



MOVING FORWARD WITH **SUSTAINABLE**



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



MOVING FORWARD
WITH **SUSTAINABLE**



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Financial Highlight

(Unit : Million Baht)

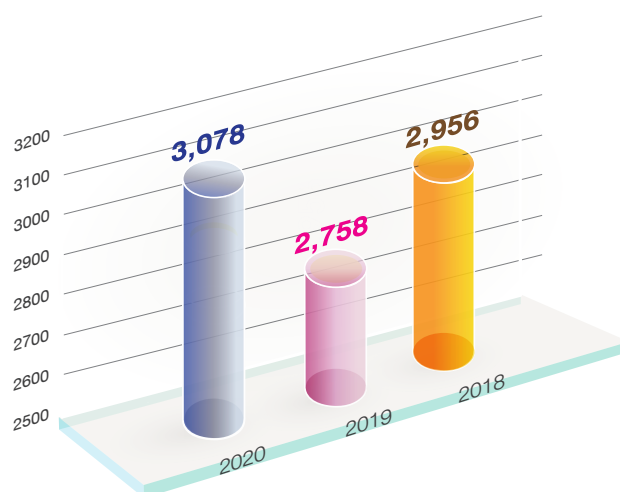
Financial Performance	2020	2019	2018
Net Sale	4,802	6,067	6,495
Total Revenues	4,818	6,066	6,516
Cost and Expenses	4,759	5,910	6,334
Profit (Loss) before income tax	59	156	182
Income Tax	12	31	37
Net Profit (Loss)	47	125	145
Other comprehensive income	0	0	10
Total comprehensive income for the year	47	125	154
Basic Earnings (Loss) Per Share (Baht)	0.98	2.60	3.01
Dividend Per Share (Baht)	1.625	1.625	1.50
Return on Total Revenue (%)	0.98	2.06	2.22
Return on Shareholders' Equity (%)	2.97	7.89	9.90
Return on Total Assets (%)	1.53	4.53	4.89

(Unit : Million Baht)

Financial Ratio	2020	2019	2018
Current Assets	2,667	2,323	2,496
Total Assets	3,078	2,758	2,956
Current Liabilities	1,364	1,007	1,289
Long-Term Loans	-	-	-
Total Liabilities	1,506	1,153	1,397
Shareholders' Equity	1,572	1,605	1,560
Issued & Paid-Up Capital	480	480	480
Par Value (Baht)	10	10	10
Book Value Per Share (Baht)	32.75	33.44	32.49

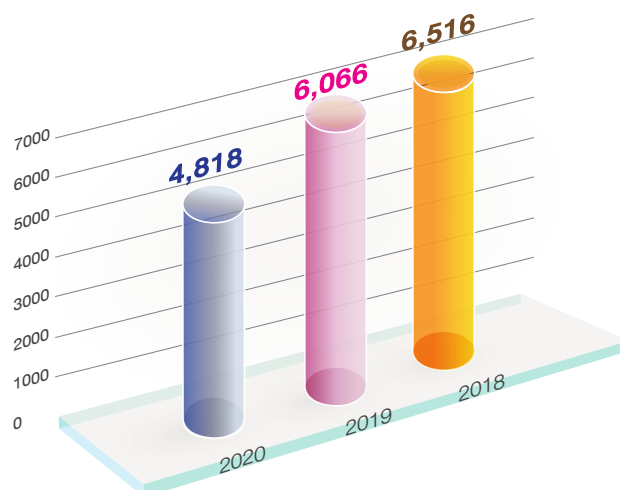
Total Assets

(Unit : Million Baht)



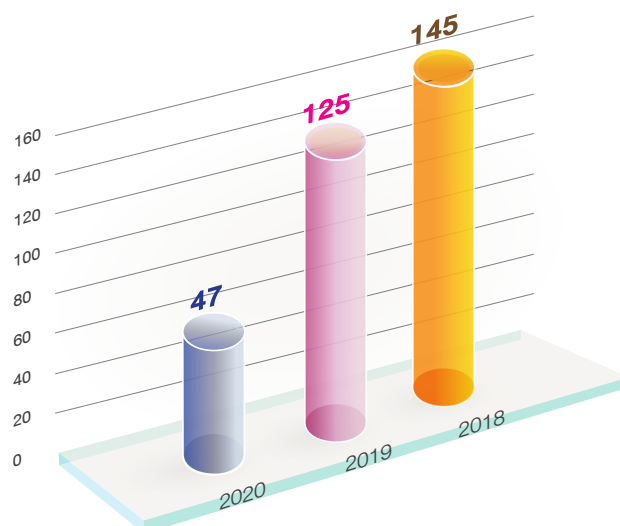
Total Revenues

(Unit : Million Baht)



Net Profit

(Unit : Million Baht)



Message from the Chairman

2020 Can Be Regarded as the Year of Great Change of FMT

On 1st June 2020, Furukawa Electric Co., Ltd., which was the major shareholder of the Company in Japan, sold its shares of the Company to CTJ Holdings2, Ltd., and on 18th November 2020, the Company has registered the change of the Company name, from Furukawa Metal (Thailand) Public Company Limited to Fine Metal Technologies Public Company Limited.

The global economic crisis caused by the COVID-19 pandemic and the measures to control the spread of COVID-19 by the government of Thailand have caused economic activities in the country to shrink tremendously. Investments in many projects, especially in the industrial sector, were severely limited due to strict lockdown measures. In addition, export volume also shrank, causing air-conditioner manufacturers in Thailand, who are main customers of the Company, to reduce production volume. For instance, the production volume for May 2020 was just half the volume of the same month in 2019. Over all, the production volume for 2020 decreased by 10 percent from 2019.

At the same time, the Company implemented measures to prevent the spread of COVID-19, as well as production and distribution plans in response to rapid fluctuations in the orders. Furthermore, the Company has amended the strategic marketing plan by increasing the production volume of highly valuable copper tube for air-conditioner and refrigerator products. The Company has also been promoting the sale of copper tube products that are used in products other than air-conditioners and refrigerators. For instance, in 2020, the Company sold heat pipe product for use with coolant in 5G communication centers, which are widespread around the world.

Even though the performance in 2020 shows declining sales volume due to the global economic contraction and in countries that are business partners in particular, coupled with hedging loss of the financial instruments with off-setting risk positions in accordance TFRS9 which were effective in 2020. The Company's net profit was 47 million baht or 0.98 baht per share. The Company's Board of Directors proposed to pay a dividend of 1.625 baht per share, same as for 2019.

On behalf of the Board of Directors and executives, we would like to express our sincere gratitude and appreciation towards our loyal customers, business partners and shareholders for their continued trust, support, and confidence in our operations and our dedicated and capable colleagues who are the key driving force and behind our Company's success and competitiveness. While we will continue striving to operational excellence, we are also firmly committed to conducting our businesses with good corporate governance, allowing the Company to flourish even more progressively and responsibly.



(Mr. Chai Sophonpanich)
Chairman

Board of Directors



Mr. Chai Sophonpanich
(Chairman)



Mrs. Chanida Asdathorn
(Director)



Mr. Tinnakorn Asdathorn
(Director)



Mr. Junichi Ishihara
(Director & Managing Director)



Mr. Takeshi Nishizawa
(Director)



Mr. Nobutaka Taniguchi
(Director)



Mr. Daisuke Hamada
(Director)



Mr. Shingo Nishijima
(Director)
(Effectived on 29 Apr 2020)



Mr. Hideki Shiraishi
(Director)
(Effectived on 4 Jun 2020)



Mr. Vibul Aunsunnta
(Chairman of the Audit Committee
& Independent Director)



Mr. Chor Nun Petpaisit
(Audit Committee Member
& Independent Director)



Mr. Akira Fujita
(Audit Committee Member
& Independent Director)



Mr. Deja Tulananda
(Independent Director)



Mr. Iruru Hidake
(Independent Director)
(Effectived on 9 Nov 2020)



Mr. Gendai Yamuguchi
(Director)
(Ended on 4 Jun 2020)



Mr. Makoto Kasuga
(Director)
(Ended on 29 Apr 2020)



Mr. Chai Sophonpanich

Chairman

Date of Appointment as Director

Y. 1988

Education/Training

- ▶ Bachelor Degree of Science, University of Colorado, USA Y.1967
- ▶ Advanced Management Program, The Wharton School Y. 1984
- ▶ The Joint State - Private Sector Class 6,
The National Defense College of Thailand

Director Training

- ▶ Director Certificate Program Class 16/2002,
Thai Institute of Director Association
- ▶ Chairman 2000 Class 10/2004,
Thai Institute of Directors Association

Position in Organization/Other Company/Institution

- ▶ Chairman,
Furukawa Metal (Thailand) Public Company Limited
Y. 1988 – Jun 2017, Nov 2018 – Nov 2020
- ▶ Chairman,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present
- ▶ Chairman,
Bangkok Insurance Public Company Limited
Y. 1978 – Jun 2017, Nov 2018 – Present
- ▶ Chairman,
Bumrungrad Hospital Public Company Limited
Y. 1979 – Jun 2017, Aug 2018 – Present
- ▶ Chairman,
Charoeng Thai Wire & Cable Public Company Limited
Y. 1986 – Jun 2017, Sep 2018 – Present
- ▶ Chairman,
Thai Reinsurance Public Company Limited
Y. 2016 – Jun 2017, Nov 2018 – Present
- ▶ Director,
Bangkok Life Assurance Public Company Limited
Y. 1968 – Y. 2015

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally 2,265,200 shares
- ▶ Held by Spouse (Wife) 476,900 shares

Family Relationship among Directors and Executive

- ▶ (None)



Mrs. Chanida Asdathorn

Director

Date of Appointment as Director

Y.1988

Education/Training

- ▶ Bachelor Degree of Business Administration, Pasadena College, California, U.S.A.

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Executive Director,
Thai Roong Ruang Industry Co., Ltd.
Y. 1974 – Present
- ▶ Executive Director,
Cholburi Sugar & Trading Corporation, Ltd.
Y. 1979 – Present
- ▶ Executive Director,
Siam Sugar Export Corporation, Ltd.
Y. 1984 – Present
- ▶ Director,
Furukawa Metal (Thailand) Public Company Limited
Y. 1988 – Nov 2020
- ▶ Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present
- ▶ Chairman,
Furukawa Metal (Thailand) Public Company Limited
10 Aug 2017 – 10 November 2018
- ▶ Director
Fine Metal Technologies Public Company Limited
11 Nov 2018 – Present
- ▶ Director,
Kerry Flour Mills Limited.
Y. 1989 – Present
- ▶ Director,
Kerry Siam Seaport Limited.
Y. 1990 – Present
- ▶ Director,
Shangri - La Hotel Public Co., Ltd.
Y. 1992 – Present
- ▶ Director,
Thai Ruam Chareon Sugar (2000) Co., Ltd.
Y. 2000 – Present
- ▶ Director,
TRR Molasses Trading Co., Ltd.
Y. 2015 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally 1,225,810 shares
- ▶ Held by Spouse (Husband) 1,726,610 shares

Family Relationship among Directors and Executive

- ▶ Mr. Thinnakorn Asdathorn (Son)



Mr. Tinnakorn Asdathorn

Director

Date of Appointment as Director
22 February 1996

Education/Training

- ▶ Bachelor Degree of Electrical Engineering,
King Mongkut's Institute of Technology, Ladkrabang

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Director,
Furukawa Metal (Thailand) Public Company Limited
Y. 1996 – Nov 2020
- ▶ Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present
- ▶ Managing Director
Kerry Flour Mills Limited
Y. 2013 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally 653,300 shares
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ Mrs. Chanida Asdathorn (Mother)



Mr. Junichi Ishihara

Director & Managing Director

Date of Appointment as Director
27 April 2018

Education/Training

- ▶ Bachelor Degree, Faculty of Mechanical Engineering,
Keiko University, Tokyo, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Manager, Special Material Department,
Production Engineering Department,
Planning & Administration Department, Metal Division,
Furukawa Electric Co.,Ltd.
Y. 1983 – Y. 2009
- ▶ Manager, Manufacturing Department, Copper Strip Division,
Metal Group,
Furukawa Electric Co.,Ltd.
Y. 2009 – Y. 2012
- ▶ Managing Director,
Furukawa Precision (Thailand) Co.,Ltd.
Y. 2012 – Y. 2015
- ▶ Senior Manager, Plating Unit,
Furukawa Electric Co.,Ltd.
Y. 2015 – Y. 2016
- ▶ General Manager, High Performance Plating Department,
Copper & High Performance Material Product Division,
Furukawa Electric Co.,Ltd.
Y. 2016 – Y. 2018
- ▶ Director & Managing Director,
Furukawa Metal (Thailand) Public Company Limited
Y. 2018 – Nov 2020
- ▶ Director & Managing Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Takeshi Nishizawa

Director

Date of Appointment as Director
1 May 2016

Education/Training

- ▶ Bachelor Degree in Nuclear Engineering,
Kobe University, Japan.

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Production Engineering Section,
Furukawa Electric Co.,Ltd.
Y. 1986 – Y. 2002
- ▶ Manager, Production Engineering Section,
Furukawa Electric Co.,Ltd
Y. 2003 – Y. 2006
- ▶ Manager, Production System Development Section,
Furukawa Electric Co.,Ltd
Y. 2007 – Y. 2012
- ▶ General Manager of Planning Development,
Furukawa Electric Co.,Ltd
Y. 2013 – Y. 2014
- ▶ Director,
Okumura Metal Co.,Ltd (Japan)
Y. 2016 – Present
- ▶ General Manager of Quality & Engineering Department,
Furukawa Electric Co.,Ltd
Apr 2016
- ▶ Director,
Furukawa Metal (Thailand) Public Company Limited
Apr 2016 – Nov 2020
- ▶ Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Nobutaka Taniguchi

Director

Date of Appointment as Director
Y.1993

Education/Training

- ▶ Bachelor Degree of Commercial, Tokai University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Chairman
Tani International Trading Co., Ltd.
Y.1975 – Present
- ▶ Chairman
Tani Guchi Metal Co., Ltd.
Y.1988 – Present
- ▶ Director
Furukawa Metal (Thailand) Public Company Limited
Y. 1993 – Nov 2020
- ▶ Director
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally 648,010 shares
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Daisuke Hamada

Director

Date of Appointment as Director
9 August 2018

Education/Training

- ▶ Bachelor Degree in Sociology, Kwansei Gakuin University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Sales Department,
Furukawa Electric Co., Ltd.
Apr 1998 – Oct 2000
- ▶ Electronic Sales Department,
Furukawa Electric Co., Ltd.
Nov 2000 – Mar 2004
- ▶ Chubu/Kansai Sales Department,
Furukawa Electric Co., Ltd.
Apr 2004 – Nov 2007
- ▶ Sales Section, Memory Disk Department,
Furukawa Electric Co., Ltd.
Dec 2007 – Feb 2011
- ▶ ELC Planning unit,
Furukawa Electric Co., Ltd.
Mar 2011 – Mar 2013
- ▶ Planning Unit, Memory Disk Division,
Furukawa Electric Co., Ltd.
Apr 2013 – Mar 2014
- ▶ Sales Planning & Marketing Department,
Furukawa Electric Co., Ltd.
Apr 2014 – Mar 2016
- ▶ Planning Department, Global Marketing Sales Division
Furukawa Electric Co., Ltd.
Apr 2016 – Mar 2017
- ▶ Planning & Administration Department,
Furukawa Electric Co., Ltd.
Apr 2017 – Jul 2017
- ▶ Assistant General Manager of Sales Department,
Furukawa Metal (Thailand) Public Company Limited
18 Oct 2017 – 19 Nov 2018
- ▶ General Manager of Sales Department,
Furukawa Metal (Thailand) Public Company Limited
20 Nov 2018 – Nov 2020
- ▶ General Manager of Sales Department,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present
- ▶ Director,
Fine Metal Technologies Public Company Limited
9 Aug 2018 – Present

Shareholding (Ordinary Shares)(As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Shingo Nishijima

Director

Date of Appointment as Director
29 April 2020

Education/Training

- ▶ Master of Engineering, Fukuoka University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Production Technology & Engineering Department
Furukawa Electric Co., Ltd.
Y. 1995 – Y. 2006
- ▶ Mie Engineering Group, Production Technology Innovation
Center, Production Technology & Engineering Department.
Furukawa Electric Co., Ltd.
Y. 2006 – Y. 2012
- ▶ Manager of Chiba Engineering Group, Production Technology
Innovation, Production Technology & Engineering Department
Furukawa Electric Co., Ltd.
Y. 2012 – Y. 2015
- ▶ Manager of Equipment Maintenance Section and Engineering
Section, Production Department, Copper Tube Division,
Electrics & Automotives System Division
Furukawa Electric Co., Ltd.
Y. 2015 – Y. 2018
- ▶ General Manager of Maintenance Department,
Fine Metal Technologies Public Company Limited
Y. 2018 – Present
- ▶ Factory Manager
Fine Metal Technologies Public Company Limited
1 Jun 2019 – Present
- ▶ Director,
Fine Metal Technologies Public Company Limited
29 Apr 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Hideki Shiraishi

Director

Date of Appointment as Director
4 June 2020

Education/Training

- ▶ Bachelor Degree of Law, Tokyo University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Corporate Banking Division,
Corporate Planning Division,
The Industrial Bank of Japan
Apr 1981 – Mar 2002
- ▶ Executive Officer, Head of Corporate Banking Division,
Mizuho Bank (Japan)
Apr 2002 – Oct 2011
- ▶ Senior Managing Director,
Toko Electrical Construction Co.,Ltd. (Japan)
Nov 2011 – Jun 2017
- ▶ Managing Director,
Japan Industrial Partners, Inc. (Japan)
Jul 2017 – Present
- ▶ Director,
Furukawa Metal (Thailand) Public Company Limited
Jun 2020 – Nov 2020
- ▶ Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Vibul Aunsunnta

Chairman of the Audit Committee &
Independent Director

Date of Appointment as Director
19 November 1999

Education/Training

- ▶ Bachelor Degree – Business Administration, U.S.A.
- ▶ Master Degree – Economic, U.S.A.
- ▶ Thailand National Defense College. (Class 30)

Director Training

- ▶ Director Accreditation Program. (DAP) Class 53/2006
Thai Institute of Directors Association

Position in Organization/Other Company/Institution

- ▶ Advisor to the Board of Directors.
Muang Thai Life Assurance Public Company Limited
Y. 2009 – Present
- ▶ Chairman of the Audit Committee & Independent Director,
Furukawa Metal (Thailand) Public Company Limited
Y.1999 – Nov 2020
- ▶ Chairman of the Audit Committee & Independent Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Chor Nun Petpaisit

Audit Committee Member &
Independent Director

Date of Appointment as Director
29 April 2019

Education/Training

- ▶ B.B.A. (Accounting), Thammasat University.

Director Training

- ▶ Director Accreditation Program (DAP) Class 28/2004.
- ▶ Director Certification Program (DCP) Class 76/2006.
- ▶ Audit Committee Program (ACP) Class 28/2009.
- ▶ Successful Formulation & Execution of Strategy (SFE) Class 8/2010.
- ▶ Financial Institutions Governance Program (FGP) Class 4/2012.

Position in Organization/Other Company/Institution

- ▶ Director, Bureau of Tax Audit Operation,
The Revenue Department, Ministry of Finance.
Y. 2000 – Y. 2001
- ▶ Policy and Plan Expert 9, The Revenue Department,
Ministry of Finance.
Y. 2001 – Y. 2008
- ▶ Director, National Science Museum.
Y. 2005 – Y. 2007
- ▶ Principal Advisor on Performance Improvement,
The Revenue Department, Ministry of Finance.
Y. 2008 – Y. 2011
- ▶ Director, The Government Pharmaceutical Organization.
Y. 2009 – Y. 2012
- ▶ Director, Tourism Authority of Thailand.
Y. 2010 – Y. 2011, Y. 2005 – Y. 2008
- ▶ Director, Government Housing Bank.
Y. 2010 – Y. 2011, Y. 2006 – Y. 2008
- ▶ Director, Government Saving Bank.
Y. 2011 – Y. 2012
- ▶ Inspector General, Ministry of Finance
Y. 2011 – Y. 2012
- ▶ Independent Director, Bangkok Insurance Public Company Limited
28 Feb 2006 – Present
- ▶ Audit Committee, Bangkok Insurance Public Company Limited
27 Feb 2009 – Present
- ▶ Advisor, Thai Charoen Corporation Group
Y. 2013 – Present
- ▶ Independent Director and Director of the Audit Committee,
Interhides Public Company Limited
April 2015 – Present
- ▶ Independent Director, Shangri-La Hotel
30 Jul 2020 – Present
- ▶ Audit Committee Member & Independent Director,
Furukawa Metal (Thailand) Public Company Limited
Y. 2019 – Nov 2020
- ▶ Audit Committee Member & Independent Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Akira Fujita

Audit Committee Member &
Independent Director

Date of Appointment as Director
5 August 2019

Education/Training

- ▶ Bachelor Degree in Law, Waseda University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Production Control Section, Osaka Metal Factory.
Furukawa Electric Co., Ltd
April 1977 – Y. 1982
- ▶ Sales Division 2, Metal Sales Department-1, Metal Products Division.
Furukawa Electric Co., Ltd
Y. 1982 – Y. 1986
- ▶ Labor Union of Furukawa Electric Co., Ltd.
Y. 1987 – Y. 1989
- ▶ Production Control Section, Production Department-2,
Nikko Works, Metal Products Division.
Furukawa Electric Co., Ltd
Y. 1989 – Y. 1996
- ▶ Director & General Manager of Sales Department
Furukawa Metal (Thailand) Public Company Limited.
March 1996 – March 2002
- ▶ Senior Manager of Metal Sales Department, Kansai Branch Office,
Furukawa Electric Co., Ltd.
April 2002 – March 2005
- ▶ Senior Manager of Metal Sales Department,
Furukawa Electric Co., Ltd.
April 2005 – July 2010
- ▶ Executive Director,
Sakakibara Co., Ltd. (Japan)
August 2010 – June 2012
- ▶ President,
Sakakibara Co., Ltd. (Japan)
July 2012 – June 2016
- ▶ Vice Chairman,
Sakakibara Co., Ltd. (Japan)
July 2016 – June 2018
- ▶ Advisor,
Sakakibara Co., Ltd. (Japan)
July 2018 – June 2019
- ▶ Audit Committee Member & Independent Director,
Furukawa Metal (Thailand) Public Company Limited
Aug 2019 – Nov 2020
- ▶ Audit Committee Member & Independent Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Deja Tulananda

Independent Director

Date of Appointment as Director
18 March 1999

Education/Training

- ▶ Executive Program, Pennsylvania State University, U.S.A.
- ▶ Bachelor Degree of Economics, Leicester University, U.K.

Director Training

- ▶ -

Position in Organization/Other Company/Institution

- ▶ Executive Chairman,
Bangkok Bank Public Company Limited
Y. 1992 – Present
- ▶ Independent Director,
Furukawa Metal (Thailand) Public Company Limited
Y. 1999 – Nov 2020
- ▶ Independent Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Iruru Hidaka

Independent Director

Date of Appointment as Director
9 November 2020

Education/Training

- ▶ Bachelor Degree of Law, Keiko University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Nippon Steel Corporation. (NSC –Japan)
Apr 1982
- ▶ Seamless Pipe & Tube Scheduling Department,
Yawata Works. (NSC –Japan)
Jul 1982 – Jun 1985
- ▶ OCTG Export Department. (NSC –Japan)
Jun 1985 – Jun 1989
- ▶ Manager,
Personnel Department, Nagoya Works. (NSC –Japan)
Jun 1989 – Oct 1991
- ▶ Manager,
Pipe & Tube Export Department 2. (NSC –Japan)
Nov 1991 – Jun 1995
- ▶ Senior Manager,
Corporate Planning Division. (NSC –Japan)
Jun 1995 – Jun 1999
- ▶ Senior Manager,
OCTG Export Department. (NSC –Japan)
Jul 1999 – Mar 2002
- ▶ Head of Department,
Pipe & Tube Export Department. (NSC –Japan)
Apr 2002 – Jan 2005
- ▶ General Manager, Office of the President,
The Siam United Steel (1995) Co., Ltd. (Thailand)
Feb 2005 – Jul 2010
- ▶ General Manager, Overseas Business Development Division,
Nippon Steel Corporation. (NSC –Japan)
Jul 2010 – Jun 2011
- ▶ Director and President,
Nippon EGaly Steel Sdn. Bhd. (Malaysia)
Jul 2011 – Jun 2016
- ▶ General Manager, Global Business Development Sector,
Nippon Steel & Sumitomo Metal Corporation. (Japan)
Jul 2016 – Mar 2017
- ▶ General Manager,
Oversea Business Development Department,
Nippon Steel & Sumikin Metal Products Co., Ltd. (Japan)
Apr 2017 – Sep 2018
- ▶ Independent Director,
Fine Metal Technologies Public Company Limited
Nov 2020 – Present

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Gendai Yamaguchi

Director

Date of Appointment as Director
23 February 2019 to 4 June 2020

Education/Training

- ▶ Bachelor Degree in Political Science, Meiji University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Accounting Section, Shinagawa Works,
Furukawa Electric Co.,Ltd.
Y. 1998 – Y. 2001
- ▶ Accounting Section 1, Finance and Accounting Department,
Furukawa Electric Co.,Ltd.
Y. 2001 – Y. 2004
- ▶ Accounting Section,
Chiba Office
Furukawa Finance and Business Support Co.,Ltd.
Y. 2004 – Y. 2010
- ▶ Internal Control Section, CSR Department,
Furukawa Electric Co.,Ltd.
Y. 2010 – Y. 2016
- ▶ Accounting Section, Accounting &
Financial Administration Department,
Furukawa and Business Support Co.,Ltd.
Y.2016 – Y.2019
- ▶ General Manager of Finance & Accounting Department,
Furukawa Metal (Thailand) Public Company Limited
Y. 2019 – 30 Jun 2020
- ▶ Director,
Furukawa Metal (Thailand) Public Company Limited
23 Feb 2019 – 4 Jun 2020

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)



Mr. Makoto Kasuga

Director

Date of Appointment as Director
1 September 2013 to 29 April 2020

Education/Training

- ▶ Bachelor Degree in Law, Meiji University, Japan

Director Training

- ▶ (None)

Position in Organization/Other Company/Institution

- ▶ Chairman, Director,
Furukawa Thai Holding Co., Ltd.
Y 2013 – Present
- ▶ Director,
Furukawa (Thailand) Co., Ltd.
Y. 2013 – Present
- ▶ Director,
Furukawa Fitel (Thailand) Co., Ltd.
Y. 2013 – Present
- ▶ Director,
Furukawa Automotive System (Thailand) Co., Ltd.
Y. 2013 – Present
- ▶ Director,
Thai Furukawa Unicom Engineering Co., Ltd.
Y. 2013 – Present
- ▶ Director,
Bangkok Telecom Co., Ltd.
Y. 2013 – Present
- ▶ Director, Business Advisor,
Furukawa Precision Co., Ltd.
Y. 2017 – Present
- ▶ General Manager of Finance & Accounting Department,
Furukawa Metal (Thailand) Public Company Limited
Y. 2013 – 31 Mar 2019
- ▶ Director,
Furukawa Metal (Thailand) Public Company Limited
Y. 2013 – 29 Apr 2020

Shareholding (Ordinary Shares) (As of December 30, 2020)

- ▶ Held personally (None)
- ▶ Held by Spouse or minor children (None)

Family Relationship among Directors and Executive

- ▶ (None)

Management

Management

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

Department General Manager

1. Mr. Gendai Yamaguchi
General Manager of Finance & Accounting Department
(Ended 30 Jun 2020)
2. Mr. Daisuke Hamada
General Manager of Sales Department
3. Mr. Shinya Tsujimoto
General Manager of Production Engineering Department
4. Mr. Hideki Takayasu
Business Strategy & Sales Engineering Advisor
(Start 1 July 2020)
5. Ms. Arporn Jitsuteesiri
General Manager of Finance & Accounting Department
(From 1 April 2020)
6. Mrs. Subin Seesaengtor
General Manager of Administration Department &
Safety Section Manager
(From 1 January 2020)
7. Mr. Chirawat Ritthinee
General Manager of Production Department
(From 1 January 2020)

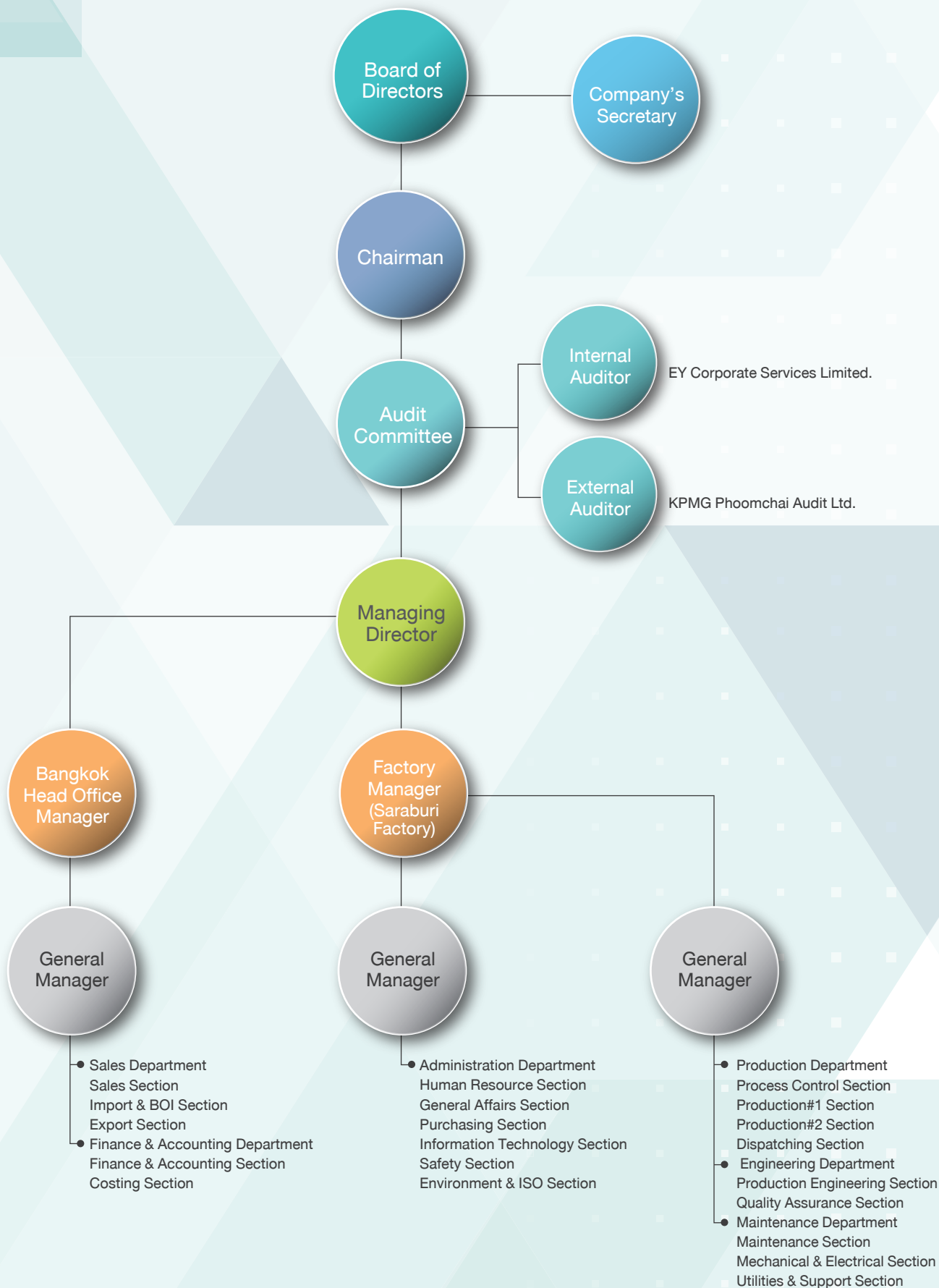
Department Assistant General Manager

1. Mr. Narongrit Samranjit
Assistant General Manager of Production Engineering
Department

Section Manager

1. Mr. Mana Wongsarasin
Human Resources Section Manager
2. Mr. Metha Arunchaipong
Production#1 Section Manager
3. Mr. Thanayos Hapomechai
Production#2 Section Manager
(Ended 31 March 2020)
4. Mr. Sanguan Wattanawirun
Export Section Manager
5. Mr. Phinyo Sodasit
Process Control Section Manager
6. Mr. Manoon Chalermwat
Information Technology Section Manager
7. Mr. Teeravit Pongsittichok
Sales Section Manager
8. Mr. Prakrit Panomrattanak
Environment & ISO Section Manager
9. Mrs. Marisa Tassana
Quality Assurance Section Manager
10. Mrs. Unchana Yoosuk
Purchasing Section Manager
11. Ms. Rassamee Monthakankul
Cost Section Manager
(From 1 August 2020)
12. Ms. Wiyada Wisittanon
Finance & Accounting Section Manager
(From 1 August 2020)
13. Mr. Virasak Intawong
Maintenance Section Manager
(From 1 August 2020)

Organization Chart



General Informations & Others

Fine Metal Technologies Public Company Limited has changed the Company name from Furukawa Metal (Thailand) Public Company Limited since 18 November 2020, a listed Company in the Stock Exchange of Thailand with securities symbol is “FMT”. The Company was established on June 15, 1988 under the name of Furukawa Metal (Thailand) Company Limited and under a joint venture between a Thai holding Company called Tampa Co., Ltd., and 2 Japanese companies, Furukawa Electric Co., Ltd. and Shoko Trading Co., Ltd. to manufacture and distribute various types of copper tube to the manufacturers of air-conditioners, refrigerators and others cooling system.

- Bangkok Office located at 183 Regent House Building 14th Floor, Rajadamri Road, Lumpini, Pathumwan, Bangkok 10330.
- Factory was build on 82 Rai of land located at 213 Moo 4, Mitraparb Road, Tambol Tub-Kwang, Amphur Kaengkhroi, Saraburi Province 18260.

Major Changes Since its Establishment :

Jun 1988

- ▶ Established the Company with registered capital of Baht 140 million. BOI privilege for the seamless copper tube production of 3,000 tons p.a. since October 1987.

Jan 1989

- ▶ Started the construction of seamless copper tube plant on the area of 56 Rai at 213 Moo 4 Friendship Highway km.125th , Tab-kwang, Kaeng Khoi, Saraburi.

Jun 1989

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

May 1990

- ▶ Received BOI's approval to increase the production process thread on the wall surface inside the copper pipe.

Jul 1990

- ▶ Started production of seamless copper tubes (Smooth Tube).

Jun 1991

- ▶ Started new product Multi Grooved Tube

Mar 1992

- ▶ Started new product Large Diameter Tube.

Mar 1993

- ▶ Started construction and purchased machinery in order to increase its capacity from 4,200 tons p.a. to 8,400 tons p.a. This increased the capacity of Smooth Tube, Multi Grooved Tube and Large Diameter Tube also allowed the company to prepare capacity for the production of Capillary Tube, a new product, in 1994.

Jan 1994

- ▶ Increased registered capital from Baht 195 million to Baht 335 million from the three existing shareholders are Tampa Co., Ltd. and Shoko Trading Co., Ltd. and Furukawa Electric Co., Ltd.

Feb 1994

- ▶ Started new product Capillary Tube.

Nov 1995

- ▶ Split Company's par value from 100 baht/share to 10 baht/share.

Feb 1996

- ▶ Transformed the Company status to Public Company Limited and changed the Company's name from Furukawa Metal (Thailand) Company Limited to Furukawa Metal (Thailand) Public Company Limited.

Jun 1996

- ▶ Received BOI privileges of the capacity expansion of 10,600 tons p.a.

Nov 1996

- ▶ Increased registered capital from Baht 335 million to Baht 480 million from general investors purchased of new machine and building by offering 14.5 million shares to the public.

Dec 1996

- ▶ Purchased of new land (26 rais) for future expansion project. (Total 82 Rais)

Feb 1997

- ▶ Approved to be a Listed Company in the Stock Exchange of Thailand.

Oct 1998

- ▶ Developed two additional product designs: taper pipe and half hard.

Jan 1999

- ▶ Received the ISO 9001: 2000 Certification from RWTUV Anlagentechnik GmbH.

Apr 1999

- ▶ Developed another type of Treatment for Capillary Tube Ends (Welding). In addition to the existing Stopper, Flaring, Pinch Seal and Deburing.

Dec 2001

- ▶ Started construction and purchased machinery to increase its production capacity of additional 6,000 p.a. from 16,000 tons p.a. to 22,000 tons p.a.

Jul 2003

- ▶ Began operations in the extension that has been promoted.

Nov 2003

- ▶ The Company increased production capacity 3,000 tins p.a. to 25,000 tons p.a.

Apr 2004

- ▶ The Company received certificate from Center of Administration of Against Narcotics, Amphur Khang Koi, Saraburi Province, to be Excellent Factory Without Narcotics on 2 April 2004.

Aug 2004

- ▶ The Company participated in the Green Factory Project for Her Majesty Queen Sirikit Celebration celebration of the 72 years Queen's Birthday on 12 August 2004 from Director General Labour Protection and Welfare.

Oct 2004

- ▶ The Company increased production capacity from 25,000 tons p.a. to 28,000 tons p.a.

Sep 2005

- ▶ The Company was presented for 2005 Outstanding Workplace of Labor Relationships and Labor Welfare from Department of Labor Protection and Welfare, Ministry of Labor since 29 September 2005.

Oct 2005

- ▶ The Company increased production capacity from 28,000 tons p.a. to 31,000 tons p.a.

Mar 2006

- ▶ The Company received the ISO 14001:2004 Certification from TUV NORD (Thailand) Ltd.

Sep 2006

- ▶ The Company was presented for 2006 Outstanding Workplace of Labor Welfare from Department of Labor Protection and Welfare, Ministry of Labor 18 September 2006.

Mar 2008

- ▶ The Company was presented from the Club TO BE NUMBER ONE Outstanding ; Central / Eastern, establishment of large size category.

Mar 2009

- ▶ The Company was presented from the Club TO BE NUMBER ONE Outstanding ; Central / Eastern, establishment of large size category.

June 2009

- ▶ The Company was presented from the Club TO BE NUMBER ONE and Runner National Level, establishment. of large size category.

Mar 2010

- ▶ The Company was presented from the Club TO BE NUMBER ONE maintain standard outstanding of 1st Year, Central / Eastern, establishment of large size category.

Sep 2009

- ▶ The Company received certificates and factory white lable sustainable from Protection and welfare Office of Suraburi.

Jun 2010

- ▶ the Company was presented from the Club TO BE NUMBER ONE maintain standard outstanding of 1st Year National Level, establishment of large size category.

Mar 2011

- ▶ The Company was presented from the Club TO BE NUMBER ONE maintain standard outstanding of 2nd Year, Central / Eastern, establishment of large size category.

Jun 2011

- ▶ The Company was presented from the Club TO BE NUMBER ONE maintain original silver standard outstanding of 2nd Year ; National Level, establishment of large size category.

Mar 2012

- ▶ The Company was presented from the Club TO BE NUMBER ONE original silver standard, Central / Eastern, establishment of large size category.

Jul 2012

- ▶ The Company was presented from the Club TO BE NUMBER ONE original silver standard, National Level, establishment of large size category

Jul 2013

- ▶ The Company was presented from the Club TO BE NUMBER ONE original gold standard outstanding of 1st Year ; National Level, establishment of large size category from Her Royal Highness Princess Ubolratana Rajakanya Siriwatana Bhanawadee.

Mar 2014

- ▶ The Company was presented from the Club TO BE NUMBER ONE original gold standard, outstanding of 2nd Year National Level

Jul 2014

- ▶ The Company received TO BE NUMBER ONE maintain original gold, establishment of large size category from Her Royal Highness Princess Ubolratana Rajakanya Siriwatana Bhanawadee.

Mar 2015

- ▶ The Company was presented from the club TO BE NUMBER ONE original diamond standard outstanding of 1st Year ; Central / Eastern, establishment of large size category.

Jul 2015

- ▶ The Company was joined the Club TO BE NUMBER ONE held at Muang Thong Thani.

Sep 2015

- ▶ The Company received "Green Factory Certificate" from Ministry of Industry is shown the Company achievement in Level 3 with Green System is an environment management system to monitor, evaluate and review for continuous improvement since.

May 2016

- ▶ The Company received Certificate Drive Motorcycle with Wearing Helmet 100% Campaign from Saraburi Governor and Kaeng Khai Police Station, Saraburi Province.

Feb 2017

- ▶ The Company received standard ISO 9001: 2015 certification from TUV NORD (Thailand) Ltd.

Aug 2017

- ▶ The Company received certificate " Drive Motorcycle with Wearing Helmet 100% Campaign (Phase 3/2015)" from Saraburi Governor and Provincial Police Station 1 In order to be part of the decade of road safety in Thailand

Mar 2018

- ▶ The Company received standard ISO 14001: 2015 Certification from TUV NORD (Thailand) Ltd.

Dec 2018

- ▶ The Company increased ISO 14001: 2015 environmental management standard certification from TUV NORD (Thailand) Ltd. Bangkok office in Sales Section, Import Section and Export Section

Sep 2019

- ▶ The Company has been notified by Furukawa Electric Company Limited (the "Seller"), the Company's Major Shareholder, that has entered into a share purchase agreement in the Company for CTJ Holdings 2, Ltd. (the "Purchaser") is a total of 20,280,280 shares (the "Sale Shares") or 42.25% of the Company's total paid-up shares. The share purchase transaction is expected to be completed on March 2, 2020 or any other date as agreed upon by the seller and the purchaser.

20th February 2020

- ▶ The Company was informed of the progress by Furukawa Electric Co.,Ltd. (the Seller) and CTJ Holdings 2, Ltd. (the Purchaser) that the date of the completion of the sale-purchase transaction was changed from 2nd March 2020 to 1st April 2020, or any other day that the Seller and the Purchaser will mutually agree on because the aforementioned share sale-purchase transaction need more time for the execution than expected.

31st March 2020

► Furukawa Electric Co., Ltd. (the Seller) informed the Company that :

- 1) the day of the completion of the sale-purchase transaction has to be postponed because it had been notified by CTJ Holdings 2, Ltd. (the Purchaser) that the situation that had been changed due to the spread of Corona virus (COVID-19), and the purchaser thus wanted to have the day of the completion of the sale-purchase transaction postponed; and
- (2) the aforementioned share sale-purchase transaction is expected to be complete within the end of June 2020, or any other day that the Seller and the Purchaser will mutually agree on.

1st June 2020

► Furukawa Electric Co., Ltd. (the Seller), which is the Major Shareholder of the Company has sold the shares of the Company that it held to CTJ Holdings 2, Ltd. (the Purchaser) for 20,280,280 shares (the "Sale Shares") or 42.25 percent of all the paid-up shares of the Company. After the share sale-purchase transaction completed CTJ Holdings 2, Ltd. is the Company Major Shareholder.

Also, the acquisition of the aforementioned sold shares by the Purchaser has been over the ratio of 25 percent of all the voting rights of the Company in accordance with the Announcement by Capital Market Supervisory Board numbered Tho Cho. 12/2554 on Criteria, Conditions and Method of Security Acquisition for Business Overtake (and revised version); therefore, the Purchaser is responsible for submitting the Mandatory Tender Offer for buying shares and securities of the Company in accordance with legal provisions and conditions. After submitting the Mandatory Tender Offer, the Purchaser has no plan to change the business or the executive team of the Company and will not delist the status as a listed company of the SET. Furthermore, after the share sale-purchase transaction completed, the Purchaser desires to nominate 2 directors to replace the 2 resigning directors of the Board.

18 Nov 2020

The Company has changed the Company name to Fine Metal Technologies Public Company Limited and registered with Department of Business Development, the Ministry of Commerce on November 18, 2020.

General Information



Fine Metal Technologies Public Company Limited



Securities Symbol : FMT
Registration no. : 0107539000057
website : <http://www.fmt.co.th>

Bangkok Office

183 Regent House Building 14th Floor, Rajadamri Road,
Lumpini, Pathumwan, Bangkok 10330
Telephone : 0-2256-0641 – 50
Fax : 0-2256-0651

Factory

213 Moo 4, Mitraparb Road, Km. 125, Tambol Tub-Kwang,
Amphur Kaengkhroi, Saraburi Province 18260
Telephone : (036) 329-811 – 20
Fax : (036) 329-822

Type of Business

Natural of Business : Manufacture of Seamless Copper Tube
which is a vital part in the manufacturer
of air-conditioners and refrigerators.
Registered capital : 480 million baht, 48 million ordinary
shares at 10 baht per share.
Paid-up capital : 480 million baht, 48 million ordinary
shares at 10 baht per share.

Number of Employee

560 Persons (At 31 December 2020)
Male 399 Persons / Female 161 Persons

Reference Persons

Register

Thailand Securities Depository Co.,Ltd. (TSD)

The Stock Exchange of Thailand

93 14th floor, Ratchadaphisek Road, Kaweng Din Daeng,
Din Daeng District, Bangkok 10400

Telephone : 02-009-9000

Fax : 02-009-9991

Contact Center : 02-009-9999

website : <http://www.set.or.th/tsd>

E-mail : SETContactCenter@set.or.th

Auditors Year 2020

1. Mr. Songchai Wongpiriyaporn
Certificated Public Accountant No. 10996 or
2. Miss Sirinuch Vimolsathi
Certificated Public Accountant No. 8413 or
3. Mr. Sumate Jangsamsee
Certificated Public Accountant No. 9362

KPMG Phoomchai Audit Limited.

Empire Tower, 50th Floor
1 South Sathorn Road, Kaweng Yanawa, Sathorn District,
Bangkok 10120
Telephone : 0-2677-2000
website : <http://www.kpmg.co.th>

Internal Auditor 2020

EY Corporate Services Limited.

33rd Floor, Lake Rajada Office Complex,
193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone : 02-264-9090
Fax : 02-264-0789-90
Website : www.ey.com

Investors can study additional information of the issuing
Company Form 56-1 as shown in the Stock Exchange of
Thailand in www.set.or.th or the Company's website.

Nature of Business

Fine Metal Technologies Public Company Limited is a producer and distributor of copper tube which is a vital part in the manufacturer of air-conditioners and refrigerator. As copper tube can give maximum heat transfer and high resistance of chemical corrosion, it serves as a passage for the chemical substance in the cooling equipment and any other piping application which requires a superior heat transfer quality and endurance

The main products are Smooth Tube, Multi Grooved Tube, Large Diameter Tube and Capillary Tube.

The Company has 4 product lines. Each line has specific characteristics as follows

- (1) **Smooth Tube** is a seamless copper tube that has smooth inner tube. There are two types
 - 1.1 **Smooth Tube for heat exchanger** which is used for carrying refrigerant within refrigeration equipment.
 - 1.2 **Smooth Tube for piping** which is used for carrying refrigerant outside refrigeration equipment.
- (2) **Multi Grooved Tube** is seamless tube that the inner wall is threaded to act as the first type of copper tube, but the efficiency on better heating is up to twice, which is popular in the production of the air conditioner of the small type with highly efficient and expensive due to increase inner surface area it's made the amount of copper tube used in production process of cooling coil decreased when compared to the performance with smooth tube. It is also the main export product to Japan and others.
- (3) **Large Diameter Tube** is the straight and large seamless copper tube popular to use as the pressure reservoir tank for refrigerant.
- (4) **Capillary Tube** is the small seamless copper tube to act as the flow of the refrigerant after adjusting the temperature to lower from the compressor to go through the refrigerant inside the room and help to adjust and reduce the pressure of the refrigerant at the suitable level before going to the refrigeration machine

In conclusion, the only product of the Company is seamless copper tube that will be manufactured and sold to clients in the size that each client desires. The sale price is set in accordance with the copper price in world copper market price as at the time when each sale-purchase agreement is made with each particular customer. The manufactured seamless copper tubes are categorized with forms in order to concur with the needs for uses and properties of product in each category as follows :

1. **Level Wound Coil** : a copper tube coiled around a circle core for any customer who want to buy the product in great quantity, such as manufacturers of air-conditioners and refrigerators,
2. **Pancake Coil** : a copper tube with around 50 feet length, loosely coiled for the convenience for use, for retailer customers or cooler installation technicians,
3. **Straight Tube** : a straight copper tube with around 5 meters length, always ordered by retail customers and customers that assemble collars, and
4. **Bunch Coil** : the organized Capillary Tube coiled in groups for customers of all types, from manufacturers to installers.

The Company has a factory of seamless copper tubes, which is located at 213 Moo 4, Mitraphap Road, Tub Kwang Sub-district, Kaeng Khoi District, Saraburi Province, which is a modern factory for the complete circle production, with robust quality control system and production control system in all steps.

Overall Policy

Fine Metal Technologies Public Company Limited. is a manufacturer and distributor of copper tube products, which is a key component in manufacturing refrigeration equipment, such as refrigerators and air conditioners. Because of the copper tube have a good heat conductor and resists corrosion, suitability for use as a chemical pipeline in the refrigeration and is used in piping work required height quality of heat conductor, and long shelf life. The Company has given the great importance to creating the good corporate governance system with transparent and fair to all stakeholders. There is the good corporate governance required by law and ethical duty. The Board of Directors has delegated duties and an important responsibility to the Chairman, the Board of Executive Committee, including the Audit Committee. The Company has set the basic management standard for executives and employees who work with environmental protection and will strive to create social value through technological innovation, respect for the law Comply with social norms and morals, ethics, including maintain and enhance good relationships with all stakeholders and responsible for the sustainable development of society.

Visions

- 1) To become a leader of copper tube markets in Thailand and ASEAN region, as a Company that works safely and peacefully and is trusted by customers, with global acceptance for quality, services, price and punctual delivery for customers' happiness and satisfaction,
- 2) To go forward with the management system that retains profitability from business operations,
- 3) To retain as most market shares in the country as possible and to expand export to more foreign markets,
- 4) To have executives and all personnel of the Company comply with business Code of Conducts on social responsibilities.

Policies and Goals of the Company

The Company has been making Annual Plan for each year. The executives and management of each department have to make the action plan that concurs with the policies and goals of the Company. At the same time, the Company will monitor and evaluate the operations with KPIs that can be applied to the actual assessment, compared with the predetermined action plan, with review and report of the outcomes carried out on the monthly basis.

In 2020, the executives have set the annual budget and made the action plan that has been approved by the Board of a Directors of the Company, with the emphasis on the

sustainable business achievement in a long run and the responsiveness to the needs of all stakeholders. As for 2020, the Company has set the policies and business goals as follows:

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

The aforementioned principles of business administration must be recognized and strictly complied with by all the executives, heads and personnel of the Company.

Running the business for more than 31 years, Fine Metal Technologies Public Company Limited is aware of the needs of customers that customers of the Company not only emphasize on 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 been making marketing plans that suit the structures of business operations and capability of competition, with the aim of enabling the business to grow in the sustainable manner in the future. Therefore, the Board of Directors and the executives of the Company have set the strategies for business administration that respond to customers' needs as follows :

- 1) Concerning product quality, the Company has to manufacture copper tubes that meet standards and have quality, acceptable for customers and competitive with rivals' products in domestic and export,
- 2) Concerning production cost, the Company must control production costs, as well as other expenses, by enhancing productivity and mitigating waste from production process,
- 3) Concerning sale and profit making, the Company has to expand the sale and launch new products that are different from those of other companies, such as straight tube and capillary tube, while



retaining market shares by having products in inventory for short-term delivery during the period of high demand, conducting marketing research works, and expanding the sale for new customers of air-conditioner market and non air-conditioner market in the region of Asia;

- 4) The Company must have logistic systems that enable punctual product delivery and hasty product delivery (in short time), together with quick after-sale services, in order to make satisfy customers;
- 5) The Company must have internal and external communication systems that are efficient, accurate, precise and quick for building common understanding and preventing error from happening or repeating itself again.

The aforementioned principles of business administration must be recognized and strictly complied with by all the management, section head and all employees of the Company.

Goals and Strategies for Sustainable Growth

In order to accomplish the predetermined goals and visions, the Company has the direction for running the business by implementing strategies to enhance competitiveness in term of pricing so that the Company can compete with rivals in global markets and sustain sale volume (profitability), with the efforts of all the executives and personnel who have been working together to eliminate waste and to mitigate production cost. At the same time, concerning quality, the Company has to prevent waste and enhance productivity (Yield) in order to get better products. The strategies for the improvement of operations that the Company has implemented are as follows :

- 1) To establish a development and improvement unit, to appoint consultants to enhance knowledge and expertise of personnel while working together to develop and invent new methods to improve operations and mitigate waste, and to improve actions in order to cut unnecessary costs,
- 2) To have each department make its own personnel enhancement plan that is continuous and systematic, in order to reflect capabilities of working (Multi-Skill) of personnel,
- 3) To adjust marketing scheme by looking for business allies to expand markets inside and outside the country, which will enhance the competitiveness and enable the Company to generate revenue and profit that meet the predetermined target,
- 4) To enhance knowledge and capabilities of personnel; for instance, to have section heads of all section attend a workshop to find solutions to a problem to meet the predetermined goals,
- 5) To determine the thresholds by using KPI (Key Performance Indicators) to reflect the effectiveness of operations of all units by comparing with the goals of the Company, using figures, statistic and outputs from assessments on the monthly basis, throughout the year,
- 6) The executives have planned for and managed to ensure the making of reports of budget for operations and assessments on the monthly basis in order to determined whether operations have been carried out as planned or not and how effective operations are, with the clear determination of improvement.

Business Operations



Fine Metal Technologies Public Company Limited incorporated with the starting registered capital of 140 million baht. On 15 June 1988 under the initial incorporation as "Furukawa Metal (Thailand) Co., Ltd." is the trade cooperation between Tampa Ltd., which is the holding Company, Thai nationality, at the rate of 51 percent and two Japanese companies are The Furukawa Electric Co., Ltd. The manufacturer and distributor of various products such as telephone line, electrical wire, automotive component, copper tube products and aluminum products with Shoko Trading Co., Ltd., which the Company selling products made from metals such as aluminum, brass and copper slabs, etc. The Company started the business on 2 July 1990.

The Company was converted to a Public Company on 22 February 1996, registration No. PCL 606 and changed name on 18 Nov 2020 from Furukawa Metal (Thailand) Public Company to Fine Metal Technologies Public Company Limited. Currently, the Company is in the industrial product category. Business category in the stock market is industrial materials and machinery by using the name of the securities as "FMT".

At present Fine Metal Technologies Public Company Limited has the registered capital of 480 million baht with the paid-up capital of 480 million baht. The Company operated the business as the manufacturer and distributor

of seamless copper tube with foam and non-foamed wrapping to be used as the component for air conditioner, refrigerator and general refrigeration machine. Moreover, the Company also has the capability on the design and development of the of product to improve the manufacturing technique, including the design of the products to have the quality in consistent with the demand of the customers under the contract to provide technical callaboration agreement from Daishin P&T Co.,Ltd which is the subsidiary of the parent Company, 100% shareholding. (CTJ Holdings 2 , Ltd.)

The Company still use the right and benefits according to Section 36(1) and 36(2) of the Investment Promotion 1977 additionally as follow :

Pursuant to Section 36 (1)

received exemption for import duty for raw material and necessary material to be imported from overseas to be manufactured for export from 14 January 2020 up to 13 January 2021.

Pursuant to Section 36 (2)

received exemption for import duty for the promoted person to import for export from 14 January 2020 up to 13 January 2021.

The Revenue Structure of the Company Products.

Product	2018		2019		2020	
	Billion Baht	%	Billion Baht	%	Billion Baht	%
Domestic						
1. Smooth Tube	2,147.72	33.07	2,121.78	34.97	1,730.26	36.03
2. Multi Grooved Tube	1,415.74	21.80	1,258.08	20.74	838.89	17.48
3. Large Diameter Tube	355.04	5.47	257.45	4.24	224.89	4.68
4. Capillary Tube	306.98	4.72	298.55	4.92	267.50	5.57
Sub Total	4,225.48	65.06%	3,935.86	64.87%	3,061.54	63.76%
Export						
1. Smooth Tube	1,383.74	21.30	1,243.99	20.51	981.17	20.42
2. Multi Grooved Tube	707.58	10.89	688.76	11.35	609.69	12.70
3. Large Diameter Tube	138.53	2.13	134.59	2.22	111.68	2.33
4. Capillary Tube	40.12	0.62	63.41	1.05	37.93	0.79
Sub Total	2,269.97	34.94%	2,130.75	35.13%	1,740.47	36.24%
Total Sales						
1. Smooth Tube	3,531.46	54.37	3,365.78	55.48	2,711.44	56.46
2. Multi Grooved Tube	2,123.32	32.69	1,946.85	32.09	1,448.57	30.17
3. Large Diameter Tube	493.57	7.60	392.04	6.46	336.58	7.01
4. Capillary Tube	347.10	5.34	361.96	5.97	305.42	6.36
Total	6,495.45	100%	6,066.63	100%	4,802.01	100%

Type of Shareholders

As of 30 December 2020

Type of Shareholders	No. of Shareholders	No. of Shares	(%)
<u>Juristic Persons</u>			
- Thai	16 persons	12,738,640	26.54%
- Foreigners	3 persons	21,564,280	44.93%
Total	19 persons	34,302,920	71.47%
<u>Private Individual</u>			
- Thai	49 persons	13,466,470	28.05%
- Foreigners	7 persons	230,610	0.48%
Total	56 persons	13,697,080	28.53%
Grand Total	75 persons	48,000,000	100%

Major Shareholders

As of 30 December 2020

No.	Name of Shareholder	Number of Shares	% of Shareholder
1)	CTJ Holdings 2, Ltd. ⁽¹⁾	20,280,280	42.25
2)	Thailand Security Depository Company Limited for Depositors.	7,763,630	16.17
3)	Bangkok Insurance Public Company Limited ⁽²⁾	2,919,300	6.08
4)	Mr. Chai Sophonpanich	2,265,200	4.67
5)	Mr. Suthin Asdathorn	1,726,610	3.59
6)	Mr. Chartchai Lisahapanya	1,674,710	3.49
7)	Mr. Veeradej Kittiorat	1,674,710	3.49
8)	Mr. Surin Asdathorn	1,564,910	3.26
9)	Mrs. Chanida Asdathorn	1,225,810	2.30
10)	2-J Construction Ltd., Part.	800,000	1.67

Note

Shareholder 1) (1) CTJ Holdings 2, Ltd.

Description of Business

The Company is a juristic person established with specific objectives on 25th September 2019 by JIP, with objective to hold shares of companies that run businesses relating to industrial materials concerning the production and sale of copper tubes in Japan and region of Asia-Pacific, including to hold shares of businesses in Thailand.

Concerning JIP, it is a private investment firm, the office of which is in Tokyo, Japan. JIP was established in 2002. JIP tends to invest in conventional production industries of Japan that are efficient, and has the target for the implementation of investment strategies, to separate spin-off businesses that have business values that do not reflect their actual values, and are non-core businesses that are under the structures of conglomerates that have great numbers of affiliates. The investment method is to separate target businesses from the structures of their parent businesses so that the aforementioned businesses can apply their business potentials to the full enhancement of their growth. Up to present, JIP has had more than 24 investment transactions, including the investment for separating target businesses from several famous parent businesses such as NEC Corporation Yamaha Corporation and Sony Corporation.

Shareholder 3) (2) Bangkok Insurance Public Company Limited.

Is a Company that does a business of insurance for disasters, such as fire insurance, maritime and transportation insurance, automotive insurance, miscellaneous insurance and sub-fire insurance, with Mr. Chai Sophonpanich being the Chairman of the Company.

Other issued securities.

Share issue-binding burden in the future.

- ▶ The Company has no obligation in the issue of shares in the future.

Information on the debentures, bills of exchange or debt instruments.

- ▶ None.

Policy on the Payment of Dividends.

The Board of Directors has the policy on the Meeting of the Shareholders of the Company considers paying the annual dividends to the shareholders at the rate is no less than 50 percent of the net profit after deducting the annual corporate income tax. It shall present to the Shareholders' Meeting for consideration of approval.

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

Year	Approval Date	Payment Dividend Date	Dividend Per Share (Baht)
2016	29 April 2016	27 May 2016	1.25 Baht/Share
2017	28 April 2017	24 May 2017	2.00 Baht/Share
2018	27 April 2018	18 May 2018	1.50 Baht/Share
2019	29 April 2019	24 May 2019	1.625 Baht/Share
2020	29 April 2020	26 May 2020	1.625 Baht/Share

Report on Directors Shareholding

As of 30 December 2020

No.	Name of Director		Number of Shares	Change during the year
1	Mr. Chai	Sophonpanich	2,265,200	-
2	Mr. Takeshi	Nishizawa	-	-
3	Mrs. Chanida	Asdathorn	1,225,810	-
4	Mr. Tinnakorn	Asdathorn	653,300	-
5	Mr. Nobutaka	Taniguchi	648,010	-
6	Mr. Hideki	Shiraishi	-	-
7	Mr. Junichi	Ishihara	-	-
8	Mr. Shingo	Nishijima	-	-
9	Mr. Daisuke	Hamada	-	-
10	Mr. Deja	Tulananda	-	-
11	Mr. Iruru	Hidaka	-	-
12	Mr. Vibul	Aunsunnta	-	-
13	Mr. Chor Nun	Petpaisit	-	-
14	Mr. Akira	Fujita	-	-



In 2020, risk factors that may affect the business operations of the Company in analyzing the issue of risk, The Company has reviewed and determined measures to reduce the risk of not affecting the business operations of the Company. Which the risks of the Company are as follows

1. Risk from fluctuation of raw material price of cathode copper sheet

The Company realizes the procurement of raw materials by giving importance to price, quality and time of delivery of raw materials. The Company has regular and effective communication with the seller in order to receive accurate information about the procurement and delivery of raw materials to make the Company receive the raw materials delivery on time

As price of main raw material, including copper sheet having fluctuation of price in world market is very high, the Company has policy not to stock raw materials of copper sheet. The Company will produce raw materials according to the purchase order of customers; the plan for marketing more than three months in advance, joining with Raw Materials Purchase Section and Marketing Section, by Purchasing raw materials suitably for match order. For the price of copper can't answer that tended to decrease or increase. However, in Y.2020 the price of copper was change severely in Y.2019.

This trended that can't hold permanent because the price of copper also depend on factors of price of oil, gold, war and spinning price in the world market, to prevent risk from fluctuation of raw material price, the Company entered into hedge agreements.

Measures supporting risk from depending of raw material purchase ordering

The Company determines policy of raw material purchase ordering. The Company plans in advance for about three months, coordinating with Sales Section, Manufacturing Section and Import Section to provide raw materials. The Company buys raw materials as follows:

1. **Copper Sheet** : as presently there is no copper sheet manufacturer in Thailand, the Company has to import copper sheet from foreign countries. The price of raw materials, or copper sheet, is determined from the price of copper in London Metals Exchange (LME) plus other expense. Due to the fact that copper is commodity, price of copper has dynamics all the time. Therefore, in order to prevent risk which occurs from fluctuation of copper price, the company has measures to support risk from depending of raw material purchase ordering from abroad, by ordering raw material of copper residue in the country as well,

in the ratio of 50:50. In order to prevent problems to be occurred from risk factors which cannot be controlled, resulting in delay because of transport of raw materials, for example, monsoon happening, or disaster events, etc. and in order to prevent such problems, presently, the Company buys copper residue inside the country to melt again, in order to be another type of raw material of the Company, making the Company to be able to determine the amount, quantity and time of delivery independently and more certainly.

Customers of the company can select conditions of determining of ordering of raw materials suitably for purchase order of customers, as follows:

- 1.1 Buying/selling in type of determining copper price in advance in the acceptable level (Hedging) is the method of purchase order that customers want to reduce risk of price fluctuation of world market copper price, by booking for buying/selling in advance.
- 1.2 Buying/selling with average price, rather popular for customers, as the price is that which customer can determine the cost, for example, customer determines to use price of raw material of copper sheet in arrears for one month, or in arrears for two months in the condition of ordering of raw materials in Clause 1.1 and 1.2, the Company will summarize the buying amount and the sales amount at every end day of each month, to make paper trade to reduce stock of raw materials or buying/selling parts to prevent risk for another time. In determining orders of raw materials by customer, the Company will divide price of raw materials according to London Metals Exchange (LME) and fee, customer pays expense.
- 1.3 The Company purchased and procured raw materials, calling the price of raw material, by customer determines the basic conditions and joint production capacity between the Sales Department, Production Department and production Planning Department to control the production of products
- 1.4 The Company have monthly plan to control and manage inventory in suitable situation. The Company set a target and has production planning every month to comply with customers' orders.

2. Risk in Marketing

Risk from importing of copper tube from abroad and price competition of goods is the risk from import competition of copper tube from China, Malaysia and Korea. Competitors from those countries propose sales price of copper tube having cheap price. However, customers have problems on quality of products and service, when products of the company are compared, the problems of quality and service of import of copper tube cannot compete with the quality of the company. In the year 2020, there is import of copper tube from China about 83%; from Malaysia 7 % from Korea about 5% and other country 5%, however the risk of price competition that increases violence. The company has set guidelines for the operation, by focusing on producing good quality products for customers In accordance with the company policy In order to be a leader in the production of copper pipes in Southeast Asia, the company has developed and improved various operating systems and technologies.

3. Competition risk

Copper pipe manufacturing industry in Thailand is an industry that focuses on both domestic sales and export markets, which apart from competing from local manufacturers also have 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 and the economic conditions had changed the concept of consumers who want quality products and reasonable prices, the company has focused on increasing productivity, providing services and delivering products that can respond to customers for able to compete with other suppliers as well. The company still developed products to support new technology requirement from customer.

4. Labor Risk

At present, Thailand is experiencing more labor shortage problems at the operational level. Especially in the private sector's business due to the higher popularity of higher education to have personnel Not much operating level, The company has implemented measures to reduce labor risks such as offering compensation, welfare and improving workplace safety and environment by aiming that will be a company that can work safely and comfortably and accidents must be zero to motivate employees to come and work with the company.

5. Risk to the Investment of Security Holders

On 1 June 2020, the principal shareholder of the Company, or Daishin P & T Company Limited (the former name of which is Furukawa Electric Company Limited), which is the parent company in Japan, has sold all the shares of the Company to CTJ Holdings 2, Ltd. Therefore, in 2020, CTJ Holdings 2, Ltd. holds 20,280,280 shares of the Company, or 42.25 percent of all the paid-up shares of the Company. The Company still does the copper tube business with stability and growth, and is still a listed company of SET. In addition, concerning the administration, the Company is still run by executives from Daishin P & T Company Limited, who still hold the same positions as before, providing technical supports to the Company in order to make the business of the Company be the first leader in the industry of copper tube industry. There is not any plan to change business or executives of the Company. As a result, CTJ Holdings 2, Ltd. is the principal shareholder with administrative power to control almost all the resolutions of shareholder meetings, including the appointment of directors of the Board or the request for resolutions concerning any other matter that need the majority votes from the meeting, except matters concerning law or regulations of the Company, which must be supported with three-fourths of all the votes in a shareholder meeting. Thus, other shareholder's cannot gather votes to check or balance the issues proposed by the principal shareholder. Nevertheless, the structure of the administration of the Company consists of the following elements:

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

Concerning the details of the administration structure, there is the definition of the clear scope of power and responsibilities of each committee (Board). Also, all the 3 members of the Audit Committee are independent directors, from all the 5 independent directors, all of which have knowledge and capability of business management, and understanding of financial statements and reports. Hence, they can make the operations of the Company transparent and accountable. Furthermore, the Company also has the policy on transactions with related people such as directors, executives, big shareholders and other people that may have conflicts of interest, to compare the conditions with those posed by any outsider first before presenting that transaction to the Audit Committee for consideration before presenting it in a board meeting for approval.

6. Industrial Risk

Seamless copper tube that customers use as main material in making air-conditioners, presently there are new raw materials for testing in use instead of copper tube, in making of air-conditioner, that is aluminum. Even though cost of raw materials for production, aluminum is cheaper than copper, and air-conditioner makers still use copper tube products. For effect to be occurred in the future, if manufacturers of aluminum pipe develop quality of production to be used will and there is no problem in welding, when customers use the aluminum pipe, it will affect customers as more customers will use aluminum pipe, but the quality of aluminum pipe dose not tolerate like copper tube. In addition, customers demand smaller copper pipes and higher efficiency to support the new inverter air conditioner. In this part, the company has developed and innovates to produce smaller copper pipes and higher efficiency for support this demand.

7. The Risk from Customer Relocating their Production Base to Other Countries

The major customer of the Company is a manufacturer and a distributor of an air conditioning and a refrigeration, the majority of production base located in Thailand. If the customer moved production base to other country, which production costs is cheaper Thailand in the future, such as Vietnam. It might affect the operating result of the Company but it is not much. However, the Company agrees that Thailand still has the main factor basis decent to continue the production, and be also a potential country on the production with modern technologies, develops production continuously. Moreover, those customers are partners who deal business with the Company for a long time; customers have confidence in the Company's products till today. However, the Company continues to seek new markets and customers both domestic and abroad additionally

8. The Risk of Relying on Personnel

The Company's business requires the knowledgeable, skilled and experienced personnel in order to obtain products with standard and high accuracy to meet the various customers' requirement, the Company has a policy to promote human resource development by providing a training employee course. And gain experience in transferring technology from skilled employees and foreign production expertise which is the manufacturer of that machine

directly. In addition, the Company arranges for job rotation of staff for employees to learn to work and able to work with other machine for reduce the Company's risk of relying on any one person and the Company provides opportunities for talented personnel and is important for the Company's operations participate in the management of the Company in order to build morale as well as to maintain the employees to stay with the organization included to employment retired person to be advisor to advised and development working.

9. Financial Risk Management

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 has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and control 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 procedure, and review the adequacy of the risk management framework in relation to the risk 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 result of which are reported to the audit committee.

Therefore Credit Risk, Liquidity Risk, Market Risk, Foreign Currency Risk, Interest Risk and Commodity Price Risk all mentioned risks details shown on Company's Notes to the financial statement for the year ended 31 December 2020 .

10. Risk from the Spread of COVID-19 Virus

In 2020, all the countries around the world have faced with the COVID-19 pandemic event. As for Fine Metal Technologies Public Company Limited, the Company has implemented measures to prevent the spread of COVID-19 virus, for saving employees and their families, as well as business partners of the Company. Such measures include, to order all personnel to work from home, to strictly screen everyone entering-exiting the factory and the headquarters by measuring temperature and checking travel records for the past 14 days, to practice social distancing, to prepare hand washing soap and water or hand cleaning alcohol gel at all spots of the Company, to increase the frequency of common space cleaning, to provide to all personnel face masks and PPE, and to launch announcements concerning the prevention against the spread of COVID-19 virus as clear guidelines for all personnel, contractors and visitors to strictly adhere to in order to prevent the infection of COVID-19 virus.

The Company has anticipated the situations in the world and in Thailand that in 2020 and 2021, the world will not be free from COVID-19 virus. Thus, the Company has launched the policy on work from home (WFH) in order to be confident that all personnel and their families and business partners of the Company can continuously deliver products and services to customers. In addition, the Company has been encouraging everyone to follow the directions given by the Centre for COVID-19 Situation Administration (CCSA) and warnings from Ministry of Public Health in the strict manner, and to work from home by using digital technologies such as teleconference. The Company has also implemented the strict measure to carry out the screening process to all personnel and visitors who are entering any of all buildings, including the office and the factory, by measuring temperature, checking their timelines and forcing them to wear face masks, and has also been disseminating information of the spread of COVID-19 virus frequently, through the daily radio broadcast system of the Company in order that all the personnel and contractors working inside the Company areas will be aware of information and updated situation relating to the spread of COVID-19-29 virus and measures to prevent the spread of COVID-19 virus in Thailand. As a result, in 2020, there is no event of COVID-19 virus infection in the Company.

Connected Transactions Y. 2019 and Y. 2020

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 with justification by adhering the same practice with making the items with the third party.

Thus, in the case there is a related item of the Company the audit committee shall provide the opinion on the necessity to do such the item, including the consideration on the various conditions to comply with the characteristics on the normal business in the industry. However, in the case there is a related item with essence, the Company shall arrange to pass the consideration of Audit Committee before submit to the Board of Directors approving it.

Related Items in 2019 and 2020

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2019 (Thousand baht)	Comment by the Audit Committee
1. Furukawa Electric Co., 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 holds 20,280,280 shares, or 42.25% of the paid-up registered capital until May 31, 2020.	It has signed the contract to receive technical help by paying the fees to Furukawa Electric and sign the contract to prevent the risk from fluctuations of copper product sales to the customers in Thailand (see details in important contract with the relevant business Re: Contract for technical and risk prevention contract)	▶ No transaction in 2020 ▶ Fee on technical service at 4,807 thousand baht. ▶ No service fees and others. ▶ With the credit balance of 113 thousand baht.	▶ No transaction in 2019 ▶ Fee on technical service at 17,925 thousand baht. ▶ No service fees and others in 2019. ▶ With the credit balance of 8,087 thousand baht.	The audit committee asked the management to present the consideration on renewing the contract for technical assistance. The Company proposed to the Board of Directors to consider appropriateness of contractual conditions every year. However, the technical assistance in 2020 has been approved by the Board Meeting on 6 November 2019.
		The Company sold copper tube to Furukawa Electric as well.	▶ No Transaction in 2020. ▶ With total debtor balance of 21,596 thousand baht. ▶ Loss from copper hedging 30,494 thousand baht.	▶ No Transaction in 2019. ▶ With total debtor balance of 1,599 thousand baht. ▶ Loss from copper hedging 35,330 thousand baht.	
2. CTJ Holdings 2, 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 holds 20,280,280 shares, or 42.25% of the paid-up registered capital since June 1, 2020.	No Transaction in 2020.	▶ No Transaction in 2020.	▶ No Transaction in 2020.	

Connected Transactions

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2019 (Thousand baht)	Comment by the Audit Committee
3. Daishin P&T Co., Ltd. (Japan)	It is the subsidiary of the parent company, 100% shareholding since June 01, 2020. (CTJ Holdings 2, Ltd.)	It has signed the contract to receive technical help by paying the fees to Daishin P&T Co., Ltd.	▶ No goods purchasing ▶ Fee on technical service at 9,090 thousand baht. ▶ No service fees and others. ▶ With the creditor balance of 6,937 thousand baht.	▶ No Transaction in 2019.	The audit committee did not give any additional comment.
4. Furukawa Sangyo Kaisha (Thailand) Co., Ltd.	It is a trade partner in the group of Furukawa Electric Co.,Ltd with Furukawa Sangyo (Kaisha) holding 57% and Furukawa (Thailand) Holding 43%.	Supply of copper sheets, tools and consumables to the Company.	▶ Total goods purchasing of 669 thousand baht. ▶ With the total creditor balance of 78 thousand baht.	▶ No goods purchasing. ▶ No creditor balance.	The audit committee did not give any additional comment.
		The Company sold cooper tube to Furukawa Sangyo (Kaisha) (Thailand) Co., Ltd.	▶ Total goods sales of 125,021 thousand baht. ▶ With total debtor balance of 21,618 thousand baht.	▶ Total goods sales of 177,146 thousand baht. ▶ With total debtor balance of 31,131 thousand baht.	
5. Furukawa Electric (Singapore) Co., Ltd.	It is a trade partner in the group of Furukawa Electric Co., Ltd with the same Major Shareholder is Furukawa Electric Co., Ltd. Holding 100 % until May 31, 2020.	The Company signed a contract to purchase copper from Furukawa Electric Singapore. See details in the important contract with the related business Re : long-Term Contract for the Purchase of Copper Cathode.	▶ Total goods purchase of 626,241 thousand baht. ▶ With the total creditor of 33,699 thousand baht.	▶ Total goods purchase of 897,900 thousand baht. ▶ With the total creditor of 139,523 thousand baht.	The audit committee did not give any additional comment.
		The company sold copper tubes to Furukawa Electric Singapore Ple, Ltd.	▶ Total goods sales of 78,585 thousand baht. ▶ With the remaining debtor of 12,437 thousand baht.	▶ Total goods sales of 116,976 thousand baht. ▶ With the remaining debtor of 17,644 thousand baht.	
6. Furukawa (Thailand) Co., Ltd.	It is a trade partner in the group of Furukawa Electric with 1. Furukawa Electric is the same Major Shareholder holding 41.36% until May 31, 2020 2. Furukawa Thai Holding of 43.93 % share 3. Thai Furukawa Unicorn Engineering in Thailand holding 7.78% 4. Furukawa Electric Singapore holding of 7.47% share	Furukawa (Thailand) provides this project maintenance service on the management of the production with the company system with the Company (See details in the related business Re : System Development Service Support and Basic Trading Agreement).	▶ Total goods purchase (Cost of production maintenance service 3,530 thousand baht). ▶ With the creditor balance of 21 thousand baht.	▶ Total goods purchase (Cost of production maintenance service 549 thousand baht). ▶ Total goods purchase (consultant fee) of 2,394 thousand baht. ▶ With remaining creditor balance of 497 thousand baht.	The audit committee did not give any additional comment.
7. P.T. Furukawa Electric Indonesia (Indonesia)	It is a trade partner in the group of Furukawa Electric Co.Ltd. with the same Major Shareholder is Furukawa Electric holding share of 100% until May 31, 2020.	The company sold copper tube to Furukawa Electric Indonesia.	▶ Total goods sales of 86,703 thousand baht. ▶ With the remaining debtor of 21,865 thousand baht.	▶ Total goods sales of 59,288 thousand baht. ▶ With the remaining debtor of 11,337 thousand baht.	The audit committee did not give any additional comment.
			▶ No goods purchasing. ▶ No creditor balance.	▶ No transaction in 2019. ▶ No creditor balance.	
8. FITEC Corporation (Japan)	It is a company in the group of Furukawa Electric Co.Ltd. in Japan with the same Major Shareholder is Furukawa Electric holding share of 100% until May 31, 2020.	FITEC Corp. provided the maintenance service of the production management with the contract was terminated on 31 March 2013 (see the details in the important contract with the business related on maintenance consulting agreement of total production management system).	▶ No transaction in 2020.	▶ No transaction in 2019.	The audit committee did not give any additional comment.

Connected Transactions

Related person	Relations	Characteristics of the Item	Value of the Item in 2020 (Thousand baht)	Value of the Item in 2019 (Thousand baht)	Comment by the Audit Committee
9. Furukawa Thai Holding Co., Ltd.	It is a Company in the group of Furukawa Electric Co., Ltd with the same Major Shareholder is Furukawa Electric holding share 48.73% and hold 339,990 shares, or 0.71% of the paid-up registered capital until May 31, 2020.	The company signed the contract on the management of finance with Furukawa Thai Holding Ltd. To provide better financial management (see the details in the important contract with the related business Re : Cash management agreement) ▶ Supply and provide transportation service to the Company (start 1 May 2018)	▶ Short term loan 405,778 thousand baht as of 1 January, 2020 until 31 March 2020. ▶ No short term loan since April 1, 2020. ▶ No creditor balance. ▶ Total goods purchase (service) of 122 thousand baht. ▶ No creditor balance.	▶ Short term loan 405,778 thousand baht. ▶ With the remaining creditor balance of 409 thousand baht. ▶ Total good purchase (service) of 408 thousand baht. ▶ With the remaining creditor balance of 36 thousand baht.	If there is a related item, the Audit committee would like the management to present the financial management contract with Furukawa Thai Holding approved to review the suitability first. How ever the management shall report the status on the financial management to the Audit Committee and report to the board of directors for acknowledge on each meeting
10. Tani International Trading Co., Ltd.	It is a shareholder of the Company and director of the Company. A group member of the entity which provides key management service to the Company.	The Company sold copper tube to Tani International Trading Co.,Ltd.	▶ Total goods sales of 540,341 thousand baht. ▶ With the remaining debtor balance of 120,872 thousand baht. ▶ Total goods purchase (Cost of production maintenance service) 158 thousand baht. ▶ With the creditor balance of 28 thousand baht.	▶ Total good sales of 683,643 baht. ▶ With the remaining debtor balance of 151,478 thousand baht. ▶ Total good purchase (Cost of production maintenance service) 20 thousand baht. ▶ With the remaining creditor balance of 1 thousand baht.	The audit committee did not give any additional comment.
11. Furukawa Logistic Coportation Co., Ltd.	It is a company in the group of Furukawa Electric Co., Ltd. With the same Major Shareholder is Furukawa Electric Co., Ltd. holding share 100% until May 31, 2020.	Supply and distribution of consumable to the Company	▶ Total goods purchase of 27 thousand baht. ▶ No creditor balance.	▶ Total goods purchase of 110 thousand baht. ▶ With the remaining creditor balance of 67 thousand baht.	The audit committee did not give any additional comment.
12. Okumura Metal (Malaysia) Co., Ltd.	It is a trade partner in the group of Okumura Metal and the same Major Shareholder is Furukawa Electric Co., Ltd holding share 100% Shareholder Daishin P&T Co., Ltd. since April 1, 2020.	The Company sold copper Tube to Okumura Metal (Malaysia) Co.,Ltd.	▶ Total goods sales of 369,654 thousand baht. ▶ With the remaining debtor balance of 86,187 thousand baht.	▶ Total goods sales of 455,266 thousand baht. ▶ With the remaining debtor balance of 81,057 thousand baht.	The audit committee did not give any additional comment.
13. Okumura Metal (Thailand) Co., Ltd.	It is a trade partner the group of Okumura Metal and the same Major Shareholder is Furukawa Electric Co., Ltd., holding share 100% Shareholder Daishin P&T Co., Ltd. since April 1, 2020.	The Company sold copper tube to Okumura Metal (Thailand) Co.,Ltd.	▶ Total goods sales of 202,229 thousand baht. ▶ With the remaining debtor balance of 100,867 thousand baht.	▶ Total goods sales of 301,975 thousand baht. ▶ With the remaining debtor balance of 103,810 thousand baht.	The audit committee did not give any additional comment.
14. Bangkok Insurance Public Company Limited.	It is a shareholder of the Company.	Supply and provide insurance service to the Company	▶ Total good purchase (insurance) 5,039 thousand baht.	▶ Total good purchase (insurance) 5,863 thousand baht.	The audit committee did not give any additional comment.



Policy of Compliance with Principle and Code of Best Practices for Directors in consistency with Code of Best Practices for Directors of Listed Company in accordance with the Guideline of Stock Exchange of Thailand However, the determination of legal provisions can be adhered as actual regulation. Moreover, the Company has applied the principle of Good Corporate Governance as the guideline of policy development covering the right and equality of the shareholders and stakeholders. The structure, role, duty, responsibility, and independence of the Board, information disclosure and transparency of control and risk management as well as business ethics are for the Company's effective and transparent management and business operation

The Company realizes and focuses on importance of effective, transparent and auditable management that will bring confidence to all relevant parties and lead the company to sustainably grow under code of conduct and compliance with law. Therefore, the Company defines a policy of good corporate governance with concrete practice to promote everybody in the organization to strictly abide by. Nevertheless, the policy of good corporate of the Company has following details

1. Rights of Shareholders

The Company realizes importance of shareholder's rights as they are investors in securities such as rights of purchase, sale, transfer of securities they are holding, rights of receiving profit share from the Company, right of receiving sufficient data of the company, right of attending shareholder's meeting, rights of giving opinions, rights of making a decision on subject matters of the Company, appointment or removal of committee, appointment of auditor and amendment of memorandum of association and regulations of the Company etc. The Company has a policy in operating works to promote and facilitate exercising shareholder's rights as follows :

- 1.1 The Company supports the Company's committee, executives and relevant institutes along with auditor to attend Shareholder's Meeting.
- 1.2 The Company will deliver a letter of meeting appointment to shareholders along with supporting details in different agenda in advance notice 7 days and it will publish the letter of invitation to Annual Shareholder's Meeting in newspaper for 3 consecutive days and in each agenda, there will be opinions of the Company's committee to support consideration

so that the shareholders will have time to study details. The Company will not add agenda without making prior notice to shareholders.

- 1.3 In Annual General Meeting, the Company will give a chance to shareholders equally to give opinions, suggestions or ask a question in each agenda freely before voting in each agenda. Nevertheless, in Shareholder's Meeting, the company's committee and relevant executives will attend it to answer questions in the Meeting and there will be recording questions and opinions in the minutes at any times so that the shareholders can verify them.
- 1.4 In the Meeting, minutes record important questions and opinions will be recorded in the minutes of the meeting. So that the shareholders can be examined, at each shareholder meeting. The Chairman of the meeting will explain the rules used in the meeting including voting procedures, Vote and allocated sufficient time for the meeting.
- 1.5 The Company gives a chance to shareholders that can not attend the meeting by themselves to exercise rights of voting by authorizing others or independent committee to attend the meeting and vote for them.
- 1.6 The Company attaches a power of attorney form B which the shareholder can select to vote by himself herself in each agenda together with letter of invitation to meeting in both Thai and English versions.
- 1.7 The chairman of the Meeting will clarify the rules used in the Meeting, including voting procedures and allocate sufficient time for Meetings.
- 1.8 In the 2020 held Annual General Meeting of Shareholders hold on Wednesday 29 April 2020 at Meeting Room 1103, 11th Floor, Bangkok Insurance Building, No. 25 South Sathorn Road, Tungmahamek Sub-district. Bangkok 10120, whereby the shareholders were given an opportunity to vote for the directors who retired by rotation. So that the shareholders actually have the right to elect directors in this year, the 2020 Annual General Meeting of Shareholders was in the situation of the coronavirus disease (COVID-19) pandemic. From shareholders attending the Meeting in strict compliance with the requirements to prevent the spread.
- 1.9 The Company will record the questions and important comments in the Minutes of the General Meeting of Shareholders can check after the Meeting.

- 1.10 After the Meeting is finished The Company will prepare the minutes of the Meeting by delivering to various agencies within the time limit for the shareholders can be examined.

2. Equitable Treatment of Shareholders

The Company has a policy of equitable treatment of shareholders including major or minor shareholders, institution or foreigners in order to bring equality with following details

- 2.1 The Company gives shareholders the right to vote, one share per one vote. The company has only one type of common stock.
- 2.2 In each meeting the company will give a chance to all shareholders equally and before the meeting starts, the Chairman of meeting will explain about how to exercise right of voting, how to count votes of shareholders that shall resolve in each agenda. All participants are also given a chance to give opinions and make inquiry and the Company will not add agenda in the meeting without making prior notice to shareholders.
- 2.3 Giving information to the committee and executives to perceive duties that shall be reported assess possession of the company When buying, selling, transferring or accepting assess possession or a contract that sells in advance will reporting as required by the Securities and Exchange Commission and SET No.38/2018
- 2.4 The Company supervised usage of company' internal data strictly to prevent taking advantages from such data for themselves or other people in illegitimate ways to bring fairness to all stakeholders. It also defined that the committee, executives and employees shall not trade securities of the Company by using internal data that may cause damage to the Company directly or indirectly and importantly, committee, executives and employees shall not use internal data before published
- 2.5 In considering transactions between the company and stakeholders or relevant parties, it must be reported to the company immediately and they shall not join decision or voting in that matter
- 2.6 In the year 2020, there was never the case Director or Executive of the Company have securities trading by using internal information and the Company does not have any violations.

3. Role of Stakeholders

► Shareholder

In addition to basic rights specified in the laws and regulations of the Company such as the right to attend the meeting and independently vote at the Shareholders' Meeting, etc. The Company is also committed to conducting business with knowledge and management with integrity and fairness to major and minor shareholders, for the maximum benefit of the shareholders as a whole Including regularly disclosing information and completely according to reality

► Employee

The Company has promoted and developed employees to have knowledge in working together with good morals and ethics in Y. 2020, the Company has focused on developing the organization to be a learning organization such as building Quality School, Safety School and MT School for increase operational skills for employees to have expertise in working with all machines and able to perform work by themselves, how to fix problems immediately, the Company has continuously improved the working environment to to have a good working atmosphere working safety all day every time employees work in the company. In order to strengthen the safety of work as well, the management has put the importance of campaigning for 5S activities seriously, in which in 2020 the company has joined with the Thai-Japanese Technology Promotion Association by starting training to educate employees and establishing a 5S work team by appointing a 5S head area, a 5S committee and a high-level executive committee in early 2020, there is a division of responsibility for each department both are responsible for the area. To develop the environment within the Company and want all workers to participate to perform the duties of an operation as well as to drive the system to be more efficient and profitable. In 2020, the Company has organized an activity contest area 5S of each department for menstruation with a committee of 5S And the top executive directors inspect and give scores for the month In order to create awareness for employees to work together in their own area and every day for 10 minutes as well, which can be said that 5S activities are fundamental to creating a good environment in the workplace. Eliminating wastes and reduces

unnecessary cost losses leading to better productivity. If looking at the benefits of doing 5S's activities, it is not an additional job and not difficult at all. But it is something that every employee can do every day. And make good hygiene to make it a habit If we continue to do will be the basis for the development of work efficiency and more concrete. This result is a stable and lasting forever organization.

Objectives of activities 5S

1. To create a good environment for all employees to work safely.
2. To improve algorithms, processes for all employees to work more efficiently.
3. To promote and develop a beautiful and livable environment within the factory.
4. To enhance the Company's operating results for sustainable growth
5. To create a good atmosphere at work and lead to a better quality of life for all employees

In addition, the Company continues to encourage employees to analyze the elimination of hidden accidents in their work. By presenting the recommendations of the employees themselves every month by requiring all executives and employees to write a Near Miss report (Near Miss) each person / month and a summary of each plan what problems must be addressed and improved. As well as organizing a Kaizen Safety activity on a monthly basis. For examination and recommend improving the safety of each department

► Customers

The Company is committed to produce quality products to provide customer satisfaction with highest satisfaction, aim to develop and maintain a relationship customer with confidentiality seriously and consistently.

► Trade Partner and Creditor

The Company holds principles of administration by not taking advantages and having integrity in business operation, includes maintaining common benefit with trade partners and creditors by complying with mutual laws and conditions strictly, treating creditors fairly and reimbursing debts in time in accordance with agreements.

► Government Sector

The Company gives precedence to doing transactions with transparency and honesty to officers or

government sectors and opposing any kinds of bribery to government officials to facilitate or to obtain business profit of the Company. Including focusing on operations that use resources efficiently and not taking any action that will adversely affect society natural resources and the environment also find opportunities to support community social activities.

► **Community and Environment**

The Company operates the business with community and environmental responsibility and always recognizes that natural resource and environment conservation is important that needs to be seriously practiced by all employees. Thus, in every procedure of operation, the Company needs to be sure that products and services of the Company are correctly operated in accordance with rules, regulations or measures. As well as promoting employees to be conscious and responsible for the Community Society and Environment are always serious.

► **Competitor**

The Company operates a business with a policy to treat competitors fairly. According to the framework of trade competition law by adhering to business operations within the Company's code of ethics ethically transparent including not taking advantage of competitors by unlawful methods. Do not seek confidential information with dishonest methods, or inappropriate not do anything is a violation of intellectual property rights of competitors, not to damage the reputation of competitors by malicious accusations without truthful information. Promote free trade avoiding any agreed behavior, that is a monopoly, reducing or restricting competition

Conflict of interest

In operating business activities of the Company, there should be avoiding any actions that cause conflict of interest. The audit committee will present company's committee transactions and reports with conflict of interest that has been thoroughly considered and will comply with regulations of Stock Exchange of Thailand.

The Company will operate the business according to the law and other rules and regulations in order to maintain the benefits of the stakeholders.

4. Shareholders' Meeting

Year 2020, Fine Metal Technologies Public Company Limited hold 2 times of Shareholder's Meetings as follows :

- 4.1 The Annual General Meeting of Shareholders Y.2020 on Wednesday, 29 April 2020, there were 13 directors attending the Annual General Meeting of Shareholders, which included the audit committee members. (The Company's Board of Directors consists of 13 members at 29 April 2020).
- 4.2 The Extraordinary General Meeting of Shareholders Y.2020 on Monday 9 November 2020, there were 13 directors attending the Extraordinary General Meeting of Shareholders (The Company's Board of Directors consists of 13 members).

The Chairman of the Meeting has provided equal, opportunity and treatment to all Shareholders' to inquire about the company operation, and encourage shareholders to express their opinions and raise any questions at the meeting providing details regarding the Meeting, voting method by counting one share per one vote which the shareholders or proxies only one vote required to agree, disagree or abstain.

5. Leadership and Vision

The Board of Directors comprised of members with knowledge, skill and understanding of the roles and responsibilities as well. They have the duty for supervision, monitoring and review the Company's operation and responsible for the Company's business to comply with law, regulation and shareholder's resolution with honesty and the Board of Directors participates in determining the vision, task, strategy, business plan and target and budget of the company and supervising the management performance to ensure that the business plan and budget have been carried out efficiently and effectively for the maximum economic value of the business and the maximum stability for the shareholders.

To make duty division about company's policy making and administration clearly separated, the Company defines that the committee chairman and managing director are not the same person

The Chairman has following power and duty

1. Calling for Committee's meeting and being the Chairman in the Committee's Meeting and Shareholder's Meeting as well as having roles in determining agenda together with the managing director.
2. Playing roles in controlling the meeting to be effective in accordance with Company's regulations, supporting and giving chances to Company's Committee to freely give opinions.
3. Taking care of communication between Committee and Shareholders to be effective.
4. Supporting and promoting Company's Committee to perform duties with full potentials according to scope of duty and responsibility and principles of good corporate governance.
5. Supervising and monitoring administration of Company's Committee and other committees to achieve specified objectives.
6. Giving final vote in case the Committee's Meeting had voting with equal result.

Authorization of the Board of Directors

1. To perform duties in accordance with objects and Articles of Association of the Company.
2. The Board of Directors shall elect a qualified person without legally forbidden nature to be director for proposing to the shareholders to approve as a director through a screening process or carefully considered careful by the Board of Directors.
3. The Board of Directors shall held a Meeting of Shareholders in the form of the Annual General Meeting of Shareholders within 4 months from the last day of the Company's accounting period. Any meeting of shareholders other than the meeting above shall be called the Extraordinary Meeting which may be summoned by the Board of Directors any time as may be reasonable.
4. The Board of Directors shall hold a meeting at least once every 3 months, The Board of Directors will set the meeting date in advance of the next year. By having a meeting at least 4 times a year and presenting to the Board of Directors for consideration in the last meeting of the year in Y. 2020 and present to the Meeting of the board of directors for determining the date of the joint meeting in the last board meeting of the year which was held on Monday 9 November 2020. In Y.2021 the Company Meetings are scheduled for February, April, August, and November, So that the Board can plan and attend every Meeting.
5. The Board of Directors shall produce a balance sheet and profit and loss account on the last day of the Company's accounting period and submits such documentation to the meeting of shareholders at

the Annual General Meeting of shareholders to consider approval of the said balance sheet and profit and loss account, the Board of Directors shall have an auditor verify such documentation completely before submitting it to the meeting shareholders.

Responsibility of Company's Committee

The Company's committee has duties to define policy, vision, strategy of business operation, goal and budget of the company as well as supervise the management to control and manage works in accordance with the specified policy effectively under objectives of the Company's regulation and resolution of shareholder's meeting with responsibility, integrity, carefulness and principles of good practice.

The Company also controls and monitors administration of the management to be transparent and consistent with code of conduct of executives and employees and supervises communication and data disclosure to be properly conducted. The Company's committee performs works according to law on securities and exchange, regulations of Office of Securities and Exchange Commission, requirements of Stock Exchange of Thailand, practices for committee of registered company of Stock Exchange of Thailand along with Capital Market Supervisory Board and laws related to business operation of the Company.

Authorization of the Executive Committee

1. Having duties to carry out the management of Company business in compliance with the Company business objectives provided that in accordance with policy prescribed by the Company Board of Directors.
2. Having the power to approve and/or assent on any Company normal business operations and general business management.
3. Considering and screening the Company annual policy, target work plan budget and any other recommendations to be proposed to the Company Board of Directors for approval.
4. Considering the guidelines, policy and target on the investment prior to submission to the Company Board of Director for approval in order to establish work frame for management factions to function accordingly.
5. Performing any other tasks as assigned by the Company Board or Directors.

Duties of Company's Secretary

To complete with section 89/15 and section 89/16 of the Security and Exchange Act (No.4) B.E. 2551 has duties and responsibilities as follow :

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.

Approval of Business Transaction

For business transaction, there shall be necessity and reasonability of transaction doing to produce maximum benefit of the Company. The future business transaction doing depends on cause and effect and necessity to pay and receive remuneration to be line with fair price of market price upon requirement of consent from the Audit Committee. In the event that the said transaction occurs, the Audit Committee will consider the necessity and reasonability of the transactions and inform their opinions to the Board of Directors' Meeting.

Policy of Future Business Transaction

According to inter-transactions that may occur in the future, the Board of Directors shall not approve any transactions of which they themselves or the persons may have conflict of interest in any other natures with the Company. The said transactions shall be disclosed to the Audit Committee for consideration and opinion expression that the said transaction is the transaction which is in line with the nature of the general business and takes place in fair price, and proposed to the Board of Directors for consideration.

Supervision on inside information

The Company has the policy in supervising and controlling not to allow the executive to use the Company's internal information for their personal benefits including for the advantage of their security purchasing also the

management are required to report on change in shareholding of securities to The Securities Exchange Committee and the Securities and The Stock Exchange of Thailand Act, No. 38/2561.

6. Business Ethics

The Company has provided the Conducts of the Board of Directors, the management and the employees so the related party has a guideline to perform his duties for the company with integrity, honesty and equity and His manner toward the company and all related persons, the public and the society. The related party has acknowledged and agreed to comply with such ethic conducts. The Company has consistently communicated with the employees and monitored the work in accordance with such guideline from time to time. Moreover, the disciplinary action has been established.

7. Balance of Power for Non-Executive Directors

As of 30 December 2020, the Board of Directors has 14 Persons comprises of :

- Executive Directors	3	Persons
- Non-Executive Directors	6	Persons
- Independent Directors	5	Persons
(Equal 1/3 of total director)		

The Company independent directors' consist of one third of the overall directors, and due to the Company structure, the Company Chairman is not an executive and is not the same person with Managing Director, and therefore, it is confident that said directors could fully perform their duties in the capacity of the representatives of the shareholders with proper balancing. In this respect, all the independent directors are able to independently perform their duties, express their views or give their report as they should be and as assigned by the Company's Board of Directors.

8. Aggregation or Segregation of Positions

The Chairman is a representative of the major shareholders and the Chairman is not the same person as the Managing Director, but both persons are representatives from two groups of major shareholders. The Managing Directors has the authority and responsibility to manage the Company as directed and supervised by the Board of Directors. However, the structure of the Board of directors comprises of one-third (1/3) independent directors (Total 4 persons) to provide a balance of power and proper supervision on the management performance.

9. Remuneration for Directors and the Management

Directors' Remuneration : The Company has set a clear and transparent policy on the level of directors, remuneration that is comparable within the industry and adequate to attract and retain the high caliber directors. The level of remuneration was approved by the resolution at the shareholders' meeting. Directors who are appointed to be a member of the Audit Committee would receive higher remuneration to correspond with the amount of additional works.

Management's Remuneration : The management's remuneration are set in line with the policy of the Board of Directors in relation with the Company's operating results and each individual management performance.

The amounts of each type of remuneration for such as meeting attendance, Bonus, and others Directors and Management in Y. 2020 by considering comparable to that of affiliated companies nearby and proposed to the shareholders meeting to approve the directors' remuneration are as follows :

Monetary Compensate

Company Director consist of 14 persons are as follow :

- | | |
|--------------------------------|--------------------------|
| 1. Chairman | 480,000 baht/person/year |
| 2. Chairman of Audit Committee | 420,000 baht/person/year |
| 3. Audit Committee Member | 360,000 baht/person/year |
| 4. Director | 300,000 baht/person/year |

Executive Directors and Management

	Y. 2019		Y. 2020	
	No. of Persons	Amount (Baht)	No. of Persons	Amount (Baht)
Attendant Payment	11	3,381,610.73	12	3,435,000.00
Bonus	-	-	-	-
Others	-	-	-	-
Total	11	3,381,610.73	12	3,435,000.00

Board of Directors

Year 2020 Fine Metal Technologies Public Company Limited, the Company's Board of Directors has 14 members, which includes 5 non-executive independent directors. The directors are elected by the shareholders at the Shareholders' Meeting. At every Annual General Meeting of Shareholders, one-third (1/3) of the directors must retire from the board. In election, each shareholder shall have one vote for each share, and exercise all the votes in appointing one or more person to be a director. The remuneration for directors shall be Not over 5,000,000 baht/year for year 2020 at an appropriate level and approved by the shareholders. The Board of Directors 14 persons shall elect a suitable director to be the Chairman, Managing Director and any other positions as necessary.

The Board of Directors is responsible for establishing the Company's policies, plans and business strategies, including overseeing the operations of the Company. The Managing Director is responsible to the Board of Directors in managing the business and operations of the Company in line with the Board's policies. The Board of Directors shall perform their duties and carry on the business of the Company in accordance with the laws, the Company's objectives and Articles of Association as well as the resolutions of the shareholder's meeting, and shall also be authorized to carry on any activities as prescribed in the Memorandum or those related thereto. The Board of Directors may assign to one or more persons as to carry on any activities of the Company on behalf of the Board of Directors.

The authorized signatories of the Company shall be two directors signing their names together with the Company's seal be affixed. The meetings of shareholders or the Board of Directors shall be entitled to determine the authorized signatories of the Company.

The Board of Directors of the Company on 31 December 2020 are consists of :

1. Mr. Chai	Sophonpanich	Chairman
2. Mrs. Chanida	Asdathorn	Director
3. Mr. Takeshi	Nishizawa	Director
4. Mr. Tinnakorn	Asdathorn	Director
5. Mr. Nobutaka	Taniguchi	Director
14. Mr. Iruru	Hidaka	Independent Director

6. Mr. Hideki	Shiraishi	Director
7. Mr. Junichi	Ishihara	Director and Managing Director
8. Mr. Daisuke	Hamada	Director
9. Mr. Shingo	Nishijima	Director
10. Mr. Vibul	Aunsunnta	Chairman of Audit Committee & Independent Director
11. Mr. Chor Nun	Petpaisit	Audit Committee & Independent Director
12. Mr. Akira	Fujita	Audit Committee & Independent Director
13. Mr. Deja	Tulananda	Independent Director

The Remuneration for Executive Directors and Management

	2019		2020	
	No. of Persons	Amount (Baht)	No. of Persons	Amount (Baht)
Salary	10	25,127,409.00	11	26,092,952.00
Bonus	7	6,124,582.00	7	7,325,701.00
Attendant Payment	-	-	-	-
Total	-	31,251,991.00	-	33,418,653.00

10. Board of Directors' Meeting

Board Meetings are normally held every quarter to review the Company's business and may hold special meetings when necessary. These Meeting should have specific agendas and the company's secretary sends relevant documents to the directors in advance more than 7 days prior to the Meeting, so as to allow sufficient time for them to review data and information prepare for asking in Board

Meeting . All directors are free to express their opinions in the Meeting. In year 2020, there were set 6 Board of Directors Meetings 4 times are the Annual General Shareholder's Meeting and 2 times are the Extraordinary Annual General Shareholder's Meeting that include the following participants :

Directors Monetary Compensation for the Year 2020

No.	Name	Position	(Baht/Year)
1.	Mr. Chai Sophonpanich	Chairman	480,000.00
2.	Mrs. Chanida Asdathorn	Director	300,000.00
3.	Mr. Takeshi Nishizawa	Director	300,000.00
4.	Mr. Tinnakorn Asdathorn	Director	300,000.00
5.	Mr. Nobutaka Taniguchi	Director	300,000.00
6.	Mr. Makoto Kasuga (Ended 29 Apr 2020)	Director	99,167.00
7.	Mr. Shingo Nishijima (Effectived 29 Apr 2020)	Director	-
8.	Mr. Junichi Ishihara	Director and Managing Director	-
9.	Mr. Daisuke Hamada	Director	-
10.	Mr. Gendai Yamaguchi (Ended 4 Jun 2020)	Director	-
11.	Mr. Hideki Shiraishi (Effectived 4 Jun 2020)	Director	172,500.00
12.	Mr. Vibul Aunsunnta	Chairman of Audit Committee & Independent Director	420,000.00
13.	Mr. Chor Nun Petpaisit	Audit Committee & Independent Director	360,000.00
14.	Mr. Akira Fujita	Audit Committee & Independent Director	360,000.00
15.	Mr. Deja Tulananda	Independent Director	300,000.00
16.	Mr. Iruru Hidaka (Effectived 9 Nov 2020)	Independent Director	43,333.00
Total			3,435,000.00

Remarks : Details of the directors who resigned and appointed during the year 2020 are as follows :

- 1) The Board of Directors' Meeting No. 2/2020 on Wednesday 29 April 2020.
 - Director resigned is Mr. Makoto Kasuga
 - New Director is Mr. Shingo Nishijima
- 2) The Board of Directors' Meeting (Extra Meeting) No. 1/2020 on Thursday 4 June 2020.
 - Director resigned is Mr. Gendai Yamaguchi
 - New Director is Mr. Hideki Shiraishi
- 3) The Board of Directors Meeting No. 3/2020 on Monday 10 August 2020 and Proposed in the Extraordinary General Meeting of Shareholders No. 1/2020 on Monday 9 November 2020.
 - Appoint new Independent Director is Mr. Iruru Hidaka

Meeting Attendance / All Meeting Attendance in Year 2020 (Times)

No	Director's Name	Term Appointed to Office	Board of Directors Meeting (Times)	Audit Committee Meeting (Times)	Annual General Meeting of Shareholders No. (%)	Extraordinary General Meeting of Shareholders No. (%)
1.	Mr. Nobutaka Taniguchi	Apr 2020 – Apr 2023	6/6 (100%)	-	1/1 (100%)	1/1 (100%)
2.	Mr. Takeshi Nishizawa	Apr 2020 – Apr 2023	6/6 (100%)	-	1/1 (100%)	1/1 (100%)
3.	Mr. Vibul Aunsunnta	Apr 2020 – Apr 2023	5/6 (83%)	4/4 (100%)	1/1 (100%)	-
4.	Mr. Chor Nun Petpaisit	Apr 2020 – Apr 2023	5/6 (83%)	4/4 (100%)	1/1 (100%)	1/1 (100%)
5.	Mr. Akira Fujita	Apr 2020 – Apr 2023	6/6 (100%)	4/4 (100%)	1/1 (100%)	1/1 (100%)
6.	Mr. Chai Sophonpanich	Apr 2019 – Apr 2022	6/6 (100%)	-	1/1 (100%)	1/1 (100%)
7.	Mr. Deja Tulananda	Apr 2019 – Apr 2022	3/6 (50%)	-	1/1 (100%)	1/1 (100%)
8.	Mr. Tinnakorn Asdathorn	Apr 2019 – Apr 2022	6/6 (100%)	-	1/1 (100%)	1/1 (100%)
9.	Mr. Junichi Ishihara	Apr 2019 – Apr 2022	6/6 (100%)	4/4 (100%)	1/1 (100%)	1/1 (100%)
10.	Mrs. Chanida Asdathorn	Apr 2018 – Apr 2021	6/6 (100%)	-	1/1 (100%)	1/1 (100%)
11.	Mr. Gendai Yamaguchi (Ended 4 Jun 2020)	Apr 2018 – Apr 2021	2/2 (100%)	2/2 (100%)	1/1 (100%)	-
12.	Mr. Hideki Shiraishi (Effectived 4 Jun 2020)	Apr 2018 – Apr 2021	4/4 (100%)	-	-	1/1 (100%)
13.	Mr. Daisuke Hamada	Apr 2018 – Apr 2021	6/6 (100%)	-	1/1 (100%)	1/1 (100%)
14.	Mr. Makoto Kasuga (Ended 29 Apr 2020)	Apr 2018 – Apr 2021	2/2 (100%)	-	1/1 (100%)	-
15.	Mr. Shingo Nishijima (Effectived 29 Apr 2020)	Apr 2018 – Apr 2021	5/5 (100%)	-	1/1 (100%)	1/1 (100%)
16.	Mr. Iruru Hidaka (Effectived 9 Nov 2020)	Nov 2020 – Nov 2023	-	-	-	-

The above summary occurs from recorded Minutes of the Meeting in writing. The Minutes of the Meeting are acknowledged by the Board of Directors and involved parties for review.

11. Committee

The Board of Directors has appointed a committee to monitor and supervise the Company's operations

11.1 Audit Committee : The company has appointed an audit committee who have qualifications as specified by the Office of the Securities and Exchange Commission in order to review the operations of the Company Financial Report Internal control system Select auditor, including considering related transactions. The Audit Committee was first appointed on December 30, 1999 for a term of 2 years, consisting of 3 non-executive directors, all of whom are independent directors. As follows:

1. Mr. Vibul Aunsunnta
Chairman of the Audit Committee & Independent Director
 2. Mr. Chor Nun Petpaisit
Audit Committee Member & Independent Director
 3. Mr. Akira Fujita
Audit Committee Member & Independent Director
- Mrs. Siriporn Lueangrachanee
(Secretary to the Audit Committee)



The Audit Committee of the Company, Mr. Vibul Aunsunta (Chairman of the Audit Committee) and Mr. Chor Nun Phetpaisit (Audit Committee) has knowledge, understanding and experience in accounting and finance. It is acceptable and able to do the duty of reviewing the reliability of the financial statements and Mr. Akira Fujita (Audit Committee) is knowledgeable. They understanding of accounting and finance are sufficient for the aforementioned operations of the Company.

In Y. 2020, the Audit Committee held 4 meetings together with the management team to review the Company quarterly financial statements and the Y.2020 Financial Statements as well as related documents, which deem to be correct, sufficient, creditable and in accordance with general accounting standards. The Committee reported all the Committee Meetings to the Board of Directors, the main points of which are summarized as follows :

Scope of duties of the Audit Committee are as follows:

- 1) To review the financial reporting system and the disclosure of information in the financial statements in accordance with Thai Financial Reporting Standards as required by law in a transparent, correct and adequate manner.
- 2) To review internal control system for The Company, internal audit system appropriate and effective risk management system may suggest a review or audit of any item that it deems necessary is important as well as providing suggestions on improvements and revisions of the internal control system, risk management system and report the results of the review to the Board of Director.
- 3) To review for The Company with the law on securities and exchange, regulations, requirements and related laws. This is to ensure that The Company is in full compliance with all relevant laws.
- 4) To review and comment on the performance of the internal audit office and coordinate with the auditor.
- 5) Arrange a meeting with the auditors with no management to attend at least once a year
- 6) To review the Company's internal audit plan in accordance with generally accepted methods and standards.
- 7) To prepare the report of the Audit Committee, signed by the chairman of the audit committee and disclosed in the annual report of the company according to the regulations set by the Stock Exchange of Thailand.
- 8) Perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

11.2 Nomination and Remuneration Committee

The Company has no Nomination and Remuneration Committee because The Company is a small listed company. Appropriate preliminary process will be appointed as a committee will consider together by gender knowledge, ability, experience and qualifications as required by law with not less than half of the total number of directors must have residence in the Kingdom according to the Company's regulations. However but there is an appropriate preliminary process of determining a suitable level of remuneration that is consistent with the remuneration in the same industry and the Company operating results before being submitted to the meeting of shareholders for final decision.

12. Internal Control

Internal Control

The Company's Board of Directors assigned audit committee to take care of monitoring the management to provide effective internal control system. Audit committee had duties to examine and verify any operation to be effective. In 2020, internal control of the Company consisted of

1. Organization's internal control

- 1.1 The Company's Board of Directors monitored the Company to define target of business operation, work plan, policy and regulations in writing that could be measured to be a guideline of practices in the way that the executives determines as annual policy and target which is regularly reviewed to be consistent with current situations. Each division/ department will be responsible for supervising and controlling performance.
- 1.2 The management provided management structure diagram including line of work, power of management, and duty and responsibility division
- 1.3 The Company's Board of Directors realizes important and value of integrity, honesty and it provided code of conduct related to ethic of executives and employee at every level to attach and practice
- 1.4 It defined anti-corruption policy in organization level to be perceived in every division by providing channels for sending clues of corruption to managing director or audit committee chairman to headquarter No. 183 Regent House Building 14th floor, Ratchadamri Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 To perceive the opinions, clues or complaints about legal offence or misconduct of executives or employees of the company without disclosing the name of clue reporter.

However, according to Company's Regulations, it is specified as practices to prevent corruption in section 10 : discipline and disciplinary punishment "Not accepting commission or bribe in exchange for works or purchase order of the company under one's duty and power". Furthermore, it also defines clear punishment kept with human resource department

- 1.5 Creating and maintaining proficient employees: The Company supports and promotes employees that have capability, diligence, and attention to grow in career path in higher level by their own knowledge and ability without discrimination in terms of wage, remuneration and welfare along with continual development of skill and knowledge, and succession planning connected with annual assessment system.

2. Risk Assessment

The management provided risk assessment to be consistent with objectives of business operation in terms of identification of risk event, analysis of internal and external risk factor, operational risk, marketing, labor and information technology. It also provided sufficient and efficient control system by internal control a part of ISO14001. The management will improve and review measures of internal control to be related to existing risks as well as find the ways to prevent that risk.

3. Action Control

The Company provides clear actions and procedures as follows :

- 3.1 Providing policy and action procedures in writing because the company realizes that in every activity of operations is important such as finance and procurement including
 - Setting amount and power in approval of each level and each field.
 - Updating action procedures by providing flow chart for every work system so that every relevant employee perceives and correctly perform.
- 3.2 Defining to divide clear duties and responsibilities in approval
- 3.3 Focusing on each division to have discussion and not to take any actions that cause conflict of interest of their own or others without permission.
- 3.4 Promoting employees to apply their knowledge and proficiency and to put their full effort and capacity in working for the company.
- 3.5 Specifying that the Company's secretary will gather information of interest of the committee and executives of the company.



3.6 Defining to have process in reporting, verifying and approving transactions or contracts obligating the Company and monitoring them to be in accordance with the agreement through duration of obligation.

3.7 Determining infrastructure and safety of data in information system, development and maintenance of information technology system to have highest security with supervision of information system policy, general control system of information system, control of system access by limiting rights for only authorized people and Disaster Recovery Plan so as to have appropriate and adequate control monitored by information technology division.

4. Information system and Data communication

In information system and data communication the company specifies to have report presentation and effective communication system to ensure that executives and employees at every level understand the policy and regulations of the company in the same way to prevent possible issues. It provides operation manual, regulations and notices that are always updated along with thorough communication channels inside the organization by using internet system for intercommunication. It also develops information and data system that reflects truth with complete updated necessary details and it's secure under the policy of

information system security. The company has assigned the Information Technology Section to be the agency that monitor the information system and review the information system for security. The company provides websites to collect information of the company on www.fmt.co.th for allowing interested people to enter study company information.

5. Tracking System

The Company's Board of Directors will follow up performance of the management regularly on quarterly basis to assess effectiveness and efficiency of working to ensure that internal control of the Company can be properly implemented for work supervision.

13. Directors' Reporting

The Board of Directors is responsible for the Company's financial statements and the financial information presented in the annual report. Such financial statements are prepared in accordance with generally accepted accounting principles in Thailand. The accounting policies are appropriately selected and employed in a consistent manner with through judgment and proper evaluation in the preparation process while the disclosure on key information has been sufficiently made in the notes to financial statements.

The Board of Directors has ensured that the internal control system is effectively maintained for proper and correct accounting information with sufficiency to safeguard the properties and to indicate weakness for prevention of fraud or material misconduct.

In this connection, the Board of Directors has appointed an audit committee consisting of the independent directors who are not in the management position responsible for the quality of the financial reports and the internal control system. The opinion of the Audit Committee related to this issue has been presented in the report of the Audit Committee in the annual report.

In the opinion of the Board of Directors, the overall internal control system of the Company was satisfactory and could provide reasonable assurance of the reliability on the financial statements of the Company for the year ended 31 December 2020.

14. Relations with Investors

The Board of Directors of the Company is aware that the information of the Company, whether related or not related to financial information, would affect the decision process of the investors and the stakeholders of the Company. The management has been asked to ensure that disclosure of information is complete, accurate, reliable, consistent and timely. The management of the Company has put its focus on this matter and complied with the requirement at all times. With regard to the relationship with investors, no specific unit has been formed to directly handle this matter because the number of activities in this area is not much. For corporate information can contact with Khun Siriporn Lueangrachanee; Tel. 036-329811-9 Ext. 201 or Khun Subin Seesantor Ext. 253 Khun Sittikorn Muenngern Ext. 311.

However, the investors can study the information of the Company additionally from the annual information (56-1 Form) of the Company shown in www.set.or.th or www.fmt.co.th

External Auditors Fee

- ▶ Audit Fee in 2020, the Company's external auditors fee in 2020 by KPMG Phoomchai Audit Limited = 1,450,000 Baht.
- ▶ Non Audit Fee
 - None -



Corporate Social Responsibility In Process



For over 30 years in copper manufacturing business and sell seamless copper tube which is an important part in various cooling industries. The Company can produce products that cover responding to the requirement of consumers with sincere and responsible service, both before and after sales service with responsibility and social responsibility in parallel. The Company is determined to act in social responsibility condimes to achieve stability and sustainability.

Overall Policy

Fine Metal Technologies Public Company Limited operates the business under principles of morality and good corporate governance along with taking care of society and environment with emphasis on developing the business to sustainably grow with transparency and corporate social responsibility. The Company realizes that responsibility for society, community and environment is not an extra activity of the Company but the main one. However, the Company holds principle of operation with business target together with corporate social responsibility (CSR). The Company believes that the important thing that enables the Company to be successful needs to be connected with consumers and society. Therefore, the Company gives precedence to life quality, happiness, security and livelihood of employees, customers and all stakeholders as well as society and environment. In 2020, the Company promoted practices about "Corporate Social Responsibility" according to principles of Stock Exchange of Thailand that could be divided as 8 topics as follows

1. Business Operations with Equity

Fair business operation is what's important that company follow because it leads to confidence with relevant people. Whether it is maintaining relationships with customers and the Company's partners which is based on equality and fairness. Which the Company will consider the highest satisfaction of customers and avoid situations that may cause conflicts of interest which the Company focuses on maintaining good relationships sustainable both for customers and the company's partners. Practices are based on fairness with morality and virtue and the Company promotes employees to be honest in works and to respect with each other. However, the Company set guidelines of fair practices for every employee to comply and it is defined in code of conduct about fair operations. Previously, the Company never had lawsuits about unfair business operation; nevertheless, fair competition of the Company is based on following principles of practices

- 1.1 Not seeking for confidential data of opponents with dishonest or inappropriate methods such as paying bribes for employees of the opponents
- 1.2 Not ruining fame of trade competitor by accusation
- 1.3 Not taking any actions that seem to be violating intellectual property or copyright of third party domestically and internationally and using products and services with copyright
- 1.4 In business operation, the Company shall comply with laws and principles about trade competitors and prevent monopolism.
- 1.5 The Company has work regulations for employees in the organization to realize and be careful about sending data, information and pictures about the Company from personal communication device through application network, social media to prevent impacts on themselves, the organization and the society.

The Board of Directors' Meeting held on 9 November 2018 studied information and participated in the "Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)" to apply to join the project

2. Anti-Bribery/Anti-Corruption

Fine Metal Technologies Public Company Limited incorporates business with concentration on policy of anti-bribery and anti-corruption as well as supporting and encouraging the Company's all levels of personnel being conscious of taking and giving bribe, committing corruption in all of the Company's business activities as well as providing "Anti-Bribery/Anti-Corruption Policy by the Board of Directors No. 1/2015 dated on 6 March 2015. The policy is announced for acknowledgement and strictly complying with for the whole organization.

Definition

Bribery/Corruption means performing or prevention from performing duty or abusing power in all forms regardless of whether giving or taking bribe, presentation, promising to give, asking for, or demanding money, assets, things, or any unsuitable benefits as competent official of government agency, private agency, or any other persons who incorporate business with the Company so as to acquire any other benefits unsuitable with business or any other unlawful benefits both directly or indirectly. As well as any performances which are contrary to the Company's business ethics, except cases practicable by laws, rules,

announcements, regulations, local traditions or trading tradition.

Anti-Bribery/Anti-Corruption Policy

The Company has a policy to conduct business with transparency, adhere to accuracy not support the creation of success by fraud, The Board of Directors has a policy to comply with anti-corruption laws.

Scope

This policy is applicable to Company's every Board of Directors, executive, employee, as well as hiring and sub-contractor in connection with Fine Metal Technologies Public Company Limited's business incorporation. Company anticipates that the Company's related business representatives or parties acting on behalf of the Company shall comply with this policy

Guidelines for the Compliance with Anti-Corruption Policy

Concerning the corruption, the Company is aware of the importance of the abuse of power or assets for interests of one's self, family, friends or acquaintances, which may cause damage to others. The Company deems that corruption can take place in several ways such as bribery to officials by offering or receiving bribes in forms of money and gifts, conflicts of interests, embezzlement and fact concealment.

Recently, the Company has set the guidelines for proper behaviors of directors of the Board, executives and employees in accordance with the principles of business ethics and good governance, by prohibiting all directors, executives, employees and workers of the Company from taking any action that is relating to corruption in any form, either as receivers or offerers, for either monetary returns or non-monetary returns, with either governmental organizations or private organizations that the Company or subsidiaries of the Company have had business transactions with or have contacted, with the following directions.

1. As for procurement and hiring, it should be carried out in accordance with regulations and procedure of the Company, with transparency and accountability.
2. All personnel of the Company must not receive or offer any gift, cash, cheque or any other thing that is similar to the aforementioned ones from or to any involving person that the personnel of the Company have contacted or interacted with, who is from any governmental or private organization.

3. All the personnel of the Company must not accept any asset, thing, gift, token or any other benefit that may cause them to omit the performance of any task or to become influenced when making many decision or to refuse to follow any commercial/business practice that they take when interacting with other trade partners.
4. The expenses relating to business meals and other expenses relating to the performances in accordance with business agreements can be done provided that such expenses are reasonable and accountable.
5. All the charitable donation must be carried out in the name of the Company only, and must be for foundations, charitable public organizations, monasteries, schools, hospitals and healthcare centers or organizations that work for public interests, which are certified or reliable and accountable. Such donation must be carried out by following the regulations and procedure of the Company. The Company has issued the regulation and guidelines on donation and support provision for charitable purposes.
6. The provision of monetary support must be based on the money or assets of the Company, for supporting projects, with the name of the Company indicated as the donor, and the spent money must be for business purposes and must build good images and reputations of the Company. The disbursement of such money requires the clear indication of objectives, must be supported with accountable proofs, and must be carried out by following the regulations and procedure of the Company.
7. All employees must not be negligent in case where they see or learn about any act that can be deemed corrupted or tends to be corruption with consequences that are directly and indirectly related to the Company. In such a case, the employees must inform their heads or people in charge, and collaborate in the investigation. If there is any question, employees should consult their heads or people appointed to monitor the compliance with this policy, through different channels set by the Company.
8. The Company will ensure justic and protection for any employee that denies taking corrupted action or reports any case of corruption that is related to the Company.
9. Anyone that has taken corrupted action is deemed to violate policy of the Company and is subjected to disciplinary punishments in accordance with the regulation of the Company, and might as well be subjected to legal punishment in case where that one has violated the law.
10. The Board of Directors of the Company and the executives of the Company are aware of the importance of the dissemination of knowledge, the provision of consultation and the building of understanding in personnel of the organization and all the involving parties, concerning the anti-corruption matter in order to enable all the personnel and involving people to comply with anti-corruption policy, to become role models concerning honesty, integrity, ethicality and morality.
11. This anti-corruption policy should cover the process of human resource management, from the recruitment or selection to the promotion, training and evaluation of the performances of employees, with heads of all levels responsible for communicating with and building understanding in their subordinates in order to ensure effectiveness of business activities under their responsibilities and supervision.
12. The Company and all personnel must not take any action that is relating to politics in the Company. The Company emphasizes on political impartiality and the encouragement of compliance with laws and democracy, and does not provide any political assistance to any political party, directly or indirectly.

In order to ensure that all the personnel are aware of the anti-corruption policy, the Company has publicized the policy by different means, such as to publish documents to be distributed to all personnel and training to all employee by Company regulation

Grievances Against Bribery/Corruption

1. When witnessing bribery/corruption in connection with the organization either directly or indirectly, such as witnessing personnel within the organization offering/taking bribe with competent official within the government agency, private agency, trading partners, stores, contractors.

2. When witnessing acts contrary to Company's procedure or adversely affecting the Company's internal control system to the extent that doubt exists that they may become channel of bribery/corruption.
3. When witnessing acts which result in the Company losing benefits or adversely affecting, The Company's reputation.

Notify by mail or send documents to the Managing Director or the Chairman of the Audit Committee of the company

<u>Headquarters</u>	Fine Metal Technologies Public Company Limited 183 Regent House Building, 14 th Floor Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330
<u>Saraburi Factory</u>	Fine Metal Technologies Public Company Limited 213 Moo 4, Mittraparb Road, T. Tub-Kwang, A. Kaeng Khoi, Saraburi Province 18260

4. For complaints within the Company, the Company has announced the Company notification date 19 September 2018, prescribing guidelines and matters to complain which is a violation of the rules or laws for the management and employees of the company by specifying the scope of actions that are illegal, break the rule or have a bribe to make a complaint directly to the Managing Director via "Hotline to MD" in the suggestion box or complain to the parent company, the major shareholder, to check the other way. Including the company has issued regulations and guidelines for donation and support in order to achieve good performance in the organization and support the policy of Company regarding the appropriation of donations and for the benefit of the donate in applying for the purpose and effect Including supporting the prevention of corruption in the Company or occur to employees at all levels.

The Company has established a donation policy and support for executives and employees upheld and follow this regulation by aiming for donations and support of the company Is transparent without involvement in providing assistance or political support. The donation is considered a basic virtue of living together, good conscious planting, let

society have love Generous to each other unselfish and still considered a friendly friendship to know the common good of the public and inform executives and employees to acknowledge, practice together

Measure Protecting and Keeping Confidential for Whistle-Blower of Information of Bribery Corruption

In order to protect the rights of the complainant and the information provider acting in good faith, the Company will conceal the name, address or information of the complainant or information provider and keeping all information confidential by limiting responsible of investigation that can access information.

However, the responsible person shall keep information and documents of the complainant in confidential. Do not disclose information to other persons who didn't have related duties unless it is disclosed in accordance with the law.

In the year 2020, the Company didn't receiving a corruption complaint both within the organization and from any outside. The Company has reviewed for directors, executives and employees include contractors who working with the Company to be transparent when doing business by documenting the guidelines for preventing corrupt, giving or receiving various bribes. The Company had training for employees at the management level and communication for the employees in the organization to be thoroughly informed. The Company is in the process of studying the guidelines to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

3. Respect to Human Rights

The Company has the policy to comply with law, regulations and principles relating to basic human rights in accordance with international principles, by treating all stakeholders, communities and the society with the respect to human rights, not violating basic rights, ensuring justice and occupational stability for all personnel, and ensuring career advancement for all personnel in accordance with their knowledge and capabilities, without discrimination while allowing handicapped people to work with the Company, providing to all personnel welfare as prescribed by law and properly and fairly treating labors. The guidelines are as follows:

- 3.1 To promote and protect human rights by ensuring that the business does not involve in the violation against human rights such as to act against labour abuse and child labor exploitation;
- 3.2 The Company has to protect personal data of all personnel of the Company;
- 3.3 All employees must treat one another with mutual respect; and
- 3.4 The nomination must consider the performances of the nominees in the fair and justified manner.

4. Fair Treat to Labors

The Company is aware of the importance of all personnel with the awareness that personnel are valuable resources that enable the Company to accomplish the predetermined goals. Therefore, the Company has the policy to treat all personnel equally and fairly, such as to manage work environs, to manage work safety and occupational hygiene, to promote learning to improve work systems, to appoint and to transfer personnel without discrimination, to promote equality without discrimination in terms of genders and classes, and to offer remuneration and non-monetary benefits in the fair manner. The treats to labors are as follows:

- 4.1 To set fair employment conditions and to ensure that personnel have suitable remuneration as prescribed by labor law;
- 4.2 To set policies and guidelines concerning remuneration and other benefits; apart from salaries, bonuses and provident fund as prescribed by law, the Company also provides additional welfare such as free meals, money for cremation service for deceased members of personnel's families, educational funds for personnel's children from the level of kindergarten, to high school and vocational college levels, presents for children in community schools on Children's Day, and retirement party to express gratitude to personnel who work with the Company until their retirement;
- 4.3 To provide welfare to personnel, such as national holidays, business leaves for taking care of hospitalized family members or wives who deliver birth, leaves for attending mourning rituals in case where of the death of family members of personnel, proper overtime, allowance for medical services for personnel and their families, annual health check, group insurance for accidents, and monetary remuneration for employees who do not use the annual holidays;

- 4.4 The appointment, transfer and reward provision must be based on each employee's knowledge and capabilities; and punishments for employees must be based on the rules and regulations of the Company, as well as justice;
- 4.5 To manage work environs to be safe for personnel's lives and properties because the Company always emphasizes on work safety for all personnel throughout each day;
- 4.6 The Company has the policy to become an company in which all personnel can work safely with relaxing minds' by arranging several activities relating to labors and safety in workplace, such as:
 - ▶ The annual training on fire extinguishing and evacuation for readiness;
 - ▶ Inspection on promptness of fire extinguishing instruments in accordance with the plan;
 - ▶ The Company's provision of PPEs for operators, in accordance with nature's of works, to ensure operators' confidence and safety at work because safety is a key concern for the operations of the Company;
 - ▶ The making of annual plan to minimize impacts on safety, such as to set goal to reduce the work accidents that cause employees to take a leave to zero case, to reduce work-related injury from accidents and illnesses to meet the predetermined goals, to encourage all workers to assess their own work-related risks for identifying tangible preventive measures and solutions, to encourage all employees to have analytical thinking through the KYT (Kiken Yoshi Training) activity, which means the analysis for safety by analyzing or anticipating all hazards that can occur from work and identifying ways for preventing such hazards; and
 - ▶ To arrange training on the use of pacemakers and equipment for helping patients in an ambulance;
- 4.7 To enable all personnel to work happily by refining the work environs in all aspects through the process that consists of survey, presentation and follow-up for improvement on the monthly basis (Safety Kaizen);
- 4.8 To encourage personnel to pursue additional work-related knowledge and expertise all the time through curricula, the actions for green industry certificate, the quantitative assessment of risks concerning health and safety, and techniques of production management for supervisors;

- 4.9 To manage, monitor and arrange the measurement of environmental parameters in the factory and production process in order to prevent impacts on the health of personnel and other people in the factory and members of nearby communities;
- 4.10 To have waste management systems that are permitted and licensed as prescribed by law; and
- 4.11 To develop HRMS system for facilitating personnel to search for information concerning operations, disciplines and welfare, and to request for approval for leaves and overtime, which allows all personnel to proceed during work hours and out of work hours.

5. Responsibility for the Consumer

The policy of the Company stipulated that "Customer Satisfaction is Our Supreme Priority" and is a Company that customers can trust, making the Company and employees committed to satisfaction and confidence to customers, taking care of and being responsible for customers with always realizing that customers must receive good products and services that meet the established standards, including strict adherence to conditions and agreements with customers and sustainable with customers. Including not using customer information for the benefit of the Company and related persons if the Company encounters complaints from customers in products and services will immediately proceed to resolve the problem together with the customer so that customers have the least impact on their work and come to conclusions with customers. Ready to deliver quality products and standards that meet the needs of customers under fair conditions And develop products and services continuously

6. Environment Conservation

The Company is well aware of the importance of environment conservation that may affect the personnel of the Company, communities and the society. Thus, the Company adheres to the law to prevent and avoid causing pollutions, especially global warming, which have currently impacted human life quality and environment. At the same time, the Company has been supporting activities that promote the conservation of environment and natural resources as follows:

- 6.1 To use resources in the cost-effective manner for the highest possible benefits, and to implement serious measures to conserve energy;
- 6.2 The Company carries out the management of the discharge of waste from production process with the emphases on minimizing the discharge of waste, the compliance with environment standards and applicable law, such as water standard and air

standard. As for the past operations, the Company has complied with the regulations set by the government and encouraged the establishment of guidelines for management and operations concerning environment, which can be reflected through the consistent attainment of ISO 14001 certification and the certification as Green Industry in Level 3 from Ministry of Industry;

- 6.3 The Company has set the policy on energy and natural resource conservation in order to make the personnel of the organization aware of the energy conservation and the use of natural resources in the cost-effective manner with the awareness of the value, and the brain-storming for ways to reduce the use of energy or to increase the increase of productivity to decrease the cost of energy; and

- 6.4 In 2020, the Company has seriously promoted the 5S Activities By invite trainer from the Promotion Association Thai-Japanese Technology to train our employee in the course of the 5S operation efficiency and Leader of 5S for sustainability

In January 2020 – February 2020 and a curriculum to improve the level of auditing with standards areas for executives during August 2020 to create knowledge and raise awareness among employees in doing 5S by setting a goal to start conducting serious 5s activity in 2020 to conservation of environment in the factory and the order and neatness of the factory which will impress customers who visit the factory with cleanliness and will lead to the customers' confidence in products.

In 2020, the Company has hired United Analyst & Engineering Consultant Co., Ltd., to examine and assess the quality of environment, and the results are as follows:

- ▶ Concerning the quality of waste water, the result from the assessment points out that the quality of the waste water meets the standard set by law ;
- ▶ As for the temperature, air, waste water and amount of contaminating substances (in the entire eco system), the results from the assessment show that these parameters meet the standards set by law ;
- ▶ As for the level of noise, the results from the assessment show that the noise in some areas that have huge machines installed together have the loudness that exceeds the standard; hence, the Company, through the Safety and Occupational Health Department, has run the activities for conserving hearing by educating the personnel and protecting the personnel with PPE that meet standards as set by law;

- ▶ The Company has arranged training on energy conservation for the personnel, and promote campaigns to encourage everyone to be aware of the value of natural resources and to save the resources such as to switch off the lights during lunch break, not to leave water running for nothing, to turn the air-conditioners off during a break and before the end of the day, to travel with carpool, to use both pages of paper, and to cut unnecessary colored printing; in addition, the Company has established the Energy Conservation Committee to make annual energy conservation plan, such as to change light bulbs in the factory and street lamps into LED bulbs, and to install solar roof system to reduce power consumption in 2021;
- ▶ The Company has scheduled training on several work skills and held the test to receive specific licenses such as licenses for fork-lift maneuvering and crane controlling, which the Company deems as the matter of safety at work for promoting and developing work skills and mitigating accidents at work; and
- ▶ The Company has always been strictly complied with specifications and requirements of ISO 14001 standard.

7. Community and Society Development

The Company always has policy on the promotion and support for activities that are beneficial for communities and the society for developing life quality, building economy and strengthening communities and the society. For sustainable coexistence, the Company takes the following actions:

- 7.1 To build consciousness of responsibility to the society and environment in personnel of all levels;
- 7.2 To promote employment in the communities around the area in which the factory is located;
- 7.3 To enforce strict adherence to environment law and labor law;
- 7.4 To evaluate impacts from business operations and activities that affect safety and environment, on the monthly basis, and to set preventive and corrective measures, to appoint the officials in-charge of the aforementioned matters, and to monitor the matters; and

- 7.5 To collaborate with educational institutes by accepting interns during a break between semesters or students who desire to be trainees while studying in order to allow students to have chances to gain experiences and practice on skills that are relevant to works and subjects that the students are studying.

8. Innovation and Publication of Innovation from Social Responsibility Operations

The Company could operate business to grow continually and to respond needs of customers. With customer's expectation, the Company developed products and services with innovation and technology constantly. The company emphasized on innovation as the foundation of making a management plan that can make its business operation to be successful according to the target.

In 2020, the company development innovation about products and services as follows :

- 8.1 Increase Productivity in productivity by reduces cycle time.
- 8.2 Increase weight per coil in delivery process for reduces delivery cost.
- 8.3 Produce Furukawa Multi Grove Tube thinner thickness.
- 8.4 Increase Capillary Tube production capacity for higher production to support customers demand
- 8.5 Packing design to use less natural resources, such as reducing use of paper, plastic, etc.
- 8.6 Designing production to be more effective (Yield Up) to reduce waste (Defect Reduction).
- 8.7 Design and develop tools to last longer using.
- 8.8 Develop products with customers in order to reduce the production time of finished products.
- 8.9 Raise the quality of the product to be equal to the quality requirements of the customers.
- 8.10 Development new product for use in the communication and digital industries
- 8.11 Developed new product Taper pipe that reduces of electrical energy used and labor in the refrigeration and air conditioning industrial.

Business Operation Affecting Corporate Social Responsibility

In 2020, the Company did not operate business with impacts on corporate social responsibility.

Social Activities in 2020



The Company supports career of disabled people by encouraging people with disabilities to sell the lottery within the factory for promote career and make money to disabled people



The Company sponsors the education of employees' children by offering scholarships every year.



The Company initiated the retirement day event. In order to thank the employees who have worked with the Company for a long time until retirement



The Company organized charity activities by put rice dry food to monk to be charitable to His majesty King Bhumibol Adulyadej.



By the beginning of Year 2020, COVID-19 virus has begun to spread in Thailand, causing people in the areas around the factory to lose jobs. Hence, the Company has had the activity to hand out rice paddy to communities around the factory to relieve the difficulties of people in the communities who lose jobs.



The Company has also handed out children's playground equipment, gifts and learning materials for communities nearby the factory.



Report of the Audit Committee

To the Shareholders of Fine Metal Technologies Public Company Limited.

At the Board of Company has resolved to nominate the Audit Committee which comprise three independent directors, namely Mr. Vibul Aunsuntha as Chairman of the Audit Committee, Mr. Chor Nun Patpaisit and Mr. Akira Fujita as Audit Committee to perform the duties assigned from the Board of Company which is according to the provision of The Stock Exchange of Thailand.

During the year 2020, the Audit Committee had 4 meetings and reported the conclusion of the Meeting to the Board of Directors. The significant tasks could be summarized as follows.

- 1) Reviewed the Financial Statements quarterly and Annual Financial Statements of 2020 and adequately listen the clear explanations and report from the Management and Auditor in related subjects, therefore, the Audit Committee were of same opinion with the External Auditors that said quarterly and annual financial statements were correct in essence in conformity with the generally accepted accounting principles.
- 2) Had meetings with the auditors without the presence of the management in order to allow the auditors to report events and information.
- 3) Reviewed the compliance with the laws and regulation of Securities and Stock Exchange and related laws concerning the Company business and had not found wrong doings against the law of Securities of Stock Exchange and related laws.
- 4) Review the adequacy and appropriateness of Company's internal control systems to ensue the Company's operation is efficient and effective, and able to provide sustainable returns to shareholders. In this regard, the Audit Committee had given suggestions to improve the efficiency of internal operational systems.
- 5) Conducted ongoing monitoring of and consultation with management concerning general matters that could affect the Company, and if any matter is found to have significantly affect the Company's financial status or operational results, the Audit Committee would report to the Board of Directors and promptly take rectification actions.
- 6) Participated in the 2020 Annual General Meeting of Shareholders and to clarify matters of concerned.
- 7) Had considered and proposed the appointment of KPMG Phoomchai Audit Limited., which is an independent audit firm and approved by the Securities & Exchange Committee (SEC), to be the Company's external auditor for the year 2021 with a fixed amount of annual audit fees.

Base on the Audit Committee's performance of duties as mentioned above, the Audit Committee was of the opinion that the Company had adopted an adequate and appropriate internal control system, and had put in place the appropriate procedures to ensure that the Company's operations are in compliance with relevant laws, and that the preparation and disclosure of information in its financial reports were correct, complete, reliable, and in a timely manner as well as disclosed transactions which may involve any conflict of interests in a correct and complete manner.

On behalf of the Audit Committee



(Mr. Vibul Aunsuntha)

Chairman of the Audit Committee

9 February 2021

Management Discussion And Analysis



Overview of Operation Results in 2020

The operational performance in 2020 showed the total revenue from net sales of 4,802 million baht, decrease of 1,265 million baht from the previous year, the earning from local sales was 3,062 million baht and earning from export was 1,740 million baht or equivalent to 64% and 36% respectively.

The Company has a net comprehensive income of 47 million baht, decrease by 77 million baht was due to 62% decrease due to the situation of coronavirus pandemic (COVID-19) and hedging gain/loss for hedge of group of items with off-setting risk positions. Since January 01, 2020 the Company had initially applied Thai Financial Reporting Standards ("TFRS") 2 items which comprise :

1. Financial Reporting Standards No. 9
Subject : Financial Instruments (TFRS-9)
2. Financial Reporting Standards No. 16
Subject : Lease Agreement (TFRS-16)

Economic and Industrial Situations

Impacts from the COVID-19 pandemic event have led to the economic slowdown. Thus, partner countries have delayed the orders as well. Consequently, the production of electric appliances in 2020 has shrieked for 3.3 percent because the sales volumes of compressors, electric fans, washing machines and microwave ovens have decreased. Meanwhile, the orders of air-conditioners have tremendously dropped, especially in the markets of China, Japan, ASEAN countries and European countries.

However, the sales volume of air-conditioners in Thailand have lessen 9 percent. In 2020, the sales volume of the Company has decreased due to the impacts from COVID-19 pandemic event. The Company has adjusted itself to be more active. The executives and all staff members work together to manufacture products with the best possible quality with the fullest manufacture capacity, and to seriously and consistently reduce costs. As a result, the Company has still retained sales volumes and enjoyed 47 million baht profit.

Nevertheless, as for 2021, it is anticipated that electric appliance and air-conditioner industry will have increased production and export volumes, compared with those

in 2020, by dint of positive factors inside and outside the country, such as COVID-19 vaccine, government's measures to encourage people to spend money, which have been implemented since the end of 2020 to beginning of 2021. In addition, the demand for inverter air-conditioners tends to rise consistently year by year because this product uses technology that makes the product generate cool air quicker, save money and have higher capacity than conventional air-conditioners. The Company has always been persevere with the development of products that meet customers need and the timely delivery of products to customers, with the emphases on before and after sale services and the sustainment of positive relationships with customers, in order to increase sales volumes of products of the Company and to attained the targeted profitability level.

Net Sales

In 2020, the net sales were 4,802 million baht, decrease of 1,265 million baht, from the previous year. The local sales were 3,062 million baht, or 64% and the export sales were 1,740 million baht or 36% due to impact from the situation of coronavirus pandemic (COVID-19).

Other Income

In 2020, other income was 6.7 million baht from sales of copper slag and others and net income from gain on exchange rate was 9 million baht.

Cost and Expense

The Company's total costs and expenses in 2020 was 4,708 million baht decrease of 1,197 million baht came from production quantity vary to sale quantity due to impact from the situation of coronavirus pandemic (COVID-19).

Cost of Goods Sold

The cost of goods sold in 2020 was 4,467 million baht, or 95% of the total costs and expenses, decrease 1,134 million baht from the previous year due to impact from the situation of coronavirus pandemic (COVID-19).

Selling and Administrative Expense

The selling and administrative expense in 2020 was 241 million baht or 5% of the total costs and expenses.

The selling expense decrease 38 million baht by decrease on sale quantity. Total sale quantity was 20,581 tons decrease of 4,572 tons from the previous year.

The administrative expense decrease 19 million baht, arise from loss on copper hedging 5 million baht, decrease on royalty fee 4 million baht and decrease on employee benefit expense 8 million baht.

Financial Costs

The financial cost in 2020 was 8 million baht decrease 3 million from the previous year due to interest rate decrease. In 2020 the Company has financial cost with Financial institution was 8 million baht and financial cost for Financial lease (TFRS16) was 0.4 million baht.

Income Tax

The Company has payable corporate income tax in 2020, 12 million baht

Operations Results and Profitability

The product of the Company is seamless copper tube sold to the customers in the required size, by setting the sale price base on the world's copper market at the time of reaching the sales agreement according to the conditions of each customer. In 2020 the Company had the net profit of 47 million baht, decrease by 77 million baht or 62% due to impact from the situation of coronavirus pandemic (COVID-19) and hedging gain/loss for hedge of group of items with off-setting risk positions. Since January 01, 2020, the Company had initially applied Thai Financial Reporting Standards ("TFRS") 2 items which comprise

1. Financial Reporting Standards No. 9
Subject : Financial Instruments (TFRS-9)
2. Financial Reporting Standards No. 16
Subject : Lease Agreement (TFRS-16)

Asset Management Ability

1. Almost of Trade account receivable are long-term relationship partner and good payment history. Moreover the Company's policy of new customers will be based on cash basis or require Bank Guarantee and the Company also has Risk Management insurance for account receivable who may have the problem later.

2. Main inventory of the Company are copper tube which can be reproduced in case of damaged or deteriorated. So the impairment of inventory is not problem and the Company has not been set up allowance for decline in value of inventory.
3. The Company had no goodwill.

Liquidity and Sufficiency of the Capital

1. Capital Structure,

Capital Structure	Bath	Ratio
Current Liabilities	1,359,430,872	0.86
Long-Term Liabilities	138,141,011	0.09
Total Liabilities	1,497,571,883	0.95
Shareholder Equity		
Common Share	480,000,000	0.30
Share Premium	507,500,000	0.32
Retained Earnings (Deficit)	590,685,657	0.37
Shareholder Equity	1,578,185,657	1
Liabilities & Shareholders' Equity	3,075,757,540	

2. Most of the investment expense is for an increasing for production efficiency to generate future profit by using working capital and loan from financial institutions partially. The Company entered into a cash management agreement with Furukawa Group. The rate of interest is maintained more favorable for the Company than its bank rate. (From January 01, 2020 – March 31, 2020). The cash management agreement with Furukawa Group is terminated since April 01, 2020. However, the Company still has source of funds from the Financial Institution by special interest rate.
3. The Company's current ratio is 2.0 times which less than year 2019.
4. The interest coverage ratio is 8.0 times, shown the Company has ability for repayment.

Obligations on Liabilities and Management outside the Balance Sheet

The Company has no burden outside the balance sheet.

Financial Ratio Analysis Liquidity Ratio

1. Current ratio for the year 2020 was 2.0 which less than 2019.
2. Receivable turnover and collection period for the year 2020 was 3.07 times and 117 days respectively. The Company has credit term policy to customer between 30 – 272 days.
3. Account payable turnover and payment period for the year 2020 was 11.5 times and 31 days respectively due to FMT deal the new suppliers which give FMT the lowest Price upon cost reduction policy but payment credit term may be shorter than.

Profitability Ratio

Gross profit margin of the year 2020 was 7.0% less than 2019 due to decrease of sale quantity from the situation of coronavirus pandemic (COVID-19).

Return on equity for the year 2020, 3.0% as a result of decrease of net profit.

Performance Efficiency Ratio

Return on total assets for the year 2020, 1.5% was come from net gain.

Assets turnover of the year 2020 was 1.6 times less than 2019.

Financial Policy Analysis Ration

Debt to equity for the year 2020 was 1.0 times which increase from year 2019.

Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. The management is closely monitoring the situation to ensure the safety of the Company's staff and to manage the negative impact on the business as much as possible.



At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact.

Therefore, the Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on impairment of trade receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Company. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

Impact of COVID-19

1. Operation – Impact.
 - 1.1 Demand for goods & services.
 - 1.2 Supply chain.

1.2.1 Our partner was impacted from COVID-19.

1.2.2 Transportation for goods and raw material.

Explanation :The management is closely monitoring the situation and to manage the negative impact on the business as much as possible.

2. Financial – Not Impact.

3. Balance sheet and performance – Not Impact.

Explanation :The Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on impairment of trade receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

4. Contractual obligations – Not Impact.

5. Threats to viability (Ability to operate as a going concern) – Not Impact.

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Statement of Financial Position

Assets

As of 31 December 2020, the total assets of Fine Metal Technologies Public Company Limited amount to 3,078 million baht, Increase of 320 million baht or 11.60 from year 2019 which comprised of :

- ▶ Current assets amounted to 2,667 million baht, or 86.64% of the total assets,
- ▶ Property, plant and equipment amounted to 356 million baht, or 11.56% of the total assets

Summary of Financial Ratio as of 31 December 2020

Financial Ratio	Year 2020	Year 2029	Year 2018
LIQUIDITY RATIO			
CURRENT RATIO (TIMES)	1.96	2.31	1.94
RECEIVABLES TURNOVER (TIMES)	3.07	3.76	4.12
COLLECTION PERIOD (DAYS)	117.13	95.65	87.38
INVENTORY TURNOVER (TIMES)	5.64	7.59	6.87
INVERTORY TURNOVER PERIOD (DAYS)	63.82	47.46	52.41
ACCOUNT PAYABLE TURNOVER (TIMES)	11.49	10.31	9.26
PAYMENT PERIOD (DAYS)	31.32	34.93	38.87
PROFITABILITY RATIO			
GROSS PROFIT MARGIN (%)	6.97	7.67	6.95
NET PROFIT MARGIN (%)	0.98	2.06	2.22
RETURN ON EQUITY (%)	2.97	7.89	9.90
EFFICIENCY RATIO			
RETURN ON TOTAL ASSETS (%)	1.53	4.53	4.89
ASSET TURNOVER (TIMES)	1.56	2.20	2.20
FIXED ASSET TURNOVER (TIMES)	13.49	15.73	15.14
FINANCIAL POLICY RATIO			
DEBT TO EQUITY (TIMES)	0.96	0.72	0.90
INTEREST COVERAGE (TIMES)	8.00	14.80	15.24

Analysis of Financial Ratio

The Company's debt to equity ratio for the year 2020 equal to 0.9: 0.7 increased from the year 2019 due to the Company's total liabilities increased by 353 million baht.

Capital Structure	Year 2020		Year 2019	
	Baht	Ratio	Baht	Ratio
Current Liabilities	1,359,430,872	0.8641	1,007,231,465	0.6274
Long-Term Liabilities	138,141,011	0.0875	137,613,600	0.0857
Total Liabilities	1,497,571,883	0.9589	1,144,845,065	0.7132
Shareholder Equity				
Common Share	480,000,000	0.3041	480,000,000	0.2989
Share Premium	507,500,000	0.3216	507,500,000	0.3161
Retained Earnings	590,685,657	0.3743	617,809,819	0.3849
Shareholder Equity	1,578,185,657	1	1,605,309,819	1
Liabilities & Shareholders' Equity	3,075,757,540		2,750,154,884	

Report on the Board of Director's Responsibility for the Financial Reports

The Company's Board of Director is responsible for financial statement of Fine Metal Technologies Public Company Limited, as well as the financial information stated in the Company' 2020 Annual Report. The financial statement ended on December 31, 2020 was prepared in accordance with the generally accepted accounting standards by using appropriate and consistent accounting policy including careful consideration and reasonableness. The important information was adequately disclosed in the notes to the financial statements for the understanding of shareholders and investors.

The Company's financial statements have been audited by an auditor from KPMG Phoomchai Audit Ltd., and all the related information was provided to the auditors for supporting their opinion in accordance with the auditing standards. The auditor's opinion is presented in the auditor's report which is a part of this annual report.

The Company's Board of Directors recognized their duties and responsibilities for supervising the efficient preparation of financial report and have instituted risk management system and appropriate internal control system to ensure the accuracy and completeness of the financial information and to prevent fraud or mismanagement. In this regard, the Board also appointed an Audit Committee to review the accuracy and reliability of the financial reports, the effectiveness of the internal audit and internal control system as well as the risk management system, along with the appropriateness and completeness of information disclosure regarding related party transactions and to state their opinion in the Audit Committee Report in the 2020 Annual Report.

From the practice and supervision as mentioned above, the Company's Board of Directors is of the opinion that the financial statements of Fine Metal Technologies Public Company Limited, as of December 31, 2020, present the Company's financial position and operating results in a correct and reliable manner in compliance with the Generally Accepted Accounting Principles and all relevant governing laws and regulations.



Mr. Chai Sophonpanich
Chairman



(Mr. Junichi Ishihara)
Managing Director



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

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

Independent Auditor's Report

To the Shareholders of Fine Metal Technologies Public Company Limited (Formerly Furukawa Metal (Thailand) 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 2020, 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 2020, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Key Audit Matters

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



Valuation of inventories	
Refer to Notes 4(e) and 9 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The main raw material of the Company's products is copper cathode. Copper cathode price was then a significant factor of the cost of inventories. As copper cathode is commodities which can be subjected to market price volatility, in the case of the fluctuation according to the market condition, this may result that the net realisable value of inventories is lower than their cost. This matter involves management's judgment and the Company had a significant inventory balance, thus, this is focus area in my audit.	My procedures included an understanding the Company's policy to estimate the net realisable value of inventories. I performed testing the calculation of the measurement of net realisable value by comparing, on a sampled basis, the cost of inventories against expected net realisable value (i.e. selling price in the latest invoice or price list less estimated cost to complete and to make the sale), and also sampling checked with relevant documents. I also considered the adequacy of disclosures in relation to inventory in accordance with TFRSs.

Other Information

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

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

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

(Songchai Wongpiriyaporn)
Certified Public Accountant
Registration No. 10996

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2021

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)
Statement of financial position

Assets	<i>Note</i>	31 December 2020	31 December 2019 (Restated) (in Baht)	1 January 2019 (Restated)
<i>Current assets</i>				
Cash and cash equivalents	7	92,009,488	14,690,278	7,822,979
Trade receivables	6, 27	1,532,168,847	1,592,597,861	1,631,006,772
Other receivables	6, 8	55,787,904	31,110,195	65,434,874
Inventories	9	899,258,756	684,650,213	792,202,023
Other current financial assets	3, 27	87,482,718	-	-
Total current assets		2,666,707,713	2,323,048,547	2,496,466,648
<i>Non-current assets</i>				
Property, plant and equipment	10	355,972,974	385,676,575	429,144,377
Right-of-use assets	3, 11	7,829,201	11,680,502	5,481,891
Intangible assets	12	8,426,460	7,531,705	6,592,887
Deferred tax assets	3, 23	36,970,652	27,658,051	21,789,222
Other non-current assets		2,441,753	2,441,453	2,373,489
Total non-current assets		411,641,040	434,988,286	465,381,866
Total assets		3,078,348,753	2,758,036,833	2,961,848,514

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)

Statement of financial position

		31 December	31 December	1 January
Liabilities and equity	<i>Note</i>	2020	2019	2019
			(Restated)	(Restated)
			(in Baht)	
<i>Current liabilities</i>				
Short-term borrowings				
from financial institutions	13, 27	825,000,000	100,000,000	-
Trade payables	6, 27	339,734,556	437,677,625	649,337,345
Other payables	6, 14, 27	29,933,016	32,052,843	44,475,399
Current portion of lease liabilities	3, 27	4,286,444	4,333,606	5,143,363
Short-term borrowings from related party	6, 13, 27	-	405,777,700	564,405,278
Income tax payable		15,339,494	13,580,311	20,125,884
Other current financial liabilities	3, 27	133,204,950	-	-
Other current liabilities		16,218,856	13,809,380	10,768,838
Total current liabilities		1,363,717,316	1,007,231,465	1,294,256,107
<i>Non-current liabilities</i>				
Lease liabilities	3, 27	4,391,176	7,881,949	1,690,074
Provision for employee benefits	15	138,141,011	137,613,600	107,452,964
Total non-current liabilities		142,532,187	145,495,549	109,143,038
Total liabilities		1,506,249,503	1,152,727,014	1,403,399,145

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)
Statement of financial position

		31 December 2020	31 December 2019 (Restated) (in Baht)	1 January 2019 (Restated)
Liabilities and equity	<i>Note</i>			
<i>Equity</i>				
Share capital	16			
Authorised share capital		<u>480,000,000</u>	<u>480,000,000</u>	<u>480,000,000</u>
Issued and paid-up share capital		480,000,000	480,000,000	480,000,000
Share premium :				
Share premium on ordinary shares	16	507,500,000	507,500,000	507,500,000
Retained earnings				
Appropriated				
Legal reserve	17	48,000,000	48,000,000	48,000,000
Unappropriated	3	542,685,657	569,809,819	522,949,369
Other components of equity				
Loss on cash flow hedges	3, 17	<u>(6,086,407)</u>	<u>-</u>	<u>-</u>
Total equity		<u>1,572,099,250</u>	<u>1,605,309,819</u>	<u>1,558,449,369</u>
Total liabilities and equity		<u>3,078,348,753</u>	<u>2,758,036,833</u>	<u>2,961,848,514</u>

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)

Statement of comprehensive income

		For the year ended	
		31 December	
	<i>Note</i>	2020	2019
			(Restated)
		<i>(in Baht)</i>	
Revenues			
Revenue from sale of goods	6, 18	4,802,012,744	6,066,619,519
Net gain on foreign exchange		9,016,651	-
Other income		6,744,661	5,242,495
Total revenues		4,817,774,056	6,071,862,014
Expenses			
Cost of sale of goods	3, 6, 9	4,467,344,209	5,601,023,037
Distribution costs	3, 19	102,110,082	140,490,990
Administrative expenses	3, 6, 20	107,888,002	121,820,496
Net loss on foreign exchange		-	5,940,552
Loss on copper hedging and service fee	6	30,494,387	35,329,620
Total expenses		4,707,836,680	5,904,604,695
Profit from operating activities		109,937,376	167,257,319
Finance costs	3, 6	(8,385,137)	(11,304,915)
Hedging loss for hedge of group of items with off-setting risk positions		(42,873,897)	-
Profit before income tax		58,678,342	155,952,404
Tax expense	3, 23	(11,610,243)	(31,091,954)
Profit for the year		47,068,099	124,860,450

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)

Statement of comprehensive income

		For the year ended	
		31 December	
	<i>Note</i>	2020	2019
			(Restated)
		<i>(in Baht)</i>	
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Gain on cash flow hedges	27	148,192	-
Income tax relating to items that will be reclassified	23	<u>(29,638)</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>118,554</u>	<u>-</u>
Total comprehensive income for the year		<u><u>47,186,653</u></u>	<u><u>124,860,450</u></u>
 Basic earnings per share	 25	 <u><u>0.98</u></u>	 <u><u>2.60</u></u>

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Retained earnings	Total equity
				Legal reserve (in Baht)	Unappropriated
Year ended 31 December 2019					
Balance at 1 January 2019 - as reported		480,000,000	507,500,000	48,000,000	1,559,530,606
Impact of changes in accounting policies					
- adoption of TFRS 16	3	-	-	-	(1,081,237)
Balance at 1 January 2019 - restated		<u>480,000,000</u>	<u>507,500,000</u>	<u>48,000,000</u>	<u>1,558,449,369</u>
Transactions with owners, recorded directly in equity					
Dividends to owners of the Company	26	-	-	-	(78,000,000)
Total transactions with owners, recorded directly in equity		<u>-</u>	<u>-</u>	<u>(78,000,000)</u>	<u>(78,000,000)</u>
Comprehensive income for the year					
Profit		-	-	-	124,860,450
Total comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>124,860,450</u>
Balance at 31 December 2019		<u><u>480,000,000</u></u>	<u><u>507,500,000</u></u>	<u><u>48,000,000</u></u>	<u><u>1,605,309,819</u></u>

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) 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 <i>(in Baht)</i>	Unappropriated		
Year ended 31 December 2020							
Balance at 31 December 2019 - as reported		480,000,000	507,500,000	48,000,000	570,237,861	-	1,605,737,861
Impact of changes in accounting policies							
- adoption of TFRS 16	3	-	-	-	(428,042)	-	(428,042)
Balance at 31 December 2019 - restated		480,000,000	507,500,000	48,000,000	569,809,819	-	1,605,309,819
Impact of changes in accounting policies							
- adoption of TFRS - Financial instruments standards	3	-	-	-	3,807,739	(6,204,961)	(2,397,222)
Balance at 1 January 2020 - as restated		480,000,000	507,500,000	48,000,000	573,617,558	(6,204,961)	1,602,912,597
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	26	-	-	-	(78,000,000)	-	(78,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(78,000,000)	-	(78,000,000)
Comprehensive income for the year							
Profit		-	-	-	47,068,099	-	47,068,099
Other comprehensive income		-	-	-	-	118,554	118,554
Total comprehensive income for the year		-	-	-	47,068,099	118,554	47,186,653
Balance at 31 December 2020		480,000,000	507,500,000	48,000,000	542,685,657	(6,086,407)	1,572,099,250

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)

Statement of cash flows

		For the year ended	
		31 December	
	<i>Note</i>	2020	2019
			(Restated)
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the year	3	47,068,099	124,860,450
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	3	11,610,243	31,091,954
Finance costs	3	8,385,137	11,304,915
Depreciation and amortisation		71,528,545	73,137,709
Provision for employee benefits		12,943,191	42,517,856
Unrealised loss (gain) on foreign exchange		1,033,889	(769,382)
Unrealised loss on derivatives		42,873,897	-
Gain on disposal of equipment		(3,892)	(201,965)
		195,439,109	281,941,537
<i>Changes in operating assets and liabilities</i>			
Trade receivables		58,226,233	37,813,277
Other receivables		(24,677,709)	34,324,679
Inventories		(214,608,543)	107,551,810
Other non-current assets		(300)	(67,964)
Trade payables		(96,774,178)	(210,294,704)
Other payables		(2,239,838)	(8,284,162)
Other current liabilities		(78,470)	581,232
Cash generated from (used in) operating		(84,713,696)	243,565,705
Employee benefit paid		(12,415,780)	(12,357,220)
Income tax paid		(18,593,994)	(43,506,355)
Net cash from (used in) operating activities		(115,723,470)	187,702,130

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

Fine Metal Technologies Public Company Limited
(Formerly Furukawa Metal (Thailand) Public Company Limited)

Statement of cash flows

	For the year ended	
	31 December	
	Note	2019
		(Restated)
		(in Baht)
<i>Cash flows from investing activities</i>		
Cash payments to purchase of equipment		(35,602,453)
Cash payments to purchase of intangible assets		(2,497,326)
Cash receipts from sale of equipment		6,075
Net cash used in investing activities		(38,093,704)
<i>Cash flows from financing activities</i>		
Interest paid		(8,331,428)
Dividends paid		(75,512,054)
Proceeds from borrowings from financial institution		6,780,000,000
Repayment of borrowings from financial institution		(6,055,000,000)
Proceeds from borrowings from related party		1,314,686,005
Repayment of borrowings from related party		(1,720,463,705)
Payment of lease liabilities	3	(4,242,434)
Net cash from (used in) financing activities		231,136,384
Net increase in cash and cash equivalents		77,319,210
Cash and cash equivalents at 1 January		14,690,278
Cash and cash equivalents at 31 December	7	92,009,488
<i>Non-cash transaction</i>		
Payable for fixed assets purchased		3,029,141

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

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 19 February 2021.

1 General information

Fine Metal Technologies Public Company Limited (Formerly Furukawa Metal (Thailand) 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

On 1 June 2020, the Company’s shares of 20,280,280 (42.25% of all paid-up ordinary and issue shares) were acquired by CTJ Holdings2, Ltd., a Japanese Company, from Furukawa Electric Co., Ltd. who was formerly the major shareholder. As a result, the new immediate and ultimate controlling party of the Company has changed to CTJ Holdings2, Ltd.

At the extraordinary shareholders meeting of the Company held on 9 November 2020, the shareholders approved the name change to “Fine Metal Technologies Public Company Limited”. The Company was registered with the Department of Business Development, Ministry of Commerce on 18 November 2020.

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies.

The Company has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Company has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Company has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

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(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(c) *Use of judgments and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgments, 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.

(i) *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(h) and 11 *Leases:*

- whether an arrangement contains a lease;
- whether the Company is reasonably certain to exercise extension options;
- whether the Company exercise termination options.

5 *Impact of COVID-19 Outbreak*

(ii) *Assumption and estimation uncertainties*

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

15 *Measurement of defined benefit obligations: key actuarial assumptions;*

27 *Determining the fair value of financial instruments on the basis of significant unobservable inputs.*

3 Changes in accounting policies

From 1 January 2020, the Company has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders' equity are as follows:

		Retained earnings (in thousand Baht)	Other components of equity
At 1 January 2019 - as reported	<i>Note</i>	524,031	-
<i>Increase (decrease) due to:</i>			
Adoption of TFRS 16	(b)	(1,351)	-
Related tax	(b)	270	-
At 1 January 2019 - restated		522,950	-

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	Note	Retained earnings (in thousand Baht)	Other components of equity
At 31 December 2019 - as reported		570,238	-
<i>Increase (decrease) due to:</i>			
Adoption of TFRS - Financial instruments standards			
Derivative and hedge accounting	(a.2)	4,760	(7,756)
Adoption of TFRS 16	(b)	(535)	-
Related tax	(a), (b)	(845)	1,551
At 1 January 2020 - restated		573,618	(6,205)

(a) TFRS - Financial instruments standards

The Company has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other component of equity on 1 January 2020. Therefore, the Company did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The detail of accounting policies are disclosure in note 4(b) and 4(i). The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Company recognised the derivatives when they were exercised.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Company's financial assets and financial liabilities as at 1 January 2020.

Classification under previous standards 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	Fair value - applied hedge accounting	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net
<i>(in thousand Baht)</i>					
Financial assets					
Other current financial assets	-	39,743	-	-	-
Total financial assets	-	39,743	-	-	-

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Classification under previous standards 31 December 2019		Classification under TFRS 9 at 1 January 2020			
	Carrying amounts	Fair value - applied hedge accounting	Fair value through profit or loss <i>(in thousand Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Financial liabilities					
Other current financial liabilities	-	(40,610)	(2,129)	-	-
Total financial liabilities	-	(40,610)	(2,129)	-	-

(a.2) Derivatives and hedge accounting

Under TFRS 9, all derivatives are measured at fair value in the statement of financial position.

The Company designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Company documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment of the effectiveness, both at inception of the hedge relationship and on an ongoing basis.

These hedging relationships are fair value hedges and cash flow hedges.

Previously, TFRS were silent on the requirements of hedge accounting and derivatives held for risk management purposes. In 2019, the Company accounted for these transactions as described in accounting policies in note 4(b).

The impact from adoption of derivatives and hedge accounting on the financial statements is as follows:

Statement of financial position

	<i>(in thousand Baht)</i>
At 1 January 2020	
Increase in other current financial assets	39,743
Increase in deferred tax assets	599
Increase in other current financial liabilities	(42,739)
Increase in retained earnings	(3,808)
Decrease in other component of equity – cash flow hedge reserve	6,205

(b) TFRS 16 Leases

From 1 January 2020, the Company has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the retrospective approach.

Previously, the Company, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Company assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Company allocates the consideration in the contract based on stand-alone selling price

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(transaction price). At the commencement date, the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Company recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Company also elected to use practical expedient to not recognise right-to-use assets and lease liabilities for leases with less than 12 months of lease term.

The impact from adoption of TFRS 16 on the financial statements is as follows:

<i>Statement of financial position</i>	As previous reported	Adjustments (in thousand Baht)	As restated
<i>At 1 January 2019</i>			
Right-of-use assets	-	5,482	5,482
Deferred tax assets	21,519	270	21,789
Current portion of lease liabilities	-	(5,143)	(5,143)
Lease liabilities	-	(1,690)	(1,690)
Unappropriated retained earnings	(524,031)	1,081	(522,950)
<i>At 31 December 2019</i>			
Right-of-use assets	-	11,681	11,681
Deferred tax assets	27,551	107	27,658
Current portion of lease liabilities	-	(4,334)	(4,334)
Lease liabilities	-	(7,882)	(7,882)
Unappropriated retained earnings	(570,238)	428	(569,810)
<i>Statements of comprehensive income</i>	As previous reported	Adjustments (in thousand Baht)	As restated
<i>For the year ended 31 December 2019</i>			
Cost of sales of goods	5,601,828	(805)	5,601,023
Distribution cost	140,586	(95)	140,491
Administrative expenses	122,185	(365)	121,820
Finance costs	10,856	449	11,305
Tax expense	30,929	163	31,092
Profit for the year	124,207	653	124,860
Basic earnings per share (in Baht)	2.59	0.01	2.60
<i>Statements of cash flows</i>	As previous reported	Adjustments (in thousand Baht)	As restated
<i>For the year ended 31 December 2019</i>			
Cash flows from operating activities	180,997	6,705	187,702
Cash flows used in investing activities	(28,765)	-	(28,765)
Cash flows used in financing activities	(145,365)	(6,705)	(152,070)

Right-of-use assets and lease liabilities shown above were presented as part of seamless copper tube segments.

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4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in Note 3.

(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 to the functional currency at the exchange rate at the reporting date.

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

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

(b) Financial instruments

Accounting policies applicable from 1 January 2020

(b.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(b.2) Classification and subsequent measurement

Financial assets – classification

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

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. See note 4(b.5) and 4(b.6) for financial assets designated as hedging instruments.

Financial assets – business model assessment

The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses are recognised in profit or loss. However, see note 4(b.5) for derivatives designated as hedging instruments.

Other financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 4(b.5) and 4(b.6) for financial liabilities designated as hedging instruments.

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(b.3) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to 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.

Financial liabilities

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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(b.4) Offsetting

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 it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or fair value hedges of commodity price risk in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(b.6)).

(b.6) 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 hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

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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. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. 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 separately accounted for as a cost of hedging and recognised in a costs of 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 hedging reserve and the cost of 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 hedging reserve and the cost of 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 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 hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Fair value hedges

Where a derivative hedges the changes in fair value of a recognised asset, liability or unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), any gain or loss on remeasuring the fair value of the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

Accounting policies applicable before 1 January 2020

Derivatives

Derivatives were recognised when they were exercised.

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(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other receivables

A receivable is recognised when the Company has an unconditional right to receive consideration.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

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

Recognition and measurement

Owned assets

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. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

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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 based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. 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

No depreciation is provided on freehold land or assets under construction and machinery under installation.

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

(g) Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods of computer software is 5 years.

Golf membership is measured at cost less accumulated impairment losses.

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

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(h) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in TFRS 16.

As a lessee, at commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, 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 lease payments made at or before the commencement date, 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 cost of the right-of-use asset reflects that 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 the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under option if the Company is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(i) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, 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.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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 financial instruments's 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 debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

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Write-off

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.

Accounting policies applicable before 1 January 2020

A receivable is measured at transaction price less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments.

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset 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.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss 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.

(k) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

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The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

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.

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.

(l) 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.

(m) 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.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short 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 and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

(n) Revenue

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

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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.

(o) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(p) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on 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.

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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.

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.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates

and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. 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.

(q) *Earnings per share*

The Company presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(r) *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.

(s) *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.

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5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Company's staff and to manage the negative impact on the business as much as possible.

At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on impairment of trade receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

6 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 from 1 June 2020
Bangkok Insurance Public Company Limited	Thailand	A common shareholder, 6.08% shareholding
Furukawa Sangyo Kaisha Co., Ltd.	Japan	A common shareholder, 1.04% shareholding
Furukawa Thai Holdings Co., Ltd.	Thailand	A common director and shareholder, 0.71% shareholding
Furukawa Electric Co., Ltd.	Japan	The entity which provides key management service to the Company, formerly the major shareholder until 31 May 2020
Daishin P&T 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
Furukawa (Thailand) Co., Ltd.	Thailand	A group member of the entity which provides key management service to the Company
Furukawa logistic Corporation	Japan	A group member of the entity which provides key management service to the Company
Tani International Trading Co., Ltd.	Thailand	A group member of the entity which provides key management service to the Company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Furukawa Sangyo Kaisha (Thailand) Ltd.	Thailand	A group member of the entity which provides key management service to the Company
Furukawa Electric Singapore Pte. Ltd.	Singapore	A group member of the entity which provides key management service to the Company
P.T. Furukawa Electric Indonesia	Indonesia	A group member of the entity which provides key management service to the Company
Furukawa Sangyo Kaisha (Malaysia) Sdn. Bhd.	Malaysia	A group member of the entity which provides key management service to the Company
Key management personnel	Thailand/ Japan	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

Transactions	Pricing policies
Revenue from sale of goods	Market price or contractually agreed price
Purchase of raw material	Market price or contractually agreed price
Technical assistance fee	Contractually agreed price
(Gain) loss on copper hedging and service fee	Contractually agreed price
Service fee and others	Contractually agreed price
Interest income or interest expense	Contractually agreed rate
Directors' remuneration	Approved by shareholders' meeting

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

Year ended 31 December	2020	2019
	<i>(in thousand Baht)</i>	
Parent (Furukawa Electric Co., Ltd., formerly the major shareholder)		
Technical assistance fee	4,807	17,925
Loss on copper hedging and service fee	45,568	35,330
Other related parties		
Revenue from sales of goods	1,402,885	1,795,133
Gain on copper hedging and service fee	15,074	-
Purchase of raw material	626,241	897,973
Technical assistance fee	9,090	-
Service fee and others	12,059	9,840
Interest expense	1,204	8,188
Directors' remuneration	3,435	3,382

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<i>Year ended 31 December</i>	2020	2019
	<i>(in thousand Baht)</i>	
Key management personnel		
Key management personnel compensation		
Short-term employee benefits	36,854	34,633
Post-employment benefits	1,602	1,602
Total key management personnel compensation	38,456	36,235

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

	2020	2019
	<i>(in thousand Baht)</i>	
Trade receivables		
Other related parties	363,846	396,457
Other receivables		
Parent (Furukawa Electric Co., Ltd., formerly the major shareholder)	-	1,599
Other related party	21,596	-
Total	21,596	1,599
Trade payables		
Other related party	33,699	139,523
Other payables		
Parent (Furukawa Electric Co., Ltd., formerly the major shareholder)	-	8,087
Other related parties	7,156	1,010
Total	7,156	9,097

	At 1 January	Increase	Decrease	At 31 December
		<i>(in thousand Baht)</i>		
Short-term borrowings from				
2020				
Other related party	<u>405,778</u>	1,314,686	(1,720,464)	<u>-</u>
Total	<u>405,778</u>			<u>-</u>
2019				
Other related party	<u>564,405</u>	4,657,117	(4,815,744)	<u>405,778</u>
Total	<u>564,405</u>			<u>405,778</u>

As at 31 December 2019, short-term borrowings from related party bears interest at the rate of 1.25% per annum.

Commitments with related party

As at 31 December 2020, the Company had outstanding future contracts with Furukawa Electric Co., Ltd., a related company, to hedge the copper cathode price of 1,400 tons, in amount of U.S. Dollars 8.0 million, equivalent to Baht 240.7 million (2019: 2,890 tons, in amount of U.S. Dollars 17.0 million, equivalent to Baht 515.8 million).

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Significant agreements with related parties

Long-term Contract for the Purchase of Copper Cathodes

On 28 December 2007, the Company entered into a Long-term Contract for the Purchase of Copper Cathodes contract with Furukawa Electric Singapore Pte. Ltd., a related company, under the terms of which the Company has agreed to purchase copper cathodes from the said related company at the market price averaged during the contractual month of shipment plus the rate prescribed in the agreement.

Hedge Agreement

On 1 March 2015, the Company entered into a master hedging agreement with Furukawa Electric Co., Ltd. ("FEC"), a related company, 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, FEC 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 of U.S. Dollars 3 per ton. In addition, the difference between the hedge price and the market price shall be payable by the Company or FEC, as the case maybe, at the end of each hedge period or within 15 days or other periods as agreed by both parties after the end of hedge period. This agreement is effective on the agreement date and shall be terminated by either party giving at least 90 days notice in writing to the other party.

Technical Collaboration Agreement

On 1 April 2020, the Company entered into technical collaboration agreement with Daishin P&T Co., Ltd., the related party, for a period of 1 year effective on 1 April 2020. The agreement shall be automatically extended for successive periods of one year each. Under the terms of the agreement, Daishin P&T Co., Ltd. shall provide the Company with technical collaboration and information on the manufacturing operations including an exclusive right to manufacture and sell the product in the countries as specified in the agreement. In consideration thereof, the Company is committed to pay a technical assistance fee computed from the net sales volume of seamless copper tube (Inner grooved tube) at the rate of Baht 2.25 per kilogram.

System Development Service Support Agreement

On 1 June 2020, the Company entered into the System Development Service Support Agreement with Furukawa (Thailand) Co., Ltd., a related company. Under the terms of agreement, Furukawa (Thailand) Co., Ltd. shall provide the Company with support for maintenance project of Total Production Management System. In consideration thereof, the Company is committed to pay a service fee computed from consulting service hour at the rates as stipulated in the agreement. The agreement will be expired on 31 May 2021.

Basic Trading Agreement

On 1 April 2013, the Company entered into the Basic Trading Agreement with Furukawa (Thailand) Co., Ltd., a related company. Under the terms of agreement, Furukawa (Thailand) Co., Ltd. shall provide the Company with services relating to the information system such as outsourcing, sale and purchase of electronic equipment, etc. In consideration thereof, the Company is committed to pay a consulting fee computed from consulting service. This agreement is effective on the agreement date and shall be terminated by either party giving at least 3 months notice in writing to the other party.

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Cash Management Agreement

On 28 September 2012, the Company entered into a cash management agreement with Furukawa Thai Holdings Co., Ltd., a related company, to improve treasury management of the group of companies which are directly or indirectly owned by Furukawa Electric Co., Ltd. equal to or more than 25%, as provided under this agreement. Any interest on the advance to/from transactions will be calculated on the last business day of each month. Interest income or expense incurred from such agreement is derived from the outstanding balance with the related parties on a daily basis. The rate of interest is maintained more favorable for the Company than its bank rate. The Company and the related company agreed to terminated this agreement in April 2020.

7 Cash and cash equivalents

	2020	2019
	<i>(in thousand Baht)</i>	
Cash on hand	115	113
Cash at banks - current accounts	91,856	11,679
Cash at banks - savings accounts	38	2,898
Total	92,009	14,690

8 Other receivables

	Note	2020	2019
		<i>(in thousand Baht)</i>	
Refundable value added tax		29,898	27,195
Receivable for copper hedging and service fee	6	21,596	1,599
Others		4,294	2,316
Total		55,788	31,110

9 Inventories

	2020	2019
	<i>(in thousand Baht)</i>	
Finished goods	259,854	270,161
Work in progress	258,752	94,006
Raw materials	80,504	85,492
Factory supplies	178,131	171,811
Goods in transit	122,018	63,180
Total	899,259	684,650

Inventories recognised as an expense in cost of sales of goods:
 - Cost

4,467,344	5,601,023
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10 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
<i>Cost</i>							
At 1 January 2019	181,600	588,243	4,396,236	44,099	4,115	5,817	5,220,110
Additions	-	1,018	3,974	1,107	114	17,010	23,223
Transfers	-	4,686	13,795	1,229	-	(19,710)	-
Disposals	-	-	(7,534)	(464)	(245)	-	(8,243)
At 31 December 2019 and 1 January 2020	181,600	593,947	4,406,471	45,971	3,984	3,117	5,235,090
Additions	-	424	4,243	667	180	30,155	35,669
Transfers	-	861	21,665	-	-	(22,526)	-
Disposals	-	-	-	(381)	(630)	-	(1,011)
At 31 December 2020	181,600	595,232	4,432,379	46,257	3,534	10,746	5,269,748
<i>Depreciation and impairment losses</i>							
At 1 January 2019	64,902	499,114	4,183,662	39,410	3,878	-	4,790,966
Depreciation charge for the year	2,712	16,443	45,723	1,660	71	-	66,609
Disposals	-	-	(7,534)	(383)	(245)	-	(8,162)
At 31 December 2019 and 1 January 2020	67,614	515,557	4,221,851	40,687	3,704	-	4,849,413
Depreciation charge for the year	2,660	16,056	44,776	1,799	80	-	65,371
Disposals	-	-	-	(379)	(630)	-	(1,009)
At 31 December 2020	70,274	531,613	4,266,627	42,107	3,154	-	4,913,775
<i>Net book value</i>							
At 31 December 2019	113,986	78,390	184,620	5,284	280	3,117	385,677
At 31 December 2020	111,326	63,619	165,752	4,150	380	10,746	355,973

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 4,196 million (2019: Baht 4,168 million).

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11 Leases

At 31 December	<i>Note</i>	2020	2019 (Restated)
		<i>(in thousand Baht)</i>	
<i>Right-of-use assets</i>			
Buildings		3,982	6,371
Equipment		1,564	2,245
Vehicles		2,283	3,065
Total	3	7,829	11,681

In 2020, additions to the right-of-use assets of the Company were Baht 0.7 million.

The Company leases a number of office building and office premises for 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of Baht 7.4 million.

For the year ended 31 December	2020	2019 (Restated)
	<i>(in thousand Baht)</i>	
<i>Amount recognised in profit or loss</i>		
Depreciation of right-of-use assets		
- Buildings	2,389	2,182
- Equipment	1,385	2,478
- Vehicles	782	778
Interest on lease liabilities	413	449
Expenses relating to short-term leases	698	638
Expenses relating to low-value assets	164	143

In 2020, total cash outflow for leases of the Company were Baht 4.2 million. (2019: Baht 6.7 million)

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12 Intangible assets

	Computer software	Golf membership (in thousand Baht)	Computer software under installation	Total
Cost				
At 1 January 2019	135,724	2,200	1,549	139,473
Additions	-	-	2,028	2,028
Transfers	2,248	-	(2,248)	-
At 31 December 2019 and 1 January 2020	137,972	2,200	1,329	141,501
Additions	22	-	2,475	2,497
Transfers	3,612	-	(3,612)	-
Write-off	(126)	-	-	(126)
At 31 December 2020	141,480	2,200	192	143,872
Amortisation				
At 1 January 2019	132,880	-	-	132,880
Amortisation for the year	1,089	-	-	1,089
At 31 December 2019 and 1 January 2020	133,969	-	-	133,969
Amortisation for the year	1,603	-	-	1,603
Write-off	(126)	-	-	(126)
At 31 December 2020	135,446	-	-	135,446
Net book value				
At 31 December 2019	4,003	2,200	1,329	7,532
At 31 December 2020	6,034	2,200	192	8,426

13 Interest-bearing liabilities

	Note	2020 (in thousand Baht)	2019
Current			
Unsecured			
Short-term borrowings from financial institutions		825,000	100,000
Short-term borrowings from related party	6	-	405,778
Total		825,000	505,778

Short-term borrowings from financial institutions

As at 31 December 2020, short-term borrowings from financial institutions amounted to Baht 825 million shall be repayable within June 2021. These loans bears interest at the rate of 1.08% per annum (31 December 2019: Baht 100 million repayable at call at 1.39% per annum).

Unutilised credit facilities

As at 31 December 2020, the Company had unutilised credit facilities totalling U.S. Dollars 1 million and Baht 2,622 million (2019: U.S. Dollars 1 million and Baht 3,447 million).

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14 Other payables

	<i>Note</i>	2020 <i>(in thousand Baht)</i>	2019
Electricity and natural gas payable		12,408	11,690
Accrued technical assistance fee	6	6,937	7,991
Payable for fixed assets purchased		3,029	2,963
Others	6	7,559	9,409
Total		29,933	32,053

15 Provision for employee benefits

	2020 <i>(in thousand Baht)</i>	2019
Post-employment benefits	123,113	120,775
Other long-term employee benefits	6,850	8,896
Others	8,178	7,943
Total	138,141	137,614

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.

Present value of the defined benefit obligations

	2020 <i>(in thousand Baht)</i>	2019
At 1 January	120,775	91,024
Included in profit or loss:		
Current service cost	7,342	7,622
Past service cost	-	29,199
Interest on obligation	3,137	3,049
	10,479	39,870
Benefit paid	(8,141)	(10,119)
	(8,141)	(10,119)
At 31 December	123,113	120,775

Principle actuarial assumptions

	2020 <i>(%)</i>	2019
Discount rate	2.8	2.8
Future salary growth	3 - 4	3 - 4
Employee turnover	0 - 14	0 - 14

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

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 7.8 years (2019: 8.8 years).

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Sensitivity analysis

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

<i>Effect to the defined benefit obligation At 31 December</i>	increase in assumption		decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(6,854)	(7,280)	7,578	8,066
Future salary growth (1% movement)	9,936	9,144	(9,062)	(8,370)
Employee turnover (20% movement)	(1,822)	(1,630)	1,910	1,705
Future mortality (1% movement)	(216)	(196)	200	182

16 Share capital

	Par value per share <i>(in Baht)</i>	2020		2019	
		Number	Baht	Number	Baht
		<i>(thousand shares / in thousand Baht)</i>			
<i>Authorised/issued and paid-up shares</i>					
At 1 January					
- ordinary shares	10	48,000	480,000	48,000	480,000
At 31 December					
- ordinary shares	10	48,000	480,000	48,000	480,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

17 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

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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.

18 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.

	2020	2019
	<i>(in thousand Baht)</i>	
<i>Disaggregation of revenue</i>		
Primary geographical markets		
Thailand	3,061,539	3,935,860
Malaysia	439,086	548,651
Japan	114,639	122,486
Singapore	78,585	116,977
Other countries	1,108,164	1,342,646
Total revenue	4,802,013	6,066,620
Timing of revenue recognition		
At a point in time	4,802,013	6,066,620
Total revenue	4,802,013	6,066,620

Major customer

Revenues from major customers represent approximately Baht 2,310 million (2019: Baht 2,818 million) of the Company's total revenues.

19 Distribution costs

	2020	2019
		(Restated)
	<i>(in thousand Baht)</i>	
Packaging and supplies	39,482	64,174
Freight charge	35,444	42,460
Employee benefit expenses	18,913	24,551
Others	8,271	9,306
Total	102,110	140,491

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20 Administrative expenses

	Note	2020	2019 (Restated)
		<i>(in thousand Baht)</i>	
Employee benefit expenses		63,660	71,735
Technical assistance fee	6	13,897	17,925
Professional fee and training expenses		9,341	7,859
Others		20,990	24,302
Total		107,888	121,821

21 Employee benefit expenses

	Note	2020	2019 (Restated)
		<i>(in thousand Baht)</i>	
Wages, salaries and welfare		318,142	339,195
Defined benefit plans	15	12,943	42,518
Defined contribution plans		6,524	6,470
Total		337,610	388,183

Defined contribution plans

The defined contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 4% to 8% of their basic salaries and by the Company at rates ranging from 4% to 8% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

22 Expenses by nature

	2020	2019 (Restated)
	<i>(in thousand Baht)</i>	
<i>Included in cost of sales of goods:</i>		
Changes in inventories of finished goods and work in progress	(154,439)	109,960
Raw materials and consumables used	4,022,562	4,891,558
Employee benefit expenses	255,037	291,896
Depreciation of plant and equipment	63,765	65,027
Amortisation of intangible assets	1,275	862
<i>Included in distribution costs:</i>		
Depreciation of plant and equipment	192	284
<i>Included in administrative expenses:</i>		
Depreciation of plant and equipment	1,414	1,298
Amortisation of intangible assets	328	227

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23 Income tax

Income tax recognised in profit or loss

	2020	2019 (Restated)
	<i>(in thousand Baht)</i>	
Current tax expense		
Current year	20,364	36,973
Over provided in prior year	(10)	(12)
	<u>20,354</u>	<u>36,961</u>
Deferred tax expense		
Movements in temporary differences	(8,744)	(5,869)
Total	<u>11,610</u>	<u>31,092</u>

Income tax recognised in other comprehensive income

	Before tax	2020 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax expense	Net of tax
Cash flow hedges reserve	148	(30)	118	-	-	-

Reconciliation of effective tax rate

	2020		2019 (Restated)	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		58,678		155,952
Income tax using the Thai corporation tax rate	20	11,736	20	31,190
Expenses additionally deductible for tax purposes		(148)		(146)
Expenses not deductible for tax purposes		32		60
Over provided in prior year		(10)		(12)
Total	<u>20</u>	<u>11,610</u>	<u>20</u>	<u>31,092</u>

Deferred tax

At 31 December

	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	36,971	27,658	-	-
Net deferred tax assets	<u>36,971</u>	<u>27,658</u>	<u>-</u>	<u>-</u>

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		At 1 January 2020 (Restated)	(Charged) / credited to Profit or loss	Other comprehensive income	At 31 December 2020
	Note				
<i>(in thousand Baht)</i>					
Deferred tax assets					
Right-of-use assets	3	107	63	-	170
Derivatives and hedge accounting	3	599	8,576	(30)	9,145
Provision for employee benefits		27,523	105	-	27,628
Others		28	-	-	28
Total		28,257	8,744	(30)	36,971

		At 1 January 2019 (Restated)	(Charged) / credited to Profit or loss	Other comprehensive income	At 31 December 2019 (Restated)
	Note				
<i>(in thousand Baht)</i>					
Deferred tax assets					
Right-of-use assets	3	270	(163)	-	107
Provision for employee benefits		21,491	6,032	-	27,523
Others		28	-	-	28
Total		21,789	5,869	-	27,658

24 Promotional privileges

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

- exemption from the payment of import duty on raw material and essential materials imported for the Company's operation for export, from 14 January 2017 to 13 January 2020.
- exemption from the payment of import duty on item which the promoted company imports for re-export, from 14 January 2017 to 13 January 2020.

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

25 Basic earnings per share

	2020	2019 (Restated)
		<i>(in thousand Baht / thousand shares)</i>
Profit attributable to ordinary shareholders for the year ended 31 December		
Profit attributable to ordinary shareholders of the Company (basic)	47,068	124,860
Number of ordinary shares outstanding	48,000	48,000
Earnings per share (basic) (in Baht)	0.98	2.60

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26 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2020				
Annual dividend	29 April 2020	May 2020	<u>1.625</u>	<u>78,000</u>
2019				
Annual dividend	29 April 2019	May 2019	<u>1.625</u>	<u>78,000</u>

27 Financial instruments

(a) Carrying amounts and fair values

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

At 31 December 2020	Hedging instruments	Carrying amount			Total	Fair value			
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost (in thousand Baht)		Level 1	Level 2	Level 3	Total
Financial assets									
Copper future contract used for hedging	87,483	-	-	-	87,483	-	87,483	-	87,483
Total financial assets	<u>87,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,483</u>				
Financial liabilities									
Forward exchange contract used for hedging	(7,608)	(500)	-	-	(8,108)	-	(8,108)	-	(8,108)
Copper future contract used for hedging	(125,097)	-	-	-	(125,097)	-	(125,097)	-	(125,097)
Total financial liabilities	<u>(132,705)</u>	<u>(500)</u>	<u>-</u>	<u>-</u>	<u>(133,205)</u>				

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Financial instruments measured at fair value

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

(b) Financial risk management policies

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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

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

(b.1) Credit risk

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

(b.1.1) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 18.

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Loss rates are based on actual credit loss experience over the past four years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected and current conditions.

As at 31 December 2020 and 2019, the Company has no allowance for impairment loss of trade receivables.

<i>Trade receivables</i>	<i>Note</i>	2020 <i>(in thousand Baht)</i>	2019
Related parties			
Within credit terms		363,846	396,457
	6	<u>363,846</u>	<u>396,457</u>
Other parties			
Within credit terms		1,162,329	1,193,447
Overdue:			
Less than 3 months		5,994	2,694
		<u>1,168,323</u>	<u>1,196,141</u>
Total		<u>1,532,169</u>	<u>1,592,598</u>

(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 creditworthy as banks, financial institutions and a related party.

(b.2) Liquidity risk

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

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

<i>At 31 December 2020</i>	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			<i>(in thousand Baht)</i>			
<i>Non-derivative financial liabilities</i>						
Trade payables	(339,735)	(339,735)	-	-	-	(339,735)
Other payables	(29,933)	(29,933)	-	-	-	(29,933)
Lease liabilities	(8,678)	(4,545)	(3,306)	(1,240)	-	(9,091)
Loans from financial institutions	(825,000)	(829,484)	-	-	-	(829,484)
	(1,203,346)	(1,203,697)	(3,306)	(1,240)	-	(1,208,243)

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<i>At 31 December 2020</i>	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			<i>(in thousand Baht)</i>			
<i>Derivative financial liabilities</i>						
Copper future contracts used for hedging	(125,097)	(37,615)	-	-	-	(37,615)
Forward exchange contracts used for hedging:	(8,108)					
- Cash outflow		(389,592)	-	-	-	(389,592)
- Cash inflow		383,814	-	-	-	383,814
	<u>(133,205)</u>	<u>(43,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,393)</u>

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

(b.3) Market risk

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivatives for speculative or trading purposes.

(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 Euro, US dollars, and Japan Yen.

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

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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

<i>Exposure to foreign currency at 31 December</i>	2020			2019		
	USD	JPY	Total (in thousand Baht)	USD	JPY	Total
Trade receivables	175,396	12,662	188,058	166,039	7,615	173,654
Other receivables	21,596	-	21,596	-	-	-
Trade payables	(52,827)	(16,748)	(69,575)	(294,639)	(17,260)	(311,899)
Other payables	(113)	-	(113)	(96)	(67)	(163)
Net statement of financial position exposure	144,052	(4,086)	139,966	(128,696)	(9,712)	(138,408)
Sales forecast	237,951	-	237,951	509,720	-	509,720
Purchases forecast	(142,719)	-	(142,719)	(361,620)	-	(361,620)
Net forecast transaction exposure	239,284	(4,086)	235,198	19,404	(9,712)	9,692
Forward exchange purchase contracts	193,084	9,521	202,605	530,505	14,419	544,924
Forward exchange selling contracts	(175,513)	(12,720)	(188,233)	(154,853)	(7,740)	(162,593)
Net exposure	256,855	(7,285)	249,570	395,056	(3,033)	392,023

(b.3.1) 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 are mainly fixed. The Company is primarily exposed to interest rate risk from its borrowings (see note 13). The Company mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

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<i>At 31 December</i>	Maturity period			Total
	Effective interest rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	
2020				
Financial liabilities				
Short-term borrowings from financial institutions	1.08	825,000	-	825,000
Total		825,000	-	825,000
2019				
Financial liabilities				
Short-term borrowings from financial institution	1.39	100,000	-	100,000
Short-term borrowings from related party	1.25	405,778	-	405,778
Total		505,778	-	505,778

(b.4) Cash flow hedge

At 31 December 2020, the Company held the following financial instruments to hedge exposures to changes in foreign currency.

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

The amounts at the reporting date relating to items designated as hedged items were as follows.

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

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

(in thousand Baht)

Foreign currency risk

At 31 December 2020

Forward exchange contracts – nominal amount	156,519
Carrying amount included in:	
- trade and other payables	(580)
- other current financial liabilities	(7,608)

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Recognised in OCI

- changes in value of the hedging instrument	(7,608)
- hedging reserve transferred to profit or loss	7,757

Recognised in profit or loss

- hedge ineffectiveness included in	-
- reclassified from hedging reserve and included in cost of goods sold	7,757

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

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

(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.

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

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

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

(in thousand Baht)

Commodity price risk

At 31 December 2020

Copper future contracts – nominal amount	240,655
Carrying amount included in:	
- other current financial assets	87,483
- other current financial liabilities	(125,097)

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Recognised in profit or loss

- hedge ineffectiveness included in hedging loss for hedge of group of items with off-setting risk positions	(197)
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28 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.

29 Commitments with non-related parties

	2020	2019
	<i>(in thousand Baht)</i>	
Other commitments		
Short-term lease and low-value assets commitments	190	640
Bank guarantees for electricity use	13,369	13,369
Total	13,559	14,009

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30 Events after the reporting period

- 30.1 At the Board of Directors' meeting held on 19 February 2021, the directors resolved to propose the dividend payment at Baht 1.625 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.
- 30.2 As disclosed in note 5, the Company has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Company. Management is closely monitoring the situation and managing to lessen the impact as much as possible.



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

Bangkok Office

183 Regent House Building, 14th Floor,
Rajdamri Road, Lumpini, Pathumwan,
Bangkok 10330

Tel. (+66) 2-256-0641-50

Fax. (+66) 2-256-0651

Saraburi Factory

213 Moo 4, Mittraphap Road, Km.125
T. Tabkwang, A. Kaengko, i,
Saraburi 18260

Tel. (+66) 36-329-811-20

Fax. (+66) 36-329-822