

Annual Report Y. 2023

(Form 56-1 One Report)



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



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Message from the Chairman



I would like to express my deepest gratitude to all shareholders for your ongoing support.

In 2023, despite the abatement of the impact from the spread of COVID-19, geopolitical risks such as Russia's invasion of Ukraine and conflict between Israel and Hamas have become more apparent. The global supply chain remains susceptible to uncertainty due to various factors such as soaring energy prices, extreme fluctuations in exchange rates, and shortages of raw materials.

Under the circumstances and challenges in the business environment mentioned above, the company remains committed to producing and delivering high-quality products to customers. Despite the primary users, who are Japanese air conditioner manufacturers in Southeast Asia, adjusting to reduce inventory and production due to sluggish sales in North America and Europe, which resulted in decreased sales volume and value of copper tube sales compared to the previous year. However, to express our gratitude to all shareholders for supporting the Company, the Board of Directors has proposed an annual dividend payment at the rate of 2.625 Baht per share.

For the year 2024, the Company plans to expand into new markets and acquire new customers, both domestic and international, to focus on selling strategic products and to develop new products in order to become the preferred supplier that is trusted by all customers and shareholders.

On behalf of the Board of Directors, I would like to express our appreciation to all shareholders, customers, and business partners for always trusting, believing, and supporting the Company. I would also like to thank the management team and all employees for their cooperation and dedication to continually drive the Company's businesses to succeed and grow sustainably.

A handwritten signature in black ink, which appears to read "Chai Sophonpanich".

Mr. Chai Sophonpanich

Chairman

Board of Directors

			
Mr. Chai Sophonpanich Chairman	Mrs. Chanida Asdathorn Director	Mr. Hideki Shiraishi Director	Mr. Junichi Ishihara Director & Managing Director
			
Mr. Nobutaka Taniguchi Director	Mr. Shingo Nishijima Director (Ended 29 Apr 2023)	Mr. Hideki Takayasu Director	Mr. Yoshihiko Mezaki Director
			
Mr. Tinnakorn Asdathorn 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. Iruru Hidaka Independent Director	Mr. Hiroshige Nose Director (Start 29 Apr 2023)		

Financial Highlight

(Unit: Million Baht)

Financial Performance	Y. 2023	Y. 2022	Y. 2021
Net Sale	6,746	7,962	7,185
Total Revenues	6,761	7,981	7,388
Cost and Expenses	6,641	7,857	7,113
Profit (Loss) Before Income Tax	120	124	274
Income Tax	(24)	(25)	(55)
Net Profit (Loss)	96	99	220
Other comprehensive income	6	(11)	4
Total comprehensive income for the year	102	88	224
Basic Earning (Loss) Per Share (Baht)	2.01	2.06	4.57
Dividend Per Share (Baht)	2.750	2.625	1.625
Return on Total Revenue (%)	1.42	1.24	2.97
Return on Shareholders' Equity (%)	6.12	5.19	13.61
Return on Total Assets (%)	3.45	3.26	6.57

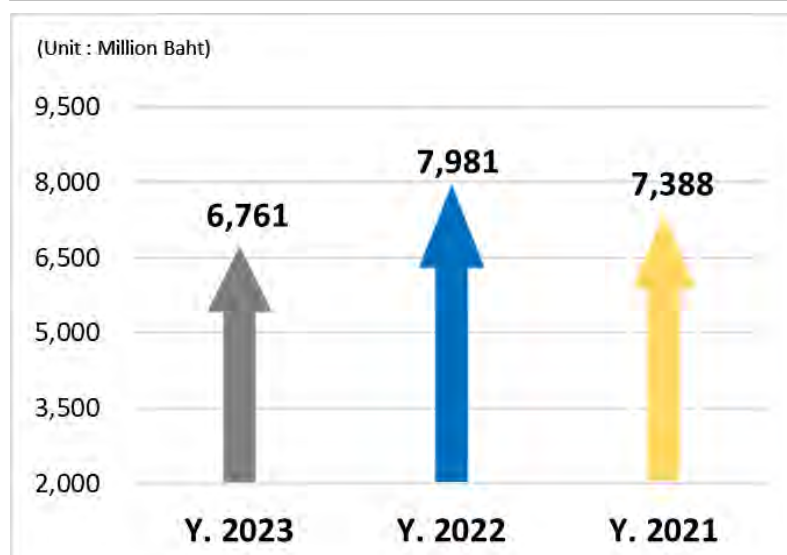
(Unit: Million Baht)

Financial Ratio	Y. 2023	Y. 2022	Y. 2021
Current Assets	2,368	2,616	2,916
Total Assets	2,792	3,035	3,339
Current Liabilities	1,001	1,213	1,482
Long-Term Loans	-	-	-
Total Liabilities	1,142	1,355	1,621
Shareholders' Equity	1,650	1,680	1,718
Issued & Paid-Up Capital	480	480	480
Par Value (Baht)	10	10	10
Number of Shares (Thousand Shares)	48,000	48,000	48,000
Book Value Per Share (Baht)	34.38	35.00	35.79

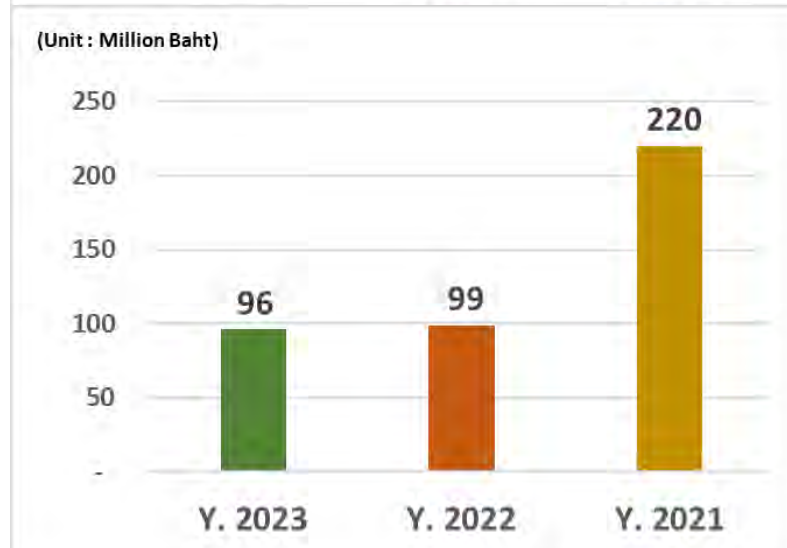
Total Assets



Total Revenues



Net Profit



Section 1 **Business Operations and Operating Results**

1. Structure and Operations of the Company

1.1 Policy and Overview of Business Operations

Our former Company name was Furukawa Metal (Thailand) Public Company Limited, and the name change was registered on November 18, 2020. The Company was established on June 15, 1988 with an initial registered capital of 140 million THB. Tampa Ltd., a holding Company of Thai nationality, invested 51% the equity, and the rest was invested by The Furukawa Electric Co., Ltd., of Japan, which manufactures and sells telephone wires, electrical cables, automotive parts, and copper tube products, and Shoko Trading Co., Ltd.



Fine Metal Technologies Public Company Limited was promoted for investment by the Board of Investment for manufacturing seamless copper tubes of 3,000 tons p.a. in October 1987, and extended the scope of promotion from a 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. for 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 the 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 invest in purchasing additional types of machinery. In the following two years, the Company changed par value formerly from 100 Baht to its par value at 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 changed the Thai name from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited. It 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, 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 in the Stock Exchange of Thailand using the name of the securities as "FMT". The Company has developed the 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 developed manufacturing engineering and new manufacturing techniques for copper tube products.

In 2001, the Company expanded a portion of the plant and ordered additional machinery to increase production capacity; by 2005, the Company's total production capacity was 31,000 tons per year.

In June 2020, following the acquisition of Furukawa Electric's shares by the Japanese fund CTJ Holdings 2, Ltd. of the JIP Group, in November of the same year, The Company's name was changed from "Furukawa Metal (Thailand) Public Company Limited" to "Fine Metal Technologies Public Company Limited". The securities name in the stock market continues to be "FMT".

Fine Metal Technologies Public Company Limited operates the business with only one main company without subsidiaries and associates. The Company has developed the manufacture of products until the present to acquire the quality and acceptable copper tubes by the local and export customers.

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

Vision

Fine Metal Technologies Public Company Limited is committed to satisfying customers by delivering of quality products that meet customer requirement with fast services and become the Company that can work safely with happiness.

Mission

Fine Metal Technologies Public Company Limited advances towards becoming the top manufacturing company of copper tubes in Southeast Asia under the quality policy "Customer Satisfaction is Our Supreme Priority".

Objectives and Goals

Fine Metal Technologies Public Company Limited is a manufacturer and distributor of a seamless copper tube which is a vital part of the manufacture of cooling machines, 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. In addition, the Company has always sought the creation of added value for products by developing product to meet different of customer requirement. This creates opportunities and increases business competitiveness. The Company has emphasized the creation of a corporate governance system that is transparent and fair for all stakeholders, legal supervision and execution, and ethics in duty performance. The Board of Directors has also entrusted the crucial duties and responsibilities to the Chairman, Executive Committee, and 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 different products, for instance, Capillary Tube, Taper Pipe, high-performance Thread Taper, Heat Pipe, etc.
2. Retain market share and increase sales volume with advanced manufacturing to support the short-term delivery schedule in a high-demand period.
3. Implement cost reduction activity, for instance, using low-cost raw materials and reduction of production cost, etc.
4. Increase sales volume to 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 make the Company to achieve the organizational goal, mission, and vision, appropriately the Company has determined core values and culture as follows.

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

The Company yearly establishes the plan. The Management Team of each division makes the operation plan to be consistent with the Company's policies and goals. The Company monitors and evaluates the performance with KPI that is applied to the measurement of actual success in comparison with the predetermined action plan with a review and report of the outcomes carried out every month.

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 long-term successful and sustainable business operations and the fulfillment of the needs of all 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 production costs to enhance competitive capacities by improving the efficiency of the production process and controlling general administrative expenses within a given budget.
3. To consistently enhance personnel's capabilities and encourage personnel of new generation with proper knowledge and capabilities to catch up with the changes in production technologies.
4. To enhance the growth of the Company's revenues every year by expanding both domestic and foreign customer bases and looking for new business opportunities that will enable the Company's revenues to grow in the future.
5. To expand sales of new products that are different from those of other manufacturers.
6. In the case of quality complaints, the root cause must be analyzed and then solved and improved.
7. To timely comply with any amended or enforced environmental law and establish energy-saving targets with evaluation and regular monitoring.
8. To ensure safety in working and regularly provide knowledge and training.
9. To encourage employees to be trained through the Quality Learning Center and QCC (Quality Control Cycle) group activities so that they know how to analyze root causes, find solutions to prevent reoccurrence and build good relationships among departments.

According to the business operations for more than 34 years, Fine Metal Technologies Public Company Limited is aware of customer requirement that the customers of the Company not only emphasize product price but also 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. Thus, 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 commitment of 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 sustainably entered with the customers, and not disclose the customer information to be used for the benefit of the Company and the related parties. Suppose the Company detects the problem of customer complaints on products and services. In that case, 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 requirement 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 local and export.
2. In terms of production cost, the Company shall control production costs, and other expenses by enhancing productivity and minimizing waste volume from the production process.
3. The Company will expand sales and maintain its market share by launching new and differentiated products such as straight tubes, heat pipes, and capillary tubes. The Company will also maintain its market share by securing inventory for short-term deliveries during demand periods, conducting marketing research, and expanding sales to new customers in the air-conditioner and non-air-conditioner markets in the Asian region.
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 establish an accurate, precise, and prompt internal and external communication system to establish a system to share situations and prevent errors from occurring or recurring.

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

Strategies of the Company's Operations

To accomplish the predetermined goals and visions, the Company has the guideline for operating the business by implementing the strategies to enhance competitiveness in terms of price so that the Company can compete with 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) to get better quality products. The Company has implemented the strategies for work development as follows



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 2022.

June 1988

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

January 1989

The Company started the construction of a seamless copper tube factory in 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.

March 1993

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

January 1994

The Company increased its registered capital from Baht 195,000,000 to 335,000,000 to invest in additional machinery. It raised the additional capital from the shareholders in three primary groups: Tampa Co., Ltd., Shoko Trading Co., Ltd., and The Furukawa Electric Co., Ltd.

February 1994

Started the production of a new product called Capillary Tube and launched it to the market.

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 the English name formerly from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited.

June 1996

It received the investment promotion in part of a production capacity expansion of 10,600 tons annually.

February 1997

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

January 1999

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

December 2001 - October 2005

Increased production capacity from 16,000 tons per year to 31,000 tons per year.

March 2006

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

September 2015

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

December 2018

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

June 2020

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

November 2020

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

26 July 2022

The Company has compiled the calculation results of greenhouse gas emissions from our activities and has Thailand Greenhouse Gas Management Organization (TGO) verifies the calculation data to carry out necessary activities further to reduce greenhouse gas emissions.

28 June 2023

The Company received Carbon Footprint for Organization (CFO) certification in 2023 from the Thailand Greenhouse Gas Management Organization (TGO)

October 2023

The Company has applied for Japanese Industrial Standards (JIS) certification (JIS certification has already been obtained in January 2024).

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.

<u>Company Name</u>	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-conditioners, refrigerators, and general refrigerators.
Website	http://www.fmt.co.th
<u>Head Office</u>	183 Regent House Building 14th Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330
Telephone	02 - 256 - 0641 to 50
Facsimile	02 - 256 - 0651
<u>Factory</u>	213 Moo 4, Mitraparb Road, Km. 125, Tambol Tub-Kwang, Amphur Kaengkhroi, Saraburi Province 18260
Telephone	036 - 329 - 811 to 20

1.2 Nature of Business

1.2.1 Income Structure of the Company Products

Revenue Structure of the Company During the Past Three Years

Product	2021		2022		2023	
	MB	%	MB	%	MB	%
Domestic						
1. Smooth Tube	2,575.92	35.85	2,953.91	37.10	2,843.87	42.16
2. Multi Grooved Tube	744.44	10.37	803.24	10.10	776.33	11.51
3. Accumulator Tube	367.10	5.11	338.26	4.25	262.87	3.90
4. Capillary Tube	355.83	4.95	405.13	5.09	341.06	5.06
Sub Total	4,043.29	56.28	4,500.54	56.54	4,224.13	62.63
Export						
1. Smooth Tube	1,488.03	20.70	1,543.71	19.39	1,069.13	15.85
2. Multi Grooved Tube	1,357.28	18.89	1,594.96	20.03	1,202.44	17.82
3. Accumulator Tube	182.08	2.53	224.09	2.81	162.35	2.40
4. Capillary Tube	114.61	1.60	98.22	1.23	87.81	1.30
Sub Total	3,142.00	43.72	3,460.98	43.46	2,521.73	37.37
Total Sales						
1. Smooth Tube	4,063.95	56.56	4,497.62	56.29	3,913.00	58.01
2. Multi Grooved Tube	2,101.72	29.25	2,398.20	30.13	1,978.77	29.33
3. Accumulator Tube	549.18	7.64	562.35	7.06	425.23	6.30
4. Capillary Tube	470.44	6.55	503.36	6.32	428.87	6.36
Total	7,185.29	100.00	7,961.53	100.00	6,745.87	100.00

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

The Company has a seamless copper tube factory in Tub Kwang Sub-district, Kaeng Khoi District, Saraburi Province, with a fully integrated and modern production process. The total production capacity is 31,000 tons annually, with strict quality control and production control systems in all steps.

The current major product lines of the Company are Level Wound Coil, Multi Grooved Tube, Half Hard, Straight Tube, and Capillary Tube. However, in 2023, the Company had total local distribution at the rate of 56.54% and export for foreign distribution at the rate of 43.46%. (Export for foreign distribution includes shipments to EPZ)

Each of the four types of the Company's products has a different specific property



(1) Smooth Tube. This is a seamless copper tube with a smooth outer and inner wall of the copper tube, and is the primary product used in general air-conditioners. Most customers are local ones. There are two types, as follows.

a) Smooth Tube for Heat Exchanger, used for carrying refrigerant within the refrigerator.

b) Smooth Tube for Pipeing, used for carrying refrigerant outside the refrigerator.



(2) Multi-Grooved Tube. A seamless copper tube with a smooth outer wall and grooves cut into the inner wall. The grooves increase the inner surface area, dramatically improving heat transfer efficiency. Compared to the efficiency requirements of smooth tubes, it reduces the amount of copper tubes used in the heat exchanger production process. It is therefore utilized to produce highly efficient and expensive small-type air conditioners.



(3) Large Diameter Tube. This is a straight and large seamless copper tube popular as the pressure reservoir tank for refrigerant.



(4) Capillary Tube. This is a small seamless copper tube to act as the passage of the refrigerant after adjusting the temperature to lower the compressor to go through the refrigerant inside the cold storage, and also helps adjust and reduce the pressure of the refrigerant at the suitable level before entering to the refrigerator.

Fine Metal Technologies Public Company Limited has been promoted for investment by the Office of the Board of Investment (BOI) for 4 Promotion Certificates.

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 the date of full operation is 15 November 1991, and the production capacity is 350 tons/month or 4,200 tons per year.

Promotion Certificate No. 2 No. 1198/2537

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

Promotion Certificate No. 3 No. 1555/2539

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

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

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

Current Benefits Received from Investment Promotion

Referring to the Promotion Certificate from the Board of Investment No. 5962/2547 (7-1555/2539)

The Company has still been granted 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 2023 to 13 July 2025.

(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 2023 to 13 July 2025.

Remark: Promotion Certificate No. 1, 2 & 4 were expired

The Company's research, change, and development in various areas and the crucial innovation development in 2023

- (1) To develop the production of spiral copper pipes in MGT pipes which are highly effective to meet the customer requirement.
- (2) To develop the production of heat pipes to meet the customer requirement.
- (3) To enhance the production capacity of capillary tubes, taper pipes, and smooth tubes to meet the increasing customer requirement.
- (4) To develop production capacity by improving quality and promoting cost reduction through improvement activities.
- (5) To support the promotive standard activities to promote knowledge and understanding of employees for appropriate implementation.

2) **Marketing and Competition**

Fine Metal Technologies Public Company Limited manufactures seamless copper tube products according to each customer's order.



Competition Condition of the Copper Tube Market

In 2023, our annual copper tube sales volume was 19,100 tons, down 10% from the previous year. This was mainly due to an overstocked inventory in the air conditioner distribution markets of Europe, North America, Oceania, and Japan and later orders from FMT customers.

In addition to competition from two local Thai companies, copper tube imports from China, Korea, Malaysia, and Vietnam are increasing, intensifying competition for commodity products. (In 2023, China, Malaysia, Korea, and others accounted for 76%, 16%, 5%, and 3% of imported copper tube market shares by country, respectively).

Price competition with imported copper tubes, especially commodity products, tends to intensify. However, it is not just price competition; as a copper tube manufacturer with roots in Thailand, the company is working to improve its services, such as quick delivery and small-lot, multi-variety production.

In addition, the company is strengthening its competitiveness by proposing further quality improvement and promoting joint development with customers of high-quality copper tubes for special applications.

Group of Target Customers

The Company has established the following two target market segments.

1. Current market segments
Major air conditioner and refrigerator manufacturers that use high-performance products.
2. New market segments
Electronic components manufacturing companies that use special high-performance copper tubes in addition to manufacturers of air conditioners and refrigerators.

Pricing Policy

The Company has a floating pricing policy depending on the price of raw materials for every customer to contribute to the Company's standardization on product pricing and mitigation of risk from the fluctuation of raw material price for the Company.

Capability to Customize Products to Fulfill the Customer Needs

FMT manufactures four major types of seamless copper tubes. The forms and sizes of each type can also be adjusted to fulfill each customer requirement suitably. Therefore, the capability is regarded as FMT's key strategy to retain existing customers and help attract new customers to the Company. At present, FMT has also developed a variety of products to be used in other activities.

Product Quality

The Company highly emphasizes its product quality due to the characteristic of the intermediate product. Hence, product quality is essential for the final product. The Company, therefore, has invested many modern machinery and equipment for producing seamless copper tubes and is closely supervised by the experienced engineer who is the work controller in each production procedure. In addition, the Company also provides regular quality inspection in each production procedure, from quality inspection of raw materials (Copper Cathode) to quality inspection of finished copper tubes before customer delivery.

The Company has developed a 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 development.

On December 2016, the Company audited for ISO 9001:2015 Quality System Certification and 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.

In December 2018, the Company additionally applied for ISO 14001:2015 Environmental Management System Certification from TUV NORD (Thailand) Ltd. at the Bangkok office, Sales Section, Import and Export Section; and the Company audited for certification of the ISO 9001:2015 Quality System on December 2019. In June 2023, the company received Carbon Footprint for Organization (CFO) certification from the Thailand Greenhouse Gas Management Organization (TGO).

Product Delivery System

The Company emphasizes providing convenience to customers by expanding product delivery system. The Company has manufacture products according to customer requirement and store in warehouse based on purchasing to ensures the products can be delivered to customers immediately, according to their specified quantities and timelines.

Building Good Relationship with Customers

The Company places importance on maintaining the quality of products and delivery system consistency to ensure customer satisfaction. Additionally, The Company continuously innovates and develops products to meet present and future customer requirement. To involved regularly monitoring and soliciting feedback from customers to understand the product requirements. If customers encounter any issues with the products received, The Company is committed to taking responsibility sincerely and resolving issues promptly and efficiently to ensure customer satisfaction.

Leader of Accumulator Tube and Capillary Tube Production in Thailand

The Company has the capability to manufacture capillary tubes and a variety of copper tube products according to customer requirements. From 2021 to 2023, The Company installed machinery to improve production capacity, including capillary tubes and taper pipes, to accommodate customers' growing demands.

Supply of Products and Services

The Company's office and manufacturing factory are as follows.

<u>Head Office</u>	183 Regent House Building, 14th Floor Rajadamri Road, Lumpini, Pathumwan Bangkok 10330
Telephone	02-256-0641-50
Facsimile	02-256-0651
The sections in Head Office	Finance & Accounting Department, Sales Department, Import & BOI Section, Export Section for the contact of the customers and government agencies.
<u>Factory</u>	213 Moo 4, Mittraparb Road, Km. 125, Tambol Tub-Kwang, Amphur Kaengkhoi, Saraburi Province 18260
Telephone	036-329-811 to 20

Full production capacity and actual production volume year 2021 – 2023

Product	2021	2022	2023
Total machine capacity (Unit : Tons/year)	31,000	31,000	31,000
Actual product volume (Unit : Tons/year)	22,526	21,169	19,095
Capacity utilization rate (%)	72.66	68.29	61.60
Increase of production volume (%)	9.24	-6.02	-9.80

Note: The Company works 3 shifts per day/8 hours per shift.

Raw Materials

The raw material used to produce copper tubes is pure copper cathodes imported overseas. The price of raw materials, including copper scrap procured locally, is determined by market prices on the London Metal Exchange (LME).

Raw Material Ordering Policy

Raw material orders are planned with the sales and production department. We procure copper cathodes from overseas through trading companies.

In 2023, we procured 71% of copper cathode from overseas and 29% of domestic recycled copper.

Distribution and distribution channels

At the present, Fine Metal Technologies Public Company Limited sells copper tubes to the company refrigeration manufacturers directly 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 2023 as follows.

No.	Item	(Unit : Baht)
1	Land and Land Improvement	181,600,317
2	Building and Building Improvement	604,802,031
3	Machineries and Equipment	4,480,037,196
4	Decorations, Fixtures and Office Equipment	37,643,903
5	Intangible Assets	156,618,410
6	Vehicle	3,335,691
7	Right-of-Use Assets	30,299,953
8	Machineries under Installation	69,952,196
9	Intangible Assets under Installation	9,203,145
	<u>Less</u> Accumulated Depreciation	(5,177,973,370)
	Total	395,519,472

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 2023

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

Building and Building Improvement as of 31 December 2023

1. The factory and office building 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 NorSor.3Kor No. 1297 and Nor.Sor. 3 Kor No. 1298, in a total area of 82 Rai 2 Ngan 9 Square wah, is divided into single floor factory and office buildings.

The Company utilizes the following areas, respectively.

● Production	60,620	Square Meters
● Warehouse	3,646	Square Meters
● Office	895	Square Meters
● Others	<u>66,875</u>	Square Meters
Total	<u>132,036</u>	Square Meters

- Bangkok Office is located at No. 183 Regent House Building, 14th Floor, Rajadamri Road, Lumpini, Pathumwan, Bangkok 10330, with a total area of 304.73 square meters and a term of the Lease Agreement for three years starting from 1 September 2022 to 31 August 2025, and total monthly lease fee of 216,358.- Baht.

Building and Building Improvement as of 31 December 2023

Detail	Cost (Baht)	Book Value (Baht)	Useful Life (Years)	Remaining Useful Life	
				(Years)	(Month)
Factory	590,644,953	35,770,751			
- Factory	491,344,743	15,063,724	20	4	4
- Factory Improvement	99,300,210	20,707,027	5-20	19	10
Office	7,440,203	1,765,080			
- Office	2,336,167	2	20	-	-
- Office Improvement	5,104,036	1,765,078	5-20	14	3
Officer Residence	5,756,951	5			
- Officer Residence	4,014,377	2	20	-	-
- Officer Residence Improvement	1,742,574	3	5-20	-	-
Others in Bangkok	959,924	3	5	0	0
Total	604,802,031	37,535,839			

Machinery and Equipment

As of 31 December 2023, the Company's machinery and equipment are as follows.

No.	Machineries and Equipment	Quantity (Items)	Cost (Baht)	Book Value (Baht)	Useful Life (Years)
1	Machineries	3,107	4,386,481,431	130,356,007	5-20
2	Equipment	1,210	93,555,765	1,479,479	5-20
	Total	4,317	4,480,037,196	131,835,486	

Net Asset Value

As of 31 December 2023, the Company's total net asset value has been Baht 2,792 million.

- Net asset value where the asset value has been adjusted based on cost estimate or based on investment value.
 - The cost price of the asset was not revalued. Therefore, the total asset value has been Baht 2,792 million.
- Net asset value pursuant to 1. has been deducted with contingent liabilities from entry into a guarantee, aval, mortgage obligation or guarantee for another person or incurrence of other obligations, and the detail of the said items has also been presented as follows.
 - There has been none of the contingent liability from the guarantee. Therefore, the total asset value has been Baht 2,792 million.

3. Net Asset Value pursuant to 1. and 2. per share
- The total net asset value per share has been 58.17 Baht.

The Policy of Investment in Subsidiaries and Associates

- None -

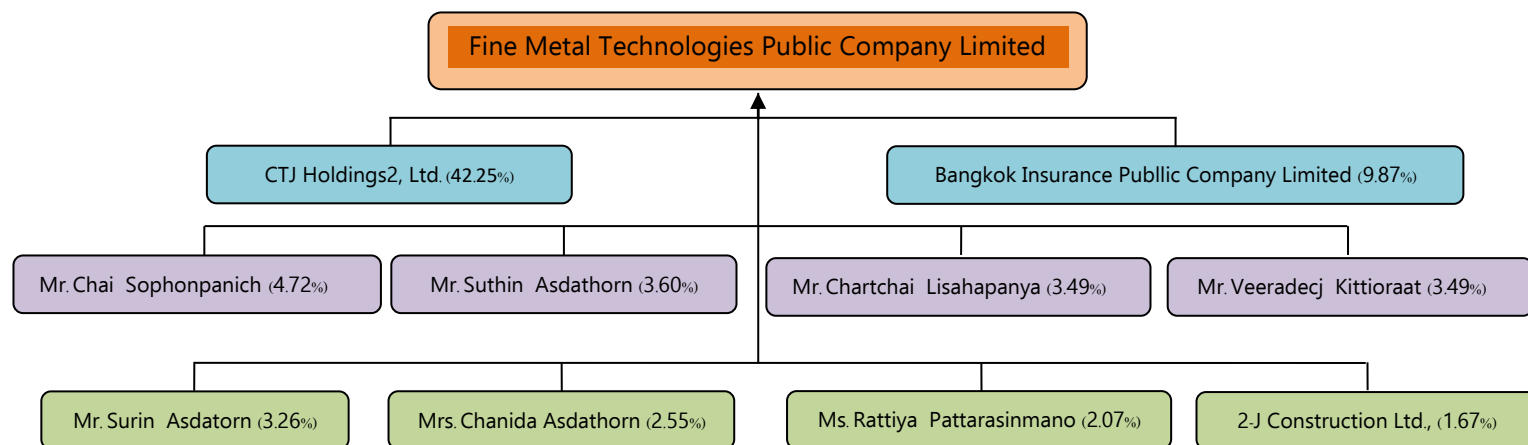
Cost Estimate of Assets (Acquisition or Disposal of Asset)

- None -

1.3 Company Shareholding Structure

1.3.1 Shareholding Structure

Shareholding Structure of the Top 10 Major Shareholders as of 10 March 2023.



1.3.2 The persons who have shareholding conflict in the subsidiaries or associates in total 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

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 March 2023, are as follows.

No.	Name List of Shareholders	Number of Shares	Percent of Number of Shares
1)	CTJ Holdings2, Ltd. ⁽¹⁾	20,280,280	42.25
2)	Bangkok Insuranc Public Company Limited (2	4,737,500	9.87
3)	Mr. Chai Sophonpanich	2,265,200	4.72
4)	Mr. Suthin Asdathorn	1,726,610	3.60
5)	Mr. Chartchai Lisahapanya	1,674,710	3.49
6)	Mr. Veeradej Kittioraat	1,674,710	3.49
7)	Mr. Surin Asdathorn	1,564,910	3.26
8)	Mrs. Chanida Asdathorn	1,225,810	2.55
9)	Ms. Rattiya Pattarasinmano	994,300	2.07
10)	2-J Construction Ltd., Part.	800,000	1.67

Remarks

■ Shareholder ⁽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 copper production and distribution in Japan and Asia Pacific Region; and to purchase the shares of Fine Metal Technologies Public Company Limited, a business in Thailand operating a seamless copper pipe production in 2020.

Japan Industrial Partners, Inc. (JIP) is a Private Investment Firm where the office is located in Tokyo, Japan. JIP was founded in 2002 by Mr. Hidemi Moue, who currently holds the office as Chief Executives Officer and significant indirect shareholder of Japan Industrial Partners, Inc.

Japan Industrial Partners, Inc. (JIP) has the policy to invest in traditional businesses with unrealized potential growth opportunities. These potentials are typically not realized due to a lack of sufficient management or strategy to match the changes in the industrial structure/environment, being a non-core part of Japanese conglomerates. JIP aims to provide solutions to this situation, focus on improving profitability, and pursue investment return. Past transactions include carve-out investments from major Japanese companies such as NEC, Seiko, Nippon Steel, Toyota, Asahi Glass, Yamaha, Mitsubishi Electric, Kyowa Hakko Kirin, and Hitachi.

■ Shareholder ⁽²⁾ 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 the case of the holding company, the name list of minor shareholders that operate the main business shall also be 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 31 December 2023, the Company had a registered capital of Baht 480 million, classified into 48 million ordinary shares at a par value of 10 Baht per share and a paid-up capital of Baht 480 million.

1.4.2 Other types of shares with 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 payments to the shareholders at the rate of not less than 50% of net profit after the deduction of corporate income tax for the year. The shareholders shall be proposed to consider approving of the annual dividend payment.

The past dividend payment of the Company for five retrospective years

Year	Dividend Per Share (Baht)	Payment Date
2019	1.625	on Friday, 24 May 2019
2020	1.625	on Tuesday, 26 May 2020
2021	1.625	on Tuesday, 25 May 2021
2022	2.625	on Friday, 20 May 2022
2023	2.750	on Friday, 19 May 2023

2. Risk Management

2.1 Risk Management Policy and Plan

The Company's Board of Directors emphasizes the importance of overall organization risk management. It is considered a critical mechanism and tool for managing work that will enable the organization to achieve its objectives and goals as defined. The Board of Directors has appointed an audit committee to oversee the Company's internal control system, including risk management. The audit committee will review and report on the results of internal audits conducted on risk issues to the Board of Directors for their acknowledgement.

The Company's internal control system will monitor and analyze operational risks, including controlling risks at an acceptable level and not causing any damage to the Company's business operations. The Company's internal control system will be regularly reviewed to keep up with changes in the market situation, the Company's operations, and compliance with relevant laws. This is to ensure that the internal control system of each section of the Company is effective and well-managed.

The Company's management and audit committee have appointed an internal audit team and set an annual internal audit plan. The plan is monitored to track risks in operations and ensure that work practices are carried out correctly and in accordance with the Company policies. The adequacy of the internal control system is also regularly reviewed. Also, the internal audit team reports on the results of the internal audit on the progress of key risk issues and ensure appropriate corrective action is taken.

The details of credit risk, liquidity risk, market risk, foreign exchange rate risk, interest rate risk, and commodity price risk are shown in notes to the Company's financial statements for the year ended 31 December 2023.

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

Due to the very high fluctuation of the price of the raw material, that is, copper cathode, in the world market, the Company has the policy not to stock raw materials of copper cathodes. The Company will produce raw materials according to customers purchase orders, and make the marketing plan more than three months in advance in collaboration with Raw Materials Purchase Section and Marketing Section, by suitably ordering raw materials to match the customer orders. For the copper price, it is not answerable to anyone that it will tend to decrease or increase or when and how it will be increased. In 2023, the copper raw material price severely fluctuated and varied from 2020-2022. However, the copper raw material price has fluctuated depending on prices, gold prices, the state of war, and price speculation of the 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-off depending on the raw material ordering

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

1) Annual Procurement contract

The Company purchases and procures raw materials from major trading and copper refining companies. We secure necessary raw materials by forecasting annual procurement requirements through discussions among related divisions, sales, production, and production control and Import section, and by concluding annual purchase contracts.

2) Securing Inventory Quantity

The Company maintains appropriate inventory levels by constantly managing monthly copper purchases, production, and shipments, including estimated customer shipments.

3) Utilization of Recycled Copper

Copper Cathodes, our primary raw material, must be imported 100% from copper mines and smelters through trading companies. Because of disasters, strikes, and other external factors beyond our control that can cause delays in the transportation of raw materials, we purchase some recycled copper domestically, remelt it, and use it as our raw material.

Hedging Risk to Copper Price Fluctuations

Copper is an international commodity, and as such, the price of copper is constantly fluctuating. The raw material price for copper is set from the price of copper on the London Metal Exchange (LME) and other costs. Therefore, we determine the selling price to our customers while hedging against the risk of copper price fluctuations.

1) Type of price determination with customers

- 1.1) Hedge price method: A method of ordering in which customers reserve the right to make a purchasing contracts for copper based on predetermined criteria to mitigate the risk arising from the fluctuations of the world market copper prices. The copper prices are determined based on London Metal Exchange (LME).
- 1.2) Average Copper Price Method: A method of ordering based on the monthly average price of copper, which serves as the standard price of copper.
- 1.3) Fixed price method (TOLL method): A method where the company purchases copper from customers at a predetermined fixed price agreed upon in advance, and then sells at the agreed-upon price. The method involves an agreement between the company and the customer regarding the fixed price in advance.

2) Our Price Risk Hedging

In 2023, the world copper market price has more stability compared to the years 2020 to 2022. However, copper prices forecast was challenged cause of various factors such as supply and demand, production trends of copper mines, fluctuations in dollar currencies exchange, and economic conditions in China, the largest consumer of copper. Therefore, forecasting copper price trends was

difficult. Our company manages the risks associated with price fluctuations by hedging against these fluctuations in copper prices.

For the copper tubes selling, The Company utilizes fixed prices from hedge price method and average copper price method. Meanwhile, in the procurement of copper cathodes, The Company buy by average pricing and thoroughly assess the risks arising from copper price fluctuations and maintain a policy of not taking positions in copper price fluctuations.

Furthermore, when customers consider purchasing copper tubes, The Company distinguishes between the raw material prices on the London Metal Exchange (LME), commissions, and expenses, which are borne by the customers themselves.

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

The risk is the risk from importing copper tubes from overseas and the competition of product price, and risk from the competition of the copper tube import from China, Malaysia, and South Korea, which are the foreign competitors that offer the cheap selling price of copper tube. Some domestic customers have turned to cheap copper tubes but have encountered a quality problem with products and services. 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. In 2023, China, Malaysia, South Korea, and other countries will have a proportion of copper pipe import at approximately 76%, 16%, 5% and 3%, respectively. According to the risk from more severe price competition, the Company has formulated the operation guideline by focusing on 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 operating 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 foreign country manufacturers, especially products imported from China that have a large amount and products imported from Korea, causing increased price competition. In accompanying the economic conditions with the change in the concept of consumers who want quality products and reasonable prices, the Company focuses on increasing productivity, providing services, and delivering products that can fulfill the customers to ensure that the Company can also compete with other suppliers. The Company has developed products to support the various technologies of the customer companies.

Presently, the increased production cost is one of the factors for competition risk. Although customers and leading air conditioner manufacturers mainly focus on quality, the selling price factor, compared to other competitors, should have an acceptable gap. FMT has negotiated to reduce production costs for direct and indirect raw materials to ensure that the control of production costs provides the Company with competitiveness against other domestic and foreign manufacturers

Industrial risk (risk of switching from copper tubes to aluminum tubes)

Although predominantly customers use a seamless copper tubes as the critical component in manufacturing air-conditioners. Some Japanese manufacturers are experimenting with aluminum tubes as an alternative. The objective is to reduce production costs because aluminum is a cheaper and lighter than copper which affect to aluminum pipes increasing usage in the medium term. On the other hand, copper tubes are expected to the main component of air conditioners because it is difficult to weld aluminum tubes (brazing, etc.). Moreover, copper tubes still outperform in terms of compatibility with the new

refrigerants which will be changed in the future. And narrower tubing required to reduce the amount of refrigerants used.

However, when aluminum tube manufacturers or fabricators absolutely solve the technical issues such as welding defects that occur when using aluminum tubes, customers will use more aluminum tubes, which could affect the size of the copper tube market in the medium term. To meet customer requirement for smaller and more efficient copper tubes, The Company will continue to develop copper tubes which are compatible with new refrigerants and thinner tubes.

Labour Risk

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

Transfer Risk of Production Know-how and Technology Transfer.

The Company's business requires knowledgeable, skilled, and experienced personnel in production to obtain the high standard and accurate products to meet the various customer needs. Therefore, the Company has the policy to promote human resource development by organizing employee training. In addition, the Company alternates the active duty of the employees for rotation to work at other sections as the employee development and encouragement to have the skill, learn how to work, have knowledge on use of various types of machinery of each production process so that the employees can work in replacement, contributing to the reduction of the Company's risk on depending any person. The Company organizes training production learning, where the manager and heads are trainers, provides training on the quality for all employees, and employs the Company's retired employees to be the consultants in various areas to help to advise and develop working for improvement.

Climate Change Risk

The current climate change has resulted in frequent natural disasters such as floods, which cause damages to the household economy. The effects of climate change have been more severe, partly due to increased greenhouse gas emissions from various industrial business sectors and consumptions. All of these activities are involved everyone in greenhouse gas emissions. FMT has assessed greenhouse gas released from the organization's activities.

All executives and employees are seriously aware of the implementation of energy and environmental conservation activities by complying with all environmental laws, economically and efficiently using resources for maximum benefits, and continuing to take care of the environment inside the organization.

The Risk from the COVID-19 Pandemic

The situation of the coronavirus disease (COVID-19) in 2023 showed a clear downward trend. The company has relaxed various measures to allow employees to lead lives as close to normal possible. However, wearing mask is still recommended in situations such as prolonged meeting and while commuting on company transportation. It can be said that in 2023, the coronavirus disease (COVID-19) did not have any significant impact on the company's operations.

2.2.2 Risk of Investment of the Securities Holder.

- None -

2.2.3 Risk of Investment in Foreign Securities

- None -

3. Business Sustainability Development

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 sustainable business development with transparency and corporate social responsibility. For the Company, social, community, and ecological 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 to the principle of operation with the business goals and Corporate Social Responsibility or CSR.

The Company is confident that the sustainable linkage between consumers and society is essential for the organization's success. 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 the environment.

Throughout over 35 years of business operation as the manufacturer and distributor of seamless copper tubes, a vital part of air conditioning equipment and refrigerator manufacturing. The Company can produce extensive products that fulfill consumer needs and take social and environmental responsibility for the sustainability of the overall business and society, which is part of regular 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 continuing to carry out corporate social responsibility for continual stability and sustainability.



3.1.1 Fair Business Operations

Fair business operations are essential for the Company's practice of maintaining the relationships with the Company's customers based on equity and fairness since this will make the related parties confident in the Company. The Company shall consider the customers' maximum satisfaction and avoid situations that may cause a conflict of interest.

The Company aims to maintain reasonable and sustainable relationships both with the customers and suppliers of the Company by performing on a fair basis, adhering to the principle of ethics, and having virtue. The Company also encourages the employees to be honest in operation and respect one another. However, the Company has set fair guidelines for the mutual observance of all employees by determining operation in the Code of Business Conduct. Throughout the past period, the Company has never had litigating cases relating to business operations that lack fairness at all. However, the following rule shall adhere to the Company's fair competition.

- 1) The Company shall not seek the confidential information of the trade competitors by dishonest or improper means, for instance, payment of consideration to the competitor's employee.
- 2) The Company shall not discredit the trade competitor with any way of accusation.
- 3) The Company shall not perform any action with the nature of infringement of intellectual properties or copyrights of other persons in the country and abroad. It shall use the proper copyrighted products and services.
- 4) The laws and rules relating to trade competition and monopoly shall be appropriately observed in the Company's business operations.
- 5) The Company formulates the work instruction 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 individual, organizational and social impacts.

3.1.2 Anti-Corruption

Fine Metal Technologies Public Company Limited operates the business by emphasizing anti-corruption and supporting and promoting the personnel at all levels to be conscious of giving or receiving bribes and corruption in all business activities of the Company.

The Company has a policy of anti-corruption that prohibits the directors, executives, employees, and workers of the Company from claiming, taking action, or accepting 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 any violation or acts that support, assist, or collaborate with the corruption are detected; the punishment will be considered according to the Company's rules.

3.1.3 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 success based on the predetermined goals. Therefore, the Company has the policy to treat all employees equally and fairly, for instance, supervising the working environment, supervising the safety and hygiene at the work-place, as well as promoting learning and development of the work systems, appointment and transfer without discrimination, promoting equality without prejudice in terms of genders and classes, and somewhat offering other non-monetary reward and welfare fairly. The labor treatment is as follows:

- 1) To oversee the fair employment conditions and to ensure that the employees receive suitable remuneration as prescribed by labor law.
- 2) To set the policies and guidelines concerning rewards and other welfare. Apart from salaries, bonuses, and provident fund as prescribed by law, the Company also provides additional welfare, 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 gratitude to the employees who work with the Company until their retirement in every year.
- 3) To provide welfare to the employee, for instance, annual leave, personal leaves for taking care of hospitalized family member or wife who delivers birth, leave for attending a funeral in case of the death of a family member of the employee for the safety of the employee and colleagues in the organization, proper overtime, allowance for medical fees of the employee and their 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.
- 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.
- 5) To supervise and maintain a working environment to be safe for the employee's life and properties under the Company's concern for the day-long safety of the employee at work. The company provides restroom and installs the air conditioner in every department for their comfort.
- 6) The Company establishes the policy to become "The Company which all employees can work safely with relaxing mind" by organizing several activities for the safety of laborers and in the workplace, for instance.
 - Provide the yearly fire extinguishing drill and a fire evacuation drill for readiness. In 2023, fire evacuation drill was organized in December under 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 the job to make the operators confident and safe at work because safety is essential for the Company's business operations.
 - Prepare an annual plan to mitigate safety impacts, for instance, targeting to reduce the occupational accidents up to the off-stage to zero accident, reduce the ratio of accidental injury and occupational illness ratio on target, campaign the occupational risk assessment of all employees to find the concrete preventive and corrective measures, encourage the employees to know the analytical thinking through the KYT (Kiken Yochi 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 a way of the said hazards.
 - To arrange training on using pacemakers and equipment for helping patients in the ambulance.
- 7) To encourage the employees to work happily by improving the working environment in all aspects through surveys, presentations, and follow-ups for improvement monthly. (Safety Kaizen).
- 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.
- 9) To oversee, inspect, and provide the measurement of the environment in the factory and production process to prevent impacts on the health of the employees, other people in the factory, and members of nearby communities.
- 10) To have waste management systems that are permitted and licensed as the law prescribed.
- 11) To develop the Human Resource Management System (HRMS) for facilitating the employees to search for information about working Company Announcement, rules, welfare, and request for approval on

leave and overtime, which allows all employees to execute both during working hours and outside working hours.

3.1.4 Responsibility to Customers

The policy of the Company stipulates that "Customer Satisfaction is Our Supreme Priority". It is a Company that customers can trust, making the Company and the employees committed to creating 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 in the sustainable manners, not using the customer information for the benefit of the Company and the related parties.

Suppose the Company detects the problem of customer complaints on products and services. In that case, it will immediately take corrective action to resolve the issue together with the customer to minimize the customer's working impact, come to conclusions with the customer, and deliver quality and standard products that meet the customer's needs under fair conditions, and continuously develop products and services.

3.1.5 Environmental Care

The Company realizes the importance of care and protection of the environment that may affect the employees, communities, and society through compliance with the environmental requirements and laws to prevent pollution problems, especially the global warming problem, which has impacted human life quality and the environment. The Company also supports activities that promote the care and protection of the environment and natural resources with the following practices.

- 1) The resources are efficiently consumed for maximum benefits. In addition, serious energy conservation measures are established. The Company has established the energy and resource conservation policy for mutual awareness of the organizational employees on energy conservation and economical and appreciated resource consumption, brainstorming, proposal, and implementation of the projects to reduce energy cost. The executives have set the target as an indicator of resource consumption, energy conservation, and productivity for maximum benefits that can truly measure the outcome. The company has set up the Energy Conservation Committee and prepared the Annual Energy Conservation Plan, such as replacing light bulbs in the factory with LED energy-saving lamps and road lights and installing Solar Rooftop System to reduce the electricity consumption inside the Company.
- 2) The Company has formulated the environmental policy and target as practical guidelines for each work unit and the employees at all levels and carried forward for the continuous development of worthwhile resource consumption and mutual mitigation of environmental impact from the production process in the whole supply chain of the Company for sustainable ecological management. The internal management system is consistent with the organizational context, laws, and customer policies, with regular inspection and monitoring by various environmental measures according to the effective certification system, such as ISO14001:2015 System. In addition, the Company has received the Green Industry Level 3 Certification from the Ministry of Industry and the Carbon Footprint for Organization (CFO) certification continuously.
- 3) The Company consists of work units and personnel in the environment, air, water, and industrial waste for monitoring, supervision, improvement, and development of a Pollution Treatment System for air pollution, water pollution, and industrial waste pollution to be efficient in environmental quality control according to the requirements and laws, without impact on the Company's employees and the neighboring communities. In 2023, Water Mixed Oil Treatment Plant at Industrial Waste Sorting Plant was operated to treat water-mixed oil from the production process. The water mixed oil delivery expenses for treatment can be reduced to the few remaining sludge content delivered for disposal only, under the request of permission according to the industrial waste management law.
- 4) The Company has arranged the measurement of environmental quality both inside the factory and in the community area around the factory according to the preventive and corrective measures for ecological impacts and monitoring standards for Environment Impact Assessment (EIA) by hiring a

United Analyst & Engineering Consultant Co., Ltd. to measure the environmental quality and prepare the reports for two times per year and survey the opinions, state of society and economy in the community area in three kilometer radius from the factory. The Company did not detect the environmental complaints affecting the community. In addition, the Company also continuously participated in community relations activities. During the COVID-19 pandemic, the public relations method was improved, focusing on online channel communication to be consistent with the situations and measures for the safety and sanitation of the employees and communities around the factory.

3.1.6 Mutual Development of Community or Society

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

- 1) To build consciousness of social and environmental responsibility in the employees at all levels.
- 2) To promote employment in the community area where the factory is located.
- 3) To enforce strict compliance with Environmental Law and Labor Law.
- 4) To evaluate the impacts of the business operation activities that affect safety and the environment monthly, set preventive and corrective measures, appoint the person in charge of the issues above, monitor the matters.
- 5) To collaborate with the educational institutes by accepting interns during a break between semesters or students who desire to be trainees while studying to allow the students to have chances to accumulate the experiences and practice skills that are relevant to works and professions in the program of which the students are studying.

3.1.7 Having Innovations and Disseminating Innovations from Operations Related to Social, Environmental, and Stakeholder Responsibility.

The Company discloses the operation and innovation of environmental quality management and community and social responsibility for continuous acknowledgment of the stakeholders to be consistent with the customer's policies and expectations under the Company's environmental and social concern, particularly in weather atmospheric change management. The Company cultures the concept and mutually creates the employee awareness of quality and environment in the product and process improvement, environmentally friendly production with the efficient resource and energy consumption in Product Life Cycle and Business Value Chain, which is formulated as policy and target to be used in preparing the operating plan, bringing about the stakeholder response in Environmental, Social, and Governance, and continuous development and improvement to ensure that the Company's business operation is successful on target and sustainably co-exist with the society.

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 Management
Stakeholders					
<ul style="list-style-type: none"> - Customers - Agents - Competitors 	<ul style="list-style-type: none"> - Raw Material Manufacturers - Raw Material Suppliers - Raw Material Transporters - Competitors 	<ul style="list-style-type: none"> - Employees - Contractors - Shareholders - Financial Institutions - Community and Society - Government Agencies - Investors 	<ul style="list-style-type: none"> - Employees - Transportation Contractors - Shareholders - Financial Institutions - Community and Society - Government Agencies - Investors 	<ul style="list-style-type: none"> - Customers - Product Users - Community and Society 	<ul style="list-style-type: none"> - Community and Society - Waste Disposal Contractors - Product Users - Government Agencies
Issues and Impacts					
<ul style="list-style-type: none"> - Fair Competition - Corruption - Product and Service Responsibility 	<ul style="list-style-type: none"> - Human Rights - Unfair Treatment - Corruption - Environment 	<ul style="list-style-type: none"> - Human Rights - Labour Treatment - Health and Safety - Corruption - Energy Usage - Weather Change and Pollution - Waste Management - Disclosure of Information, Report of Good Corporate Governance 	<ul style="list-style-type: none"> - Human Rights - Health and Safety - Labor Treatment - Corruption - Fair Treatment 	<ul style="list-style-type: none"> - Usage Safety - Energy Usage - Weather Change - Product and Service Responsibility 	<ul style="list-style-type: none"> - Health and Safety - Pollution - Waste Management

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

3.3 Management of Sustainability in the Environmental Dimension

3.3.1 Environmental Policy and Practical Guidelines

Fine Metal Technologies Public Company Limited, the manufacturer of smooth copper tubes for air-conditioners and heat exchangers, realizes the value of this earth and of every human on the planet and the protection of the environment that has been under the earth's crucial problem. The Company will collaborate to protect the environment in all activities to support continuous development for a bright society and protect the next generation's health.

Activities and Guidelines:

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

- 1) All performed activities must be based on the awareness of the environmental impact to prevent air pollution, water pollution, and 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, and the customer requirements by determining standards, objectives, and goals of the corporate environment.
- 3) Environmental problems in every working procedure shall be taken into account from the procedures of research and development, and design, and the Company is committed to delivering environmentally friendly products.
- 4) In every production and delivery procedure of products, the Company focuses on using energy to generate worthiness and minimize pollution, for instance, waste, air pollution, oil contamination-free waste water, and chemical to mitigate the environmental burden.
- 5) The Company shall set up and maintain the working group needed to promote environmental conservation activities, for instance, the environmental management system.
- 6) The Company shall provide all employees with the knowledge to pay attention to environmental protection. Moreover, the Company shall maintain and develop an understanding of this environmental policy, and realize on prevention of environmental problems.

Environment Target in 2023

Electricity using	Direct costs and price index for Y. 2023	< 1,632 kWh/ton
Natural gas using	Direct costs and price index for Y. 2023	< 4.87 MBTU/ton
Nitrogen gas using	Direct costs and price index for Y. 2023	< 56.10 m ³ /ton
Cooling using	Decreased 4% from target Y. 2022	< 484 ml/ton
Lubricant using	Decreased 4% from Avg. Y.2021& 2022	< 9.77 l/ton
Rag using	Decreased 4% from target Y. 2022	< 1.03 kg/ton
Total amount of waste sent for Disposal	Same as target Y. 2022	< 30.54 kg/ton

3.3.2 Environmental Performance

Fine Metal Technologies Public Company Limited emphasizes environmental care by operating its business under concern on the contingent environmental and community impact, preparing the Environmental Compliance Audit Report according to the preventive and corrective measures for environmental impact to semiyearly audit the compliance results according to the Company's preventive and corrective measures for environmental impact. Saraburi Provincial Industry Office yearly audits the environmental action results for confidence in compliance with the related requirements and laws concerning environmental care.

For the confidence of the stakeholder, such as employees, customers, suppliers, stakeholders, and communities, in governing the Company's operations that are friendly to the environment and communities. The Company has improved and followed ISO 14001:2004 Standard System Certification as the international environmental management system standards which was certified since 2006 until now by TUV Nord (Thailand) Co., Ltd.

In the Company's production process of seamless copper tubes from copper tube production procedures starting from melting and casting copper tubes until ending as finished copper tube products, the Company gathers all waste copper scraps in each process and remelts at Melting Furnace. Thus, the abundant raw materials do not cause an environmental impact.

The Company establishes the control measures for environmental pollution through Air Pollution Treatment Systems from Copper Furnace and Copper Tube Annealing Furnaces. There are Wastewater Treatment Systems from the production process, office, toilets, and canteen, Industrial Waste Management Systems from production processes, and solid waste from the office and canteen. The Company has classified environmental management into the following categories.

3.3.2.1 Air Quality Management

The Company has set Wet Scrubber Air Treatment System for waste air treatment from Copper Furnace and installed the CO Analyzer to continuously measure and monitor carbon monoxide after passing Wet Scrubber Air Treatment System. The value of air quality measurement results of Copper Furnace has conformed to the standards determined by law without environmental impact. In the Bright Annealing Process in the area of Clean Furnace, the Company has installed the CO Treatment System as a prototype of improvement in air pollution in the production process to be consistent with the policy and target of weather atmospheric change management. The value of measurement results of CO volume after passing Air Treatment System has conformed to the standards determined by law. However, the Company measures air quality from Stack Emission in the processes for 12 Stacks, with a measurement frequency of two times per year. The air quality measurement result of Stack Emission meets the standards prescribed by law.

The Company arranges the ambient air quality measurement in the community area around the factory for three stations, such as Bannongpakbung School, Thapkwang Livestock Research and Breeding Center, and Wat Samakkhi Wanaram, with the measurement frequency of 2 times per year. In addition, the Company arranges the general noise level measurement in the area at the fence side of the factory and the community area for five stations, such as in the north area of the Project's fence side, in the eastern area of the Project's fence side, in the western area of the Project's fence side of Bannongpakbung School and Tub-Kwang Livestock Research and Breeding Center, with the frequency measurement of two times per year. The value of measurement results of ambient air quality and general noise level in the community area around the factory has been in the standard criteria determined by law.

3.3.2.2 Water Quality Management

The Company consumes municipal and ground-water as the source of raw water to pass through the Primary Filtration System and Reverse Osmosis (RO) System before distributing water to the Company's production process and activities. A part of the brine water remaining from the Primary Filtration System is recycled to clean Primary Filtration System before releasing into Clarifier No. 3, which is a natural puddle with an approximate capacity of 1,400 cubic meters and is water-well used as money cheek to support rainwater and other water that is not waste water from the production process by concentration from rainwater gutter inside the Company for water reservation to be used in activities inside the Company, such as cleaning road surface, cleaning industrial waste storage field, watering trees, looking after the plantation inside the factory to have a green area inside the Company, etc.

The water used in production is controlled and circulated for reuse by the Close System of the Cooling Tower in each process. Wastewater from the cooling process is derived from the yearly system cleaning and is gathered as industrial waste and requests permission to deliver for disposal according to law. Wastewater in part of the water from toilets at the office and canteen is gathered down into Central Wastewater Treatment and Clarifier No. 1 and Clarifier No. 2, with Oil Slick and Grease Removal System with Oil Skimmer and Oil Separator, and aeration with Aerator. Water is suspended in Clarifier until the water quantity is high up to the defined level, and therefore, Water Pump pumps water out into the public aqueduct.

The Company conducts a quarterly inspection of wastewater quality before entering into the treatment system and after passing the treatment system, and before releasing outward the factory, and soil surface water quality, a yearly inspection of ground-water quality, and every three-year inspection of soil quality. In addition, the Company also weekly countermeasures the water quality both before and after passing Filtration System and Water Collection Point inside the factory.

3.3.2.3 Waste Management

The Company establishes the policy and target for mitigating waste by emphasizing worthwhile resource consumption through the continuous creation of in-house employee awareness with the 5S system implementation in all sections as a daily routine and supporting the use of 3R (Reduce, Reuse and Recycle) principles together with minimization of waste occurrence in each activity, reuse, and recycle to reduce the production cost and cause minimum waste.

In addition, the Company has reduced the delivery expense for oil-contaminated water for external disposal by installing the Water Mixed Oil Treatment Plant at Industrial Waste Sorting Plant to treat wastewater contaminated with oil from the production process. The treated water is delivered to Clarifier before entering Central Treatment System accordingly. Only some sludge content remains. The permission for delivery to dispose of has been appropriately requested according to the industrial waste management law. The treated water was sent to the clarifier for aerate before entering the Central Waste Water Treatment. The samples were collected for quality analysis monthly before being discharged into the public aqueduct.

The Company systematically controls the transportation and treatment of waste, sewage, or obsolete materials according to law. The Company's waste or obsolete materials are classified into two types: sewage or obsolete materials (solid waste) and sewage or obsolete materials from business operations (general waste/hazardous waste). The Company selects to use the carrier, treatment party, and disposal party that government agencies properly authorize. In 2023, the Company delivered obsolete materials to dispose of outside the factory using Recycle Method to produce Refuse Derived Fuel (RDF) and dispose of using the safe method according to the following table.

Waste Management

Management Method		Y.2023 (Tons)
Recycle	Sorted by type for selling	333.90
	Brought back to use again other	77.42
	Alternative raw material in Cement kilns	27.35
	Total	438.67
Refuse Derived Fuel (RDF)	Alternative fuel	109.26
	Mixed fuel	211.36
	Total	320.62
Disposal	Landfill according to sanitary principles only non-hazadous waste	65.18
	Landfill safety Once stabilized or solidified	65.20
	Burn in infectious furnace	0.004
	Stored in container	0
	Total	130.38
Grand Total		889.67

3.3.3 Global Warming Initiatives

The Company emphasizes efficient energy and resources consumption, which is a part of determination to conform to the customer's and government sector's requirement and weather atmospheric change management policy. In 2023, the Company continue performed bookkeeping from the information on greenhouse emission and received Carbon Footprint for Organization (CFO) of years 2022 from Thailand Greenhouse Gas Management Organization (TGO) on June 28, 2023.



Scope	Carbon Footprint of Organization Y 2023	Carbon Footprint of Organization Y 2022 (based)
Scope 1 (tCO ₂ e)	5,781	6,350
Scope 2 (tCO ₂ e)	17,291	18,624
Scope 2 (tCO ₂ e)	46,490	59,386
Other (tCO ₂ e) (Type 1 separate report)	168	288
Total (tCO ₂ e)	69,562	84,360
Carbon Intensity (Scope 1 and 2) (tCO ₂ e/Ton)	1.2083	1.1797
Carbon Intensity (Scope 1, 2 and 3) (tCO ₂ e/Ton)	3.6430	3.9850
Report advisor	Green Style Co., Ltd.	Green Style Co., Ltd.
Report verifier	Greenhouse gas Management and Certification Unit, School of Energy and Environment University of Phayao	TÜV NORD (Thailand) Ltd.,
Certification Level	Limited of Assurance	Limited of Assurance

Refer year 2022 as the based data because there have been adjustments in calculation methods and data collection to enhance coverage in reporting.

3.3.4 Energy Conservation Project

The Company has established the policy and target for energy conservation and assigned the Company's Energy Conservation Committee to prepare the energy conservation projects and activities in the Company's processes, as shown in the following table.

electricity consumption	Unit	Y 2023	Y 2022	Y 2021
Electricity Consumption per ton of Production	Kilowatt- hours per ton of Production	21,187	21,468	21,079

*Electricity Consumption per unit of Production (Electrical Intensity)

Results of the energy conservation project	Unit	Y 2023	Y 2022	Y 2021
Reducing energy consumption	Kilowatt hours/ year	417,453.36	307,800	144,887
Energy saving	Baht/Year	1,388,404.55	1,006,502	473,778

Energy Conservation Project Y 2023		
Continuing project from Y 2022	Electricity usage reduction (kWh/Year)	Energy save (Baht/Year)
1. Solar loof at Production Office Building	177,434.70	590,857.55
2. Turn off air compressor C4 at FMGT	106,920.00	356,043.60
3. Control stopping of Roto C at WGT#1,2,3,4	1,050.00	3,496.50
4. VSD at Cooling Tower CF#1, CF#2, CF#3, CF#4, EF#2	57,172.00	188,667.60
5. Change B-Coil at Holding Furnace	11,666.66	38,850
New Project in Y 2023	Reduce electrical energy used (kWh/Year)	Energy save (Baht/Year)
1. Install Air Conditioner model Inverter instead the old No.16,81	4,550.00	15,151.50
2. Stop the Blower when it is not producing at AIH#1,2	6,160.00	20,512.80
3. Reduce compressor Air compressor#22 from 6 to 5.2 bars	52,500.00	174,825.00
Total	417,453.36	1,388,404.55

3.3.5 Water Resource Management

The Company emphasizes worthwhile water consumption with the wastewater treatment system from the production process and office. It recycles the part of wastewater (Brine Water) from Filtration System to primarily clean the Filtration System before releasing it down to Clarifier No. 3, which is a natural puddle for water reservation and use in various activities. The Company can reuse water around 20 cubic meters per day, as shown in the following table.

Water Consumption	Unit	Y 2023	Y 2022	Y 2021
Ground Water Usage Quantity & Tap water	m ³	211,265	216,975	234,989

Reuse of Brine Water from RO System activities	Average Volume (m ³ /Day)
1. Cleaning machines, Treatment System, Factory Floors, Bathroom Floors	10
2. Water the plants	3
3. Cleaning factory floor	3
4. Cleaning Waste Area	2
5. Washing cotton glove for reused	2
Total	20

3.3.6 Environmental Management System and Certification of Green Industry

The Company has developed and improved the operation according to the requirements of the ISO 14001: 2015 Environmental Management Standard System and passed the certification from 2006 up to the present from TUV Nord (Thailand) Ltd. for the confidence of the stakeholders, such as employees, customers, suppliers, shareholders, on governing the Company's operations that are friendly to environment and community.

In addition, the Company has also been certified as Green Industry Level 3: Green System, with systematic environmental management, monitoring, evaluation, and review for continuous development from the Ministry of Industry on 7 September 2021.



3.4 Sustainability Management in Social Dimension

3.4.1 Policy and Practical Guidelines in Society

Respect for Human Rights

The Company establishes the policy for compliance with laws, regulations, and principles of fundamental human rights according to international principles. The stakeholders, communities, and society are treated with respect for human rights, non-tort of fundamental rights, fairness and job security for the employees, and support and promotion of the employee's position growth toward a high level based on knowledge and competency without discrimination, provision of the opportunity to the disabled persons to work with the Company. Taking care and Compassionate care for the quality of life of employees with the provision of welfare according to laws, and proper and fair labor treatment. In the past, the Company has never obtained a complaint on the tort of human rights. The followings are the Company's practical guidelines.

- 1) Support and respect human rights protection by keeping on surveillance and supervision to avoid business involvement in the tort of human rights, such as non-support of labor enforcement and anti-child labor usage.
- 2) The Company shall protect the employee's personal data under its supervision.
- 3) Employees shall treat each other with mutual respect and esteem.
- 4) Recruitment process and promotions were based on employee's performance with accurately and impartially.

3.4.2 Social Performance

The Company emphasizes social and environmental development by training the employees to have a conscious mind and awareness of both internal and external environmental care, starting from the relevant things with serious 5S system doing of all work units. The 5S system is an essential foundation in encouraging the employee's attention on the surrounding environment and continuous improvement development, efficient working, ensuring the employee's happiness at work and good quality of life, the extension of improvement and development in various areas toward community and society for sustainable coexistence.

The Company has been building the relationships with government and communities. In 2023, the Company has participated in activities supporting the communities around the factory for public society interests in the environment, sanitation safety, and education to further promote the youth's strength with good quality of life and education as following.

Introducing Our Internal or Community-Related Activities in 2023

Providing Scholarship to Children of Employees

The Company has been supporting the education of employees' children by awarding scholarships in July of every year.



Supporting the Useful Social Activities

The Company has been supporting the organizing budget of Children's Day activities, awarded scholarships for the schools in the community, supported drinking water for the defense officers, and mitigated the road accident for Tub-Kwang Municipality during the yearly festival period, such as Songkran Festival, New Year Festival and annually temples activities (Kathin) in the community around the factory.



Supporting the Disable Persons

The Company has been supporting the disabled persons to sell lotteries inside the factory to have more income.



Support villagers and communities around the factory

The Company has been supporting the local people in communities around the factory to sell goods inside the factory every month to have more income.



Activities Offering Dry Foods to Monks

The Company's management and employees organized an event at Saraburi Factory to present dry foods to monks as a royal charity in memory of His Majesty King Bhumibol Adulyadej Maha Bhumibol Adulyadej the Great Borommanatbophit, King Rama IX, on Friday, December 1, 2023.



Activities Consolation Ceremony for Retirees

The Company organized a "Retirement at the age of 55 years" event for employees who have worked with the Company until their retirement age. The management team and colleagues joined to show appreciation, which was held on January 30, 2023.



Activities FMT UNITY RUN

The company organized the “FMT UNITY RUN” activity on December 15, 2023 for employees to strengthen the body's health to live a long life including management, superior and all employee levels.



4. Management Discussion & Analysis (MD&A)

1) Global Air Conditioner Market Trends

First of all, the overview of the global air conditioning market, a significant user of copper tubes of The Company.

Compared to 2022, the air conditioner market 2023 has recovered from the economic downturn because of the pandemic coronavirus disease (COVID-19), and the supply of raw materials and components has returned to normal conditions. However, the growth of the air conditioner market has been uneven due to rapid price increases caused by global inflationary pressures and weather unpredictability. Specifically, the markets in China, India, Southeast Asia, Latin America, the Middle East, and Africa grew. In contrast, the North American market shrank significantly, and the European, Oceania, and Japanese markets declined slightly.

The global air-conditioning market, impacted by the coronavirus disease (COVID-19) pandemic, began to recover. This can be observed through increased tourist numbers in several countries and investments in the hotel and restaurant businesses.

2) The Company Business Conditions in 2023

The supply chain disruptions in electronic components that plagued air conditioner manufacturers in 2022 were solved and normalized. However, the unexpected increase in the secondary market inventory of air conditioners in Japan, North America, and Oceania affected customer requirements for copper pipes and was postponed.

In addition, the heat pump market in the EU, where significant growth was expected, showed negative growth compared to last year. The negative growth was attributed to the priority given to purchasing conventional heating equipment because of lower natural gas prices in the market, which also harmed the shipment performance of Thai air conditioner manufacturers and copper tube manufacturers.

For the Thai domestic market, they expect to replace air conditioners with inverter air conditioners, which are high-efficiency and energy-saving, because of rising electricity costs. However, it is believed that the replacement of mid to low-end air conditioners made by Chinese and Korean manufacturers proceeded rather than switching to more expensive, high-performance models.

3) Competitive Environment

In addition to competition with domestic copper tube manufacturers, competition with imported copper tube manufacturers, especially from China, is intensifying, and roll margins of commodity-priced products are declining. While securing volume in commodity-priced products, The Company has increased production capacity for capillary tubes and taper pipes, which is the market leader in Thailand, and strengthened orders for high-value-added heat pipes.

As for overseas markets, growth is expected in India and the Middle East. Especially in India, the proportion of Chinese copper tube imports is increasing, and there is a move to strengthen copper tube procurement from Thailand to diversify procurement sources. Although the Indian market will mainly consist of copper tubes in the commodity-priced range, The Company will be working more intensively than ever before in consideration of the rapid growth of the market from now on.

4.1 Operation and Financial Position Analysis

The operational performance of 2023 showed total revenue from net sales of 6,746 million baht, a decrease of 1,215 million baht from 2022. This was due to a 10% year-on-year decrease in copper tube tonnage shipped in 2023 to approximately 19,000 tons and a decrease of approximately 5% in market copper prices on the LME.

The profit from operating activities in 2023 was 150 million baht, a decrease of 2 million baht from the previous year.

The gross profit decreasing due to lower shipments was offset by gains from the copper hedge settlement balance and a reduction in Distribution costs.

Net income after tax for 2023 was 96 million baht, a decrease of 2 million baht from the previous year. This was due to an increase in Finance Costs, which was offset by a gain on the valuation of derivatives.

In 2023, the Company had a net comprehensive income increased of 14 million baht to 102 million baht from the previous year due to other comprehensive income-net increased of 16 million baht over 2022 from the gain on cash flow hedges.

Net Sales

Sales in 2023 were 6,746 million baht, a decrease of 1,215 million baht from 2022. Domestic sales were 4,224 million baht (63%) and export sales were 2,522 million baht (37%).
(Export sales include sales to EPZ).

Other Income

In 2023, other income was 2 million baht and gain on copper hedging 13 million baht.

Cost of Sold goods and Total expenses

Total expenses

The Company's total expenses for 2023 were 6,611 million baht which were decreased of 1,218 million baht from 2022, mainly due to production volume and LME market price were decreased, another loss on currency exchange rate 7 million baht.

Cost of Sold goods

The cost of sold goods in 2023 was 6,388 million baht, or 97% of the total costs and expenses which was decreased of 1,126 million baht from the previous year due to Production volume and LME market price were decreased.

Selling and Administrative Expenses

The selling and administrative expenses in 2023 were 216 million baht or 3% of the total expenses. This was an 11 million baht reduction from the previous year. This was mainly due to a 15 million baht reduction in Distribution Costs due to a decrease in tonnage shipped.

Note that Total Expenses for 2022 include a loss of 88 million baht on copper hedging and service fees. (A gain of 13 million baht on copper hedging and service in 2023 is included in Total Revenues).

Finance Costs

Finance Costs in 2023 increased due to the continuous rise in short-term market interest rates in Thailand, which raised interest rates on short-term borrowings from correspondent financial institutions and accounts receivable discount charges. The amount was 41 million baht, an increase of 15 million baht from the previous year.

Income Tax

The Company has payable corporate income tax in 2023, 24 million baht.

Operation Results and Profitability

The Company's product is seamless copper tubes. Depending on the nature of the order from each customer, we set the selling price based on the global copper market price when signing the sales contract and sell the required size copper tubing to the customer.

In 2023, the Company's net comprehensive income was 102 million baht, increased from the previous year, due to gain on cash flow was higher so other comprehensive income-net of tax increased 14 million baht or 16%.

In 2023, the Company had a loss from the exchange rate of 7 million baht.

Verification of asset Quality

- 1) Most debtors are the trade partners who have long business relationships and consistently good payment history. In principle, the terms of transactions with our new customers are based on payment terms of cash or deposit of a letter of guarantee from a commercial bank, and credit insurance is taken out to hedge the risk of debtors who may encounter problems later, depending on the credit risk of the accounts receivable.
- 2) Inventories consist mainly of copper tubes that can be reused in production, even if defective. Therefore, there has been no problem for the Company in the matter of impairment, and the Company has not set aside an allowance for product devaluation. As for tools, the Company examines the contents of inventories and implements impairment losses as necessary.
- 3) The Company does not record goodwill.

4.2 Statement of Financial Position

Assets

As at December 31	Y 2023		Y 2022		Y 2021	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Current assets						
Cash and cash equivalents	63,562,684	2.28	27,013,591	0.89	104,011,660	3.12
Trade receivables	1,128,886,625	40.43	1,389,414,496	45.78	1,606,493,484	48.12
Other receivables	25,987,093	0.93	63,319,308	2.09	60,919,379	1.82
Inventories	1,073,891,954	38.46	1,112,333,834	36.65	1,128,288,143	33.79
Other current financial assets	75,959,100	2.72	23,457,061	0.77	16,691,201	0.50
Total current assets	2,368,287,456	84.81	2,615,538,290	86.17	2,916,403,867	87.35
Non-current assets						
Net-Property, plant and equipment	348,308,167	12.47	361,104,146	11.90	374,030,179	11.20
Right-of-use assets	20,760,522	0.74	13,748,093	0.45	6,208,252	0.19
Intangible assets	26,450,784	0.95	12,351,341	0.41	12,001,815	0.36
Deferred tax assets	26,118,871	0.94	30,045,459	0.99	27,634,281	0.83
Other non-current assets	2,455,766	0.09	2,446,924	0.08	2,442,353	0.07
Total non-current assets	424,094,110	15.19	419,695,963	13.83	422,316,880	12.65
Total Assets	2,792,381,566	100.00	3,035,234,253	100.00	3,338,720,747	100.00

Liabilities and Equity

As at December 31	Y 2023		Y 2022		Y 2021	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Liabilities and equity						
Liabilities						
Current Liabilities						
Short term loan from financial institutions	700,000,000	25.07	615,000,000	20.26	888,000,000	26.60
Trade payables	172,526,006	6.18	472,283,861	15.56	476,356,679	14.27
Other payables	23,863,162	0.85	53,233,463	1.75	47,884,690	1.43
Current portion of lease liabilities	7,385,733	0.26	4,898,320	0.16	3,941,320	0.12
Short term loan from Related party	-	0.00	-	0.00	-	0.00
Income tax payable	6,109,398	0.22	9,755,088	0.32	30,641,803	0.92
Other current financial liabilities	74,309,163	2.66	40,609,018	1.34	18,309,582	0.55
Other current liabilities	16,941,531	0.61	17,576,740	0.58	16,970,867	0.51
Total current liabilities	1,001,134,993	35.85	1,213,356,490	39.98	1,482,104,941	44.39
Long term loan	-	0.00	0	0.00	-	0.00
Lease liabilities	13,863,019	0.50	9,086,796	0.30	2,732,094	0.08
Provision for employee benefits	127,315,167	4.56	132,696,717	4.37	135,946,261	4.07
Total liabilities	1,142,313,179	40.91	1,355,140,003	44.65	1,620,783,296	48.55
Equity						
Share capital-ordinary shares, per value at Baht 10 per share						
Authorised share capital	480,000,000	17.19	480,000,000	15.81	480,000,000	14.38
Issued and paid-up share capital	480,000,000	17.19	480,000,000	15.81	480,000,000	14.38
Share premium	507,500,000	18.17	507,500,000	16.72	507,500,000	15.20
Retained earnings						
Appropriated legal reserve	48,000,000	1.72	48,000,000	1.58	48,000,000	1.44
Unappropriated	618,229,086	22.14	653,773,995	21.54	680,820,215	20.39
Loss on cash flow hedges	(3,660,699)	(0.13)	(9,179,745)	(0.30)	1,617,236	0.05
Total equity	1,650,068,387	59.09	1,680,094,250	55.35	1,717,937,451	51.46
Total liabilities and equity	2,792,381,566	100.00	3,035,234,253	100.00	3,338,720,747	100.00

Statement of Comprehensive Income

As at December 31	Y 2023		Y 2022		Y 2021	
	Amount (Baht)	%	Amount (Baht)	%	Amount (Baht)	%
Revenues						
Revenue from sale of goods	6,745,866,141	99.78	7,961,530,354	99.76	7,185,293,607	97.26
Gain on copper hedging and service fee	13,154,611	0.19	-	0.00	166,505,084	2.25
Net gain on foreign exchange	-	0.00	17,350,733	0.22	15,764,306	0.21
Other income	1,918,388	0.03	2,162,538	0.03	20,051,553	0.27
Total revenues	6,760,939,140	100.00	7,981,043,625	100.00	7,387,614,550	100.00
Cost of sale of goods and Expenses						
Cost of sale of goods	6,388,175,914	94.49	7,513,977,385	94.15	6,905,487,452	93.47
Distribution cost	107,340,949	1.59	122,333,429	1.53	120,496,605	1.63
Administrative expenses	108,571,113	1.61	104,954,563	1.32	107,393,267	1.45
Loss on foreign exchange	7,065,800	0.10	-	0.00	-	0.00
Loss on copper hedging and service fee	-	0.00	87,903,861	1.10	-	0.00
Director fee	-	0.00	-	0.00	-	0.00
Total expenses	6,611,153,776	97.78	7,829,179,238	98.10	7,133,377,324	96.56
Profit from operating activities	149,785,364	2.22	151,864,387	1.90	254,237,226	3.44
Financial cost	(41,304,345)	(0.61)	(26,068,474)	(0.33)	(14,317,173)	(0.19)
Hedging gain (Loss) for hedge of group of items with off-setting risk positions	11,903,086	0.18	(2,037,349)	(0.03)	34,474,296	0.47
Profit before income tax	120,384,105	1.78	123,758,564	1.55	274,394,349	3.71
Tax expense	(23,929,014)	(0.35)	(24,804,784)	(0.31)	(54,882,107)	(0.74)
Profit for the year	96,455,091	1.43	98,953,780	1.24	219,512,242	2.97
Other comprehensive Income						
Gain on EBO	-	-	-	-	(4,222,105)	-
Income tax relating to other comprehensive income	-	-	-	-	844,421	-
Other comprehensive Income for the year	96,455,091		98,953,780		216,134,558	
Items that will be reclassified to profit or loss						
Gain (Loss) on cash flow hedges	6,898,808		(13,496,227)		9,629,554	
Income tax relating to items that will be reclassified	(1,379,762)		2,699,246		(1,925,911)	
Total other comprehensive income for the year	101,974,137	1.51	88,156,799	1.10	223,838,201	3.03
Unappropriated R/E January 1	653,773,995	9.67	680,820,215	8.53	542,685,657	7.35
Impact of changes in accounting policies	-	0.00	-	0.00	-	0.00
Allocated for reserve funds	-	0.00	-	0.00	-	0.00
Dividends to owners of the company	(132,000,000)	(1.95)	(126,000,000)	(1.58)	(78,000,000)	(1.06)
Unappropriated R/E -December 31	618,229,086	9.14	653,773,995	8.19	680,820,215	9.22
Basic earnings per share	2.01		2.06		4.57	

Statement of Cash Flows

For the year ended December 31	Y 2023 (Baht)	Y 2022 (Baht)	Y 2021 (Baht)
Cash flows from operating activities			
Profit for the year	96,455,091	98,953,780	219,512,242
Adjustment to reconcile profit to cash receipt (payments)			
Depreciation and amortization	52,417,834	63,970,704	71,800,755
Impairment for machinery & equipment	-	-	-
Impairment for supplies	-	-	-
Finance costs	41,304,345	26,068,474	14,317,173
Bad debts	-	-	-
Income tax	23,920,014	24,804,784	54,882,107
Unrealised loss (Gain) on foreign exchange	(2,673,029)	(8,227,093)	(994,213)
Loss on disposal fixed assets loss on inventories devaluation	4,299,296		
Unrealised loss (Gain) on foreign exchange	(11,903,086)	2,037,349	(34,474,296)
(Gain) Loss on disposal of equipments	(89,373)	(10,198)	(12,228)
Provision for employee benefits	9,808,609	11,769,971	14,473,713
	213,548,701	219,367,771	339,505,253
Change in operating assets and liabilities			
Trades receivables	263,231,350	225,108,219	(74,330,487)
Inventories	34,142,584	15,954,309	(229,029,387)
Refundable VAT	-	-	-
Other receivables	37,332,215	(2,399,929)	(5,131,475)
Other non-current assets	(8,842)	(4,571)	(600)
Trade payables	(299,788,305)	(3,874,956)	137,622,186
Other payables	(27,575,270)	17,945,127	3,309,996
Income tax paid	(25,027,878)	(45,403,431)	(31,324,917)
Other current liabilities	(662,445)	580,947	714,645
Employee benefit paid	(15,190,159)	(15,019,515)	(20,890,568)
Net cash from (used in) operating activities	180,001,951	412,253,971	120,444,646
Cash flows from investing activities			
Advance payment to purchase machinery	-	-	-
Cash payment to purchase of PPE	(30,907,261)	(55,256,305)	(68,982,039)
Cash payment to purchase of intangible assets	(17,354,974)	(3,320,987)	(5,722,565)
Cash receipts from sale of equipment	90,416	10,200	17,992
Net cash used in investing activities	(48,171,819)	(58,567,092)	(74,686,612)
Cash flow from financing activities			
Proceeds from borrowings from financial institutions	7,725,000,000	5,665,000,000	2,833,000,000
Proceeds from related party	-	-	-
Interest paid	(41,623,738)	(26,572,900)	(13,788,092)
Repayment from borrowings from financial institution	(7,640,000,000)	(5,938,000,000)	(2,770,000,000)
Repayment of borrowing from related party	-	-	-
Dividends paid	(131,972,764)	(125,975,074)	(77,962,634)
Payment of lease liabilities	(6,684,537)	(5,136,974)	(5,005,136)
Loan fee	-	-	-
Net cash from (used in) financing activities	(95,281,039)	(430,684,948)	(33,755,862)
Net increase (decrease) in cash and cash equivalents	36,549,093	(76,998,069)	12,002,172
Cash and cash equivalents at 1 January	27,013,591	104,011,660	92,009,488
Cash and cash equivalents at 31 December	63,562,684	27,013,591	104,011,660

Summary of Financial Ratio

As at December 31	Unit	Y 2023	Y 2022	Y 2021
<u>Liquidity Ratio</u>				
Current Ratio	Times	2.37	2.16	1.97
Receivables Turnover	Times	5.36	5.31	4.58
Collection Period	Days	67.20	67.73	78.63
Account Payable Turnover	Times	19.81	15.84	16.92
Payment Period	Days	18.17	22.73	21.27
Inventory Turnover	Times	5.84	6.71	6.81
Inventory Turnover Period	Day	61.60	53.67	52.85
<u>Profitability Ratio</u>				
Gross Profit Margin	%	5.30	5.62	3.89
Net Profit Margin	%	1.43	1.24	2.97
Return on Equity	%	6.12	5.19	13.61
<u>Efficiency Ratio</u>				
Return on Toal Assets	%	3.45	3.26	6.57
Asset Turnover	Times	2.42	2.62	2.15
Fixed Asset Turnover	Times	19.37	22.05	19.21
<u>Financial Policy Ratio</u>				
Debt to Equity	Times	0.69	0.81	0.94
Interest Coverage	Times	3.91	5.75	20.17

5. General Information and Other Key Information

5.1 Information of Other Reference Related Parties of the Company

<u>Securities Registrar Party</u>	Thailand Securities Depository Co., Ltd. (TSD) Group of the Stock Exchange of Thailand 93, 14th Floor, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Telephone	02 - 009 - 9000
Facsimile	02 - 009 - 9991
Website	http://www.set.or.th/tsd
E-Mail	SETcontactCenter@set.or.th

<u>Auditor for 2023</u>	<ol style="list-style-type: none"> 1) Mr. Songchai Wongpiriyaporn Certified Public Accountant No.10996 or 2) Miss Sirinuch Vimolsathit Certified Public Accountant No. 8413 or 3) Mr. Sumate Jansamsee Certified Public Accountant No. 9362 or 4) Miss Jamjuree Sathapornchaiwat Certified Public Accountant No. 11567 <p>KPMG Phoomchai Audit Limited 1 Empire Tower Building, 50th Floor Sathon Tai Road, Yannawa Sub-district, Sathon District, Bangkok 10120 Telephone 02 - 677 - 2000 http://www.kpmg.co.th</p>
<u>Website</u>	http://www.kpmg.co.th

<u>Internal Auditor</u>	<ol style="list-style-type: none"> 1) Mr. Hiroshige Nose (General Manager of Business Planning Management) 2) Mr. Nopporn Moonsarn (Advisor of Factory Administration) 3) Mr. Chirawat Ritthinee (General Manager of Administration Department) 4) Mr. Supalerk Kaewkate (CSR & ISO Section Manager)
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5.2 Other 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 -

Section 2 **Corporate Governance**

6. Corporate Governance Policy

6.1 Overview of the Corporate Governance Policy and Guideline

The Board of Directors realizes the importance of corporate governance and is committed to managing by adhering to the corporate governance code in line with the best practices for directors of listed companies; therefore, the corporate governance principles and guidelines have been applied in corporate management with responsibility and practicality to achieve the goals and create the stability and sustainable business growth for the organization, taking into account the rights and equality of all shareholders and stakeholders.

6.2 Code of Business Conduct

The Company has prepared the practices for all directors and employees to be involved in the Company's business operations by conducting businesses and managing the basics as follows:

1. To behave themselves with integrity and responsibility to the organization.
2. To be committed to innovation and continuous improvement of production technology.
3. To strengthen good relations with society and communities, respecting laws and jointly developing and preserving the environment.

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 based on the Corporate Governance Code for listed companies by realizing the responsibility to ensure the confidentiality of all shareholders, stakeholders, and relevant parties. Therefore, the Board of Directors establishes policies for duty performance as following details:

Corporate Governance Policy

The Board of Directors has prepared the corporate governance policy and defined the roles, duties and responsibilities of the directors as the leaders of the organization. This is considered an important mechanism to drive the organization and ensure that the organization shall have good management for the benefit of shareholders and stakeholders as a whole under the following policies:

1. To perform their duties carefully and responsibly under the requirements of laws to create values for the business to achieve success and sustainable growth.
2. To ensure the equal treatment of shareholders and stakeholders with fairness, and compliance with the provisions of laws and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other related laws.
3. To prioritize the internal control system, establish the Audit Committee consisting of persons with knowledge ability, and experience in reviewing the reliability of financial statements, review the operation to ensure that it is in accordance with the policies and regulations, as well as laws and regulations so that the Company has a strict and appropriate internal control system, and

establish an internal audit unit. The internal audit unit shall report the results of internal audit audits to the Audit Committee. Then the Audit Committee shall present them to the Board of Directors for acknowledgment.

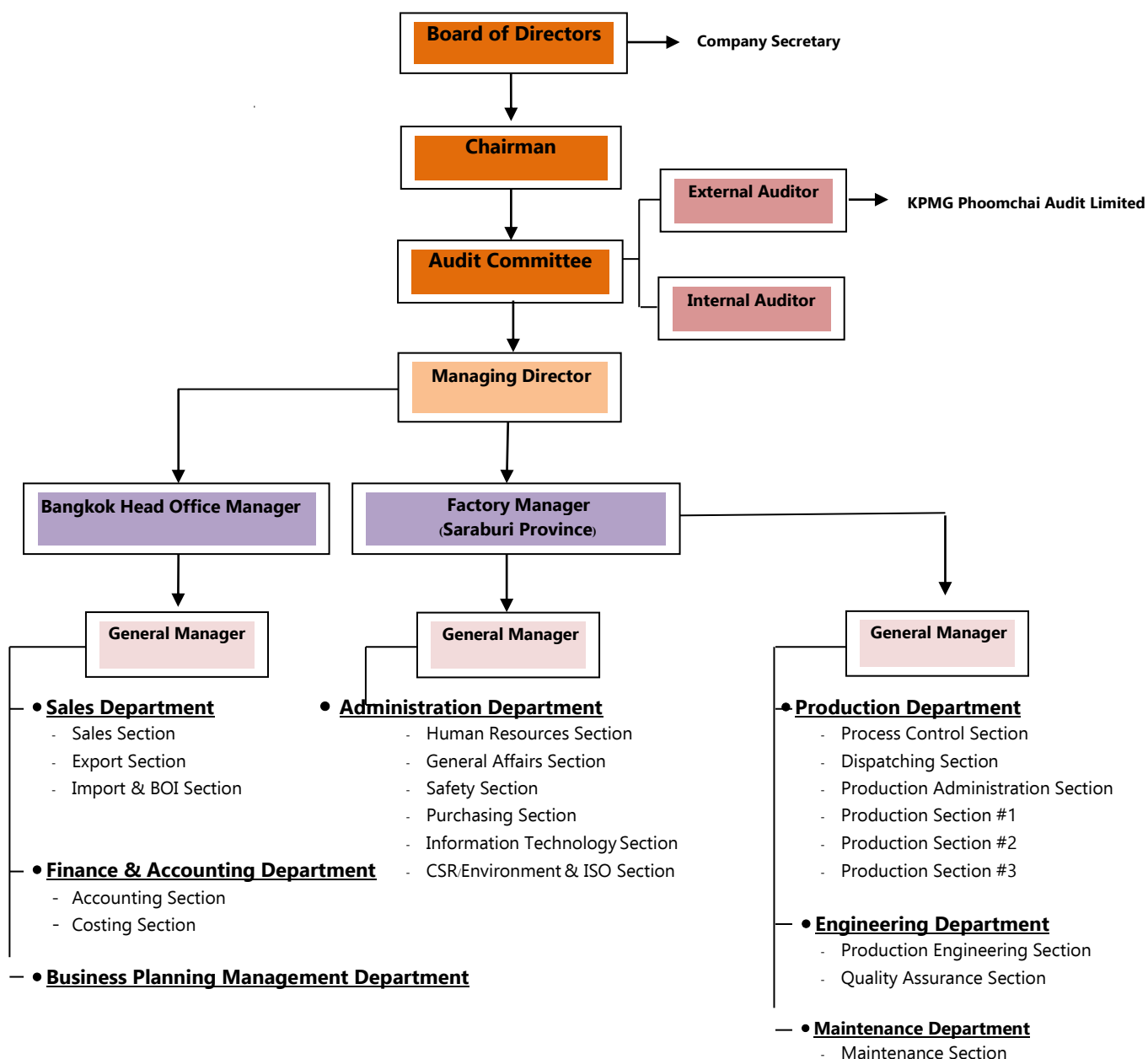
4. Hold a quarterly meeting to review the performance by setting the agenda of the Company's meeting in advance in every meeting invitation letter.
5. To completely and accurately disclose the company information and news.
6. Not take any action that may cause a conflict of interest against the organization.
7. Not seek benefits for oneself and those involved by using any information of the organization that has not been disclosed to the public.
8. To focus on personnel development to enable them to have knowledge, skills, and abilities thoroughly and consistently.

In addition, the Board of Directors has also applied eight principles in the Corporate Governance Code or CG Code for Listed Companies prescribed by the Office of the Securities and Exchange Commission as a reference in defining the roles and duties of the Board of Directors as follows:

- | | |
|--------------------|--|
| <u>Principle 1</u> | Realize the roles and responsibilities of the Board of Directors as the corporate leader who creates sustainable business value. |
| <u>Principle 2</u> | Define the objectives and goals of the entity that is taking place for sustainability. |
| <u>Principle 3</u> | Strengthen the effective Board of Directors and promote good corporate culture. |
| <u>Principle 4</u> | Nominate and develop the top management to properly perform their duties, supervise the structure of remunerations, and ensure proper human resource management. |
| <u>Principle 5</u> | Promote responsible innovations and business operations, formulate action plans based on given strategies and properly apply technology. |
| <u>Principle 6</u> | Supervise to have the appropriate risk management and internal control systems. |
| <u>Principle 7</u> | Maintain the financial reliability and disclosure of information, ensure accurate financial reports and disclosure of information. |
| <u>Principle 8</u> | Support the participation and communication with the shareholders and accurately disclose the resolutions of the meetings and minutes of the shareholders' meetings. |

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 of 31 December 2023 consists of 13 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) | 4 Persons |

The Company's organizational structure requires that different individuals hold the positions of Chairman of the Board and Managing Director to ensure that the Board of Directors shall thoroughly performs its duties as a representative of shareholders and has a proper balance of power. In addition, the person holding the position of independent director shall be a director who can perform their duties, express opinion, or report as possible independently upon the mission assigned by the Board of Directors.

7.2.2 Information of the Directors and Regulator of the Company

The Board of Directors Fine Metal Technologies Public Company Limited consists of 13 members in total, where there are 4 non-executive independent directors appointed by the Company's Board of Directors and by the Shareholders' Meeting. At every Annual General Meeting of Shareholders, at least one-third (1/3) of the directors shall vacate the office. If the number is not divisible into three portions, the number nearest to one-third (1/3) shall retire. Members of the Board of Directors who will be retired in the first year and the second year after the Company's registration must draw tickets for resignation. For the following year, members of the Board of Directors who have been in place for the most extended period must be retired. A retired director may be elected to resume office. Other than the retirement by rotation, a member of the Board of Directors shall vacate the office upon their:

1. Death.
2. Resignation.
3. Disqualification or possession of the prohibited characteristics according to the Public Limited Companies Act.
4. Being removed by resolution of the Shareholders' Meeting.
5. Being removed by the court's order.

Any member of the Board of Directors wishing to resign from office shall submit a resignation letter to the Company. The resignation shall be effective from when the Company receives the letter. In case where there is any vacancy of the director's office due to other reason other than retirement by rotation, the Board of Directors may elect a person who is qualified without prohibited characteristics according to the Public Limited Companies Act to be the replacing director at the next Board of Directors' meeting, except in the case where the remaining office term of the said director is less than two months.

- The rate of remuneration provided to 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 must 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 supervises 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. It can execute within the scope of laws, objectives, and Articles of Association of the Company. According to the resolution of the General Meeting of Shareholders, it has the power to perform any acts specified in the Memorandum of Association or related to the undertakings. The Board of Directors may entrust one person or more to complete any works instead of the Board of Directors.
- 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 can enlist the authorized directors who sign to bind the Company.

The Board of Directors of the Company as of 31 December 2023 consists of:

No.	Name	Position
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. Hiroshige Nose	Director
8	Mr. Tinnakorn Asdathorn	Director
9	Mr. Hideki Takayasu	Director
10	Mr. Vibul Aunsunnta	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. Iruru Hidaka	Independent Director

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

The Board of Directors consists of persons who are knowledgeable, competent, diverse in career, race, and gender, well understand the roles, duties, and responsibilities, play critical roles in governing, auditing, and assessing the Company's operations, have authority to operate the Company's businesses according to the laws, Articles of Association, and resolution of the Shareholders' Meetings with honesty and integrity, and participate in establishing vision, mission, strategies, goals, business plans, and budget of the Company, as well as govern the Administration to efficiently and effectively execute in accordance with established business plans and budget so that the maximum economic value is added to the business and maximum security is provided to all shareholders. In addition, to segregate the authority on establishing the Company's policy and management, the Company determines that the Chairman of the Board and the Managing Director are different persons.

Duties of the Chairman of the Board

1. To call the Board of Directors' Meetings, preside over the Board of Directors' Meetings and the Shareholders' Meetings, and define the meeting agenda together with Managing Director.
2. To control the Meetings to be efficient and in line with the rules and regulations of the Company, support and provide the Company's Board of Directors with the opportunity to express their opinions independently.
3. To ensure efficient communication between directors and shareholders.
4. To support and promote the Board of Directors to perform its duties with all ability upon the scope of authorities, duties, and responsibilities, and according to the Corporate Governance Code.
5. To oversee and monitor the management of the Board of Directors and other sub-committees to achieve defined objectives.
6. To be a cast voter where the Board of Directors votes and a tie of both parties exists.

Responsibilities of the Board of Directors

The Board of Directors performs the duty to establish the Company's policies, vision, strategies for business operations, goals, and budget and ensure that the Management controls and manages in line with defined guidelines under the Company's objectives and Articles of Association, and resolutions of the Shareholders' Meetings, with responsibility, integrity, and diligence according to the code of best practices. The Company's Board of Directors also controls and audits the Management to be transparent and in line with the code of conduct of sound executives and employees, and ensures the appropriate communication and disclosure of the Company's information.

The Board of Directors performs its duties according to the Securities and Exchange Act, 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 on the Stock Exchange of Thailand, as well as of the Capital Market Supervisory Board, and laws related to the Company's business operations.

Duties of the Board of Directors

The Board of Directors is responsible for complying with laws, the Company objectives, the Article of Association, and the resolutions of the shareholders' meetings with honesty, integrity, and carefulness, taking into account the interests of all stakeholders as follows:

1. To establish the Company's business policy, annual work plans, and budget, control and supervise the management's administration and direction, and monitor the performance to be in accordance with defined plans and budget.
2. Ensure that the Company complies with relevant notifications, requirements, and guidelines of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and any action prescribed by laws.
3. The Board of Directors prudently and carefully considers and selects qualified persons without prohibited characteristics by laws to propose that the shareholders approve to be the directors through the screening and consideration process of the Board of Directors.
4. The Board of Directors shall hold the Shareholders' Meetings and convene at least once a quarter. The Company's directors shall schedule the meeting dates of the following year in advance, where at least four (4) meetings shall be held each year and proposed to the Board of Directors' Meeting for consideration at the last meeting of the year. The Board of Directors' Meeting No. 4/2023 held on 10th November 2023 approved year 2024 scheduling the meetings in February, April, August, and November so that all directors of the Board can mutually plan and attend the meetings.
5. To consider and approve the quarterly and annual balance sheets and profit and loss, which are reviewed and approved by the external auditor and approved by the Audit Committee before disclosing to the Stock Exchange of Thailand and the public.
6. To consider and approve and/or agree on connected transactions that must comply with the regulations of the Stock Exchange of Thailand or laws related to the Company's businesses.
7. To approve the appointment of new directors to replace the directors who resigned by rotation.
8. To have the power to determine and change the name of the Director authorized to sign to bind the Company.
9. To consider the management structure, appoint executive directors, Managing Director, and other sub-committees as appropriate and deemed proper.
10. To have the power to elect one director to be the Chairman of the Board.
11. Directors are prohibited from operating businesses of the exact nature and competing with the businesses of the Company or becoming a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership, or becoming a director in a private company or other public company operating businesses of the exact nature and competing with the businesses of the Company unless notifying to the shareholders' meeting prior to the appointment resolution.

Duties and Responsibilities of the Executive Directors

1. To consider and set the Company's policies, directions and strategies, business plans and the annual budget, human resource management, investment in activities, and control and supervise the Company's operations to be efficient.
2. To operate and manage the Company's businesses in accordance with the Company's business operation objectives and pursuant to the policies established by the Board of Directors.
3. To have the power to approve and/or consent to regular executions and the general management of the Company's businesses.
4. Before proposing to the Board of Directors for approval, consider the policy guideline and investment goals to establish the framework further applied in the Management's operations.

5. To consider the profit and loss of the Company, proposal of interim dividend payment or annual dividend payment to propose to the Board of Directors for consideration and approval to propose to the shareholders' meeting for further approval.
6. To act as a consultant to the Management regarding financial policies, marketing, personnel management, and other operations in the Company's businesses for achievement.
7. To perform any other tasks assigned by the Company's Board of Directors.

7.3 Information of the Sub-Committees

The Board of Directors appoints the Audit Committee to help supervise the Company's business.

Audit Committee

The Audit Committee was appointed on 30 December 1999, and the official term is scheduled for two years per term. The Audit Committee consists of three non-executive directors who are independent directors per the following 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 | as the Secretary to the Audit Committee |

Duties and Responsibilities of the Audit Committee

1. Review the Company's quarterly financial statements and the annual financial statements that have been reviewed and audited by the auditors together with the auditors and the management to verify the accuracy and sufficiency of the financial information, trusted and transparent by generally accepted accounting principles including relevant laws and regulations before disclosing information to the Stock Exchange of Thailand and investors.
2. Review the Company's internal control system and internal audit system related to the Company's operations according to the specified plan for various departments to have a better internal control system with efficient and effective work.
3. To review the Company complies with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and laws related to the Company's business.
4. To consider connected transactions or transactions that may have conflicts of interest per the laws and regulations of the Stock Exchange of Thailand to ensure that the connected transactions of the Company are reasonable and in the Company's best interest.
5. To consider, select and nominate an independent individual to act as the Company's auditor and propose such auditor's remuneration to obtain approval from the Shareholders' Meeting and attend a Meeting with the Company's auditor without the Management attendance at least once a year. In 2023, the Audit Committee held 2 sessions with the auditor.
6. To ensure that the Company has a management system based on Corporate Governance Principles.
7. In performing the duties of the Audit Committee, if it is found that there is any transaction of action that may significantly affect the financial position and performance of the Company, the Audit Committee shall report to the Board of Directors for improvement and solutions.
8. To perform any other tasks assigned by the Board of Directors.
9. To prepare the report of the Audit Committee, which is disclosed in Form 56-1 One Report of the Company

In 2023, the Audit Committee performed its duties in a total of 4 meetings with the attendance of the management team to review the quarterly and annual financial statements of 2023 and related documents to ensure the accuracy and completeness, sufficient and reliable disclosure, and compliance with generally accepted accounting standards. The results of all meetings of the Audit Committee were also reported to the Board of Directors for acknowledgment. The Audit Committee performed its duties within the scope and responsibilities assigned by the Board of Directors and in compliance with the Corporate Governance Code prescribed by the Stock Exchange of Thailand, which are summarized in the Report of the Audit Committee in the Company's Annual Report, (Form 56-1 One Report).

Company Secretary

The Board of Directors approved the appointment of Mrs. Siriporn Lueangrachanee to be the Company Secretary to support the operations and report to the Board of Directors with the following duties and responsibilities:

Duties of the Company Secretary

1. Prepare and store the following documents.
 - (a) Director Register.
 - (b) Invitation Notice for the Board of Directors' Meeting and Minutes of the Board of Directors' Meeting.
 - (c) Invitation Notice for the Shareholders' Meeting and Minutes of the Meeting.
2. Store the Stake holding Report reported by the Board of Directors and executives.
3. To ensure the disclosure of data and report the information in part responsible to the agencies that supervise the Company pursuant to the rules and requirements of the government agencies.
4. To ensure that the Company and the Board of Directors comply with the laws and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
5. To perform other tasks as assigned by the Company's Board of Directors.

7.4 Information of the Management

7.4.1 List and Position of Management

Management

1.	Mr. Junichi	Ishihara	Managing Director
2.	Mr. Shingo	Nishijima	Factory Manager (ended 31 May 2023)
3.	Mr. Hideki	Takayasu	Factory Manager (start 1 Jun 2023)
4.	Mr. Nopporn	Moonsarn	Advisor of Factory Administration
5.	Mrs. Siriporn	Lueangrachanee	Advisor of Administration Department (ended 31 Dec 2023)

Department General Manager

1.	Mr. Hideki	Takayasu	General Manager of Sales Department (ended 31 Mar 2023)
2.	Mr. Osamu	Shinozaki	General Manager of Sales Department (start 1 Apr 2023)
3.	Mr. Shinya	Tsujimoto	General Manager of Engineering Department (ended 31 May 2023)
4.	Mr. Hiroshige	Nose	General Manager of Business Planning Management Department
5.	Ms. Arpaporn	Jitsuteesiri	General Manager of Finance & Accounting Department
6.	Mr. Chirawat	Ritthinee	General Manager of Administration Department
7.	Mr. Narongrit	Samranjit	General Manager of Production Department
8.	Mrs. Marisa	Tassana	General Manager of Engineering Department (start 1 Jun 2023)

Department Assistant General Manager

1.	Mr. Phinyo	Sodasit	Assistant General Manager of Production Department
2.	Mr. Teeravit	Pongsittichok	Assistant General Manager of Sales Department
3.	Mr. Mana	Wongsarasin	Assistant General Manager of Administration Department
4.	Mrs. Unchana	Yoosuk	Assistant General Manager of Administration Department
5.	Mrs. Marisa	Tassana	Assistant General Manager of Engineering Department (ended 31 May 2023)
6.	Mr. Osamu	Shinozaki	Assistant General Manager of Sales Department (ended 31 Mar 2023)

Section Manager

1.	Mr. Metha	Arunchaiphong	Production Section #1 Manager (ended 31 Jan 2023)
			General Affair Section Manager (start 1 Feb ended 31 Mar 2023)
2.	Mr. Metha	Pakkarato	Production Section #1 Manager (start 1 Feb 2023)
3.	Mr. Aphinun	Ngamsanguan	Production Section #2 Manager
4.	Mr. Phinyo	Sodasit	Production Section #3 Manager
5.	Mrs. Amornrat	Piendee	Quality Assurance Section Manager (ended 31 Mar 2023)
6.	Mr. Metha	Pakkarato	Production Engineering Section Manager (ended 31 Jan 2023)
7.	Mrs. Marisa	Tassana	Production Engineering Section Manager (start 1 Feb 2023)
8.	Mr. Virasak	Intawong	Maintenance Section Manager
9.	Mr. Sittikorn	Muenngern	General Affairs Section Manager (ended 31 Jan 2023)
10.	Mr. Chirawat	Ritthinee	General Affairs Section Manager (start 1 Apr 2023)
11.	Mr. Manoon	Chalermwat	Information Technology Section Manager (ended 30 Jun 2023)
12.	Mr. Mana	Wongsarasin	Safety / Health and Human Resources Section Manager
13.	Mrs. Unchana	Yoosuk	Purchasing Section Manager
14.	Mr. Teeravit	Pongsittichok	Sales Section Manager
15.	Mr. Sanguan	Wattanawiroon	Export Section Manager (ended 30 Jun 2023)
16.	Mr. Donghwan	Kim	Import & BOI Section Manager
17.	Ms. Rassamee	Monthakankul	Costing Section Manager

- | | | | |
|-----|--------------|------------|--|
| 18. | Ms. Wiyada | Wisittanon | Accounting Section Manager |
| 19. | Mr. Supalerk | Kaewkat | CSR & ISO Section Manager (start 1 Jul 2023) |

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 has already been requested from the 2023 Annual General Meetings of Shareholders held on Friday, 28 April 2023. The shareholders resolved to approve the remuneration of directors for 2023 not exceeding THB 6,000,000.- (Six Million Baht)

Monetary Remuneration



- | | | | |
|----|------------------------------------|-----------|------------------|
| 1. | Chairman of the Board of Directors | 540,000.- | Baht/Person/Year |
| 2. | Chairman of the Audit Committee | 480,000.- | Baht/Person/Year |
| 3. | Audit Committee Member | 410,000.- | Baht/Person/Year |
| 4. | Directors | 340,000.- | Baht/Person/Year |

7.4.3 The Remuneration for Executive Directors and Management

Description	Y 2022		Y 2023	
	No. of Person (Persons)	Amount (Baht)	No. of Person (Persons)	Amount (Baht)
Attendant	10	27,719,180	12	31,819,853
Bonus	10	7,740,120	12	6,719,890
Others	-	-	-	-
Total (Baht)		35,459,300		38,539,743

7.5 Employee Information

As of 31 December 2023, the Company has a total of 580 employees, comprising employees in each main line as follows:

- Male  391 persons
- Female  189 persons

Section	Amount of Employee (Persons)		
	31 Dec 2023	31 Dec 2022	31 Dec 2021
Japanese Management	4	6	5
Production Department	395	405	405
Production Engineer Section	24	27	26
Production Planning Section	17	16	16
Dispatching Section	10	10	11
CSR Environment & ISO Section	4	3	4
Human Resource Section	4	4	4
General Affairs Section	16	18	20
Maintenance department	41	44	44
Quality Assurance Section	33	33	35
Sales Section	10	8	9
Import & BOI Section	2	2	2
Export Section	2	3	3
Finance & Accounting Section	8	8	8
Purchasing Section	7	6	6
Information Technology Section	3	2	2
Total	580	595	600

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

Employee Compensation (Thousand baht)	Y 2023	Y 2022	Y 2021
Salary, Bonuses, Wages and Benefits	310,635.-	314,639.-	335,629.-
Provident Fund Contributions	7,139.-	6,101.-	6,533.-

Major labor disputes in the past three years (Y 2021 - 2023)

- Y 2021 ⇒ None.
- Y 2022 ⇒ The Company has negotiated an agreement about the Condition of Employment with the Labor Union
- Y 2023 ⇒ None.

7.6 Other Key Information

7.6.1 Name list of the persons entrusted to be directly responsible for controlling the Company Secretary

1) Company Secretary

Name - Surname ■ Mrs. Siriporn Lueangrachanee
Telephone ■ 036-329-811-20 Ext. 201
Email ■ siriporn@fmt.co.th

2) Name list of the persons entrusted to be directly responsible for controlling the Accountancy.

Name - Surname ■ Miss Arpaporn Jitsuteesiri (General Manager of Finance & Accounting Department)
Telephone ■ 02-256-0641-50
Email ■ arpaporn@fmt.co.th

7.6.2 Name List of the Investor Relations and Contact Data

For the Company's investor relations, The Company persons are

- | | | |
|------------------|----------------|---------------------------|
| 1. Mrs. Siriporn | Lueangrachanee | Email: siriporn@fmt.co.th |
| 2. Mrs. Unchana | Yoosuk | Email: unchana@fmt.co.th |

The contact information is telephone 036-329-811 to 20 Ext. 201

7.6.3 Audit Fee Obtained by the Auditor

1. Audit Fee

The Company paid the external audit fee for 2023 to KPMG Phoomchai Audit Limited, 1,530,000.- Baht. (One million and five hundred thirty thousand Baht exactly)

2. Non - Audit Fee

Service fee 190,000.- Baht. (One hundred and Ninety thousand Baht exactly)

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 Board of Directors of Fine Metal Technologies Public Company Limited is committed to managing the business by adhering to the Company's corporate governance principles in compliance with the good practices for directors of listed companies, rules, and procedures of the SEC Office and the Stock Exchange of Thailand. The Company's Board of Directors must 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.

1) Independent Director

The Board of Directors has determined the qualifications of the Company's Board of Directors, consisting of individuals with skills, knowledge, abilities and expertise in various fields that are beneficial to businesses with morality and ethics. In addition to the qualifications mentioned above, the Company's Board of Directors has determined the qualifications of independent directors in compliance with the requirements prescribed by the Stock Exchange of Thailand.

In 2023, the Company had four independent directors including are:

- | | | |
|-----|--------------|------------|
| (1) | Mr. Vibul | Aunsnuntha |
| (2) | Mr. Chor Nun | Petpaisit |
| (3) | Mr. Akira | Fujita |
| (4) | Mr. Iruru | Hidaka |

Qualifications of Independent Directors

According to (SEC) the Securities and Exchange Commission regulations on the qualification of an Independent Director are the following.

- 1) Holding share not exceeding 1 percent (%) of the total paid-up shares of the Company, subsidiaries, associated companies, or related companies, including shares held by related persons of such independent directors.
- 2) Being a director who does not take part in managing the Company, its subsidiaries, associated companies, related companies, or major shareholders of the Company.
- 3) Being a director without benefit or interests directly or indirectly in finance and management of the Company, its subsidiaries, associated companies, or major shareholders.
- 4) Being a director who is not a related person or a close relative of an executive or the Company's major shareholders.

- 5) Not being a director appointed as a representative of the Company's directors, major shareholders, or shareholders related to the Company's major shareholders.
- 6) Not being a person whose name is on the list of persons whom the Stock Exchange of Thailand deemed unqualified to be an executive in accordance with the regulations of the Stock Exchange of Thailand.
- 7) No having any other characteristics makes them unable to express independent opinions on the Company's business.
- 8) Able to attend the Board of Directors' Meetings to make independent decisions on various matters.
- 9) Able to prevent conflicts of interest.
- 10) Able to equally look after the interests of all shareholders.
- 11) Not operating a business in the same nature and significantly competing with the business of the Company.
- 12) Able to perform duties, express opinions, or report performance in accordance with responsibilities assigned by the Board of Directors without being under the control of executives or major shareholders of the Company, including those involved or close relatives of such persons.

2) Nomination and Remuneration Committee

The Company has not yet appointed the Nomination and Remuneration Committee; therefore, in consideration and nomination of directors and approval of persons to hold directorship, the Company shall consider, select and appoint directors in accordance with qualifications specified in the Company's Articles of Association. The person appointed as a director of the Company must be experienced, knowledgeable, honest, fair, capable of managing the business without qualifications against any requirements of the Stock Exchange of Thailand, have good habits, and readiness to execute the duties of a good director. However, in considering the appropriate remuneration, the Company applies the remuneration information of companies in the same industry with a similar size. It considers the Company's turnover to support the consideration before presenting the opinions to the Shareholders' Meeting.

Nomination of the Company's High Executives

For the consideration and nomination of high-ranking executives of the Company, the Executive Committee shall be the primary consideration in person screening with proper qualifications, knowledge, abilities, skills, and experiences that are beneficial to the operations of the Company, they must be persons who have a good understanding of the Company's businesses, can manage under the policy to achieve the objectives and goals set by the Board of Directors.

In nominating persons appointed as high-ranking executives, the Executive Committee shall present opinions to the Board of Directors for joint consideration to seek approval for review of qualifications, suitability, qualifications, experience, and past expertise for the benefit of the organization.

8.1.2 Meeting Attendance and Remuneration of Individual Members of the Board of Directors

(A) Meeting Attendance of the Board of Directors

The Board of Directors regularly schedules quarterly meetings 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 (7) days in advance so that the Board of Directors has adequate time to study the report before attending the Meeting to prepare the information for interrogation at the Meeting. However, all directors can independently express their opinions without dependence on any person or group of persons.

In 2023, the Chairman organized four Board of Directors' Meetings as follows:

1. Board of Directors' Meeting No. 1/2023 on Wednesday, 22 February 2023
2. Board of Directors' Meeting No. 2/2023 on Friday, 28 April 2023
3. Board of Directors' Meeting No. 3/2023 on Wednesday, 9 August 2023
4. Board of Directors' Meeting No. 4/2023 on Friday, 10 November 2023

In 2023, the Annual General Meeting of Shareholders No. 36/2023 was held on Friday, 28 April 2023. However, in 2023, the Company does not hold Extra Ordinary General Meeting of Shareholders.

Performance Evaluation of the Board of Directors

In 2023, the Board of Directors there is an evaluation of the performance of each committee member, and the overall evaluation results were at an excellent level.

(B) Directors Monetary Compensation for 2023

No.	Name	Position	(Baht/Year)
1	Mr. Chai Sophonpanich	Chairman	540,000
2	Mrs. Chanida Asdathorn	Director	340,000
3	Mr. Tinnakorn Asdathorn	Director	340,000
4	Mr. Hideki Shiraishi	Director	340,000
5	Mr. Junichi Ishihara	Director and Managing Director	-
6	Mr. Nobutaka Taniguchi	Director	340,000
7	Mr. Shingo Nishijima (ended 29 Apr 2023)	Director	-
8	Mr. Hiroshige Nose (start 29 Apr 2023)	Director	-
9	Mr. Yoshihiko Mezaki	Director	340,000
10	Mr. Hideki Takayasu	Director	-
11	Mr. Vibul Aunsununta	Chairman of the Audit Committee and Independent Director	480,000
12	Mr. Chor Nun Petpaisit	Audit Committee Member and Independent Director	410,000
13	Mr. Akira Fujita	Audit Committee Member and Independent Director	410,000
14	Mr. Iruru Hidaka	Independent Director	340,000
Total			3,880,000

(C) Attendance of the Board of Directors Meeting in 2023

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 2022 - Apr 2025	3/4 (75%)	-	Not Attended
2	Mr. Junichi Ishihara	Apr 2022 - Apr 2025	4/4 (100%)	4/4 (100%)	Attended
3	Mr. Tinnakorn Asdathorn	Apr 2022 - Apr 2025	3/4 (75%)	-	Attended
4	Mr. Nobutaka Taniguchi	Apr 2023 - Apr 2026	4/4 (100%)	-	Attended
5	Mr. Yoshihiko Mezaki	Apr 2023 - Apr 2026	4/4 (100%)	-	Attended
6	Mr. Vibul Aunsuntha	Apr 2023 - Apr 2026	3/4 (75%)	3/4 (75%)	Not Attended
7	Mr. Chor Nun Petpaisit	Apr 2023 - Apr 2026	4/4 (100%)	4/4 (100%)	Attended
8	Mr. Akira Fujita	Apr 2023 - Apr 2026	4/4 (100%)	4/4 (100%)	Attended
9	Mrs. Chanida Asdathorn	Apr 2021 - Apr 2024	4/4 (100%)	-	Attended
10	Mr. Hideki Shiraishi	Apr 2021 - Apr 2024	4/4 (100%)	-	Attended
11	Mr. Hideki Takayasu	Apr 2021 - Apr 2024	4/4 (100%)	-	Attended
12	Mr. Shingo Nishijima (ended 29 Jun 2023)	Apr 2021 - Apr 2024	2/2 (100%)	-	Attended
13	Mr. Hiroshige Nose (start 29 Apr 2023)	Apr 2023 - Apr 2024	2/2 (100%)	-	Attended
14	Mr. Iruru Hidaka	Nov 2020 - Nov 2023	4/4 (100%)	-	Attended

8.1.3 Governance on the Subsidiaries and Associates

- N/A -

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

The Company has emphasized corporate governance, and the Board of Directors and executives have applied principles and practices consistent with the good corporate governance system and the code of business conduct as the basis for the Company's management with carefulness and prudence under the legal framework, responsibility duties with competence, ensuring adequate disclosure of information to create confidence among shareholders, investors, and related parties equally in following matters:

- 1) The Board of Directors will manage the Company with carefulness and prudence under the requirements of laws and business ethics, be responsible for performing its duties with competence and efficiency for maximum benefit to shareholders and also ensure the prevention of any conflicts of interest.
- 2) The Board of Directors will operate with transparency, verifiability and sufficient information disclosure to build confidence among shareholders, investors, and related parties.
- 3) The Board of Directors has supervised equal treatment of shareholders and stakeholders with fairness to all parties, compliance with the provisions of laws, and the regulations of the Office of the Securities and Exchange Commission and other related laws.
- 4) The Board of Directors holds meetings on a regular basis, with the meeting schedule and agenda determined in advance.
- 5) The management team regularly holds weekly and monthly meetings to monitor and supervise the operations.

- 6) The Board of Directors has realized the importance of internal control systems to control the finance and operations of the organization. It has also established an internal audit unit as a function of the Company, which shall directly report to the Audit Committee.

Furthermore, the Company has monitored good corporate governance in four areas as follows:

1. Prevention of Conflict of Interest

The Company has a policy to prohibit directors, executives, and employees from taking the opportunity to seek personal benefits from being directors, executives, and employees. They are required to work with honesty and integrity in the organization. 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 the related party transactions and the report with the conflict of interest, where the appropriateness is prudently considered. Any director with stake holding shall not participate in decision making and comply with the rules of the Stock Exchange of Thailand. 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 all directors from operating the business with the same nature and competing with the Company's businesses 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 with same nature and competing with the Company's businesses unless the Shareholders' Meeting is notified before resolving the appointment. The Company also determines that the director shall notify the Company immediately 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 subsidiaries companies.

2. Supervision on Insider Trading

The Company establishes a policy on insider trading to limit the recognition, which specifically limits the scope of approval to top management and allows disclosure to Company employees only to the extent necessary for approval in the performance of their duties, particularly top executives only, and unable 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 using the Company's insider information that is prohibited for using or disclosing to the public, to exploit their 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 pursuant to the Notification of the Office of the Securities and Exchange Commission No. Sor.Jor. 38/2561.
- 2) Prohibit the executives or the work units informed of the insider information from disclosing the insider information to third parties or other persons whose duty is unrelated.
- 3) The Company prohibits the Board of Directors, executives, or employees who are informed of the insider information from disclosing the said information to third parties and should omit the trading of the Company's shares in the period before publicizing the financial statements or position of the Company as well as other essential 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 a meaningful 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. In 2023, It did not appear that a Board of Directors, Management, or any employees were committing an offense using inside information.

3. Anti-Corruption

The Company prohibits all directors, executives, employees, and workers from claiming, taking action, or accepting the corruption directly or indirectly, either as receivers or givers. It has established an anti-corruption policy to ensure compliance with the policy. All directors, executives and employees must comply with the Anti-Corruption Policy, covering all functions and regular review on compliance with the Anti-Corruption Policy. If any violation or action contributing to or cooperating in the corruption is found, a penalty shall be determined according to the Company's regulations.

Scope

The Board of Directors enforces this policy to all executives, employees, and workers of the Company, as well as the contractors and sub-contractors 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 may arise in several natures, for instance, bribery for the government official through giving or receiving a bribe 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, 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, in monetary or intangible conditions to the government agencies or private agencies with which the Company operates its business. They strictly comply with the Anti-Corruption Policy by not getting involved with corruption and not performing any behavior that indicates a 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, transparent and verifiable procedures shall be carried out pursuant to the Company's rules.
- 2) Do not receive or give a gift, cash, cheque, or article similar to the related parties of 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, persuade the decision-making, or result in the receiver's breach of the same trade practice as other trade partners.
- 4) The spending for business entertainment and other expenditures relating to the execution of business contracts is 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 the foundations, public charitable organizations, monasteries, schools, hospitals and healthcare centers or organizations that make the social interests certified or reliable and accountable. The said donation must be carried out by following procedures per the Company's rules. The Company has issued rules and guidelines on donation and support provisions for charitable donation as the guidelines in charitable donations.
- 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 for the Company. The disbursement of such grant-in-aid requires a 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 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 of monitoring compliance with this policy through several channels set by the Company.
- 8) The Company shall provide justice and protection for any employee who denies committing corruption or reports any corruption 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 Company's rules and may be subjected to legal punishment if 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 to ensure that the personnel and associated parties comply with the anti-corruption policy, and become the role models concerning honesty, good ethic 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 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.

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, which has complete qualifications as specified by the Office of the Securities and Exchange Commission to review the operations of the Company, financial report, and internal control system. The Audit Committee of the Company was first appointed on December 30, 1999, for an office term of two years, consisting of three non-executive directors, all independent directors per the following name lists.

No.	Name List	Position	Meeting Attendance
1	Mr. Vibul Aunsunnta	Chairman of the Audit Committee and Independent Director	3 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 Lueangrachanee	Secretary of Audit Committee	4 times from total of 4 meetings

8.2.2 Duty Performance Result of the Audit Committee

In 2023, the Audit Committee held four meetings. The Auditor Committee has prudently and independently performed the duties and applied their knowledge and competence under the scope of entrusted duties and responsibilities together with the Management, internal auditors, and accounting auditor for the equal benefit of all stakeholders as per the following summary of main points:

1. The audit committee reviewed the correctness and adequate disclosure of quarterly and annual financial statements and reports and discussed with the Company's external accounting auditors on the accuracy, reliability, and compliance with Generally Certified Accounting Principles before presenting financial statements to the Board of Directors' Meeting for approval.
2. The audit committee reviewed connected transactions or transactions that may have conflicts of interest and believes they are actual commercial transactions that are normal and reasonable business transactions. The disclosure of connected transactions is in accordance with the Corporate Governance Code.
3. To review and ensure that the Company has internal control systems, consider the internal audit unit's independence, and supervise the internal audit to be in accordance with the annual audit plan. The audit result shows that the Company properly complies with the existing operating and internal control system.
4. The audit committee believes that the Company complies with the Securities and Exchange Act, the requirements of the Stock Exchange, and other laws relating to the Company's businesses.
5. To attend the Annual General Meeting of Shareholders held on Friday, 28 April 2023, to clarify the matters relating to the Audit Committee.
6. The audit committee considered and nominated the accounting auditors, taking into account their independence, knowledge, and competence in business, and also considered audit fees. The Audit Committee expressed the opinion to the Board of Directors to consider and propose to the 2024 Annual General Meeting of Shareholders to consider and approve KPMG Phoomchai Audit Limited to be the Company's auditor in 2024 for another year.
7. To prepare the Report of the Audit Committee and disclose it in the Company's Form 56-1 One Report for the year 2023.

In 2023, at the Annual General Meeting of Shareholders, the auditor from KPMG Phoomchai Audit Limited resolved to approve 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 or
4. Miss Jamjuree Sathapornchaiwat Certified Public Accountant Registration No. 11567

However, in the opinion of the Audit Committee, the Company has had 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 the 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 yet to have 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 Board of Directors has assigned the Audit Committee to oversee the Management to establish the internal control system. The internal control system contributes to efficient operation and compliance with regulations under the Company's business environment. The Board of Directors has authorized the Audit Committee to control and supervise the internal audit system and regularly report the results to the Board of Directors. The Audit Committee's Meeting No.3/2023 held on Wednesday, 9 August 2023, monitored the audit results of the internal control systems of Departments of Production section#2 & 3, Production Engineering and Quality Assurance for their data management and has continuously monitored the results to prevent and reduce potential risks. The Company's Internal Audit Teams reviewed the operational systems of all departments in accordance with the internal audit plan for the year 2023 as approved by the Audit Committee. They reported the results of the internal audit to the Audit Committee for the acknowledgment to further report to the Board of Directors with the following objectives:

- To perform duties in accordance with the policies and annual plans to achieve the goals and objectives of the operations as established.
- To secure assets and the accuracy of the Company's information.
- To operate to achieve the most efficiency and effectiveness.

In 2023, the Company assigned KPMG Phoomchai Audit Limited., to study and evaluate the Company's accounting efficiency for the benefit of the audit. In 2023, KPMG Phoomchai Audit Limited expressed an unqualified opinion and detected nothing that caused the belief that the financial statements needed to be more accurate.

The Company has established the Audit Committee and appointed KPMG Phoomchai Audit Limited., to be the external auditor and established the Internal Audit Unit to effectively conduct a regular review in accordance with the guidelines set by the Company, comply with laws and regulations related to the Company and coordinate with auditors and executives regarding the preparation of accurate financial reports in accordance with the critical topics based on general accounting principles, with sufficient and reliable disclosure. This Internal Audit Unit is independent and not subordinate to the Company, resulting in non-discrimination with any party.

9.2 Connected Transactions

Connected Transactions between the Company and persons who may have conflicts of interest for 2022 and 2023.

The Company has considered the related items to be justified and necessary for the business operations, with the request for approval to make the related items according to the necessary justification by adhering to the same practice of making the items with the third party.

Thus, if there is a related item of the Company, the audit committee shall provide the opinion on the necessity to do such an item, including considering the various conditions to comply with the characteristics of the regular business in the industry. However, there is a related item with essence. In that case, the Company shall arrange to pass the consideration of the Audit Committee before submitting it to the Board of Directors to approve it.

Related person	Relations	Characteristics of the Item	Value of the Item in 2022 (Thousand Baht)	Value of the Item in 2023 (Thousand Baht)	Comment by the Audit Committee
1. 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 1, 2020.	No Transaction.	No Transaction in 2022.	No Transaction in 2023.	-
2. Tani International Trading Co., Ltd.	It is a shareholder of the Company and director of the Company.	The Company sold copper tube to the Tani International Trading Co., Ltd.	- Total goods sales of 702,352 thousand baht with the remaining debtor balance of 180,443 thousand baht. Total goods purchase (other) 8 thousand baht. - No remaining creditor balance.	Total goods sales of 631,482 thousand baht with the remaining debtor balance of 137,356 thousand baht.	The Transaction is reasonable as market price.
3. Tani Guchi Metal Co., Ltd.	It is a shareholder of the Company and a director of the Company.	The Company purchased material from Tani Guchi Metal Co., Ltd.	- Purchase of material 4,822 thousand baht. - No remaining creditor balance.	- No Purchase of material in 2023.	The Transaction is reasonable as market price.
4. Okumura Metals (Malaysia) Co., Ltd.	It is a trade partner in the group of Okumura Metal and 100% indirect shareholding by the parent Company.	The Company sold copper tubes to Okumura Metals (Malaysia) Co., Ltd.	- Total goods sales of 542,099 thousand baht. - With the remaining debtor balance of 86,089 thousand baht. - Other service fees 131 thousand baht. - Creditor balance 17 thousand baht.	Total goods sales of 294,980 thousand baht. - With the remaining debtor balance of 47,226 thousand baht. - Other service fees 94 thousand baht. - Creditor balance 17 thousand baht.	The Transaction is reasonable as market price.

Related person	Relations	Characteristics of the Item	Value of the Item in 2022 (Thousand Baht)	Value of the Item in 2023 (Thousand Baht)	Comment by the Audit Committee
5. Okumura Metals (Thailand) Co., Ltd.	It is a trade partner in the group of Okumura Metal and 100% indirect shareholding by the parent Company.	The Company sold copper tube to Okumura Metal (Thailand) Co., Ltd.	- Total goods sales of 397,616 thousand baht. - With the remaining debtor balance of 156,831 thousand baht.	- Total goods sales of 342,755 thousand baht. - With the remaining debtor balance of 85,260 thousand baht.	The Transaction is reasonable as market price.
6. Okumura Metals Co., Ltd. (Japan)	It is the subsidiary of the parent Company, which the parent company owns 100%.	The Company sold copper tube to Okumura Metals Co., Ltd. (Japan), also bought cathode and the company has entered into a contract for technical assistance by paying the fee to Okumura Metals Co., Ltd. (Japan). from October 1, 2021.	- Total goods sales of 378 thousand baht. - No remaining debtor balance. - Fee for receiving technical assistance is 13,789 thousand baht. - With the remaining balance of creditors 7,338 thousand baht. - Director fee 680 thousand baht.	- Total goods sales of 10,544 thousand baht. - No remaining debtor balance. - Purchase of materials 11,205 thousand baht. - No remaining creditor balance. - Fee for receiving technical assistance 10,141 thousand baht. - With remains balance of creditors 3,834 thousand baht. - Director fee 680 thousand baht. - Purchase of other 140 thousand baht.	The Transaction is reasonable according to contractually agreed price had been considered by the Audit Committee and Board of Directors.
7. Bangkok Insurance Public Company Limited.	It is a shareholder of the Company, and a director of the Company.	Supply and provide insurance service to the Company.	- Total goods purchased (insurance) 6,327 thousand baht.	- Total goods purchased (insurance) 4,323 thousand baht. - With remains balance of creditors 264 thousand baht. - Other service fees 17 thousand baht.	The Transaction is reasonable as market price.

- 6) The Board of Directors has realized the importance of internal control systems to control the finance and operations of the organization. It has also established an internal audit unit as a function of the Company, which shall directly report to the Audit Committee.

Furthermore, the Company has monitored good corporate governance in four areas as follows:

1. Prevention of Conflict of Interest

The Company has a policy to prohibit directors, executives, and employees from taking the opportunity to seek personal benefits from being directors, executives, and employees. They are required to work with honesty and integrity in the organization. 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 the related party transactions and the report with the conflict of interest, where the appropriateness is prudently considered. Any director with stake holding shall not participate in decision making and comply with the rules of the Stock Exchange of Thailand. 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 all directors from operating the business with the same nature and competing with the Company's businesses 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 with same nature and competing with the Company's businesses unless the Shareholders' Meeting is notified before resolving the appointment. The Company also determines that the director shall notify the Company immediately 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 subsidiaries companies.

2. Supervision on Insider Trading

The Company establishes a policy on insider trading to limit the recognition, which specifically limits the scope of approval to top management and allows disclosure to Company employees only to the extent necessary for approval in the performance of their duties, particularly top executives only, and unable 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 using the Company's insider information that is prohibited for using or disclosing to the public, to exploit their 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 pursuant to the Notification of the Office of the Securities and Exchange Commission No. Sor.Jor. 38/2561.
- 2) Prohibit the executives or the work units informed of the insider information from disclosing the insider information to third parties or other persons whose duty is unrelated.
- 3) The Company prohibits the Board of Directors, executives, or employees who are informed of the insider information from disclosing the said information to third parties and should omit the trading of the Company's shares in the period before publicizing the financial statements or position of the Company as well as other essential 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 a meaningful 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. In 2023, It did not appear that a Board of Directors, Management, or any employees were committing an offense using inside information.

3. Anti-Corruption

The Company prohibits all directors, executives, employees, and workers from claiming, taking action, or accepting the corruption directly or indirectly, either as receivers or givers. It has established an anti-corruption policy to ensure compliance with the policy. All directors, executives and employees must comply with the Anti-Corruption Policy, covering all functions and regular review on compliance with the Anti-Corruption Policy. If any violation or action contributing to or cooperating in the corruption is found, a penalty shall be determined according to the Company's regulations.

Scope

The Board of Directors enforces this policy to all executives, employees, and workers of the Company, as well as the contractors and sub-contractors 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 may arise in several natures, for instance, bribery for the government official through giving or receiving a bribe 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, 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, in monetary or intangible conditions to the government agencies or private agencies with which the Company operates its business. They strictly comply with the Anti-Corruption Policy by not getting involved with corruption and not performing any behavior that indicates a 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, transparent and verifiable procedures shall be carried out pursuant to the Company's rules.
- 2) Do not receive or give a gift, cash, cheque, or article similar to the related parties of 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, persuade the decision-making, or result in the receiver's breach of the same trade practice as other trade partners.
- 4) The spending for business entertainment and other expenditures relating to the execution of business contracts is 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 the foundations, public charitable organizations, monasteries, schools, hospitals and healthcare centers or organizations that make the social interests certified or reliable and accountable. The said donation must be carried out by following procedures per the Company's rules. The Company has issued rules and guidelines on donation and support provisions for charitable donation as the guidelines in charitable donations.
- 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 for the Company. The disbursement of such grant-in-aid requires a 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 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 of monitoring compliance with this policy through several channels set by the Company.
- 8) The Company shall provide justice and protection for any employee who denies committing corruption or reports any corruption 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 Company's rules and may be subjected to legal punishment if 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 to ensure that the personnel and associated parties comply with the anti-corruption policy, and become the role models concerning honesty, good ethic 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 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.

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, which has complete qualifications as specified by the Office of the Securities and Exchange Commission to review the operations of the Company, financial report, and internal control system. The Audit Committee of the Company was first appointed on December 30, 1999, for an office term of two years, consisting of three non-executive directors, all independent directors per the following name lists.

No.	Name List	Position	Meeting Attendance
1	Mr. Vibul Aunsuntha	Chairman of the Audit Committee and Independent Director	3 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 Lueangrachanee	Secretary of Audit Committee	4 times from total of 4 meetings

8.2.2 Duty Performance Result of the Audit Committee

In 2023, the Audit Committee held four meetings. The Auditor Committee has prudently and independently performed the duties and applied their knowledge and competence under the scope of entrusted duties and responsibilities together with the Management, internal auditors, and accounting auditor for the equal benefit of all stakeholders as per the following summary of main points:

1. The audit committee reviewed the correctness and adequate disclosure of quarterly and annual financial statements and reports and discussed with the Company's external accounting auditors on the accuracy, reliability, and compliance with Generally Certified Accounting Principles before presenting financial statements to the Board of Directors' Meeting for approval.
2. The audit committee reviewed connected transactions or transactions that may have conflicts of interest and believes they are actual commercial transactions that are normal and reasonable business transactions. The disclosure of connected transactions is in accordance with the Corporate Governance Code.
3. To review and ensure that the Company has internal control systems, consider the internal audit unit's independence, and supervise the internal audit to be in accordance with the annual audit plan. The audit result shows that the Company properly complies with the existing operating and internal control system.
4. The audit committee believes that the Company complies with the Securities and Exchange Act, the requirements of the Stock Exchange, and other laws relating to the Company's businesses.
5. To attend the Annual General Meeting of Shareholders held on Friday, 28 April 2023, to clarify the matters relating to the Audit Committee.
6. The audit committee considered and nominated the accounting auditors, taking into account their independence, knowledge, and competence in business, and also considered audit fees. The Audit Committee expressed the opinion to the Board of Directors to consider and propose to the 2024 Annual General Meeting of Shareholders to consider and approve KPMG Phoomchai Audit Limited to be the Company's auditor in 2024 for another year.
7. To prepare the Report of the Audit Committee and disclose it in the Company's Form 56-1 One Report for the year 2023.

In 2023, at the Annual General Meeting of Shareholders, the auditor from KPMG Phoomchai Audit Limited resolved to approve 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 or
4. Miss Jamjuree Sathapornchaiwat Certified Public Accountant Registration No. 11567

However, in the opinion of the Audit Committee, the Company has had 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 the 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 yet to have 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 Board of Directors has assigned the Audit Committee to oversee the Management to establish the internal control system. The internal control system contributes to efficient operation and compliance with regulations under the Company's business environment. The Board of Directors has authorized the Audit Committee to control and supervise the internal audit system and regularly report the results to the Board of Directors. The Audit Committee's Meeting No.3/2023 held on Wednesday, 9 August 2023, monitored the audit results of the internal control systems of Departments of Production section#2 & 3, Production Engineering and Quality Assurance for their data management and has continuously monitored the results to prevent and reduce potential risks. The Company's Internal Audit Teams reviewed the operational systems of all departments in accordance with the internal audit plan for the year 2023 as approved by the Audit Committee. They reported the results of the internal audit to the Audit Committee for the acknowledgment to further report to the Board of Directors with the following objectives:

- To perform duties in accordance with the policies and annual plans to achieve the goals and objectives of the operations as established.
- To secure assets and the accuracy of the Company's information.
- To operate to achieve the most efficiency and effectiveness.

In 2023, the Company assigned KPMG Phoomchai Audit Limited., to study and evaluate the Company's accounting efficiency for the benefit of the audit. In 2023, KPMG Phoomchai Audit Limited expressed an unqualified opinion and detected nothing that caused the belief that the financial statements needed to be more accurate.

The Company has established the Audit Committee and appointed KPMG Phoomchai Audit Limited., to be the external auditor and established the Internal Audit Unit to effectively conduct a regular review in accordance with the guidelines set by the Company, comply with laws and regulations related to the Company and coordinate with auditors and executives regarding the preparation of accurate financial reports in accordance with the critical topics based on general accounting principles, with sufficient and reliable disclosure. This Internal Audit Unit is independent and not subordinate to the Company, resulting in non-discrimination with any party.

9.2 Connected Transactions

Connected Transactions between the Company and persons who may have conflicts of interest for 2022 and 2023.

The Company has considered the related items to be justified and necessary for the business operations, with the request for approval to make the related items according to the necessary justification by adhering to the same practice of making the items with the third party.

Thus, if there is a related item of the Company, the audit committee shall provide the opinion on the necessity to do such an item, including considering the various conditions to comply with the characteristics of the regular business in the industry. However, there is a related item with essence. In that case, the Company shall arrange to pass the consideration of the Audit Committee before submitting it to the Board of Directors to approve it.

Related person	Relations	Characteristics of the Item	Value of the Item in 2022 (Thousand Baht)	Value of the Item in 2023 (Thousand Baht)	Comment by the Audit Committee
1. 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 1, 2020.	No Transaction.	No Transaction in 2022.	No Transaction in 2023.	-
2. Tani International Trading Co., Ltd.	It is a shareholder of the Company and director of the Company.	The Company sold copper tube to the Tani International Trading Co., Ltd.	- Total goods sales of 702,352 thousand baht with the remaining debtor balance of 180,443 thousand baht. Total goods purchase (other) 8 thousand baht. - No remaining creditor balance.	Total goods sales of 631,482 thousand baht with the remaining debtor balance of 137,356 thousand baht.	The Transaction is reasonable as market price.
3. Tani Guchi Metal Co., Ltd.	It is a shareholder of the Company and a director of the Company.	The Company purchased material from Tani Guchi Metal Co., Ltd.	- Purchase of material 4,822 thousand baht. - No remaining creditor balance.	- No Purchase of material in 2023.	The Transaction is reasonable as market price.
4. Okumura Metals (Malaysia) Co., Ltd.	It is a trade partner in the group of Okumura Metal and 100% indirect shareholding by the parent Company.	The Company sold copper tubes to Okumura Metals (Malaysia) Co., Ltd.	- Total goods sales of 542,099 thousand baht. - With the remaining debtor balance of 86,089 thousand baht. - Other service fees 131 thousand baht. - Creditor balance 17 thousand baht.	Total goods sales of 294,980 thousand baht. - With the remaining debtor balance of 47,226 thousand baht. - Other service fees 94 thousand baht. - Creditor balance 17 thousand baht.	The Transaction is reasonable as market price.

Related person	Relations	Characteristics of the Item	Value of the Item in 2022 (Thousand Baht)	Value of the Item in 2023 (Thousand Baht)	Comment by the Audit Committee
5. Okumura Metals (Thailand) Co., Ltd.	It is a trade partner in the group of Okumura Metal and 100% indirect shareholding by the parent Company.	The Company sold copper tube to Okumura Metal (Thailand) Co., Ltd.	- Total goods sales of 397,616 thousand baht. - With the remaining debtor balance of 156,831 thousand baht.	- Total goods sales of 342,755 thousand baht. - With the remaining debtor balance of 85,260 thousand baht.	The Transaction is reasonable as market price.
6. Okumura Metals Co., Ltd. (Japan)	It is the subsidiary of the parent Company, which the parent company owns 100%.	The Company sold copper tube to Okumura Metals Co., Ltd. (Japan), also bought cathode and the company has entered into a contract for technical assistance by paying the fee to Okumura Metals Co., Ltd. (Japan). from October 1, 2021.	- Total goods sales of 378 thousand baht. - No remaining debtor balance. - Fee for receiving technical assistance is 13,789 thousand baht. - With the remaining balance of creditors 7,338 thousand baht. - Director fee 680 thousand baht.	- Total goods sales of 10,544 thousand baht. - No remaining debtor balance. - Purchase of materials 11,205 thousand baht. - No remaining creditor balance. - Fee for receiving technical assistance 10,141 thousand baht. - With remains balance of creditors 3,834 thousand baht. - Director fee 680 thousand baht. - Purchase of other 140 thousand baht.	The Transaction is reasonable according to contractually agreed price had been considered by the Audit Committee and Board of Directors.
7. Bangkok Insurance Public Company Limited.	It is a shareholder of the Company, and a director of the Company.	Supply and provide insurance service to the Company.	- Total goods purchased (insurance) 6,327 thousand baht.	- Total goods purchased (insurance) 4,323 thousand baht. - With remains balance of creditors 264 thousand baht. - Other service fees 17 thousand baht.	The Transaction is reasonable as market price.

Section 3

Financial Statements

Fine Metal Technologies Public Company Limited

Financial statements for the year ended
31 December 2023

and
Independent Auditor's Report



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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 2023, 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 2023, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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, actions taken to eliminate threats or safeguards applied.



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.

A handwritten signature in blue ink, appearing to be 'Jamjuree Sathapornchaiwat', written in a cursive style.

(Jamjuree Sathapornchaiwat)
Certified Public Accountant
Registration No. 11567

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2024

Fine Metal Technologies Public Company Limited

Statement of financial position

Assets	Note	31 December	
		2023	2022
		(in Baht)	
Current assets			
Cash and cash equivalents	5	63,562,684	27,013,591
Trade accounts receivable	4, 6	1,128,886,625	1,389,414,496
Other receivables	4	25,987,093	63,319,308
Inventories	7	1,073,891,954	1,112,333,834
Other current financial assets	18	75,959,100	23,457,061
Total current assets		2,368,287,456	2,615,538,290
Non-current assets			
Property, plant and equipment	8	348,308,167	361,104,146
Right-of-use assets		20,760,522	13,748,093
Intangible assets		26,450,784	12,351,341
Deferred tax assets	14	26,118,871	30,045,459
Other non-current assets		2,455,766	2,446,924
Total non-current assets		424,094,110	419,695,963
Total assets		2,792,381,566	3,035,234,253

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	
		2023	2022
		(in Baht)	
Current liabilities			
Short-term borrowings from financial institutions	9, 18	700,000,000	615,000,000
Trade accounts payable	4, 18	172,526,006	472,283,861
Other payables	4, 18	23,863,162	53,233,463
Current portion of lease liabilities	18	7,385,733	4,898,320
Income tax payable		6,109,398	9,755,088
Other current financial liabilities	18	74,309,163	40,609,018
Other current liabilities		16,941,531	17,576,740
Total current liabilities		1,001,134,993	1,213,356,490
Non-current liabilities			
Lease liabilities	18	13,863,019	9,086,796
Provision for employee benefits	10	127,315,167	132,696,717
Total non-current liabilities		141,178,186	141,783,513
Total liabilities		1,142,313,179	1,355,140,003

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	
		2023	2022
		<i>(in Baht)</i>	
Equity			
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	11	48,000,000	48,000,000
Unappropriated		618,229,086	653,773,995
Other components of equity			
Gain (loss) on cash flow hedges	11, 18	<u>(3,660,699)</u>	<u>(9,179,745)</u>
Total equity		<u>1,650,068,387</u>	<u>1,680,094,250</u>
Total liabilities and equity		<u>2,792,381,566</u>	<u>3,035,234,253</u>

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	
	<i>Note</i>	2023	2022
		<i>(in Baht)</i>	
Income			
Revenue from sale of goods	4, 12	6,745,866,141	7,961,530,354
Gain on copper hedging and service fee	4	13,154,611	-
Net gain on foreign exchange		-	17,350,733
Other income		1,918,388	2,162,538
Total income		6,760,939,140	7,981,043,625
Expenses			
Cost of sale of goods	4, 7	6,388,175,914	7,513,977,385
Distribution costs		107,340,949	122,333,429
Administrative expenses	4	108,571,113	104,964,563
Net loss on foreign exchange		7,065,800	-
Loss on copper hedging and service fee	4	-	87,903,861
Total expenses		6,611,153,776	7,829,179,238
Profit from operating activities		149,785,364	151,864,387
Finance costs	4	(41,304,345)	(26,068,474)
Hedging gain (loss) for hedge of group of items with off-setting risk positions		11,903,086	(2,037,349)
Profit before income tax		120,384,105	123,758,564
Tax expense	14	(23,929,014)	(24,804,784)
Profit for the year		96,455,091	98,953,780

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	2023	2022
		(in Baht)	
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain (loss) on cash flow hedges		6,898,808	(13,496,227)
Income tax relating to items that will be reclassified subsequently to profit or loss	14, 18	(1,379,762)	2,699,246
Other comprehensive income (expense) for the year, net of tax		5,519,046	(10,796,981)
Total comprehensive income for the year		101,974,137	88,156,799
Basic earnings per share (in Baht)	16	2.01	2.06

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 (in Baht)		Other components of equity	Total equity
				Legal reserve	Unappropriated	Gain (loss) on cash flow hedges	
Year ended 31 December 2022							
Balance at 1 January 2022		480,000,000	507,500,000	48,000,000	680,820,215	1,617,236	1,717,937,451
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	17	-	-	-	(126,000,000)	-	(126,000,000)
Total distribution to owners of the Company		-	-	-	(126,000,000)	-	(126,000,000)
Comprehensive income for the year							
Profit		-	-	-	98,953,780	-	98,953,780
Other comprehensive income		-	-	-	-	(10,796,981)	(10,796,981)
Total comprehensive income for the year		-	-	-	98,953,780	(10,796,981)	88,156,799
Balance at 31 December 2022		480,000,000	507,500,000	48,000,000	653,773,995	(9,179,745)	1,680,094,250

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 (in Baht)	Unappropriated	Gain (loss) on cash flow hedges	
Year ended 31 December 2023							
Balance at 1 January 2023		480,000,000	507,500,000	48,000,000	653,773,995	(9,179,745)	1,680,094,250
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	17	-	-	-	(132,000,000)	-	(132,000,000)
Total distribution to owners of the Company		-	-	-	(132,000,000)	-	(132,000,000)
Comprehensive income for the year							
Profit		-	-	-	96,455,091	-	96,455,091
Other comprehensive income		-	-	-	-	5,519,046	5,519,046
Total comprehensive income for the year		-	-	-	96,455,091	5,519,046	101,974,137
Balance at 31 December 2023		480,000,000	507,500,000	48,000,000	618,229,086	(3,660,699)	1,650,068,387

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	
	2023	2022
	<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the year	96,455,091	98,953,780
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	23,929,014	24,804,784
Finance costs	41,304,345	26,068,474
Depreciation and amortisation	52,417,834	63,970,704
Provision for employee benefits	9,808,609	11,769,971
Unrealised gain on foreign exchange	(2,673,029)	(8,227,093)
Unrealised (gain) loss on derivatives	(11,903,086)	2,037,349
Loss on inventories devaluation	4,299,296	-
Gain on disposal of equipment	(89,373)	(10,198)
	213,548,701	219,367,771
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	263,231,350	225,108,219
Other receivables	37,332,215	(2,399,929)
Inventories	34,142,584	15,954,309
Other non-current assets	(8,842)	(4,571)
Trade accounts payable	(299,788,305)	(3,874,956)
Other payables	(27,575,270)	17,945,127
Other current liabilities	(662,445)	580,947
Net cash generated from operations	220,219,988	472,676,917
Employee benefit paid	(15,190,159)	(15,019,515)
Income tax paid	(25,027,878)	(45,403,431)
Net cash from operating activities	180,001,951	412,253,971

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	
	2023	2022
	<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>		
Cash payments to purchase of plant and equipment	(30,907,261)	(55,256,305)
Cash payments to purchase of intangible assets	(17,354,974)	(3,320,987)
Cash receipts from sale of equipment	90,416	10,200
Net cash used in investing activities	(48,171,819)	(58,567,092)
<i>Cash flows from financing activities</i>		
Interest paid	(41,623,738)	(26,572,900)
Dividends paid	(131,972,764)	(125,975,074)
Proceeds from borrowings from financial institutions	7,725,000,000	5,665,000,000
Repayment of borrowings from financial institutions	(7,640,000,000)	(5,938,000,000)
Payment of lease liabilities	(6,684,537)	(5,136,974)
Net cash used in financing activities	(95,281,039)	(430,684,948)
Net increase (decrease) in cash and cash equivalents	36,549,093	(76,998,069)
Cash and cash equivalents at 1 January	27,013,591	104,011,660
Cash and cash equivalents at 31 December	63,562,684	27,013,591
<i>Non-cash transactions</i>		
Payable for fixed assets purchased	3,574,172	5,049,809
Increase in right-of-use assets	13,948,172	12,448,676

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 2023

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Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

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 23 February 2024.

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, 14th Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330
- (b) Factory : 213 Moo 4 Friendship Highway Km. 125th, 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 significant 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.

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.

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

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, plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or 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.

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.

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(b.3) Derivatives

Derivatives 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 the 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.

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.

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2023

(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.

(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 the ECLs rates. 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.

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2023

(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.

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

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2023

(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 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 are 5 and 10 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 are recognised as an expenses on a straight-line basis over the respective lease terms.

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.

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.

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(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.

An impairment loss of asset 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.

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.

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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.

(m) Revenue from contracts with customers

Revenue is recognised when a customer obtains control of the goods 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.

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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 it relates 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 earnings per share (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
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
Tani Guchi Metal Co., Ltd	Thailand	A common director and shareholder
Key management personnel	Thai/Japanese	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.

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Significant transactions with related parties
Year ended 31 December

	2023	2022
	<i>(in thousand Baht)</i>	
Other related parties		
Revenue from sales of goods	1,279,762	1,642,444
Purchase of raw material and factory supplies	11,205	4,822
Technical assistance fee	10,141	13,789
Service fee and others	4,606	6,465
Key management personnel		
Key management personnel compensation		
Short-term employee benefits	42,418	39,509
Post-employment benefits	319	812
Total key management personnel compensation	42,737	40,321

Balances with related parties
At 31 December

	2023	2022
	<i>(in thousand Baht)</i>	
Trade accounts receivable		
Other related parties	269,842	423,363
Other receivables		
Other related parties	800	831
Other payables		
Other related parties	4,116	7,355

5 Cash and cash equivalents

	2023	2022
	<i>(in thousand Baht)</i>	
Cash on hand	60	55
Cash at banks	63,503	26,959
Total	63,563	27,014

6 Trade accounts receivable

	Note	2023	2022
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		269,842	423,363
	4	269,842	423,363
Other parties			
Within credit terms		854,744	963,829
Overdue			
Less than 90 days		4,301	2,222
		859,045	966,051
Total		1,128,887	1,389,414

As at 31 December 2023 and 2022, the Company has no allowance for impairment loss of trade accounts receivable.

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Accounts receivable supplier agreement

During 2023, the Company has assigned its right over collection from account receivable amounted of Baht 1,236.9 million (31 December 2022: Baht 2,078.1 million) to a financial institution according to the accounts receivable supplier agreement. The Company has already received from the financial institution amounted of Baht 1,217.0 million. In this regards, the financial institution shall not have any rights of recourse against the Company.

7 Inventories

	2023	2022
	<i>(in thousand Baht)</i>	
Finished goods	315,322	321,186
Work in progress	491,012	326,365
Raw materials	72,677	260,416
Factory supplies	194,003	199,221
Goods in transit	5,177	5,146
Total	1,078,191	1,112,334
Less allowance for decline in value of inventories	(4,299)	-
Net	1,073,892	1,112,334
Inventories recognised as an expense in cost of sales of goods:		
- Cost	6,383,877	7,513,977
- Write-down to net realisable value	4,299	-
Total	6,388,176	7,513,977

Fine Metal Technologies Public Company Limited
Notes to the financial statements
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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
Cost							
At 1 January 2022	181,600	598,748	4,438,042	46,787	3,549	61,108	5,329,834
Additions	-	-	30	222	-	42,912	43,164
Transfers	-	3,099	31,422	296	-	(34,817)	-
Disposals	-	-	-	(10)	(159)	-	(169)
At 31 December 2022 and 1 January 2023	181,600	601,847	4,469,494	47,295	3,390	69,203	5,372,829
Additions	-	-	230	986	-	28,215	29,431
Transfers	-	3,149	24,317	-	-	(27,466)	-
Disposals	-	(194)	(14,004)	(10,637)	(54)	-	(24,889)
At 31 December 2023	181,600	604,802	4,480,037	37,644	3,336	69,952	5,377,371
Depreciation							
At 1 January 2022	72,940	546,896	4,288,925	43,778	3,265	-	4,955,804
Depreciation charge for the year	1,030	10,664	42,833	1,454	109	-	56,090
Disposals	-	-	-	(10)	(159)	-	(169)
At 31 December 2022 and 1 January 2023	73,970	557,560	4,331,758	45,222	3,215	-	5,011,725
Depreciation charge for the year	629	9,900	30,448	1,161	88	-	42,226
Disposals	-	(194)	(14,004)	(10,636)	(54)	-	(24,888)
At 31 December 2023	74,599	567,266	4,348,202	35,747	3,249	-	5,029,063
Net book value							
At 31 December 2022	107,630	44,287	137,736	2,073	175	69,203	361,104
At 31 December 2023	107,001	37,536	131,835	1,897	87	69,952	348,308

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2023 amounted to Baht 4,693 million (2022: Baht 4,675 million).

Fine Metal Technologies Public Company Limited
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9 Short-term borrowings from financial institutions

	2023	2022
	<i>(in thousand Baht)</i>	
Current		
<i>Unsecured</i>		
Short-term borrowings from financial institutions	700,000	615,000
Total	700,000	615,000

Short-term borrowings from financial institutions

As at 31 December 2023, short-term borrowings from financial institutions amounted to Baht 700 million shall be repayable at call. These loans bears interest at the rate of 1.83% - 3.30% per annum (31 December 2022: 1.08% - 2.05% per annum).

Unutilised credit facilities

As at 31 December 2023, the Company had unutilised credit facilities totalling U.S. Dollars 6 million and Baht 1,660 million (2022: U.S. Dollars 6 million and Baht 1,747 million).

10 Provision for employee benefits

	2023	2022
	<i>(in thousand Baht)</i>	
At 31 December		
Post-employment benefits	112,961	117,149
Other long-term employee benefits	6,979	7,362
Others	7,375	8,186
Total	127,315	132,697

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.

	2023	2022
	<i>(in thousand Baht)</i>	
Present value of the defined benefit obligations		
At 1 January	117,149	120,467
Recognised in profit or loss:		
Current service cost	6,377	7,291
Interest on obligation	1,772	1,702
	8,149	8,993
Benefit paid	(12,337)	(12,311)
	(12,337)	(12,311)
At 31 December	112,961	117,149

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<i>Principle actuarial assumptions</i>	2023	(%)	2022
Discount rate	1.9		1.9
Future salary growth	4		4
Employee turnover	0 - 14		0 - 14

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

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 8.4 years (2022: 8.4 years).

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</i>	increase in assumption		decrease in assumption	
<i>At 31 December</i>	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(6,064)	(6,583)	6,741	7,251
Future salary growth (1% movement)	8,904	8,324	(8,085)	(7,606)
Employee turnover (20% movement)	(1,695)	(1,475)	1,820	1,575
Future mortality (1% movement)	242	227	(267)	(249)

11 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) 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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12 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.

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Disaggregation of revenue</i>		
Primary geographical markets		
Thailand	4,224,138	4,500,544
Japan	374,567	341,309
Malaysia	362,495	841,058
Other countries	1,784,666	2,278,619
Total revenue	6,745,866	7,961,530

Timing of revenue recognition of the Company comes from sales entirely which are recognised at a point in time.

Major customer

Revenues from major customers represent approximately Baht 3,397 million (2022: Baht 4,006 million) of the Company's total revenues.

13 Expenses by nature

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Included in cost of sales of goods:</i>		
Changes in inventories of finished goods and work in progress	(158,783)	151,514
Raw materials and consumables used	5,927,510	6,732,559
Employee benefit expenses	249,091	256,398
Depreciation of plant and equipment	44,304	55,806
Amortisation of intangible assets	1,258	1,832
<i>Included in distribution costs:</i>		
Packing materials and consumables used	44,904	52,716
Freight expenses	34,016	39,137
Employee benefit expenses	16,707	18,917
Depreciation of plant and equipment	2,820	2,492
<i>Included in administrative expenses:</i>		
Employee benefit expenses	68,131	65,085
Technical assistance fee	10,141	13,789
Depreciation of plant and equipment	2,038	2,701
Amortisation of intangible assets	1,998	1,140

During 2023, the Company has contributed provident funds for its employees amounting to Baht 7.1 million (2022: Baht 6.1 million), which included in employee benefit expenses.

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14 Income tax

Income tax recognised in profit or loss

	2023	2022
	<i>(in thousand Baht)</i>	
Current tax expense		
Current year	21,473	24,517
Adjustment for prior years	(90)	-
	<u>21,383</u>	<u>24,517</u>
Deferred tax expense		
Movements in temporary differences	2,546	288
Total	<u>23,929</u>	<u>24,805</u>

Income tax recognised in other comprehensive income

	Before tax	2023 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2022 Tax (expense) benefit	Net of tax
Cash flow hedges reserve	6,899	(1,380)	5,519	(13,496)	2,699	(10,797)
	<u>6,899</u>	<u>(1,380)</u>	<u>5,519</u>	<u>(13,496)</u>	<u>2,699</u>	<u>(10,797)</u>

Reconciliation of effective tax rate

	Rate (%)	2023 <i>(in thousand Baht)</i>	Rate (%)	2022 <i>(in thousand Baht)</i>
Profit before income tax expense		120,384		123,759
Income tax using the Thai corporation tax rate	20	24,077	20	24,752
Expenses additionally deductible for tax purposes		(112)		-
Expenses not deductible for tax purposes		54		53
Over provided in prior years		(90)		-
Total	<u>20</u>	<u>23,929</u>	<u>20</u>	<u>24,805</u>

Deferred tax

At 31 December

	Assets		Liabilities	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Total	26,119	30,045	-	-
Net deferred tax assets	<u>26,119</u>	<u>30,045</u>	<u>-</u>	<u>-</u>

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	At 1 January 2023	(Charged) / credited to		At 31 December 2023
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
Deferred tax assets				
Right-of-use assets	48	50	-	98
Derivatives and hedge accounting	3,430	(2,380)	(1,380)	(330)
Inventories	-	860	-	860
Provision for employee benefits	26,539	(1,076)	-	25,463
Others	28	-	-	28
Total	30,045	(2,546)	(1,380)	26,119

	At 1 January 2022	(Charged) / credited to		At 31 December 2022
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
Deferred tax assets				
Right-of-use assets	93	(45)	-	48
Derivatives and hedge accounting	324	407	2,699	3,430
Provision for employee benefits	27,189	(650)	-	26,539
Others	28	-	-	28
Total	27,634	(288)	2,699	30,045

15 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:

- (a) exemption from the payment of import duty on raw material and essential materials imported for the Company's operation for export, from 14 July 2023 to 13 July 2025.
- (b) exemption from the payment of import duty on item which the promoted company imports for re-export, from 14 July 2023 to 13 July 2025.

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

16 Basic earnings per share

	2023 (in thousand Baht / thousand shares)	2022 (in thousand Baht / thousand shares)
Profit attributable to ordinary shareholders for the year ended 31 December		
Profit attributable to ordinary shareholders of the Company (basic)	96,455	98,954
Number of ordinary shares outstanding	48,000	48,000
Earnings per share (basic) (in Baht)	2.01	2.06

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Notes to the financial statements

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17 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2023				
2022 Annual dividend	28 April 2023	May 2023	<u>2.75</u>	<u>132,000</u>
2022				
2021 Annual dividend	30 April 2022	May 2022	<u>2.625</u>	<u>126,000</u>

18 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, but 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 2023	Hedging instruments	Carrying amount Financial instruments measured at FVTPL	Fair value				Total
			Total (in thousand Baht)	Level 1	Level 2	Level 3	
Financial assets							
Forward exchange contract used for hedging	2,461	-	2,461	-	2,461	-	2,461
Copper future contract used for hedging	<u>73,498</u>	<u>-</u>	<u>73,498</u>	-	73,498	-	73,498
Total financial assets	<u>75,959</u>	<u>-</u>	<u>75,959</u>				
Financial liabilities							
Forward exchange contract used for hedging	(4,936)	-	(4,936)	-	(4,936)	-	(4,936)
Copper future contract used for hedging	<u>(69,373)</u>	<u>-</u>	<u>(69,373)</u>	-	(69,373)	-	(69,373)
Total financial liabilities	<u>(74,309)</u>	<u>-</u>	<u>(74,309)</u>				

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		Carrying amount	Fair value				
	Hedging	Financial					
	instruments	instruments					
		measured					
		at FVTPL					
At 31 December 2022			Total	Level 1	Level 2	Level 3	Total
			(in thousand Baht)				
Financial assets							
Forward exchange contract used for hedging	1,519	4,367	5,886	-	5,886	-	5,886
Copper future contract used for hedging	17,571	-	17,571	-	17,571	-	17,571
Total financial assets	19,090	4,367	23,457				
Financial liabilities							
Forward exchange contract used for hedging	(13,218)	(440)	(13,658)	-	(13,658)	-	(13,658)
Copper future contract used for hedging	(26,951)	-	(26,951)	-	(26,951)	-	(26,951)
Total financial liabilities	(40,169)	(440)	(40,609)				

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 relevant 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.

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(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 12.

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.

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 shows 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 2023	Carrying amount	Contractual cash flows				Total
		1 year or less	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)			
Non-derivative financial liabilities						
Trade accounts payable	(172,526)	(172,526)	-	-	-	(172,526)
Other payables	(23,863)	(23,863)	-	-	-	(23,863)
Lease liabilities	(21,249)	(8,074)	(6,429)	(8,238)	-	(22,741)
Loans from financial institutions	(700,000)	(710,725)	-	-	-	(710,725)
	(917,638)	(915,188)	(6,429)	(8,238)	-	(929,855)

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At 31 December 2023	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)			
			Derivative financial liabilities			
Copper future contracts used for hedging	(69,373)	1,599	-	-	-	1,599
Forward exchange contracts used for hedging:	(4,936)					
- Cash outflow		(226,268)	-	-	-	(226,268)
- Cash inflow		225,133	-	-	-	225,133
	<u>(74,309)</u>	<u>464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464</u>

		Contractual cash flows				
	Carrying	1 year	More than 1 year but	More than 2	More	
<i>At 31 December 2022</i>	amount	or less	less than 2 years	years but less than 5 years	than 5 years	Total
<i>(in thousand Baht)</i>						
Non-derivative financial liabilities						
Trade accounts payable	(472,284)	(472,284)	-	-	-	(472,284)
Other payables	(53,233)	(53,233)	-	-	-	(53,233)
Lease liabilities	(13,985)	(5,336)	(4,787)	(4,757)	-	(14,880)
Loans from financial institutions	(615,000)	(620,569)	-	-	-	(620,569)
	(1,154,502)	(1,151,422)	(4,787)	(4,757)	-	(1,160,966)

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At 31 December 2022	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)			
Derivative financial liabilities						
Copper future contracts used for hedging	(26,951)	1,261	(144)	-	-	1,117
Forward exchange contracts used for hedging:	(13,658)					
- Cash outflow		(607,558)	-	-	-	(607,558)
- Cash inflow		605,772	-	-	-	605,772
	(40,609)	(525)	(144)	-	-	(669)

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.

(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, Euro, and Japan Yen.

The Company's risk management policy is to hedge 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.

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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

Exposure to foreign currency

At 31 December 2023

	EUR	USD (in thousand Baht)	JPY
Trade accounts receivable	-	94,784	12,376
Other receivables	-	22,086	-
Trade accounts payable	(427)	-	(22,481)
Other payables	-	(303)	(172)
Net statement of financial position exposure	(427)	116,567	(10,277)
Sales forecast	-	765,047	-
Purchases forecast	-	(111,913)	-
Net forecast transaction exposure	(427)	769,701	(10,277)
Forward exchange purchase contracts	-	111,913	17,082
Forward exchange selling contracts	-	(86,886)	(12,376)
Net exposure	(427)	794,728	(5,571)

Exposure to foreign currency

At 31 December 2022

	EUR	USD (in thousand Baht)	JPY
Trade accounts receivable	-	198,247	10,323
Other receivables	-	21,906	-
Trade accounts payable	(766)	(40,830)	(15,718)
Other payables	-	(18,449)	(209)
Net statement of financial position exposure	(766)	160,874	(5,604)
Sales forecast	-	1,291,309	-
Purchases forecast	-	(362,473)	-
Net forecast transaction exposure	(766)	1,089,710	(5,604)
Forward exchange purchase contracts	-	401,514	10,475
Forward exchange selling contracts	-	(188,671)	(10,128)
Net exposure	(766)	1,302,553	(5,257)

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(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 9) are mainly variable. So the Company is primarily exposed to interest rate risk. The Company mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

(b.4) Cash flow hedge

At 31 December 2023 and 2022, 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
At 31 December 2023			
Foreign currency risk			
<i>Forward exchange contracts</i>			
Net exposure (in thousand Baht)	111,913	-	-
Average THB:USD forward contracts rate	35.10	-	-
At 31 December 2022			
Foreign currency risk			
<i>Forward exchange contracts</i>			
Net exposure (in thousand Baht)	278,465	84,008	-
Average THB:USD forward contracts rate	35.15	36.27	-

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
At 31 December 2023				
Foreign currency risk				
Inventory purchases	-	(4,576)	-	-
At 31 December 2022				
Foreign currency risk				
Inventory purchases	-	(11,475)	-	-

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

<i>Foreign currency risk At 31 December</i>	2023	2022
	<i>(in thousand Baht)</i>	
Forward exchange contracts - nominal amount	111,913	362,473
Carrying amount included in:		
- other current financial assets	127	1,519
- trade and other payables	(2,084)	(3,927)
- other current financial liabilities	(4,687)	(13,218)
 <i>For the year ended 31 December</i>		
<i>Recognised in OCI</i>		
- changes in value of the hedging instrument	(4,576)	(11,475)
- hedging reserve transferred to profit or loss	11,475	(2,021)
 <i>Recognised in profit or loss</i>		
- reclassified from hedging reserve and included in cost of goods sold	11,475	(2,021)

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	
	2023	2022
	<i>(in thousand Baht)</i>	
Balance at 1 January	(9,180)	1,617
Cash flow hedges		
Changes in fair value:		
Foreign currency risk		
- inventory purchases	(4,576)	(11,475)
Amount reclassified to profit or loss:		
Foreign currency risk		
- inventory purchases	11,475	(2,021)
Tax on movements on reserves during the year	(1,380)	2,699
Balance at 31 December	(3,661)	(9,180)

(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 2023 and 2022, the Company held the following financial instruments to hedge exposures to changes in commodity price.

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For the year ended 31 December 2023

	1-6 months	Maturity 6-12 months	More than one year
At 31 December 2023			
Commodity price risk			
<i>Copper future contracts</i>			
Net exposure (in thousand Baht)	645,585	126,843	-
Average copper contracts rate per metric tons (in thousand Baht)	279.86	275.75	-
At 31 December 2022			
Commodity price risk			
<i>Copper future contracts</i>			
Net exposure (in thousand Baht)	761,239	421,439	121,480
Average copper contracts rate per metric tons (in thousand Baht)	298.85	282.96	242.96

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

Commodity price risk At 31 December	2023 (in thousand Baht)	2022 (in thousand Baht)
Copper future contracts - nominal amount	772,428	1,304,158
Carrying amount included in:		
- other current financial assets	73,498	17,571
- other current financial liabilities	(69,373)	(26,951)
For the year ended 31 December		
Recognised in profit or loss		
- hedge ineffectiveness included in hedging gain (loss) for hedge of group of items with off-setting risk positions	351	(2,177)

19 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.

20 Commitments with non-related parties

	2023 (in thousand Baht)	2022 (in thousand Baht)
Other commitments		
Short-term lease and low-value assets commitments	1,181	899
Bank guarantees for electricity use	14,761	13,369
Total	15,942	14,268

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Significant agreement with non-related parties

Hedge Agreement

The Company entered into a master hedging agreement with non-related party, Toyota Tsusho Metals Ltd. and Triland 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.

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.

21 Event after the reporting period

At the Board of Directors’ meeting held on 23 February 2024, 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.

Section 4

Certification of Information for Submission of 56-1 One Report of Non-Listed Company.

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Attachments

Attachment 1

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary and the representative for contact and coordination in case of a foreign Company.

1) Details of Directors (Total 14 Directors)

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 2023		
						Period	Position	Company
1.	Mr. Chai Sophonpanich Chairman and the Company's authorized director	80	<ul style="list-style-type: none"> - Bachelor Degree of Science, University of Colorado, USA (Y.1967) <u>Director Training</u> - Advanced Management Program, The Wharton School (Y. 1984) - The Joint State – Private Sector Class 6, Thailand National Defense College - Director Certificate Program Class 16/2002, Thai Institute of Director Association - Chairman 2000 Class 10/2004, Thai Institute of Directors Association 	2,265,200 shares (4.72%) (Held by wife) 476,900 shares (0.99%)	- No -	Y.1988 – Jun 2017, Nov 2018 – Present Y.1978 – Jun 2017, Nov 2018 – Present Y.1979 – Jun 2017, Aug 2018 – Present Y.1986 – Jun 2017, Sep 2018 – Present Y.1968 – Y. 2015, Aug 2020 - Present	- Chairman - Chairman - Chairman - Chairman - Chairman - Director	- Furukawa Metal (Thailand) Public Company Limited - Fine Metal Technologies Public Company Limited - Bangkok Insurance Public Company Limited - Bumrungrad Hospital Public Company Limited - Charoong Thai Wire & Cable Public Company Limited - Bangkok Life Assurance Public Company Limited
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
- Director Public Company Limited						Y. 2016 – Jun 2017 Nov 2018 – Apr 2021	- Chairman	- Thai Reinsurance Public Company Limited.

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 2023		
						Period	Position	Company
2.	Mrs. Chanida Asdathorn Director and the Company's authorized director	83	- Bachelor Degree of Business Administration, Pasadena College, California, U.S.A. <u>Director Training</u> Director Accreditation Program –DAP from Thai Institute of Director (IOD)	1,225,810 shares (2.55%)	Mother of Mr. Tinnakorn Asdathorn	Y. 1988 – Nov 2020 Y. 2000 - Present 10 Aug 2017 – 10 Nov 2018 Dec 2018 – Present	- Director - Director - Chairman - Director	- Furukawa Metal (Thailand) Public Company Limited. - TRR Property Co., Ltd. - Furukawa Metal (Thailand) Public Company Limited - Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period Present Y. 1979 - Present Y. 1984 – Present Y. 1989 – Present Y. 1990 – Present Y. 1992 – Present Y. 2000 – Present Y. 2015 – Present	Position - Managing Director - Director - Managing Director - Director - Director - Director - Director - Managing Director	Company - Thai Roong Ruang Industry Co., Ltd. - The Chonburi Sugar & Trading Corp., Ltd. - Siam Sugar Export Corporation Limited. - Kerry Flour Millis Co., Ltd. - Kerry Siam Seaport Co., Ltd. - Shangri-La Hotel PCL. - Thai Ruam Chareon Sugar (2000) Co., Ltd. - TRR Molasses Trading Co., Ltd.

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 2023		
						Period	Position	Company
3.	Mr. Tinnakorn Asdathorn Director and the Company's authorized director	56	- Bachelor Degree of Electrical Engineering, King Mongkut's Institute of Technology, Ladkrabang	653,300 shares (1.36%)	Son of Mrs. Chanida Asdathorn	Y. 1996 – Present	- Director	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u> - Managing Director, Director Company Limited						Period Y. 2013 – Present Y. 2011 - Present Y. 2015 – Present	Position - Managing Director - Director - Director	Company - Kerry Flour Mills Co., Ltd. - President Flour Mills Co., Ltd. - Thai Roong Ruang Electricity Generating Co., Ltd

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 2023		
						Period	Position	Company
4.	Mr. Hideki Shiraishi Director and the Company's authorized director	66	Bachelor Degree of Law, Tokyo University, Japan	- No -	- No -	Apr 1981 - Mar 2002 Apr 2002 - Oct 2011 Nov 2011 - Jun 2017 Jul 2017 - Present Jun 2020 – Present Jun 2021 - Present	- Corporate Banking Division, Corporate Planning Division - Executive Officer - Senior Managing Director - Managing Director - Director - Chief Executive Officer	- The Industrial Bank of Japan - Mizuho Bank (Japan) - Toko Electrical Construction Co., Ltd. (Japan) - Japan Industrial Partners, Inc (Japan) - Fine Metal Technologies Public Company Limited. (Thailand) - Okumura Metals Co., Ltd.(Japan)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
5.	Mr. Junichi Ishihara Director & Managing Director and the Company's authorized director	62	- Bachelor Degree, Faculty of Mechanical Engineering, Keiko University, Tokyo, Japan	- No -	- No -	Apr 1983 – Nov 1997 Dec 1997 – June 2012 July 2012 – Aug 2015 Sep 2015 – Mar 2018 Apr 2018 – Present	- Production Engineering Section - Manager - Planning & Administration Department - Managing Director - General Manager, High Performance Plating Department, Copper & High Performance Material Product Division - Director & Managing Director	- Furukawa Electric Co., Ltd. (Japan) - Furukawa Precision (Thailand) Co., Ltd. - Furukawa Electric Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2019-2023)						Period	Position	Company
- Managing Director, Company Limited.						-	-	-

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 2023		
						Period	Position	Company
6.	Mr. Nobutaka Taniguchi Director and the Company's authorized Director	73	- Bachelor Degree of Commercial, Tokai University, Japan	648,010 shares (1.35%)	- No -	Y. 1975 - Present Y. 1988 – Present Y. 1993 – Present	- Chairman - Chairman - Director	- Tani International Trading Co., Ltd. - Tani Guchi Metal Co., Ltd - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
7.	Mr. Shingo Nishijima Director and Factory Manager and the Company's authorized director (Ended 29 April 2023)	54	Master of Engineering, Fukuoka University, Japan	- No -	- No -	Y. 1995 - Y 2006 Y. 2006 - Y. 2012 Y. 2012 - Y. 2015 Y. 2015 - May 2018 Y. 2018 - 31 May 2019 1 Jun 2019 – 31 May 2023 29 Apr 2020 – 31 May 2023	- Manager of Equipment Maintenance Section Production Technology & Engineering Department - Production Technology Innovation Center, Production Technology & Engineering Department - Manager of Engineering Group, (Chiba Office) Production Technology & Engineering Department - Manager of Equipment Maintenance Section and Engineering Section - General Manager of Maintenance Department and Safety & Health Department. - Factory Manager - Director	- Furukawa Electric Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
8.	Mr. Yoshihiko Mezaki Director and the Company's authorized director	64	- Bachelor Degree of Mechanical engineering from Osaka Prefecture University, Japan	1,000 shares (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 2016 Apr 2016 - Jun 2021 Jul 2021 – June 2022 Jul 2022 – Present 10 Aug 2021 - Present	- Mechanical Design Engineer - General Manager of Engineering Department. - Manager of Maintenance Section - Vice President - General Manager of Quality Assurance Department. - President - President - Advisor - Director - Director	- Furukawa Electric Co., Ltd. (Japan) - Furukawa Metal (Thailand) Public Company Limited. - Furukawa Electric Co., Ltd. (Japan) - Shanghai Sunshine Copper Co., Ltd. (China) - Furukawa Electric Co., Ltd. (Japan) - Shanghai Sunshine Copper Co., Ltd. (China) - Okumura Metals Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
9.	Mr. Hideki Takayasu Director and Factory Manager and the Company's authorized director (Start on 1 st Jun 2023)	56	- 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 Jul 2021 – March 2023 Aug 2021 – Present Apr 2023 – May 2023 Jun 2023 – 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 Department. - Director - Assistant Factory Manager - Factory Manager	- 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 Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
10.	Mr. Vibul Aunsuntha Chairman of the Audit Committee and Independent Director	88	- Bachelor Degree of Business Administration, U.S.A. - Master Degree of Economic, U.S.A. - Thailand National Defense College (Class 30) <u>Training</u> - Director Accreditation Program Class 53/2006 Thai Institute of Directors Association	- No -	- No -	Y. 1999 – Mar 2016 Mar 2016 – Present	- Audit Committee Member and Independent Director. - Chairman of the Audit Committee and Independent Director	- Furukawa Metal (Thailand) Public Company Limited. - Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u> -						Period Y. 2009 – Y. 2022	Position - Board Advisor	Company - Muang Thai Life Assurance Public Company Limited.

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 2023		
						Period	Position	Company
11.	Mr. Chor Nun Petpaisit Audit Committee Member and Independent Director	72	- B.B.A. (Accounting), Thammasat University <u>Director Training</u> - Financial Institutions Governance Program (FGP) Class 4/2012. - Successful Formulation & Execution of Strategy (SFE) Class 8/2010. - Audit Committee Program (ACP) Class 28/2009. - Director Certification Program (DCP) Class 76/2006. - Director Accreditation Program (DAP) Class 28/2004.	- No -	- No -	27 Feb 2009 - Present 28 Feb 2006 - Present 3 Apr 2002 - 17 Nov 2004 30 Jul 2020 - 14 Nov 2022 Y. 2019 – Present Apr 2015 - Present Y. 2013 - Present	- Audit Committee - Independent Director - Independent Director - Independent Director - Audit Committee and Independent Director - Audit Committee and Independent Director - Advisor	- Bangkok Insurance Public Company Limited. - Shangri-La Hotel Public Company Limited. - Fine Metal Technologies Public Company Limited. - Interhides Public Company Limited. - Thai Charoen Corporation Group (TCC Group)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
12.	Mr. Akira Fujita Audit Committee Member and Independent Director	71	- Bachelor Degree in Law, Waseda University, Japan	- No -	- No -	Apr 1977 - Mar 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 - Director & General Manager of Sales Dept. - Senior Manager of Metal Sales Dept, Kansai Branch Office. - Sales Dept, Head Office – Sales Section Manager - Executive Director - President - Vice Chairman - Advisor - Audit Committee Member and Independent Director	- Furukawa Electric Co., Ltd (Japan) - Furukawa Metal (Thailand) Public Company Limited. - Furukawa Electric Co., Ltd (Japan) - Sakakibara Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
13.	Mr. Iruru Hidaka Independent Director	65	- 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 Jun 1995 – Jun 1999 Jul 1999 – Mar 2002 Apr 2002 – Jan 2005 Feb 2005 – Jul 2010 Jul 2010 – Jun 2011 Jul 2011 – Jun 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) - The Siam United Steel (1995) Co., Ltd. (Thailand) - Nippon Steel Corporation (Japan, Hereinafter NSC) - Nippon EGalv Steel Sdn. Bhd. (Malaysia) - Nippon Steel & Sumitomo Metal Corporation Co., Ltd. (Japan) - Nippon Steel & Sumitomo Metal Product Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
14	Mr. Hiroshige Nose Director, General Manager of Business Planning Management, Head of Internal Audit Team and the Company's authorized director.	63	- Bachelor's Degree in Economics from Wakayama University, Japan and Master's Degree in Business Administration From Sasin Graduate Institute of Business Administration of Chulalongkorn University.	-No-	-No-	Feb 1993 – Aug 2000 Apr 2000 – Mar 2002 Apr 2002 – Aug 2004 Sep 2004 – Sep 2008 Oct 2008 – Feb 2011 Mar 2011 – Feb 2012 Feb 2012 – Sep 2013 Sep 2013 – Mar 2014 Apr 2014 – Aug 2018 Aug 2018 – Jan 2021 Mar 2021 – Present Apr 2023 – Present	- Senior Executive Vice President - Assistant Manager - Deputy Branch Manager - President - Senior Auditing manager in the Operation Audit Dept. - General Manager - Managing Director - General Manager - Director - General Manager - General Manager of Business Planning Management - Director	- DKB Leasing (Thailand) Co., Ltd. - Shiseido Co., Ltd. seconded from Mizuho Bank. - Shinjuku-Chuo Branch, Mizuho Bank. - Mizuho Corporate Leasing (Thailand) Co., Ltd. - Mizuho Corporate Bank. - Simon Corporation. - Thai Simon Safety Industries Co., Ltd. - Simon Corporation. - Sinfonia Technology (Thailand) Co., Ltd. - Sinfonia Technology Co., Ltd. - Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
1.	Mr. Junichi Ishihara Director & Managing Director and the Company's authorized director	62	- Bachelor Degree, Faculty of Mechanical Engineering, Keiko University, Tokyo, Japan	- No -	- No -	Apr 1983 – Nov 1997 Dec 1997 – June 2012 July 2012 – Aug 2015 Sep 2015 – Mar 2018 Apr 2018 – Present	- Production Engineering Section - Manager - Planning & Administration Department - Managing Director - General Manager, High Performance Plating Department, Copper & High Performance Material Product Division - Director & Managing Director	- Furukawa Electric Co., Ltd. (Japan) - Furukawa Precision (Thailand) Co., Ltd. - Furukawa Electric Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2019-2023)						Period	Position	Company
- Managing Director, Company Limited.						-	-	-

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 2023		
						Period	Position	Company
2.	Mr. Shingo Nishijima Director and Factory Manager and the Company's authorized director (Ended 31 May, 2023)	54	- Master of Engineering, Fukuoka University, Japan	- No -	- No -	Y. 1995 - Y 2006 Y. 2006 - Y. 2012 Y. 2012 - Y. 2015 Y. 2015 - May 2018 Y. 2018 - 31 May 2019 1 Jun 2019 – 31 May 2023 29 Apr 2020 – 31 May 2023	- Manager of Equipment Maintenance Section Production Technology & Engineering Department - Production Technology Innovation Center, Production Technology & Engineering Department - Manager of Engineering Group, (Chiba Office) Production Technology & Engineering Department - Manager of Equipment Maintenance Section and Engineering Section - General Manager of Maintenance Department and Safety & Health Department. - Factory Manager - Director	- Furukawa Electric Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
3.	Mr. Hideki Takayasu Director, Factory Manager and the Company's authorized director	56	- 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 Jul 2021 – Mar 2023 Aug 2021 – Present Apr 2023 – May 2023 Jun 2023 - 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 Department. - Director - Assistant Factory Manager - Factory Manager	- 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 Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
4.	Mr. Hiroshige Nose Director, General Manager of Business Planning Management, Head of Internal Audit Team and the Company's authorized director.	63	- Bachelor's Degree in Economics from Wakayama University, Japan and Master's Degree in Business Administration From Sasin Graduate Institute of Business Administration of Chulalongkorn University.	-No-	-No-	Feb 1993 – Aug 2000 Apr 2000 – Mar 2002 Apr 2002 – Aug 2004 Sep 2004 – Sep 2008 Oct 2008 – Feb 2011 Mar 2011 – Feb 2012 Feb 2012 – Sep 2013 Sep 2013 – Mar 2014 Apr 2014 – Aug 2018 Aug 2018 – Jan 2021 Mar 2021 – Present Apr 2023 – Present	- Senior Executive Vice President - Assistant Manager - Deputy Branch Manager - President - Senior Auditing manager in the Operation Audit Dept. - General Manager - Managing Director - General Manager - Director - General Manager - General Manager of Business Planning Management - Director	- DKB Leasing (Thailand) Co., Ltd. - Shiseido Co., Ltd. seconded from Mizuho Bank. - Shinjuku-Chuo Branch, Mizuho Bank. - Mizuho Corporate Leasing (Thailand) Co., Ltd. - Mizuho Corporate Bank. - Simon Corporation. - Thai Simon Safety Industries Co., Ltd. - Simon Corporation. - Sinfonia Technology (Thailand) Co., Ltd. - Sinfonia Technology Co., Ltd. - Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2019-2023)						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
5.	Mr. Shinya Tsujimoto General Manager of Engineering Department (Ended 31 May 2023)	43	- Master of Engineering, Osaka Prefecture University, Japan	- No -	- No -	Y. 2005 – Y. 2010 Y. 2010 – Y. 2012 Y. 2012 – Y. 2019 Mar 2019 – May 2023	- Metal Products Research Department and Research Development - Quality Assurance Section and Engineering Section - Engineering Department - General Manager of Engineering Department	- Furukawa Electric Co., Ltd. - Fine Metal (Technologies) PCL.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
6.	Mr. Osamu Shinozaki General Manager of Sales Department. (Start 1 Apr 2023)	65	- Nikko Senior High School, in Nikko – City, Japan	- No -	- No -	Jan 2000 – Sep 2001 Sep 2001 – Sep 2003 Sep 2003 – Sep 2006 Sep 2006 – Jun 2012 Jun 2012 – May 2013 May 2013 – Mar 2015 Apr 2015 – Sep 2017 Oct 2017 – Sep 2022 Apr 2023 – Present	- Manager of Production Control Section, Production Department - Manager of Production Control - Manager of Sales Department - Manager Specialized Material Division - Manager of Improvement Promotion Section - Assistant Factory Manager - Manager of Head Office - Manager of Production Control Section - General Manager of Sales Department	- Furukawa Precision Engineering Co., Ltd. (Japan) - Furukawa Electric Co., Ltd. (Japan) - Furukawa Precision Engineering Co., Ltd. (Japan) - Furukawa Electric Co., Ltd. (Japan) - Furukawa Precision Engineering Co., Ltd (Japan) - Furukawa Precision (Thailand) Co., Ltd. - Furukawa Precision Engineering Co., Ltd (Japan) - Fine Metal (Technologies) PCL.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
7.	Mr. Nopporn Moonsarn Advisor of Factory Administration	59	- Bachelor degree of Secondary Education Mathematic, Major Physics, Khon Kaen University	1,500 shares (0.00%)	- No -	Y. 1990 – Y. 1998 Y. 1999 – Y. 2001 Y. 2011 – Sep 2016 Oct 2016 - 31 May 2019 1 Jun 2019 – Present	- Manager of Production Planning Section - Assistant General Manager of Production Department - General Manager of Production Department - Factory Manager - Advisor of Factory Administration	- Fine Metal Technologies Public Company Limited
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period Aug. 2017 – Aug 2018	Position - Director	Company - Furukawa Metal (Thailand) Public Company Limited.

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 2023		
						Period	Position	Company
8.	Mrs. Siriporn Lueangrachanee Advisor of Administration Department	60	- Bachelor of Business Administration The University of the Thai Chamber of Commerce	- No -	- No -	Oct 1989 – Dec 2012 Jan 2013 – Dec2014 Jan 2015 – 31 Dec 2018 Jan 2019 – 31 Dec 2023 Y. 2008 – 31 Dec 2023	- Manager of General Affair Section - Assistant General Manager of Admin Department Manager of General Affair Section and Human Resources Section - General Manager of Administration Department - Advisor of Administration Department - Company Secretary	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
9	Miss Arpaporn Jitsuteesiri General Manager of Finance & Accounting Department	56	- Bachelor degree of Accounting Assumption University	- No -	- No -	Oct 2017 – Apr 2020 Apr 2020 – Present	- Assistant General Manager of Finance and Accounting Department - General Manager of Finance and Accounting Department	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
10	Mr. Chirawat Ritthinee General Manager of Administration Department	54	- Bachelor of Agricultural Engineering, Kasetsart University Master of Public Administration, National Institute of Development Administration (NIDA)	- No -	- No -	Y. 1993 – Y. 1997 Y. 1998 – Y. 2009 Y. 2009 – Feb 2018 Mar 2018 – 31 May2019 Jun 2019 – 31 Dec 2019 Jan 2020 – 30 Jun 2021 Jul 2021 – Present Apr 2023 - Present	- Assistant Manager of Production Engineer Section - Manager of Production Engineer Section - Manager of Production Control - Assistant General Manager of Purchasing Section - Assistant General Manager of CEI and CSR - General Manager of Production Department - General Manager of Administration Department - Manager General Affair Section	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
11	Mr. Narongrit Samranjit General Manager of Production Department	52	- Bachelor degree of Electrical Engineering Southeast Asia University	- No -	- No -	Y. 1996 – Y. 2011 Y. 2011 – Dec 2017 4 Jan 2018 – Dec 2018 Jan 2019 – Jun 2021 Jul 2021 – Present	- Engineer of Production Engineering Section - Manager of Production2 Section - Manager of Production Engineering Section - Assistant General Manager of Production Engineering Department - General Manager of Production Department	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

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 2023		
						Period	Position	Company
12	Mrs. Marisa Tassana General Manager of Engineering Department	45	- Bachelor degree of Science at Burapha University Master's degree of Science at King Mongkut's Institute of Technology Ladkrabang	- No -	- No -	Jan 2019 – Mar 2022 Jul 2022 – May 2023 Feb 2023 – Present Jan 2023 – May 2023 Jun 2023 - Present	- Manager of Quality Assurance Section - Assistant General Manager of Production Engineering Department - Manager of Production Engineering Section - Manager of Quality Assurance Section - General Manager of Production Engineering Department	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

3) **The Person assigned to take the highest responsibility in Accounting and Finance, and the Person assigned to take direct responsibility for Accounting Supervision.**

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 2023		
						Period	Position	Company
1	Miss Arpaporn Jitsuteesiri General Manager of Finance & Accounting Department	56	- Bachelor degree of Accounting Assumption University	- No -	- No -	Oct 2017 – Apr 2020 Apr 2020 – Present	- Assistant General Manager of Finance and Accounting Department - General Manager of Finance and Accounting Department	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
-						-	-	-

4) Secretary of the Company

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 2023		
						Period	Position	Company
1.	Mrs. Siriporn Lueangrachanee Advisor of Administration Department	60	- Bachelor of Business Administration The University of the Thai Chamber of Commerce	- No -	- No -	Oct 1989 – Dec 2012 Jan 2013 – Dec 2014 Jan 2015 – 31 Dec 2018 Jan 2019 – 31 Dec 2023 Y. 2008 – 31 Dec 2023	- Manager of General Affair Section - Assistant General Manager of Admin Department Manager of General Affair Section and Human Resources Section - General Manager of Administration Department - Advisor of Administration Department - Company Secretary	- Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2019-2023)						Period	Position	Company
-						-	-	-

Duties of Secretary of the Company

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.

Attachment 3

Details of the Internal Audit

Head of Internal Auditor Unit of Fine Metal Technologies Public Company Limited in 2023

Details of Internal Audit Scope

1. To review the operations or plans in accordance with the given objectives and goals to correctly practice with good and appropriate supervision.
2. To review work systems which may affect the operations, policies, regulations, procedures, including relevant laws, for correct and continuous practice.
3. To inspect and coordinate among executives, operators and auditors to prepare audit plans, consultation meeting to solve the problems of functions together so that they shall understand and accept the internal audit results, this will benefit to solve and perform works.
4. To encourage continuous improvements to ensure that the work systems of each function can work with efficiency.

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 2023		
						Period	Position	Company
1	Mr. Hiroshige Nose Director, General Manager of Business Planning Management, Head of Internal Audit Team and the Company's authorized director.	63	Bachelor's Degree in Economics from Wakayama University, Japan and Master's Degree in Business Administration From Sasin Graduate Institute of Business Administration of Chulalongkorn University.	- 0 -	- No -	<p>Apr 1983 – Jan 1993</p> <p>Feb 1993 – Aug 2000</p> <p>Apr 2000 – Mar 2002</p> <p>Apr 2002 – Aug 2004</p> <p>Sep 2004 – Sep 2008</p> <p>Oct 2008 – Feb 2011</p> <p>Mar 2011 – Feb 2012</p> <p>Feb 2012 – Sep 2013</p> <p>Sep 2013 – Mar 2014</p> <p>Apr 2014 – Aug 2018</p> <p>Aug 2018 – Jan 2021</p> <p>Mar 2021 – Present</p> <p>Apr 2023 – Present</p>	<p>- Domestic branch staff</p> <p>- Senior Executive Vice President</p> <p>- Assistant Manager</p> <p>- Deputy Branch Manager</p> <p>- President</p> <p>- Senior Auditing manager in the Operation Audit Dept.</p> <p>- General Manager</p> <p>- Managing Director</p> <p>- General Manager</p> <p>- Director</p> <p>- General Manager</p> <p>- General Manager of Business Planning Management</p> <p>- Director</p>	<p>- Dai-ichi Kangyo Bank., Ltd.</p> <p>- DKB Leasing (Thailand) Co., Ltd.</p> <p>- Shiseido Co., Ltd. seconded from Mizuho Bank.</p> <p>- Shinjuku-Chuo Branch, Mizuho Bank.</p> <p>- Mizuho Corporate Leasing (Thailand) Co., Ltd.</p> <p>- Mizuho Corporate Bank.</p> <p>- Cimon Corporation.</p> <p>- Thai Simon Safety Industries Co., Ltd.</p> <p>- Cimon Corporation.</p> <p>- Sinfonia Technology (Thailand) Co., Ltd.</p> <p>- Sinfonia Technology Co., Ltd.</p> <p>- Fine Metal Technologies Public Company Limited.</p>
<u>Holding any position in other businesses or organizations in the past year (2019-2023)</u>						Period	Position	Company
None								

Attachment 4

Assets for business undertaking and details of asset appraisal.

Assets used in Business Operation.

Details appear on page 21 - 23

Details about the property appraisal list

- None -

Attachment 5

Policy and Guidelines on Corporate Governance and Code of Conduct

- Details appeared on page 58 – page 81

Attachment 6

Report of the Audit Committee

To Shareholders of Fine Metal Technologies Public Company Limited

The Audit Committee of Fine Metal Technologies Public Company Limited, which comprised of three independent directors which are Mr. Vibul Aunsnuntha as Chairman of the Audit Committee Mr. Chor Nun Petpaisit and Mr. Akira Fujita as Audit Committee. All members of the Audit Committee have experience in law, accounting and finance, management and also knowledge of the Company's business. Their qualifications were complied with the Office of the Securities and Exchange Commission Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2023, Audit Committee performed their duties according to the charter as designated by the Board of Directors and carried out its supervisory tasks compliance with the good corporate governance principles of the Stock Exchange of Thailand which held total 4 Meetings and presented to the Company's Board of Directors, which could be summarized as follows:

1. To review the Company quarterly financial statements and annual financial statements as well as related documents which shall be correct, sufficient, creditable and in accordance with general accepted accounting principles before presenting to the Board of Directors for approval.
2. To review the related parties' transaction, the Audit Committee has considered and asked for the transaction that may have conflict of interests. As the result of reviewed, the transactions were normal commercial transaction, reasonable in accordance with good corporate governance.
3. To review the Company's internal control system and to determine an internal audit unit's independence, as well as has considered the yearly internal audit plans has been consistent with current situation for more effective work.
4. The Audit Committee reviewed and found that the Company had complied with the law on Securities and Exchange, the Exchange's Regulation and the laws relating to the Company's business.
5. Participated in the 2023 Annual Ordinary General Meeting of Shareholders, held on Friday, April 28, 2023.
6. The Audit Committee has considered the selection of auditors by considering the independence of the operation, business skills including audit fees. The Audit Committee gave an opinion to the Company's Board of Directors for considering and proposing to the Annual Ordinary General Meeting of Shareholders for the year 2024 to consider and appoint an auditor from KPMG Phoomchai Audit Limited to be the auditor of the Company for the year 2024.
7. To prepare and to disclose report of the Audit Committee in the Company's Form 56-1 One Report in 2023.

In conclusion, the Audit Committee has performed duties in accordance with the charter of the Audit Committee with independence knowledge of the business and emphasize the internal control and risk management in order to make the Company's business has good corporate governance and protects the interests of shareholders of the Company.



(Mr. Vibul Aunsnuntha)
Chairman of the Audit Committee
February 23, 2024



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

Bangkok office

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