



Annual Report Y. 2022 **(Form 56-1 One Report)**





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Message from the Chairman



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

In 2022, the global economy continued to be affected by the outbreak of the new coronavirus (Covid-19), resulting in interruptions across the business sector. This was compounded by risk of conflicts between world superpowers that are becoming more intense, risk of climate change and soaring energy prices, rapid and extreme exchange rate fluctuations, higher inflation, shortage of raw materials, etc.-all have contributed to uncertainty in the global supply chain.

At the same time, the Company has placed greater emphasis on Sustainable Development Goals ("SDG"), with increasing concern given to economic, social, and environmental factors driving the Company's operations by reducing carbon emissions or pollution to achieve the goal of Carbon Neutrality and reducing greenhouse gas emissions; a global agenda that requires concerted action to help resolve.

Under such business environment, the Company remains committed to manufacturing and delivering high quality products by planning marketing strategies, selling high-margin copper tube products, as well as focusing on product development to maintain competitiveness and serve the varied needs of customers. However, air conditioner manufacturers, who are the Company's main customers, have had to lower production volumes due to shortages of electronic components used in the production of air conditioners, resulting in lower sales volume than the previous year. In addition, the price of copper sheets and energy costs continued to increase, but the Company has maintained a higher proportion of sales in strategic products. As a result, the Company's net sales revenue was 7,962 million Baht, greatly affecting the net profit, which was 99 million Baht in 2022, a decrease compared to the previous year. Despite the circumstances, to express our gratitude to all shareholders for supporting the Company, the Board of Directors has proposed an annual dividend payment at the rate of 2.750 Baht per share, an increase of 0.125 Baht per share.

For the year 2023, the Company plans to expand into new markets and acquire new customers, both domestic and international, to focus on selling strategic products, and to develop new products in order to become the preferred supplier that is trusted by all customers and shareholders.

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

A handwritten signature in black ink, appearing to read 'Chai Sophonpanich'.

Mr. Chai Sophonpanich
Chairman

Board Of Directors



Mr. Chai Sophonpanich
Chairman



Mrs. Chanida Asdathorn
Director



Mr. Hideki Shiraishi
Director



Mr. Junichi Ishihara
Director & Managing Director



Mr. Nobutaka Taniguchi
Director



Mr. Shingo Nishijima
Director



Mr. Yoshihiko Mezaki
Director



Mr. Hideki Takayasu
Director



Mr. Tinnakorn Asdathorn
Director



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



Mr. Chor Nun Petpaisit
Audit Committee Member
and Independent Director



Mr. Akira Fujita
Audit Committee Member
and Independent Director



Mr. Iruru Hidaka
Independent Director



Mr. Deja Tulananda
Independent Director
(Ended 30 June 2022)

Financial Highlight

(Unit: Million Baht)

Financial Performance	Y. 2022	Y. 2021	Y.2020
Net Sale	7,962	7,185	4,802
Total Revenues	7,981	7,388	4,818
Cost and Expenses	7,857	7,113	4,760
Profit (Loss) Before Income Tax	124	274	58
Income Tax	(25)	(55)	(12)
Net Profit (Loss)	99	220	47
Other comprehensive income	(11)	4	0
Total comprehensive income for the year	88	224	47
Basic Earning (Loss) Per Share (Baht)	2.06	4.57	0.98
Dividend Per Share (Baht)	2.625	1.625	1.625
Return on Total Revenue (%)	1.24	2.97	0.98
Return on Shareholders' Equity (%)	5.19	13.61	2.97
Return on Total Assets (%)	3.26	6.57	1.53

(Unit: Million Baht)

Financial Ratio	Y. 2022	Y. 2021	Y. 2020
Current Assets	2,616	2,916	2,667
Total Assets	3,035	3,339	3,078
Current Liabilities	1,213	1,482	1,364
Long-Term Loans	-	-	-
Total Liabilities	1,355	1,621	1,506
Shareholders' Equity	1,680	1,718	1,572
Issued & Paid-Up Capital	480	480	480
Par Value (Baht)	10	10	10
Number of Shares (Thousand Shares)	48,000	48,000	48,000
Book Value Per Share (Baht)	35.00	35.79	32.75

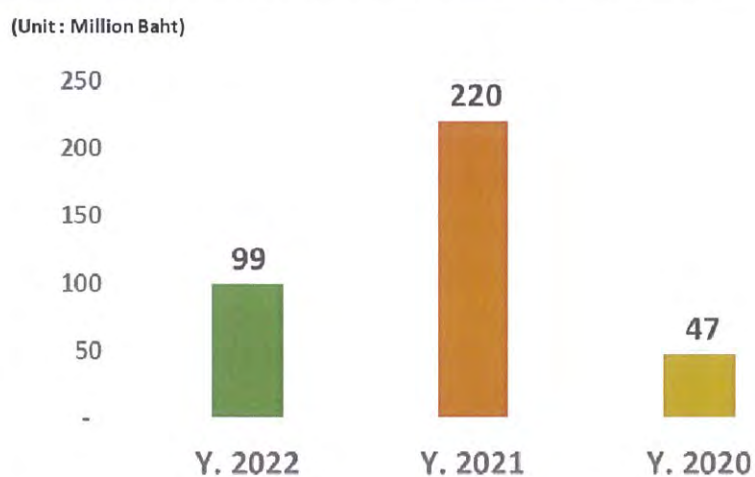
Total Assets



Total Revenues



Net Profit



Section 1 **Business Operations and Operating Results**

1. Structure and Operations of the Company

1.1 Policy and Overview of Business Operations

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



Fine Metal Technologies Public Company Limited was promoted for investment by the Board of Investment for manufacturing seamless copper tubes of 3,000 tons p.a. in October 1987, and extended the scope of promotion from a production capacity of 3,000 tons p.a. to 4,200 tons p.a. Later in 1993, the Company expanded its production capacity in double from 4,200 tons p.a. to 8,400 tons p.a. for the manufacture of Smooth Tube, Multi Grooved Tube, and Accumulator Tube, and supporting the air-conditioner market in Thailand with higher demand from the past and preparing the production capacity for the new product that is Capillary Tube. In 1994, the Company increased the registered capital from 195,000,000 Baht to 335,000,000 Baht to invest in purchasing additional types of machinery. In the following two years, the Company changed par value formerly from 100 Baht to its par value at 10 Baht in 1995.



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

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

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

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

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

Vision

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

Mission

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

Objectives and Goals

Fine Metal Technologies Public Company Limited is a manufacturer and distributor of a seamless copper tube which is a vital part of the manufacture of cooling machines, such as refrigerators and air conditioners. The copper tube has the conductor property with maximum heat transfer and high corrosion resistance. It serves as a passage for the substance for cooling the refrigerator and any other piping application that requires a highly efficient heat conductor and transfer quality and endurance. In addition, the Company has always sought the creation of added value for products by developing product to meet customers' different needs. This creates opportunities and increases business competitiveness. The Company has emphasized the creation of a corporate governance system that is transparent and fair for all stakeholders, legal supervision and execution, and ethics in duty performance. The Board of Directors has also entrusted the crucial duties and responsibilities to the Chairman, Executive Committee, and Audit Committee.

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

1. Execute to acquire new purchase orders and enhance proactive distribution of different products, for instance, Capillary Tube, Taper Pipe, high-performance Thread Taper, Heat Pipe, etc.
2. Retain market share and increase sales volume with advanced manufacturing to support the short-term delivery schedule in a high-demand period.
3. Implement cost reduction activity, for instance, using low-cost raw materials and reduction of production cost, etc.
4. Increase sales volume to other purposes of use besides air-conditioner.
5. Add types of products manufactured in a part of OFC and copper alloy.
6. Manufacture copper tube processed components inside the Company.

To make the Company to achieve the organizational goal, mission, and vision, appropriately the Company has determined core values and culture as follows.

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

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

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

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

According to the business operations for more than 34 years, Fine Metal Technologies Public Company Limited is aware of customers' needs that the customers of the Company not only emphasize product price but also have expectations in terms of product quality, service provision capabilities, and reliability of the products of the Company. Therefore, the Company has made marketing plans that suit the structures of business operations and competitiveness and how to run the Company's business to grow sustainably. Thus, the Board of Directors and the executives of the Company have set the policy guideline and guidelines for business administration to focus on the fulfillment of customer needs as follows:

Quality Policy

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

Management Strategies

1. In terms of product quality, the Company shall manufacture copper tubes that meet standards and have quality, are acceptable for customers and are competitive with other competitors, both local and export.
2. In terms of production cost, the Company shall control production costs, and other expenses by enhancing productivity and minimizing waste volume from the production process.
3. The Company will expand sales and maintain its market share by launching new and differentiated products such as straight tubes, heat pipes, and capillary tubes.
The Company will also maintain its market share by securing inventory for short-term deliveries during demand periods, conducting marketing research, and expanding sales to new customers in the air-conditioner and non-air-conditioner markets in the Asian region.
4. The Company shall have logistic systems for the customers, which are efficient, punctual, and short time product delivery period; and have quick after-sales services to satisfy the customers;
5. The Company shall establish an accurate, precise, and prompt internal and external communication system to establish a system to share situations and prevent errors from occurring or recurring.

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

Strategies of the Company's Operations

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



1.1.2 Major Changes and Development

Summary of the Major Changes and Development of the Company, Business Operations, and Administration since its establishment until 2022.

June 1988

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

January 1989

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

June 1989

The Company received BOI's approval to expand the promoted production capacity from 3,000 to 4,200 tons per year.

May 1990

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

July 1990

Started production of seamless copper tubes (Smooth Tube).

June 1991

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

March 1992

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

March 1993

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

January 1994

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

February 1994

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

November 1995

Changed the par value from 100 baht to 10 baht per share.

February 1996

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

June 1996

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

November 1996

It increased registered capital from 335,000,000 Baht to 480,000,000 Baht to invest in machinery and building for production expansion by a public offering of shares for a capital increase of 14.5 million shares.

December 1996

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

February 1997

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

October 1998

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

January 1999

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

April 1999

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

December 2001

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

July 2003

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

November 2003

The Company increased production capacity by another 3,000 tons to 25,000 tons annually.

October 2004

Increased production capacity from 25,000 tons per year to 28,000 tons per year.

October 2005

Increased production capacity from 28,000 tons per year to 31,000 tons per year.

March 2006

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

September 2009

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

September 2015

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

May 2016

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

February 2017

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

August 2017

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

March 2018

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

December 2018

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

1 June 2020

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

November 2020

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

26 July 2022

FMT has compiled the calculation results of greenhouse gas emissions from its activities and has Thailand Greenhouse Gas Management Organization (TOG) certified the calculation data to carry out necessary activities further to reduce greenhouse gas emissions.

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

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

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

- The Company's shares are transferrable without limitation.

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

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

1.2 **Nature of Business**

1.2.1 Income Structure of the Company Products

Revenue Structure of the Company During the Past Three Years

Product	Y. 2020		Y. 2021		Y. 2022	
	MB	%	MB	%	MB	%
Domestic						
1. Smooth Tube	1,730.26	36.03	2,575.92	35.85	2,953.91	37.10
2. Multi Grooved Tube	838.89	17.48	744.44	10.37	803.24	10.10
3. Accumulator Tube	224.89	4.68	367.10	5.11	338.26	4.25
4. Capillary Tube	267.50	5.57	355.83	4.95	405.13	5.09
Sub Total	3,935.86	63.76	4,043.29	56.28	4,500.54	56.54
Export						
1. Smooth Tube	981.17	20.42	1,488.03	20.70	1,543.71	19.39
2. Multi Grooved Tube	609.69	12.70	1,357.28	18.89	1,594.96	20.03
3. Accumulator Tube	111.68	2.33	182.08	2.53	224.09	2.81
4. Capillary Tube	37.93	0.79	114.61	1.60	98.22	1.23
Sub Total	1,740.47	36.24	3,142.00	43.72	3,460.98	43.46
Total Sales						
1. Smooth Tube	2,711.43	56.46	4,063.95	56.56	4,497.62	56.49
2. Multi Grooved Tube	1,448.58	30.17	2,101.72	29.25	2,398.20	30.13
3. Accumulator Tube	336.57	7.01	549.18	7.64	562.35	7.06
4. Capillary Tube	305.43	6.36	470.44	6.55	503.36	6.32
Total	4,802.01	100%	7,185.29	100%	7,961.53	100%

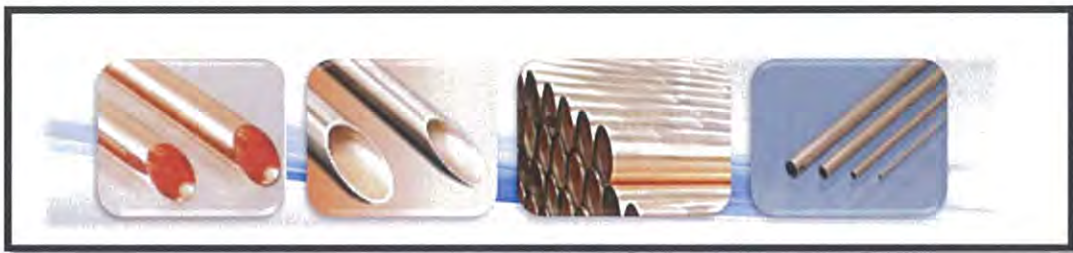
1.2.2 Product Information

(1) Characteristics of Products and Services and Innovation Development

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

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

The current major product lines of the Company are Level Wound Coil, Multi Grooved Tube, Half Hard, Straight Tube, and Capillary Tube. However, in 2022, the Company had total local distribution has been at the rate of 56.54% and export for foreign distribution at the rate of 43.46%. (Export for foreign distribution includes shipments to EPZ)



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

1. Smooth Tube: This is a seamless copper tube with a smooth outer and inner wall of the copper tube, and is the primary product used in general air-conditioners. Most customers are local ones. There are two types, as follows.
 - 1.1 Smooth Tube for Heat Exchanger, used for carrying refrigerant within the refrigerator.
 - 1.2 Smooth Tube for Pipeing, used for carrying refrigerant outside the refrigerator.
2. Multi-Grooved Tube: A seamless copper tube with a smooth outer wall and grooves cut into the inner wall. The grooves increase the inner surface area, dramatically improving heat transfer efficiency. Compared to the efficiency requirements of smooth tubes, it reduces the amount of copper tubes used in the heat exchanger production process. It is therefore utilized to produce highly efficient and expensive small-type air conditioners.
3. Large Diameter Tube: This is a straight and large seamless copper tube popular as the pressure reservoir tank for refrigerant.
4. Capillary Tube: This is a small seamless copper tube to act as the passage of the refrigerant after adjusting the temperature to lower the compressor to go through the refrigerant inside the cold storage, and also helps adjust and reduce the pressure of the refrigerant at the suitable level before entering to the refrigerator.

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

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

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

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

Promotion Certificate No. 2 No. 1198/2537

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

Promotion Certificate No. 3 No. 1555/2539

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

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

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

Current Benefits Received from Investment Promotion

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

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

- 1) Pursuant to Section 36 (1)
Received the exemption for import duties for raw materials and essential materials required for import from overseas to be used in manufacturing for export from 14 January 2021 to 13 July 2023.
- 2) Pursuant to Section 36 (2)
Received the exemption for import duties for the goods imported by the promoted person for re-export from 14 January 2021 to 13 July 2023.



The Company's research, change, and development in various areas and the crucial innovation development in 2022

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



2. Marketing and Competition

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

Competition Condition of the Copper Tube Market

At the beginning of 2022, air conditioner manufacturers, our main customers for copper pipes, encountered production problems due to the shortage of semiconductors and electronic components, which are necessary for producing air conditioners even if the air conditioning demand is high. As a result, our copper tube sales quantity in 2022 was 21,290 tons, which decreased from 2021.

The import of copper pipes from China, Malaysia, Vietnam, South Korea, and other countries has caused domestic copper pipe manufacturers to compete in prices and imported products, some domestic customers have turned to using imported copper pipes, but they always face quality and service problems.

Compared to our products, imported copper pipes could not compete with our products in terms of quality and services.

In 2022, China, Malaysia, South Korea, and other countries will have a proportion of copper pipe import at approximately 86%, 7%, 5% and 2%, respectively.

The price competition from imported copper pipes tends to be more intense; however, based on our management philosophy, we have established guidelines to create good quality and standardized products for our customers.

As a leading copper pipe manufacturer in Southeast Asia, FMT has continuously focused on improving business structure and technology.

Group of Target Customers

The Company has established the following two target market segments.

1. Current market segments

Major air conditioner and refrigerator manufacturers that use high-performance products.

2. New market segments

Electronic components manufacturing companies that use special high-performance copper tubes in addition to manufacturers of air conditioners and refrigerators.

Pricing Policy

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

Capability to Customize Products to Fulfill the Customer Needs

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

Product Quality

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

The Company has developed a quality management system covering the product development and design process that has been certified with ISO 9001:2000 International Standard Quality System from RWTUV Anlagentechnik Institute, Germany, and continuously maintained the quality and development. On December 2016, the Company audited for ISO 9001:2015 Quality System Certification and received the Certificate of Quality System on 7 February 2017. In addition, the Company has audited for certification of the ISO 14001:2015 Environmental Management System on December 2017 and received the Certificate of Environmental Management System on 29 March 2018.

On December 2018, the Company additionally applied for ISO 14001:2015 Environmental Management System Certification from TUV NORD (Thailand) Ltd. at the Bangkok office, Sales Section, Import and Export Section; and the Company audited for certification of the ISO 9001:2015 Quality System on December 2019.

Product Delivery System

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

Customer Relationship Maintaining

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

Leader of Accumulator Tube and Capillary Tube Production in Thailand

The Company can produce small copper tubes (Capillary Tubes) and various copper tube products according to size and customer needs.

In 2021, the Company installed machines to increase Capillary Tube and Taper Pipe production capacity to meet growing customer demand.

Supply of Products and Services

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

<u>Head Office</u>	183 Regent House Building, 14th Floor Rajadamri Road, Lumpini, Pathumwan Bangkok 10330
Telephone	02-256-0641-50
Facsimile	02-256-0651
The sections in Head Office	Finance & Accounting Department, Sales Department, Import & BOI Section, Export Section for the contact of the customers and government agencies.
<u>Factory</u>	213 Moo 4, Mittraparb Road, Km. 125, Tambol Tub-Kwang, Amphur Kaengkhoi, Saraburi Province 18260
Telephone	036 - 329 - 811 to 20
Facsimile	036 - 329 - 822

Full production capacity and actual production volume Y. 2020 – Y. 2022

Product	Y. 2020	Y. 2021	Y. 2022
Total machine capacity (Unit : Tons/year)	31,000 Tons/year	31,000 Tons/year	31,000 Tons/year
Actual product volume (Unit : Tons/year)	20,622 Tons/year	22,526 Tons/year	21,169 Tons/year
Capacity utilization rate (%)	66.52 %	72.66 %	68.29 %
Increase of production volume (%)	-18.35 %	9.24 %	-6.02 %

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

Raw Materials

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

Raw Material Ordering Policy

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

In 2022, we procured 71% of copper cathode from overseas and 29% of domestic recycled copper.

Distribution and distribution channels

At present, Fine Metal Technologies Public Company Limited sells copper tubes to the company refrigeration manufacturers directly and through distributors.

Assets Used in Business Operation

Core Fixed Assets of the Company

The core fixed assets of the Company has book value as of 31 December 2022 as follows.

	Item	(Unit : Baht)
1	Land and Land Improvement	181,600,317
2	Building and Building Improvement	601,846,952
3	Machineries and Equipment	4,469,495,100
4	Decorations, Fixtures and Office Equipment	47,294,961
5	Intangible Assets	152,022,881
6	Vehicle	3,390,031
7	Right-of-Use Assets	19,624,222
8	Machineries under Installation	69,202,539
9	Intangible Assets under Installation	892,390
	<u>Less</u> Accumulated Depreciation	(5,158,165,813)
	Total	387,203,580

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

Land as of 31 December 2022

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

Building and Building Improvement as of 31 December 2022

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

The Company utilizes the following areas, respectively.

• Production	68,620	Square Meters
• Warehouse	3,649	Square Meters
• Office	895	Square Meters
• Others	<u>66,875</u>	Square Meters
Total	<u>132,036</u>	Square Meters

- Bangkok Office is located at No. 183 Regent House Building, 14th Floor, Rajadamri Road, Lumpini, Pathumwan, Bangkok 10330, with a total area of 304.73 square meters and a term of the Lease Agreement for three years starting from 1 September 2022 to 31 August 2025, and total monthly lease fee of 213,311.- Baht.

Building and Building Improvement as of 31 December 2022

Detail	Cost (Baht)	Book Value (Baht)	Useful Life (Years)	Remaining Useful Life	
				(Years)	(Month)
Factory	552,753,714	36,145,641			
- Factory	491,344,742	21,920,565	20	5	4
- Factory Improvement	61,408,972	14,225,076	5-20	10	0
Office	31,712,650	2,009,492			
- Office	2,336,167	2	20	-	-
- Office Improvement	29,376,483	2,009,490	5	-	-
Officer Residence	4,507,612	4			
- Officer Residence	4,014,377	2	20	-	-
- Officer Residence	493,235	2	5	-	-
Improvement					
Others in Bangkok	12,872,976	6,131,655	5	5	0
Total	601,846,952	44,286,792			

Machinery and Equipment

As of 31 December 2022, the Company's machinery and equipment are as follows.

No.	Machineries and Equipment	Quantity (Items)	Cost (Baht)	Book Value (Baht)	Useful Life
1	Machineries	3,078	4,373,217,519	134,765,242	5-20 Years
2	Equipment	1,204	96,277,581	2,971,440	5-20 Years
	Total	4,282	4,469,495,100	137,736,682	

Net Asset Value

As of 31 December 2022, the Company's total net asset value has been Baht 3,035 million.

- Net asset value where the asset value has been adjusted based on cost estimate or based on investment value.
 - The cost price of the asset was not revalued. Therefore, the total asset value has been Baht 3,035 million.
- Net asset value pursuant to 1. has been deducted with contingent liabilities from entry into a guarantee, aval, mortgage obligation or guarantee for another person or incurrence of other obligations, and the detail of the said items has also been presented as follows.
 - There has been none of the contingent liability from the guarantee. Therefore, the total asset value has been Baht 3,035 million.
- Net Asset Value pursuant to 1. and 2. per share
 - The total net asset value per share has been 63.23 Baht.

The Policy of Investment in Subsidiaries and Associates

- None -

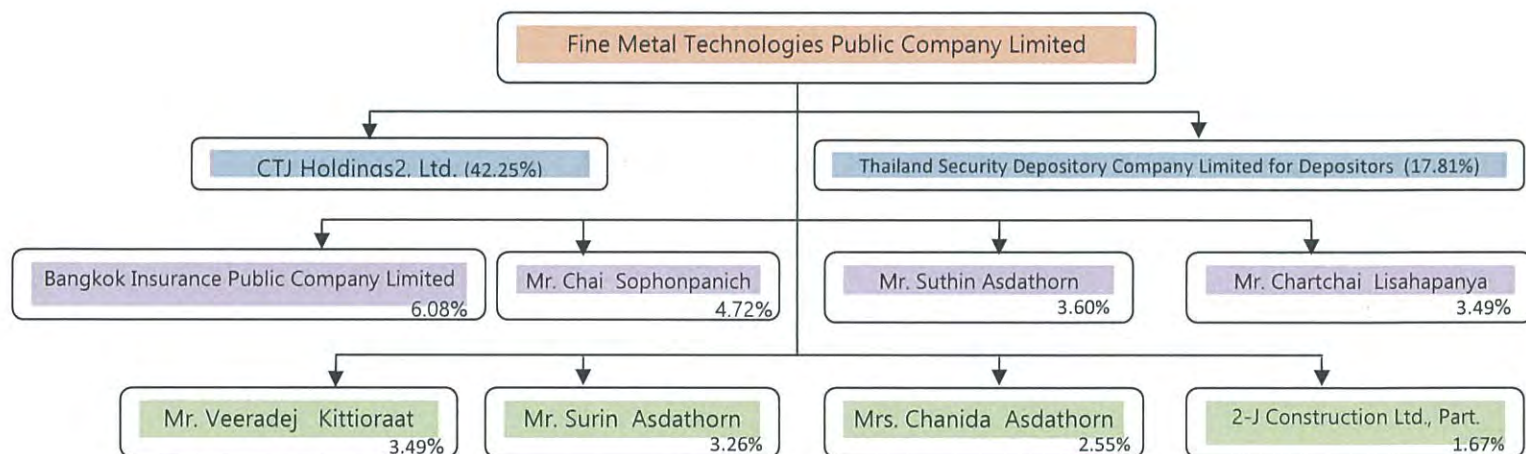
Cost Estimate of Assets (Acquisition or Disposal of Asset)

- None -

1.3 Company Shareholding Structure

1.3.1 Shareholding Structure

Shareholding Structure of the Top 10 Major Shareholders as of 31 March 2022.



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

- None -

1.3.3 Relationship with the business group of the major shareholders.

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

1.3.4 Shareholders

Name List of Top Ten Major Securities Holders (without address consideration) of Fine Metal Technologies Public Company Limited, together with the number of held shares and shareholding proportion pursuant to the Securities Holders' Register as of 31 March 2022, are as follows.

No.	Name List of Shareholders	Number of Shares	Percent of Number of Shares
1)	CTJ Holdings2, Ltd. ⁽¹⁾	20,280,280	42.25
2)	Thailand Securities Depository Company Limited for Depositors	8,547,629	17.81
3)	Bangkok Insuranc Public Company Limited ⁽²⁾	2,919,300	6.08
4)	Mr. Chai Sophonpanich	2,265,200	4.72
5)	Mr. Suthin Asdathorn	1,726,610	3.60
6)	Mr. Chartchai Lisahapanya	1,674,710	3.49
7)	Mr. Veeradej Kittioraat	1,674,710	3.49
8)	Mr. Surin Asdathorn	1,564,910	3.26
9)	Mrs. Chanida Asdathorn	1,225,810	2.55
10)	2-J Construction Ltd., Part.	800,000	1.67

Remarks

- Shareholder ⁽¹⁾ CTJ Holdings2, Ltd.
Brief Nature of Business

CTJ Holdings2, Ltd. is a Juristic Person established for specific objectives on 25 September 2019. JIP's objectives are to hold the shares in the companies that operate the industrial material businesses relating to copper production and distribution in Japan and Asia Pacific Region; and to purchase the shares of Fine Metal Technologies Public Company Limited, a business in Thailand operating a seamless copper pipe production in 2020.

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

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

- Shareholder ⁽²⁾ Bangkok Insurance Public Company Limited.

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

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

1.4 **Registered Capital and Paid-Up Capital Amount**

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

As of 31 December 2022, the Company had a registered capital of Baht 480 million, classified into 48 million ordinary shares at a par value of 10 Baht per share and a paid-up capital of Baht 480 million.

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

- None -

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

- None -

1.5 **Issuance of Other Securities.**

- None -

1.5.1 Convertible Securities

- None -

1.5.2 Debt Instruments

- None -

1.6 **Dividend Payment Policy**

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

The past dividend payment of the Company for five retrospective years

Year	Dividend Per Share (Baht)	Payment Date
2018	1.500 Baht	on Friday, 18 May 2018
2019	1.625 Baht	on Friday, 24 May 2029
2020	1.625 Baht	on Tuesday, 26 May 2020
2021	1.625 Baht	on Tuesday, 25 May 2021
2022	2.625 Baht	on Friday, 20 May 2022

2. Risk Management

2.1 Risk Management Policy and Plan

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

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

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

The details of credit risk, liquidity risk, market risk, foreign exchange rate risk, interest rate risk, and commodity price risk are shown in notes to the Company's financial statements for the year ended 31 December 2022.

2.2 Risk Factors of the Company's Business Operation

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

Business Operation Risk (Procurement of Raw Materials)

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

Due to the very high fluctuation of the price of the raw material, that is, copper cathode, in the world market, the Company has the policy not to stock raw materials of copper cathodes. The Company will produce raw materials according to customers purchase orders, and make the marketing plan more than three months in advance in collaboration with Raw Materials Purchase Section and Marketing Section, by suitably ordering raw materials to match the customer orders. For the copper price, it is not answerable to anyone that it will tend to decrease or increase or when and how it will be increased. In 2022, the copper raw material price severely fluctuated and varied from 2020-2021. However, the copper raw material price has fluctuated depending on prices, gold prices, the state of war, and price speculation of the world market. The Company has managed the copper raw material procurement risk to hedge the fluctuation of this copper raw material price.

Countermeasures for the risk-off depending on the raw material ordering

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

Copper Cathodes and Domestic Recycled Copper

Securing Stable Procurement Routes for Copper, a Critical Raw Material

1. Annual Procurement contract

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

2. Securing Inventory Quantity

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

3. Utilization of Recycled Copper

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

Hedging Risk to Copper Price Fluctuations

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

(1) Type of price determination with customers

- 1.1 Pre-determining the price of copper within an acceptable range (hedging) is an order method in which a customer reserves the right to buy or sell copper in advance to reduce the risk of price fluctuations in the world market copper price.
- 1.2 Buy/sell at average price is popular with customers because it is a price at which customers can determine their costs. For example, this method allows customers to use prices of raw materials for copper for one or two months.
- 1.3 A method in which FMT purchases copper from customers at a fixed price and determines the selling price based on that price.

(2) Our Price Risk Hedging

Under the conditions for determining raw material orders in Sections 1.1 and 1.2, we hedge risk by totaling the purchase and sales volumes and the volume of raw material inventory on a fixed date each month and executing hedging contracts to cover our total price fluctuating risk position. In determining the raw material order by the customer, we distinguish between the price of the raw material on the London Metal Exchange (LME) and the fees and expenses to be paid by the customer.

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

The risk is the risk from importing copper tubes from overseas and the competition of product price, and risk from the competition of the copper tube import from China, Malaysia, and South Korea, which are the foreign competitors that offer the cheap selling price of copper tube. Some domestic customers have turned to cheap copper tubes but have encountered a quality problem with products and services. Compared with the Company's products, the said competitors have still been unable to compete with the Company in case of quality and service problems of the copper tube import. However, in 2022, the copper tubes were imported approximately 86% from China, 7% from Malaysia, 5% from South Korea, and 2% from other countries. According to the risk from more severe price competition, the Company has formulated the operation guideline by focusing on the production of quality products for customers to be consistent with the Company's policies for the will to be the leader in the manufacturing business of copper tubes in the Southeast Asia Region, the Company has continuously and consistently developed and improved the operating system and technologies.

Competition Risk

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

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

Industrial Risk

Customers use a seamless copper tube as the primary material in manufacturing air-conditioners. The new raw material, namely aluminum tube, has been tested for use instead of copper tube in manufacturing air-conditioners. However, the aluminum tube has been unable to be used in the complete replacement of copper tubes in manufacturing tubes and unable to be used to manufacture all parts of air-conditioners. In addition, the machinery used in manufacturing has been more expensive than the machinery for manufacturing copper tubes. Aluminum is cheaper than copper in the cost of raw material used for production. However, the Company's customers have still used copper tubes as material in manufacturing.

Nevertheless, the impact may arise if the manufacturers of aluminum tubes develop the production quality to be usable and not cause welding problems when the customers use the aluminum tube, resulting in the change of customers to use more aluminum tubes. However, the quality of aluminum tubes does not tolerate copper tubes. In addition, the customers demand copper tubes that are smaller and higher in efficiency to support the new inverter air conditioner. In this part, the Company has developed and innovated to produce copper tubes that are smaller and higher in efficiency to support this part of demand.

Labour Risk

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

Transfer Risk of Production Know-how and Technology Transfer.

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



Climate Change Risk

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

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

The Risk from the COVID-19 Pandemic

Although the severe outbreak of COVID-19 during 2020 – 2022 has started to improve worldwide, new cases of COVID-19 can still be observed from the Wuhan outbreak to alpha, delta, omicron, and sub-species of omicron outbreak. Bearing this in mind, Fine Metal Technologies Public Company Limited continues to implement strict preventive measures against COVID-19, including supporting and encouraging its employees and their family members to receive vaccination in the hope of building better immunization against the virus and minimizing the severity of symptoms in case they had contracted the virus. Although a higher number of COVID-19 cases was reported in 2022, it can be found that the severity of symptoms became less in comparison to that of 2021. The Company assisted employees with COVID-19 by allowing them to take leave according to the number of days suggested by the doctor without cutting their salary or wages as per governmental policy.

At the end of 2022, the government decided to remove COVID-19 from being listed as a dangerous communicable disease. However, the country continues to exercise vigilant control of the pandemic, although there has been ease of many strict preventive measures. This released the Company more about its measure for screening external parties visiting its manufacturing plant and head office while maintaining compliance with governmental policy. This includes requiring employees and external parties to wear a facial mask when entering the premises, hand sanitizers at different locations such as shift break room, employee office, and canteen, and handwash stations in front of the manufacturing plant, canteen, and resting area for visitors. The Company also set up a partition on dining tables in the canteen and offices to reduce congestion and prevent the spread of COVID-19. Restrooms and doorknobs were cleaned daily. In addition, the Company provided useful information concerning COVID-19 and vaccination service offered by various public hospitals through public address systems and notice boards to ensure its employees are updated on essential details and the current COVID-19 situation. In the final quarter of 2022, a declining number of employees with COVID-19 has been reported reflecting the Company's capability to prevent and control the spreading of COVID-19 within its manufacturing plant.

2.2.2 Risk of Investment of the Securities Holder.

- None -

2.2.3 Risk of Investment in Foreign Securities

- None -

3. Business Sustainability Development

3.1 Policies and Goals of Sustainability Management

Fine Metal Technologies Public Company Limited operates the business under Ethics and Corporate Governance Code, together with environmental and social care, by expecting to bring about sustainable business development with transparency and corporate social responsibility. For the Company, social, community, and ecological responsibility has not just been the extra activity of the Company, but it has been the main activity of the Company. However, the Company adheres to the principle of operation with the business goals and Corporate Social Responsibility or CSR.

The Company is confident that the sustainable linkage between consumers and society is essential for the organization's success. Thus, the Company gives precedence to the quality of life, happiness, safety, and livelihood of the employees, customers, and all parties of stakeholders, as well as society and the environment.

Throughout over 34 years of business operation as the manufacturer and distributor of seamless copper tubes, a vital part of air conditioning equipment and refrigerator manufacturing. The Company can produce extensive products that fulfill consumer needs and take social and environmental responsibility for the sustainability of the overall business and society, which is part of regular business operation and the customers of the Company through both before and after sales services with sincerity, accountability, and creation of equality to shareholders, in accompany with social responsibility and return. The Company is committed to continuing to carry out corporate social responsibility for continual stability and sustainability.



1. Fair Business Operations

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

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

- 1.1 The Company shall not seek the confidential information of the trade competitors by dishonest or improper means, for instance, payment of consideration to the competitor's employee.
- 1.2 The Company shall not discredit the trade competitor with any way of accusation.
- 1.3 The Company shall not perform any action with the nature of infringement of intellectual properties or copyrights of other persons in the country and abroad. It shall use the proper copyrighted products and services.
- 1.4 The laws and rules relating to trade competition and monopoly shall be appropriately observed in the Company's business operations.
- 1.5 The Company formulates the work instruction to ensure that the organizational employees are aware and careful of sending news information and images related to the Company from personal communication devices through Application Networks, Social Media, and Social Networks to prevent the individual, organizational and social impacts.

2. Anti-Corruption

Fine Metal Technologies Public Company Limited operates the business by emphasizing anti-fraud/corruption and supports and promotes the personnel at all levels to have consciousness on giving or receiving bribes and corruption in all business activities of the Company.

The Company's Board of Directors held on 6 March 2013 established the "Anti-Corruption Policy" in writing and announced for acknowledgment and strict observance all over the organization.

Definition

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

Anti-Corruption Policy

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

Scope

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

Practices pursuant to the Anti-Corruption Policy

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

In the past, the Company has formulated a guideline for the proper conduct of the Board of Directors, the Executive, and employees in the Code of Business Conduct and Good Corporate Governance.

The Company's directors, executives, employees, and workers are prohibited from performing any acts relating to all forms of corruption, whether as the receiver or giver, in monetary or intangible conditions to the government agencies or private agencies with which the Company operates its business. They shall strictly comply with the Anti-Corruption Policy by not getting involved with corruption and not performing any behavior that indicates the receipt of bribe/bribery for the stakeholders in the matter that they have both direct or indirect duty and responsibility to acquire the illegitimate interest, including contacting the works with other related contractors/sub-contractors.

The following shall be complied with.

1. In purchasing and procuring, transparent and verifiable procedures shall be carried out pursuant to the Company's rules.
2. Not receive or give gifts, cash, cheque, or article in similarity from or to the related parties, both government and private agencies, whom they contact and coordinate.
3. Not receive any asset, article, gift, present or other benefits as an inducement to omit their duty performance, persuade the decision-making, or result in the receiver's breach of the same trade practice as other trade partners.
4. The spending for business entertainment and other expenditure relating to the execution of business contracts is allowed, but the spending must be reasonable and verifiable.
5. The charitable donation must be carried out in the name of the Company only. It must be for the foundations, public, philanthropic organizations, monasteries, schools, hospitals, and healthcare centers or organizations that make the social interests, certified or reliable and accountable. The said donation must be carried out by following per Company's rules.
The Company has issued rules and guidelines on donation and support provisions for charitable donation as the guidelines in philanthropic contributions.
6. The provision of grant-in-aid must be used from the money or assets of the Company for supporting the projects, specifying the name of the Company as the donor only. The spent grant-in-aid must be for business purposes and build good images and reputations for the Company.
The disbursement of such grant-in-aid requires a clear indication of objectives, the support of accountable proofs, and execution by following the procedures and rules of the Company.

7. The employees must pay attention if they perceive any act or behavior that is within the scope of corruption or implies corruption with consequences that are directly and indirectly related to the Company. In such a case, the employees must inform their heads or persons in charge, and collaborate in the investigation. If there is any doubt or question, the employees should consult their heads or persons designated to monitor compliance with this policy through different channels set by the Company.
8. The Company shall provide justice and protection for any employee who denies committing corruption or reports any corruption related to the Company.
9. Anyone who has committed corruption is deemed to violate the policy of the Company and is subjected to disciplinary punishments according to the Company's rules and may be subjected to legal punishment in a case where the said act is illegal.
10. The Company's Board of Directors and the Executive Committee are aware of the importance of the dissemination of knowledge, the provision of consultation, and the building of understanding with the organizational personnel and the associated parties about the anti-corruption to ensure that the personnel and related parties comply with the anti-corruption policy, and become the role models concerning honesty, good ethics, and morality.
11. This anti-corruption policy shall cover the process of human resource management, from the personnel recruitment or selection to the promotion, training and evaluation of employee performance, where the superiors of all levels are responsible for communicating with and building understanding with the employees, to be used in the business activities under their responsibilities, and efficiently supervise the compliance with this policy.
12. The Company and the employees must not take any action related to the politics within the Company. However, the Company is an organization that adheres to political impartiality, encourages compliance with laws and democracy, and has no guidelines for providing any political assistance to any political party, either directly or indirectly.

To ensure that the employees within the organization are aware of the anti-corruption policy, the Company has publicized the said policy through the Company's communication channels, for instance, by publishing the documents to be distributed to the employees and orientation.

Corruption Complaint

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

Head Office

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

Saraburi Factory

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

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

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

Protection and Confidentiality Measure for Whistle-Blower of Corruption Information

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

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

In 2022, the Company did not receive corruption complaints within and outside organizations. The Company has reviewed to ensure that the Company's directors, executives, employees and contractors who have entered to work with the Company, are transparent when entering into transactions with each other. The documents indicating the guidelines for preventing corruption, and giving or receiving various bribes have been prepared.

3. Fair Labour Treatment

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

- 3.1 To oversee the fair employment conditions and to ensure that the employees receive suitable remuneration as prescribed by labor law.
- 3.2 To set the policies and guidelines concerning rewards and other welfare. Apart from salaries, bonuses, and provident fund as prescribed by law, the Company also provides additional welfare, for instance, free rice, provisions of cremation allowance for the deceased members of personnel's families, scholarship for the employee's children who are studying from the level of kindergarten, to high school or vocational college levels and presents for children in community schools on the Children's Day, including organizing the retirement party to express gratitude to the employees who work with the Company until their retirement in every year.
- 3.3 To provide welfare to the employee, for instance, annual leave, personal leaves for taking care of hospitalized family member or wife who delivers birth, leave for attending a funeral in case of the death of a family member of the employee, and leave for the COVID-19 vaccination for the safety of the employee and colleagues in the organization, proper overtime, allowance for medical fees of the employee and their family, annual health check, group insurance for accidents, and refund for the employee who does not use the annual leave at the end of the year.
- 3.4 In appointment, transfer and reward provision must be based on each employee's knowledge, capabilities, and suitability of the employees, as well as employee punishment, rules, and regulations of the Company shall be considered with justice.
- 3.5 To supervise and maintain a working environment to be safe for the employee's life and properties under the Company's concern for the day-long safety of the employee at work.
- 3.6 The Company establishes the policy to become a company in which all employees can work safely with relaxing minds" by organizing several activities for the safety of laborers and in the workplace, for instance.
 - Provide the yearly fire extinguishing drill and a fire evacuation drill for readiness. In 2021, fire evacuation drill was organized in December under training assistance from Kaeng Khoi Municipality.
 - Inspect the readiness of fire extinguishing instruments according to the determined plan.
 - The Company supplies PPEs for the operators based on the nature of the job to make the operators confident and safe at work because safety is essential for the Company's business operations.
 - Prepare an annual plan to mitigate safety impacts, for instance, targeting to reduce the occupational accidents up to the off-stage to zero accident, reduce the ratio of accidental injury and occupational illness ratio on target, campaign the occupational risk assessment of all employees to find the concrete preventive and corrective measures, encourage the employees to know the analytical thinking through the KYT (Kiken Yochi Training) activity doing, which means the analytical method for safety using the analytical or anticipation method that any hazards are latent in the jobs that must be performed and find the controlling and protecting a way of the said hazards.
 - To arrange training on using pacemakers and equipment for helping patients in the ambulance.
- 3.7 To encourage the employees to work happily by improving the working environment in all aspects through surveys, presentations, and follow-ups for improvement monthly. (Safety Kaizen).
- 3.8 To encourage and develop the employees to have the additional related knowledge and expertise all the time through the courses of the actions for green industry certificate, the quantitative risk assessment for health and safety, and techniques of production management for the supervisors, etc.
- 3.9 To oversee, inspect, and provide the measurement of the environment in the factory and production process to prevent impacts on the health of the employees, other people in the factory, and members of nearby communities.

- 3.10 To have waste management systems that are permitted and licensed as the law prescribed.
- 3.11 To develop an HRMS System for facilitating the employees to search for information about working Company Announcement, rules, welfare, and request for approval on leave and overtime, which allows all employees to execute both during working hours and outside working hours.

4. Responsibility to Customers

The policy of the Company stipulates that "Customer Satisfaction is Our Supreme Priority". It is a Company that customers can trust, making the Company and the employees committed to creating customer satisfaction and confidence, taking care of and being responsible for customers through the constant awareness that the customers must receive good and quality products and services that meet the established standards, including strict compliance with the conditions and terms entered in the sustainable manners, not using the customer information for the benefit of the Company and the related parties.

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

5. Environmental Care

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



5.1 The resources are efficiently consumed for maximum benefits. In addition, serious energy conservation measures are established. The Company has established the energy and resource conservation policy for mutual awareness of the organizational employees on energy conservation and economical and appreciated resource consumption, brainstorming, proposal, and implementation of the projects to reduce energy cost. The executives have set the target as an indicator of resource consumption, energy conservation, and productivity for maximum benefits that can truly measure the outcome and gives precedence to strengthening the disciplines in saving resource consumption, such as turning off the light at lunch break hours, non-turning on the tap and leaving the water running, scheduling air-conditioner switching on-off in break hours and before clocking off, arrangement of shuttlebus in the type of Carpool, use of two-sided paper, reduction in ordering the color printing works in case of unnecessary, search, and report of leakage points, such as water leakage, gas leakage. In addition, the Company has set up the Energy Conservation Committee and prepared the Annual Energy Conservation Plan, such as replacing light bulbs in the factory with LED energy-saving lamps and road lights and installing Solar Rooftop System to reduce the electricity consumption inside the Company. The solar rooftop project on the factory building roof that can be performed has been in process by considering worthiness and all-round impacts to sustainably reduce the Company's cost and electricity bill as part of the Company's weather atmospheric change management with the will of indirect carbon emission mitigation from consumption of the electricity generated from fossil fuels, which has caused global warming.

5.2 The Company has formulated the environmental policy and target as practical guidelines for each work unit and the employees at all levels and carried forward for the continuous development of worthwhile resource consumption and mutual mitigation of environmental impact from the production process in the whole supply chain of the Company for sustainable ecological management. The internal management system is consistent with the organizational context, laws, and customer policies, with regular inspection and monitoring by various environmental measures according to the effective certification system, such as ISO14001:2015 System. In addition, the Company has received the Green Industry Level 3 Certification from the Ministry of Industry and the Carbon Footprint for Organization (CFO) Certification from Thailand Greenhouse Gas Management Organization (Public Organization). It is the procedural regulation for presenting the information of greenhouse gas emission volume account in the Company's operating scope, bringing about the determination of the management guidelines for greenhouse gas emission that contributes to the efficient mitigation of global warming conforming to the international standards.

5.3 The Company consists of work units and personnel in the environment, air, water, and industrial waste for monitoring, supervision, improvement, and development of a Pollution Treatment System for air pollution, water pollution, and industrial waste pollution to be efficient in environmental quality control according to the requirements and laws, without impact on the Company's employees and the neighboring communities. In 2022, the Wet Scrubber Air Treatment System of the Copper Furnace and the Carbon Monoxide Treatment System of the Copper Tube Annealing Furnace were regularly repaired and measured for functional efficiency. As part of the Wastewater Treatment System, Oil Separation Tank at Clarifier No. 1 was improved to enhance oil separation efficiency from wastewater. In addition, Water Mixed Oil Treatment Plant at Industrial Waste Sorting Plant was installed to treat water-mixed oil from the production process. The water mixed oil delivery expenses for treatment can be reduced to the few remaining sludge content delivered for disposal only, under the request of permission according to the industrial waste management law.

5.4 The Company has arranged the measurement of environmental quality both inside the factory and in the community area around the factory according to the preventive and corrective measures for ecological impacts and monitoring standards for Environment Impact Assessment (EIA) by hiring a United Analyst & Engineering Consultant Co., Ltd. to measure the environmental quality and prepare the reports for two times per year and survey the opinions, state of society and economy in the community area in three kilometer radius from the factory. The Company did not detect the environmental complaints affecting the community. In addition, the Company also continuously participated in community relations activities. During the COVID-19 pandemic, the public relations method was improved, focusing on online channel communication to be consistent with the situations and measures for the safety and sanitation of the employees and communities around the factory.

In 2022, the factory's environmental quality test result met the standard criteria. The Company has hired United Analyst & Engineering Consultant Co., Ltd., to test the quality of the environment, and the results are as follows:

- Quality of waste water: The test result of wastewater quality is within the standard criteria required by law.
- Heat level, air quality, wastewater quality, contaminating substance content (in the entire eco system): The test results are within the standard criteria law requires.
- Loudness level: The test result indicated that the loudness in some points where big machines together exceeded the Company's traditional value.
Through the Safety and Occupational Health Section, the Company has implemented activities for conserving hearing to educate the employees, and protect them with PPE that meets the standards set by law.
- The Company has scheduled training in several working areas and conducted the test to receive specific working license such as licenses for forklift maneuvering and crane controlling, which the Company deems as a matter of safety at work for promoting and developing work skills and mitigating accidents at work.
- The Company has always strictly complied with the requirements of the ISO:14001 Environmental Management Standard.

6. Mutual Development of Community or Society

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

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

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

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

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

3.2.1 Value Chain of the Business

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

3.2.2 Analysis of Stakeholders in the Value Chain of the Business

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

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

3.3 Management of Sustainability in the Environmental Dimension

3.3.1 Environmental Policy and Practical Guidelines

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

Activities and Guidelines:

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

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

For the environmental activity target in 2022, the activities were performed in electricity, natural gas, nitrogen, cooling oil, a remnant of cloth consumption, and volume of waste delivered for disposal, etc.

3.3.2 Environmental Performance

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

Furthermore, Fine Metal Technologies Public Company Limited is aware of the importance of natural resources and environmental impacts. However, the Company has passed the application of ISO 14001:2004 Standard System Certification as the international environmental management system standards and was first certified on March 2006 by TUV Nord (Thailand) Co., Ltd., and yearly audited by the said institution to accredit the system. In addition, in December 2017, the Company audited for the ISO14001:2015 Environmental Management System certification and received the Environmental Management System certification on 29 March 2018. In December 2018, the Company added the Environmental Management System certification of the Bangkok Office's Marketing, Export, Import, and Investment Promotion Department. The Company has been audited yearly for system certification; most recently, it was audited and certified on 29 March 2021. The Certificate is effective until 28 March 2024.

However, for the confidence of the stakeholders, such as employees, customers, suppliers, and shareholders, in governing the Company's operations that are friendly to the environment and communities.

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

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

3.3.2.1 Air Quality Management

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

However, the Company measures air quality from Stack Emission in the processes for 12 Stacks, with a measurement frequency of two times per year. The air quality measurement result of Stack Emission meets the standards prescribed by law. In addition, the Company arranges the ambient air quality measurement in the community area around the factory in Saraburi Province for three stations, such as Bannongpakbung School, Thapkwang Livestock Research and Breeding Center, and Wat Samakkhi Wanaram, with the measurement frequency of 2 times per year. In addition, the Company arranges the general noise level measurement in the area at the fence side of the factory and the community area for five stations, such as in the north area of the Project's fence side, in the eastern area of the Project's fence side, in the western area of the Project's fence side of Bannongpakbung School and Tub-Kwang Livestock Research and Breeding Center, with the frequency measurement of two times per year. The value of measurement results of ambient air quality and general noise level in the community area around the factory has been in the standard criteria determined by law.

3.3.2.2 Water Quality Management

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

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

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

3.3.2.3 Waste Management

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

In addition, the Company has reduced the delivery expense for oil-contaminated water for external disposal by installing the Water Mixed Oil Treatment Plant at Industrial Waste Sorting Plant to treat wastewater contaminated with oil from the production process. The treated water is delivered to Clarifier before entering Central Treatment System accordingly. Only some sludge content remains.

The permission for delivery to dispose of has been appropriately requested according to the industrial waste management law.

The Company systematically controls the transportation and treatment of waste, sewage, or obsolete materials according to law. The Company's waste or obsolete materials are classified into two types: sewage or obsolete materials (solid waste) and sewage or obsolete materials from business operations (general waste/hazardous waste). The Company selects to use the carrier, treatment party, and disposal party that government agencies properly authorize. In 2022, the Company delivered obsolete materials to dispose of outside the factory using Recycle Method to produce Refuse Derived Fuel (RDF) and dispose of using the safe method according to the following table.

Waste Management

	Management Method	Y. 2022 (Tons)
Recycle	Sorted by type for selling	361.025
	Brought back to use again other	161.920
	Alternative raw material in Cement kilns	17.020
	Total	539.965
Refuse Derived Fuel (RDF)	Alternative fuel	50.680
	Mixed fuel	119.820
	Total	170.5
Disposal	Landfill according to sanitary principles only non-hazadous waste	58.090
	Landfill safety Once stabilized or solidified	35.800
	Burn in infectious furnance	0.007
	Stored in container	0.280
	Total	94.177
Grand Total		804.642

3.3.3 Global Warming Initiatives

The Company has established the target and plan for improving efficient energy and resource consumption to conform to the customer's and government sector's requirements and weather atmospheric change management policy. The Company's target is to mitigate the emission of greenhouse gas from process activities for more efficiency. In 2022, the Company performed bookkeeping of the base year from the information on greenhouse emission volume of the operating activities in 2021 to prioritize improving the production process for emitting greenhouse gas arising in the organization. At present, the Company received the "Thailand Greenhouse Gas Management Organization (TGO)" certification on 26 July 2022.



Green House Management Y. 2022

Scope	Carbon Footprint of Organization (equivalent carbon dioxide/Year)	Proportion %
Scope 1 Direct Greenhouse Gases Emissions and Absorption of the Organization	7,404	6.49%
Scope 2 Indirect Greenhouse Gas Emission from Electrification	19,599	17.19%
Scope 3 Other Indirect Greenhouse Gas Emission	87,004	76.31%
Total	114,007	100%

Consulting Firm	Advance Energy Plus Co., Ltd
Report Certification Company	Bureau Veritas (Thailand) Co., Ltd.
Report Accreditation Level	Limited Certification Level

3.3.4 Energy Conservation Project

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

Electrification	Unit	Y. 2022	Y. 2021	Y. 2020
Electricity Usage Quantity	Megawatt	38.8875	41.8875	37.1625

3.3.5 Water Resource Management

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

Water Consumption	Unit	Y. 2022	Y. 2021	Y. 2020
Ground Water Usage Quantity & Tap water	Cubic Meter	216,975	234,989.5	209,368
Activity for Reuse Brine Water Activity	Average Volume (Cubic Meter/Day)			
1) Cleaning machines, Treatment System, Factory Floors, Bathroom Floors, Factory Floors		10		
2) Water the plants		3		
3) Cleaning factory floor		3		
4) Cleaning Waste Area		2		
5) Washing cotton glove for reused		2		
Total		20		

3.3.6 Environmental Management System and Certification of Green Industry

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

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



3.4 Sustainability Management in Social Dimension

3.4.1 Policy and Practical Guidelines in Society

Respect for Human Rights

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

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

3.4.2 Social Performance

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

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

Introducing Our Internal or Community-Related Activities in 2022.

Providing Scholarship to Children of Employees

The Company supports the provision of scholarships to the children of its employees, and each year, before the start of the new school year.



Supporting the Useful Social Activities

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



Supporting the Disable Persons

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



Activities Offering Dry Foods to Monks

The Company's management and employees organized an event at Saraburi Factory to present dry foods to monks as a royal charity in memory of His Majesty King Bhumibol Adulyadej Maha Bhumibol Adulyadej the Great Borommanatbophit, King Rama IX, on Friday, December 2, 2022.



Activities Consolation Ceremony for Retirees

The Company organized a "Retirement at the age of 55 years" event for employees who have worked with the Company until their retirement age. The management team and colleagues joined to show appreciation, which was held on January 27, 2022.



Walk Rally Activity

The Company organized a walk rally for its employees on December 16, 2022, to foster good relationships among colleagues, including executives, managers, and employees at all levels. The activity aimed to promote teamwork building.



4. Management Discussion & Analysis (MD&A)

4.1 Operation and Financial Position Analysis

In 2022, the air conditioner manufacturing industry was affected by a pandemic that broke out in some regions, disrupting the global supply chain and causing a particularly severe shortage of electronic components that significantly impacted air conditioner production.

While demand for room air conditioners, which the need for nest eggs had supported, is beginning to show signs of weakening as inflation rised, many countries have overcome the pandemic and opened their doors to the public. Investment in hotels, restaurants and factories has been revived. In contrast, demand for package air conditioners, which has been stagnant due to the pandemic, and demand for packaged air conditioners, which had been dormant due to the pandemic, has strengthened.

In the EU, the impact of the crisis in Ukraine has led to a significant switch from fossil fuel-based heating equipment to heat pumps that use electricity, and demand is growing steadily. Demand is also expected to remain strong in other regions as the economies revitalize. In Thailand, replacing inverter air conditioners with higher performance due to soaring electricity costs and purchasing new air conditioners is expected to increase further due to rising temperatures associated with global warming

The operational performance in 2022 showed a total revenue from net sales of 7,962 million baht, an increase of 777 million baht from the previous year, the earning from domestic sales was 4,501 million baht (equivalent to 57%), and earning from export was 3,461 million baht (equivalent to 43%) due to selling price and margin of new strategic products increased.

In 2022, the Company had a net comprehensive income of 88 million baht, a decrease of 136 million baht or 61% due to cost of goods sold was 7,514 million baht, an increase of 609 million baht due to LME price and energy cost being higher than 2021.

Net Sales

In 2022, the net sales were 7,962 million baht, an increase of 777 million baht from 2021. The domestic sales were 4,501 million baht or 57%, and the export sales were 3,461 million baht or 43% due to the higher selling price and margin of new strategic products.

Other Income

In 2022, other income was 2 million baht and net income from the gain on the exchange rate was 17 million baht.

Total Expenses

The Company's total expenses for 2022 were 7,829 million baht, an increase of 696 million baht from 2021, mainly due to higher material costs resulting from higher LME market price (London Metal Exchange) and higher energy costs.

Cost of Goods Sold

The cost of goods sold in 2022 was 7,514 million baht, or 96% of the total costs and expenses, an increase of 609 million baht from the previous year due to LME prices and energy costs being higher than in 2021.

Selling and Administrative Expenses

The selling and administrative expenses in 2022 was 315 million baht or 4% of the total expenses; details as below:-

- The selling expense was 122 million baht, an increase of 2 million baht from the previous year by increasing energy costs.
- The administrative expense was 193 million baht, decrease of 2 million baht in the administrative expense, and an increase from the loss on copper hedging of 88 million baht.

Financial Cost

Finance costs in 2022 increased due to the continuous rise in short-term market interest rates in Thailand, which raised interest rates on short-term borrowings from correspondent financial institutions and accounts receivable discount charges. The amount was 26 million baht, an increase of 12 million baht from the previous year.

Income Tax

The Company has payable corporate income tax in 2022, 25 million baht.

Operation Results and Profitability

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

In 2022, the Company's net comprehensive income was 88 million baht, decreased from the previous year,

- (1) due to sluggish inquiries from air-conditioner manufacturers, which faced to lack of electronic components, and
- (2) higher cost of goods sold due to high energy costs, despite improved unit margins by focusing on strategic new products with high added value. As a result, net comprehensive income was 88 million baht, a decrease of 136 million baht (61%) from the previous year.

Verification of Asset Quality

- 1) Most debtors are trade partners with a long relationships and payment history in good criteria. The Company's new customer policy is to sell with a term of payment in cash or deposit of a letter of guarantee from commercial banks. The Company hedges the risks for the debtors that may have problems later.
- 2) Inventories are the main products that are copper tubes, which can be reused in the production process in case of defective products. Therefore, there has been no problem for the Company in the matter of impairment, and the Company has not set aside an allowance for the devaluation of the product.
- 3) The Company has not had goodwill and impairment.

4.3 Statement of Financial Position

Assets

As at December 31	Y. 2022		Y. 2021		Y. 2020	
	Baht	%	Baht	%	Baht	%
Current assets						
Cash and cash equivalents	27,013,591	0.89	104,011,660	3.12	92,009,488	2.99
Trade receivables	1,389,414,496	45.78	1,606,493,484	48.12	1,532,168,847	49.77
Other receivables	63,319,308	2.09	60,919,379	1.82	55,787,904	1.81
Inventories	1,112,333,834	36.65	1,128,288,143	33.79	899,258,756	29.21
Other current financial assets	23,457,061	0.77	16,691,201	0.50	87,482,718	2.84
Total current assets	2,615,538,290	86.17	2,916,403,867	87.35	2,666,707,713	86.63
Non-current assets						
Net-Property, plant and equipment	361,104,146	11.90	374,030,179	11.20	355,972,974	11.56
Right-of-use assets	13,748,093	0.45	6,208,252	0.19	7,829,201	0.25
Intangible assets	12,351,341	0.41	12,001,815	0.36	8,426,460	0.27
Deferred tax assets	30,045,459	0.99	27,634,281	0.83	36,970,652	1.20
Other non-current assets	2,446,924	0.08	2,442,353	0.07	2,441,753	0.08
Total non-current assets	419,695,963	13.83	422,316,880	12.65	411,641,040	13.37
Total Assets	3,035,234,253	100.00	3,338,720,747	100.00	3,078,348,753	100.00

Liabilities and Equity

As at December 31	Y. 2022		Y. 2021		Y. 2020	
	Baht	%	Baht	%	Baht	%
Liabilities and equity						
Liabilities						
Current Liabilities						
Short term loan from financial institutions	615,000,000	20.26	888,000,000	26.60	825,000,000	26.80
Trade payables	472,283,861	15.56	476,356,679	14.27	339,734,556	11.04
Other payables	53,233,463	1.75	47,884,690	1.43	29,933,016	0.97
Current portion of lease liabilities						
Due within one year	4,898,320	0.16	3,941,320	0.12	4,286,444	0.14
Short term loan from Related party	-	0.00	-	0.00	-	0.00
Income tax payable	9,755,088	0.32	30,641,803	0.92	15,339,494	0.50
Other current financial liabilities	40,609,018	1.34	18,309,582	0.55	133,204,950	4.33
Other current liabilities	17,576,740	0.58	16,970,867	0.51	16,218,856	0.53
Total current liabilities	1,213,356,490	39.98	1,482,104,941	44.39	1,363,717,316	44.30
Long term loan	0	0.00	-	0.00	-	0.00
Lease liabilities	9,086,796	0.30	2,732,094	0.08	4,391,176	0.14
Provision for employee benefits	132,696,717	4.37	135,946,261	4.07	138,141,011	4.49
Total liabilities	1,355,140,003	44.65	1,620,783,296	48.55	1,506,249,503	48.93
Equity						
Share capital-ordinary shares, per value at Baht 10 per share						
Authorised share capital	480,000,000	15.81	480,000,000	14.38	480,000,000	15.59
Issued and paid-up share capital	480,000,000	15.81	480,000,000	14.38	480,000,000	15.59
Share premium	507,500,000	16.72	507,500,000	15.20	507,500,000	16.49
Retained earnings						
Appropriated legal reserve	48,000,000	1.58	48,000,000	1.44	48,000,000	1.56
Unappropriated	653,773,995	21.54	680,820,215	20.39	542,685,657	17.63
Loss on cash flow hedges	(9,179,745)	(0.30)	1,617,236	0.05	(6,086,407)	(0.20)
Total equity	1,680,094,250	55.35	1,717,937,451	51.46	1,572,099,250	51.07
Total liabilities and equity	3,035,234,253	100.00	3,338,720,747	100.00	3,078,348,753	100.00

Statement of Comprehensive Income

As at December 31	Y. 2022		Y. 2021		Y. 2020	
	Baht	%	Baht	%	Baht	%
Revenues						
Revenue from sale of goods	7,961,530,354	99.76	7,185,293,607	97.26	4,802,012,744	99.67
Gain on copper hedging and service fee	-	0.00	166,505,084	2.25	0	0
Net gain on foreign exchange	17,350,733	0.22	15,764,306	0.21	9,016,651	0.19
Other income	2,162,538	0.03	20,051,553	0.27	6,744,661	0.14
Total revenues	7,981,043,625	100.00	7,387,614,550	100.00	4,817,774,056	100.00
Cost of sale of goods and Expenses						
Cost of sale of goods	7,513,977,385	94.15	6,905,487,452	93.47	4,467,344,209	92.73
Distribution cost	122,333,429	1.53	120,496,605	1.63	102,110,082	2.12
Administrative expenses	104,954,563	1.32	107,393,267	1.45	107,888,002	2.24
Loss on foreign exchange	-	0.00	0	0.00	-	0.00
Loss on copper hedging and service fee	87,903,861	1.10	0	0.00	30,494,387	0.63
Director fee		0.00		0.00		0.00
Total expenses	7,829,179,238	98.10	7,133,377,324	96.56	4,707,836,680	97.72
Profit from operating activities	151,864,387	1.90	254,237,226	3.44	109,937,376	2.28
Financial cost	(26,068,474)	(0.33)	(14,317,173)	(0.19)	(8,385,137)	(0.17)
Hedging gain (Loss) For hedge of group of items with off- setting risk positions	(2,037,349)	(0.03)	34,474,296	0.47	(42,873,897)	(0.89)
Profit before income tax	123,758,564	1.55	274,394,349	3.71	58,678,342	1.22
Tax expense	(24,804,784)	(0.31)	(54,882,107)	(0.74)	(11,610,243)	(0.24)
Profit for the year	98,953,780	1.24	219,512,242	2.97	47,068,099	0.98
Other comprehensive Income						
Loss on remeasurements of defined benefit plans	-		(4,222,105)		-	
Income tax relating to items that will not be reclassified	-		844,421		-	
Other comprehensive Income for the year	98,953,780		216,134,558		47,068,099	
Items that will be reclassified to profit or loss	(13,496,227)		9,629,554		148,192	
Gain (Loss) on cash flow hedges						
Income tax relating to items that will be seclassified	2,699,246		(1,925,911)		(29,638)	
Total comprehensive income for the year	88,156,799	1.10	223,838,201	3.03	47,186,653	0.98
Unappropriated retained earnings (loss) at the beginning of the year	680,820,215	8.53	542,685,657	7.35	569,809,819	11.83
Unappropriated R/E January 1		0.00		0.00	3,807,739	0.08
Impact of changes in accounting policies						
Allocated for reserve funds	-	0.00	-	0.00	-	0.00
Dividends to owners of the company	(126,000,000)	(1.58)	(78,000,000)	(1.06)	(78,000,000)	(1.62)
Unappropriated R/E –December 31	653,773,995	8.19	680,820,215	9.22	542,685,657	11.26
Basic earnings per share	2.06		4.57		0.98	

Statement of Cash Flows

As at December 31	Y. 2022 (Baht)	Y. 2021 (Baht)	Y. 2020 (Baht)
Cash flows from operating activities			
Profit for the year	98,953,780	219,512,242	47,068,099
Adjustment to reconcile profit to cash receipt (payments)			
Depreciation and amortization	63,970,704	71,800,755	71,528,545
Impairment for machinery & equipment	-	-	-
Impairment for supplies	-	-	-
Finance costs	26,068,474	14,317,173	8,385,137
Bad debts	-	-	-
Income tax	24,804,784	54,882,107	11,610,243
Unrealised loss (Gain) on foreign exchange	(8,227,093)	(994,213)	1,033,889
Loss on disposal fixed assets			
Unrealised loss (Gain) loss on foreign	2,037,349	(34,474,296)	42,873,897
(Gain) Loss on disposal of equipments	(10,198)	(12,228)	(3,892)
Provision for employee benefits	11,769,971	14,473,713	12,943,191
	219,367,771	339,505,253	195,439,109
Change in operating assets and liabilities			
Trades receivables	225,108,219	(74,330,487)	58,226,233
Inventories	15,954,309	(229,029,387)	(214,608,543)
Refundable Vat	-	-	-
Other receivables	(2,399,929)	(5,131,475)	(24,677,709)
Other non-current assets	(4,571)	(600)	(300)
Trade payables	(3,874,956)	137,622,186	(96,774,178)
Other payables	17,945,127	3,309,996	(2,239,838)
Income tax paid	(45,403,431)	(31,324,917)	(18,593,994)
Other current liabilities	580,947	714,645	(78,470)
Employee benefit paid	(15,019,515)	(20,890,568)	(12,415,780)
Net cash from (used in) operating activities	412,253,971	120,444,646	(115,723,470)
Cash flows from investing activities			
Advance payment to purchase machinery	-	-	-
Cash payment to purchase of PPE	(55,256,305)	(68,982,039)	(35,602,453)
Cash payment to purchase of intangible assets	(3,320,987)	(5,722,565)	(2,497,326)
Cash receipts from sale of equipment	10,200	17,992	6,075
Net cash used in investing activities	(58,567,092)	(74,686,612)	(38,093,704)
Cash flow from financing activities			
Proceeds from borrowings from financial institutions	5,665,000,000	2,833,000,000	6,780,000,000
Proceeds from related party	-	-	1,314,686,005
Interest paid	(26,572,900)	(13,788,092)	(8,331,428)
Repayment from borrowings from financial institution	(5,938,000,000)	(2,770,000,000)	(6,055,000,000)
Repayment of borrowing from related party	-	-	1,720,463,705
Dividends paid	(125,975,074)	(77,962,634)	(75,512,054)
Payment of lease liabilities	(5,136,974)	(5,005,136)	(4,242,434)
Loan fee	-	-	-
Net cash from (used in) financing activities	(430,684,948)	(33,755,862)	231,136,384
Net increase (decrease) in cash and cash equivalents	(76,998,069)	12,002,172	77,319,210
Cash and cash equivalents at 1 January	104,011,660	92,009,488	14,690,278
Cash and cash equivalents at December 31	27,013,591	104,011,660	92,009,488

Summary of Financial Ratio

As at December 31	Unit	Y. 2022	Y. 2021	Y. 2020
Liquidity Ratio				
Current Ratio	Times	2.16	1.97	1.96
Receivables Turnover	Times	5.31	4.58	3.07
Collection Period	Days	67.73	78.63	117.13
Account Payable Turnover	Times	15.84	16.92	11.49
Payment Period	Days	22.73	21.27	31.32
Inventory Turnover	Times	6.71	6.81	5.64
Inventory Turnover Period	Day	53.67	52.85	63.82
Profitability Ratio				
Gross Profit Margin	%	5.62	3.89	6.97
Net Profit Margin	%	1.24	2.97	0.98
Return on Equity	%	5.19	13.61	2.97
Efficiency Ratio				
Return on Total Assets	%	3.26	6.57	1.53
Asset Turnover	Times	2.62	2.15	1.56
Fixed Asset Turnover	Times	22.05	19.21	13.49
Financial Policy Ratio				
Debt to Equity	Times	0.81	0.94	0.96
Interest Coverage	Times	5.75	20.17	8.00

5. **General Information and Other Key Information**

5.1 **Information of Other Reference Related Parties of the Company**

<u>Securities' Registrar Party</u>	Thailand Securities Depository Co., Ltd. (TSD) Group of the Stock Exchange of Thailand 93, 14th Floor, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Telephone	02 - 009 - 9000
Facsimile	02 - 009 - 9991
Website	http://www.set.or.th/tsd
E-Mail	SETcontactCenter@set.or.th
<u>Auditor for 2022</u>	1) Mr. Songchai Wongpiriyaporn Certified Public Accountant No.10996 or 2) Miss Sirinuch Vimolsathit Certified Public Accountant No. 8413 or 3) Mr. Sumate Jansamsee Certified Public Accountant No. 9362 KPMG Phoomchai Audit Limited 1 Empire Tower Building, 50th Floor Sathon Tai Road, Yannawa Sub-district, Sathon District, Bangkok 10120 Telephone 02 - 677 - 2000 Website http://www.kpmg.co.th
<u>Internal Auditor</u>	1) Mr. Hiroshige Nose (General Manager of Business Planning Management) 2) Mr. Nopporn Moonsarn (Advisor of Factory Administration) 3) Mrs. Siriporn Lueangrachnee (Advisor of Administration Department) 4) Ms. Pornthip Pumsiri (Quality Assurance Engineer)

5.2 **Other Key Information**

- None -

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

- None -

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

- None -

5.3 **Legal Disputes**

- None -

5.4 **Secondary Market**

- None -

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

- None -

Section 2 **Corporate Governance**

6. Corporate Governance Policy

6.1 Overview of the Corporate Governance Policy and Guideline

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

6.2 Code of Business Conduct

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

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

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

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

Corporate Governance Policy

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

1. To perform their duties carefully and responsibly under the requirements of laws to create values for the business to achieve success and sustainable growth
2. To ensure the equal treatment of shareholders and stakeholders with fairness, and compliance with the provisions of laws and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, and other related laws.

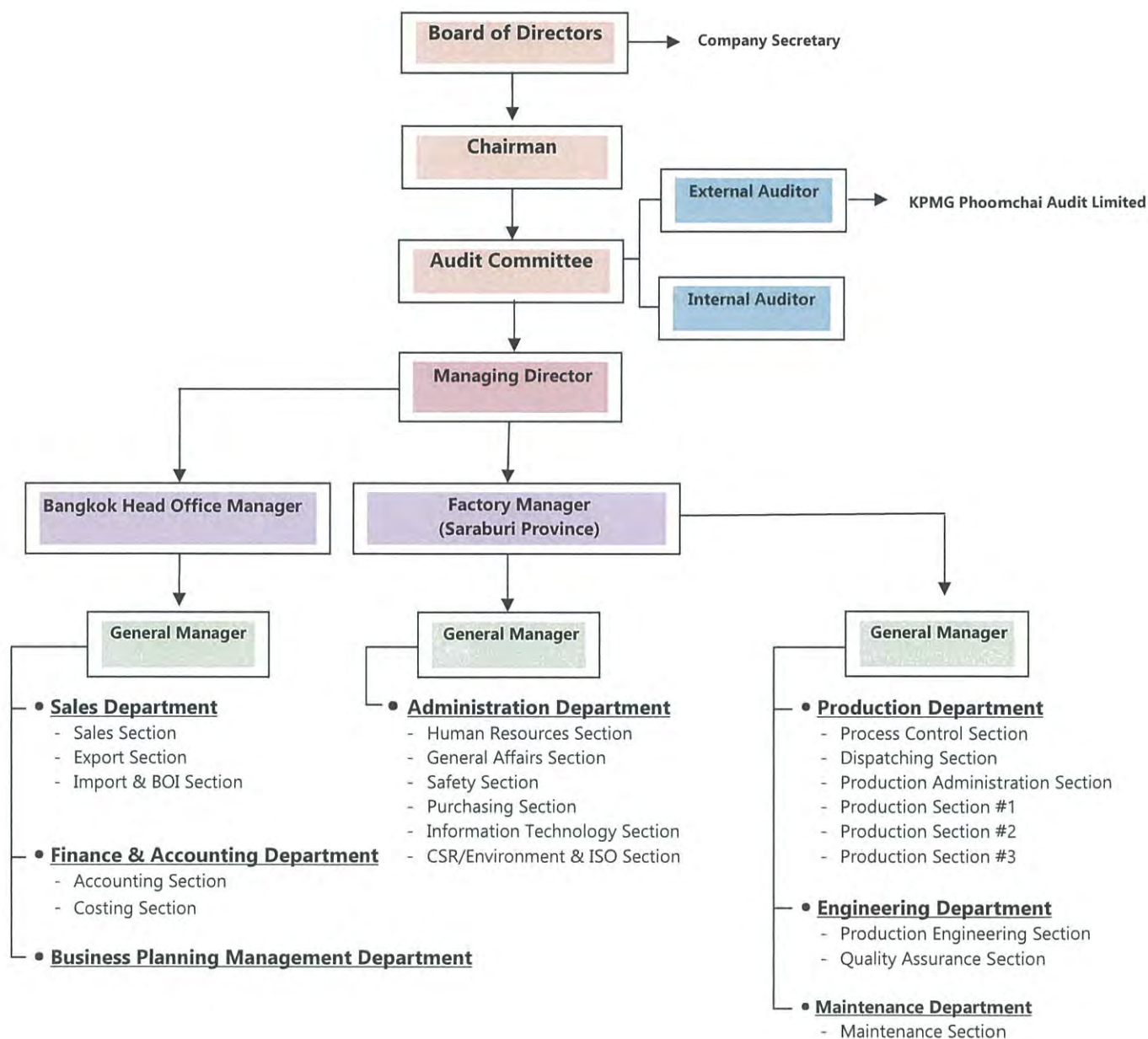
3. To prioritize the internal control system, establish the Audit Committee consisting of persons with knowledge ability, and experience in reviewing the reliability of financial statements, review the operation to ensure that it is in accordance with the policies and regulations, as well as laws and regulations so that the Company has a strict and appropriate internal control system, and establish an internal audit unit. The internal audit unit shall report the results of internal audit audits to the Audit Committee. Then the Audit Committee shall present them to the Board of Directors for acknowledgment.
4. Hold a quarterly meeting to review the performance by setting the agenda of the Company's meeting in advance in every meeting invitation letter.
5. To completely and accurately disclose the company information and news.
6. Not take any action that may cause a conflict of interest against the organization.
7. Not seek benefits for oneself and those involved by using any information of the organization that has not been disclosed to the public
8. To focus on personnel development to enable them to have knowledge, skills, and abilities thoroughly and consistently.

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

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

7. Corporate Governance Structure and Important Information about the Board, Sub-Committees, Executives, and Others.

7.1 Corporate Governance Structure



7.2 Information of the Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors as of 31 December 2022 consists of 13 persons as follows:

- Executive Directors of the Company 3 Persons
- Non-Executive Directors of the Company 6 Persons
- Independent Directors (or 1/3 of the directors for the whole Board) 4 Persons

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

7.2.2 Information of the Directors and Regulator of the Company

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

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

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

- The rate of remuneration provided to the Board of Directors is allowance meeting as resolved and specified at the Shareholders' Meeting at the appropriate rate.
- The Board of Directors can select the qualified person to hold the office of the Chairman of the Board, Managing Director, and other positions as deemed appropriate
- The Board of Directors must establish the policy guideline, business plans, and strategies and control the Company's operations, where the Managing Director, as the Chief of the Management, is responsible for the Board of Directors supervises the business operations, and operations, of the Company according to the Board of Directors' policy.
- The Board of Directors is responsible for managing all businesses of the Company. It can execute within the scope of laws, objectives, and Articles of Association of the Company. According to the resolution of the General Meeting of Shareholders, it has the power to perform any acts specified in the Memorandum of Association or related to the undertakings. The Board of Directors may entrust one person or more to complete any works instead of the Board of Directors.
- The authorized directors who sign to bind the Company are two directors who countersign and affix the Company's seal. However, the Shareholders' or Board of Directors' Meeting can enlist the authorized directors who sign to bind the Company.

The Board of Directors of the Company as of 31 December 2022 consists of:

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

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

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

Duties of the Chairman of the Board

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

Responsibilities of the Board of Directors

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

The Board of Directors performs its duties according to the Securities and Exchange Act, the set of regulations of the Office of the Securities and Exchange Commission, the requirements of the Stock Exchange of Thailand, practices for the directors of the listed companies on the Stock Exchange of Thailand, as well as of the Capital Market Supervisory Board, and laws related to the Company's business operations.

Duties of the Board of Directors

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

1. To establish the Company's business policy, annual work plans, and budget, control and supervise the management's administration and direction, and monitor the performance to be in accordance with defined plans and budget.
2. Ensure that the Company complies with relevant notifications, requirements, and guidelines of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and any action prescribed by laws.
3. The Board of Directors prudently and carefully considers and selects qualified persons without prohibited characteristics by laws to propose that the shareholders approve to be the directors through the screening and consideration process of the Board of Directors.
4. The Board of Directors shall hold the Shareholders' Meetings and convene at least once a quarter. The Company's directors shall schedule the meeting dates of the following year in advance, where at least four (4) meetings shall be held each year and proposed to the Board of Directors' Meeting for consideration at the last meeting of the year. The Board of Directors' Meeting No. 4/2022 held on 10th November 2022 approved scheduling the meetings in February, April, August, and November so that all directors of the Board can mutually plan and attend the meetings.
5. To consider and approve the quarterly and annual balance sheets and profit and loss, which are reviewed and approved by the external auditor and approved by the Audit Committee before disclosing to the Stock Exchange of Thailand and the public.
6. To consider and approve and/or agree on connected transactions that must comply with the regulations of the Stock Exchange of Thailand or laws related to the Company's businesses.
7. To approve the appointment of new directors to replace the directors who resigned by rotation.
8. To have the power to determine and change the name of the Director authorized to sign to bind the Company.
9. To consider the management structure, appoint executive directors, Managing Director, and other sub-committees as appropriate and deemed proper.
10. To have the power to elect one director to be the Chairman of the Board.
11. Directors are prohibited from operating businesses of the exact nature and competing with the businesses of the Company or becoming a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership, or becoming a director in a private company or other public company operating businesses of the exact nature and competing with the businesses of the Company unless notifying to the shareholders' meeting prior to the appointment resolution.

Duties and Responsibilities of the Executive Directors

1. To consider and set the Company's policies, directions and strategies, business plans and the annual budget, human resource management, investment in activities, and control and supervise the Company's operations to be efficient.
2. To operate and manage the Company's businesses in accordance with the Company's business operation objectives and pursuant to the policies established by the Board of Directors.
3. To have the power to approve and/or consent to regular executions and the general management of the Company's businesses.
4. Before proposing to the Board of Directors for approval, consider the policy guideline and investment goals to establish the framework further applied in the Management's operations.
5. To consider the profit and loss of the Company, proposal of interim dividend payment or annual dividend payment to propose to the Board of Directors for consideration and approval to propose to the shareholders' meeting for further approval.
6. To act as a consultant to the Management regarding financial policies, marketing, personnel management, and other operations in the Company's businesses for achievement.
7. To perform any other tasks assigned by the Company's Board of Directors.

7.3 Information of the Sub-Committees

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

Audit Committee

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

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

Duties and Responsibilities of the Audit Committee

1. Review the Company's quarterly financial statements and the annual financial statements that have been reviewed and audited by the auditors together with the auditors and the management to verify the accuracy and sufficiency of the financial information, trusted and transparent by generally accepted accounting principles including relevant laws and regulations before disclosing information to the Stock Exchange of Thailand and investors.
2. Review the Company's internal control system and internal audit system related to the Company's operations according to the specified plan for various departments to have a better internal control system with efficient and effective work.
3. To review the Company complies with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and laws related to the Company's business.

4. To consider connected transactions or transactions that may have conflicts of interest per the laws and regulations of the Stock Exchange of Thailand to ensure that the connected transactions of the Company are reasonable and in the Company's best interest.
5. To consider, select and nominate an independent individual to act as the Company's auditor and propose such auditor's remuneration to obtain approval from the Shareholders' Meeting and attend a Meeting with the Company's auditor without the Management attendance at least once a year. In 2022, the Audit Committee held three sessions with the auditor.
6. To ensure that the Company has a management system based on Corporate Governance Principles.
7. In performing the duties of the Audit Committee, if it is found that there is any transaction of action that may significantly affect the financial position and performance of the Company, the Audit Committee shall report to the Board of Directors for improvement and solutions.
8. To perform any other tasks assigned by the Board of Directors.
9. To prepare the report of the Audit Committee, which is disclosed in Form 56-1 One Report of the Company

In 2022, the Audit Committee performed its duties in a total of 4 meetings with the attendance of the management team to review the quarterly and annual financial statements of 2022 and related documents to ensure the accuracy and completeness, sufficient and reliable disclosure, and compliance with generally accepted accounting standards. The results of all meetings of the Audit Committee were also reported to the Board of Directors for acknowledgment. The Audit Committee performed its duties within the scope and responsibilities assigned by the Board of Directors and in compliance with the Corporate Governance Code prescribed by the Stock Exchange of Thailand, which are summarized in the Report of the Audit Committee in the Company's Annual Report, (Form 56-1 One Report).

Company Secretary

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

Duties of the Company Secretary

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

7.4 Information of the Management

7.4.1 List and Position of Management

Management

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

Department General Manager

- | | | | |
|----|---------------|--------------|--|
| 1. | Mr. Hideki | Takayasu | General Manager of Sales Department |
| 2. | Mr. Shinya | Tsujimoto | General Manager of Engineering Department |
| 3. | Mr. Hiroshige | Nose | General Manager of Business Planning Management Department |
| 4. | Ms. Arpaporn | Jitsuteesiri | General Manager of Finance & Accounting Department |
| 5. | Mr. Chirawat | Ritthinee | General Manager of Administration Department |
| 6. | Mr. Narongrit | Samranjit | General Manager of Production Department |

Department Assistant General Manager

- | | | | |
|----|--------------|---------------|--|
| 1. | Mr. Phinyo | Sodasit | Assistant General Manager of Production Department |
| 2. | Mr. Teeravit | Pongsittichok | Assistant General Manager of Sales Department |
| 3. | Mr. Mana | Wongsarasin | Assistant General Manager of Administration Department (star 1 July 2022) |
| 4. | Mrs. Unchana | Yoosuk | Assistant General Manager of Administration Department (start 1 July 2022) |
| 5. | Mrs. Marisa | Tassana | Assistant General Manager of Engineering Department (start 1 July 2022) |
| 6. | Mr. Osamu | Shinozaki | Assistant General Manager of Sales Department (start 1 Dec 2022) |

Section Manager

- | | | | |
|-----|---------------|---------------|--|
| 1. | Mr. Metha | Arunchaiphong | Production Section #1 Manager |
| 2. | Mr. Aphinun | Ngamsanguan | Production Section #2 Manager |
| 3. | Mr. Phinyo | Sodasit | Process Control Section Manager (ended 30 Jun 2022) |
| | | | Production Section #3 Manager (start 1 Jul 2022) |
| 4. | Mrs. Amornrat | Piendee | Quality Assurance Section Manager (start 1 Jul 2022) |
| 5. | Mr. Metha | Pakkarato | Production Engineering Section Manager |
| 6. | Mr. Virasak | Intawong | Maintenance Section Manager |
| 7. | Mr. Sittikorn | Muenngern | General Affairs Section Manager |
| 8. | Mr. Manoon | Chalermwat | Information Technology Section Manager |
| 9. | Mr. Mana | Wongsarasin | Safety / Health and Human Resources Section Manager |
| 10. | Mrs. Unchana | Yoosu, | Purchasing Section Manager |
| 11. | Mr. Teeravit | Pongsittichok | Sales Section Manager |
| 12. | Mr. Sanguan | Wattanawiroon | Export Section Manager |
| 13. | Mr. Donghwan | Kim | Import & BOI Section Manager |
| 14. | Ms. Rassamee | Monthakankul | Costing Section Manager |
| 15. | Ms. Wiyada | Wisittanon | Accounting Section Manager |

7.4.2 Remuneration Payment Policy for the Executive Directors and Executives

The Company clearly and transparently establishes the policy of the remuneration for the Company's directors, where the remuneration has been at the same level as the similar industrial group and higher enough to the required qualified directors, and the approval has already been requested from the 2022 Annual General Meetings of Shareholders held on Friday, 29 April 2022. The shareholders resolved to approve the remuneration of directors for 2022 not exceeding THB 6,000,000.- (Six Million)

Monetary Remuneration

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

7.4.3 The Remuneration for Executive Directors and Management

Description	Y. 2021		Y. 2022	
	No. of Person (Persons)	Amount (Baht)	No. of Person (Persons)	Amount (Baht)
Attendant	12	29,728,168.00	10	27,719,180.00
Bonus	11	7,682,440.00	10	7,740,120.00
Others	-	-	-	-
Total (Baht)		37,410,608.00		35,459,300.00

7.5 Employee Information

As of 31 December 2022, the Company has a total of 595 employees, comprising employees in each main line as follows:

- Male  408 persons
- Female  187 persons

Section	Amount of Employee (Person)		
	31 Dec 2022	31 Dec 2021	31 Dec 2020
Japanese Management	6	5	5
Production Department	405	405	369
Production Engineer Section	27	26	26
Production Planning Section	16	16	16
Dispatching Section	10	11	11
CSR Environment & ISO Section	3	4	5
Human Resource Section	4	4	4
General Affairs Section	18	20	17
Maintenance department	44	44	43
Quality Assurance Section	33	35	35
Sales Section	8	9	9
Import & BOI Section	2	2	2
Export Section	3	3	3
Finance & Accounting Section	8	8	8
Purchasing Section	6	6	5
Information Technology Section	2	2	2
Total	595 Persons	600 Persons	560 Persons

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

Employee Compensation (Thousand baht)	Y. 2022	Y. 2021	Y. 2020
Salary, Bonuses, Wages and Benefits	314,639.-	335,629.-	308,495.-
Provident Fund Contributions	6,101.-	6,533.-	6,524.-

Major labor disputes in the past three years. (Y. 2020 - Y. 2022)

- Y. 2020 ⇒ None.
- Y. 2021 ⇒ None.
- Y. 2022 ⇒ The Company has negotiated an agreement about the Condition of Employment with the Labor Union.

7.6 Other Key Information

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

1) Company Secretary

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

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

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

7.6.2 Name List of the Investor Relations and Contact Data

For the Company's investor relations, the Company person is Mrs. Siriporn Lueangrachanee (Company Secretary). The contact information is telephone 036-329-811 to 20 Ext. 201 and Email siriporn@fmt.co.th

7.6.3 Audit Fee Obtained by the Auditor

1) Audit Fee

- The Company paid the external audit fee for 2022 to KPMG Phoomchai Audit Limited, 1,500,000.- Baht. (One Million Five Hundred Baht Only)

3) Non - Audit Fee

- Service fee 423,600.- Baht.
(Four Hundred and Twenty-three Thousand and Six Hundred Baht only)

8. Report on Key Operating Results Related to Corporate Governance

1.1 Summary of the Duty Performance Result of the Board of Directors in the Previous Year

The Board of Directors of Fine Metal Technologies Public Company Limited is committed to managing the business by adhering to the Company's corporate governance principles in compliance with the good practices for directors of listed companies, rules, and procedures of the SEC Office and the Stock Exchange of Thailand. The Company's Board of Directors must establish the policy guideline, business plans, and strategies and control the Company's operations. The Managing Director, as Top management, is responsible for the Board of Directors in supervising the business operations and the Company's operations according to the policy of the Board of Directors. The Board of Directors is responsible for managing all businesses of the Company. It has the authority to execute within the scope of laws, the Company's objectives, and Articles of Association, and according to the resolution of the Shareholders' Meeting, and has the power to perform any acts as specified in the Memorandum of Association, or related to the said undertaking. The Board of Directors may entrust one person or more to perform any works on behalf of the Board of Directors to be consistent with the policy guideline of the Board of Directors, comply with the rules of good corporate governance, and enable to manage of the Company's execution according to the business policies and strategies until making a profit.

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

1. Independent Director

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

In 2022, the Company had four independent directors including are:

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

Qualifications of Independent Directors

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

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

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

2. Nomination and Remuneration Committee

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

Nomination of the Company's High Executives

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

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

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

(A) Meeting Attendance of the Board of Directors

The Board of Directors regularly schedules quarterly meetings and holds additional special meetings as necessary. The meeting agenda shall be clearly defined, and the Company Secretary shall deliver the Invitation Notice for the Meeting together with the meeting documentation to the Board of Directors before the meeting more than seven (7) days in advance so that the Board of Directors has adequate time to study the report before attending the Meeting to prepare the information for interrogation at the Meeting. However, all directors can independently express their opinions without dependence on any person or group of persons.

In 2022, the Chairman organized five Board of Directors' Meetings as follows:

- 1) Board of Directors' Meeting No. 1/2022 on Tuesday, 22 February 2022
- 2) Board of Directors' Meeting No. 2/2022 on Friday, 29 April 2022
- 3) Board of Directors' Meeting No. 1/2022 on Friday, 1 July 2022 (Extra Board Meeting)
- 4) Board of Directors' Meeting No. 3/2022 on Tuesday, 9 August 2022
- 5) Board of Directors' Meeting No. 4/2022 on Friday, 11 November 2022

In 2022, the Annual General Meeting of Shareholders No. 35/2022 was held on Friday, 29 April 2022. However, in 2022, the Company does not hold Extra Ordinary General Meeting of Shareholders.

Performance Evaluation of the Board of Directors

In 2022, the Board of Directors there is an evaluation of the performance of each committee member, and the overall evaluation results were at an excellent level.

(B) Directors Monetary Compensation for 2022

No.	Name		Position	(Baht/Year)
1.	Mr. Chai	Sophonpanich	Chairman	540,000
2.	Mrs. Chanida	Asdathorn	Director	340,000
3.	Mr. Tinnakorn	Asdathorn	Director	340,000
4.	Mr. Hideki	Shiraishi	Director	340,000
5.	Mr. Junichi	Ishihara	Director and Managing Director	-
6.	Mr. Nobutaka	Taniguchi	Director	340,000
7.	Mr. Shingo	Nishijima	Director	-
8.	Mr. Yoshihiko	Mezaki	Director	340,000
9.	Mr. Hideki	Takayasu	Director	-
10.	Mr. Vibul	Aunsunnta	Chairman of the Audit Committee and Independent Director	480,000
11.	Mr. Chor Nun	Petpaisit	Audit Committee Member and Independent Director	410,000
12.	Mr. Akira	Fujita	Audit Committee Member and Independent Director	410,000
13.	Mr. Iruru	Hidaka	Independent Director	340,000
14.	Mr. Deja	Tulananda (ended 30 June 2022)	Independent Director	170,000
			Total	4,050,000.-

(C) Attendance of the Board of Directors Meeting in 2022

No.	Director's Name	Term Appointed to Office	Board of Directors Meeting (Times)	Audit Committee Meeting (Times)	Annual General Meeting of Shareholders
1.	Mr. Chai Sophonpanich	Apr 2022 - Apr 2025	5/5 (100%)	-	Attended
2.	Mr. Junichi Ishihara	Apr 2022 - Apr 2025	5/5 (100%)	4/4 (100%)	Attended
3.	Mr. Deja Tulananda (ended 30 Jun 2022)	Apr 2022 - Apr 2025	1/2 (50%)	-	Not Attended
4.	Mr. Tinnakorn Asdathorn	Apr 2022 - Apr 2025	4/5 (80%)	-	Attended
5.	Mr. Nobutaka Taniguchi	Apr 2020 - Apr 2023	5/5 (100%)	-	Attended
6.	Mr. Yoshihiko Mezaki	Apr 2020 - Apr 2023	5/5 (100%)	-	Attended
7.	Mr. Vibul Aunsuntha	Apr 2020 - Apr 2023	5/5 (100%)	4/4 (100%)	Attended
8.	Mr. Chor Nun Petpaisit	Apr 2020 - Apr 2023	5/5 (100%)	4/4 (100%)	Attended
9.	Mr. Akira Fujita	Apr 2020 - Apr 2023	5/5 (100%)	4/4 (100%)	Attended
10.	Mrs. Chanida Asdathorn	Apr 2021 - Apr 2024	4/5 (80%)	-	Attended
11.	Mr. Hideki Shiraishi	Apr 2021 - Apr 2024	5/5 (100%)	-	Attended
12.	Mr. Hideki Takayasu	Apr 2021 - Apr 2024	2/2 (100%)	-	Attended
13.	Mr. Shingo Nishijima	Apr 2021 - Apr 2024	5/5 (100%)	-	Attended
14.	Mr. Iruru Hidaka	Nov 2020 - Nov 2023	5/5 (100%)	-	Attended

8.1.3 Governance on the Subsidiaries and Associates

- N/A -

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

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

1. The Board of Directors will manage the Company with carefulness and prudence under the requirements of laws and business ethics, be responsible for performing its duties with competence and efficiency for maximum benefit to shareholders and also ensure the prevention of any conflicts of interest.
2. The Board of Directors will operate with transparency, verifiability and sufficient information disclosure to build confidence among shareholders, investors, and related parties.
3. The Board of Directors has supervised equal treatment of shareholders and stakeholders with fairness to all parties, compliance with the provisions of laws, and the regulations of the Office of the Securities and Exchange Commission and other related laws.

4. The Board of Directors holds meetings on a regular basis, with the meeting schedule and agenda determined in advance.
5. The management team regularly holds weekly and monthly meetings to monitor and supervise the operations.
6. The Board of Directors has realized the importance of internal control systems to control the finance and operations of the organization. It has also established an internal audit unit as a function of the Company, which shall directly report to the Audit Committee.

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

1. Prevention of Conflict of Interest

The Company has a policy to prohibit directors, executives, and employees from taking the opportunity to seek personal benefits from being directors, executives, and employees. They are required to work with honesty and integrity in the organization. In operating the Company's business activities, the acts causing the conflict of interest shall be avoided. The Audit Committee shall propose to the Board of Directors the related party transactions and the report with the conflict of interest, where the appropriateness is prudently considered. Any director with stake holding shall not participate in decision making and comply with the rules of the Stock Exchange of Thailand. The Company shall comply with the relevant requirements of laws and set of regulations for good care of the rights of these stakeholders.

The Company prohibits all directors from operating the business with the same nature and competing with the Company's businesses or entering to be a partner of the ordinary partnership or unlimited liability partnership in the limited partnership or entering to be a director of other private companies or other public companies that operate the business with same nature and competing with the Company's businesses unless the Shareholders' Meeting is notified before resolving the appointment. The Company also determines that the director shall notify the Company immediately if they have an interest in the contracts entered by the Company either directly or indirectly or holds more or fewer shares and debentures in the Company or the subsidiaries companies.

2. Supervision on Insider Trading

The Company establishes a policy on insider trading to limit the recognition, which specifically limits the scope of approval to top management and allows disclosure to Company employees only to the extent necessary for approval in the performance of their duties. particularly top executives only, and unable to disclose the Company's employees for acknowledgment as much as necessary for acknowledgment in performing works only.

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

1. Determine that the directors, executives, or their families shall have a duty to report the change of holding the securities and futures contract to the Office of the Securities and Exchange Commission pursuant to the Notification of the Office of the Securities and Exchange Commission No. Sor Jor. 38/2561.
2. Prohibit the executives or the work units informed of the insider information from disclosing the insider information to third parties or other persons whose duty is unrelated.
3. The Company prohibits the Board of Directors, executives, or employees who are informed of the insider information from disclosing the said information to third parties and should omit the trading of the Company's shares in the period before publicizing the financial statements or position of the Company as well as other essential information for at least thirty (30) days, and after disclosing the information to the public for at least thirty (30) working days before trading the Company's shares.

However, the Company has imposed a meaningful disciplinary punishment for the person who uses the insider information of the Company for exploiting or disclosing until the Company is damaged. The Company shall consider punishing pursuant to the prescribed rules of the Company. In 2022, It did not appear that a Board of Directors, Management, or any employees were committing an offense using inside information.

3. Anti-Corruption

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

Scope

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

Practices pursuant to the Anti-Corruption Policy

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

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

1. In purchasing and procuring, transparent and verifiable procedures shall be carried out pursuant to the Company's rules.
2. Do not receive or give a gift, cash, cheque, or article similar to the related parties of the government agencies and private agencies whom they contact and coordinate.
3. Not receive any asset, article, gift, present or other benefits as an inducement to omit their duty performance, persuade the decision-making, or result in the receiver's breach of the same trade practice as other trade partners.
4. The spending for business entertainment and other expenditures relating to the execution of business contracts is allowed, but the spending must be reasonable and verifiable.
5. The charitable donation must be carried out in the name of the Company only, and the foundations, public charitable organizations, monasteries, schools, hospitals and healthcare centers or organizations that make the social interests certified or reliable and accountable. The said donation must be carried out by following procedures per the Company's rules. The Company has issued rules and guidelines on donation and support provisions for charitable donation as the guidelines in charitable donations.
6. The provision of grant-in-aid must be used from the money or assets of the Company for supporting the projects, specifying the name of the Company as the donor only. The spent grant-in-aid must be for business purposes and build good images and reputations for the Company. The disbursement of such grant-in-aid requires a clear indication of objectives, the support of accountable proofs, and execution by following the procedures and rules of the Company.
7. The employees must not neglect or ignore in case they perceive any act or behavior that is within the scope of corruption or implies corruption with consequences that are directly and indirectly related to the Company. In such a case, the employees must inform their heads or persons in charge and collaborate in the investigation. If there is any doubt or question, the employees should consult their heads or persons designated to be in charge of monitoring compliance with this policy through different channels set by the Company.
8. The Company shall provide justice and protection for any employee who denies committing corruption or reports any corruption related to the Company.
9. Anyone who has committed corruption is deemed to violate the policy of the Company and is subjected to disciplinary punishments according to the Company's rules and may be subjected to legal punishment if the said act is illegal.
10. The Company's Board of Directors and the Executive Committee are aware of the importance of the dissemination of knowledge, the provision of consultation, and the building of understanding with the organizational personnel and the related parties about the anti-corruption to ensure that the personnel and associated parties comply with the anti-corruption policy, and become the role models concerning honesty, good ethic and morality.

11. This anti-corruption policy shall cover the process of human resource management, from the personnel recruitment or selection to the promotion, training, and evaluation of employee performance, where the superiors of all levels are responsible for communicating with and building understanding with the employees, to be used in the business activities under their responsibilities, and efficiently supervise the compliance with this policy
12. The Company and the employees must not take any action related to the politics within the Company. However, the Company is an organization that adheres to political impartiality, encourages compliance with laws and democracy, and has no guidelines for providing any political assistance to any political party, either directly or indirectly. To ensure that the employees within the organization are aware of the anti-corruption policy, the Company has publicized the said policy through the Company's communication channels, for instance, publishing the documents to be distributed to the employees, etc.

4. Whistle Blowing

Corruption Complaint

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

Head Office Fine Metal Technologies Public Company Limited
183 Regent House Building, 14th Floor, Rajdamri Road
Lumpini, Pathumwan, Bangkok 10330

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

4. Anti-corruption inside the Company.
The Company has established guidelines for handling corruption complaints inside the Company. This is considered an act that is against discipline or the law. All executives and employees should practice it to avoid misconduct. If anyone witnesses bribery, directly complain to Managing Director through Hotline to the MD channel in the suggestion box installed inside the Company's premises in the Bangkok Office and Saraburi Factory. The Company has also established a donation policy as a guideline to make the donation transparent without any involvement or political support and make the donation actually used for benefits in accordance with objectives.

Protection and Confidentiality Measure for Whistle-Blower of Corruption Information

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

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

In 2022, the Company did not receive corruption complaints within and outside organizations. The Company has reviewed to ensure that the Company's directors, executives and employees, and contractors who have entered to work with the Company are transparent when entering into transactions with each other. The documents indicating the guidelines for preventing corruption, and giving or receiving various bribes, have been prepared.

8.2 Reporting of Duty Performance Result of the Audit Committee

8.2.2 Number of Meeting Attendance and Meeting Attendance of the Audit Committee

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

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

8.2.2 Duty Performance Result of the Audit Committee

In 2022, the Audit Committee held four meetings. The Auditor Committee has prudently and independently performed the duties and applied their knowledge and competence under the scope of entrusted duties and responsibilities together with the Management, internal auditors, and accounting auditor for the equal benefit of all stakeholders as per the following summary of main points:

- 1.. The audit committee reviewed the correctness and adequate disclosure of quarterly and annual financial statements and reports and discussed with the Company's external accounting auditors on the accuracy, reliability, and compliance with Generally Certified Accounting Principles before presenting financial statements to the Board of Directors' Meeting for approval.
2. The audit committee reviewed connected transactions or transactions that may have conflicts of interest and believes they are actual commercial transactions that are normal and reasonable business transactions. The disclosure of connected transactions is in accordance with the Corporate Governance Code.
3. To review and ensure that the Company has internal control systems, consider the internal audit unit's independence, and supervise the internal audit to be in accordance with the annual audit plan. The audit result shows that the Company properly complies with the existing operating and internal control system.
4. The audit committee believes that the Company complies with the Securities and Exchange Act, the requirements of the Stock Exchange, and other laws relating to the Company's businesses.
5. To attend the Annual General Meeting of Shareholders held on Friday, 29 April 2022, to clarify the matters relating to the Audit Committee.
6. The audit committee considered and nominated the accounting auditors, taking into account their independence, knowledge, and competence in business, and also considered audit fees. The Audit Committee expressed the opinion to the Board of Directors to consider and propose to the 2023 Annual General Meeting of Shareholders to consider and approve KPMG Phoomchai Audit Limited to be the Company's auditor in 2023 for another year.
7. To prepare the Report of the Audit Committee and disclose it in the Company's Form 56-1 One Report for the year 2022.

In 2022, at the Annual General Meeting of Shareholders, the auditor from KPMG Phoomchai Audit Limited resolved to approve the appointment as the Company's auditor as per the following name lists of three persons.

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

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

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

The Company has yet to have other sub-committees since the Company is a small-sized listed Company, and the Audit Committee has just been one set of the Sub-Committee.

9. Internal Control and Related Party Transactions

9.3 Internal Control

The Board of Directors has assigned the Audit Committee to oversee the Management to establish the internal control system. The internal control system contributes to efficient operation and compliance with regulations under the Company's business environment. The Board of Directors has authorized the Audit Committee to control and supervise the internal audit system and regularly report the results to the Board of Directors. The Audit Committee's Meeting No. 3/2022 held on Tuesday, 9 August 2022, monitored the audit results of the internal control systems of the Human Resources Section, General Affairs Section, Information and Technology Section, Purchasing Section, and Sales Section for their data management and has continuously monitored the results to prevent and reduce potential risks. The Company's Internal Audit Teams reviewed the operational systems of all departments in accordance with the internal audit plan for the year 2022 as approved by the Audit Committee. They reported the results of the internal audit to the Audit Committee for the acknowledgment to further report to the Board of Directors with the following objectives:

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

In 2022, the Company assigned KPMG Phoomchai Audit Limited., to study and evaluate the Company's accounting efficiency for the benefit of the audit. In 2022, KPMG Phoomchai Audit Limited expressed an unqualified opinion and detected nothing that caused the belief that the financial statements needed to be more accurate.

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

9.2 Connected Transactions

Connected Transactions between the Company and persons who may have conflicts of interest for 2021 and 2022.

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

Thus, if there is a related item of the Company, the audit committee shall provide the opinion on the necessity to do such an item, including considering the various conditions to comply with the characteristics of the regular business in the industry. However, there is a related item with essence.

In that case, the Company shall arrange to pass the consideration of the Audit Committee before submitting it to the Board of Directors to approve it.

Related person	Relations	Characteristics of the Item	Value of the Item in 2021 (Thousand Baht)	Value of the Item in 2022 (Thousand Baht)	Comment by the Audit Committee
1. CTJ Holdings2, Ltd. (Japan)	It is the parent Company in Japan and is the Company's major shareholder. At present, it has held 20,280,280 shares, 42.25%, since 1 June 2020.	No Transaction.	No Transaction in 2021.	No Transaction in 2022.	-
2. Daishin P&T Co., Ltd. (Japan)	It is the subsidiary of the parent Company, with 100% shareholding. (CTJ Holdings2, Ltd.)	It has signed the contract to receive technical assistance by paying the fee to Daishin P&T Co., Ltd. (until Sep 30, 2021)	- Purchase of factory consumables 39,395 thousand baht. - Purchase of machinery and equipment 23,997 thousand baht. - Fee for receiving technical assistance 10,716 thousand baht until Sep 30, 2021 - No remaining creditor balance.	No Transaction in 2022.	The Transaction is reasonable according to the contractually agreed price that the Audit Committee and the Board of Directors had considered.
3. Tani International Trading Co., Ltd.	It is a shareholder of the Company and a director of the Company.	The Company sold copper tubes to Tani International Trading Co., Ltd.	Total goods sales of 698,255 thousand baht with the remaining debtor balance of 170,899 thousand baht. Total goods purchased (other) 69 thousand baht. - No remaining creditor balance.	Total goods sales of 702,352 thousand baht with the remaining debtor balance of 180,443 thousand baht. Total goods purchase (other) 8 thousand baht. - No remaining creditor balance.	The audit committee did not comment.
4. Tani Guchi Metal Co., Ltd.	It is a shareholder of the Company and a director of the Company.	The Company purchased material from Tani Guchi Metal Co., Ltd.	- No purchase of material in 2021.	- Purchase of material 4,822 thousand baht. - No remaining creditor balance.	The audit committee did not comment.

Related person	Relations	Characteristics of the Item	Value of the Item in 2021 (Thousand Baht)	Value of the Item in 2022 (Thousand Baht)	Comment by the Audit Committee
5. Okumura Metals (Malaysia) Co., Ltd.	100% indirect shareholding by the parent Company. (CTJ Holding2, Ltd.)	The Company sold copper tubes to Okumura Metals (Malaysia) Co., Ltd.	- Total goods sales of 503,726 thousand baht. - With the remaining debtor balance of 116,015 thousand baht. - Other service fees are 127 thousand baht. - Creditor balance 20 thousand baht.	Total goods sales of 542,099 thousand baht. - With the remaining debtor balance of 86,089 thousand baht. - Other service fees are 131 thousand baht. - Creditor balance 17 thousand baht.	The audit Committee did not give comment.
6. Okumura Metals (Thailand) Co., Ltd.	100% indirect shareholding by the parent Company. (CTJ Holding2, Ltd.)	The Company sold copper tubes to Okumura Metals (Thailand) Co., Ltd.	- Total goods sales of 284,288 thousand baht. - With the remaining debtor balance of 115,326 thousand baht.	Total goods sales of 397,616 thousand baht. - With the remaining debtor balance of 156,831 thousand baht.	The audit Committee did not comment.
7. Okumura Metals Co., Ltd. (Japan)	It is the subsidiary of the parent Company, with 100% shareholding. (CTJ Holdings2, Ltd.)	The Company sold copper tubes to Okumura Metals Co., Ltd. (Japan), and the Company has entered into a contract for technical assistance by paying the fee to Okumura Metals Co., Ltd. (Japan). (From October 1, 2021)	- No product purchased in 2021. - Fee for receiving technical assistance is 3,802 thousand baht. - With the remaining balance of creditors 3,082 thousand baht.	- Total goods sales of 378 thousand baht. - No remaining debtor balance. - Fee for receiving technical assistance is 13,789 thousand baht. - With the remaining balance of creditors 7,338 thousand baht. - Director fee 680 thousand baht.	The Transaction is reasonable according to the contractually agreed price that the Audit Committee and Board of Directors had considered.
8. Bangkok Insurance Public Company Limited.	It is a shareholder of the Company, and a director of the Company.	Supply and provide insurance service to the Company.	- Total goods purchased (insurance) 4,784 thousand baht.	- Total goods purchased (insurance) 6,327 thousand baht.	The Transaction is reasonable as market price, and the audit Committee did not comment.

Section 3

Financial Statements

Fine Metal Technologies Public Company Limited

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Fine Metal Technologies Public Company Limited

Opinion

I have audited the financial statements of Fine Metal Technologies Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2022, 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 2022, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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

Key Audit Matters

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



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

Other Information

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

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

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

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

A handwritten signature in black ink, appearing to read 'Songchai W.', with a large, sweeping flourish at the end.

(Songchai Wongpiriyaporn)
Certified Public Accountant
Registration No. 10996

KPMG Phoomchai Audit Ltd.
Bangkok
22 February 2023

Fine Metal Technologies Public Company Limited

Statement of financial position

Assets	Note	31 December	
		2022	2021
		<i>(in Baht)</i>	
Current assets			
Cash and cash equivalents	5	27,013,591	104,011,660
Trade receivables	4, 6	1,389,414,496	1,606,493,484
Other receivables	4	63,319,308	60,919,379
Inventories	7	1,112,333,834	1,128,288,143
Other current financial assets	18	23,457,061	16,691,201
Total current assets		2,615,538,290	2,916,403,867
Non-current assets			
Property, plant and equipment	8	361,104,146	374,030,179
Right-of-use assets		13,748,093	6,208,252
Intangible assets		12,351,341	12,001,815
Deferred tax assets	14	30,045,459	27,634,281
Other non-current assets		2,446,924	2,442,353
Total non-current assets		419,695,963	422,316,880
Total assets		3,035,234,253	3,338,720,747

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

Fine Metal Technologies Public Company Limited

Statement of financial position

		31 December	
Liabilities and equity	Note	2022	2021
		(in Baht)	
<i>Current liabilities</i>			
Short-term borrowings			
from financial institutions	9, 18	615,000,000	888,000,000
Trade payables	4, 18	472,283,861	476,356,679
Other payables	4, 18	53,233,463	47,884,690
Current portion of lease liabilities	18	4,898,320	3,941,320
Income tax payable		9,755,088	30,641,803
Other current financial liabilities	18	40,609,018	18,309,582
Other current liabilities		17,576,740	16,970,867
Total current liabilities		1,213,356,490	1,482,104,941
<i>Non-current liabilities</i>			
Lease liabilities	18	9,086,796	2,732,094
Provision for employee benefits	10	132,696,717	135,946,261
Total non-current liabilities		141,783,513	138,678,355
Total liabilities		1,355,140,003	1,620,783,296

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

Fine Metal Technologies Public Company Limited

Statement of financial position

		31 December	
Liabilities and equity	Note	2022	2021
		(in Baht)	
Equity			
Share capital			
Authorised share capital			
(48,000,000 ordinary shares, par value at Baht 10 per share)		<u>480,000,000</u>	<u>480,000,000</u>
Issued and paid-up share capital			
(48,000,000 ordinary shares, par value at Baht 10 per share)		480,000,000	480,000,000
Share premium :			
Share premium on ordinary shares		507,500,000	507,500,000
Retained earnings			
Appropriated			
Legal reserve	11	48,000,000	48,000,000
Unappropriated		653,773,995	680,820,215
Other components of equity			
Gain (loss) on cash flow hedges	11, 18	<u>(9,179,745)</u>	<u>1,617,236</u>
Total equity		<u>1,680,094,250</u>	<u>1,717,937,451</u>
Total liabilities and equity		<u>3,035,234,253</u>	<u>3,338,720,747</u>

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

Fine Metal Technologies Public Company Limited

Statement of comprehensive income

	<i>Note</i>	For the year ended	
		31 December	
		2022	2021
		<i>(in Baht)</i>	
<i>Income</i>			
Revenue from sale of goods	4, 12	7,961,530,354	7,185,293,607
Gain on copper hedging and service fee		-	166,505,084
Net gain on foreign exchange		17,350,733	15,764,306
Other income		2,162,538	20,051,553
Total income		7,981,043,625	7,387,614,550
<i>Expenses</i>			
Cost of sale of goods	4, 7	7,513,977,385	6,905,487,452
Distribution costs		122,333,429	120,496,605
Administrative expenses	4	104,964,563	107,393,267
Loss on copper hedging and service fee	4	87,903,861	-
Total expenses		7,829,179,238	7,133,377,324
Profit from operating activities		151,864,387	254,237,226
Finance costs	4	(26,068,474)	(14,317,173)
Hedging gain (loss) for hedge of group of items with off-setting risk positions		(2,037,349)	34,474,296
Profit before income tax		123,758,564	274,394,349
Tax expense	14	(24,804,784)	(54,882,107)
Profit for the year		98,953,780	219,512,242

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

Fine Metal Technologies Public Company Limited

Statement of comprehensive income

		For the year ended	
		31 December	
	<i>Note</i>	2022	2021
		<i>(in Baht)</i>	
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain (loss) on cash flow hedges		(13,496,227)	9,629,554
Income tax relating to items that will be reclassified	<i>14, 18</i>	<u>2,699,246</u>	<u>(1,925,911)</u>
Total items that will be reclassified subsequently to profit or loss		<u>(10,796,981)</u>	<u>7,703,643</u>
<i>Items that will not be reclassified to profit or loss</i>			
Loss on remeasurements of defined benefit plans	<i>10</i>	-	(4,222,105)
Income tax relating to items that will not be reclassified	<i>14</i>	<u>-</u>	<u>844,421</u>
Total items that will not be reclassified to profit or loss		<u>-</u>	<u>(3,377,684)</u>
Other comprehensive income (expense) for the year, net of tax		<u>(10,796,981)</u>	<u>4,325,959</u>
Total comprehensive income for the year		<u>88,156,799</u>	<u>223,838,201</u>
Basic earnings per share	<i>16</i>	2.06	4.57

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

Fine Metal Technologies Public Company Limited
Statement of changes in equity

		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
	Note			Legal reserve	Unappropriated	Gain (loss) on cash flow hedges	
				(in Baht)			
Year ended 31 December 2021							
Balance at 1 January 2021		480,000,000	507,500,000	48,000,000	542,685,657	(6,086,407)	1,572,099,250
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	17	-	-	-	(78,000,000)	-	(78,000,000)
Total distribution to owners of the Company		-	-	-	(78,000,000)	-	(78,000,000)
Comprehensive income for the year							
Profit		-	-	-	219,512,242	-	219,512,242
Other comprehensive income		-	-	-	(3,377,684)	7,703,643	4,325,959
Total comprehensive income for the year		-	-	-	216,134,558	7,703,643	223,838,201
Balance at 31 December 2021		480,000,000	507,500,000	48,000,000	680,820,215	1,617,236	1,717,937,451

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

Fine Metal Technologies Public Company Limited
Statement of changes in equity

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

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

Fine Metal Technologies Public Company Limited

Statement of cash flows

	For the year ended 31 December	
	2022	2021
	(in Baht)	
<i>Cash flows from operating activities</i>		
Profit for the year	98,953,780	219,512,242
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	24,804,784	54,882,107
Finance costs	26,068,474	14,317,173
Depreciation and amortisation	63,970,704	71,800,755
Provision for employee benefits	11,769,971	14,473,713
Unrealised gain on foreign exchange	(8,227,093)	(994,213)
Unrealised (gain) loss on derivatives	2,037,349	(34,474,296)
Gain on disposal of equipment	(10,198)	(12,228)
	<u>219,367,771</u>	<u>339,505,253</u>
<i>Changes in operating assets and liabilities</i>		
Trade receivables	225,108,219	(74,330,487)
Other receivables	(2,399,929)	(5,131,475)
Inventories	15,954,309	(229,029,387)
Other non-current assets	(4,571)	(600)
Trade payables	(3,874,956)	137,622,186
Other payables	17,945,127	3,309,996
Other current liabilities	<u>580,947</u>	<u>714,645</u>
Net cash generated from operations	472,676,917	172,660,131
Employee benefit paid	(15,019,515)	(20,890,568)
Income tax paid	<u>(45,403,431)</u>	<u>(31,324,917)</u>
Net cash from operating activities	<u>412,253,971</u>	<u>120,444,646</u>

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

Fine Metal Technologies Public Company Limited

Statement of cash flows

	For the year ended	
	31 December	
	2022	2021
	(in Baht)	
<i>Cash flows from investing activities</i>		
Cash payments to purchase of plant and equipment	(55,256,305)	(68,982,039)
Cash payments to purchase of intangible assets	(3,320,987)	(5,722,565)
Cash receipts from sale of equipment	10,200	17,992
Net cash used in investing activities	(58,567,092)	(74,686,612)
<i>Cash flows from financing activities</i>		
Interest paid	(26,572,900)	(13,788,092)
Dividends paid	(125,975,074)	(77,962,634)
Proceeds from borrowings from financial institutions	5,665,000,000	2,833,000,000
Repayment of borrowings from financial institutions	(5,938,000,000)	(2,770,000,000)
Payment of lease liabilities	(5,136,974)	(5,005,136)
Net cash used in financing activities	(430,684,948)	(33,755,862)
Net increase (decrease) in cash and cash equivalents	(76,998,069)	12,002,172
Cash and cash equivalents at 1 January	104,011,660	92,009,488
Cash and cash equivalents at 31 December	27,013,591	104,011,660
<i>Non-cash transaction</i>		
Payable for fixed assets purchased	5,049,809	17,141,737
Increase in right-of-use assets	12,448,676	3,000,929

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

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

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Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 22 February 2023.

1 General information

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

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

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

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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

3 Significant accounting policies

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

(a) Foreign currency transactions

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

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

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

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

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

(b) Financial instruments

(b.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(d))) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

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

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

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

(b.2) Derecognition and offset

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

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

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

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

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

(b.3) Derivatives

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

(b.4) Hedging

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

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

Cash flow hedges

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

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

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

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

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

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

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

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

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

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

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

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

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

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

(b.6) Write offs

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

(b.7) Interest

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

(c) Cash and cash equivalents

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

(d) Trade and other receivables

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

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

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

(e) Inventories

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

(f) Property, plant and equipment

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

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

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

Subsequent costs

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

Depreciation

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

The estimated useful lives are as follows:

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

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

(g) Intangible assets

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

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

Golf membership is measured at cost less impairment losses.

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

(h) Leases

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

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

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

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

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

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

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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

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

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

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

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

(j) *Employee benefits*

Defined contribution plans

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

Defined benefit plans

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

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

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

Other long-term employee benefits

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

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

Short-term employee benefits

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

(k) Provisions

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

(l) Fair value measurement

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

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

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

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

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

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

(m) Revenue from contracts with customers

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

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For the year ended 31 December 2022

Sale of goods

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

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

(n) Income tax

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

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

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

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

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

(o) Earnings per share

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

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(p) Related parties

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

(q) Segment reporting

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

4 Related parties

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

Name of entities	Country of incorporation/ nationality	Nature of relationships
CTJ Holding2, Ltd.	Japan	Parent, 42.25% shareholding
Bangkok Insurance Public Company Limited	Thailand	A common shareholder, 9.87% shareholding
Okumura Metals Co., Ltd.	Japan	Subsidiary of the parent company, 100% shareholding
Okumura Metals (Thailand) Co., Ltd.	Thailand	100% indirect shareholding by the parent company
Okumura Metals (Malaysia) Sdn. Bhd.	Malaysia	100% indirect shareholding by the parent company
Tani International Trading Co., Ltd.	Thailand	A common director and shareholder
Tani Guchi Metal Co., Ltd	Thailand	A common director and shareholder
Key management personnel	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.

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For the year ended 31 December 2022

Significant transactions with related parties

Year ended 31 December

	2022	2021
	(in thousand Baht)	
Other related parties		
Revenue from sales of goods	1,642,444	1,486,268
Purchase of raw material	4,822	14,994
Purchases of machinery and equipment	-	23,997
Technical assistance fee	13,789	14,518
Service fee and others	6,465	4,981

Key management personnel

Key management personnel compensation

Short-term employee benefits	39,509	41,131
Post-employment benefits	812	1,602
Total key management personnel compensation	40,321	42,733

Balances with related parties

At 31 December

	2022	2021
	(in thousand Baht)	
Trade receivables		
Other related parties	423,363	402,240
Other payables		
Other related parties	7,355	7,044

5 Cash and cash equivalents

	2022	2021
	(in thousand Baht)	
Cash on hand	55	55
Cash at banks	26,959	103,957
Total	27,014	104,012

6 Trade receivables

	Note	2022	2021
		(in thousand Baht)	
Related parties			
Within credit terms		423,363	402,240
	4	423,363	402,240
Other parties			
Within credit terms		963,829	1,202,827
Overdue			
Less than 90 days		2,222	1,426
		966,051	1,204,253
Total		1,389,414	1,606,493

As at 31 December 2022 and 2021, the Company has no allowance for impairment loss of trade receivables.

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Accounts receivable supplier agreement

During 2022, the Company has assigned its right over collection from account receivable amounted of Baht 2,078.1 million (31 December 2021: Baht 1,128.5 million) to a financial institution according to the accounts receivable supplier agreement. The Company has already received from the financial institution amounted of Baht 2,063.1 million. In this regards, the financial institution shall not have any rights of recourse against the Company.

7 Inventories

	2022	2021
	<i>(in thousand Baht)</i>	
Finished goods	321,186	401,000
Work in progress	326,365	398,065
Raw materials	260,416	54,122
Factory supplies	199,221	192,279
Goods in transit	5,146	82,822
Total	<u>1,112,334</u>	<u>1,128,288</u>
Inventories recognised as an expense in cost of sales of goods:		
- Cost	<u>7,513,977</u>	<u>6,905,487</u>

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8 Property, plant and equipment

	Land and improvements	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Transportation equipment	Assets under construction and machinery under installation	Total
<i>Cost</i>							
At 1 January 2021	181,600	595,232	4,432,379	46,257	3,534	10,746	5,269,748
Additions	-	-	566	334	15	82,179	83,094
Transfers	-	3,516	28,016	285	-	(31,817)	-
Disposals	-	-	(22,919)	(89)	-	-	(23,008)
At 31 December 2021 and 1 January 2022	181,600	598,748	4,438,042	46,787	3,549	61,108	5,329,834
Additions	-	-	30	222	-	42,912	43,164
Transfers	-	3,099	31,422	296	-	(34,817)	-
Disposals	-	-	-	(10)	(159)	-	(169)
At 31 December 2022	181,600	601,847	4,469,494	47,295	3,390	69,203	5,372,829
<i>Depreciation</i>							
At 1 January 2021	70,274	531,613	4,266,627	42,107	3,154	-	4,913,775
Depreciation charge for the year	2,666	15,283	45,217	1,754	111	-	65,031
Disposals	-	-	(22,919)	(83)	-	-	(23,002)
At 31 December 2021 and 1 January 2022	72,940	546,896	4,288,925	43,778	3,265	-	4,955,804
Depreciation charge for the year	1,030	10,664	42,833	1,454	109	-	56,090
Disposals	-	-	-	(10)	(159)	-	(169)
At 31 December 2022	73,970	557,560	4,331,758	45,222	3,215	-	5,011,725
<i>Net book value</i>							
At 31 December 2021	108,660	51,852	149,117	3,009	284	61,108	374,030
At 31 December 2022	107,630	44,287	137,736	2,073	175	69,203	361,104

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounted to Baht 4,675 million (2021: Baht 4,232 million).

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

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Current</i>		
<i>Unsecured</i>		
Short-term borrowings from financial institutions	615,000	888,000
Total	615,000	888,000

Short-term borrowings from financial institutions

As at 31 December 2022, short-term borrowings from financial institutions amounted to Baht 615 million shall be repayable at call. These loans bears interest at the rate of 1.08% - 2.05% per annum (31 December 2021: 1.08% per annum).

Unutilised credit facilities

As at 31 December 2022, the Company had unutilised credit facilities totalling U.S. Dollars 6 million and Baht 1,747 million (2021: U.S. Dollars 1 million and Baht 1,679 million).

10 Provision for employee benefits

	2022	2021
	<i>(in thousand Baht)</i>	
<i>At 31 December</i>		
Post-employment benefits	117,149	120,467
Other long-term employee benefits	7,362	7,754
Others	8,186	7,725
Total	132,697	135,946

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.

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Present value of the defined benefit obligations</i>		
At 1 January	120,467	123,113
<i>Recognised in profit or loss:</i>		
Current service cost	7,291	7,442
Interest on obligation	1,702	3,254
	8,993	10,696

Recognised in other comprehensive income:

Actuarial (gain) loss		
- Financial assumptions	-	6,467
- Experience adjustment	-	(2,245)
	-	4,222

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<i>Present value of the defined benefit obligations</i>	2022 (in thousand Baht)	2021 (in thousand Baht)
Benefit paid	(12,311)	(17,564)
	(12,311)	(17,564)
At 31 December	117,149	120,467
<i>Principle actuarial assumptions</i>	2022	2021
	(%)	
Discount rate	1.9	1.9
Future salary growth	4	4
Employee turnover	0 - 14	0 - 14

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 8.4 years (2021: 8.4 years).

Sensitivity analysis

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

<i>Effect to the defined benefit obligation</i>	increase in assumption		decrease in assumption	
<i>At 31 December</i>	2022	2021	2022	2021
	(in thousand Baht)			
Discount rate (1% movement)	(6,583)	(7,123)	7,251	7,734
Future salary growth (1% movement)	8,324	7,692	(7,606)	(7,066)
Employee turnover (20% movement)	(1,475)	(1,270)	1,575	1,346
Future mortality (1% movement)	227	211	(249)	(230)

11 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Cash flow hedge reserve

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

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12 Segment information and disaggregation of revenue

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

Geographical segments

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

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Disaggregation of revenue</i>		
Primary geographical markets		
Thailand	4,500,544	4,043,290
Malaysia	841,058	677,984
Japan	341,309	339,091
Singapore	98,859	91,969
Other countries	2,179,760	2,032,960
Total revenue	7,961,530	7,185,294

Total revenue of the Company recognised at a point of time.

Major customer

Revenues from major customers represent approximately Baht 4,006 million (2021: Baht 3,591 million) of the Company's total revenues.

13 Expenses by nature

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Included in cost of sales of goods:</i>		
Changes in inventories of finished goods and work in progress	151,514	(280,459)
Raw materials and consumables used	6,732,559	6,567,027
Employee benefit expenses	256,398	271,068
Depreciation of plant and equipment	55,806	64,446
Amortisation of intangible assets	1,832	1,433
<i>Included in distribution costs:</i>		
Packing materials and consumables used	52,716	55,008
Freight expenses	39,137	37,861
Employee benefit expenses	18,917	18,529
Depreciation of plant and equipment	2,492	2,026
<i>Included in administrative expenses:</i>		
Employee benefit expenses	65,085	67,180
Technical assistance fee	13,789	14,518
Depreciation of plant and equipment	2,701	3,183
Amortisation of intangible assets	1,140	713

During 2022, the Company has contributed provident funds for its employees amounting to Baht 6.1 million (2021: Baht 6.6 million), which included in employee benefit expenses.

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14 Income tax

Income tax recognised in profit or loss

	2022 (in thousand Baht)	2021 (in thousand Baht)
Current tax expense		
Current year	24,517	46,627
	<u>24,517</u>	<u>46,627</u>
Deferred tax expense		
Movements in temporary differences	288	8,255
Total	<u>24,805</u>	<u>54,882</u>

Income tax recognised in other comprehensive income

	Before tax	2022 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2021 Tax (expense) benefit	Net of tax
Cash flow hedges reserve	(13,496)	2,699	(10,797)	9,630	(1,926)	7,704
Defined benefit plan actuarial losses	-	-	-	(4,222)	844	(3,378)
	<u>(13,496)</u>	<u>2,699</u>	<u>(10,797)</u>	<u>5,408</u>	<u>(1,082)</u>	<u>4,326</u>

Reconciliation of effective tax rate

	Rate (%)	2022 (in thousand Baht)	Rate (%)	2021 (in thousand Baht)
Profit before income tax expense		123,759		274,394
Income tax using the Thai corporation tax rate	20	24,752	20	54,879
Expenses additionally deductible for tax purposes		-		(88)
Expenses not deductible for tax purposes		53		91
Total	20	24,805	20	54,882

Deferred tax

At 31 December

	2022	Assets 2021	2022	Liabilities 2021
		(in thousand Baht)		
Total	30,045	27,634	-	-
Net deferred tax assets	<u>30,045</u>	<u>27,634</u>	<u>-</u>	<u>-</u>

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

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

15 Promotional privileges

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

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

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

16 Basic earnings per share

	2022 (in thousand Baht / thousand shares)	2021 (in thousand Baht / thousand shares)
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>		
Profit attributable to ordinary shareholders of the Company (basic)	98,954	219,512
Number of ordinary shares outstanding	48,000	48,000
Earnings per share (basic) (in Baht)	2.06	4.57

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17 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2022				
Annual dividend	30 April 2022	May 2022	<u>2.625</u>	<u>126,000</u>
2021				
Annual dividend	30 April 2021	May 2021	<u>1.625</u>	<u>78,000</u>

18 Financial instruments

(a) Carrying amounts and fair values

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

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

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At 31 December 2021	Hedging instruments	Carrying amount Financial instruments measured at FVTPL	Fair value				Total
			Total (in thousand Baht)	Level 1	Level 2	Level 3	
Financial assets							
Forward exchange contract used for hedging	3,593	798	4,391	-	4,391	-	4,391
Copper future contract used for hedging	12,300	-	12,300	-	12,300	-	12,300
Total financial assets	15,893	798	16,691				
Financial liabilities							
Forward exchange contract used for hedging	(1,904)	(1,543)	(3,447)	-	(3,447)	-	(3,447)
Copper future contract used for hedging	(14,863)	-	(14,863)	-	(14,863)	-	(14,863)
Total financial liabilities	(16,767)	(1,543)	(18,310)				

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

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

(b) Financial risk management policies

Risk management framework

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

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

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

(b.1) Credit risk

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

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(b.1.1) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 12.

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

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

Information relevant to trade receivables are disclosed in note 6.

(b.1.2) Cash and cash equivalent and derivatives

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

(b.2) Liquidity risk

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

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

<i>At 31 December 2022</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	(472,284)	(472,284)	-	-	-	(472,284)
Other payables	(53,233)	(53,233)	-	-	-	(53,233)
Lease liabilities	(13,985)	(5,336)	(4,787)	(4,757)	-	(14,880)
Loans from financial institutions	(615,000)	(620,569)	-	-	-	(620,569)
	<u>(1,154,502)</u>	<u>(1,151,422)</u>	<u>(4,787)</u>	<u>(4,757)</u>	<u>-</u>	<u>(1,160,966)</u>

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At 31 December 2022	Carrying amount	1 year or less	Contractual cash flows			Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
			(in thousand Baht)			
Derivative financial liabilities						
Copper future contracts used for hedging	(26,951)	1,261	(144)	-	-	1,117
Forward exchange contracts used for hedging:	(13,658)					
- Cash outflow		(607,558)	-	-	-	(607,558)
- Cash inflow		605,772	-	-	-	605,772
	(40,609)	(525)	(144)	-	-	(669)

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

Fine Metal Technologies Public Company Limited
Notes to the financial statements
For the year ended 31 December 2022

(b.3) Market risk

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

(b.3.1) Foreign currency risk

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

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

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

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

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

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

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

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

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For the year ended 31 December 2022

Exposure to foreign currency
At 31 December 2022

	EUR	USD	JPY	Total
		<i>(in thousand Baht)</i>		
Trade receivables	-	198,247	10,323	208,570
Other receivables	-	21,906	-	21,906
Trade payables	(766)	(40,830)	(15,718)	(57,314)
Other payables	-	(18,449)	(209)	(18,658)
Net statement of financial position exposure	(766)	160,874	(5,604)	154,504
Sales forecast	-	1,291,309	-	1,291,309
Purchases forecast	-	(362,473)	-	(362,473)
Net forecast transaction exposure	(766)	1,089,710	(5,604)	1,083,340
Forward exchange purchase contracts	-	401,514	10,475	411,989
Forward exchange selling contracts	-	(188,671)	(10,128)	(198,799)
Net exposure	(766)	1,302,553	(5,257)	1,296,530

Exposure to foreign currency
At 31 December 2021

	USD	JPY	Total
		<i>(in thousand Baht)</i>	
Trade receivables	211,238	5,733	216,971
Other receivables	55,816	-	55,816
Trade payables	(77,035)	(22,253)	(99,288)
Other payables	(2,608)	(47)	(2,655)
Net statement of financial position exposure	187,411	(16,567)	170,844
Sales forecast	513,262	-	513,262
Purchases forecast	(300,550)	-	(300,550)
Net forecast transaction exposure	400,123	(16,567)	383,556
Forward exchange purchase contracts	349,705	17,378	367,083
Forward exchange selling contracts	(253,728)	(11,713)	(265,441)
Net exposure	496,100	(10,902)	485,198

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because loan interest rates (see note 9) are mainly variable. So the Company is primarily exposed to interest rate risk. However, the sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Company.

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

(b.4) Cash flow hedge

At 31 December 2022 and 2021, the Company held the following financial instruments to hedge exposures to changes in foreign currency.

	1-6 months	Maturity 6-12 months	More than one year
At 31 December 2022			
Foreign currency risk			
Forward exchange contracts			
Net exposure (in thousand Baht)	278,465	84,008	-
Average THB:USD forward contracts rate	35.15	36.27	-
At 31 December 2021			
Foreign currency risk			
Forward exchange contracts			
Net exposure (in thousand Baht)	230,608	69,942	-
Average THB:USD forward contracts rate	33.25	33.42	-

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

	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve (in thousand Baht)	Costs of hedging reserve	Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
At 31 December 2022				
Foreign currency risk				
Inventory purchases	-	(11,475)	-	-
At 31 December 2021				
Foreign currency risk				
Inventory purchases	-	2,201	-	-

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

Foreign currency risk At 31 December	2022 (in thousand Baht)	2021
Forward exchange contracts - nominal amount	362,473	300,550
Carrying amount included in:		
- other current financial assets	1,519	3,593
- trade and other payables	(3,927)	(744)
- other current financial liabilities	(13,218)	(1,904)
For the year ended 31 December		
Recognised in OCI		
- changes in value of the hedging instrument	(11,475)	2,021
- hedging reserve transferred to profit or loss	(2,021)	7,608
Recognised in profit or loss		
- reclassified from hedging reserve and included in cost of goods sold	(2,021)	7,608

Fine Metal Technologies Public Company Limited

Notes to the financial statements

For the year ended 31 December 2022

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	
	2022	2021
	(in thousand Baht)	
Balance at 1 January	1,617	(6,086)
Cash flow hedges		
Changes in fair value:		
Foreign currency risk		
- inventory purchases	(11,475)	2,021
Amount reclassified to profit or loss:		
Foreign currency risk		
- inventory purchases	(2,021)	7,608
Tax on movements on reserves during the year	2,699	(1,926)
Balance at 31 December	(9,180)	1,617

(b.5) Fair value hedge

Copper future contracts - Master hedge agreements

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

At 31 December 2022 and 2021, 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
At 31 December 2022			
Commodity price risk			
<i>Copper future contracts</i>			
Net exposure (in thousand Baht)	761,239	421,439	121,480
Average copper contracts rate per metric tons (in thousand Baht)	298.85	282.96	242.96
At 31 December 2021			
Commodity price risk			
<i>Copper future contracts</i>			
Net exposure (in thousand Baht)	464,786	38,480	15,338
Average copper contracts rate per metric tons (in thousand Baht)	317.62	308.34	306.75

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Notes to the financial statements
For the year ended 31 December 2022

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

<i>Commodity price risk At 31 December</i>	2022	2021
	<i>(in thousand Baht)</i>	
Copper future contracts - nominal amount	1,304,158	518,604
Carrying amount included in:		
- other current financial assets	17,571	12,300
- other current financial liabilities	(26,951)	(14,863)
 <i>For the year ended 31 December</i>		
<i>Recognised in profit or loss</i>		
- hedge ineffectiveness included in hedging gain (loss) for hedge of group of items with off-setting risk positions	(2,177)	966

19 Capital Management

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

20 Commitments with non-related parties

	2022	2021
	<i>(in thousand Baht)</i>	
<i>Other commitments</i>		
Short-term lease and low-value assets commitments	899	54
Bank guarantees for electricity use	13,369	13,369
Total	14,268	13,423

Significant agreement with non-related parties

*

Hedge Agreement

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

Contracts to purchase of Copper Cathodes

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

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Notes to the financial statements

For the year ended 31 December 2022

Accounts receivable supplier agreement

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

21 Events after the reporting period

At the Board of Directors' meeting held on 22 February 2023, the directors resolved to propose the dividend payment at Baht 2.75 per share. The dividend payment shall be approved by its shareholders at the annual general meeting of the shareholders.

Section 4

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

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Attachments

Attachment 1

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

1) Details of Directors as at 31 December 2022 (Total 13 Directors)

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
1.	Mr. Chai Sophonpanich Chairman and the Company's authorized director	79	- Bachelor Degree of Science, University of Colorado, USA (Y.1967) <u>Director Training</u> - Advanced Management Program, The Wharton School (Y. 1984) - The Joint State – Private Sector Class 6, Thailand National Defense College - Director Certificate Program Class 16/2002, Thai Institute of Director Association - Chairman 2000 Class 10/2004, Thai Institute of Directors Association	2,265,200 shares (4.72%) (Held by wife) 476,900 shares (0.99%)	- No -	Y.1988 – Jun 2017, Nov 2018 – Nov 2020 Nov 2020 – Present Y.1978 – Jun 2017, Nov 2018 - Present Y.1979 – Jun 2017, Aug 2018 – Present Y.1986 – Jun 2017, Sep 2018 – Present Y.1968 – Y. 2015, Aug 2020 - Present	- Chairman - Chairman - Chairman - Chairman - Chairman - Director	- Furukawa Metal (Thailand) Public Company Limited - Fine Metal Technologies Public Company Limited - Bangkok Insurance Public Company Limited - Bumrungrad Hospital Public Company Limited - Charoeng Thai Wire & Cable Public Company Limited - Bangkok Life Assurance Public Company Limited
Holding any position in other businesses or organizations in the past year (2018-2022)						Y. 2016 – Jun 2017 Nov 2018 – Apr 2021	- Chairman	- Thai Reinsurance Public Company Limited.
- Director Public Company Limited								

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
2.	Mrs. Chanida Asdathorn Director and the Company's authorized director	81	- Bachelor Degree of Business Administration, Pasadena College, California, U.S.A. Director Training Director Accreditation Program –DAP from Thai Institute of Director (IOD)	1,225,810 shares (2.55%)	Mother of Mr. Tinnakorn Asdathorn	Y. 1988 – Nov 2020 10 Aug 2017 – 10 Nov 2018 Dec 2018 – Present	- Director - Chairman - Director	- Furukawa Metal (Thailand) Public Company Limited. - Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2018-2022)</u> - Director Public Company Limited						Period Present Y. 1979 – Present Y. 1984 – Present Y. 1989 – Present Y. 1990 – Present Y. 1992 – Present Y. 2000 – Present Y. 2015 – Present	Position - Honorary Advisor - Director - Managing Director - Director - Director - Director - Director - Managing Director	Company - Thai Roong Ruang Industry Co., Ltd. - Chonburi Sugar & Trading Corporation Co., Ltd. - Siam Sugar Export corporation Co., Ltd. - Kerry Flour Mills Co., Ltd. - Kerry Siam Seaport Co., Ltd. - Shangri-La Hotel PCL - Thai Ruam Chareon Sugar (2000) Co., Ltd. - TRR Molasses Trading Co., Ltd.

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
3.	Mr. Tinnakorn Asdathorn Director and the Company's authorized director	55	- Bachelor Degree of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang	653,300 shares (1.36%)	Son of Mrs. Chanida Asdathorn	Y. 1996 – Present	- Director	- Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						Y. 2013 – Present Y. 2011 - Present Y. 2015 – Present	- Managing Director - Director - Director	- Kerry Flour Mills Co., Ltd. - President Flour Mills Co., Ltd. - Thai Roong Ruang Electricity Generating Co., Ltd
- Managing Director, Director Company Limited								

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
4.	Mr. Hideki Shiraishi Director and the Company's authorized director	65	Bachelor Degree of Law, Tokyo University, Japan	- No -	- No -	Apr 1981 - Mar 2002 Apr 2002 - Oct 2011 Nov 2011 - Jun 2017 Jul 2017 - Present Jun 2020 - Present Jun 2021 - Present	- Corporate Banking Division, Corporate Planning Division - Executive Officer - Senior Managing Director - Managing Director - Director - Chief Executive Officer	- The Industrial Bank of Japan - Mizuho Bank (Japan) - Toko Electrical Construction Co., Ltd. (Japan) - Japan Industrial Partners, Inc (Japan) - Fine Metal Technologies Public Company Limited. (Thailand) - Okumura Metals Co., Ltd.(Japan)
Holding any position in other businesses or organizations in the past year (2018-2022)						-	-	-

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
5.	Mr. Junichi Ishihara Director & Managing Director and the Company's authorized director	61	- Bachelor Degree, Faculty of Mechanical Engineering, Keiko University, Tokyo, Japan	- No -	- No -	Apr 1983 – Nov 1997 Dec 1997 – June 2012 July 2012 – Aug 2015 Sep 2015 – Mar 2018 Apr 2018 – Present	- Production Engineering Section - Manager - Planning & Administration Department - Managing Director - General Manager, High Performance Plating Department, Copper & High Performance Material Product Division - Director & Managing Director	- Furukawa Electric Co., Ltd. (Japan) - Furukawa Precision (Thailand) Co., Ltd. - Furukawa Electric Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
- Managing Director, Company Limited.						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
6.	Mr. Nobutaka Taniguchi Director and the Company's authorized Director	71	- Bachelor Degree of Commercial, Tokai University, Japan	648,010 shares (1.35%)	- No -	Y. 1975 - Present Y. 1988 – Present Y. 1993 – Present	- Chairman - Chairman - Director	- Tani International Trading Co., Ltd. - Tani Guchi Metal Co., Ltd - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
-						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
8.	Mr. Yoshihiko Mezaki Director and the Company's authorized director	63	- Bachelor Degree of Mechanical engineering from Osaka Prefecture University, Japan	1,000 shares (0.00%)	- No -	Apr 1982 - Aug 1993 Sep 1993 - Feb 1998 Feb 1998 - Jan 2004 Feb 2004 - Aug 2009 Sep 2009 - Apr 2012 Apr 2012 - Apr 2018 Apr 2016 - Jun 2021 Jul 2021 - Present Jul 2022 - Present 10 Aug 2021 - Present	- Mechanical Design Engineer - General Manager of Engineering Department. - Manager of Maintenance Section - Vice President - General Manager of Quality Assurance Department. - President - President - Advisor - Director - Director	- Furukawa Electric Co., Ltd. (Japan) - Furukawa Metal (Thailand) Public Company Limited. - Furukawa Electric Co., Ltd. (Japan) - Shanghai Sunshine Copper Co., Ltd. (China) - Furukawa Electric Co., Ltd. (Japan) - Shanghai Sunshine Copper Co., Ltd. (China) - Okumura Metals Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
9.	Mr. Hideki Takayasu Director and General Manager of Sales Department and the Company's authorized director	55	- Bachelor Degree of Engineering in Mechanical, Shibaure Institute of Technology, Japan	- No -	- No -	Apr 1990 - Nov 2002 Nov 2002 - Nov 2006 Nov 2006 - Dec 2008 Sep 2008 - Mar 2010 Apr 2010 - Y. 2012 Y. 2012 - Y. 2017 Y. 2017 - Jun 2019 Jul 2019 - Jun 2020 Jul 2020 - Jul 2021 Aug 2021 - Present	- Production Engineer - Quality Assurance Manager - Technical Manager - Production Manager - Sales & Customer Technical Service Manager - Director of Production - Director of Sales & Customer Technical Service - Logistic Division Business Advisor - Business Strategy & Sales Engineering Advisor - Director and General Manager of Sales Department.	- Hitachi Cable Co., Ltd. (Japan) - Outokumpu Hitachi Copper Tube (Thailand) Co., Ltd. - Luwata Hitachi Cable (Thailand) Co., Ltd. - Hitachi Cable Co., Ltd. - Luwata Hitachi Cable (Thailand) Co., Ltd. - Luwata Heating Cooling Technologies (Thailand) Co., Ltd. - Loyal Hailiang Copper (Thailand) Co., Ltd. - Furukawa (Thailand) Co., Ltd. - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
10.	Mr. Vibul Aunsuntha Chairman of the Audit Committee and Independent Director	87	- Bachelor Degree of Business Administration, U.S.A. - Master Degree of Economic, U.S.A. - Thailand National Defense College (Class 30) <u>Training</u> - Director Accreditation Program Class 53/2006 Thai Institute of Directors Association	- No -	- No -	Y. 1999 – Mar 2016 Mar 2016 – Present	- Audit Committee Member and Independent Director. - Chairman of the Audit Committee and Independent Director	- Furukawa Metal (Thailand) Public Company Limited. - Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2018-2022)</u>						Y. 2009 – Y. 2022	- Board Advisor	- Company - Muang Thai Life Assurance Public Company Limited.

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
11.	Mr. Chor Nun Petpaisit Audit Committee Member and Independent Director	70	- B.B.A. (Accounting), Thammasat University Director Training - Financial Institutions Governance Program (FGP) Class 4/2012. - Successful Formulation & Execution of Strategy (SFE) Class 8/2010. - Audit Committee Program (ACP) Class 28/2009. - Director Certification Program (DCP) Class 76/2006. - Director Accreditation Program (DAP) Class 28/2004.	- No -	- No -	27 Feb 2009 - Present 28 Feb 2006 - Present 3 Apr 2002 - 17 Nov 2004 30 Jul 2020 - 14 Nov 2022 Y. 2019 - Present Apr 2015 - Present Y. 2013 - Present	- Audit Committee - Independent Director - Independent Director - Independent Director - Audit Committee and Independent Director - Audit Committee and Independent Director - Advisor	- Bangkok Insurance Public Company Limited. - Shangri-La Hotel Public Company Limited. - Fine Metal Technologies Public Company Limited. - Interhides Public Company Limited. - Thai Charoen Corporation Group (TCC Group)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
12.	Mr. Akira Fujita Audit Committee Member and Independent Director	70	- Bachelor Degree in Law, Waseda University, Japan	- No -	- No -	Apr 1977 - Mar 1996 Mar 1996 - Mar 2002 Apr 2002 - Mar 2005 Apr 2005 - Jul 2010 Aug 2010 - Jun 2012 Jul 2012 - Jun 2016 Jul 2016 - Jun 2018 Jul 2018 - Jun 2019 Aug 2019 - Present	- Production Control Section, Osaka Metal Factory - Director & General Manager of Sales Dept. - Senior Manager of Metal Sales Dept, Kansai Branch Office. - Sales Dept. Head Office – Sales Section Manager - Executive Director - President - Vice Chairman - Advisor - Audit Committee Member and Independent Director	- Furukawa Electric Co., Ltd (Japan) - Furukawa Metal (Thailand) Public Company Limited. - Furukawa Electric Co., Ltd (Japan) - Sakakibara Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
13.	Mr. Iruru Hidaka Independent Director	64	Bachelor degree of Law, KEIO University, Japan	- No -	- No -	Jul 1982 – Jun 1985 Jun.1985 – Jun 1989 Jun.1989 – Oct 1991 Nov 1991 – Jun 1995 Jun 1995 – Jun 1999 Jul 1999 – Mar 2002 Apr 2002 – Jan 2005 Feb 2005 – Jul 2010 Jul 2010 – Jun 2011 Jul 2011 – Jun 2016 Jul 2016 – Mar 2017 Apr 2017 – Sep 2018 Nov 2020 - Present	- Seamless Pipe & Tube Scheduling Department - OCTG Export Department - Manager, Personnel Department - Manager, Pipe & Tube Export Department 2 - Senior Manager, Corporate Planning Division - Senior Manager, OCTG Export Department - Head of Department, Pipe & Tube Export Department - General Manager, Office of the President - General Manager, Overseas Business Development Division - Director and President - General Manager, Global Business Development Sector - General Manager, Overseas Business Development Department - Independent Director	- Nippon Steel Corporation (Japan) - The Siam United Steel (1995) Co., Ltd. (Thailand) - Nippon Steel Corporation (Japan, Hereinafter NSC) - Nippon EGALV Steel Sdn. Bhd. (Malaysia) - Nippon Steel & Sumitomo Metal Corporation Co.,Ltd. (Japan) - Nippon Steel & Sumitomo Metal Production Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position In other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
14.	Mr. Deja Tulananda Independent Director (Ended 30 June, 2022)	88	- Executive Program, Pennsylvania State University, U.S.A - Bachelor Degree of Economics, Leicester University, U.K <u>Director Training</u> - Director Accreditation Program Class 53/2006 Thai Institute of Director Association	- No -	- No -	Y. 1999 – 30 Jun 2022	- Independent Director	- Fine Metal Technologies Public Company Limited.
Holding any position In other businesses or organizations in the past year (2018-2022)						Period	Position	Company
- Director, Public Company Limited						Y. 1992 – Present	- Executive Chairman	- Bangkok Bank Public Company Limited.

2) Management

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
1.	Mr. Junichi Ishihara Director & Managing Director and the Company's authorized director	61	- Bachelor Degree, Faculty of Mechanical Engineering, Keiko University, Tokyo, Japan	- No -	- No -	Apr 1983 – Nov 1997 Dec 1997 – June 2012 July 2012 – Aug 2015 Sep 2015 – Mar 2018 Apr 2018 – Present	- Production Engineering Section - Manager - Planning & Administration Department - Managing Director - General Manager, High Performance Plating Department, Copper & High Performance Material Product Division - Director & Managing Director	- Furukawa Electric Co., Ltd. (Japan) - Furukawa Precision (Thailand) Co., Ltd. - Furukawa Electric Co., Ltd. (Japan) - Fine Metal Technologies Public Company Limited. (Thailand)
<u>Holding any position in other businesses or organizations in the past year (2018-2022)</u>						Period	Position	Company
- Managing Director, Company Limited.						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
3.	Mr. Hideki Takayasu Director and General Manager of Sales Department and the Company's authorized director	55	- Bachelor Degree of Engineering in Mechanical, Shibaure Institute of Technology, Japan	- No -	- No -	Apr 1990 - Nov 2002 Nov 2002 - Nov 2006 Nov 2006 - Dec 2008 Sep 2008 - Mar 2010 Apr 2010 - Y. 2012 Y. 2012 - Y. 2017 Y. 2017 - Jun 2019 Jul 2019 - Jun 2020 Jul 2020 - Jul 2021 Aug 2021 - Present	- Production Engineer - Quality Assurance Manager - Technical Manager - Production Manager - Sales & Customer Technical Service Manager - Director of Production - Director of Sales & Customer Technical Service - Logistic Division Business Advisor - Business Strategy & Sales Engineering Advisor - Director and General Manager of Sales Department.	- Hitachi Cable Co., Ltd. (Japan) - Outokumpu Hitachi Copper Tube (Thailand) Co., Ltd. - Luvata Hitachi Cable (Thailand) Co., Ltd. - Hitachi Cable Co., Ltd. - Luvata Hitachi Cable (Thailand) Co., Ltd. - Luvata Heating Cooling Technologies (Thailand) Co., Ltd. - Loyal Hailiang Copper (Thailand) Co., Ltd. - Furukawa (Thailand) Co., Ltd. - Fine Metal Technologies Public Company Limited. (Thailand)
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
4.	Mr. Hiroshige Nose General Manager of Business Planning Management, and Head of Internal Audit Team	62	Master Degree in Business Administration From Sasin Graduate Institute of Business Administration of Chulalongkorn University. Bachelor Degree In Economics, From Wakayama University. (Japan)	-No-	-No-	Apr 1983 – Jan 1993 Feb 1993 – Aug 2000 Apr 2000 – Mar 2002 Apr 2002 – Aug 2004 Sep 2004 – Sep 2008 Oct 2008 – Feb 2011 Mar 2011 – Feb 2012 Feb 2012 – Sep 2013 Sep 2013 – Mar 2014 Apr 2014 – Aug 2018 Aug 2018 – Jan 2021 Mar 2021 – Present	- Officer - Senior Executive Vice President - Joint General Manager - Deputy Branch Manager - President - Senior Auditor - General Manager - President - General Manager - Director - General Manager - GM. of Business Planning Management	- Daiichi-Kangyo Bank at Domestic Branch. - DKB Leasing (Thailand) Co., Ltd. - Shiseido Co., Ltd. - Mizuho Bank, Shinjuku-Chuo Branch - Mizuho Corporate Leasing (Thailand) Co., Ltd. - Mizuho Corporate Bank. - Simon Corporation. - Thai Simon Safety Insutries Co., Ltd. - Simon Corporation. - Sinfonia Technology (Thailand) Co., Ltd. - Sinfonia Technology Co., Ltd. - Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
None						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
5.	Mr. Shinya Tsujimoto General Manager of Engineering Department	42	Master of Engineering, Osaka Prefecture University, Japan	- No -	- No -	Y. 2005 – Y. 2010 Y. 2010 – Y. 2012 Y. 2012 – Y. 2019 7 Mar 2019 – Present	- Metal Products Research Department and Research Development - Quality Assurance Section and Engineering Section - Engineering Department - General Manager of Engineering Department	- Furukawa Electric Co., Ltd. - Furukawa Electric Co., Ltd. - Furukawa Electric Co., Ltd. - Fine Metal (Technologies) PCL.
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

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No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
6.	Mr. Nopporn Moonsam Advisor of Factory Administration	58	- Bachelor degree of Secondary Education Mathematic, Major Physics, Khon Kaen University	1,500 shares (0.00%)	- No -	Y. 1990 – Y. 1998 Y. 1999 – Y. 2001 Y. 2011 – Sep 2016 Oct 2016 - 31 May 2019 1 Jun 2019 – Present	- Manager of Production Planning Section - Assistant General Manager of Production Department - General Manager of Production Department - Factory Manager - Advisor of Factory Administration	- Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
-						Aug. 2017 – Aug 2018	- Director	- Furukawa Metal (Thailand) Public Company Limited.

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
7.	Mrs. Siriporn Lueangrachanee Advisor of Administration Department	59	Bachelor of Business Administration The University of the Thai Chamber of Commerce	- No -	- No -	Oct 1989 – Dec 2012 Jan 2013 – Dec 2014 Jan 2015 – 31 Dec 2018 Jan 2019 – Present Y. 2008 – Present	- Manager of General Affair Section - Assistant General Manager of Admin Department Manager of General Affair Section and Human Resources Section - General Manager of Administration Department - Advisor of Administration Department - Company Secretary	- Furukawa Metal (Thailand) Public Company Limited. - Furukawa Metal (Thailand) Public Company Limited. - Furukawa Metal (Thailand) Public Company Limited. - Fine Metal Technologies Public Company Limited. - Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						-	Position	Company

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
8	Miss Arpaporn Jitsuteesiri General Manager of Finance & Accounting Department	55	- Bachelor degree of Accounting Assumption University	- No -	- No -	Oct 2017 – Apr 2020 Apr 2020 – Present	- Assistant General Manager of Finance and Accounting Department - General Manager of Finance and Accounting Department	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2018-2022)</u>						Period	Position	Company
-						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
9	Mr. Chirawat Ritthinee General Manager of Administration Department	53	Bachelor of Agricultural Engineering, Kasetsart University Master of Public Administration, National Institute of Development Administration (NIDA)	- No -	- No -	Y. 1993 – Y. 1997 Y. 1998 – Y. 2009 Y. 2009 – Feb 2018 Mar 2018 – 31 May 2019 Jun 2019 – 31 Dec 2019 Jan 2020 – 30 Jun 2021 Jul 2021 - Present	- Assistant Manager of Production Engineer Section - Manager of Production Engineer Section - Manager of Production Control - Assistant General Manager of Purchasing Section - Assistant General Manager of CEI and CSR - General Manager of Production Department - General Manager of Administration Department	- Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
10	Mr. Narongrit Samranjit General Manager of Production Department	51	Bachelor degree of Electrical Engineering Southeast Asia University	- No -	- No -	Y. 1996 – Y. 2011 Y. 2011 – Dec 2017 4 Jan 2018 – Dec 2018 Jan 2019 – Jun 2021 Jul 2021 – Present	- Engineer of Production Engineering Section - Manager of Production2 Section - Manager of Production Engineering Section - Assistant General Manager of Production Engineering Department - General Manager of Production Department	- Fine Metal Technologies Public Company Limited.
Holding any position In other businesses or organizations in the past year (2018-2022)						Period	Position	Company
						-	-	-

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

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
1	Miss Arpaporn Jitsuteesiri General Manager of Finance & Accounting Department	55	- Bachelor degree of Accounting Assumption University	- No -	- No -	Oct 2017 – Apr 2020 Apr 2020 – Present	- Assistant General Manager of Finance and Accounting Department - General Manager of Finance and Accounting Department	- Fine Metal Technologies Public Company Limited.
<u>Holding any position in other businesses or organizations in the past year (2018-2022)</u>						-	Position	Company

4) Secretary of the Company

No.	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
1.	Mrs. Siriporn Lueangrachanee Advisor of Administration Department	59	Bachelor of Business Administration The University of the Thai Chamber of Commerce	- No -	- No -	Oct 1989 – Dec 2012 Jan 2013 – Dec 2014 Jan 2015 – 31 Dec 2018 Jan 2019 – Present Y. 2008 – Present	- Manager of General Affair Section - Assistant General Manager of Admin Department Manager of General Affair Section and Human Resources Section - General Manager of Administration Department - Advisor of Administration Department - Company Secretary	- Furukawa Metal (Thailand) Public Company Limited. - Furukawa Metal (Thailand) Public Company Limited. - Furukawa Metal (Thailand) Public Company Limited. - Fine Metal Technologies Public Company Limited. - Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company

Duties of Secretary of the Company

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

Attachment 2

Details of the Subsidiary's Directors

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

Attachment 3

Details of the Internal Audit

Head of Internal Auditor Unit of Fine Metal Technologies Public Company Limited in 2022

Details of Internal Audit Scope

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

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No	Name-Surname / Position Appointment date	Age (Years)	Education / Training	No. of shares and % of Shares Holding	Relationship	Experience in the past 5 Years Information as of 31 December 2022		
						Period	Position	Company
1	Mr. Hiroshige Nose General Manager of Business Planning Management, and Head of Internal Audit Team.	62	Master Degree in Business Administration from Sasin Graduate Institute of Business Administration of Chulalongkorn University, Bachelor Degree in Economics, from Wakayama University. (Japan)	- 0 -	- No -	Apr 1983 – Jan 1993 Feb 1993 – Aug 2000 Apr 2000 – Mar 2002 Apr 2002 – Aug 2004 Sep 2004 – Sep 2008 Oct 2008 – Feb 2011 Mar 2011 – Feb 2012 Feb 2012 – Sep 2013 Sep 2013 – Mar 2014 Apr 2014 – Aug 2018 Aug 2018 – Jan 2021 Mar 2021 - Present	- Officer - Senior Executive Vice President - Joint General Manager - Deputy Branch Manager - President - Senior Auditor - General Manager - President - General Manager - Director - General Manager - GM. of Business Planning Management	- Daiichi-Kangyo Bank at Domestic Branch. - DKB Leasing (Thailand) Co., Ltd. - Shiseido Co., Ltd. - Mizuho Bank, Shinjuku-Chuo Branch - Mizuho Corporate Leasing (Thailand) Co., Ltd. - Mizuho Corporate Bank. - Simon Corporation. - Thai Simon Safety Insutries Co., Ltd. - Simon Corporation. - Sinfonia Technology (Thailand) Co., Ltd. - Sinfonia Technology Co., Ltd. - Fine Metal Technologies Public Company Limited.
Holding any position in other businesses or organizations in the past year (2018-2022)						Period	Position	Company
None								

Attachment 4

Assets for business undertaking and details of asset appraisal.

Assets used in Business Operation.

Details appear on page 23 - 25

Details about the property appraisal list

- None -

Attachment 5

Policy and Guidelines on Corporate Governance and Code of Conduct

- Details appeared on page 64 – page 88

Attachment 6

Report of the Audit Committee

To Shareholders of Fine Metal Technologies Public Company Limited

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

In 2022, Audit Committee performed their duties according to the charter as designated by the Board of Directors and carried out its supervisory tasks compliance with the good corporate governance principles of the Stock Exchange of Thailand which held total 4 Meetings and presented to the Company's Board of Directors, which could be summarized as follows:

1. To review the Company quarterly financial statements and annual financial statements as well as related documents which shall be correct, sufficient, creditable and in accordance with general accepted accounting principles before presenting to the Board of Directors for approval.
2. To review the related parties transaction, the Audit Committee has considered and asked for the transaction that may have conflict of interests. As the result of reviewed, the transactions were normal commercial transaction, reasonable in accordance with good corporate governance.
3. To review the Company's internal control system and to determine an internal audit unit's independence, as well as has considered the yearly internal audit plans has been consistent with current situation for more effective work.
4. The Audit Committee reviewed and found that the Company had complied with the law on Securities and Exchange, the Exchange's Regulation and the laws relating to the Company's business.
5. Participated in the 2022 Annual Ordinary General Meeting of Shareholders, held on Friday, April 29, 2022.
6. The Audit Committee has considered the selection of auditors by considering the independence of the operation, business skills including audit fees. The Audit Committee gave an opinions to the Company's Board of Directors for considering and proposing to the Annual Ordinary General Meeting of Shareholders for the year 2023 to consider and appoint an auditor from KPMG Phoomchai Audit Limited to be the auditor of the Company for the year 2023.
7. To prepare and to disclose report of the Audit Committee in the Company's Form 56-1 One Report in 2022.

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



(Mr. Vibul Aunsuntha)
Chairman of the Audit Committee
February 24, 2023



Bangkok office

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