Committee attended the Annual General Meeting of Shareholders 2021 on Friday, 30 April 2021, and considered proposing the appointment of the Company's external auditor. For 2021, the Audit Committee selected the auditor by taking into account the independence, knowledge and competence, experience, performance, and audit fee of the Company, and presenting to the Company's Board of Directors for considering and requesting the approval of the Annual General Meeting of Shareholders 2021.

At the General Meeting of Shareholders 2021, The auditor from KPMG Phoomchai Audit Limited was resolved for approving the appointment as the Company's auditor as per the following name lists of three persons.

- |                  |                |   |
|------------------|----------------|---|
| 1. Mr. Songchai  | Wongpiriyaporn | Certified Public Accountant Registration No. 10996 ; or |
| 2. Miss Sirinuch | Vimolsathit    | Certified Public Accountant Registration No. 8413 ; or  |
| 3. Mr. Sumate    | Jangsamsee     | Certified Public Accountant Registration No. 9362       |

However, in the opinion of the Audit Committee, the Company has had the overall internal control in good criteria, reported the financial information according to the Generally Accepted Accounting Principles, disclosed adequate information, adequately and appropriately managed the risks, and had transparent and reliable good corporate governance, as well as improved the operating system to have the continuous better quality.

### 8.3 Summary of the Duty Performance Result of Other Sub-Committee Members

- The Company has not had other sub-committees since the Company is a small-sized listed company, and the Audit Committee has just been one set of the Sub-Committee.



## 9 Internal Control and Related Party Transactions

### 9.1 Internal Control

The Company's Board of Directors has entrusted the Audit Committee to be responsible for governing the Executive to have an efficient internal control system, where the Audit Committee has the duty to audit and review to ensure efficient operations. In 2021, the Company's internal control consists of:

1. The Company's Board of Directors supervises the Company to set the written and measurable business operation targets, plans, policies, and operating rules as an operating guideline in the direction defined by management as the annual policy and target under the regular and appropriate review based on the current situation. Each division/department shall be responsible for supervising and controlling the operations of their internal work units.
2. The Executive appropriately determines the organizational management structure, division of line, management power, segregation of duties and responsibilities.
3. The Company's Board of Directors realizes the value of integrity and honesty. It establishes the Code of Business Conduct by determining the ethics of executives and employees at every level for adherence and practice all over.
4. Formulates the anti-corruption policy at the organizational level for acknowledgment in all levels by opening the channels for sending clues of corruption to the Managing Director or the Chairman of Audit Committee to headquarter. To ask for clues or report complaints about legal violations or misconduct by the executives or employees without disclosing the name of the person reporting the clues.  
However, the Company has its regulations to prescribe practices for preventing corruption in Chapter 10 Discipline and Disciplinary Penalty Judgment Provision. The Company also imposes the clear imposition of penalty under the supervision of the Human Resource Department.
5. In motivating and retaining qualified employees, the Company will support employees with the ability, goodwill, and diligence to strive for higher-level positions. The Company will consider focusing on jobs appropriate to the employee's knowledge and skills. It will support the employee's continuous improvement in knowledge and skills and the employee's challenges through an annual performance appraisal system.

In 2021, the Company retained KPMG Phoomchai Audit Limited as its external auditor 2021. In this 2021 annual audit, KPMG Phoomchai Audit Limited has expressed an unqualified opinion and detected nothing that causes the belief that the financial statements have been inaccurate.

The Company's management is confident that the internal control is adequately efficient. The Audit Committee appointed KPMG Phoomchai Audit Limited as the external auditor and EY Corporate Service Limited as the internal auditor. They are regularly and efficiently complied and reviewed according to the guideline established by the Company and complied with the laws and requirements related to the Company. They also coordinated with the auditor and the executives about the proper preparation of financial reports to correspond to materiality according to the General Accounting Principles and disclosed adequate and reliable information. In addition, the said audit agencies are independent and not subordinate to the Company, resulting in non-discrimination with any party.

## 9.2 Related Party

### Related Party Transactions Y.2020 and Y.2021

The Company has considered the related transaction to be justified and necessary for the business operations, with the request for approval of the related transaction as fair, provided that the arm's length rule by adhering to the same practice with the third party. Thus, if there is a related transaction, the audit committee shall provide the opinion on the necessity to do such the transaction, considering the various conditions to comply with the characteristics of the normal business in the industry. However, in the case there is a related item with essence, the Company shall arrange to pass the consideration of Audit Committee before submit to the Board of Directors approving it.

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2021 (Thousand baht)	Necessity/Reasoning
1. Furukawa Electric Co., Ltd. (Japan)	It was the parent company in Japan and formerly the major shareholder of the Company held 20,280,280 shares 42.25% of the paid-up registered capital until May 31, 2020.	It has signed the contract to receive technical help by paying the fees to Furukawa Electric and sign the contract to prevent the risk from fluctuations of copper product sales to the customers in Thailand  The Company sold copper tube to Furukawa Electric Co., Ltd. (Japan)	- No transaction in 2020 - Fee on technical service at 4,807 thousand baht. - No service fees and others. - With the credit balance of 113 thousand baht.  - No Transaction in 2020. - With total debtor balance 21,596 thousand baht - Loss from copper risk of 30,494 thousand baht.	- No relationship and transactions	The audit committee asked the management to present the consideration on renewing the contract for technical assistance. The Company proposed to the Board of Directors to consider appropriateness of contractual conditions.
2. Furukawa Sangyo Kaisha (Thailand) Co., Ltd.	It was a trade partner in the group of Furukawa Electric Co., Ltd with Furukawa Sangyo (Kaisha) holding 57% and Furukawa (Thailand) Holding 43%	- Supply of copper sheets, tools and consumables to the Company  - The Company sold copper tube to Furukawa Sangyo Kaisha (Thailand) Co., Ltd.	- Total goods purchasing 669 thousand baht - With creditor balance 78 thousand baht  - Total goods sales of 125,021 thousand baht - With total debtor balance of 21,618 thousand baht	- Total goods sales of 399 thousand baht - No creditor balance  - No relationship - Total goods sales of 71,915 thousand baht - With the remaining debtor of 15,804 thousand baht.	The audit committee did not give any additional comment.
3. Furukawa Electric (Singapore) Pte., Ltd.	It was a trade partner in the group of Furukawa Electric Co., Ltd with the same major shareholder is Furukawa Electric Co., Ltd. Holding 100% share until May 31, 2020.	- The Company signed a contract to purchase copper from Furukawa Electric (Singapore) (See details in the important contract with the related business Re : long-Term Contract for the Purchase of Copper Cathodes)  - The company sold copper tubes to Furukawa Electric (Singapore) Pte., Ltd.	- Total goods purchase of 626,241 thousand baht with the total creditor of 33,699 thousand baht.  - Total goods sales of 78,585 thousand baht - With the remaining debtor of 12,437 thousand baht.	- No relationship - Total goods sales of 91,969 thousand baht - With the remaining debtor of 18,031 thousand baht.	The audit committee did not give any additional comment

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2021 (Thousand baht)	Necessity/Reasoning
4. Furukawa (Thailand) Co., Ltd.	It was trade partner in the group of Furukawa Electric with 1. Furukawa Electric was the same major shareholder holding 41.36% until May 31, 2020 2. Furukawa Thai Holding of 43.93 % share 3. Thai Furukawa Unicorn Engineering in Thailand holding 7.78% 4. Furukawa Electric Singapore holding of 7.47% share until May 31, 2020	Furukawa (Thailand) provided the project maintenance service on the management of the production with the company system with the Company (See details in the related business Re : System Development Service Support and Basic Trading Agreement)	- Total goods purchase (Cost of production maintenance service 3,530 thousand baht) - With the creditor balance of 21 thousand baht.	- No relationship - Total goods purchase (Cost of production maintenance service) 333 thousand baht - With remaining creditor balance of 7 thousand baht.	The audit committee did not give any additional comment
5. P.T. Furukawa Electric Indonesia (Indonesia)	It was a trade partner in the group of Furukawa Electric Co. Ltd. with the major shareholder was Furukawa Electric holding share of 100% until May 31, 2020.	The company sold copper tube to Furukawa Electric Indonesia.	- Total goods sales of 86,703 thousand baht - With the remaining debtor of 21,865 thousand baht.  -No goods purchasing -No creditor balance	- No relationship - Total goods sales of 136,515 thousand baht - With the remaining debtor of 37,786 thousand baht  -No transaction -No creditor balance	The audit committee did not give any additional comment
6. FITEC Corporation (Japan)	It was a company in the group of Furukawa Electric Co.Ltd.in Japan with the same major shareholder is Furukawa Electric holding share of 100% until May 31, 2020.	FITEC Corp. provided the maintenance service of the production management with the contract was terminated on 31 March 2013	- No transaction in 2020	- No relationship and transactions	The audit committee did not give any additional comment
7. Furukawa Thai Holding Co., Ltd.	It was a company in the group of Furukawa Electric Co., Ltd with the same major shareholder is Furukawa Electric holding share 48.73% and hold 339,990 shares, or 0.71% of the paid-up registered capital until May 31, 2020.	The company signed the contract on the management of finance with Furukawa Thai Holding Ltd. To provide better financial management (see the details in the important contract with the related business Re : Cash management agreement) -Supply and provide transportation service to the company (start 1 May 2018)	-Shot term loan 405,778 thousand baht as of January 1, 2020 until March 31, 2020. -No short term loan since April 1, 2020. -No creditor balance.	- No relationship and transactions	If there is a related item, the Audit committee would like the management to present the financial management contract with Furukawa Thai Holding approved to review the suitability first.

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2021 (Thousand baht)	Necessity/Reasoning
			- Total goods purchase (service) of 122 thousand baht. - No creditor balance.		However the management shall report the status on the financial management to the Audit Committee and report to the Board of Directors for acknowledgment.
8. Furukawa Logistic Corporation Co., Ltd.	It was a company in the group of Furukawa Electric Co., Ltd. With the same major shareholder is Furukawa Electric Co., Ltd. Holding share 100% until May 31, 2020.	Supply and distribution of consumable to the Company	- Total goods purchase of 27 thousand baht -No creditor balance in 2020	The company has no relationship - Total goods purchase 443 thousand baht - With the remaining creditor balance of 3 thousand baht	The audit committee did not give any additional comment
9. Furukawa Precision (Thailand) Co., Ltd.	It was a Company in the group of Furukawa Electric Co., Ltd. with the major share holder is Furukawa Electric Co., Ltd. Holding Share 100% until May 31, 2020.	Supply and provide transportation service to the company (until April 2018)	-No goods purchasing in 2020 -No creditor balance	- No relationship and transactions	The audit committee did not give any additional comment
10. CTJ Holdings2, Ltd. (Japan)	It is the parent company in Japan and is the major shareholder of the Company. At present it holds 20,280,280 shares 42.25% of the paid-up registered capital since June 01, 2020.	No Transaction	No Transaction	No Transaction	
11. Daishin P&T Co., Ltd. (Japan)	It is subsidiary of the parent company, 100% shareholding. CTJ Holdings2, Ltd. (Japan)	It has signed the contract to receive technical assistance by paying the fee to Daishin P&T Co., Ltd. Until Sep 30, 2021	- No good purchasing - Fee on technical service at 9,090 thousand baht. - With total creditor balance of 6,937 thousand baht - No service fees and others.	- Purchase of factory consumables 14,994 thousand baht - Purchase of machinery and equipment 39,395 thousand baht - Fee for receiving technical assistance 10,716 thousand baht until Sep 30, 2021 - No creditor balance in 2021	The Transaction is reasonable according to contractually agreed price had been considered by the Audit Committee and Board of Directors.

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2021 (Thousand baht)	Necessity/Reasoning
12. Tani International Trading Co., Ltd.	A common director and shareholder.	The Company sold copper tube to the Tani International Trading Co., Ltd.	<ul style="list-style-type: none"> <li>- Total goods sales of 540,341 thousand baht with the remaining debtor balance of 120,872 thousand baht</li> <li>- Total goods purchase (Cost of production maintenance service) 158 thousand baht -</li> <li>- With the creditor balance of 28 thousand baht.</li> </ul>	<ul style="list-style-type: none"> <li>- Total good sales of 698,255 baht with the remaining debtor balance of 170,899 thousand baht</li> <li>- Total good purchase (other) 69 thousand baht</li> <li>- No remaining creditor balance</li> </ul>	The transaction is reasonable as market price
13. Okumura Metal (Malaysia) Co., Ltd.	100% indirect shareholding by the parent Company. (CTJ Holdings2, Ltd.)	The Company sold copper Tube to Okumura Metal (Malaysia) Co., Ltd.	<ul style="list-style-type: none"> <li>- Total goods sales of 369,654 thousand baht</li> <li>- With the remaining debtor balance of 86,187 thousand baht</li> </ul>	<ul style="list-style-type: none"> <li>- Total goods sales of 503,726 thousand baht</li> <li>- With the remaining debtor balance of 116,015 thousand baht</li> <li>- Other service fees 127 thousand baht</li> <li>- Creditor balance 20 thousand baht.</li> </ul>	The transaction is reasonable as market price
14. Okumura Metal (Thailand) Co., Ltd.	100% indirect shareholding by the parent Company. (CTJ Holdings2, Ltd.)	The Company sold copper tube to Okumura Metal (Thailand) Co., Ltd.	<ul style="list-style-type: none"> <li>- Total goods sales of 202,229 thousand baht with the remaining debtor balance of 100,867 thousand baht</li> </ul>	<ul style="list-style-type: none"> <li>- Total goods sales of 284,288 thousand baht</li> <li>- With the remaining debtor balance of 115,326 thousand baht</li> </ul>	The transaction is reasonable as market price
15. Okumura Metal Co., Ltd. (Japan)	Subsidiary of the parent company 100% shareholding. (CTJ Holdings2, Ltd.)	The company has entered into a contract for technical assistance by paying fee to Okumura Metal Co., Ltd. from October 1, 2021	<ul style="list-style-type: none"> <li>- No related transactions.</li> </ul>	<ul style="list-style-type: none"> <li>-No product purchases in 2021</li> <li>- Fee for receiving technical assistance 3,802 thousand baht</li> <li>- With remains balance of creditors 3,802 thousand baht.</li> <li>- No service fee and others</li> </ul>	The Transaction is reasonable according to contractually agreed price had been considered by the Audit Committee and Board of Directors
16. Bangkok Insurance Public Co. Ltd.	A Common company shareholder, 9.87% shareholding.	Supply and provide insurance service to the company	<ul style="list-style-type: none"> <li>- Total good purchase (insurance) 5,039 thousand baht</li> </ul>	<ul style="list-style-type: none"> <li>- Total good purchase (insurance) 4,784 thousand baht</li> </ul>	The transaction is reasonable as market price

# Fine Metal Technologies Public Company Limited

Financial Statements for the year ended 31 December 2021  
and  
Independent Auditor's Report



## **Report of the Board of Directors' Responsibilities for Financial Reports.**

The Company's Board of Directors is responsible for the financial statements including financial information stated in the 56-1 One Report of Fine Metal Technologies Public Company Limited. The financial statements for the fiscal year ending 31 December 2021 have been prepared by management in accordance with generally accepted accounting principles and based on management's best estimations and judgments, with sufficient disclosure of material issues for the best interest of shareholders and investors.

The Board has set up and maintains an effective internal control system to ensure that the Company's accounting record is accurate, complete, and adequate for the maintenance of the Company's assets. These controls also serve as preventive measures against possible corruption or other significant operational risks of the Company.

The Company's financial statements have been audited by certified public accountant from KPMG Phoomchai Audit Ltd., and the Board has asked the management to prepare and provide documents and information so that the auditor can perform their

audit independently in accordance with generally accepted auditing standards. The auditor's unqualified report is included in the 56-1 One Report.

The Board has appointed an Audit Committee comprising independent members to review the financial statements as well as to assess the internal controls to ensure that accounting records are accurate, complete, and timely. The opinion of the Audit Committee appears in the Report of the Audit Committee in the 56-1 One Report.

The Board of Directors is of the opinion that the Company's has maintained an effective internal control system to ensure that the Company's operations are compliant with best practices, and to assure the credibility of the Company's financial statements for the fiscal year ending 31 December 2021 in accordance with the relevant laws and regulations.



( Mr. Chai Sophonpanich )  
Chairman of the Board



( Mr. Junichi Ishihara )  
Managing Director  
9 February 2022



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ home.kpmg/th

## Independent Auditor's Report

### To the Shareholders of Fine Metal Technologies Public Company Limited

#### *Opinion*

I have audited the financial statements of Fine Metal Technologies Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Valuation of inventories	
Refer to Notes 3(e) and 7 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The main raw material of the Company's products is copper cathode. Copper cathode price was then a significant factor of the cost of inventories. As copper cathode is commodities which can be subjected to market price volatility, in the case of the fluctuation according to the market condition, this may result that the net realisable value of inventories is lower than their cost. This matter involves management's judgment and the Company had a significant inventory balance, thus, this is focus area in my audit.	My procedures included an understanding the Company's policy to estimate the net realisable value of inventories. I performed testing the calculation of the measurement of net realisable value by comparing, on a sampled basis, the cost of inventories against expected net realisable value (i.e. selling price in the latest invoice or price list less estimated cost to complete and to make the sale), and also sampling checked with relevant documents. I also considered the adequacy of disclosures in relation to inventory in accordance with TFRSs.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Songchai Wongpiriyaporn)  
Certified Public Accountant  
Registration No. 10996

KPMG Phoomchai Audit Ltd.  
Bangkok  
22 February 2022

## Fine Metal Technologies Public Company Limited

### Statement of financial position

Assets	Note	31 December	
		2021	2020
		(in Baht)	
<b>Current assets</b>			
Cash and cash equivalents	5	104,011,660	92,009,488
Trade receivables	4, 6	1,606,493,484	1,532,168,847
Other receivables	4	60,919,379	55,787,904
Inventories	7	1,128,288,143	899,258,756
Other current financial assets	19	16,691,201	87,482,718
<b>Total current assets</b>		<b>2,916,403,867</b>	<b>2,666,707,713</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	374,030,179	355,972,974
Right-of-use assets		6,208,252	7,829,201
Intangible assets	9	12,001,815	8,426,460
Deferred tax assets	15	27,634,281	36,970,652
Other non-current assets		2,442,353	2,441,753
<b>Total non-current assets</b>		<b>422,316,880</b>	<b>411,641,040</b>
<b>Total assets</b>		<b>3,338,720,747</b>	<b>3,078,348,753</b>

The accompanying notes are an integral part of these financial statements.

**Fine Metal Technologies Public Company Limited**  
**Statement of financial position**

<b>Liabilities and equity</b>	<i>Note</i>	31 December	
		2021	2020
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Short-term borrowings			
from financial institutions	10, 19	888,000,000	825,000,000
Trade payables	4, 19	476,356,679	339,734,556
Other payables	4, 19	47,884,690	29,933,016
Current portion of lease liabilities	19	3,941,320	4,286,444
Income tax payable		30,641,803	15,339,494
Other current financial liabilities	19	18,309,582	133,204,950
Other current liabilities		16,970,867	16,218,856
<b>Total current liabilities</b>		<b>1,482,104,941</b>	<b>1,363,717,316</b>
<i>Non-current liabilities</i>			
Lease liabilities	19	2,732,094	4,391,176
Provision for employee benefits	11	135,946,261	138,141,011
<b>Total non-current liabilities</b>		<b>138,678,355</b>	<b>142,532,187</b>
<b>Total liabilities</b>		<b>1,620,783,296</b>	<b>1,506,249,503</b>

The accompanying notes are an integral part of these financial statements.

## Fine Metal Technologies Public Company Limited

### Statement of financial position

Liabilities and equity	Note	31 December	
		2021	2020
		<i>(in Baht)</i>	
<b>Equity</b>			
Share capital			
Authorised share capital			
<i>(48,000,000 ordinary shares, par value at Baht 10 per share)</i>		<u>480,000,000</u>	<u>480,000,000</u>
Issued and paid-up share capital			
<i>(48,000,000 ordinary shares, par value at Baht 10 per share)</i>		480,000,000	480,000,000
Share premium :			
Share premium on ordinary shares		507,500,000	507,500,000
Retained earnings			
Appropriated			
Legal reserve	12	48,000,000	48,000,000
Unappropriated		680,820,215	542,685,657
Other components of equity			
Gain (loss) on cash flow hedges	12, 19	<u>1,617,236</u>	<u>(6,086,407)</u>
<b>Total equity</b>		<u><b>1,717,937,451</b></u>	<u><b>1,572,099,250</b></u>
<b>Total liabilities and equity</b>		<u><b>3,338,720,747</b></u>	<u><b>3,078,348,753</b></u>

The accompanying notes are an integral part of these financial statements.

## Fine Metal Technologies Public Company Limited

### Statement of comprehensive income

	Note	For the year ended	
		31 December	
		2021	2020
		(in Baht)	
<b>Revenues</b>			
Revenue from sale of goods	4, 13	7,185,293,607	4,802,012,744
Gain on copper hedging and service fee		166,505,084	-
Net gain on foreign exchange		15,764,306	9,016,651
Other income		20,051,553	6,744,661
<b>Total revenues</b>		<b>7,387,614,550</b>	<b>4,817,774,056</b>
<b>Expenses</b>			
Cost of sale of goods	4, 7	6,905,487,452	4,467,344,209
Distribution costs		120,496,605	102,110,082
Administrative expenses	4	107,393,267	107,888,002
Loss on copper hedging and service fee	4	-	30,494,387
<b>Total expenses</b>		<b>7,133,377,324</b>	<b>4,707,836,680</b>
<b>Profit from operating activities</b>		<b>254,237,226</b>	<b>109,937,376</b>
Finance costs	4	(14,317,173)	(8,385,137)
Hedging gain (loss) for hedge of group of items with off-setting risk positions		34,474,296	(42,873,897)
<b>Profit before income tax</b>		<b>274,394,349</b>	<b>58,678,342</b>
Tax expense	15	(54,882,107)	(11,610,243)
<b>Profit for the year</b>		<b>219,512,242</b>	<b>47,068,099</b>

The accompanying notes are an integral part of these financial statements.

## Fine Metal Technologies Public Company Limited

### Statement of comprehensive income

		For the year ended	
		31 December	
	Note	2021	2020
		(in Baht)	
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain on cash flow hedges		9,629,554	148,192
Income tax relating to items that will be reclassified	15, 19	<u>(1,925,911)</u>	<u>(29,638)</u>
<b>Total items that will be reclassified subsequently to profit or loss</b>		<u><b>7,703,643</b></u>	<u><b>118,554</b></u>
<i>Items that will not be reclassified to profit or loss</i>			
Loss on remeasurements of defined benefit plans	11	(4,222,105)	-
Income tax relating to items that will not be reclassified	15	<u>844,421</u>	<u>-</u>
<b>Total items that will not be reclassified to profit or loss</b>		<u><b>(3,377,684)</b></u>	<u><b>-</b></u>
<b>Other comprehensive income for the year, net of tax</b>		<u><b>4,325,959</b></u>	<u><b>118,554</b></u>
<b>Total comprehensive income for the year</b>		<u><u><b>223,838,201</b></u></u>	<u><u><b>47,186,653</b></u></u>
<b>Basic earnings per share</b>	17	<u><b>4.57</b></u>	<u><b>0.98</b></u>

The accompanying notes are an integral part of these financial statements.

**Fine Metal Technologies Public Company Limited**  
**Statement of changes in equity**

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
Note			Legal reserve	Unappropriated	Gain (loss) on cash flow hedges	
			(in Baht)			
Year ended 31 December 2020						
Balance at 1 January 2020	480,000,000	507,500,000	48,000,000	573,617,558	(6,204,961)	1,602,912,597
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	-	-	-	(78,000,000)	-	(78,000,000)
Total distribution to owners of the Company	-	-	-	(78,000,000)	-	(78,000,000)
Comprehensive income for the year						
Profit	-	-	-	47,068,099	-	47,068,099
Other comprehensive income	-	-	-	-	118,554	118,554
Total comprehensive income for the year	-	-	-	47,068,099	118,554	47,186,653
Balance at 31 December 2020	480,000,000	507,500,000	48,000,000	542,685,657	(6,086,407)	1,572,099,250

The accompanying notes are an integral part of these financial statements.

**Fine Metal Technologies Public Company Limited**  
Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Gain (loss) on cash flow hedges	
				<i>(in Baht)</i>			
<b>Year ended 31 December 2021</b>							
<b>Balance at 1 January 2021</b>		<b>480,000,000</b>	<b>507,500,000</b>	<b>48,000,000</b>	<b>542,685,657</b>	<b>(6,086,407)</b>	<b>1,572,099,250</b>
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to owners of the Company	18	-	-	-	(78,000,000)	-	(78,000,000)
<b>Total distribution to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(78,000,000)</b>	<b>-</b>	<b>(78,000,000)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	219,512,242	-	219,512,242
Other comprehensive income		-	-	-	(3,377,684)	7,703,643	4,325,959
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>216,134,558</b>	<b>7,703,643</b>	<b>223,838,201</b>
<b>Balance at 31 December 2021</b>		<b>480,000,000</b>	<b>507,500,000</b>	<b>48,000,000</b>	<b>680,820,215</b>	<b>1,617,236</b>	<b>1,717,937,451</b>

The accompanying notes are an integral part of these financial statements.

## Fine Metal Technologies Public Company Limited

### Statement of cash flows

	For the year ended	
	31 December	
	2021	2020
	(in Baht)	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	219,512,242	47,068,099
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	54,882,107	11,610,243
Finance costs	14,317,173	8,385,137
Depreciation and amortisation	71,800,755	71,528,545
Provision for employee benefits	14,473,713	12,943,191
Unrealised (gain) loss on foreign exchange	(994,213)	1,033,889
Unrealised (gain) loss on derivatives	(34,474,296)	42,873,897
Gain on disposal of equipment	(12,228)	(3,892)
	<u>339,505,253</u>	<u>195,439,109</u>
<b><i>Changes in operating assets and liabilities</i></b>		
Trade receivables	(74,330,487)	58,226,233
Other receivables	(5,131,475)	(24,677,709)
Inventories	(229,029,387)	(214,608,543)
Other non-current assets	(600)	(300)
Trade payables	137,622,186	(96,774,178)
Other payables	3,309,996	(2,239,838)
Other current liabilities	<u>714,645</u>	<u>(78,470)</u>
Cash generated from (used in) operating activities	172,660,131	(84,713,696)
Employee benefit paid	(20,890,568)	(12,415,780)
Income tax paid	<u>(31,324,917)</u>	<u>(18,593,994)</u>
<b>Net cash from (used in) operating activities</b>	<u><b>120,444,646</b></u>	<u><b>(115,723,470)</b></u>

The accompanying notes are an integral part of these financial statements.

## Fine Metal Technologies Public Company Limited

### Statement of cash flows

	For the year ended	
	31 December	
	2021	2020
	(in Baht)	
<b><i>Cash flows from investing activities</i></b>		
Cash payments to purchase of plant and equipment	(68,982,039)	(35,602,453)
Cash payments to purchase of intangible assets	(5,722,565)	(2,497,326)
Cash receipts from sale of equipment	17,992	6,075
<b>Net cash used in investing activities</b>	<b>(74,686,612)</b>	<b>(38,093,704)</b>
<b><i>Cash flows from financing activities</i></b>		
Interest paid	(13,788,092)	(8,331,428)
Dividends paid	(77,962,634)	(75,512,054)
Proceeds from borrowings from financial institutions	2,833,000,000	6,780,000,000
Repayment of borrowings from financial institutions	(2,770,000,000)	(6,055,000,000)
Proceeds from borrowings from related party	-	1,314,686,005
Repayment of borrowings from related party	-	(1,720,463,705)
Payment of lease liabilities	(5,005,136)	(4,242,434)
<b>Net cash from (used in) financing activities</b>	<b>(33,755,862)</b>	<b>231,136,384</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,002,172</b>	<b>77,319,210</b>
Cash and cash equivalents at 1 January	92,009,488	14,690,278
<b>Cash and cash equivalents at 31 December</b>	<b>104,011,660</b>	<b>92,009,488</b>
<b><i>Non-cash transaction</i></b>		
Payable for fixed assets purchased	17,141,737	3,029,141

The accompanying notes are an integral part of these financial statements.

**Fine Metal Technologies Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 22 February 2022.

**1 General information**

Fine Metal Technologies Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in 1996. The Company’s registered offices as follows:

- (a) Head Office : 183 Regent House Building, 14<sup>th</sup> Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330
- (b) Factory : 213 Moo 4 Friendship Highway Km. 125<sup>th</sup>, Tab Kwang, Kaeng Khoi, Saraburi 18260

The Company’s major shareholder during the financial period was CTJ Holdings2, Ltd. (42.25% shareholding), a company incorporated in Japan.

The principal activity of the Company is the manufacturing and distributing of seamless copper tube, which is an important component for air-conditioner and refrigerator equipment.

**2 Basis of preparation of the financial statements**

*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 11 Measurement of defined benefit obligations: key actuarial assumptions;
- 19 Determining the fair value of financial instruments on the basis of significant unobservable inputs.

As the situation of COVID-19 outbreak resulting in estimation uncertainty in 2020. Therefore, the Company applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statement for the year ended 31 December 2020 by excluding COVID-19 situation on impairment of trade receivables under simplified approach using historical loss rate and did not take forward-looking information into accounting. As the accounting guidance already expired on 31 December 2020, the Company has assessed the impact and there was no material impact to financial statements. Therefore, the Company did not adjust the value of trade receivables in 2021.

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**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date and outstanding balances at reporting date are translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Foreign currency differences arising from the translation are recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge is effective are recognised in other comprehensive income.

**(b) Financial instruments**

**(b.1) Classification and measurement**

Financial assets and financial liabilities (except trade accounts receivables (see note 3(d))) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

**(b.2) Derecognition and offset**

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

## Fine Metal Technologies Public Company Limited

### Notes to the financial statements

For the year ended 31 December 2021

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *(b.3) Derivatives*

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or fair value hedges of commodity price risk, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 3(b.4)).

#### *(b.4) Hedging*

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and certain derivatives and non-derivative financial liabilities as hedges of commodity price risk.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

#### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

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If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

*(b.5) Impairment of financial assets other than trade receivables*

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company considers a financial asset to have low credit risk when the Company recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due.

*(b.6) Write offs*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(b.7) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

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**(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

**(d) Trade and other receivables**

A trade receivable is recognised when the Company has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

**(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(f) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

**Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**Depreciation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction and machinery under installation.

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The estimated useful lives are as follows:

Land improvements	5 - 20 years
Buildings and improvements	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	5 - 10 years
Transportation equipment	5 years

**(g) Intangible assets**

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. The estimated useful lives for the current and comparative periods of computer software is 5 years.

Golf membership is measured at cost less impairment losses.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(h) Leases**

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Company has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**(i) *Impairment of non-financial assets.***

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(j) *Employee benefits***

*Defined contribution plans*

Obligations for contributions to the Company's provident funds are expensed as the related service is provided.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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*Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(k) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(l) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

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**(m) Revenue from contracts with customers**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

For bundled packages, the Company accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Company sells the products and services in separate transactions.

**(n) Income tax**

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(o) Earnings per share**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

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**(p) Related parties**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

**(q) Segment reporting**

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**4 Related parties**

Other related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
CTJ Holding2, Ltd.	Japan	Parent, 42.25% shareholding
Bangkok Insurance Public Company Limited	Thailand	A common shareholder, 9.87% shareholding
Daishin P&T Co., Ltd.	Japan	Subsidiary of the parent company, 100% shareholding
Okumura Metals Co., Ltd.	Japan	Subsidiary of the parent company, 100% shareholding
Okumura Metals (Thailand) Co., Ltd.	Thailand	100% indirect shareholding by the parent company
Okumura Metals (Malaysia) Sdn. Bhd.	Malaysia	100% indirect shareholding by the parent company
Tani International Trading Co., Ltd.	Thailand	A common director and shareholder
Key management personnel	Thailand/ Japan	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	Market price or contractually agreed price
Purchase of raw material and factory supplies	Market price or contractually agreed price
Purchases of machinery and equipment	Mutually negotiable price or contractually agreed price
Technical assistance fee	Contractually agreed price
(Gain) loss on copper hedging and service fee	Contractually agreed price
Service fee and others	Contractually agreed price
Interest expense	Contractually agreed rate
Management benefit expenses	Approved by shareholders' meeting / contractually agreed price

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<i>2021</i>	<i>2020</i>
	<i>(in thousand Baht)</i>	
<b>Parent (Furukawa Electric Co., Ltd., formerly the major shareholder)</b>		
Technical assistance fee	-	4,807
Loss on copper hedging and service fee	-	45,568
<b>Other related parties</b>		
Revenue from sales of goods	1,486,268	1,402,885
Gain on copper hedging and service fee	-	15,074
Purchase of raw material	14,994	626,241
Purchases of machinery and equipment	39,395	-
Technical assistance fee	14,518	9,090
Service fee and others	4,981	12,059
Interest expense	-	1,204
<b>Key management personnel</b>		
Key management personnel compensation		
Short-term employee benefits	41,131	36,854
Post-employment benefits	1,602	1,602
<b>Total key management personnel compensation</b>	<b>42,733</b>	<b>38,456</b>

Balances as at 31 December with related parties were as follows:

	<i>2021</i>	<i>2020</i>
	<i>(in thousand Baht)</i>	
<b>Trade receivables</b>		
Other related parties	<b>402,240</b>	<b>363,846</b>
<b>Other receivables</b>		
Other related party	-	<b>21,596</b>
<b>Trade payables</b>		
Other related party	-	<b>33,699</b>
<b>Other payables</b>		
Other related parties	<b>7,044</b>	<b>7,156</b>

**Significant agreements with related parties**

**Technical Collaboration Agreement**

On 1 April 2021, the Company entered into technical collaboration agreement with Daishin P&T Co., Ltd., the related party, for a period of 1 year effective on 1 April 2021. The agreement shall be automatically extended for successive periods of one year each. Under the terms of the agreement, Daishin P&T Co., Ltd. shall provide the Company with technical collaboration and information on the manufacturing operations including an exclusive right to manufacture and sell the product in the countries as specified in the agreement. In consideration thereof, the Company is committed to pay a technical assistance fee computed from the net sales volume of seamless copper tube (Inner grooved tube) at the rate of Baht 2.25 per kilogram. During September 2021, the Company and Daishin P&T Co., Ltd. agreed to terminate a foresaid technical collaboration agreement.

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Subsequently, the Company entered into technical collaboration agreement with Okumura Metals Co., Ltd. the related party, for a period of 1 year effective on 1 October 2021 and shall continue to be effective until either party terminates the contract with written notice. Under the terms of the agreement, Okumura Metals Co., Ltd. shall provide the Company with technical collaboration and information on the manufacturing operations including an exclusive right to manufacture and sell the product in the countries as specified in the agreement. In consideration thereof, the Company is committed to pay a technical assistance fee computed from the net sales volume of seamless copper tube (Inner grooved tube) at the rate of Baht 2.25 per kilogram.

#### 5 Cash and cash equivalents

	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand	55	115
Cash at banks	103,957	91,894
<b>Total</b>	<b>104,012</b>	<b>92,009</b>

#### 6 Trade receivables

	Note	2021	2020
		<i>(in thousand Baht)</i>	
<b>Related parties</b>			
Within credit terms		402,240	363,846
	4	<b>402,240</b>	<b>363,846</b>
<b>Other parties</b>			
Within credit terms		1,202,827	1,162,329
Overdue			
Less than 90 days		1,426	5,994
		<b>1,204,253</b>	<b>1,168,323</b>
<b>Total</b>		<b>1,606,493</b>	<b>1,532,169</b>

As at 31 December 2021 and 2020, the Company has no allowance for impairment loss of trade receivables.

#### *Accounts receivable supplier agreement*

During 2021, the Company has assigned its right over collection from account receivable amounted of Baht 1,128.48 million (31 December 2020: nil) to a financial institution according to the accounts receivable supplier agreement. The Company has already received from the financial institution amounted of Baht 1,125.23 million. In this regards, the financial institution shall not have any rights of recourse against the Company.

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**7 Inventories**

	2021	2020
	<i>(in thousand Baht)</i>	
Finished goods	401,000	259,854
Work in progress	398,065	258,752
Raw materials	54,122	80,504
Factory supplies	192,279	178,131
Goods in transit	82,822	122,018
<b>Total</b>	<b>1,128,288</b>	<b>899,259</b>
Inventories recognised as an expense in cost of sales of goods:		
- Cost	<b>6,905,487</b>	<b>4,467,344</b>

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**8 Property, plant and equipment**

	Land and improvements	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Transportation equipment	Assets under construction and machinery under installation	Total
<b>Cost</b>							
At 1 January 2020	181,600	593,947	4,406,471	45,971	3,984	3,117	5,235,090
Additions	-	424	4,243	667	180	30,155	35,669
Transfers	-	861	21,665	-	-	(22,526)	-
Disposals	-	-	-	(381)	(630)	-	(1,011)
<b>At 31 December 2020 and 1 January 2021</b>	<b>181,600</b>	<b>595,232</b>	<b>4,432,379</b>	<b>46,257</b>	<b>3,534</b>	<b>10,746</b>	<b>5,269,748</b>
Additions	-	-	566	334	15	82,179	83,094
Transfers	-	3,516	28,016	285	-	(31,817)	-
Disposals	-	-	(22,919)	(89)	-	-	(23,008)
<b>At 31 December 2021</b>	<b>181,600</b>	<b>598,748</b>	<b>4,438,042</b>	<b>46,787</b>	<b>3,549</b>	<b>61,108</b>	<b>5,329,834</b>
<b>Depreciation</b>							
At 1 January 2020	67,614	515,557	4,221,851	40,687	3,704	-	4,849,413
Depreciation charge for the year	2,660	16,056	44,776	1,799	80	-	65,371
Disposals	-	-	-	(379)	(630)	-	(1,009)
<b>At 31 December 2020 and 1 January 2021</b>	<b>70,274</b>	<b>531,613</b>	<b>4,266,627</b>	<b>42,107</b>	<b>3,154</b>	<b>-</b>	<b>4,913,775</b>
Depreciation charge for the year	2,666	15,283	45,217	1,754	111	-	65,031
Disposals	-	-	(22,919)	(83)	-	-	(23,002)
<b>At 31 December 2021</b>	<b>72,940</b>	<b>546,896</b>	<b>4,288,925</b>	<b>43,778</b>	<b>3,265</b>	<b>-</b>	<b>4,955,804</b>
<b>Net book value</b>							
At 31 December 2020	111,326	63,619	165,752	4,150	380	10,746	355,973
At 31 December 2021	108,660	51,852	149,117	3,009	284	61,108	374,030

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2021 amounted to Baht 4,232 million (2020: Baht 4,196 million).

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**9 Intangible assets**

	Computer software	Golf membership (in thousand Baht)	Computer software under installation	Total
<i>Cost</i>				
At 1 January 2020	137,972	2,200	1,329	141,501
Additions	22	-	2,475	2,497
Transfers	3,612	-	(3,612)	-
Write-off	(126)	-	-	(126)
<b>At 31 December 2020 and 1 January 2021</b>	<b>141,480</b>	<b>2,200</b>	<b>192</b>	<b>143,872</b>
Additions	-	-	5,722	5,722
Transfers	3,860	-	(3,860)	-
<b>At 31 December 2021</b>	<b>145,340</b>	<b>2,200</b>	<b>2,054</b>	<b>149,594</b>
<i>Amortisation</i>				
At 1 January 2020	133,969	-	-	133,969
Amortisation for the year	1,603	-	-	1,603
Write-off	(126)	-	-	(126)
<b>At 31 December 2020 and 1 January 2021</b>	<b>135,446</b>	<b>-</b>	<b>-</b>	<b>135,446</b>
Amortisation for the year	2,146	-	-	2,146
<b>At 31 December 2021</b>	<b>137,592</b>	<b>-</b>	<b>-</b>	<b>137,592</b>
<i>Net book value</i>				
At 31 December 2020	6,034	2,200	192	8,426
At 31 December 2021	7,748	2,200	2,054	12,002

**10 Short-term borrowings from financial institutions**

	2021	2020
	(in thousand Baht)	
<i>Current</i>		
<i>Unsecured</i>		
Short-term borrowings from financial institutions	888,000	825,000
<b>Total</b>	<b>888,000</b>	<b>825,000</b>

*Short-term borrowings from financial institutions*

As at 31 December 2021, short-term borrowings from financial institutions amounted to Baht 888 million shall be repayable at call. These loans bears interest at the rate of 1.08% per annum (31 December 2020: 1.08% per annum).

*Unutilised credit facilities*

As at 31 December 2021, the Company had unutilised credit facilities totalling U.S. Dollars 1 million and Baht 1,679 million (2020: U.S. Dollars 1 million and Baht 2,622 million).

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**11 Provision for employee benefits**

	2021	2020
	<i>(in thousand Baht)</i>	
Post-employment benefits	120,467	123,113
Other long-term employee benefits	7,754	6,850
Others	7,725	8,178
<b>Total</b>	<b>135,946</b>	<b>138,141</b>

***Defined benefit plan***

The Company operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<b><i>Present value of the defined benefit obligations</i></b>	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	123,113	120,775

***Recognised in profit or loss:***

Current service cost	7,442	7,342
Interest on obligation	3,254	3,137
	<b>10,696</b>	<b>10,479</b>

***Recognised in other comprehensive income:***

Actuarial (gain) loss		
- Financial assumptions	6,467	-
- Experience adjustment	(2,245)	-
	<b>4,222</b>	<b>-</b>
Benefit paid	(17,564)	(8,141)
	<b>(17,564)</b>	<b>(8,141)</b>
<b>At 31 December</b>	<b>120,467</b>	<b>123,113</b>

***Principle actuarial assumptions***

	2021	2020
	<i>(%)</i>	
Discount rate	1.9	2.8
Future salary growth	4	3 - 4
Employee turnover	0 - 14	0 - 14

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 8.4 years (2020: 7.8 years).

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*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	increase in assumption		decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(7,123)	(6,854)	7,734	7,578
Future salary growth (1% movement)	7,692	9,936	(7,066)	(9,062)
Employee turnover (20% movement)	(1,270)	(1,822)	1,346	1,910
Future mortality (1% movement)	211	200	(230)	(216)

**12 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

*Other components of equity*

**Cash flow hedge reserve**

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

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**13 Segment information and disaggregation of revenue**

Management considers that the Company operates in a single line of business, namely seamless copper tube, and has, therefore, only one reportable segment.

***Geographical segments***

The Company is managed and operates principally in Thailand. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Disaggregation of revenue</i></b>		
<b>Primary geographical markets</b>		
Thailand	4,043,290	3,061,539
Malaysia	677,984	439,086
Japan	339,091	114,639
Singapore	91,969	78,585
Other countries	2,032,960	1,108,164
<b>Total revenue</b>	<b>7,185,294</b>	<b>4,802,013</b>

Total revenue of the company recognised at a point of time

***Major customer***

Revenues from major customers represent approximately Baht 3,591 million (2020: Baht 2,310 million) of the Company's total revenues.

**14 Expenses by nature**

	2021	2020
	<i>(in thousand Baht)</i>	
<b><i>Included in cost of sales of goods:</i></b>		
Changes in inventories of finished goods and work in progress	(280,459)	(154,439)
Raw materials and consumables used	6,567,027	4,022,562
Employee benefit expenses	271,068	255,037
Depreciation of plant and equipment	64,446	64,975
Amortisation of intangible assets	1,433	1,275
<b><i>Included in distribution costs:</i></b>		
Packing materials and consumables used	55,008	39,482
Freight expenses	37,861	35,444
Employee benefit expenses	18,529	18,913
Depreciation of plant and equipment	2,026	1,719
<b><i>Included in administrative expenses:</i></b>		
Employee benefit expenses	67,180	63,660
Technical assistance fee	14,518	13,897
Depreciation of plant and equipment	3,183	3,232
Amortisation of intangible assets	713	328

During 2021, the Company has contributed provident funds for its employees amounting to Baht 6.6 million (2020: Baht 6.5 million), which included in employee benefit expenses.

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**15 Income tax**

*Income tax recognised in profit or loss*

	2021 (in thousand Baht)	2020 (in thousand Baht)
<b>Current tax expense</b>		
Current year	46,627	20,364
Over provided in prior year	-	(10)
	<u>46,627</u>	<u>20,354</u>
<b>Deferred tax expense</b>		
Movements in temporary differences	8,255	(8,744)
<b>Total</b>	<u>54,882</u>	<u>11,610</u>

*Income tax recognised in other comprehensive income*

	Before tax	2021 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2020 Tax (expense) benefit	Net of tax
Cash flow hedges reserve	9,630	(1,926)	7,704	148	(30)	118
Defined benefit plan actuarial losses	(4,222)	844	(3,378)	-	-	-
	<u>5,408</u>	<u>(1,082)</u>	<u>4,326</u>	<u>148</u>	<u>(30)</u>	<u>118</u>

*Reconciliation of effective tax rate*

	Rate (%)	2021 (in thousand Baht)	Rate (%)	2020 (in thousand Baht)
Profit before income tax expense		274,394		58,678
Income tax using the Thai corporation tax rate	20	54,879	20	11,736
Expenses additionally deductible for tax purposes		(88)		(148)
Expenses not deductible for tax purposes		91		32
Over provided in prior year		-		(10)
<b>Total</b>	<u>20</u>	<u>54,882</u>	<u>20</u>	<u>11,610</u>

*Deferred tax  
At 31 December*

	Assets		Liabilities	
	2021	2020 (in thousand Baht)	2021	2020
Total	27,634	36,971	-	-
Net deferred tax assets	<u>27,634</u>	<u>36,971</u>	<u>-</u>	<u>-</u>

## Fine Metal Technologies Public Company Limited

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	At 1 January 2021	(Charged) / credited to		At 31 December 2021
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Right-of-use assets	170	(77)	-	93
Derivatives and hedge accounting	9,145	(6,895)	(1,926)	324
Provision for employee benefits	27,628	(1,283)	844	27,189
Others	28	-	-	28
<b>Total</b>	<b>36,971</b>	<b>(8,255)</b>	<b>(1,082)</b>	<b>27,634</b>

	At 1 January 2020	(Charged) / credited to		At 31 December 2020
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Right-of-use assets	107	63	-	170
Derivatives and hedge accounting	599	8,576	(30)	9,145
Provision for employee benefits	27,523	105	-	27,628
Others	28	-	-	28
<b>Total</b>	<b>28,257</b>	<b>8,744</b>	<b>(30)</b>	<b>36,971</b>

## 16 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the manufacturing of seamless copper tube, which include, among others, the following:

- exemption from the payment of import duty on raw material and essential materials imported for the Company's operation for export, from 14 July 2021 to 13 July 2023.
- exemption from the payment of import duty on item which the promoted company imports for re-export, from 14 July 2021 to 13 July 2023.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

## 17 Basic earnings per share

	2021 (in thousand Baht / thousand shares)	2020
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>		
Profit attributable to ordinary shareholders of the Company (basic)	219,512	47,068
Number of ordinary shares outstanding	48,000	48,000
<b>Earnings per share (basic) (in Baht)</b>	<b>4.57</b>	<b>0.98</b>

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**18 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
<b>2021</b>				
Annual dividend	30 April 2021	May 2021	<u>1.625</u>	<u>78,000</u>
<b>2020</b>				
Annual dividend	29 April 2020	May 2020	<u>1.625</u>	<u>78,000</u>

**19 Financial instruments**

**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

At 31 December 2021	Hedging instruments	Carrying amount Financial instruments measured at FVTPL	Fair value				
			Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Forward exchange contract used for hedging	3,593	798	4,391	-	4,391	-	4,391
Copper future contract used for hedging	<u>12,300</u>	<u>-</u>	<u>12,300</u>	<u>-</u>	<u>12,300</u>	<u>-</u>	<u>12,300</u>
<b>Total financial assets</b>	<u>15,893</u>	<u>798</u>	<u>16,691</u>				
<b>Financial liabilities</b>							
Forward exchange contract used for hedging	(1,904)	(1,543)	(3,447)	-	(3,447)	-	(3,447)
Copper future contract used for hedging	<u>(14,863)</u>	<u>-</u>	<u>(14,863)</u>	<u>-</u>	<u>(14,863)</u>	<u>-</u>	<u>(14,863)</u>
<b>Total financial liabilities</b>	<u>(16,767)</u>	<u>(1,543)</u>	<u>(18,310)</u>				
At 31 December 2020	Hedging instruments	Carrying amount Financial instruments measured at FVTPL	Fair value				
			Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Copper future contract used for hedging	87,483	-	87,843	-	87,483	-	87,483
<b>Total financial assets</b>	<u>87,483</u>	<u>-</u>	<u>87,843</u>				
<b>Financial liabilities</b>							
Forward exchange contract used for hedging	(7,608)	(500)	(8,108)	-	(8,108)	-	(8,108)
Copper future contract used for hedging	<u>(125,097)</u>	<u>-</u>	<u>(125,097)</u>	<u>-</u>	<u>(125,097)</u>	<u>-</u>	<u>(125,097)</u>
<b>Total financial liabilities</b>	<u>(132,705)</u>	<u>(500)</u>	<u>(133,205)</u>				

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Copper future contract	<i>Market comparison technique:</i> The fair value is determined using broker quoted. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments.

**(b) Financial risk management policies**

***Risk management framework***

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

***(b.1) Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

***(b.1.1) Trade receivables***

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 13.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's commercial terms and conditions are offered. The Company's review sale limits are established for each customer. Any sales exceeding those limits require approval from the authorised person.

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The Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period. Outstanding trade receivables are regularly monitored by the Company. An impairment analysis is performed by the Company at each reporting date.

Information relevant to trade receivables are disclosed in note 6.

#### (b.1.2) Cash and cash equivalent and derivatives

The Company's exposure to credit risk arising from cash and cash equivalents and derivatives is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

#### (b.2) Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

At 31 December 2021	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in thousand Baht)			
<i>Non-derivative financial liabilities</i>						
Trade payables	(476,357)	(476,357)	-	-	-	(476,357)
Other payables	(47,885)	(47,885)	-	-	-	(47,885)
Lease liabilities	(6,673)	(4,136)	(1,592)	(1,264)	-	(6,992)
Loans from financial institutions	(888,000)	(892,818)	-	-	-	(892,818)
	<b>(1,418,915)</b>	<b>(1,421,196)</b>	<b>(1,592)</b>	<b>(1,264)</b>	<b>-</b>	<b>(1,424,052)</b>
<i>Derivative financial liabilities</i>						
Copper future contracts used for hedging	(14,863)	(2,551)	(11)	-	-	(2,562)
Forward exchange contracts used for hedging:	(3,447)					
- Cash outflow		(631,712)	-	-	-	(631,712)
- Cash inflow		636,178	-	-	-	636,178
	<b>(18,310)</b>	<b>1,915</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>1,904</b>

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<i>At 31 December 2020</i>	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years <i>(in thousand Baht)</i>	More than 2 years but less than 5 years	More than 5 years	
<b><i>Non-derivative financial liabilities</i></b>						
Trade payables	(339,735)	(339,735)	-	-	-	(339,735)
Other payables	(29,933)	(29,933)	-	-	-	(29,933)
Lease liabilities	(8,678)	(4,545)	(3,306)	(1,240)	-	(9,091)
Loans from financial institutions	(825,000)	(829,484)	-	-	-	(829,484)
	<u>(1,203,346)</u>	<u>(1,203,697)</u>	<u>(3,306)</u>	<u>(1,240)</u>	<u>-</u>	<u>(1,204,243)</u>
<b><i>Derivative financial liabilities</i></b>						
Copper future contracts used for hedging	(125,097)	(37,615)	-	-	-	(37,615)
Forward exchange contracts used for hedging:	(8,108)					
- Cash outflow		(389,592)	-	-	-	(389,592)
- Cash inflow		383,814	-	-	-	383,814
	<u>(133,205)</u>	<u>(43,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,393)</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

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*(b.3) Market risk*

The Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

*(b.3.1) Foreign currency risk*

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

The Company is exposed to the transactions with foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and receivables are denominated and the respective functional currencies of the Company. The functional currencies of the Company are primarily Thai Baht (THB). The currencies in which these transactions are primarily denominated are US dollars, and Japan Yen.

The Company's risk management policy is to hedge 70% to 90% its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months at any point in time. The Company uses forward exchange contracts to hedge its currency risk, mostly with less-than-one-year maturity from the reporting date. These contracts are generally designated as cash flow hedges.

The Company designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognised in equity in a cost of hedging reserve. The Company's policy specifies the critical terms of the forward exchange contracts to align with the hedged item.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

The Company assesses whether the derivative designated in each hedging relationship is effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparties' and the Company's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- differences in the timing of the hedged transactions

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	2021			2020		
<i>Exposure to foreign currency at 31 December</i>	USD	JPY	Total (in thousand Baht)	USD	JPY	Total
Trade receivables	211,238	5,733	216,971	175,396	12,662	188,058
Other receivables	55,816	-	55,816	21,596	-	21,596
Trade payables	(77,035)	(22,253)	(99,288)	(52,827)	(16,748)	(69,575)
Other payables	(2,608)	(47)	(2,655)	(113)	-	(113)
<b>Net statement of financial position exposure</b>	<b>187,411</b>	<b>(16,567)</b>	<b>170,844</b>	<b>144,052</b>	<b>(4,086)</b>	<b>139,966</b>
Sales forecast	513,262	-	513,262	237,951	-	237,951
Purchases forecast	(300,550)	-	(300,550)	(142,719)	-	(142,719)
<b>Net forecast transaction exposure</b>	<b>400,123</b>	<b>(16,567)</b>	<b>383,556</b>	<b>239,284</b>	<b>(4,086)</b>	<b>235,198</b>
Forward exchange purchase contracts	349,705	17,378	367,083	193,084	9,521	202,605
Forward exchange selling contracts	(253,728)	(11,713)	(265,441)	(175,513)	(12,720)	(188,233)
<b>Net exposure</b>	<b>496,100</b>	<b>(10,902)</b>	<b>485,198</b>	<b>256,855</b>	<b>(7,285)</b>	<b>249,570</b>

**(b.3.2) Interest rate risk**

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because loan interest rates (see note 10) are mainly variable. So the Company is primarily exposed to interest rate risk. However, the sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Company.

**(b.4) Cash flow hedge**

At 31 December 2021, the Company held the following financial instruments to hedge exposures to changes in foreign currency.

	1-6 months	Maturity 6-12 months	More than one year
<b>At 31 December 2021</b>			
<b>Foreign currency risk</b>			
Forward exchange contracts			
Net exposure (in thousand Baht)	230,608	69,942	-
Average THB:USD forward contracts rate	33.25	33.42	-
<b>At 31 December 2020</b>			
<b>Foreign currency risk</b>			
Forward exchange contracts			
Net exposure (in thousand Baht)	105,494	51,025	-
Average THB:USD forward contracts rate	31.79	31.27	-

**Fine Metal Technologies Public Company Limited**  
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The amounts at the reporting date relating to items designated as hedged items were as follows.

	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Costs of hedging reserve	Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
			(in thousand Baht)	
<b>At 31 December 2021</b>				
<b>Foreign currency risk</b>				
Inventory purchases	-	2,201	-	-
<b>At 31 December 2020</b>				
<b>Foreign currency risk</b>				
Inventory purchases	-	(7,608)	-	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

<b>Foreign currency risk At 31 December</b>	2021	2020
	(in thousand Baht)	
Forward exchange contracts - nominal amount	300,550	156,519
Carrying amount included in:		
- other current financial assets	3,593	-
- trade and other payables	(744)	(580)
- other current financial liabilities	(1,904)	(7,608)
<b>For the year ended 31 December</b>		
<b>Recognised in OCI</b>		
- changes in value of the hedging instrument	2,021	(7,608)
- hedging reserve transferred to profit or loss	7,608	7,757
<b>Recognised in profit or loss</b>		
- reclassified from hedging reserve and included in cost of goods sold	7,608	7,757

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	Cash flow hedge reserve	
	2021	2020
	(in thousand Baht)	
<b>Balance at 1 January</b>	(6,086)	(6,205)
<b>Cash flow hedges</b>		
Changes in fair value:		
Foreign currency risk		
- inventory purchases	2,021	(7,608)
Amount reclassified to profit or loss:		
Foreign currency risk - inventory purchases	7,608	7,757
Tax on movements on reserves during the year	(1,926)	(30)
<b>Balance at 31 December</b>	<b>1,617</b>	<b>(6,086)</b>

**Fine Metal Technologies Public Company Limited**  
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**(b.5) Fair value hedge**

*Copper future contracts - Master hedge agreements*

The Company is exposed to copper price risk arising from sales commitment with customers. The Company entered into copper future contracts in order to hedge the commodities price risk and determines the economic relationship between the hedging instrument and the hedged items and apply this strategy to all similar exposures.

At 31 December 2021 and 2020, the Company held the following financial instruments to hedge exposures to changes in commodity price.

	1-6 months	Maturity 6-12 months	More than one year
<b>At 31 December 2021</b>			
<b>Commodity price risk</b>			
<i>Copper future contracts</i>			
Net exposure (in thousand Baht)	464,786	38,480	15,338
Average copper contracts rate per metric tons (in thousand Baht)	317.62	308.34	306.75
<b>At 31 December 2020</b>			
<b>Commodity price risk</b>			
<i>Copper future contracts</i>			
Net exposure (in thousand Baht)	216,939	23,716	-
Average copper contracts rate per metric tons (in thousand Baht)	189.73	170.15	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

<b>Commodity price risk At 31 December</b>	2021 (in thousand Baht)	2020 (in thousand Baht)
Copper future contracts - nominal amount	518,604	240,655
Carrying amount included in:		
- other current financial assets	12,300	87,483
- other current financial liabilities	(14,863)	(125,097)
<b>For the year ended 31 December</b>		
<b>Recognised in profit or loss</b>		
- hedge ineffectiveness included in hedging gain (loss) for hedge of group of items with off-setting risk positions	966	(197)

**20 Capital Management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and also monitors the level of dividends to ordinary shareholders.

**Fine Metal Technologies Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2021**

**21 Commitments with non-related parties**

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Other commitments</i>		
Short-term lease and low-value assets commitments	54	190
Bank guarantees for electricity use	13,369	13,369
<b>Total</b>	<b>13,423</b>	<b>13,559</b>

***Significant agreement with non-related parties***

Hedge Agreement

The Company and Furukawa Electric Co., Ltd., formerly the major shareholder, agreed to terminate master hedging agreement dated 1 March 2015 in January 2021.

The Company entered into a master hedging agreement with non-related party, Toyota Tsusho Metals Ltd. ("the broker"), to hedge against the price fluctuation for the sale of copper product made by the Company to its customers in Thailand. Under the terms of agreement, the broker shall provide hedge service to the Company by entering into hedge contracts with the London Metal Exchange in accordance with the terms and condition stated in each hedge application requested by the Company. In consideration thereof, the Company is committed to pay a hedge service fee at the rate specified in agreement. In addition, the difference between the hedge price and the market price shall be payable by the Company or the broker, as the case maybe, at the end of each hedge period or specified in the agreement. This agreement is effective on the agreement date and shall be terminated by either party giving notice in writing to the other party.

Long-term Contract for the Purchase of Copper Cathodes

The Company and Furukawa Electric Singapore Pte. Ltd., formerly a group member of the entity which provides key management service to the Company, agreed to terminate Long-term Contract for the Purchase of Copper Cathodes in January 2021.

Contracts to purchase of Copper Cathodes

The Company has contracts to purchase of Copper Cathodes with local suppliers under the terms of which the Company has agreed to purchase copper cathodes from the said companies at the market price averaged during the contractual month of shipment plus the contractually agreed rate or at the rate specified in agreement.

Accounts receivable supplier agreement

The Company has assigned its right over collection from account receivable to a financial institution according to the accounts receivable supplier agreement. The Company shall receive from the financial institution for the account receivable amount after deduction of transaction fee and discount charge. In this regards, the financial institution shall not have any rights of recourse against the Company.

**22 Events after the reporting period**

At the Board of Directors' meeting held on 22 February 2022, the directors resolved to propose the dividend payment at Baht 2.625 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.



Details of Directors, Executives, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary.

1) Details of Directors 16 persons (As at 31 December 2021 ; the Company's directors total 14 persons)

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
1.	Mr. Chai Sophonpanich Chairman	78	<ul style="list-style-type: none"> <li>- Bachelor Degree of Science, University of Colorado, USA (Y.1967)</li> <li>Director Training</li> <li>- Advanced Management Program, The Wharton School (Y. 1984)</li> <li>- The Join State — Private Sector Class 6, Thailand National Defense College</li> <li>- Director Certificate Program Class 16/2002,</li> <li>Thai Institute of Director Association</li> <li>- Chairman 2000 Class 10/2004,</li> <li>Thai Institute of Directors Association</li> </ul>	Held personally 2,265,200 (4.71%)	- No -	- Y. 1968 - Y. 2015, Aug 2020 - Present - Y. 1978 - Jun 2017, Nov 2018 - Present - Y. 1979 - Jun 2017, Aug 2018 - Present - Y. 1986 - Jun 2017, Nov 2018 - Present - Y. 1988 - Jun 2017, Nov 2018 - Present - Y. 2016 - Jun 2017, Nov 2018 - Present	- Director - Chairman, - Chairman, - Chairman, - Chairman, - Chairman, - Chairman,	- Bangkok Insurance Public Company Limited - Bangkok Life Assurance Public Company Limited - Bumrungrad Hospital Public Company Limited - Charoeng Thai Wire & Cable Public Company Limited - Fine Metal Technologies Public Company Limited - Thai Reinsurance Public Company Limited
<u>Holding any position in other businesses or organizations in the past year (2017-2021)</u>						<u>Period</u> -	<u>Position</u> -	<u>Company</u> -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
2.	Mrs. Chanida Asdathorn Director	80	- Bachelor Degree of Business Administration, Pasadena College, California, U.S.A. Director Training Director Accreditation Program - DAP from Thai Institute of Director (March 2006)	1,225,810 (2.55%)	Mother of Mr. Thimakorn Asdathorn	Y. 1988 - Nov 2020 10 Aug 2017 - 10 Nov 2018 Dec 2018 - Present	- Director - Chairman  - Director	- Fine Metal Technologies PCL. - Fine Metal Technologies PCL.  - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021) - Director Company Limited								
						Period	Position	Company
						Y. 1974 - Present Y. 1979 - Present	- Director - Executive Director	- Thai Ruang Industrial Co., Ltd. - Chonburi Sugar & Trading Corporation Co., Ltd.
						Y. 1984 - Present	- Director	- Siam Sugar Export corporation Co., Ltd.
						Y. 1989 - Present Y. 1990 - Present	- Director - Director	- Kerry Flour Millis Co., Ltd. - Kerry Siam Seaport Co., Ltd.
						Y. 1992 - Present Y. 200 - Present	- Director - Director	- Shangri-La Hotel PCL. - Thai Ruam Chareon Sugar (2000) Co., Ltd.
						Y. 2015 - Present	- Director	- THR Molasses Trading Co., Ltd.

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No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
3.	Mr. Tinnakorn Asdathorn Director	54	- Bachelor Degree of Electrical Engineering, King Mongkut's Institute of Technology, Ladkrabang	653,300 (1.36%)	Son of Mrs. Chanida Asdathorn	Y. 1996 - Present	- Director	- Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021) - Managing Director, Director Company Limited								
						Period Y. 2011 - Present Y. 2013 - Present Y. 2015 - Present Y. 2021 - Present	Position - Director - Managing Director - Director - Director	Company - President Flour Mills Co., Ltd. - Kerry Flour Mills Co., Ltd. - Thai Roong Ruang Electricity Generating Co., Ltd. - Thai Roong Ruang Industry Co., Ltd

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
4.	Mr. Hideki Shiraishi Director	64	- Bachelor Degree of Law, Tokyo University, Japan	- No -	- No -	Apr 1981 - Mar 2002  Apr 2002 - Oct 2011 Nov 2011 - Jun 2017  Jul 2017 - Present  4 Jun 2020 - Present	- Joined with Corporate Banking Division, Corporate Planning Division - Executive Officer - Senior Managing Director  - Managing Director  - Director	- The Industrial Bank of Japan  - Mizuho Bank - Toko Electrical Construction Co.,Ltd. (Japan) - Japan Industrial Partners, Inc. (Japan) - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
						-	-	-

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
5.	Mr. Junichi Ishihara Director & Managing Director	61	- Bachelor Degree, Faculty of Mechanical Engineering, Keiko University, Tokyo, Japan	- No -	- No -	Apr 2000 - Jul 2009	- Manager, Special Material Department, Production Engineering Department, Planning & Administration Department, Metal Division	- Furukawa Electric Co., Ltd.
						Aug 2009 - Mar 2012	- Manager, Manufacturing Manufacturing Department, Copper Strip Division, Metal Group	- Furukawa Electric Co., Ltd
						Jul 2012 - Aug 2015	- Managing Director	- Furukawa Precision (Thailand) Co.,Ltd
						Oct 2015 - Mar 2016	- Senior Manager, Plating Unit	- Furukawa Electric Co., Ltd
						Apr 2016 - Mar 2018	- General Manager, High Performance Plating Department, Copper	- Furukawa Electric Co., Ltd
						27 Apr 2019 - Present	- Director & Managing Director	- Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
						-	-	-

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
6.	Mr. Nobutaka Taniguchi Director	70	- Bachelor Degree of Commercial, Tokai University, Japan	648,010 (1.35%)	- No -	Y. 1975 - Present Y. 1988 - Present Y. 1993 - Nov 2020	- Chairman - Chairman - Director	- Tani International Trading Co., Ltd. - Tani Guchi Metal Co., Ltd - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
						-	-	-

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
7.	Mr. Shingo Nishijima Director and Factory Manager	52	- Master of Engineering, Fukuoka University, Japan	- No -	- No -	Y. 1995 - Y. 2006  Y. 2006 - Y. 2012  Y. 2012 - Y. 2015  Y. 2015 - Y. 2018  Y. 2018 - Present  1 Jul 2019 - Present 22 Apr 2021 - Present	- Department 3, Production Technology & Engineering Department - Production Technology Innovation Center, Production Technology & Engineering Department - Manager of Chiba Engineering Group, Production Technology & Engineering Department - Manager of Equipment Maintenance Section and Engineering Section - General Manager of Maintenance Department - Factory Manager - Director	- Furukawa Electric Co., Ltd  - Furukawa Electric Co., Ltd  - Furukawa Electric Co., Ltd  - Furukawa Electric Co., Ltd  - Fine Metal technologies PCL - Fine Metal technologies PCL - Fine Metal technologies PCL
Holding any position in other businesses or organizations in the past year (2017-2021)						<u>Period</u> -	<u>Position</u> -	<u>Company</u> -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
8.	Mr. Takeshi Nishizawa Director (Ended 10 Aug 2021)	57	- Bachelor Degree in Nuclear Engineering, Kobe University, Japan	- No -	- No -	Y. 1986 - Y. 2002 Y. 2003 - Y. 2006  Y. 2007 - Y. 2012  Y. 2013 - Y. 2014 Apr 2016  Apr 2016 - Aug 2021	- Production Engineering Section - Manager, Production Engineering Section - Manager, Production System Development Section - General Manager of Planning - General Manager of Quality & Engineering Department - Director	- Furukawa Electric Co., Ltd. - Furukawa Electric Co., Ltd  - Furukawa Electric Co., Ltd  - Furukawa Electric Co., Ltd - Furukawa Electric Co., Ltd  - Fine Metal Technologies PCL
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
- Director Company Limited						Y. 2016 - Present	- Director	- Okumura Metal Co., Ltd (Japan)

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No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
9.	Mr. Yoshihiko Mezaki Director (Effective 10 Aug. 2021)	62	- Bachelor Degree of Mechanical engineering from Osaka Prefecture University, Japan	1,000 (0.00%)	- No -	Apr 1982-Aug 1993 Sep 1993-Feb 1998  Feb 1998-Jan 2004 Feb 2004-Aug 2009  Sep 2009-Apr 2012  Apr 2012-Apr 2018  Apr 2016-Jun 2021 Jul 2021-Present Aug 2021-Present	- Mechanical Design Engineer - General Manager of Engineering Dept. - Manager of Maintenance Section - Vice President  - General Manager of Quality Assurance Dept. - President  - President - Advisor - Director	- Furukawa Electric Co.,Ltd. - Furukawa Metal (Thailand) PCL.  - Furukawa Electric Co.,Ltd - Shanghai Sunshine Copper Co.,Ltd. - Furukawa Electric Co.,Ltd  - Shanghai Sunshine Copper Co.,Ltd. - Okumura Metal Co.,Ltd. - Okumura Metal Co.,Ltd. - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
						-	-	-

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
10.	Mr. Daisuke Hamada Director and General Manager of Sales Dept. (Ended 10 Aug 2021)	46	- Bachelor Degree in Sociology, Kwansai Gakuin University, Japan	- No -	- No -	Apr 1998 - Oct 2000 Nov 2000 - Mar 2004 Apr 2004 - Nov 2007 Dec 2007 - Feb 2011  Mar 2011 - Mar 2013 Apr 2013 - Mar 2013 Apr 2014 - Mar 2016  Apr 2017 - Mar 2017  Apr 2017 - Jul 2017  18 Oct 2017 - 19 Nov 2018 9 Oct 2018 - 10 Aug 2021 20 Nov 2018 - 10 Aug 2021	- Sales Department - Electronic Sales Department, Kansai - Chubu/Kansai Sales Department - Sales Section, Memory Disk Department - ELC Planning unit - Planning Unit, Memory Disk Division - Sales Planning & Marketing Department - Department 2, Planning Department - Planning & Administration Department - Asst. General Manager of Sale Department - Director  - General Manager of Sale Department	- Furukawa Electric Co.,Ltd. - Furukawa Electric Co.,Ltd. - Furukawa Electric Co.,Ltd. - Furukawa Electric Co.,Ltd.  - Furukawa Electric Co.,Ltd. - Furukawa Electric Co.,Ltd. - Furukawa Electric Co.,Ltd.  - Furukawa Electric Co.,Ltd.  - Furukawa Electric Co.,Ltd.  - Fine Metal Technologies PCL.  - Fine Metal Technologies PCL.  - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						<u>Period</u> -	<u>Company</u> -	<u>Company</u> -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
11.	Mr. Hideki Takayasu Director and General Manager of Sales Dept. (Effective 10 Aug 2021)	54	- Bachelor Degree of engineering in Mechanical, Shibaure Institute of Technology, Japan	- No -	- No -	Apr 1990 - Nov 2002 Nov 2002 - Nov 2006 Nov 2006 - Dec 2008 Sep 2008 - Mar 2010 Apr 2010 - Y. 2012 Y. 2012 - Y. 2017 Y. 2017 - Jun 2019 Jul 2019 - Jun 2020 Jul 2020 - Jul 2021 Aug 2021 - Present	- Production Engineer - Quality Assurance Manager - Technical Manager - Production Manager - Sales & Customer Technical Service Manager - Director of Production - Director of Sales & Customer Technical Service - Logistic Division Business Advisor - Business Strategy & Sales Engineering Advisor - General Manager of Sales Dept.	- Hitachi Cable Co., Ltd. (Japan) - Outokumpu Hitachi Copper Tube (Thailand) Co., Ltd. - Luvata Hitachi Cable (Thailand) Co., Ltd. - Hitachi Cable Co., Ltd. - Luvata Hitachi Cable (Thailand) Co., Ltd. - Luvata Heating Cooling Technologies (Thailand) Co., Ltd. - Loyal Hailiang Copper (Thailand) Co., Ltd. - Furukawa (Thailand) Co., Ltd. - Fine Metal Technologies PCL. - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						<u>Period</u> -	<u>Position</u> -	<u>Company</u> -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
12.	Mr. Vibul Aunsnunta Chairman of the Audit Committee and Independent Director	87	<ul style="list-style-type: none"> <li>- Bachelor Degree in Business Administration, U.S.A.</li> <li>- Master Degree in Economic, U.S.A.</li> <li>- Thailand National Defense College (Class 30)</li> </ul> <u>Training</u> <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 53/2006</li> </ul> Thai Institute of Directors Association	- No -	- No -	Nov 1999 - Mar 2016  Mar 2016 - Present	<ul style="list-style-type: none"> <li>- Independent Director and Audit Committee</li> <li>- Independent Director and Chairman of the Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Fine Metal Technologies PCL.</li> <li>- Fine Metal Technologies PCL.</li> </ul>
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
-						Y. 2009 - Present	- Advisor to the Board of Director	- Muang Thai Life Assurance PCL.

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No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
13.	Mr. Chor Nun Petpaisit Audit Committee and Independent Director	70	<ul style="list-style-type: none"> <li>- B.B.A. (Accounting), Thammasat University <u>Director Training</u></li> <li>- Financial Institutions Governance Program (FGP) Class 4/2012.</li> <li>- Successful Formulation &amp; Execution of Strategy (SFE) Class 8/2010.</li> <li>- Audit Committee Program (ACP) Class 28/2009.</li> <li>- Director Certification Program (DCP) Class 76/2006.</li> <li>- Director Accreditation Program (DAP) Class 28/2004.</li> </ul>	- No -	- No -	<ul style="list-style-type: none"> <li>- 3 Apr 2022 - 17 Nov 2004.</li> <li>- 28 Feb 2006 - Present</li> <li>- 27 Feb 2009 - Present</li> <li>- Y. 2013 - Present</li> <li>- Apr 2015 - Present</li> <li>- 30 Jul 2020 - Present</li> <li>- 30 Jul 2020 - Present</li> </ul>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Audit Committee</li> <li>- Advisor</li> <li>- Audit Committee and Independent Director</li> <li>- Audit Committee and Independent Director</li> <li>- Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>- Bangkok Insurance PCL.</li> <li>- Bangkok Insurance PCL</li> <li>- Thai Charoen Corporation Group (TCC Group)</li> <li>- Interhides PCL.</li> <li>- Fine Metal Technologies PCL</li> <li>- Shangri-La Hotel PCL.</li> </ul>
Holding any position in other businesses or organizations in the past year (2017-2021)								
						<u>Period</u> <ul style="list-style-type: none"> <li>Y. 2000 - Y. 2001</li> <li>Y. 2001 - Y. 2008</li> <li>Y. 2005 - Y. 2007</li> <li>Y. 2008 - Y. 2011</li> <li>Y. 2009 - Y. 2012</li> <li>Y. 2010 - Y. 2011,</li> <li>Y. 2005 - Y. 2006</li> <li>Y. 2011 - Y. 2012,</li> <li>Y. 2010 - Y. 2011,</li> <li>Y. 2006 - Y. 2008</li> <li>Y. 2010 - Y. 2011</li> </ul>	<u>Position</u> <ul style="list-style-type: none"> <li>- Director, Bureau of Tax Audit Operation</li> <li>- Policy and Plan Expert</li> <li>- Director</li> <li>- Principal Adviser on Performance Improvement</li> <li>- Director</li> <li>- Director</li> <li>- Director</li> <li>- Director</li> <li>- Inspector General</li> </ul>	<u>Company</u> <ul style="list-style-type: none"> <li>- The Revenue Department, Ministry of Finance</li> <li>- The Revenue Department, Ministry of Finance</li> <li>- National Science Museum</li> <li>- The Revenue Department, Ministry of Finance</li> <li>- The Government Pharmaceutical Organization</li> <li>- Tourism Authority of Thailand</li> <li>- Government Saving Bank</li> <li>- Government Housing Bank</li> <li>- Ministry of Finance</li> </ul>

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
14.	Mr. Akira Fujita Audit Committee and Independent Director	69	- Bachelor Degree in Law, Waseda University, Japan	- No -	- No -	Apr 1977 - Y. 1982  Y. 1982 - Y. 1986  Y. 1987 - Y. 1989 Y. 1989 - Y. 1996  Mar 1996 - Mar 2002  =Apr 2002 - Mar 2005  Apr 2005 - Jul 2010  Aug 2010 - Jun 2012 =Jul 2012 - Jun 2016 Jul 2016 - Jun 2018 Jul 2018 - Jun 2019 Aug 2019 - Present	- Production Control Section, Osaka Metal Factory - Sales Division 2, Metal Sales Department-1, Metal Products Division - Labor Union - Production Control Section, Production Department-2, Nikko Works, - Director & General Manager of Sales Department - Senior Manager of Metal Sales Department, Kansai Branch Office - Senior Manager of Metal Sales Department - Executive Director - President - Vice Chairman - Advisor - Audit Committee and Independent Director	- Furukawa (Thailand) Co., Ltd  - Furukawa (Thailand) Co., Ltd  - Furukawa (Thailand) Co., Ltd - Furukawa (Thailand) Co., Ltd  - Furukawa Metal (Thailand) PCL  - Furukawa (Thailand) Co., Ltd  - Furukawa (Thailand) Co., Ltd  - Sakakibara Co., Ltd. (Japan) - Sakakibara Co., Ltd. (Japan) - Sakakibara Co., Ltd. (Japan)) - Sakakibara Co., Ltd. (Japan) - Fine Metal Technologies PCL
Holding any position in other businesses or organizations in the past year (2017-2021)						<u>Period</u> -	<u>Position</u> -	<u>Company</u> -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
15.	Mr. Deja Tulananda Independent Director	88	<ul style="list-style-type: none"> <li>- Executive Program, Pennsylvania State University, U.S.A</li> <li>- Bachelor Degree of Economics, Leicester University, U.K</li> <li>Director Training</li> <li>Director Accreditation Program Class 53/2006</li> <li>Thai Institute of Director Association</li> </ul>	- No -	- No -	Y. 1999 - Present Y. 1992 - Present	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Executive Chairman</li> </ul>	<ul style="list-style-type: none"> <li>- Fine Metal Technologies PCL</li> <li>- Bangkok Bank PCL</li> </ul>
Holding any position in other businesses or organizations in the past year (2017-2021)								
-						Y. 1992 - Present	Executive Chairman	Company - Bangkok Bank PCL

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
16.	Mr. Iruu Hidaka Independent Director	63	- Bachelor Degree of Law, Keio University, Japan	- No -	- No -	Jul 1982 - Jun 1985 Jun. 1985- Jun 1989 Jun. 1989 - Oct 1991 Nov 1991 - Jun. 1995 Jul. 1995 - Jun 1999 Jul 1999 - Mar 2002 Apr. 2002 - Jan 2005 Feb 2005 - Jun. 2010 Jul 2010 - Jun 2011 Jul 2011 - Mar 2016 Jul 2016 - Mar 2017 Apr 2017 - Sep 2018 Nov 2020 - Present	- Seamless Pipe & Tube Scheduling Department - OCTG Export Department - Manager, Personnel Department - Manager, Pipe & Tube Export Department 2 - Senior Manager, Corporate Planning Division - Senior Manager, OCTG Export Department - Head of Department, Pipe & Tube Export Department - General Manager, Office of the President - General Manager, Overseas Business Development Division - Director and President - General Manager, Global Business Development Sector - General Manager, Oversea Business Development Department - Independent Director	- Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - Nippon Steel Corporation (Japan) - The Siam United Steel (1995) Co.,Ltd (Thailand) - Nippon Steel Corporation (Japan, Hereinafter NSC) - Nippon EGaly Steel Sdn. Bhd. (Malaysia) - Nippon Steel & Sumitomo Metal Corporation (Japan) - Nippon Steel & Sumitomo Metal Corporation (Japan) - Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						<u>Period</u> -	<u>Position</u> -	<u>Company</u> -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

2) Management

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
1.	Mr. Nopporn Moonsorn Advisor of Factory Admin Dept	57	- Bachelor degree in Secondary Education Mathematic, Major Physics, Khon Kaen University	1,500 (0.00%)	- No -	1990 - 1998  1999 - 2011  2011 - Sep 2016 Oct 2016 - 31 May 2019 1 Jun 2019 - Present	- Manager of Production Planning Section - Asst General Manager of Production Dept. - General Manager of Production Dept - Factory Manager - Advisor of Factory Admin Dept.	- Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)								
-						Period Aug. 2017 - Aug 2018	Position - Director	Company - Fine Metal Technologies PCL.

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
2.	Mr. Chirawat Ritthinee General Manager of Admin Dept.	52	- Bachelor degree in Agriculture Kasetsart University	- No -	- No -	1993 - 1997  1998 - 2009  2009 - Feb 2018 Mar 2018 - 31 May 2019 Jun 2019 - 31 Dec 2019	- Asst Manager of Production Engineer Section - Manager of Production Engineer Section - Manager of Production Control - Asst GM of Purchasing Section - Asst GM of CEI and CSR - GM Production Dept. - GM Administration Dept	- Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
						-	-	-

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
3.	Mr. Narongrit Samranjit General Manager of Production Dept.	50	- Bachelor degree in Electric Engineering Southeast Asia University	- No -	- No -	1996 - 2011  2011 - Dec 2017 Jan 2018 - Dec 2018  Jan 2019 - Jul 2021  Jul 2021 - Present	- Engineer of Production Engineering Section - Manager of Production#2 Section - Manager of Production Engineering Section - Asst General Manager of Production Engineering Dept. - General Manager of Production Dept.	- Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)								
-						Period -	Position -	Company -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

3) Person who has been assigned the highest responsibility in accounting and finance

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
1.	Ms. Arpam Jitsuteesiri General Manager of Accounting and Finance Dept.	54	- Bachelor degree in Accounting Assumption University	- No -	- No -	Oct 2017 - Apr 2020  Apr 2020 - Present	- Asst General Manager of Accounting and Finance Dept. - General Manager of Accounting and Finance Dept.	- Fine Metal Technologies PCL.
Holding any position in other businesses or organizations in the past year (2017-2021)						Period -	Position -	Company -

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

#### 4) Company Secretary

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
1.	Mrs. Siriporn Lueangrachanee Advisor of Admin Dept. and Company Secretary	58	- Bachelor of Business Administration University of the Thai Chamber of Commerce	- No -	- No -	1989 - 2012 2013 - 2014	- Manager of GA Section - Asst General Manager of Admin Dept. Manager of GA Section And Manager of HR Section - General Manager of Admin Dept. - Advisor of Admin Dept. - CompanyS ecretary	- Fine Metal Technologies PCL - Fine Metal Technologies PCL  - Fine Metal Technologies PCL  - Fine Metal Technologies PCL - Fine Metal Technologies PCL
						2015 - 31 Dec 2018 Jan 2019 - Present 2008 - Present		
Holding any position in other businesses or organizations in the past year (2017-2021)						Period	Position	Company
						-	-	-

Remarks : Furukawa Metal (Thailand) Public Company Limited registered the name change to Fine Metal Technologies Public Company Limited on 18 November 2020.

#### Duties of Company's Secretary

1. Perform duties for organizing the Board of Directors' meetings and shareholders' meetings in accordance with the Company Articles of Association.
2. Providing and storing following documents, committee register, letter of appointment for committee meeting, minutes of committee's meeting and annual report along with letter of appointment for shareholder's meeting and minutes of shareholder's meeting, Report on the interest of director and executive
3. Arranging Shareholder's Meeting and committee's meeting to be in accordance with laws, regulations of the company and practices.
4. Follow up to ensure compliance with the resolution of the Board of Directors' meetings and shareholders' meetings.
5. Supervising the disclosure of data and information in responsible part with the institute that monitors the company according to regulations and requirements of government sectors.
6. Monitoring the Company and committee to comply with laws and regulations of Office of Securities and exchange Commission and Stock Exchange of Thailand.
7. Taking care of activities of the Company's committee as assigned.

## Attachment 2

### Details of the Subsidiary's Directors

Fine Metal Technologies Public Company Limited operates business with only one main company without subsidiary and associated companies

## Details of the Internal Audit.

## Internal Audit Supervisor Y. 2021 (External)

Internal audit EY Corporate Services Limited.

33<sup>rd</sup> Floor Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klong Toey, Bangkok 10110

Tel No. 02 - 264 - 9090 ext. 77071

Fax no. 02 - 264 - 0789 - 90

Website <http://www.ey.com>

No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of shares holding	Relationship	Experience in the past 5 Years Information as of 31 December 2021		
						Period	Period	Company
1.	คุณเดิม เตชะศรีจันทร์ Partner, Consulting 1 <sup>st</sup> October 2017	48	<ul style="list-style-type: none"> <li>- Master of Business Administration, Missouri State University</li> <li>- Bachelor of Business Administration, Assumption University</li> <li>- Certified Internal Auditor (CIA)</li> <li>- Certification in Risk Management Assurance (CRMA)</li> <li>- Business Continuity Management BSI25999</li> <li>- ISO 22301:2012</li> </ul>	-None-	-None-	1 <sup>st</sup> October 2017 - current 1 <sup>st</sup> January 2016 - 30 <sup>th</sup> September 2017	<ul style="list-style-type: none"> <li>- Partner, Consulting</li> <li>- Partner, Advisory</li> </ul>	EY Corporate Services Limited KPMG Phoomchai Advisory Ltd.
Holding any position in other businesses or organizations in the past year (2017-2021)								
-						Period -	Position -	Company -

## Attachment 4

### Assets used in business and details of property appraisal list.

#### Assets used in business

Detail appear on Page 27 - Page 30.

#### Details about the property appraisal list

- None -

## Attachment 5

### Policies and Guidelines of Corporate Governance and Company's Code of Business Ethics

Please see section 6 : Detail appear on Page 71 - Page 83.

### Audit Committee Report

#### To Shareholders

Fine Metal Technologies Public Company Limited.

The Board of Directors of Fine Metal Technologies Public Company Limited has appointed the Audit Committee, which comprised of 3 independent directors : Mr. Vibul Aunsuntha (Chairman of the Audit Committee), Mr. Chor Nun Petpaisit and Mr. Akira Fujita (Members of the Audit Committee), Mrs. Siriporn Lueangrachanee was secretary to the Audit Committee.

In 2021, Audit Committee member has performed their duties according to the charter as designated by the Board of Directors. The Audit Committee carried out its supervisory tasks compliance with the good corporate governance principles of the Stock Exchange of Thailand which held total 4 Meetings and report to the Company's Board of Directors. These are summarized as follows :

- To review the Company quarterly financial statements and the financial statements for the year ended 2021 as well as related documents which shall be correct, sufficient, creditable and in accordance with general accounting standards.
- Had Meeting with the auditors without the management to allow the auditors to report events and information of the Company and exchange comments independently.
- To opine and recommend to the Board of Directors concerning the Company's financial statements and relevant information.
- To review internal control system and acknowledge audition report according to the annual audition plan of internal audit in 2021.

- To review and ensure that the Company complies with the Securities and Exchange Act, Regulation, Notification and all relevant laws with the Company's business operation.
- To consider the disclosure of information of Company regarding the item prescribed by law including other connected transaction and transaction which may cause interest conflict.
- Participated in the 2021 Annual Ordinary General Meeting of Shareholders.
- The Audit Committee considered and proposed KPMG Phoomchai Audit Limited and its fee proposal for the year 2022 then sent their recommendation to the Board of Directors for consideration and such proposal will be proposed to the 2022 Annual Ordinary General Meeting of Shareholders for final approval.

The Audit Committee believes that the Company upholds good corporate governance policies by monitoring and evaluating results of agreed operational plans, rendering the internal control system of the Company to be sufficient. Also the Company's financial statements for the fiscal year ending 31 December 2021 were properly prepared and relevant information was disclosed adequately pursuant to the accounting standards. No events were found to indicate problems or transaction with significant impact.

On behalf of the Audit Committee



( Mr. Vibul Aunsuntha )

Chairman of the Audit Committee

15 February 2022



บริษัท ไฟน์ เมทัล เทคโนโลยีส์ จำกัด (มหาชน)  
Fine Metal Technologies Public Company Limited

Bangkok Office

183 Regent House Building, 14<sup>th</sup> Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330  
Tel. (+66) 2-256-0641-50 Fax. (+66) 2-256-0651

Saraburi Factory

213 Moo 4, Mittraphap Road, Km.125 Tambol Tabkwang, Amphur Kaengko, Saraburi 18260  
Tel. (+66) 36-329-811-20 Fax. (+66) 36-329-822

