



2023 ANNUAL REPORT

APPLIED DB PUBLIC COMPANY LIMITED



Annual Registration Statement / Annual Report 2023 (Form 56-1 One Report)

Contents

Financial Highlights	3
Achievement Award	4
Message from Chairman	5
Message from Chief Executive Officer	6

Part 1 Business Operation and Performance

1. Structure and Business Operations	7
2. Risk Management	41
3. Driving Business for Sustainability	49
4. Management Discussion and Analysis (MD&A)	85
5. General Information and other Important Information	92

Part 2 Corporate Governance

6. Corporate Governance Policy	93
7. Corporate Governance Structure and Important Information of the Board of Directors, Sub-Committees, Management, Employees and Others	106
8. Report on Key Performance in Corporate Governance	122
9. Internal Control and Connected Transactions	135

Part 3 Financial Statements 146

Attachments

Attachment 1	Details of Directors, Executives, Controlling Persons, the Highest Responsibility in Accounting and Finance, the Person Assigned to Take Direct Responsibility for Accounting Supervision, the Company's Secretary	203
Attachment 2	Details of Directors and Subsidiaries	223
Attachment 3	Details of the Head of the Internal Audit and the Head of Compliance	224
Attachment 4	Assets for business undertaking and details of asset appraisal	225
Attachment 5	Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company	226
Attachment 6	Report of the Audit Committee	227

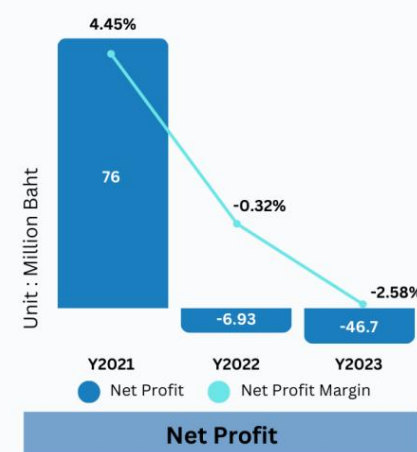
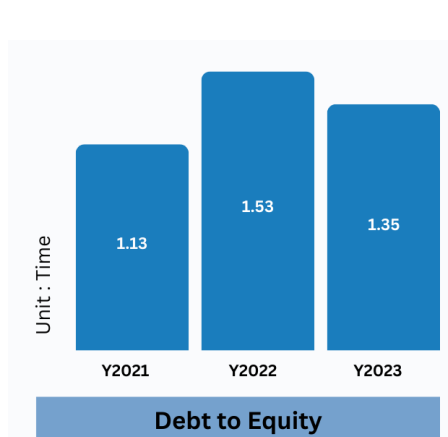
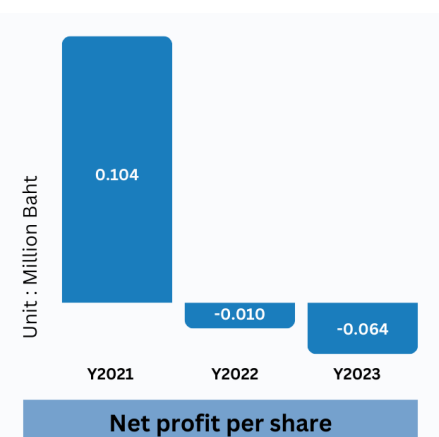
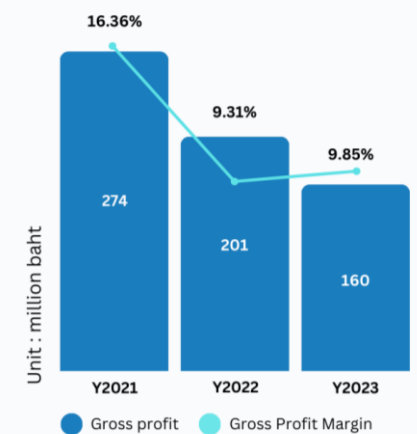
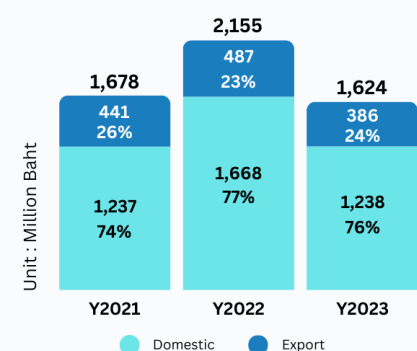
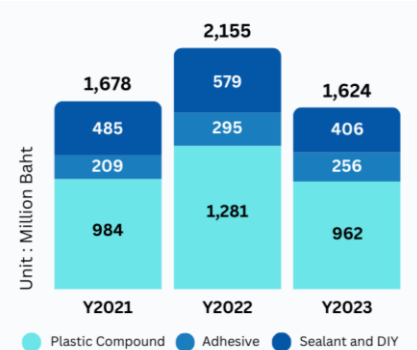


Financial Highlights

Applied DB Public Company Limited and its subsidiaries

Unit : Million Baht

	Y2021	Y2022	Y2023
Revenue from Sales	1,678.00	2,154.70	1,623.52
Cost of Sales	1,403.51	1,954.06	1,463.63
Gross Profit	274.49	200.64	159.89
SG&A	193.79	201.73	202.59
Other Income	11.82	11.81	13.59
Net Profit	75.68	(6.93)	(46.70)
Asset			
Cash and cash equivalents	62.91	101.52	40.56
Account Receivables	385.97	446.45	377.67
Other receivables	21.12	37.58	78.97
Inventories	455.35	510.58	382.95
Current asset	925.35	1,111.83	880.14
Fixed asset	508.34	495.84	462.31
Other non-current asset	1.51	0.54	11.74
Total Asset	1,454.05	1,626.39	1,410.69
Liabilities			
Current liabilities	680.35	927.81	730.69
Non-current liabilities	90.17	54.84	79.40
Total Liabilities	770.51	982.66	810.09
Total shareholder's equity	683.53	643.71	600.60
Financial Ratio			
Liquidity ratio (times)	1.36	1.20	1.20
Gross profit margin (%)	16.36	9.31	9.85
Net profit margin (%)	4.45	(0.32)	(2.85)
Return on Assets (%)	5.61	(0.45)	(3.08)
Return on Equity (%)	11.39	(1.04)	(7.51)
Debt to Equity (times)	1.13	1.53	1.35





Achievement Award

Good Corporate Governance of Listed Companies



The company received the score from the Corporate Governance Report of Thai Listed Companies 2023 in the level of "Excellent" (Excellent CG Scoring) 5 Stars from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand.

Quality Assessment of Annual General Meeting of Shareholders



Quality assessment results of the Annual General Meeting of Shareholders for the year 2023 (AGM Checklist) by the Thai Investors Association, the Company received a rating of "Excellent" (4 Star).



Research Honoring and Outstanding Innovation and Creativity Award for the year 2023, Applied DB Public Company Limited, by Ms. Pornpiwan Niramomcherdchay, representative of the management department participated and receive a certificate of honor and congratulate researchers for the honoring, outstanding innovation and creativity research award for the year 2023 of Silpakorn University. The company would like to thank Research Administration Office Innovation and creativity of Silpakorn University and Rector Professor Dr. Tanasit Ngawhirunpat and researchers in creating works and disseminating research results Innovation to benefit and increase the country's capabilities in various fields.

SET ESG Ratings



ADB was listed in SET ESG Ratings for the year 2023, in level "A" for the third year for which named Thailand Sustainability Investment (THSI) in 2021 and 2022, represented that the Company's commitment to operate business sustainably by concerning environment, social responsibility and management in accordance with the principles of good corporate governance. (Environmental, Social and Governance: ESG)



Thai Private Sector Collective Action Against Corruption: CAC

Received certification as Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the first time which is our commitment for anti-corruption on December 31, 2023.

..... Message from Chairman



The global supply chain has continued to adapt amid changes and emerging risks all the time. The company focuses on driving the organization through innovation-driven strategy to increase overall effectiveness as well as develop new products to meet changing market needs together with customers and business partners. We also are studying various business models to ensure future growth based on sustainable business operations by focusing on improving work processes to reduce the impact on the environment and surrounding society, using natural resources for maximum benefit with good governance practices.

In 2023, ADB received the SET ESG Rating Level A award, marking the third year selected by the Stock Exchange of Thailand that named Thailand Sustainability Investment (THSI) in 2021 and 2022, represented the company's commitment to operate sustainably by taking care of environment and society on the basis of good governance. The company has also been certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) to demonstrate the company's and our business partners' commitment to transparent business operations and reduce the risk of corruption both inside and outside the organization.

On behalf of the Board of Directors, executives and employees of Applied DB Public Company Limited, I am truly grateful all shareholders and customers for your trust and support. Our company will continue to develop and deliver sustainable value for all stakeholders.

Mr. Pawat Wongtangtrakul

Chairman of the Board



..... Message from Chief Executive Officer

In 2023, the global economy has continued to recover gradually. The business sector still has to deal with various uncertainties and the challenges of high inflation and rising interest rates. ADB has adopted strategies that emphasizes flexibility in an effort to control rising costs and increase overall production and maintain stability in business operations.

In order to support significant changes to our operational structure, the Company has reorganized and transferred some of businesses, including adhesives, sealants, and small package of adhesives and sealants to operate under the subsidiary company, ADB Sealant Co., Ltd., to increase clarity in strategic planning to promote future growth.

At the same time, the company is committed to applying ESG concepts in business operations and developing products that are responsible for society, the environment by balancing between organizational development, creating sustainable value in the long term and promoting cooperation with stakeholders. The sustainable development plan that the company are implementing includes systematically increasing production efficiency to save energy, manage air pollution and industrial waste and improve employee safety in the workplace, as well as developing environmentally friendly products such as Plastic compound that are free from hazardous substances in electrical and electronic appliances according to RoHS regulations, non-toxic substances that are harmful to the environment and human health, Bioplastics Compound, and the use of industrial plastic recycled materials (PIR) to produce plastic compound with specific properties to reduce the use of resources and reduce the impact on the environment. Moreover, we are promoting environmentally friendly purchasing throughout the supply chain by reducing the use of packaging, reusing some packaging or using recycled materials.

We believe in continuous innovative development and the responsibility for the product and the engagement of all employees are the foundation of sustainable development to achieve corporate goal and create shared value for all stakeholders.



Mr. Wang Wanapaison
Chief Executive Officer



1

Business Operation and Performance



Part 1

Business Operation and Performance

1. Structure and Business Operation

Applied DB Public Company Limited “ADB” is one of the leading a manufacturers of plastic compound to industrial sectors that use our products in their production process such as wire and cable industry, shoe industry and furniture industry. Our subsidiary company, ADB Sealant Co.,Ltd “ADBS” is a manufacturer and distributor of industrial adhesive and sealant provided to shoe and leather, furniture, construction and automotive industries both in domestic and international markets with industrial size (Bulk) and cartridge and small packaging (DIY product) for household application under the Company's brands and also under customers' brands.

1.1 Policy and Business Overview

1.1.1 Overview of the vision, objectives, goals and business strategies of the Company

In order for the operation of the company to achieve its goals and create maximum benefits for stakeholders in all sectors, the company has therefore used the guideline to operate under the following principles.

Vision

The company aims to be a leader in the country's production and distribution of high-quality PVC Compound products, ensuring product safety and compliance with the law. With globally standardized management and production process, it seeks to contribute positively to the economy, society, and the environment, aiming to establish enduring partnerships, trust, and provide consistent and sustainable customer satisfaction responses.

Mission

- Consistently deliver superior quality PVC Compound products that meet the diverse needs of our customer. We are committed to upholding the highest standards of product safety and regulatory compliance, ensuring that our products are not only reliable but also environmentally sustainable.
- We strive to achieve operational excellence through globally standardized management and production processes, leveraging the latest technologies and best practices. By doing so, we aim to contribute positively to the economy, society, and the environment.
- Building enduring partnerships with our stakeholders is at the core of our mission. We seek to establish trust and foster long-term relationships with our customers, suppliers, employees, and the communities in which we operate. Through continuous innovation, superior customer service, and a relentless pursuit of customer satisfaction, we aim to exceed expectations and become the preferred choice in the industry.



ADB Value and Culture



“Creating sustainability value” is the goal and commitment for all in ADB to be aware and always behave. To build the person, create the best is the main basis for sustainability. Personnel capability development, life learning, change your thinking to adapt to the change are based on the basis that creating the knowledge. ADB staff can do and behaving knowledge within an organization for customer, concern and our stakeholders, including all departments related to us and also the surrounding community. ADB staff commits, with proud and enthusiastic, also communication, and cooperation to transfer from generation to generation in order to create sustainable value and knowledge to the organization for further achievement.

Objectives and Goals

Applied DB Public Company Limited and Affiliated companies (“Company”) Remains committed to the review of the Company's vision, mission and direction systematically performs a every year in accordance with surrounding factors and business trends in the long run. The company has important goals that continue as follows:

■ Business Growth

The company strive are to foster continual growth by being a leader in quality with competitive price and create good cooperation with partners. The Company also aims to have forefront competitiveness capability in industry and have stable and growing customer base every year.

■ Returns on Investment

The company strive to make returns on investment comparable to that in line of industry and bring reasonable returns to all stakeholders.

■ Sustainability

The company realizes the importance of operation under the principles of sustainable development through creation of value in 3 pillars: economic, social and environmental on the basis of good corporate governance to create stable and sustainable growth.



Business Strategic Plans

The direction and strategic plan of the Company focus on creating and maintaining competitiveness capabilities, sustainable growth, and preparation for various areas to support prospective business plans. The Company has adopted this direction and strategies as an operational framework and monitors the results regularly so as to achieve both short and long-term organizational goals. The main strategies are as follows:

- 1. Customer :** To maximize customer satisfaction, we focus on the following areas.
 - 1.1 Production and distribution of diverse products to meet customer needs.
 - 1.2 Quality and standard products accepted by customers at competitive prices.
 - 1.3 Fast & On- time Delivery
 - 1.4 Quick Response
 - 1.5 Customer Relation Management
- 2. Sales and Marketing**
 - 2.1 To research and develop products to meet market needs and increase distribution channels to expand products to both domestic and international markets.
 - 2.2 To produce diverse products and to continually grow in the industry.
 - 2.3 To have competitive potential in product differentiation with a research and development team who are ready to adjust products to serve customer needs and specific utilization.
 - 2.4 To have sales staff and customer service staff with expertise in products to answer questions and give recommendations on products that suit customer needs and to provide quick responses to complaints.
 - 2.5 To provide product quality guarantee as agreed with customers.
- 3. Supplier**
 - 3.1 To develop existing partners and continually seek new business partners.
 - 3.2 To develop relationships with business partners contributing to having the same business goals.
 - 3.3 To have integrated supply chain management.
- 4. Employees as essential resources for organization**
 - 4.1 To maximize employees' capabilities at all levels continuously.
 - 4.2 To develop employees to have expertise skill sets to become specialists in each field.
 - 4.3 To adopt an integrated working style, establish collaboration with various parties and offer an opportunity to employees to participate in management.
 - 4.4 To develop performance management system that relates organizational goals to personal goals by relating employees' performance and capabilities in performance evaluation of each period.
 - 4.5 To define succession hierarchy in all command lines so as to define knowledge development format and knowledge and ability of personnel who can take higher positions.
 - 4.6 Provide Opportunities for self-directed learning and offsite training which will be the benefit for business and employee's work experience.
- 5. Cost**
 - 5.1 To develop the most effective working system with the minimum cost and enable competitive potential through loss management with minimum damage.
 - 5.2 To continually seek substitute materials.
 - 5.3 To make the most of assets efficiently.
 - 5.4 To reduce workforce by replacing labor intensive with semi-automatic machines in some production parts so as to achieve quality standards, reduce waste and reduce labor costs that tend to rise every year.



6. Management System

- 6.1 To develop effective management system in accordance with international standards and adopt good corporate governance to compete in the global market and to build trust and reliability continuously and sustainably.
- 6.2 To develop product and service quality and business risk management by controlling and mitigating risk factors that have a negatively impact on business operations.
- 6.3 To develop a successful management system for teamwork and continual development.

7. Research and Development

- 7.1 To enhance research and development potential this creates new innovation that adds value to products. Continuously increasing product quality and efficiency
- 7.2 To develop new innovation and seek business opportunities contributing to sustainable growth.
- 7.3 Ready to develop products to the next level to support green industry in every product group.

8. Technology

- 8.1 Development of production technology, Product design and modern management system suitable for the company's business.
- 8.2 Develop the company's website for a variety of benefits. Easy access Have current information both to customers those interested in the products, shareholders, investors and the general public

9. Society and Environment

- 9.1 To contribute and participate in the development of quality of life of stakeholders such as employees society and community.
- 9.2 To promote job creation and income generation in social community development.
- 9.3 To develop community, maintain the environment comply with the rules of estate authority and destroy products properly which eliminates pollution in the organization and surrounding society effectively.
- 9.4 3Rs principle of raw material and resource utilization is applied. Industrial waste will finally be exposed in proper way to deal with pollution within the organization and the society.
- 9.5 Encourage to reduce paper use within the organization by using the digital system to mitigate global warming and reduce greenhouse gas emissions from the paper production process.

1.1.2 Major Changes and Developments

Year 2017

March

- The Company transformed into the public company and renamed the Company to Applied DB Public Company Limited.
- Changed the par value of the Company's ordinary share from the original value of 10 baht to 0.50 baht per share.
- Increased the registered capital of the Company's from 210 million baht to 300 million baht by issuing 180 million new ordinary shares with a par value of 0.50 baht per share and allocated the aforementioned newly issued ordinary shares for first public offering.
- The Company established 2 subsidiaries, namely ADB USA Inc. and SPARKO USA Inc., with the objectives of marketing promotion, providing marketing and sales promotion, as well as, expanding the demand for household products (Do It Yourself : DIY) of the Company in the international market, where by the Company has hold shares in ADB USA Inc. and SPARKO USA Inc. at 100% and 100% of registered capital paid respectively.

**November**

- **November 9, 2017**, The Company was listed on the Stock Exchange of Thailand, and issued Initial Public Offering (IPO) at a price of 1.69 baht per share.

Year 2018**November**

- **November 9, 2018**, Making merit for opening the factory branch no. 4, no. 816, Bangpu Mai Sub-district, Mueang District, Samut Prakan Province. This Factory has been producing sealant products.

Year 2019**February**

February 11, 2019, The Company has been certified for environmental standards ISO 14001: 2015 from BSI, the British Standards Certification Institute.

Year 2020**September**

- Adhesive products (Adhesive) moved the production base from branch 271 to produce at factory no. 252 and provided the factory of 8 rai and 69.55 square wa, which was the total area of factory 271 to be the full area for a factory and a warehouse as a base for the production of plastic compounds for producing plastic resin for medical equipment, producing plastic resin without banned substances and producing plastic resin that are environmentally friendly.
- For Sealants products, the small packing line has been relocated its production base from branch 252 to branch 816 in order to ensure the continuity of raw material delivered from the same branch process and reduced transportation cost.

November

- Awarded CG Score 4-star and AGM Level 4 in the evaluation of the Securities and Exchange Commission for the year 2020.

Year 2021**February**

- Increased registered capital from 300 million baht to 330 million baht by paying stock dividends to the existing shareholders at the rate of 10:1, not exceeding 60 million shares.

September

- Established a subsidiary, ADB Bio Company Limited, with a registered capital of 1 million baht to supply biodegradable raw materials and semi-finished products that can replace traditional plastics to support biological products' development, production and distribution.

November

- Increase registered capital from 329,999,990.50 baht to 362,999,961.50 baht by paying stock dividends to the existing shareholders at the rate of 10:1, not exceeding 65,999,942 shares.

2021

- Quality assessment results of the Annual General Meeting of Shareholders for the year 2021 (AGM Checklist) by the Thai Investors Association, the Company received a rating of "Good".
- The result of the 4-star Corporate Governance Assessment is "Very Good" for the second year in a row. In the survey project on Corporate Governance of Thai Listed Companies (CGR) of 2021 by the Thai Institute of Directors Association (IOD) and the Stock Exchange of Thailand.
- The Company has been selected for the first year on the Thailand Sustainability Investment (THSI) list of 2021 from the Stock Exchange of Thailand, reflecting its determination to develop business management to grow in accordance with the sustainable development guidelines, covering the



Environmental issues, Society and Governance or ESG.

- The Company has been certified with Eco Factory Certification at the Meeting No. 18-4/2564 on Tuesday, December 7, 2021. 2 factories including a plastic resin factory No. 260.

Year 2022

May

- The company signed declaration of intent Thailand's Private Sector Collective Action Coalition against Corruption on May 23, 2022.

December

- The Extraordinary General Meeting of Shareholders No. 1/2022 held on December 24, 2022 approved the business restructuring of the Company by partial business transfer of (1) adhesive products (2) sealant products and (3) DIY products to new limited company established under Thai law whereby the Company will hold 99.99% of the transferee's shares.
- December 26, 2022, ADB Sealant Co., Ltd. was established with a registered capital of 1 million baht to produce and sell adhesive, sealant and DIY products.

2022

- The company received a full score of 100 from the quality assessment of the Annual General Meeting of Shareholders in 2022. and the score from the Corporate Governance Report of Thai Listed Companies 2022 in the level of "Very Good".
- The Company has been selected for the first year on the Thailand Sustainability Investment (THSI) list of 2022. The 2 consecutive year. Represents ADB as a company that is committed to conducting business sustainably with consideration to balance Environmental, Social and Governance: ESG.

Year 2023

August

- August 26, 2023 The Company has been certified for Occupational health and safety management systems ISO 45001: 2018 from BSI, the British Standards Certification Institute.

November

- The Company has been assessed as a listed company with corporate governance in the "Excellent CG Scoring" at the 5-star level from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand.
- The Company has been assessed as SET ESG Ratings for the year 2023 in "A" level The 3 consecutive year from being evaluated as one of the list of the Thailand Sustainability Investment (THSI) in the year 2021 and 2022. Demonstrates commitment to operating a sustainable business with consideration for the environment. Socially responsible and has management in accordance with the principles of corporate governance (Environmental, Social and Governance: ESG)

December

- Quality assessment results of the Annual General Meeting of Shareholders for the year 2023 (AGM Checklist) by the Thai Investors Association, the Company received a rating of "Excellent" (4 Star).
- December 20, 2023 The Company has been certified for Medical Devices Quality Management System ISO 13485: 2016 from BSI, the British Standards Certification Institute.
- December 31, 2023 Received certification as Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the first time which is our commitment for anti-corruption.

1.1.3 The Company has already spent the raised fund to serve the objectives declared or not

- None -

1.1.4 Clarify the obligations to which the Company has committed in the registration statement for securities offering and/or the approval conditions of the SEC Office (if any) and/or the conditions for the Stock Exchange of Thailand's acceptance of securities (if any)

- None -

1.1.5 General Company Information

Company Name	Applied DB Public company limited
Symbol	ADB
Head Office	252 Moo 4 Sukumvit Road, Prakasa , Muangsamutprakan Samutprakan 10280
Business Type	Applied DB Public Company Limited "ADB" operates in the business of producing plastic compound sold to industrial manufacturers as raw materials in the production of wires, cables, shoe soles, and furniture trim and its subsidiary, ADB Sealant Co., Ltd. "ADBS" operates in the business of producing and distributing adhesive products sold to factories in the shoe, furniture, construction and automotive industries under the company's brand and contract production for leading brands, also provide silicone sealant for industrial use (bulk), cartridge and small packaging for household use to both domestic and international customers.
Registration No.	0107560000117
Telephone	02-709-4040-9
Facsimile	02-709-4396
Web Site	www.adb.co.th
E-mail	adb_info@adb.co.th
Paid-up Capital	362,999,961.50 Baht
Paid-up Shares	725,999,923 Shares (Par value of THB 0.50 per share)
Type of share	Common Shares
All paid-up shares of the Company	725,999,923 Shares (Par value of THB 0.50 per share)

1.2 Nature of Business

1.2.1 Income Structure

Revenue Structure of the Company Classified by Product Groups in 2021-2023 as follows:

Revenue Structure	Year 2021		Year 2022		Year 2023	
	MB	%	MB	%	MB	%
1. Plastic Compound Product	983.62	57.86	1,281.02	59.13	961.53	59.23
2. Adhesive Product	208.92	12.29	294.77	13.61	255.65	15.75
3. Sealant & DIY Product	485.46	28.56	578.91	26.72	406.36	25.02
Total Revenues	1,678.00	98.70	2,154.70	99.45	1,623.52	99.00
Other Revenues ¹	11.82	0.70	11.81	0.55	13.59	0.83
Profit (Loss) subject to Net Exchange Rate	10.23	0.60	(3.02)	(0.14)	2.83	0.17
Total	1,700.05	100.00	2,166.51	100.00	1,639.95	100.00

Remark: 1. Other revenues consist of received interest, compensation income, 19 bis duty fee, returned bad debt, profit (loss) from sales of assets, and miscellaneous revenues from sales of materials.

Type	Year 2021		Year 2022		Year 2023	
	Value	% to total income	Value	% to total income	Value	% to total income
Domestic Income	1,237.03	73.72	1,667.65	77.40	1,237.62	76.23
Overseas Income	440.97	26.28	487.05	22.60	385.9	23.77
Total	1,678.00	100.00	2,154.70	100.00	1,623.52	100.00

Revenue by Geographical Segments

Geographical Segments	Year 2021		Year 2022		Year 2023	
	MB	%	MB	%	MB	%
Thailand	1,237.03	73.72	1,667.65	77.40	1,237.62	76.23
Nigeria	61.19	3.65	58.04	2.69	68.22	4.20
Kenya	49.03	2.92	42.88	2.00	29.89	1.85
Singapore	27.66	1.65	34.13	1.58	19.63	1.21
Philippines	29.15	1.74	32.58	1.51	29.66	1.83
Bangladesh	47.05	2.80	41.62	1.93	37.72	2.32
Myanmar	37.55	2.24	41.81	1.94	37.66	2.32
India	37.67	2.24	45.78	2.12	41.08	2.53
Egypt	32.54	1.94	55.40	2.57	46.96	2.89
Vietnam	27.53	1.64	52.61	2.44	18.37	1.13
Other	91.59	5.46	82.19	3.81	56.70	3.49
Total	1,677.99	100.00	2,154.69	100.00	1,263.52	100.00

1.2.2 Product Information

1) Characteristics of Products or Services and Development of Business Innovation.

Characteristics of products or services

Plastic Compound Product

The company manufactures and sells plastic compound pallets which consist of PVC compound and Polypropylene split yarn for industrial factories with details as follows:

	PVC Compound Polyvinyl Chloride or PVC is a thermoplastic plastic which can be melted by the heat and recycled several times. In terms of general characteristics, PVC is fine, white powder. When it catches fire, it can be self-extinguished. In the production of PVC compound, the PVC power is added with additives before use. PVC compound is a PVC made of PVC resin mixed with various additives in the right proportions according to the requirements of use in various forms such as plasticizer, heat stabilizer, filler, pigment and various additives. The company is a manufacturer and distributor of PVC in a form of soft PVC and rigid PVC compound. Soft PVC Compound It is flexible plastic made from the process of mixing PVC powder
---	--



with additives, softener or plasticizer, to adjust softness or hardness according to the proper use of PVC compound. The PVC compound in this group is used in injection molding, ironing molding, and compression molding depending on the type of product that customers want in order to be processed into various products. The main customers of the company who order PVC soft plastic are industries manufacturing wires and cables because the PVC does not cause fire and highly resistant to electricity. Therefore, it is used as insulation and cover for power cables and cables such as low voltage cables, power cables, and telephone wire insulation. The plastic is molded into rubber cables, soft edges for automobiles and other products. In addition, it can be molded into the footwear and soft touch products such as pen handles and tool handles.

Rigid PVC Compound

It is a hard plastic - not flexible, strong, sticky and resistant to shock. It is made from mixing PVC resin with additives. The PVC compound in this group is used in injection molding, ironing molding, compression molding or blown film extrusion or blow molding depending on the type of product that customers want in order to be processed into various products such as furniture edges, product label films which are transparent and smooth and PVC joints.

In this regard, the manufacturing process of rigid PVC compound is similar to that of the soft PVC compound. The difference is that chemicals are controlled under appropriate temperature by the cooling mixer, which is a process after mixing chemicals as ingredients in the rigid PVC compound production before undergoing flow process.

Medical Grade PVC Compound

It is a plastic resin which use for manufactured in the medical device such as blood bags, bags and saline tubes, medical gloves, syringes waste excretory tubes, etc., By collaborating with leading manufacturers from Japan that have been certified and expertise in the production of plastic resins for the medical industry.

Polypropylene Split Yarn

It is a Polypropylene from Thermoplastic, the characteristics of which are sticky, durable and effective in electrical insulation. The Polypropylene split yarn is processed to be fillers used with plastic compound in the production of power lines and cables by wrapping it around the wires to seal the holes as seen in the pictures below.



Operational Challenges in 2023 Plastic Compound Business

Expecting the economy will continue to expend after the COVID 19 pandemic was officially ended, we set the PVC business revenue target at THB 1.456 billion. We started the year with solid Q1 performance, however unfortunately our PVC compound business was severely affected due to the domestic political turbulence after the election in May 2023. Since the bulk of the PVC compound business is in the wire and cable sector, that means it is also largely depending on our customers' government project orders. PVC compound business revenue will be affected deeply if

there were no government orders given to our customers. After the election, Thailand government functions, especially the government expenditure, was suspended until September when the new prime minister was finally elected. During the time from May to September no orders were given to our customers and consequently we received much less orders comparing to normal time. In additional, the Stark Industry Corporation incident also make our situation even worse because we must stop business transaction with its subsidiaries Phelps Dodge International (Thailand) Limited (PDITL), who is also main customer of ADB. Watching the totally unexpected events unfolding, the management team acted quickly to revise our year 2023 revenue target to THB 889 million for PVC compound business. The undesired situation continued to September and in October we started to see the situation improved. Orders from government were released and financial situation at PDITL were stabilized and we could resume business with them with limited conditions, especially the credit term and credit amount. Eventually we closed the year with total revenue of THB 898 million, slightly above our revised revenue, but fell short behind the original target by 38%.

Operations under the subsidiaries ADB Sealant Company Limited

Adhesive Product

The company manufactures and sells adhesives which are used for glueing materials, In terms of distribution under the company's house brand, there are 5 brands namely ADB, SPARKO, DB, OMAKU and DAI-I-CHI. The company is also hired to produce products under the license and supervise the production process of the product brand Original Equipment Manufacturer (OEM).



Adhesives Product, is a fluid chemical used to glue materials. However, the adhesives produced and sold by the company can be classified according to the properties of products and use with details as follows:



Contact Adhesive

It is an adhesive composed of a solution of natural rubber or synthetic rubber which will become stick when in contact with the solvent. It is a sticky fluid with high and effective adhesion, suitable for furniture, repair work and gluing materials of the shoes. In addition, it can also be used to glue various types of materials, such as plastic, wood, formic, laminate, foam, rubber, leather and synthetic leather, insulation and metal. The company distributes this product for use in both industries and households.

Graft Adhesive

It is a graft copolymer combined with Polychloroprene and Acrylic monomer which is fluid like rubber adhesive but is more transparent and whiter. It is suitable for gluing upper and lower materials of shoes or general items such as leather, synthetic leather, PU, PVC, rubber, canvas and EVA foam, etc. The company distributes this product for use in both industries and households.



Polyurethane adhesive : PU adhesive

It is produced from Polyurethane which is a special kind of adhesive with high adhesion, fast setting and excellent resistance to weather conditions and heat. It is also resistant to light absorption, which results in less color change after use, and it is to use and time-saving. The adhesive can glue several materials such as shoe soles, leather and shoe heels, rubber, sponge, leather, nylon, PU, PU leather, PVC, latex, foam, bedding, etc., as well as porous materials. It can also be used to glue at a normal temperature and high temperature.

Vinyl Adhesive

It is composed of pipe adhesive, multi-purpose adhesive and plastic adhesive used to glue PVC pipes and hard joints, including other assembling works where plastic parts are glued together. The pipe adhesive melts into the PVC pipe texture. When PVC pipes are connected to the joints, they are combined into one without leakage of liquid inside the pipes.



The property of this adhesive is different from that of others as it melts into the pipe texture and resistant to high pressure works such as drainage system in tall buildings or swimming pool pipe work, etc. The company distributes this product for use in both industries and households. While the multi-purpose adhesive is used to glue in general works such as stationary. The company distribute it in small containers. As for the plastic adhesive, it is used to glue plastic parts such as acrylic sheets, etc.

Water-based Adhesive

It is a water-based adhesive that is water-soluble and in liquid form. This adhesive is easy to use and suitable for use in a variety of industries such as furniture, packaging, carpets, wood, laminates and labels. The Company also produces and distributes additional products which are used with adhesive products to enhance the effectiveness of adhesion and potential of adhesive. The products are Primer, Thinner, and Hardener with details as follows:

■ Primer

A chemical that adjusts the condition of surface prior to using the adhesive to optimize the adhesion.

■ Thinner

A volatile liquid and a solvent used in conjunction with adhesive products make them more liquid. In addition, this material can be used to clear stains caused by adhesive.

■ Hardener

A chemical with the property that increase the adhesion of material and increase the strength of adhesive. This chemical is used in conjunction with adhesive products to increase the strength of adhesion. However, the portion of hardener added to the adhesive must be appropriate. If the hardener is added exceedingly, the adhesive will dry too quickly and adversely affect the product.



Operational Challenges in 2023 Adhesive Business

In 2023, sales of the adhesive business of the company slightly decreased from the previous year. The proportion of domestic and international sales was 58% and 42% respectively. The main sales growth came from the volume of orders from existing customers in the ASEAN region. However, external factors such as the slowdown of the world economic, the war between Russia and Ukraine, the conflict between Israel and Hamas, fluctuation in prices of main raw materials, fluctuation in currency exchange rates, an increase in loan interest rates, adjustment of the minimum wage and adjustment in utility costs, such as electricity costs remain the main factor that directly affected the Company's profitability during the past year and continued to this year.

The company has adjusted strategies to deal with these problems to maintain the existing customer base by focusing on growing together with customers through the development of new products, expansion of overseas markets in ASEAN, South Asia, Middle East and Africa which still has a high growth rate, increasing the proportion of high-margin products that are environmentally friendly. In addition, the company has planned to increase the efficiency of work processes within the company, enhanced human resource management and controlled unnecessary expenses,

Sealant and DIY Product

The Company manufactures and distributes sealants which are products used to attach materials or seal leaks or seal joints. Sealant products come in small packages for Do It Yourself (DIY) purpose. The Company manufactures products for brand owners under the license and supervision of brand owners' production process (Original Equipment Manufacturer or OEM). Such brands are leading international brands. The manufactured products are sold wholesale to brand owners. The production under the Company's brand (House Brand) consists of the brands such as ADB, SPARKO, DB, OMAKU and DAI-ICHI distributed to distributors. The distributors will distribute products to shelves in department stores, stores, or through several channels so that the products directly reach end users. Sealants for industrial factories are manufactured in bulk and sold to brand owners to be packed in small sizes or used in their own industry.



Sealant

It is used to seal joints between materials, whether they are the same material, to be durability and beautiful and to prevent dust, both water and fluid passing through entering the joints. This sealant is semi-liquid, so it can penetrate the joints, harden and become flexible to allow materials to move slightly. This sealant does not crack. In the construction work, it is necessary to use the sealant in the structural works such as sealing joints between the structures as determined by the engineers according to construction design or sealing joints between longitudinal structures to accommodate the expansion of expansion of structure. It can also be used in architectural works by sealing joints to finish up the work such as sealing joints between aluminum doors and windows, masonry walls, ceilings and walls, built-in furniture, etc. The company distributes 4 types of sealant products, classified by product properties and characteristics of usage with details as follows:



■ Acrylic Sealant

It is sealant which is little flexible and resistant to environment. It can be used for exterior and interior works, so it is suitable for sealing joints such as joints between the wall and door frame, window, wood, aluminum, or small cracks. In addition, it can be refined and painted over, and it can be used with both smooth and rough surfaces.

■ Silicone Sealant

It is flexible sealant which is highly resistant to changes in the environment, UV and chemical. It is suitable for both indoor and outdoor use, as it is used to fill and seal joints of smooth surfaces and polished surfaces such as mirror, ceramic, fiberglass, wood and aluminum. However, this material cannot be painted over. The company distributes these products for both industrial and household use.

The silicone sealant can be divided into 2 types: Acetic and Neutral, with details as follows:

- Acetic Cure

This type of silicone, when used, has the scent of acid, evaporates and dries quickly. It is suitable for sealing joints between glasses with strong adhesion. If used with transparent glass, the sealant is smooth and transparent. It is not suitable for surfaces affected by acetic corrosion, such as metals or marbles, and it is less expensive than the neutral one.

- Neutral Cure

This type of silicone is neutral and less transparent than the acetic one (turbid). It dries more slowly and is less strong but more flexible, and it is used with surfaces not suitable for exposure with acid. Also, it is more expensive than the former.

■ Hybrid Sealant

It is a highly flexible material. Its efficiency is weather resistant, ultraviolet (UV) radiation resistant against chemicals and dirt. In addition to It can be painted on the surface of the grout this material is also environmentally friendly and safe for users and suitable for both indoor and outdoor working. It can be used on all surfaces Including moisture skin which the company distributes for use in both industrial plants construction and household industry.

■ Room Temperature Vulcanizing Silicone : RTV

It is a silicone material used for forming gasket or formed-in-place-gasket. It has the ability to mold new gasket to replace the old gasket that is out of use. The new gasket molded is silicone rubber. It is commonly known as liquid gasket. Nevertheless, this material is highly flexible and resistant to temperature resistance, tear and pressure. Therefore, it is suitable for use in the electronics, automotive, machine, tool and precision instrument industries. In this regard, the RTV silicone of the company is of various colors to meet various customers' needs.



DIY

It is a material used to seal the joints and leak between different materials. It is a versatile product for both household and business users. The Company sells small adhesive products divided according to product features and usage characteristics. The details are as follows:

■ Epoxy Adhesive

It is mixed with 2 ingredients: epoxy and hardener at an appropriate portion to be of the maximum effectiveness. Epoxy adhesive is highly flexible and resistant to temperature and chemical; therefore, it is suitable for use in industries and used with wood, metal, tile, glass and plastic, etc. The company distributes this product for use in both industries and households.

■ Liquid Gasket

It is synthetic rubber adhesive for gluing or combining metal flanges. It is highly viscous and can prevent leakage of liquid or gas from equipment at the surface of the flange as the contact of two flanges may not be smooth enough to prevent leakage. Liquid gasket can penetrate into the groove between the combined materials perfectly. The company distributes this product in small packages through distributors, and it can be used for customers who manufacture automotive products.

■ Super Glue

It is a multi-purpose glue which is specifically fast to dry. Its chemical name is Cyanoacrylate adhesive. The glue sets by chemical reaction between the glue and the moisture on the surface of material, and it is suitable for industrial use in parts assembling such as automotive parts, sports equipment and electronic devices, etc. It is also suitable for household use as it can glue various kinds of materials: wood, metal, aluminum and plastic. The company buys the ready-made super glue or elephant glue in small DIY packages and distribute it for household use only.

■ Super Nail

It is synthetic rubber glue with high adhesion handling the weight gain. It is used to glue aesthetic works for furniture, installation and general construction work instead of nail. It is used to glue various materials such as wood, plastic, gypsum, stainless steel, lightweight wall panels, mirrors, corbels, as well as materials made of cement or concrete, etc. The company distributes this product for use in factories and households. Currently, the company has developed waterbased super nail. To meet the demands of the market which focuses on environmental friendliness as well.

Operational Challenges in 2023 of Sealant&DIY Businesses

In 2023, revenue from the Adhesive business decreased from the previous year due to price competition especially from China market, the downward trend of raw material prices, fluctuation in currency exchange rates, restrictions on transferring dollars from customers in certain countries and exceeded credit limit for some customers, these

factors has taken into consideration before selling products and considered not only the basic elements such as the growth rate of the customer's business, historical trading, profit rate and order quantity, etc. In addition, the company also has planned to increase work efficiency and reduce unnecessary expenses to increase competitiveness such as enhancing human resource management, finding alternative raw materials and new suppliers, installing a solar cell for electrical system, etc.

Development of Business Innovation

Nowadays, global climate change related to global warming and pollutions and energy crisis has directly affected ecosystems, human health and the economy. ADB as a direct and indirect user of chemicals to produce and deliver products to end users can be considered as a part that should be responsible for those problem. The Company's innovation development is focusing on improving production technology, production processes to be more efficient, save energy and reduce pollution to the environment and to improve and develop products that are more environmentally friendly, focusing on searching and selecting bio-based raw materials from suppliers who are aware of and care about the environment and society in a sustainable manner.

2) Marketing and Competition

Marketing Strategy

(1) Standardized product quality

The company focuses on producing products of quality and standard that meet the needs of customers because the products that the company manufactures and distributes are used as raw materials in the production process and repair of equipment in industries and households. Therefore, the company is aware of the importance of quality and effectiveness of use of the products. The company has a quality assurance team which is under the technical department and is responsible for quality assurance of raw materials prior to entering the production and for quality assurance of finished goods prior to entering in warehouses to test the quality and correction of products before delivering to customers. In addition, the company has established a quality control team and assigned personnel for during the production process in every product.

The company has a policy to produce quality products that meet the needs of customers. The production process has no impact on the environment and livelihoods of the community and also focuses on occupational safety and health of employees integrating with risk management and ISO standards. As a result, the company has been certified to Quality System-ISO 9001:2015, Environmental Management System-ISO 14001:2015, Occupational Health and Safety Management System ISO45001:2018 and Quality Management System for Medical Devices. For other specific product standards, such as automotive standards, which although the company has not yet applied for certification because the company is not yet a manufacturer that is required to apply for certification. However, the Company has managed the infrastructure to support such standards and customers can inspect the Company's work system at any time , also be assured that the whole operations process (sourcing, production, storage, transportation to customers) are controlled under standards certified. In addition, the Research and Development Department can improve the existing product quality and develop new ones for cost reduction to meet the customer's needs.

(2) Variety of Products

The company manufactures and sells a wide range of industrial products, which can serve the needs of different industries. The company focuses on providing a wide range of industrial products to facilitate its



customers on a one-stop-stop basis. The company manufactures and distributes products used in the production of various industries such as plastic compound that can be processed into industrial products like power wires, products in the plastic industry, products in the automotive industry and products in the real estate and construction industry, etc.

As for the sealant products factory, it is ready to support new products in the group of sealants customers, the Company will produce raw material to send to customers to be packaged under their own brands. The products that are available for sale are Acrylic Sealant, Hybrid Sealant, Hybrid Polymer Liquid nail, Waterproof, adhesive products and all items of sealants which are new products. Offering the competitive cost options and environmentally friendly products to customers to consider. The target groups are the construction industry and the automotive industry.

(3) Service and Delivery

The Company recognizes the importance of service and delivery to customers. Therefore, it focuses on customer satisfaction in terms of both quantity and quality according to the agreed standards. In addition, the company delivers the products on time, and the customers can order the company to manufacture and deliver products in installments (partial ordering) according to the customers' plans. The company will cooperate with customers to plan the production to meet the needs of each customer. Customers can also save cost of storage. As the company has been operating the business for more than 30 years and always had a close customer base and good relationships, as well as having its office located in Bangpoo Industrial Estate, Samut Prakarn Province, the company can support the needs of the service and deliver the products according to the customers' needs. Furthermore, the company has a sales department to provide advice to customers concerning the company's products which is before and after-sales service.

(4) Customer Relationship Management

The company has close relationships with its main customer base. The company focuses on the selection of products to meet the needs of customers and attaches importance to efficient delivery management to maximize satisfaction of customers both domestically and internationally. In terms of domestic customers, the company is a business partner in the manufacture and distribution of PVC to many companies. Some customers have been trading with the company for more than 10 years.

(5) Management

The company focuses on the development of management systems in order to be able to manage quickly and accurately according to market fluctuations also the sales department is divided into business units by product type which the different markets and customer groups to enable management to be streamlined and able to target the market. Every month, the management will follow up with the target and adjust the plan proactively, linking the whole value chain and covering production processes, sales, purchasing needs and production capacity. Including new products which under development in order to increase the time to adjust as the changing market situation and customers needed and to make the plan to maximize efficiency, including measuring the performance to use the information to improve planning in the future.

In addition to the company also upgraded the management to increase the capability of the personnel assessing the needs and readiness of human resources both of the number of the capabilities and characteristics necessary for consistent business operations to connect the goals of the organization and the employees, from now and in the future in order to develop and evaluate the work more appropriately also develop of skills necessary for executives developed to lead the organization to change a role model for creating personnel to work together efficiently.



Continuous Research and Development

Product research and development are heart of the company to maintain competitive advantage and grow sustainably. The company's research and development in the past year has focused on environmental friendly product and reduce environmental impact, along with improving the original product to comply with the standard regulations and market demands, development with partners and customers to meet the needs in every dimension, including quality, price, feedback from end user and environmental impact arising from the use of the company's products such as PVC compound that have a proportion of bio-based PVC, fire-retardant grade PVC compound and Phthalate Free PVC compound, contained recycled compound (PIR PVC) in order to utilize waste which can be returned to the process. Additionally, we have set a project team for continuous development such as machinery and production processes and technology improvement, the possibility of expanding the PVC compound wire grade business to cover more application. The company also improved testing tools and machines to increase research capabilities, analyze and inspect product quality to ensure efficiency and effectiveness of research and development and quickly respond to customers' requirement to build trust and confidence in the product quality.

Moreover, the company has continued to focus on increasing productivity, reducing production costs, co-development with suppliers to provide more cost-saving to compete with challenging and competitive market environment.

Characteristics of Customers and Target Customers

The company's target customers are industrial factories who use our products in the production process and manufacture into finished products, and product distributors who distributes products directly to customers, end users or to retail stores. The company's key customers are as follows:

- Real estate and construction industry
- Wire and Cable Industry
- Medical Industry
- Shoe
- Furniture
- Automotive Industry
- Other Groups

The company has a large customer base both domestically and internationally which uses our plastic compound product. The company's customers are spread in certain various industries from large to medium and small industries. The portion of revenues is derived from domestic and overseas sales in 2023 which is approximately 59.45%, and 26.87% of the total revenue of the Company.

Distribution channels

The company has 2 distribution channels: Direct distribution and Indirect distribution with details as follows:

(1) Direct Distribution Channel.

The company manufactures and distributes products to end users who are industrial factories that use the company's products as raw materials to manufacture goods in diversified application in the industry. The company is located in Bangpoo Industrial Estate in Samut Prakarn Province whereas surrounding by the company's target customers; therefore, it is easier to deliver products and more approach target customers.

(2) Indirect Distribution Channel.

The company manufactures and distributes products through its distributors who are domestic and international. Adhesive and Sealant products are mostly sold through this channel which the distributors sell at their retail shops or sell to direct users. The users use the products for construction and repair works.

Distribution Channel for Each Product

Product	Distribution Channel
Plastic Compound Product	- Mostly distributed in both forms of soft PVC compound, rigid PVC compound and Medical Grade PVC Compound. The company distributes these products to industries that manufacture goods such as power wire and cable manufacturing plants and Medical industry in Thailand. - The rest is distributed through international and domestic distributors which focuses on distribution of middle-grade soft PVC compound.
Adhesive Product	Mostly distributed through both domestic and international distributors to Asia and Africa. While direct sales to manufacturers of industrial products tend to increase.
Sealant and DIY Product	- Mostly distributed through distributors to users in Thailand and Foreign countries. The company has assigned the sales representative in each country, and the main market is in Asia, Middle East and Africa. - The rest is the OEM production with both domestic and international markets.

Proportion of Domestic and Overseas Sales

Business		Year 2021			Year 2022			Year 2023		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Plastic Compound Product	MB	936.23	47.40	983.62	1,221.08	59.94	1,281.02	877.30	84.23	961.53
	%	95.18%	4.82%	100.00%	95.32%	4.68%	100.00%	91.24%	8.76%	100.00%
Adhesive Product	MB	112.43	96.49	208.92	177.01	117.76	294.77	148.76	106.89	255.65
	%	53.82%	46.18%	100.00%	60.05%	39.95%	100.00%	58.19%	41.81%	100.00%
Sealant and DIY Product	MB	187.19	298.27	485.46	269.54	309.37	578.91	211.56	194.77	406.34
	%	38.56%	61.44%	100.00%	46.56%	53.44%	100.00%	52.07%	47.93%	100.00%
Total	MB	1,235.84	442.15	1,678.00	1,667.65	487.05	2,154.70	1,237.62	385.89	1,623.52
	%	73.65%	26.35%	100.00%	77.40%	22.60%	100.00%	76.23%	23.77%	100.00%

Industrial and Competitive Condition

Plastic Compound Business

Krungsri Research data dated January 13, 2021 presented the business trends and plastics industry for year 2021 – 2023, Thailand is one of the world's major plastic production bases. It has an overall economic value of 1 trillion baht because it is a continuous industry from the large Thailand's petrochemical industry which having high potential production. Thus, this will strengthen and provide the competitiveness of the plastic resin industry.

ADB is one of the PVC Compound-manufacturers with the capability to research and develop the performance of PVC Compound to meet market demands. The main factors affecting market competition are the ability to supply sufficient raw materials for production due to the main raw materials coming from petrochemical producers, maintain standards and quality of products together with effective cost management.

In addition to maintain the existing market share, the Company sees an opportunity for the growth of bioplastic resins or bioplastic products that can be used to reduce, to replace traditional single-use plastics due to the biodegradable properties in nature. Therefore, it can help to reduce the impact on the environment, together with the support policy from the government towards a green economy, including the trend of rapidly increasing demand for bioplastic products abroad. Therefore, the Company greatly focuses on research and development of this group of products and has established a subsidiary, ADB Bio Co.,Ltd. with the objective of procuring natural raw materials used in the production of bio-plastic resins, importing, producing and distributing bioplastic resins for both domestic and international customers.



Operations under the subsidiaries ADB Sealant Company Limited

Adhesive and Sealant Business

There are more than 10 major manufacturers and distributors of adhesive products in the market of Thailand. They are both foreign and domestic brands. The main customers are industrial customers in domestic and international levels. Small manufacturers are distributed in provincial areas, distributing products to medium-sized and small-sized customers and to household use. Sealants are products with various properties. The core competitiveness lies in the research and development of product formulas that best match customers' use, the development of alternative products using bio-based raw materials or environmentally friendly chemicals as well as the invention of several innovations that enhance the customers' production process to be more efficient and maintaining the product quality and services to meet the standards.

Our subsidiary company, ADB Sealant Co., Ltd. has been an expert in the production of high-quality adhesives and sealants for more than 30 years. The research and development team has experience in analyzing customer needs covering both industrial and household applications complying with international standard requirements, the company has improved the production line to be modern with advanced technology and had a long-term plan to allocate sufficient production capacity to support future sales growth.

Industrial Outlook

Plastic Compound Business

Krungsri Research on business trends and plastics industry of 2024 -2026 The Thai plastics industry can look forward to ongoing growth over 2024-2026 thanks to continuing domestic and global economic expansion, which will then support stronger demand from downstream manufacturers, including players in the packaging, autos and auto parts, electronics and electrical appliances, construction, and medical devices industries. In addition, government schemes to promote investment in the 'new S-curve' industries will benefit plastics manufacturers embedded in these supply chains. However, these tailwinds will be met by a number of challenges, including stiff competition and the move by many countries (including Thailand) to restrict or ban single-use plastics, and instead to promote greater consumption of low-carbon biodegradable products. This will add to costs, and with global crude prices volatile, profitability will come under pressure.

Plastic products of Applied DB Public Company Limited are classified as Polyvinylchloride (PVC), which is hard, resistant to water, acids and chemicals, distributed to factories for forming electrical wires, cables, plumbing pipes, and joints in various construction works, and high-quality medical products with an average growth rate of 7.5% per year. When considering the construction industry which is an end product of PVC resin, it was found out that the growth trend was in line with the country's infrastructure development plan, for example, the development of the Eastern Special Economic Zone, high speed train project.

Adhesive and Sealant Business

The adhesive and sealant industry still faces risk factors including fluctuations in the global crude oil market, fluctuation of chemical prices and supply of raw materials in the market, we have to overcome these challenges with resilience and adaptability. Moreover, the demand for environmentally friendly products is also a factor that accelerates growth and development in this industry.

Based on information from Expertmarketresearch, the global adhesives and sealants market will generate revenue of approximately USD 66.91 billion in 2023, growing at a CAGR of 3.7% from 2024-2032. It is expected to generate a value of USD 92.79 billion by 2032. Global sealants are driven by the growing infrastructure industry along with increasing demand in the automotive sector. Increasing environmental regulations around the world are leading to

new technological innovations and R&D investments by major players in the industry. This has proven to be beneficial to the future growth of the adhesive and sealant industry market and industrial expansion, especially among the middle class in emerging economies which is the main part to supports the growth rate of the global adhesive and sealant industry market. Packaging and construction business market are still the main group using the products, while China continues to be the leading growth in the adhesives and sealants industry in Asia Pacific market.

3) Procurement of products or services

Procurement of raw materials or products for production

The company operated in 2 business groups and focused on managing the business value chain from the sourcing process from a variety of suppliers with expertise and reliability from many production sources both in domestic and abroad to get good quality, cost-effective raw material and reduce the risk of monopoly or shortage of raw materials. In order to produce different types of products, the company has different pricing policies according to the origin or raw materials of each product. The details are as follows.

(1) Original Equipment Manufacturer OEM Products.

The company has a pricing policy for its OEM products by using the cost price as determined by the selling companies plus appropriate profit rate for raw materials in the products under the company's brand. Most of raw materials are imported from overseas such as Japan, Taiwan, South Korea and India. The product's specification will be specified by contractor. The cost of the product includes the cost of manufacturing, packaging that be assembled into finished products. The Company will benefit from continuous order which help for planning purchases and increase overall effectiveness.

(2) House Brand Products

The company has a policy to determine the price of products received to assemble under the company's brand by using the cost price of raw materials of the company plus appropriate profit rate. However, the raw materials under the company's brand are different from the sales of products under the customers' brand because the raw materials are ordered from both domestic and international suppliers. The price is agreed with the old suppliers who have had a long trading relationship with the company, making the price not too high or too low than the market price.

Nonetheless, the determination of profit rate in the sales of the company's products may change or be flexible according to the market conditions, costs, quantity of purchase order, competitiveness of price with other companies that sell similar products and business relationship with certain traders.

(3) Product or Service Provision

■ Material Provision

The company aims for selecting the materials with good quality and standard used to produce the products for the customer's demand. The main materials used by the company for production are PVC resin and solvent –they are mainly used to produce plastic compound products and adhesive and sealant products respectively. The company appreciates the material quality used for production; therefore, for the material purchase, the company has the procedures and rules of distributor selection evaluated from the creditability of business partners, the trading history of business partners, the product standard and the reasonable price. When the company considers the distributor lists from the aforementioned rules, the company will select and register the approved supplier lists for the selected distributor lists. Nevertheless, adding new distributor lists each time, R&D Team will examine the quality of product samples from the distributor first to ensure the quality of those materials. R&D Team will bring the materials to produce the



product samples with the right physical and chemical properties. After that, R&D Team will confirm the quality to the purchase department to purchase the material from the aforementioned distributors.

Moreover, The company executives have supervised the business for a long time, with experience accumulated for a long time. planning the material provision from all over the world, not specified the distributors in Thailand only, can be accurately predicted the trend of material prices in the future which helps the planning of material purchase more effective. Finally, the materials with good qualities but low prices are obtained. It also helps reduce the impact of raw material shortage problems.

The procurement of raw materials is divided into 3 product groups: Plastic Compound , Adhesive and Sealant as the following details:

	Plastic Compound Product	Adhesive Product	Sealant and DIY Product
Material Used in Production	PVC Resin, Additive, Plasticizer and Filler	Solvent, Synthetic Rubber and Additive	
How to Find Material	The company provides the materials in Thailand and in foreign countries depending on the material quality in each source, The company also focuses on cooperation in various areas with suppliers in the long term for sustainable growth together. All of the material purchase in Thailand will be delivered via a truck whereas all of the material purchase from foreign countries will be delivered via a ship.		
Purchase	▪ The company will purchase the materials when receiving orders by customers. Since most plastic compound products have the specific characteristics in terms of physical and chemical property such as color, solidness and flexibility of plastic beads. Therefore, these will be produced from the customer’s demand.	▪ The Company orders raw materials for production and for distribution which are stored in the warehouses. ▪ Produced under the customers' brands or as an Original Equipment Manufacturer (OEM); raw materials are ordered for production and distribution when orders from customers are received.	
Period of Material Purchase from Supplier until Material Receipt	<u>Local</u> : Around 3-10 Days in Thailand and <u>Foreign Countries</u> : Around 45-60 Days. receive short term orders Offer a price once per time.	<u>Local</u> : Around 7-10 Days. <u>Foreign Countries</u> : Around 60 Days receive short term orders Offer a price once per time.	

Proportions of domestic and overseas procurement

Raw materials for production		Year 2021			Year 2022			Year 2023		
		Domestic	Oversea	Total	Domestic	Oversea	Total	Domestic	Oversea	Total
Plastic Compound Product	MB	936.23	47.40	983.62	1,221.08	59.94	1,281.02	557.50	107.9	665.47
	%	95.18%	4.82%	100.00%	95.32%	4.68%	100.00%	83.77%	16.22%	100.00%
Adhesive Product	MB	112.43	96.49	208.92	177.01	117.76	294.77	141.90	65.97	207.87
	%	53.82%	46.18%	100.00%	60.05%	39.95%	100.00%	68.26%	31.74%	100.00%
Sealant and DIY Product	MB	187.19	298.27	485.46	269.54	309.37	578.91	88.99	149.54	238.53
	%	38.56%	61.44%	100.00%	46.56%	53.44%	100.00%	37.31%	62.69%	100.00%

How to Purchase Materials

Purchasing, selecting and evaluating business partners that have the potential to conduct sustainable business. Taking into account the commitment to comply with the code of conduct of suppliers and the potential to grow the business sustainably Continuously inspect and certify all business partners every year. To reduce risks in the supply chain.

The manager of purchase department will consider the details of purchase request as specified in the purchase order received from the production department.

- 1) Consideration of the distributor lists, the legal conditions, the regulations and the material prices are selected from the approved supplier lists.
- 2) The purchase department issues the purchase order to purchase the materials or packages relating to production.
- 3) The warehouse department examines the materials or packages relating to production delivered to the company.
- 4) The quality assurance department examines the received material quality before produced whether the materials have the right characteristics and properties to the standard or the customer's demand or not.
- 5) The purchase department makes the assessing report of delivery and product quality of distributors.

However, the company has never experienced the problem of material provision or the problem of material shortage but the problem of variation of material prices because the price of main materials which the company uses to produce those products such as PVC resin, plasticizer and solvent –it is considered the outgrowth from petroleum refinement with the varied price on the world oil price. Nevertheless, the company updates the news and trends of material price in order to plan the capital management of material purchase as effectively as possible or advanced purchase in proper numbers considered from the factor of demand and supply of the material price.

Policy and Period of Trade Credit (Credit Term)

The company focuses on liquidity of business operations by establishing a framework policy for inventory management and raw material procurement in appropriate level and ensuring for response to customer orders on time and enhancing overall service level. Therefore, it is important to negotiate a fair dealing in our supply chain. In 2023, there will be price and demand fluctuations, especially in chemical raw materials of the Company and its subsidiaries. However, the Company has established a policy to determine the turnover rate of finished goods and raw materials for each group of products. Normally, the Company sets an average payment time period of 45-60 days, which considers from economic, political, social, environment, transportation, product standards, services, relationship with suppliers both in domestic and international sources which is subject to change according to the situation.

Key risk factors in 2023 are related to the situation of consumer goods fluctuating in both price and raw material source in the world market. Moreover, the average chemical price tends to decrease according to global economic slowdown. Meanwhile, interest rates in the financial markets increased throughout the past year. Therefore, the company uses various strategies in negotiation and maintain competitive costs and continually supply product into the market and increase liquidity in business operations by obtaining appropriate commercial credit. In 2023, the company has an average repayment period of 60 days.



1.2.3 Assets used in business undertaking

Table showing the Company's assets in business operation

As of December 31, 2023, the Company has assets used as collaterals for business operations after deducting accumulated depreciation shown in the Company's statement of financial position is 530,548,088.89 baht in total. The details are as follows:

Asset type/Characteristics	Book value December 31, 2023 (Million baht)	Proprietary nature	Obligations
Financial statement			
Land and land improvement	64,642,200.44	Owned/ Ownership possessed	Used as collaterals for some financial institutions
Buildings and structures	204,005,142.70	Owned	
Machinery and equipment	177,343,292.38	Owned	None
Decorative objects, fixtures, and office equipment	3,450,045.32	Owned	None
Vehicles	44,008,237.66	Owned	Under a financial lease of 11.91 million baht
Assets under construction and installation	12,802,097.86	Owned	None
Total	506,251,016.36		

Asset type/Characteristics	Book value December 31, 2022 (Million baht)	Proprietary nature	Obligations
Intangible Assets	847,334.28	Owned	None

The Company's intangible assets are computer programs. The net book value as of December 31, 2023, is 847,334.28 baht (The cost is 6,287,500.74 baht and the accumulated amortization is 5,440,166.46 baht).

1. Important Agreements in Business Operations

1.1 Rental agreements

(1) Office Rental Agreement

Contract Party	Applied DB Public Company Limited ("the lessor") Showa Global (Thailand) Company Limited ("Tenant")
Relationship of the party	The lessee has a major stakeholder which is Showa Kasei Kogyo Company Limited and is the shareholder of Showa Global Limited. Showa Global Limited is the Company's shareholder. The shareholding ratio is 3.33% of the paid registered capital of 329,999,990.50 baht.
Contract Date	January 1, 2023
Contract Period	January 1, 2023 – December 31, 2023
Key content in the agreement	- The lessor agrees on the rent and the sublessee agrees to rent the office space of the Company, which is located at 271 Moo 4, Sukhumvit Road, Prakasa Subdistrict, Mueang District, Samut Prakan Province. The lessee agrees to rent an area of 25.74 square meters to be used as the lessee's office. - The lessor receives 4,000 baht per month which covers basic utilities (electricity bill, water bill, telephone bill, etc.). The rental fee shall be paid within the 5th of every month and is paid at the lessor's office.

(2) Warehouse Rental Agreement

Contract Party	Applied DB Public Company Limited ("the lessor") Showa Global (Thailand) Company Limited ("Tenant")
Relationship of the party	The lessee has a major stakeholder which is Showa Kasei Kogyo Company Limited and is the shareholder of Showa Global Limited. Showa Global Limited is the Company's shareholder. The shareholding ratio is 3.33% of the paid registered capital of 329,999,990.50 baht.
Contract Date	January 1, 2023
Contract Period	January 1, 2023 – December 31, 2023
Key content in the agreement	1. The lessor agrees on the rent and the sublessee agrees to rent the office space of the Company, which is located at 271 Moo 4, Sukhumvit Road, Prakasa Subdistrict, Mueang District, Samut Prakan Province. The lessee agrees to rent an area of 76 square meters to be used as the lessee's Warehouse. 2. The lessor receives 180 baht per one square meter per month. The rental fee is calculated from the actual space used in each month which covers basic utilities (electric bills, water bill, telephone bill, etc.) The rental fee shall be paid within the 5th of every month.

(3) Loan Agreements

The Company has overdrafts and short-term loans from 4 financial institutions. The details of the agreements are as follows.

- Loan Agreement with Financial Institution 1

Agreement 1

Contract Date	February 10, 2015, the latest revised version is on August 2, 2019
Contract parties	Applied DB Public Company Limited Subsidiaries ("Borrower") and a financial institution ("Financial Institution")
Amount of loan	The Amount of loan is 425,080,000 baht consisting of types and credit limits as follows. 1. Overdraft loan under the overdraft loan agreement. 2. Electronic revolving loan under the Multiple Seller Loan Program. 3. Other types of loans such as short-term loan with bill as evidence (Promissory Note (P/N), Bill of Exchange (B/E)), Packing Stock and/or Inventory Financing, and/or Trade Finance and/or Letters of Guarantee and/or credit limit for derivative transaction.
Purposes of borrowing	To be evidence for all types of loans under the revolving credit of 425,080,000 baht and to provide flexibility in using and changing types and credit limits by providing guarantees and collaterals given as collaterals for other loans.
Other important conditions	■ The Borrower will prepare and send a copy of an annual performance report, balance sheet, income statement which have been audited by a trusted authorized auditor who will verify the accuracy to the financial institution within 150 days from the end of the accounting period. ■ The Borrower must not use the money for the purposes other than those specified in the agreement. ■ The Borrower will notify the financial institution in writing immediately when there is any dispute or lawsuit that the Borrower is involved as a party. ■ The Borrower must not transfer, sell, rent, distribute or create any obligations with the Borrower's property unless it is the Borrower's normal business or the disposal of property that has deteriorated due to the nature or condition of the property itself. For opening credit letters and making trust receipts, the following conditions are applied. - The Borrower must maintain a ratio of the sum between the Cash, the Account Receivable



	(AR) and the Inventory Value (INV) to the sum of the Short-Term loan (ST) and the Account Payable (AP) at not less than 1 time $[(Cash + AR + INV) : (ST + AP) \geq 1 \text{ time}]$. - The Borrower will not create any obligations, debt, or responsibilities by borrowing or guaranteeing any persons which makes the Debt-to-Equity Ratio of the Borrower higher than 3 to 1, calculated from the total debt divided by the shareholders' ratio at any time. However, the Debt-to-Equity Ratio must not be less than 0. - The Borrower agrees to maintain the Debt Service Coverage Ratio (DSCR), calculated from Earnings Before Interest, Tax, Depreciation and Amortization (EBITADA) divided by Current Portion of Long-Term Debt (CPLTD) including the total interest expense on both long-term and short-term loans at a ratio of not less than 1.25 times.
Collaterals	▪ Land Title Deed No. 45360, No. 92622, No. 8781 and No. 93214 in Prakasa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, which are the Company's ownership, and other buildings on the land are mortgaged. ▪ The properties that the contract giver has given as collaterals as stated above shall be considered as collaterals for debt and/or all obligations of the Borrower to the financial institution that already exists and/or will continue in the future.

Agreement 2

Contract Date	May 31, 2017
Contract Party	Applied DB Public Company Limited Subsidiaries ("Borrower") and A Financial Institution ("Financial Institution")
Loan Limit	Credit 60,000,000.00 baht (sixty million baht)
Purposes of borrowing	To use the loan for construction of inventories and warehouses and to purchase tools and equipment.
Other important conditions	▪ The Borrower must maintain a ratio of the sum between the Cash, the Account Receivable (AR) and the Inventory Value (INV) to the sum of the Short-Term loan (ST) and the Account Payable (AP), which is not less than 1 time $[(Cash + AR + INV) : (ST + AP) \geq 1 \text{ time}]$. ▪ The Borrower will not create any obligations, debt, or responsibilities by borrowing or guaranteeing any persons that makes the Debt-to-Equity Ratio of the Borrower higher than 3 to 1, calculated from the total debt divided by the shareholders' ratio at any time. However, the Debt-to-Equity Ratio must not be less than 0.
Collaterals	▪ Land Title Deed No. 45360, No. 92622, No. 8781 and No. 93214 in Prakasa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, which are the Company's ownership, and other buildings on the land are mortgaged. ▪ The properties that the contract giver has given as collaterals as stated above shall be considered as collaterals for debt and/or all obligations of the Borrower to the financial institution that already exists and/or will continue in the future.

Agreement 3

Contract Date	May 7, 2019
Contract Party	Applied DB Public Company Limited Subsidiaries ("Borrower") and A Financial Institution ("Financial Institution")
Loan Limit	Credit 80,000,000.00 baht (Eighty million baht)
Purposes of borrowing	To use the loan for purchasing land and constructing buildings.
Other important	▪ The Borrower must maintain a ratio of the sum between the Cash, the Account Receivable



conditions	(AR) and the Inventory Value (INV) to the sum of the Short-Term loan (ST) and the Account Payable (AP), which is not less than 1 time $[(Cash + AR + INV) : (ST + AP) \geq 1 \text{ time}]$. ▪ The Borrower will not create any obligations, debt, or responsibilities by borrowing or guaranteeing any persons that makes the Debt-to-Equity Ratio of the Borrower higher than 3 to 1, calculated from the total debt divided by the shareholders' ratio at any time. However, the Debt-to-Equity Ratio must not be less than 0. ▪ The Borrower agrees to maintain the Debt Service Coverage Ratio (DSCR), calculated from Earnings Before Interest, Tax, Depreciation and Amortization (EBITADA) divided by Current Portion of Long-Term Debt (CPLTD) including the total interest expense on both long-term and short-term loans at a ratio of not less than 1.25 times.
Collaterals	▪ Land Title Deed No. 317476 and No. 317477 in Bang Pu Mai Subdistrict, Mueang Samut Prakan District, Samut Prakan Province, which are the Company's ownership, and other buildings on the land are mortgaged. ▪ The properties that the contract giver has given as collaterals as stated above shall be considered as collaterals for debt and/or all obligations of the Borrower to the financial institution that already exists and/or will continue in the future.

Agreement 4

Contract Date	July 17, 2019
Contract Party	Applied DB Public Company Limited Subsidiaries ("Borrower") and A Financial Institution ("Financial Institution")
Credit limit	15,620,000 baht is a loan for energy conservation.
Purposes of borrowing	Energy Saving loan, working capital project for energy conservation by financial institutions; the government has a policy to provide financial assistance to private sector that owns buildings to be used for investment and energy conservation in factories and the bank agreed to provide financial support.
Other important conditions	▪ For receiving the loan, the loan user shall withdraw the loan in the form of installments as necessary. The loan user must submit documents as required by the bank and inform the bank about necessary details in advance for approval. The loan user can request for a loan not exceeding 100 percent (one hundred) of the invoice selling price, but not more than 15,620,000.00 baht ▪ For the interest and interest payments, the interest under the project is 2.90 percent (two points, nine zeros). ▪ For payment, 60 equal installments are allocated.
Collaterals	-

- Loan Agreement with Financial Institution 2

Contract Date	January 29, 2015, latest revised edition, 5 June 2017
Contract Party	Applied DB Public Company Limited Subsidiaries ("Borrower") and A Financial Institution ("Financial Institution")
Amount of loan	330,000,000 baht (previous amount is 255,000,000 baht). According to the copy of the amendment agreement, item 1. The Borrower agrees to increase the credit limit of 75,000,000 baht which is added to the amount of the original loan of 255,000,000.
	To increase the existing credit limit according to the revolving credit agreement dated January

Purposes of borrowing	29, 2015, and to provide the Borrower with sufficient revolving credit limit for business operations, the financial institution may consider additional revolving credit limit for the credit applicant for one or more credit limits as follows. 1. Overdraft (O/D) 2. Provisionary Note (P/N) 3. Clean Bill Discount 4. Packing Credit (P/C) 5. Letter of Credit (L/C) and/or Trust Receipt (T/R) 6. Collection limit, purchase/discount draft and/or other documents issued under the Letter of Credit (L/C) and/or under the Bill for Collection (B/C) 7. Domestic Letter of Credit (D L/C) 8. Aval and/or Acceptance 9. Letter of Guarantee (L/G) 10. Standby Letter of Credit 11. Future Contract and Derivatives 12. Pre-advice remittance The financial institutions may consider changing any of the credit limits as necessary. However, it must not exceed the credit limit in total.
Other important conditions	The credit limit under the agreement is an Uncommitted Line. The financial institution has the right to review, change, cancel, suspend and/or set conditions of the credit limits that the Borrower receives from the financial institution as necessary without notifying the Borrower unless there is a clear agreement in writing between them. In addition, the Borrower agrees to have the financial institution consider the increase and/or reduction of one or more credit limits as appropriate and necessary for business operations. However, it must not exceed the total credit limit specified in the attachment to this agreement.
	▪ When each credit limit is withdrawn, the Borrower agrees to sign a request and/or any other documents for the financial institution in the forms, with methods and details prescribed by the financial institution.
Collaterals	▪ The land and buildings with Land Title Deed No. 37834, No. 45341, No. 453504, No. 83504 and No. 83505 in Prakasa Subdistrict, Mueang Samut Prakan District, Samut Prakan Province owned by the Company.

- Loan Agreement with Financial Institution 3

Contract Date	June 30, 2015
Contract Party	Applied DB Public Company Limited Subsidiaries ("Borrower") and A Financial Institution ("Financial Institution")
Amount of loan	470,000,000 baht with the credit limit for foreign transaction loan and/or any type of bill of exchange and/or multiple types, which does not exceed 390,000,000 baht and for FX Forward and/or Option limit for FX Forward within 80,000,000 baht which: ▪ Foreign transaction loan for Letter of Credit (L/C) and/or Trust Receipt (T/R) will not last more than 150 days. ▪ Foreign transaction loan for Domestic Letter of Credit (D L/C) and/or Domestic Trust Receipt (DT/R) will not last more than 150 days. ▪ Foreign transaction loan for Packing Credit (P/C) will not last more than 180 days. ▪ Each bill of exchange will not last more than 120 days.



	▪ The Borrower can withdraw foreign transaction loan for FX Forward with the amount not exceeding 80,000,000 baht. ▪ The Borrower can withdraw the loan for foreign transaction for Letter of Guarantee to issue goods which is not more than 20% of the total credit limit (390,000,000 baht). ▪ The maximum amount that the loan applicant has the right to withdraw each time for FX Forward and/or Option limit in foreign currency trading will be in accordance with the financial institution's determination, considered from the fluctuation of reference factors such as exchange rates, etc.
Purposes of borrowing	To transfer the debt responsibilities of Trade on Demand Financing according to the credit agreement and other documents related to the withdrawal ("Original Agreement"), whereby the Borrower is no longer entitled to withdraw Trade on Demand Financing under the original agreement. However, FX forward and/or Option has not changed.
Collaterals	Mr. Pawat Wongtangtrakul and Mr. Wang Wanapaisorn guaranteed in full amount including principal interest and default interest.

- Loan Agreement with Financial Institution 4

Contract Date	April 6, 2007, latest revised edition, June 26, 2023
Contract Party	Applied DB Public Company Limited Subsidiaries ("Borrower") and A Financial Institution ("Financial Institution")
Loan Amount	USD 5,000,000 limit
Purposes of borrowing	To use as working capital
Collaterals	-

(4) Insurance policies for assets for business operations.

The Company has insured the assets of the Company, offices, and factories with Bangkok Insurance Public Company Limited. The details of the policies are as follows:

Contract Date	May 28, 2022
Contract Party	Allianz Ayudhya Insurance Public Company Limited which is not a company/person related to the Company's shareholders, directors, and executives
Policy Number	14016-030-230000260
Type of Insurance	Industrial All Risk Insurance
Period of Insurance	365 days, May 28, 2021 to May 28, 2023
Sum Insured	1,444,204,381.12 million baht (100% proportion)
Properties/Places Insured	Properties located at the factory No. 271¹, 260², 252³, 816⁴ consisting of: 1. Construction (excluding the construction foundation), buildings, gates, fences, security guard offices, and building additions, 2. Machinery and component parts, 3. Stocks, raw materials, products in manufacturing process, finished goods and packaging, 4. Furniture, installed/built in fixtures.
Insurance Coverage	This policy extends coverage for loss or damage as follows. - Damage to electrical equipment in the limit not exceeding 20.00 million baht per accident and throughout the period of insurance (including all insured places). - Loss or damage to the glass that is a part of the buildings caused by an accident with the limit not exceeding 20.00 million baht per accident and throughout the period of insurance (including all insured places). - Loss or damage to the insured properties caused by theft that appears traces of tampering,



Beneficiaries	robbery (JorRor. 3) with the limit not exceeding 20.00 million baht per accident and throughout the period of insurance (including all insured places). - Loss or damage to the machinery with the limit not exceeding 20.00 million baht per accident and throughout the period of insurance (including all insured places). - Loss of money caused by industrial all risk (PorNgor.2) with the limit not exceeding 0.50 million baht per time and throughout the period of insurance (including all insured places). The details are as follows. • Loss of money within the insured place. • Loss of money inside safes or vaults. • Loss of money outside the insured place while transferring money within Bangkok and nearby provinces. • Loss to safes and/or vaults. - Loss or damage to electronic equipment, computers caused by accidents due to external factors and theft with the limit not exceeding 20.00 million baht per time and throughout the period of insurance (including all insured places). - Loss or damage caused by wind, rain, hail, frost, snow, flood, sand, or dust causing damage to outdoor real estate or those stored indoor with the limit not exceeding 10.00 million baht (including all insured places). • Body injuries and damage to property of the third parties and the tenants caused from possession, maintenance or the use of the insured places and the necessary actions or from the circumstances which the insured as the building owner is liable under the law with the limit not exceeding 20.00 million baht per accident and throughout the period of insurance (including all insured places).	
	Insured Places	Beneficiary
	Factory No. 271 ¹	A financial institution according to the obligation in the amount not exceeding 187.96 million baht.
	Factory No. 260 ²	A financial institution according to the obligation in the amount not exceeding 314.28 million baht.
	Factory No. 252 ³	A financial institution according to the obligation in the amount not exceeding 477.22 million baht.
	Factory No. 816 ⁴	A financial institution according to the obligation in the amount not exceeding 306.18 million baht.

Remark:

1. Factory No.271 Address 271 Moo 4 Sukhumvit Road, Prakasa, Muang, Samutprakarn 10280.
2. Factory No.260 Address 260 Moo 4 Sukhumvit Road, Prakasa, Muang, Samutprakarn 10280.
3. Factory No.252 Address 252 Moo 4 Sukhumvit Road, Prakasa, Muang, Samutprakarn 10280.
4. Factory No.816 Address 816 Moo 7 Sukhumvit Road, Bangpu Mai, Muang, Samutprakarn 10280.

(5) Other Agreements**- Marketing Assistance Agreement**

Contract Party	Applied DB Public Company Limited ("Employer") and Sparko USA Inc ("Contractor")
Relationship of the agreement party	The Employee is a subsidiaries of the Company and holds 100% of the Company's share.
Contract Date	January 1, 2023
Contract Period	January 1, 2023 – December 31, 2023

Key content of the agreement	3. The Employee agrees to cooperate in delivering marketing information to the Employer and grant the Employer the right to use the received information as follows. - Lists, details, and related information of customers, contact lists and purchase history of adhesive products (if any). - Strategic plans and marketing plans for the distribution of the Employer's products. - New technology that can be applied in the development of the Employer's products, both current manufactured and available products and new products. - Report on the movement of products in the same industry including industry overviews, trends, and prices of raw materials in the global market. - Provision of suggestions in the overall marketing of the Employer including packaging and public relations. 4. The Employer will pay \$3,000 per year as a pay to the Employee.
------------------------------	--

(6) Marketing Assistance Agreement

Contract Party	Applied DB Public Company Limited ("Employer") and ADB USA Inc ("Contractor")
Relationship of the party	The contractor is a subsidiaries of the Company. and is 100% held by the Company
Contract Date	January 1, 2023
Contract Period	January 1, 2023 – December 31, 2023
Key content of the agreement	5. The Employee agrees to cooperate in delivering marketing information to the Employer and grant the Employer the right to use the received information as follows. - Lists, details, and related information of customers, contact lists and purchase history of adhesive products (if any). - Strategic plans and marketing plans for the distribution of the Employer's products. - New technology that can be applied in the development of the Employer's products, both current manufactured and available products and new products. - Report on the movement of products in the same industry including industry overview, trends, and prices of raw materials in the global market. - Provision of suggestions in the overall marketing of the Employer including packaging and public relations. 6. The Employer will pay \$3,000 per year as a pay to the Employee.

1.2.4 Trademark

The company has registered a trademark with the Department of Intellectual Property. Ministry of Commerce Thailand and registered trademarks abroad. by registered according to the type of products related to the company's products both adhesives and sealants including related products under the company's and subsidiaries brand as shown below.



1.2.5 Investment policy in the subsidiaries and associated companies

The Company takes into account the importance of the investment as it will affect the Company and its shareholders. Therefore, the Company has set the policy for investment in subsidiaries and associates to maximize the benefits of investment to the Company. Therefore, the investment must be in line with the Company's objectives, focusing on developing revenue and profitability of the company. In order to protect shareholders' interests, the Company will carefully consider and analyze prior to investment following advise by investment expert; whether it will generate a good return on investment, the potential risk and the financial status of both the company and its subsidiaries or associated companies in which the company invest, and including other contextual considerations arising during investment. The investment in the subsidiaries and associate companies require the application for approval in accordance with Notification of the SEC title 'Criteria for significant transactions involved in Acquisition or Disposition of Assets' and Notification of the SET title 'Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004'. Such investment will be considered and approved by the Board of Directors and of the shareholders meeting, according to the company's articles of association or the law.

In addition, the company has a control policy and a mechanism to manage the investment in any businesses that comply with guidelines of the Capital Market Supervisory Board and good governance principles of the Stock Exchange of Thailand and the SEC Office which are implemented through the Board Charter of each subsidiary or associated company. The good governance will ensure the efficient and transparent management both directly and indirectly, generate trust among stakeholders, and support sustainable growth of the Company.

1.2.6 Tax Management

The Company has adhered to compliance with the policy and principles of good corporate governance, business ethics, transparency and accountability in order to achieve sustainable growth. There are policies related to tax management as follows:

- 1) The company will proceed to pay tax in accordance with the requirements and clearly present the tax privileges in order to comply with the legal requirements with tax responsibilities to society and build confidence among the stakeholders.
- 2) The company submit the tax according to the time frame of the law, in case of tax refunds, information is delivered to government officials in a complete, accurate and timely manner.
- 3) The Company has studied, planned and assessed tax impacts from policy changes or tax support from government agencies or relevant departments within the organization including the importance of risk management and the impact that will occur with taxation.
- 4) Report to the management in case of tax risks that may affect the organization to acknowledge and manage risks by disclosing relevant information in financial reports to the public.
- 5) Provide a person responsible for tax operations and follow up on news, laws, announcements, regulations, tax privileges, as well as coordinating with government agencies to inquire about changes to be applied in the organization accurately and consistently.

Tax Report

In 2023, the company had a profit before tax of 2,542,174.86 baht, a tax rate of 20 percent, amounting to 508,434.97 baht, with items added back from non-tax expenses and deferred tax, as well as receiving various benefits. That is in line with the government policy to support a discount that makes the company Pay taxes at a reduced rate By calculating the company Pay effective taxes at the rate of 254.09%.

Detail	Year 2023	Year 2022
Tax rate	20.00%	20.00%
Prohibited expenses	78.40%	(108,866.59%)
Empowerment Of Persons With Disabilities Act, B.E.	(2.53%)	(5,322.56%)

Detail	Year 2023	Year 2022
Royal Decree 437 Paying for employee training	(5.15%)	(5,532.22%)
Royal Decree 378 Investment in property	-	-
Royal Decree 604,742 Depreciation	(1.09%)	16,473.64%
Expenses double for hiring seniors who have reached 60 years of age. Wage rate not more than 15,000/month.	0.00%	0.00%
Gain/loss for the period from continuing operations	(16.96%)	34,404.89%
Deferred Tax	181.41%	34,867.21%
Effective Rate	254.09%	(33,955.63%)

1.2.7 Unsent Assignment

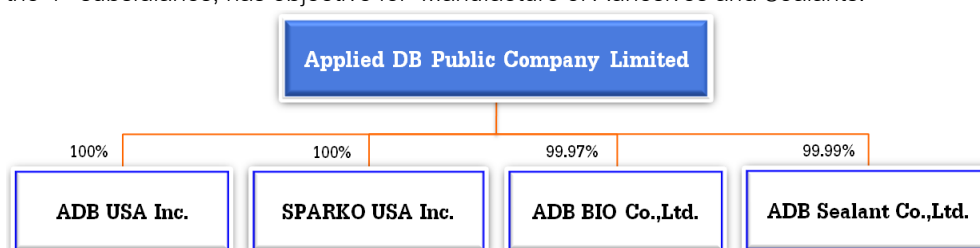
- There is no unsent assignment.

1.3 Shareholding Structure

1.3.1 Shareholding structure of the group of companies.

The Company registered the 3 subsidiaries, USA including ADB USA Inc. and SPARKO USA Inc. at Delaware State on March 3, 2017 and March 10, 2017 respectively. The Company holds 100.00% shares in both subsidiaries. on September 7, 2021, ADB Bio Co., Ltd. was established, with the company holds 99.97 shares. And on December 26, 2022, , ADB Sealant Co., Ltd. was established, with the company holds 99.99 shares.

Establishing these two subsidiaries aims to promote the Company's marketing and sales and to provide marketing information to the Company such as the economic situation and demand of the trading partners so as to expand demand for DIY products in foreign countries in the future. Some DIY products are traded under Group of ADB USA Inc. and Group of SPARKO USA Inc. However, neither of the two subsidiaries has any commercial transactions. If the Company wishes to expand its overseas markets, the Company can use the two subsidiaries as a distribution channel to overseas markets. The third subsidiary aims to provide biodegradable raw materials and semi-finished products that an replace traditional plastics, to support the development production, and distribution of biological products. and the 4th subsidiaries, has objective for Manufacture of Adhesives and Sealants.



The Board of Directors and Executives of ADB USA Inc. and SPARKO USA Inc. are Mr. Wei Kai Wang, the Chairman of the Board of Directors and Mr. Jirawat Akkaranupornpong and Mrs. Wichitra Thubburee, the Director. and subsidiaries ADB BIO Co.,Ltd. are Mr.Wang Wanapaisan, the Chairman of the Board of Director and Mr.Veerachai Wongcharoensin and Mr.Piriya Mounkram, the Director. and subsidiaries, ADB Sealant Co.,Ltd., has Mr.Wang Wanapaisan, the Chairman of the Board. With Mr.Wuttichai Wongcharoensin and Mr.Veerachai Wongcharoensin as the Director.

The Board of Director, Ensure that there is a framework and mechanism to oversee the policy and operation of subsidiaries and other business in which the Company make significant investment. At the appropriate level for each business, including the invested subsidiaries, has the same understanding and accuracy. With the guidelines following:

- 1) Determine investment policy in written document clearly.
- 2) Consider to appoint executive as deemed appropriate to be director and have term as same as the parent company.
- 3) Specify scope and authorization approval for major internal control and communicate to director prior to any action.
- 4) Disclose financial status information and performance of financial transaction in accordance with the rules and regulation of the Stock Exchange of Thailand.

1.3.2 A party who may have conflicts in subsidiaries or associates

- None –

1.3.3 Relationship with the major shareholder's business group.

The group of major shareholders does not engage in any business that may conflict with the Company Group, including directors, senior executive and related persons according to the definition of the Notification of the Securities and Exchange Commission no. Kor. Jor 17/ B.E. 2551, not the same type of business as the Company, including not performing any act to compete with the business of the Company, or becoming a partner in a company or an ordinary partnership, or being a partner with unlimited liability in a limited partnership, or being a director or employed or having power control over any business that operates the same type business and in competition with the business of the Company whether doing it for own interest or for other interests.

1.3.4 Shareholders

List of Major Shareholders

Shareholders structure as of December 28, 2023 are as follows:

No.	Major Shareholders	Number of shares	% of shareholding
1	Wongcharoensin Group	185,315,657	25.5256
2	Wanapaisan Group	88,595,280	12.2032
3	Wongtangtrakul Group	87,126,919	12.0010
4	Thai NVDR Co.,Ltd.	66,006,430	9.0918
5	Showa Global Limited	31,460,000	4.3333
6	Mr. Wei Kai Wang Group	20,712,653	2.8530
7	Ms. Mei Ling Shih	13,975,368	1.9250
8	Mr. Xiu Yong Zhou	13,130,000	1.8085
9	Mr. Vorathep Srichawla	10,000,000	1.3774
10	Mrs.Thanyathorn Pinthadit	8,716,390	1.2006
11	Other shareholders	200,961,226	27.6806
Total		725,999,923	100.00

Note 1. Shareholding Proportion Calculated from the number of shares 725,999,923 shares

2. The source of information from the company Thailand Securities Depository Co., Ltd.

Shareholding of the Board of Directors as of December 28, 2023.

No.	Name of Director	Number of shares	Change		Number of shares
		as of Dec 30, 2022	Receive	Disposal	as of Dec 30, 2021
1	Mr.Pawat Wongtangtrakul	26,881,263	-	-	26,881,263
	Spouse and immature children	-	-	-	-
2	Mr.Wang Wanapaison	56,856,965	-	6,856,965	50,000,000
	Spouse and immature children	17,135,415	20,000	-	17,335,415
3	Mr.Rattanachai Wongcharoensin	297,055	-	-	297,055
	Spouse and immature children	-	-	-	-
4	Mr.Wei Kai Wang	18,709,791	-	11,208,221	7,501,570
	Spouse and immature children	-	-	-	-
5	Ms.Pornpiwan Niramomcherdchay	6,000,000	-	-	6,000,000
	Spouse and immature children	-	-	-	-
6	Mr.Wutthichai Wongcharoensin	297,055	-	-	297,055
	Spouse and immature children	-	-	-	-
7	Mr.Veerachai Wongcharoensin	665,555	1,039,945	-	1,705,500
	Spouse and immature children	-	-	-	-
8	Mr.Mongkon Laoworapong	-	-	-	-
	Spouse and immature children	-	-	-	-
9	Mrs.Monpilai H.Narasingha	-	-	-	-
	Spouse and immature children	-	-	-	-
10	Mr.Chung Jen Yang	-	-	-	-
	Spouse and immature children	-	-	-	-
11	Mrs.Kanchana Piyasatit	-	-	-	-
	Spouse and immature children	-	-	-	-

Shareholders' Agreement

Company does not have any case that the major shareholders have shareholders' agreement which impact to the issuance and offer security or Company's operation which Company already signed.

1.4 Registered capital and paid-up capital

As of December 31, 2023, The Company has a registered capital of 362,999,961.50 baht, of which 362,999,961.50 baht is paid up, divided into ordinary shares 725,999,923 shares, par value of 0.50 baht per share. All ordinary shares are listed securities on the Market for Alternative Investment (mai).

1.5 Issuance of other securities

- None -

1.6 Dividend Policy
The company Dividend Policy

The Company has the policy to pay dividend at least 30 percent of its net profit of each fiscal year after providing a legal reserve and carried forward of loss (if any) as required by law. However, the actual dividend payment will

depend on the individual company's cash flow position, investment plan, obligations and other conditions of the agreements as well as other necessities and appropriateness in the future.

The Board of Directors approved a dividend payment must be presented for approval at the AGM. For an interim dividend payment, The Board of Directors is authorized to pay a dividend when the Company has sufficient profits to do so. The Board of Directors has to report to the meeting of shareholders accordingly.

Subsidiaries dividend Policy

The subsidiaries have the policy to pay dividend of its net profit to the shareholders each year at a rate of not less than 50 percent of net profit after corporate tax and after statutory reserves. The dividend payment will depend on the cash flow, the adequacy of working capital in business operations, investment plan, loan repayment terms and conditions subsidiaries including legal, necessity and other future constraints.

The Board of Directors approved a dividend payment must be presented for approval at the AGM. The Board of Directors is authorized to pay a dividend when the Company has sufficient profits to do so. The Board of Directors has to report to the meeting of shareholders accordingly.

The details of the company dividend payment for the previous 5 years

Dividend Payment (Baht/Share)				Total dividends paid (Baht)	Earnings per Share (Baht/Share)	Dividend Payout Ratio (%)
Year	Annual	Interim	Total			
2562	0.01	-	0.01	6,000,000	0.01	183.87
2563	0.05	0.05*	0.10	66,336,000	0.12	48.17
2564	0.05	0.05**	0.10	72,969,595.04	0.10	-
2565	0.05	-	0.05	36,299,996.15	-0.01	47.94
2566	-	-	-	-	-0.04	-

* Paying interim dividend from retained earnings of Company end of September 30, 2020 at the rate of 10 existing shares per 1 ordinary share, totaling not exceeding THB30,000,000, and cash to pay withholding tax at ratio THB0.00556, totaling not exceeding THB3,336,000.

** Paying interim dividend from retained earnings of Company end of September 30, 2021 at the rate of 10 existing shares per 1 ordinary share, totaling not exceeding THB32,999,999, and cash to pay withholding tax at ratio THB0.00556, totaling not exceeding THB3,669,599.89.

The company has the dividend payment rate according to the company's dividend policy.

2. Risk Management

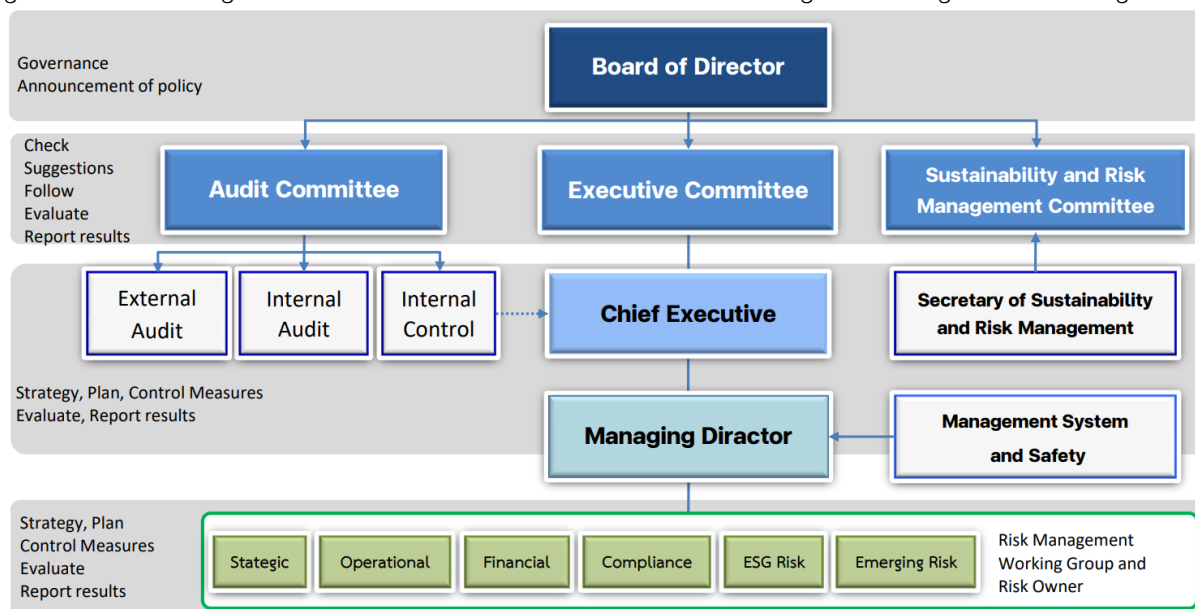
2.1 Risk Management Policy and Plan

Risk Management

The Company is aware of the importance of risk management under changes from internal and external factors that may affect the business both in the short term and long term. So, The Company committed to managing corporate risks in a way that is linked to strategic management as well as preparing and reviewing the acceptable risk (Risk Appetite) and the acceptable deviation level (Tolerance) to help define the framework for assessing alternatives and selecting suitable strategies and supporting business operations to achieve strategic goals and business objectives and create sustainability. We applied the framework of COSO Enterprise Risk Management as a risk management guideline at the corporate level, business level, operational level including issues of environmental, society and governance as a guideline for managing risks that may affect the achievement of the Company's objectives and goals including applying risk management to create sustainable business opportunities both current and in the future.

Risk Management Structure

The company systematically manages risks through the Risk Management Committee and management units. In 2023, the Company has appointed The Sustainability Management Committee which included the same committee as the Risk Management Committee according to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on 30 November 2023 to determine strategies, plans, and measures to achieve integration of risk management to be efficient and effective in line with the organization's goals and strategies.



Responsibilities

- 1) **Board of Directors** determines policies, goals, direction of the organization, approves work plans and frameworks of sustainability.
- 2) **Sustainability and Risk Management Committee**: The Company has appointed a Sustainability Development Committee which included the same committees as the Risk Management Committee According to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on November 30, 2023, the committee was assigned to contribute and develop the company's sustainability.
- 3) **Risk Management Working Group and Risk Owners**: The Company has appointed a risk and sustainability working group according to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on 30 November 2023 to determine strategies, plans, and measures in the area of sustainability together with the risk owners of each department including setting a sustainability framework and measuring performance based on sustainability indicators related to each operational division or department and linking the work functions to the business plan with sustainability goal.

Tools for Risk Management

The Company has studied and applied risk management tools in various forms, for example, determining the level of risk that the organization can accept (Risk Appetite), assessing and prioritizing risk factors using a risk map, monitoring risk management through a Mitigation Plan and key risk indicators (KRI). In addition, the company also monitors the changes of important external factors including emerging risks in order to be able to prepare proactive risk management measures before they affect the business of the company.

The company has analyzed both internal and external environment including trends in economy, society, politics, technology, industry, marketing, competitors, expectations of relevant stakeholders to define corporate level risk factors that may have an impact on the Company and significant stakeholders. The Company's risk management policy covers the following important issues:



- 1) Build understanding, conscience and shared responsibility on risks, control and risk impacts for the company in the management and operating procedures of employees and executives at all levels in the company.
- 2) Set in place procedures, guidelines and measures in suitable risk management meeting international standards in terms of quality and sufficiency. In addition, identify, analyze, evaluate, prioritize, manage, control, monitor, report, assess, communicate and provide information about risks continuously, regularly and with company-wide practice.
- 3) Set in place qualitative risk assessment such as on the company's reputation and image and quantitative risk assessment such as loss, reduction of income and increased expenses with considerations to probability of occurrence and impacts.
- 4) Specify risk limits to restrict potential damages to a level deemed acceptable by the company. Additionally, specify warning sign situations or risk levels in order to have operators take actions to prevent risks from exceeding set limits.
- 5) Manage Risk in the acceptable level and be consistent with the Company's policy which is suitable for the cost and benefits that will be returned.
- 6) Specify work regulations in writing to have executives and operators adhere to in order to control risks during work operations.

In the year 2023, the Risk Management Committee has assessed, controlled, and monitored risk management in all aspects both strategic risks, operational risks, compliance risks, including sustainability development risks, and new risk trends, overall risks in all aspects of the Company at a level that can be managed. The identified risks are assessed from the current situation. However, there may be other risks that the Company is unable to predict at the present time or the risks that the Company considered at the moment that do not have any significant impact on the Company's business operations according to the analysis and description of the management transparently disclosing to data user.

2.2 Risk factors on business operation of the company

Economic and Emerging Risks

- 1) The global economic slowdown from the situation of protracted conflict of the Israeli-Palestinian and the rising of energy crisis (Emerging Risks)

Impact to the Company	Mitigation
Raw material procurement and supply chain management	
■ Increasing of raw material costs and price fluctuations according to the demand for chemical raw materials in the world market which is difficult to predict and affect the Company's pricing and gross profit margins. ■ Quality of raw material from the reserve area Quality of raw material from the reserve area or new supplier may cannot provide the standards specified by the customer. ■ Impairment of the product In the case that price of raw materials fluctuates and drops below the average price of raw materials.	■ Adjust purchasing strategies and manage partners, Focus on supply chain management and operated its business prudently in order to minimize the impact of its business operations from the financial and economic situations by maintaining a low level of debt to equity, as well as, having good relationships with business partners, creditors and banks. ■ Tracked the movement of product prices, various production factors from market trends, oil prices, inflation, interest rates, exchange rates, and politics, economy, assess the supplier's risk and seek the additional sources of raw material when necessary. To prevent overpriced inventory or excessive storage. ■ Managed good relationships with business partners, develop planning with business partners, creating the close cooperation with business partners so that business partners can use it to



Impact to the Company	Mitigation
Raw material procurement and supply chain management	
	accurately plan the production and replenish stocks in situations of great uncertainty as possible. ■ Negotiate with partners to increase flexibility in extending the repayment period with some trading partners to reduce the burden of interest costs from repaying debts to raw material distributors in the case of rising interest rate. ■ Managed short-term and long-term plans, adjusted each situation to be flexible and responsive to needs, and coordinated the ability to deliver to both business partner and customers by prioritize the key customers and or key target customers, etc.
2) Inflation, Rising and Fluctuations in Consumer Product Prices, Uncertainty of Demand and Supply (Emerging Risks)	
Impact to the Company	Mitigation
Sales and Marketing	
■ Customers find a backup source of purchase ■ New competitors increase ■ Gains or losses from exchange rate fluctuation ■ Limited sales price adjustments in some products that have high price competition. ■ Slowing down of product demand	■ For existing customers, executives and sales will visit customers to negotiate about cooperation on both products and finance issue, such as extending the payment period, informing the situation of the market that affects price adjustments up or down in advance. ■ Visit and test products with new customers, new markets, prepare both products, salespeople, distribution channels to gain new markets and new customers who looking for new business partners.
Product development	
■ Demand of low-cost products for substitute	■ Develop new products and study production innovations and market demand trends by allocating the research and development budget appropriately to reduce production costs. ■ Develop low-cost products and seek for more alternative raw materials. ■ Develop products for grades or application that can use the waste in the production process and be turned back into producing new products (recycle product)
Product research and development	
Financial	
■ Not achieve revenue target ■ Operating costs increase while adjusting product prices to reflect changing costs is difficult during the slowdown of economic and chemical demand ■ Cost control which may not be reflected in decreased income or profit efficiency. ■ The allowance for doubtful debt has increased due to the delay in payment and the risk of uncollectible in the future that may affect the net profit of the company. ■ Liquidity from business operations decreased due to customers delaying payment.	■ The company has monthly followed up on the company's and subsidiaries operating performance and set up a budget control system as approved by the Board of Directors. ■ Adjust the company's budget if the operating results do not significantly meet the goals to alleviate the impact on the company's operating results. ■ Control financial ratios on a quarterly basis and report the operating results to the management and the board of directors. Consider risk and adjust to business strategies effectively. ■ The company has systematically established measures for approving customer trade credit. The credit limit is determined based on the customer's performance and financial status. For

Impact to the Company	Mitigation
	foreign customers, they must open letters of credit to reduce payment risk or get insurance for exporting products for sale abroad (Credit Insurance) with a guarantor which is a domestic financial institution to reduce the risk of payments from foreign customers ■ The company prepares A/R Aging Report to track the status of outstanding debts on a monthly or quarterly basis and closely monitor customer payments and set up a system to suspend product delivery in cases where the payment period exceeded. ■ The company has regularly updated the financial statement database and review the financial status of customers to reflect the current financial status.

3) Risk from reliance on major customers (Strategic Risk)

Impact to the Company	Mitigation
The company's customer groups mostly are wire and cable manufacturers. There are not many of them in the country, but there is high consumption for production which grow according to the economic situation and the expansion of urban communities. There is also high competition and risk economic or real estate and construction slowdown which have a significant impact on the company's income and operating results.	■ The company is aware of strategic risks. Therefore, the strategy has been adjusted with a plan to grow as a producer of medical PVC Compound for the company's partners and increase the production capacity by 30% from last year in order to support an increased customer base. As well as building confidence with customers in this group by creating a quality management system for medical devices (ISO13485), which has received certification on December 20, 2023. ■ The company has planned for expand market into electrical appliances, furniture and construction ■ The company focuses on building good relationships with existing customers continuously and respond to new requirement in terms of quality, service, delivery and technical services.

4) Exchange Rate Risk (Financial Risk)

Impact to the Company	Mitigation
The Company and our subsidiary order raw materials from distributors both domestically and abroad. Meanwhile, the company sends finished products to sell abroad as well. In addition, the Company may have some loans in foreign currency through letters of credit. The exchange rate fluctuation can affect the net profits or losses of business operations include: ■ Gain or loss from fluctuations in financial exchange rates. ■ Product pricing and the calculation of product or raw material costs fluctuates according to the exchange rate of the foreign currency.	■ The Company imports some raw material from abroad and exports some products which brings income in foreign currency as well. Therefore, the risk can be partially reduced from natural hedge. Moreover, the Company deposits foreign currency with financial institutions specifically to pay for goods and services. In addition, the company also uses forward foreign exchange contracts (Forward Contract) for hedging foreign currency risk. The management regularly monitors trends in exchange rate changes to consider the suitability of risk prevention methods in each period.

Social Risk

1) Personnel Development (Operational Risk)

Impact to the Company	Mitigation
- Cost of staff training to develop employees in the organization, together with the retaining the good personnel and talented personnel within the enterprise. - Lack of continuity in operations when there is a lack of replacement personnel in important positions of the organization. - Rely on personnel rather than the use of information technology systems.	The Company emphasized on personnel development and the well-being of employees in the enterprise with the year 2023 following actions: - The company has planned and designed personnel development to be linked to the goals of the organization. The curriculum is divided into 2 types: training in skills and abilities (Hard Skill) and training in psychology and application (Soft Skill) from the operational level to senior management. - The company had a total of 3,938 hours of training hours, decreased 3,514 hours or -47.66% because training hours will be allocated to a subsidiary company (ADB Sealant Co., Ltd.) that has separated its adhesive and sealant business to operate under ADB Sealant Co., Ltd. with a training budget of 500,000 baht. - Succession plan progress in 2023 the company has spin off a subsidiary company (ADB Sealant Company Limited), it is necessary to survey successors in important positions that are affected by the transfer to work with the subsidiary company by reviewing competency and planning training according to the training road map for new replacement personnel.

2) Occupational Safety and Health (Operational Risk)

Impact to the Company	Mitigation
- Accident Risk that occurred in the operation. - Damage to health, life and properties of employees and the Company. - Continuity of operations. - Corporate reputation.	- The main raw materials in the production of the company are chemical and some flammable product that have a high risk of fire or explosion, so there is a great importance on the prevention of fire and accidents in the workplace. There are measures and requirements for the prevention of chemical hazards including training all employees about fire prevention and protection and types of hazardous chemicals, safety talk activity, preliminary response to fire and chemical leakage. In addition, an Emergency Response Team has been appointed as responsible employees trained in firefighting and emergency response. There are measures to inspect and test the equipment used to maintain safety to be in a ready-to-use condition on a regular basis including inspecting machines and equipment that are at risk of fire and leakage of chemicals. According to the inspection cycles of each type of equipment determined by the guidance of the specialists, the operation of the company in 2023, this risk is moderate and still not exceeding the acceptable standard. It also closely monitors work changes to ensure timely assessment of risks. - There is a monthly safety survey within the factory through the Safety, Occupational Health and Working Environment Committee - Create training plan about knowledge and skills for machinery in production such as driving a forklift or using crane.



Impact to the Company	Mitigation
	Set accidents record as a part of measuring the performance of the management and related department (KPI).

Environment Risk

1) Global climate change (Sustainability Risk)

Impact to the Company	Mitigation
Overview Management	
Reputation and image of the organization.	- The Board of Directors is responsible for overseeing climate issues included the company's strategy and conducts annual reviews and assigns all management to actively monitor trends, demands of customers, partners, markets, regulatory bodies and manage risks and identify business opportunities. Management and operations are related to climate change issues, the Company aims to reach carbon neutrality by 2050. - The Company has planned the management of greenhouse gases (GHG) report verified within the past year, but the base year data collection is still incomplete combined with changes in the overall business by spinning off causing the need to reorganize the database system to be more accurate. Therefore, we have to reschedule the plan of verification the report to 2025.

Raw material procurement and supply chain management

- Supply chain disruptions - Sourcing raw materials in accordance with environmental regulations and control measures.	- Coordinate internally in product development for sustainability. in the selection, use and various control measures - Establish and improve the process for selecting and evaluating suppliers and upgrading environmental suppliers and prepare for future GHG data on raw materials from each supplier. To move towards the company's carbon neutrality plan.
---	--

Sales and production costs, product development and production technology

- Cost of raw materials increases. from a shortage of raw materials and/or from manufacturers operated better environmental control measures and operations. - Market changes and increased demand for environmental products which are new opportunities for the company to offer products that reduce impact and are environmentally friendly. - Carbon tax measures Increased customer requirements lead to increased administration and management costs.	- Adjust the marketing strategy for environmental alternative products, emphasize the creation of sustainable shared value with customers beyond the increasing prices. In 2023, the Company invented and developed PVC compound that contains bio-based to provide an environmental alternative for customers. - Develop products to meet the needs of customers interested in environmentally aspect and emphasize on reducing chemical hazards especially heavy metals and limit and control use of lead in the PVC compound production process. - Prepare data of the greenhouse gases emitted from each unit of product (Carbon Footprint Product) based on requested by customers and increase marketing opportunities. The company
---	---



Impact to the Company	Mitigation
	plans to complete the Carbon Footprint Product prototype within 2025.

Governance and operational risks

1) Regulatory Risk (Risk regarding compliance with laws and regulations)

Impact to the Company	Mitigation
■ Risks arising from business operations that do not comply with the anti-corruption policy. ■ Risks arising from business operations that do not comply with new laws such as environmental and safety laws.	■ The company has set policies and measures against corruption and internal control system including monitoring and supervising the implementation, punishment, protection and strictly complying with the Code of Ethics and Code of Conduct in the workplace. There are relevant regulations and procedures to comply with the law to prevent corruption, such as the loading of goods must not exceed the size of the vehicle specified by law before leaving the factory, preparation of licenses before submission to the government agency and to have sufficient time before expiration, etc. ■ Assign officers to follow up and investigate through various channels opened by the company for clues about corruption acts or complaints and has a process for responding to complaints according to the company's regulations and has published the guidelines on the company's website. ■ The company uses services from specialist company of Safety and Environmental experts to monitor and provide information services regarding with safety, occupational health, environment and energy laws to improve practice and ensure that the company has complied with new laws and regulations appropriately and in a timely manner. ■ From our determination to fight corruption by submitting our intentions with the Thai Private Sector Anti-Corruption Coalition Project. (CAC) in the past year Currently, the company has certified by the Thai Institute of Directors Association (IOD) as a member of the Thai Private Sector Anti-Corruption Coalition as of January 2024.(3 years certification).



3. Driving Business for Sustainability

3.1 Sustainability policy, structure and goals

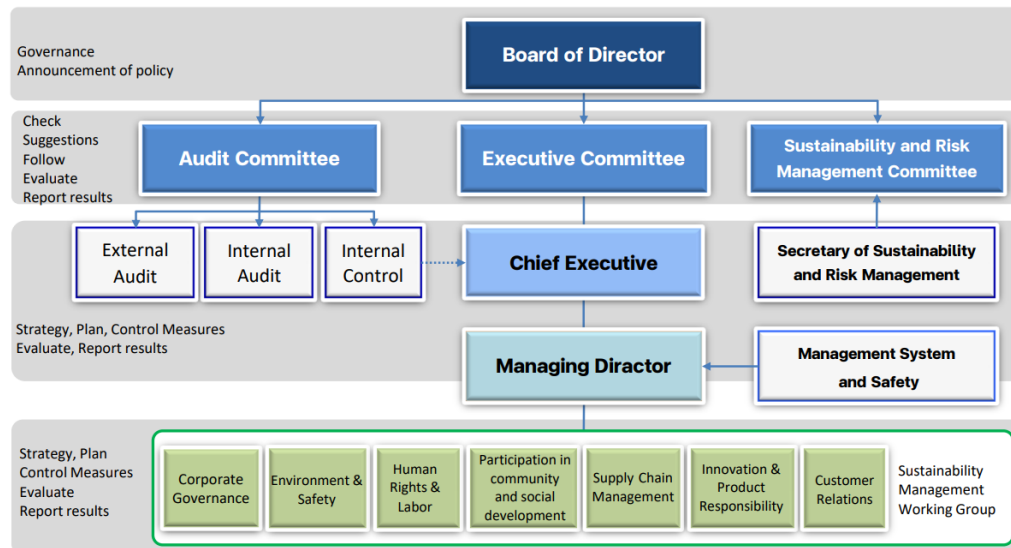
The Company believes that conducting business in a sustainable manner and engaging and growing with relevant stakeholders is the way to create long-term value. The Company has established a sustainable development policy and have disclosed the policy to the public on the company's website to be set as a framework for operating in accordance with the principles of good corporate governance, management that responds to stakeholders according to key issues including raising awareness of the impact on society and the environment to become one of the leaders in the industry.

3.1.1 Sustainability policy

The Company operates business in accordance with the sustainable development approached by building trust among stakeholders through efficient, transparent and continuous development for a sustainable future of the company, society and the environment according to the management framework, direction, international standards. Establish guidelines in the same direction as international standards. Has the policy for sustainability operations are as follows:

- 1) The company will operate business under good governance, ethics, code of conduct and good corporate governance along with taking care of stakeholders, economy, society and the environment with virtue, honesty, transparency, fairness and respect for human rights.
- 2) The company is committed to develop and improve product quality management, quality of work life, environmental management, security management, occupational health and working environment by working under ISO9001, ISO14000, ISO45001 standards, energy conservation, greenhouse gas management, international standards related to business including complying with laws and regulations, commitment to customers, partners, and related stakeholders of the business to integrate and apply to business that is consistently developed to achieve the Sustainable Development Goal (SDGs).
- 3) Promote guidelines for integrating the vision, mission and goals of the organization including practical guidelines to create sustainability in business operations.
- 4) Create strategies, practices, and results that can meet the expectations of the organization with efficiency and the balance of economic aspects, society and environment including managing the expectations of stakeholders that have a significant impact.
- 5) Promote the development of innovation, operational technology, find an alliance with partners to reduce social and environmental impacts throughout the value chain along with business growth covering social and environmental dimensions.
- 6) Promote and develop knowledge about sustainability management including risk and opportunity assessment skills to the personnel of the company Including to create value and work culture leading to sustainability.
- 7) Disclose of sustainability performance in accordance with accepted international standard guidelines to achieve continuous development. Director, executives and employees are responsible for supporting, pushing and operating in accordance with the policy and sustainability management framework.

3.1.2 Structure and Corporate Sustainability Governance



Responsibilities

- 1) **Board of Directors** determines policies, goals, direction of the organization, approves work plans and frameworks of sustainability.
- 2) **Sustainability and Risk Management Committee**: The Company has appointed a Sustainability Development Committee which included the same committees as the Risk Management Committee According to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on November 30, 2023, the committee was assigned to contribute and develop the company's sustainability.
- 3) **sustainability Management Working Group**: The Company has appointed a risk and sustainability working group according to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on 30 November 2023 to determine strategies, plans, and measures in the area of sustainability together with the risk owners of each department including setting a sustainability framework and measuring performance based on sustainability indicators related to each operational division or department and linking the work functions to the business plan with sustainability goal.

3.1.3 The company's sustainability goals

From the Company's objectives and goals through 9 business strategies, risk factors, and analysis of key sustainability issues of the company (Materiality) in the past year, organizational context, objectives of quality, environment, safety and health and working environment, the company has established a sustainability strategy, specified corporate-level sustainability goals and indicators as follows.

Corporate Governance and Economy Strategy	Social Strategies	Environmental Strategies
Focus on strengthening business development and improving operational efficiency, cooperating with partners and customers with good governance  	- Deliver products with social responsibility, environment, Conforms to production standards and product quality standards and safety for employees and consumers. - Encourage learning and development of employees' potential.        	- use resources most effectively and reduce environmental impact - Reduce greenhouse gas emissions from company operations and products         

Corporate Sustainability Goals

Sustainability dimension	Topics	Detail	Indicator	Goal	Sustainable development issues of the company	SDGs
Economic and Corporate Governance	Supply chain management	Percentage of key suppliers who have signed a contract to comply with the Code of Conduct "Principles Practice of Partners"	100%	Y2025	Supply chain management	
		Percentage of new Suppliers who pass sustainability screening	100%	Y2027		
		Number of complaints from stakeholders (exclude product quality problems)	0 (Zero)	Y2023		
	Sales and service	Customer Satisfaction Index	85%	Y2023		
	Product Development	Sale proportion of environmentally friendly products to the company's total sales that increased from the previous year	Increase more from year 2022 (>45.13%)	Y2023	Product responsibility	     
Social	Training and increasing the potential of employees	The average number of training hours per employee increased compared to the previous year	≥ 3% (≥ 15.57 Hrs.)	Y2023		   
	Occupational health and safety	Reduce the number of incidents or injuries from work that lead to lost time.	0 (Zero)	Y2023		
		Control lost time injury frequency rate (LTIFR)	≤0.95	Y2023		

Sustainability dimension	Topics	Detail	Indicator	Goal	Sustainable development issues of the company	SDGs
Environment	Resource efficiency	Production loss rate	$\leq 1\%$	Y2023	Production cost	8 งานที่ถูกต้องและตามขั้นตอน 12 การผลิตและการบริโภคที่ยั่งยืน
	Environmental Management	The electricity consumption rate per product unit decreased compared to the previous year	$\geq 1\%$ $(\leq 272.82 \text{ kWh/ton product})$	Y2023	Energy management	9 อุตสาหกรรม ปิโตรเคมี และ โครงสร้างพื้นฐาน 11 ชุมชนและเมืองที่ยั่งยืน 13 การดำเนินการตามความยั่งยืน
		Water use per product unit decreased compared to the previous year	$\geq 5\%$ $(\leq 1.045 \text{ m}^3/\text{ton product})$	Y2023		6 น้ำสะอาดและการสุขาภิบาล 12 การผลิตและการบริโภคที่ยั่งยืน 13 การดำเนินการตามความยั่งยืน 15 สิ่งแวดล้อมบนบก
		Industrial waste generation from operations per production unit decreased compared to the previous year	$\geq 2\%$ $(\leq 0.44 \text{ ton/ton product})$	Y2023		9 อุตสาหกรรม ปิโตรเคมี และ โครงสร้างพื้นฐาน 12 การผลิตและการบริโภคที่ยั่งยืน 13 การดำเนินการตามความยั่งยืน 14 สิ่งแวดล้อมในน้ำ 15 สิ่งแวดล้อมบนบก 17 การดำเนินงานเพื่อความโปร่งใสและการมีส่วนร่วมที่ยั่งยืน
	Climate change around the world	Aiming for carbon neutrality (Carbon Neutrality)	The amount of CO2 released is equal to that absorbed	Y2050		7 พลังงานสะอาดและราคาไม่แพง 9 อุตสาหกรรม ปิโตรเคมี และ โครงสร้างพื้นฐาน
		Gather data for greenhouse gas reports	Enterprise level certification	Y2025		12 การผลิตและการบริโภคที่ยั่งยืน 13 การดำเนินการตามความยั่งยืน
		Reduce greenhouse gas emissions	Emissions Scope 1&2 Reduce from previous year 5% $(\leq 3,456 \text{ ton CO}_2 \text{ eq})$	Y2023		15 สิ่งแวดล้อมบนบก 17 การดำเนินงานเพื่อความโปร่งใสและการมีส่วนร่วมที่ยั่งยืน

3.2 Impact Management to Stakeholders in the Business Value Chain

3.2.1 Business value chain

1 Inbound Logistics



2 Operations



3 Outbound Logistics



Purchasing and receiving raw materials	Processing	Product Delivery
- Product Design, Certification and Development. - Vendor selection and evaluation - Procurement - Supplier development and risk assessment of key vendors - Purchase and delivery planning - Raw material and packaging quality inspection. - Raw material storage, packaging, inventory management - Chemical Safety Management. - Legal Compliance - Safe delivery both for chemical hazards and the health of raw materials providers - Contract commitment and code of vendors conduct principles	- Receiving orders and review customers' orders. - Planning - Production process control - Product quality inspection - Finished product preservation - Compliance with the any operation control regulations that have an impact on the environment - Maintenance on equipment and production machinery - Safety, occupational health and working environment - On the job training and general training and continuous development - Infrastructure and facilities management	- Selection and assessment transport services provider - Caring for the safety and health of transport workers - Product delivery - Product certification and support information - Compliance with any operational control regulations related to transportation measures

4 Marketing & Sales



5 Services



Marketing and Sales	Services
- Survey on customer demand and satisfaction. - Bidding and sales forecasting - Asset management and production under customer's brand - Contract commitment and code of vendors conduct principles. - Marketing sales plan - Sales channel development - Customer reach, and responding to the customers' expectations for the major changes. - Customer Engagement and Customer Relationship	- Technical services - After-sales services - Representative training and development, meeting with customers, vendors, cooperation for alliances. - Site visit to production process and process audit. - Product and services Responsibility - Receiving complaints and complaints handling. - Information data.

3.2.2 Analysis of stakeholders in the business value chain

ADB had identified stakeholders into 7 groups: 1) Shareholders/Investors/Analysts 2) Customers / Affiliates / dealers 3) Employees 4) Regulators / Government Agencies 5) Vendors / Contractors / Service Providers / Creditors 6) Community / Society / Surrounding Entrepreneurs 7) Independent organizations / Institution / Certified Agency / Academics. Each group of stakeholders may be affected from the business operation or affected to the business operation of the Company in different level. Therefore, the groups are divided for management and analysis of the needs, expectation of stakeholders, communication channels, performance, including the Value Creation results from education and working with stakeholders, and the key expectations are outlined in the table below:

Managing impacts on stakeholders in the business value chain (Stakeholder Engagement Analysis)

Stakeholders	Interest/Concerns	Engagement Channels	Corporate's Response	Value Creation
Shareholders / Investors Analyst	- Business growth potential, capabilities to adapt to change situation appropriately. - Return on investment has a satisfactory result. - Profitable and growing business operation and good image. - Good corporate governance together with ethics to operate, and does not and not encourage fraud and corruption. - Stable enterprise and continuous to grow. - Accurate, in time and transparent data disclosure - Provide a reliable risk management system - Provide good internal audit and control system. - Operate business in compliance with requirements of laws and regulations related to environment, society, and community. - Not disturb nearby communities.	- Arranging shareholders meeting - Performance announcement by quarterly. - Meetings, appointment with analysts, telephone or e-mail the inquiries to the investor relations department and the opportunity to visit the factory. - Listed companies meeting opportunity day with investors. - Annual report - Complaints through whistle blowing complaints channels. - Communication through online social media.	- Building a strong foundation for sustainable business operations. - Paying appropriate dividends. - Establishing good corporate governance policies and director's supervision with transparency, fair and verifiable. - Developing a business strategy. - Comprehensive risk management - Preparing and communicating, enforcing anti-corruption and fraud policies - Providing internal control audits by external service providers quarterly.	- Confidence in obvious performance - National achievement award of a trustworthy organization has been assessed as a listed company with corporate governance in the "Excellent CG Scoring" at the 5-star level from the Thai Institute of Directors Association (IOD), and was listed in SET ESG Ratings for the year 2023, in level "A" for the third year for which named THSI (Thailand Sustainability Investment) in 2021 and 2022.
Customers/sales representatives/ dealers	- Be a good vendor with honest, sincere as a long-term alliance. - Respond the requirement and expectations, systematically manage customer relationships - Providing a variety of products to meet the market needs, usages, and environmentally friendly products. - Innovative that respond appropriately to changing needs. - Reasonable prices of goods and services. - Transparent price competition. - Received accurate technical information of products and services. - Product certification with reliable standards. - Product delivery, transportation, do not	- Visit clients and representatives. - Arrange the exhibition - Satisfaction survey. - Providing technical knowledge to customers and representatives. - Opportunity for customer, sales representative to visit the Company or various audits through the quality audit, product audit, process audit, etc. - Activities with customers and sales representative - Training for clients and sales representatives. - Provide opportunities for customers to visit the factory. - Complaint through Whistle Blowing Complaint Channel.	- Providing organizational management to continuously develop organizational products and services. - Quality management with ISO9001:2015 standards and environmental management according to ISO14001:2015 standards and safety standards ISO45001:2018. - Providing code of ethics in keeping confidential information of customers and vendors. - Providing product inspection and certification both before entering into the process and before the delivery with international laboratory standards. - Can visit the process and can inspect the quality system.	- Products and services are good, quality as expected. - growth rate of environmentally friendly products - Reduce the hazards of chemicals that will affect employees, customers and users. - Have a good relationship, long term business cooperation. - The Company continues to build confidence to the medical PVC compound's customers by receiving certification for the Quality Management System for Medical Devices (ISO 13485) on December 2023.

Stakeholders	Interest/Concerns	Engagement Channels	Corporate's Response	Value Creation
	contaminate the product, cares for environment. - Transportation of goods is complied with Transportation Act. - Rapidly in solving problems and corrected appropriately. - Products that are less hazardous or environmentally friendly. - Potential for business growth, capabilities to adapt to change situation as appropriate. - Fair compliance with the agreement. - Having code of ethics for protecting trade secret. - Improve product processes to be efficient, consistent quality products, and reduce environmental impact. - Visit to the Company or inspect the process.		- Providing improving and maintaining production equipment, testing equipment, electrical equipment in production efficiently. - Providing inspection and certification of various working systems by outside agencies and according to the law. - Providing training to distributors. - Providing Technical Service - Duties to manage value chain - Cost and pricing efficiency.	
Employees	- Learning and skill development (Reskill , Upskill), and increasing capabilities to accommodate business changes. - Directions of the organization's operation and awareness of important news. - Caring employee, safety, security, welfare and fairness. - Complaints are handled reasonably. - Continually improving performance to reflect the Company's business operation. Employees are compensated appropriately. - Strict and fair working regulations.	- Employee engagement/employee satisfaction with the enterprise survey. - Safety Talk, Morning Talk. - Town Hall Meeting - Performance Assessment of performance indicators. - Communication sending new through announcement, discussion, meetings within organization, - Exchange of opinions between supervisor and employees in the organization - Interview with representatives of employees, meeting with the labor union, or the Employee Welfare Committee or participating in the exchange of ideas through annual welfare	- The company provides annual health check for employees every year to ensure that employees are healthy and can work effectively. - There are activities to create happiness for employees within the organization (Well-being) to give morale and encouragement to employees, such as birthday activities. scholarships to employees' children, etc. - The company has improved its infrastructure in terms of safety and working environment according to the safety management system according to ISO 45001 and the environmental	- Executives and employees have increased potential from continuous training support. This gives employees more confidence and opportunities to grow in their work. - Employees have good morale and morale at work and enhance their creativity in developing the organization according to the set goals. - From the results of the satisfaction assessment of safety, occupational health, health and working environment. Employees rated it at a level of 81% out of a full score of 100% - There is a complaint management



Stakeholders	Interest/Concerns	Engagement Channels	Corporate's Response	Value Creation
		committee representatives. Complaints through Whistle Blowing	management system according to ISO14001 to build confidence in work safety and a good environment within the organization focusing on the health of employees. - Cooperation with stakeholders both the union president of Labor Welfare Committee. - Informing the roles and responsibilities of each position and providing review and evaluating annually. - Providing human resources development plan and establishing training goals, employees' skill and competency development (Skill Matrix), determining to drive the organization with Eco-Culture employees. - Performing labor in accordance with human rights principles, fair employments, no forced labor or discrimination. - Apply human rights work in all aspects for both employees and stakeholders of the company such as fair employment, no forced labor or discriminatory practices, maintaining confidentiality of partners and customers, etc. - Enhancing white factory policy and providing random drug test by specialist. - Providing complaint channel that protects the complainant and the complaint information is sent directly to the responsible person only.	mechanism and the results of the satisfaction assessment - The results of the annual employee satisfaction assessment show that the entire organization is in line with the company's target of more than 70% satisfaction, in 2023 resulted 81% satisfaction - In 2023, the company did not receive any human rights complaints, both from within and outside the organization

Stakeholders	Interest/Concerns	Engagement Channels	Corporate's Response	Value Creation
Regulator /Government Agencies	- To perform business in accordance with legal requirements, regulations or relevant rules - To cooperate with government agencies and to present the good guidelines for sustainable development. - To disclose the business operation information with transparency, verified, and in timely manner. - To operate business by focusing on the impact of environment and the safety of society and the community. - Promoting innovation, apply and expanding innovations from research	- To organize a forum to listen to opinions or to meet entrepreneurs in the area or to meet community. - Annual report and sustainability report - Organize factory visit activities - Reporting on business performance and performance to relevant government agencies according to the specified frequency by the government agency. - Interviews with representatives of government agencies and related agencies. - Ministerial meeting, participating in various activities and regular visit to project organized by government agencies - Joining the government-initiated cooperation committee. - Participant, visit an institute or research unit on issues of interest	- Declaration of intent Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and preparation of documents for certification - Disclosure of various operational policies on the Company's website: https://www.adb.co.th - Responsibilities according to the ethics of directors, executives and employees and assessment of the directors. and senior executives annually. - Providing Board Meeting to enhance independence and implementing knowledge and expertise of directors. - Set important policies for the organization, stakeholders, corporate governance, environmental and climate change management and energy and resources efficient utilization. - Providing complaint channel that protect the complianant, and complaint data are sent directly to responsible person only. - Requesting support from the government in research, taxes and/or various projects. that are cooperated	- Employ local people and community which is considered part of generating income for the community. - Creating economy, generating income, employment in the community, paying taxes to local authorities. - Cooperation, inspection and visit for government body, government agencies, and regulators. - No complaints. - Solve finding from auditor and continually improve the process. - The Company has been certified by the Thai Institute of Directors Association (IOD) as a member of the Thai Private Sector Anti-Corruption Coalition (3 years) as of January 2024. - Awards or recognitions for promoting innovation and participation in various government agencies.
Partners / Contractors / Service Providers / Creditors	- Being an alliance and doing long term business - Providing regular orders, plan the purchase in advance, do not modify the order plan too much. - Emphasizing on feedback, results, or product trials, both satisfaction, expectation in order to further improvement product quality, paying on time, having a stable financial status. - Conducting business fairly, not disclose	- Training for vendor and arranging activities to participate regularly. - Communication of selection results and annual vendor assessment - Interview the representatives of vendor, business partners and contractors. - Visit the work of business partners/ vendors. - To assess the consulting and capacity building. - To receive the safety in entering the factory with	- The Company has set up the good corporate governance policy regarding code of conduct with vendor and creditor with fairness, not claiming for benefits and disclose to all vendors for information - To sign on confidentiality agreement for the benefit of joint development - To disclose various operation policies on the Company's website:	- To have a good relationship with each other, business cooperation in long term. - Joint product development. - Train and develop contractors to comply with the principles of safety and care for the environment.

Stakeholders	Interest/Concerns	Engagement Channels	Corporate's Response	Value Creation
	business secrets, have a good business ethics. - Informing the rules or other announcement in advance. - Providing training on environment and safety prior to any working. - Providing advice and support in applying good management to implement to vendors such as environmental management anti-fraud and corruption	the principles of inspection and approval of the contractor's work permit and having an appropriate certification facility. - Continuous purchasing order or at an appropriate time for the price and cost situation. - Inspection and verification of raw materials delivered on fair, correct and standard basis. - To demonstrate good risk management	https://www.adb.co.th/ - To clarify, train, assess risks and hazards together before any performing. - Roles of value chain management	
Community / Society / Surrounding establishment.	- Not causing trouble, nuisance, causing damage to the community, society and environment. - Suggestions have been corrected and improved. - To provide local employment in community - Be a good entrepreneur, to provide a system for eliminating pollution before releasing to the public. - To provide safety for life and property. - To have discipline delivery, the traffic of the employees who using vehicles safely and not block the traffic. - To be a white establishment against drugs.	- To survey community needs and opinions through activities such as educational activities, participation activities in local community, etc. - Interviews with social and community representatives - Annual report and sustainability report. - Being a member of Line group for two-way communication with neighbors and surrounding Bangpoo Industrial Estate in various groups such as chemical group, safety group ,general group, electricity group, traffic group, etc. - Activities for community and society of industrial estates, municipality or local authorities. - Community complaints / suggestion through Whistle Blowing Complaint Channel	- Transparency and good supervision such as tax policy, anti-corruption, ethics of director, senior executives, and employees, to assess the risk, to prepare report accurately, on time, etc. - To manage the operation of the Company under the environmental standards ISO14001:2015 and safety standards ISO45001:2015 - To check the various working systems in accordance with the safety and environmental laws and other relevant laws by agencies or auditors who are certified by accepted standard. - To cooperate in attending meetings, seminars, interviews with external agencies and to provide actual information and useful for joint development. - Provide internship opportunities for students from institutions in the community and surrounding areas.	- Community employment - Not causing trouble in the community, traffic matters in society, industrial waste, waste water or various pollutants. Community Employment. - The environment in the community and surrounding society improves. - Promoting and creating learning opportunities for students studying in the community and surrounding areas of the company.
Independent organization/ organization	To cooperate when requested, such as answering questionnaires, surveys, interviews, attending meetings, discussion, providing	To provide information on the operations of the organization through articles, media, exchange forums, exhibitions, academic events, seminars.	Being a member of the Provincial Chamber of Commerce, a member of Industrial Estate Entrepreneur, to a	- To comply with the standard at all times, even without audits. - To offer or to provide actual data, reliable

Stakeholders	Interest/Concerns	Engagement Channels	Corporate's Response	Value Creation
/international Standard ISO / Association.	opinions. - To perform in accordance with the requirements of standards or regulations of various organizations. - To use information for reference correctly. - To provide information for improvement. - To provide coordinator or authorized person for continuity in dealing with various departments. - Developing knowledge and sharing information	- To organize a public hearing forum - To conduct joint research. - To open for visit - To be member of various organizations and associations. - Complaints through Whistle Blowing Complaint Channel	member of various trade associations in order to send and receive news. - To manage various working system according to standards, to improve constantly and to be certified. - Cooperate and attend meetings on various matters of the association, attend training and support various activities of the association continuously	and timely. Cooperation, alliances and strength of associations.

3.2.3 Participation with Stakeholders and key points

ADB has emphasized on stakeholders needs first, in order to ensure that the Company has communicated with the stakeholder's group effectively, then developed the participation process that helping the Company to be able to identify and to prioritize the stakeholder group, to design an appropriate participation plan and to monitor the implementation of the various plans. In addition, there are many channels for receiving complaints that enabling stakeholders to contact the Company, to communicate the needs, and to provide information easily and conveniently.

From the above process, in 2023 the company has found 4 important issues that affect the company, and some of them are set as indicators and main goals for corporate sustainability as well as specified in the table 3.1.3, detail as follows.

- 1) Supply chain management
- 2) Product responsibility
- 3) Production costs
- 4) Energy management

The report of the operations will be reported along with the report of sustainability management in 3 aspects related with the company's sustainability goals according to sections 3.3, 3.4 and 3.5.

For identifying key issues in 2023, the company has designed and adjusted the process of surveying stakeholder needs to be more specific and be able to identify the source and information that can reflect the true needs of each stakeholder including partner and employee version. The information from the survey will be used to consider impacts and identify important issues for action in 2023 as follows.

Identify	Consider Impact	Prioritize
To survey and assess the stakeholder regularly at least once a year. From the customer satisfaction survey, inquiries and complaints from the Bangpoo Industrial Estate Authority and the sub-district municipality where the Company established its office, and from the internal meeting with various	To consider the impact of the Company's performance affecting the stakeholders	To organize workshop with senior executives and relevant parties in order to assess the sustainability result.
Set Direction	Implementing and Reporting	Monitoring and Review
Management meeting to define the policy framework, budgets and plans and measures to address the key stakeholder's concerns are managed and prioritized in the annual work plan.	Senior executives, operations department, working group to implement policies and work plans to achieve results, to report result in a timely manner.	Senior executives, and directors to monitor the performance and to assess the efficiency of the engagement process with the stakeholders, stakeholder's feedback and in accordance with the Company's objectives and goals, including improving work processes as appropriate.

Sustainability Key Management Diagram (Materiality Identification & Assessment) Year 2023



From the prioritization as shown in the diagram above, the Company has organized topics that are consistent and has identified 6 important issues that have an impact on the company's stakeholders in 2023 as follows:

Economic and corporate governance aspect

- 1) Supply chain management (Management of the production cycle and sustainable procurement of raw materials)
- 2) Cost management (Production cycle management, waste reduction and recycling)

Social aspect

- 3) Occupational health and safety (Health and Well-being)
- 4) Developing knowledge, potential, employee welfare and well-being



5) Human rights

Environmental aspect

6) Efficient energy management

We are in the process of improving strategies, plans and measures to be consistent with the budget and goals in order to effectively implement and report the result in 2024.

3.3 Sustainability management in the economic and corporate governance aspect

3.3.1 Good corporate governance

The company places importance on conducting business with honesty, transparency and fair. In 2023, the company has reviewed several important policies, such as the business ethics manual and anti-corruption policy related to the principles of good corporate governance and be suitable for the changing business situation and environment. This will be the guideline for operating according to laws, rules and regulations related to business operations for directors, executives and all employees.

In 2023, the company received the 5-star Excellent CG award from the Thai Institute of Directors Association (IOD) and received the SET ESG Rating level "A" award for 2023 for 3 consecutive years which named THSI (Thailand Sustainability Investment) in 2021 and 2022, proved that the Company has focused on continuous development of good corporate governance.

3.3.2 Anti-corruption

The company has been certified by the Thai Institute of Directors Association (IOD) as a member of the Thai Private Sector Anti-Corruption Coalition that effective for 3 years as of January 2024, to demonstrate our commitment to transparent management according to the principles of corporate governance to build confidence among all stakeholders.

In addition, the company has reviewed, improved and updated anti-corruption policy, and communicate to employees at all levels within the organization through meetings, clarifications, campaigns, as well as conduct online comprehension test for employees. For external communication, the company has communicated policies to trading partners both for customers and suppliers through a pre-registration process for new customers and suppliers and in an annual customer meeting and supplier assessment process for existing customers and suppliers.

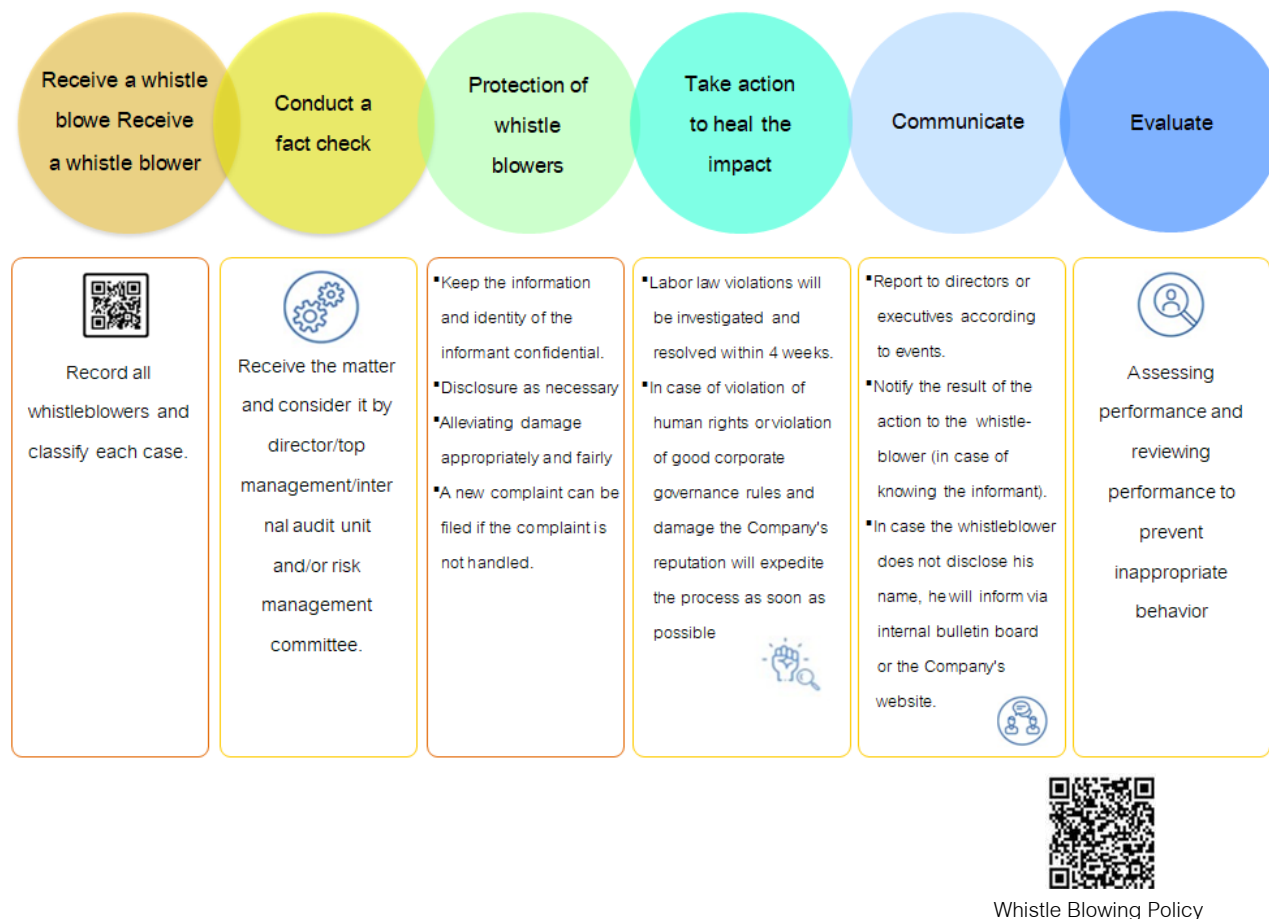
3.3.3 Whistleblowing and Complaint

When inappropriate behavior or contrary to ethical standards legally acts, the violations of the Company's regulations, business ethics or the Anti-Corruption Policy, the company has a channel for reporting clues and receiving complaints (Whistle Blower) to allow stakeholders to express their opinions freely and report clues to illegal actions directly to the Audit Committee, Internal Audit Office via mail Email or the company's website. In 2023 the company has no complaints from stakeholders.

Whistleblowing and complaint channels

Complaint or Whistleblower Process If any inappropriate behavior of personnel in the company is found

- | | |
|--|--|
| 1. Found wrongdoing in good corporate governance
Code of Conduct or Securities Act. | 4. A substance abuse offense was found. |
| 2. Found fraud and corruption offenses. | 5. Human rights violations were found. |
| 3. Found environmental offenses. | 6. Found other wrongdoings that affect the operations
of the company and to the stakeholders. |



3.3.4 Supply Chain Management

ADB is committed to sustainable supply chain management by establishing guidelines for manufacturers, raw material suppliers, and service provider fairly and equally, including supervising the performance of vendor to prevent risks that may affect the Company's business, society, and environment. The Company has provided a procurement manual that is the same standard, and easy to understand so that the manufacturers, suppliers and service providers, to reply on the selection process, performance assessment and for the purpose of ranking in the risk management.

In addition, these guidelines will help the Company's vendor to maintain business standard in compliance with the law and regulations on human rights, occupational health, safety, labor rights, environmental protection and anti-corruption. In long-term, the Company aims to raise standard in supply chain management by focusing on safe working condition and business ethics.

3.3.5 Principles for treatment of partners

From communicating trading practices with partners through the intent in the code of conduct that has been delivered to new partners and gradually delivered to existing partners for acknowledgment and implementation in terms of ethics, delivery of good products, protection the environment, Taking care of employees without discrimination, no corruption in the work process. The company has set a goal to have a 100% percentage of key trading partners that have signed the Code of Conduct "Supplier Code of Conduct" in 2025 and the percentage of new suppliers who pass sustainability screening is set at 100% in 2027. In 2023 these targets can be achieved faster than expected timelines which shows the direction of the industry that focuses on a concrete understanding of sustainability together.

Supply Chain Management	Unit	Highest Goal	Y2021	Y2022	Y2023
Existing vendors who were screened for environment items.	%	100	55.55	70.51	100
Existing vendors who were known and complied with the vendors conduct principles.	%	100	100	100	100
Vendors who already signed an agreement against anti-corruption and fraud.	%	100	29.16	76.92	100
New vendors who were screened for environment items.	%	100	33.33	33.33	100
New vendors who were known and complied with vendors conduct principles.	%	100	100	100	100

3.3.6 Co-development for sustainable business

The company is committed to developing together with business partners for both customers, suppliers and stakeholders continuously to achieve environmental, society and economy in the long-term goal through collaboration and having the same idea to deal with challenges, finding solutions that benefit both your business and the planet by gathering knowledge and expertise for development and implementation of sustainable practices.

In 2023, the company has several collaborative projects with suppliers. There has 2 successful in collaboration projects:

1) Waste management project in the production process (Scrap) of polypropylene fibers (PP Slit Yarn)

Polypropylene fiber is one product that the company produced and distributed to customers in the electrical wire manufacturing group. It is used as one element in large electrical cables. By collaborating with the deliverer High-concentration calcium pellets (Calcium Masterbatch) that contain some polypropylene plastic as a carrier which is a raw material in one of the components of polypropylene fibers that the company produces, then received all scrap in the production process that the company has separated and brought back into the production process of the supplier and return it as raw material Calcium Masterbatch. This is a win-win situation because the scarp the company provided in higher proportion of polypropylene plastic than the proportion of calcium, which reduces the cost of Calcium Masterbatch manufacturers and also helps the company to reduce the cost of purchasing Calcium Masterbatch and use resources efficiently with this co-development.

2) Recycled large sacks filled with calcium carbonate project

Calcium carbonate is one of the main raw materials used in the PVC compound. The Company uses several grades of Calcium Carbonate in both 25 kilogram paper sacks and large woven polypropylene plastic sacks (jumbo bags) from main manufacturers and suppliers in the country. The company sees the benefits that come from Recirculating jumbo bags filled with calcium carbonate including dust particles that remain in the bag that may affect the outside environment and help reduce the use of plastic (Reduce dependency on fossil fuels) and reduce environmental impact and greenhouse gases. Therefore, there is internal management in cooperation with the main suppliers to sort, store and return these Jumbo Bags back to the manufacturers and suppliers to recycle and repack the raw materials back to the company.



Jumbo Bags contain recycled calcium carbonate



Stored Jumbo Bags

3.3.7 Sales and services

The company focuses on delivering products that meet customer needs and minimize environmental impact, applies energy-saving production processes and reduces waste throughout the supply chain, complies fair trade through code of conduct to ensure that our products are controlled responsibly throughout the supply chain. In term of service, the company places importance on customer service, build good relationships and consider the well-being of all stakeholders by addressing concerns and product quality issues promptly and efficiently with clear and transparent communication along with continuous improvement of service processes.

3.3.8 Customer Satisfaction

The company has conducted an annual customer satisfaction survey which is a part of the company's main quality objectives that reflect customer satisfaction and expectations. In 2023, the company has set a customer satisfaction goal $\geq 85\%$ from active customer which is 71% from total customer. The results of the customer satisfaction survey in 2023 found that the company had a customer satisfaction index of 91%, which was higher than the target.

3.3.9 Product development and product responsibility

The company is committed to produce products that meet standards and always develop product based on updated requirement to avoid risks or dangers that may occur to consumers. The Company has set guidelines regarding responsibility to consumers as follows:

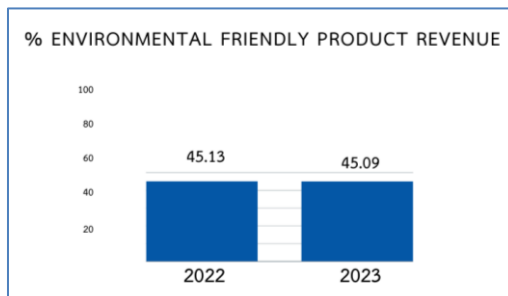
- 1) Ensure that the company's products are developed appropriately.
- 2) Provide adequate information about the Company's products and services to customers, such as using simple language for understanding, inform how to use the product safely, etc.
- 3) Treat customers fairly in terms of providing products or after-sales services without disclosing customer information, storing customer information securely, not share any part of information to third party without a written consent.

From the company's guidelines for responsibility towards consumers and current environmental sustainability issues, the company considers the impact of the entire life cycle of our products from the process of purchasing raw materials to the process of customer use. (End of life). In 2023 the company has developed products that focus on environmental responsibility as follows:

- 1) There are no prohibited substances in the product.

The company, a manufacturer of PVC compound plastic pellets, has set production standards and controls the amount of prohibited substances by specifying the company's products to be free from prohibited substances according to the RoHS (Restriction of Hazardous Substances) standard, which is a European Union (EU) regulation No. 2011/65/EU issued on January 27, 2003 regarding the restriction of use of certain hazardous substances in electrical and electronic equipment for determining environmentally friendly products. In 2023, the company aims to support and encourage users of PVC compound to change to products that meet RoHS standards as a minimum standard.

The company has set a target for sales of environmentally friendly products to increase every year in total sales of PVC compound, but exclude sales of medical PVC because medical PVC are exempt from the use of DEHP, an abbreviation for di (2-ethyl hexyl) phthalate or DOP, in medical applications. The results of operations in 2023 found that the proportion of environmental friendly product sales excluded medical PVC plastic pellets was 45.09%, compared to 2022 of 45.13%, it was found that there was no increase an economic slowdown that caused the company's overall sales to decrease, along with business problems of one of the company's customers who in the group that use environmentally friendly products.



2) Development of PVC compound plastic from sustainable raw materials that contain bio-based raw materials (Bio-Based PVC Compound).

Bio-Based raw materials help reduce reliance on fossil fuels and non-renewable resources and reduce greenhouse gas (GHG) emissions and build a bio-economy system, circular economy and green economy (Bio-Circular-Green Economy), also known as the BCG Model, promotes the efficiency of resource use, reduce danger to workers in the company and users of the company's products and pave the way for a more sustainable and resilient future.



In 2023, the company was successful in developing PVC compound plastic to have a proportion of bio-based raw materials up to 30%, depending on the use in each formula which provides more options for customers regarding the environment.

3) Development of PVC compound plastic from waste in the production process (Scrap) and defects that do not conform to quality standards that can be corrected (NC Reworkable) so that they can be recycled back into production. It is a special grade PVC compound for specified uses.

The process of reusing (Recycle) helps conserve the use of resources. It is another way to promote the circular economy and reduce the amount of waste and maximize the use of resources and reduce production costs in another way.

In 2023, the company brought 95,667.28 kilograms of Scrap and NC Reworkable back into the process, a proportion of 0.47 percent (0.47%) compared to the total amount of raw materials entering the production process in 2023.

4) Development of environmentally friendly packaging as alternative for customers

PVC compound plastic will be packed into flexible packaging. It is a standard packaging for storing and transporting. At present, the flexible packaging made from polypropylene material woven into sack in packaging sizes of 25 kilograms, 500 kilograms, and 1000 kilograms, depending on the storage by customers. The company saw the properties of large paper packaging (box) that began to be used to package the products. Foreign plastic compound manufacturers are widely using this packaging as well to respond to the desire of customers to reduce their impact on the environment. Therefore, there is a cooperation between the purchasing department, research and development department, company partners and customers of PVC compound has decided to change to large cardboard packaging instead. This reduces the use of plastic and reduces the use of fossil fuels, which are non-renewable resources and is easy to recycle and is biodegradable.



3.4 Social Sustainability Management

3.4.1 Social policy and guidelines

The company has improved human rights policy and guidelines for comprehensive human rights inspections. (See details at the company website www.adb.co.th /Corporate Governance /Policies related to investors /Human rights policy /guidelines for comprehensive human rights examination) by adhering and complying with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights: “UNGPs”) by emphasizing labor practices and fair Including data protection, not disclose confidential information of business partners and/or creditors and place importance on conducting business that is continuously responsible to the community, society and the environment and respect the human rights of the organization's stakeholders. The company adheres to a code of conduct that treats employees equally and non-discriminatory without any discrimination of gender, age, educational institution, as well as, supporting employment for disadvantaged groups, including disabilities, the elderly, to create opportunities, to build career and stable income, and also as part of achieving the Sustainable Development Goals (SDGs) of the country and the world. In addition, the company has set an average employee engagement score target of not less than 70%

Employee	Customer/Partner	Society and Community
■ Ethics and code of conduct in the workplace ■ No discrimination respect human rights ■ Training and Development ■ Environment and safety ■ Employee engagement to the organization	■ Quality of the delivered products ■ Product responsibility ■ Protect information and not disclose confidential information of customers/partners. ■ Receive complaints	■ Local employment ■ Subsidizing community products ■ Pollution and complaints ■ Community and social assistance
Care Economy	Care People	CareEnvironment
■ Product responsibility ■ Environmentally friendly products ■ Improving processes Develop personnel to increase efficiency and reduce costs	■ Protection of personal information of employees and all stakeholders. ■ Application of safety standards ISO45001:2018	■ Efficient utilization of resources through waste and industrial waste management policies ■ Minimum emissions collection and emissions

3.4.2 Social Operating Results

(1) Employees and labor for the year 2023 (as of December 31, 2023)

The Company has complied with the principles of human rights from employment to the care of employees and personnel, in order for all employees and personnel feel engagement as the same family as organization. The Company has collected some key information for the purpose of

summarizing a report that was useful for efficient human resource management. The following information are as follows:

Employment



	Unit	Year 2021		Year 2022		Year 2023	
		Male	Female	Male	Female	Male	Female
Total Number of Employees	Person	283	195	299	194	177	79
Top Management AVP Up	Person	10	4	10	4	6	4
Management AM-Senior Mgr.	Person	12	23	15	26	6	13
Operator – Senior Chief	Person	261	168	274	164	165	62
Number of employees by age	Person	283	195	299	194	177	79
Less than 30 years	Person	83	62	99	66	52	27
Between 30-50 years	Person	172	120	174	116	106	42
More than 50 years	Person	28	13	26	12	19	10
Employees by workplace	Person	283	195	299	194	177	79
Operations	Person	240	123	243	109	153	33
Office	Person	43	72	56	82	24	46
Employees by religion	Person	283	195	299	194	177	79
Buddhism	Person	282	192	298	191	176	78
Christianity	Person	0	0	0	0	0	0
Islam	Person	1	2	1	2	1	1
Neutral	Person	0	1	1	2	0	0
Total number of employees leaving the organization	Person	61		15		45	
Corporate leave rate	% per total number of employees	12.7		15.41		15.69	
Voluntary leave rate	% per total number of employees	1		0		14.63	
Employee Engagement							
Employee satisfaction with the organization	%	81.66		82.95		81.11	
Personnel Development							
Total number of training hours	Hrs.	5,653		7,452		3,938	



	Unit	Year 2021		Year 2022		Year 2023	
		Male	Female	Male	Female	Male	Female
Average number of total Employees	Hrs./Person/Year	11.83		15.12		15.38	
Average number of Top Management	Hrs./Person/Year	29.21		19.43		25.67	
Average number of Management	Hrs./Person/Year	38.68		36.39		27.42	
Average number of Employees	Hrs./Person/Year	8.72		12.99		13.97	
Employee Complaints	Case						
Number of Corruption Complaints	Case	0	0	0	0	0	
Number of ILabor Complaints	Case	0	0	0	0	0	
Labor Union							
Percentage to total number of employees	Percentage to total number of employees	15		15		15	

3.4.3 Human rights operations

The Board of Directors places importance on and strictly respects human rights. In 2023, the human rights policy has been revised to cover all aspects as guideline for treating labor fairly. It is equitable and covers all stakeholders of the company such as customers, partners, communities and society, etc. A comprehensive human rights examination is established by referring to the Human Rights Due Diligence (HRDD) process, which consists of 5 steps as follows:

- 1) Announcement of company policies and principles regarding respect for human rights
- 2) Evaluation of actual impacts or trends that may arise from the Company's activities
- 3) Integrating policy and evaluation Including internal and external control mechanisms
- 4) Monitoring and reporting performance results
- 5) Corrections and remedies

Target

To be organization with good corporate governance in compliance with human rights principles, protecting and respecting human rights.

- 1) 100% Risk issues have been planned for prevention and resolution (Mitigation and Preventive Plan) and have been managed. Mitigating the impacts (Remediation Actions)
- 2) The number of human rights violations is zero

Strategy

- 1) Follow the “ADB Human Rights Policy” and the laws of each country where the company has customers and business partners.
- 2) Continuously carry out the comprehensive human rights management process (Human Rights Due Diligence Process).
- 3) “Whistleblowing” against violations of human rights or an action that may violate human rights, employee must report it to supervisor or through the designated channels.

Human rights risk assessment

Important human rights risk issues	Action and prevention	Inspection and follow-up
Labor rights, legal compliance	Updated laws are followed and applied within the company.	The company has complied with the law and has not had any lawsuits.
Health and safety of employees and contractors in the operating area	- Communicate knowledge to create awareness and culture of safety - Campaign and investigate compliance	There were no serious accidents that resulted in death both company employees and contractors.



Important human rights risk issues	Action and prevention	Inspection and follow-up
	and violations of safety rules.	
Community health and safety	- Be careful and prevent the impact of your business that may affect the community. - Survey and listen to opinions from the community.	There were no incidents or reports of communities being damaged or harmed by the Company's operations.
Effects of environmental pollution	- Monitor environmental indicators and maintain waste management equipment in a good condition that can be used efficiently. - Communicate to employees to reduce environmental impact that benefits to themselves, the organization, society and the environment.	- Air and water quality inspection results meet statutory requirement. - There are no complaints of environmental impacts.

Principles of compensation for those affected

Those who have suffered damage will receive relief through a process that is appropriate and fair consistent complied with legal together with those of pluralistic democracy and human rights

Performance from 2023 to present

- The number of human rights violations is zero.
- The ratio of female employees to total employees for 2023 is 79 employees equal to 30.86%, with the average age of 35 years old.
- There is an employment rate of employees in Samut Prakan Province 169 employee from a total of 256 employees, accounting for 67%.
- Promote and support people with disabilities to have careers and income by hiring 3 full-time employees.

3.4.4 Training Program for Employee Competency Development

The company believes that organization growth depends on employees' talent which is one factors that will drive the organization towards excellence. Therefore, the Company has a policy focusing on developing and improving the management and personnel development system, applying technology, in accordance with international standards to increase competitiveness and respond to organizational changes.

The company has planned and designed human resources development linked to the goals of organization. The training course is divided into 2 types: training hard Skill and soft skill from the operational level to senior management. The training budget for the year 2023 as follows:

Type of Training	Number of Training Courses	Budget (Baht)
Training in hard skill and on the job training	78	500,000
Training in soft skill, psychology and interpersonal skill	71	
Total	149	

Employee Training

In 2023, the Company organized 149 training courses to increase work skills and potential skill for employees (including OJT training hours for production workers), with an average number of training hours or knowledge development activities for employees of 15.38 hours per person per year, increased from the previous year at the rate of 1.77% from the goal of learning hours of employees that set an increase of 3% per person per year (≥ 15.57 Hrs.) The average number of training hours increased but did not meet the target due to the company restructuring.

There is a spin-off of the adhesive and sealant business to operate under ADB Sealant Co., Ltd. (ADBS), which has a higher level of employee base transferred to the company. In the past, organizing training for employees at the operational level was difficult due to their regular duties that would affect production capacity. However, in 2023, the management department's training attendance increased by 32.11% from the previous year in order to prepare to deal with the volatile economic situation and the direction of the business related to change and sustainability in the future.

Summary of training hour rates for 2023

Position	Number of Employee (Person)		Training Hours (Hrs.)		Diff (Hrs.)	% Average of training hours		% Change
	2021	2022	2021	2022		2021	2022	
Officer / Operator	336	173	4,409	1,982		13.12	11.46	
Chief	66	37	863	636		13.08	17.19	
Supervisor	36	18	416	568		11.56	31.56	
Total	438	228	5,688	3,186	2,502	12.99%	13.97	7.60%
Assistant Manager	12	7	484	221		40.33	31.57	
Manager- Senior Manager	29	12	1008	300		34.76	25.00	
Total	41	19	1,492	521	971	36.39%	27.42	-24.65%
AVP UP	14	9	272	231		19.43	25.67	
Total	14	9	272	231	41	19.43%	25.67	32.11%
Grand Total	493	256	7,452	3,938	3,514	15.12%	15.38	1.77%

3.4.5 Employee Engagement

In 2023, the Company's employee engagement assessment result was 81.11%, a decreased of 2.21% compared to the previous year because employees are concerned about the spin-off from the parent company, compared to the turnover rate in 2023 at 15.69%, an increase of 1.81% compared to the previous year due to the fluctuating economic conditions together with reduction in overtime in production related to employees resigning and returning to other provinces.

Survey results of personnel opinions on various aspects of work	Satisfaction Rate		%Change
	2022	2021	
1. Safety and working environment	83%	81%	-2%
2. Responsibility for working	90%	88%	-2%
3. Leadership and corporate culture	88%	86%	-2%
4. Compensation and welfare of the enterprise	67%	67%	-0%
5. Opportunities and advancement in the organization	81%	77%	-4%
6. Rules and regulations of the organization	89%	88%	-1%
Average of Satisfaction	82.95%	81.11%	-2.21%

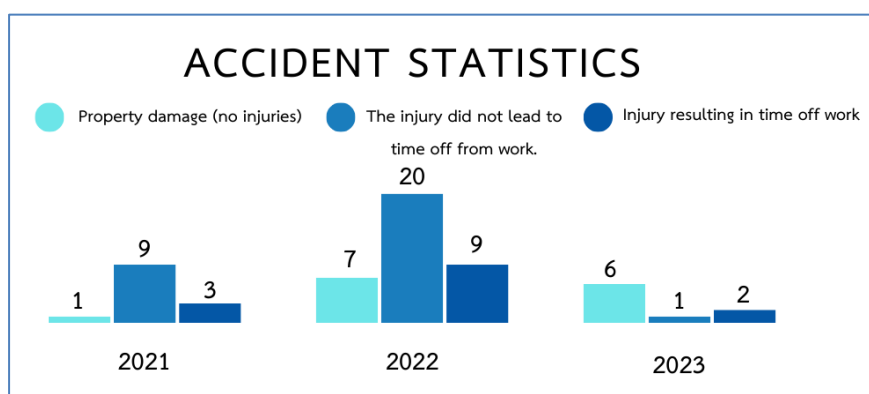
3.4.6 Safety, Occupational Health and Working Environment

The Company realized the importance of the safety and damage in the event of accident, various incidents, due the Company operates with many chemicals used in the production process, and stored in the factory. Therefore, the Company emphasized on the risk assessment covering all aspects, including the competency of the personnel, adequate safety protective, the effectiveness of various emergency drills in order to find the appropriate measure to prevent and mitigate in each situation. important goal there not have an accident in the work to the point of death.

Summary of accident statistics in 2023

Safety and Occupational Health		Unit	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
1	Total hours of work.	Hrs.	1,839,600	1,810,800	1,261,286	1,255,824	705,710
Work Injuries							
1	Employee Death Rate.	Case per <u>two hundred</u> thousand hours worked					
2	<u>Contractor</u> Occupational Death Rate.	Case per <u>two hundred</u> thousand hours worked	0	0	0	0	0
3	Employee Injury rate (Total Recordable Injuries Rate : TRIR1)	Case per <u>two hundred</u> thousand hours worked	0	0	0	0	0
4	Contractor's work Injury (Total Recordable Injuries Rate : TRIR2)	Case per <u>two hundred</u> thousand hours worked	1.09	0.55	1.27	3.34	0.85
5	<u>Employee</u> Lost Time Injury Rate (LTIFR)	Case per <u>two hundred</u> thousand hours worked	0	0	0	0	0
6	An accident that almost caused an accident (Near Miss) of an <u>Employee</u>	Case	0.75	0.4	0.95	8.13	0.57
7	he accident that almost happened (Near Miss) of the <u>Contractor</u> .	Case	0	0	0	0	0
Illness from work-related disease							
1	Death from work-related diseases of employees.	Case	0	0	0	0	0
2	Employee Occupational Illness (OIFR).	In the case of one hundred thousand working hours.					
Safety in the production process							
1	Number of Level 1 process safety incidents 1	Incidents	0	0	0	0	0
		Incidents per 1 two hundred thousand working hours	0	0	0	0	0
2	Number of Level 1 process safety incidents 2	Incidents	0	0	0	0	0
		Incidents per 1 two hundred thousand working hours	0	0	0	0	0

Accident Statistics			
	Y2021	Y2022	Y2023
all accidents	13	36	9
Property damage (no injuries)	1	7	6
The injury did not lead to time off from work	9	20	1
Lost Time Injury	3	9	2



Accidents leading to time off from work

The company is committed to preventing accidents. The organizational goals are set to reduce the number of incidents or injuries that lead to time off work in 2023. According to statistics, in 2022 there were a total of 36 accidents, of which there were 9 accidents in which people were injured and caused time off. In 2023, there were total of 9 accidents, including 2 accidents in which people were injured and time off work.

Lost Time Injury Frequency Rate: (LTIFR)

In 2023, the company aims to control the lost time injury frequency rate (LTIFR) at 0.95 cases per 200,000 hours worked. The performance in 2023 has an LTIFR rate of 0.57.

The cause of all accidents has been investigated to prevent reoccurring. Preventative measures have been reviewed and applied in operations through procedures and work manuals to emphasize the principles of operating with safety regularly through activities operating according to safety standards as follows:

- 1) Morning Talk, Safety talk, two-way communication between supervisors and employees, emphasizing employee participation.
- 2) Safety training courses and occupational health at work, both outside and within the organization
- 3) Set regulations for wearing safety protective equipment (PPE) and have continuous monitoring.
- 4) Improve to achieve safety target

Training safety knowledge to employees



- Organizing a training course on the topic of reading techniques and applying safety law, occupational health and working environment on 13-14 July 2023 to review legal regulation with current work.



- Raising safety awareness among employees at all levels through the Safety Talk project, which is held on the first work day of every week.



- Organize training to provide safety knowledge in accordance with the law, such as training for safety officers in administration/safety supervisors, safety committee course, occupational health and working environment course.



- Safe forklift driving training and crane operator training course

Operating environment

The company has measures to inspect and test equipment to maintain safety and ensure ready-to-use condition on a regular basis including inspection of machinery and equipment that is at risk of fire and leakage of chemicals according to the inspection cycle of each type of equipment as determined by the experts.

- In 2023, the company has installed a fire pump system that cover the PVC compound production area.



- Regarding machinery that affects the environment in the production process, the company has a plan to modernize the machinery in the production process to be safer and reduce the leakage and spread of dust. In 2023, the company has studied the process and visited the machinery factory and plastic pellet factory of the company's partners for improving the production process and production technology to be up-to-date, flexible and reduce costs, losses, and impacts on the environment. In 2023, the company has ordered machines with greater production capacity that will be able to replace more than 2 existing machines to support production for customers with high order quantities and reduce work steps. This will help reduce the amount of dust generated from the production process and reduce the preparation of raw materials that require manual labor. The new machines ordered will be able to be installed and put into use in the third quarter of 2024.

3.4.7 Participation in community or social development

The Company is aware to be part of community by setting policy of promotion of social responsibility with aiming to develop business sustainably, together with environmental care and community safety. The Company has a social responsibility plan included supporting recruitment of employees from the community, participating in community activities, Through the Industrial Estate Authority and various medical departments For being responsible to employees. Included supporting and providing funds for schools and underprivileged children in the community as well as the wilderness in the provinces such as Wat Thung Hien, Chonburi Province, Nong Nam Khao Charoen Rat School, Chachoengsao Province and be responsible for internal employees such as providing scholarships for employees' children, hospital room welfare, annual health check-up and other welfare benefits as required by law.

In 2023, the company has a policy to recruit employees in community areas and join in supporting Children's Day gifts for schools in Bang Pu Industrial Estate and Samut Prakan provinces to encourage children participated in activities.

No.		Budget	Date
1	Bang Pu Provincial Police Station	1,000 THB	January 14, 2023
2	Phibun Prachasan School, OBEC	1,000 THB	January 14, 2023
3	Tamru School	1,000 THB	January 14, 2023
4	Wat Panprasittaram School	1,000 THB	January 14, 2023
5	Bang Pu Industrial Estate Office	1,000 THB	January 14, 2023
6	Nakdee Anusorn School, Primary Educational Service Area Office 1	1,000 THB	January 14, 2023
7	Village Headman's Office, Village Moo.7	1,000 THB	January 14, 2023

No.		Budget	Date
8	Wat Rat Bamrung Community School	1,000 THB	January 14, 2023
9	Wat Khotharam School	1,000 THB	January 14, 2023
10	Amsuri School	1,000 THB	January 14, 2023
Total		10,000 THB	



- On July 24, 2023, the Company participated in a level 1 emergency response action plan exercise with Bang Pu Industrial Estate and companies surrounding Bang Pu Industrial Estate at Applied DB Public Company Limited in order to prepare for emergency response from the incident and raising awareness among employees to be aware of the dangers of fire and the possible effects on the company's neighbors.



- On July 26, 2023, the Company joined in promoting cultural activities and local traditions by participating in the candle procession activity at Wat Srichan Pradit, Bang Pu Mai Subdistrict, Mueang District, Samut Prakan Province. The activities were attended by both government agencies and community members around Bang Pu Industrial Estate to join in inheriting and preserving culture, local traditions and customs.



- On October 6, 2023, the Company participated in the activities of Syngenta, which invited government agencies in the Bang Pu Industrial Estate, Prakasa Municipality, community residents and industrial companies in the surrounding area of the Bang Pu Industrial Estate joined and discussed the potential impacts of each company's work processes that may affect neighboring companies and communities. It has provided opportunities for communities and government agencies to express their opinions and bring suggestions from surrounding communities to improve further.

3.4.8 Support and development activities within the organization



■ The company campaigns to increase green space to make the organization pleasant and shady by planting more trees in the business area in front of Factory Branch 260. In 2023, there will be an additional area to plant trees in front of Factory Branch 260 to purify the air outside and absorb air pollution from exhaust fumes from vehicles passing in front of the company. There is a budget allocation value of 30,000 baht.



■ The company organized a Happy Birthday activity to give birthday gifts to employees. We have organized activities continuously for 3 years (since 2021) to build friendly relationships and recognize the importance of all employees to create a stronger bond with the organization. The company has provided temperature-retaining water bottles as a gift to reduce use of plastic. The budget for organizing activities is approximately 30,000 baht.



■ On October 3, 2023, the company provided scholarships for the year 2023 to the children of employees with good academic performance with cumulative GPA of 3.50 and above, total amount of 50 scholarships worth 100,000 baht at the primary school level - bachelor's degree level as a one welfare to the company's employees. The objective is to promote educational opportunities for employees' families, which will improve the lives of employees in the future and also build good relationships between employees and the company.

3.4.9 Activities beneficial to environment and society

The Company focuses on operating business and building good relationships with communities and society. In the past, the company has organized various projects and activities to promote contributions to social and environmental development every year, with the main objective of making all employees aware of social development, as follow:

■ On April 11, 2023, the company participated in the activity of pouring water on the hands of revered elders and to ask for blessings for the year 2023 with the Bang Pu Industrial Estate Office with partners and entrepreneurs in the industrial estate to promote cultural activities and local traditions and build good relationships with communities in the Bang Pu Industrial Estate area.



- On July 26, 2023, the company participated in blood donation activities with the Thai Red Cross at the Suangkhanawat Bang Pu Rehabilitation Medicine Center in order to continue the policy of social responsibility that is constantly paying attention to helping society and cultivating awareness. The annual blood donation activities with the Thai Red Cross Society will be donated every 3 months to transfer safe blood to patients in treatment of illness, surgical patients, and use it as reserve blood for various medical facilities.



- On August 11, 2023, the company participated in conservation and restoration activities of mangrove forests and canals with Bang Pu Industrial Estate and communities surrounding Bang Pu Industrial Estate and assess the biodiversity of mangrove forests under the concept of industrial development aimed at carbon neutrality and displaying its identity in demonstrating corporate social and environmental responsibility (CSR Corporate Image) as well as to increase green space and participation in conservation and preservation of natural resources and the environment, building relationships with the community at Bang Pu Recreation Area. Samut Prakan Province.



3.4.10 Promoting innovation and disseminating innovation

The technical department of the company's main responsibility is to invent, research and develop the product of the product. The company also has supported innovation at every work process level in division/department the organization and at the level of cooperation between organizations which means creating things in new ways and changes in production or ideas to create value. The aim of innovation is to create positive change to make things more sustainable that has changed for the better. Therefore, Disseminating innovations is considered a social responsibility by communication and dissemination to stakeholder groups, both directly and indirectly, or through various communication channels both to ensure that the company's stakeholders can access the company's news and information. Moreover, the company will create ideas or search for new knowledge that covers business, economics, society, technology and the environment to create benefits for the company or bring benefits to society in the future.

In 2023, in addition to reporting on product development in section 3.3.7, product development and product responsibility, on the production side, the company also has a project to study production machinery technology to support sustainability both economic, society and environment aspects as reported in Section 3.4.6 regarding the operating environment.

Carrying out studies to expand the business is also part of innovation development, and in 2023 the company has a project to study other plastic compound products in the wire business group. A team has

been established to study both market data. Production technology and raw material suppliers to evaluate the possibility of investment to expand the compound business.

Promoting and supporting development and innovation ideas for employees

- In 2023, the company has a pilot project to apply the concept of group activities in the Technical department with the following objectives:
 - 1) To provide employees with development ideas to improve work processes in line with plans, policies, and activities of the company continuously.
 - 2) Encourage employees to participate in work development and the process of operating in accordance with plans, policies, and activities of the company on an ongoing basis
 - 3) Train employees for in analytical thinking skills, using reporting tools to evaluate and summarize work in a concrete way
 - 4) To stimulate a good culture in the organization and truly be a development organization
 - 5) To create teamwork and are aware of continuous development
 - 6) To enable effective performance measurement
- The company provides opportunities for employees at all levels to study and visit exhibitions or trade shows that related to the company's business such as Interplas Thailand 2023, Thailand Manufacturing Expo, Plastic and Rubber Thailand 2023
- There is a factory visit to at supplier's production.

Innovation support for society

The company continues to provide appropriate support for innovation operations for society both in monetary and non-monetary forms, such as chemical assistance to educational institutions for research, supporting research activities for institutions, etc.



ADB ได้เข้าร่วมงานเพื่อรับประกาศเกียรติคุณและแสดงความยินดีกับนักวิจัยในโครงการเชิดชูเกียรติด้านการวิจัย นวัตกรรมและการสร้างสรรค์ดีเด่น ประจำปี 2566

ADB ได้เข้าร่วมงานเพื่อรับประกาศเกียรติคุณและแสดงความยินดีกับนักวิจัยในโครงการเชิดชูเกียรติด้านการวิจัย นวัตกรรมและการสร้างสรรค์ดีเด่น ประจำปี 2566

3.5 Management of Environmental Sustainability

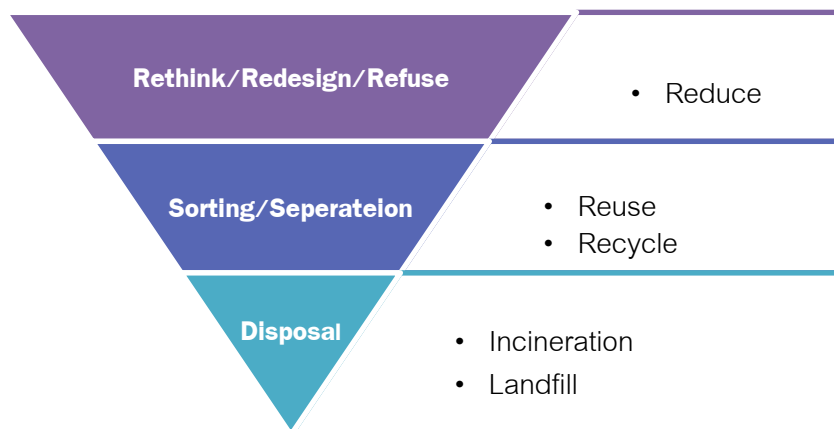
Environmental Policy and guidelines

The company will operate business by maintaining the balance of environment, complying with international environmental laws and regulations or appropriate standards of businesses by focusing on and cooperating with community, private organizations, and the government sectors to take care the environment of the communities where the Company is established by taking care, maintaining and preventing any incident that affect to the environment by focusing on environmental protection activities as follows:

- 1) To provide waste treatment or waste containment in order not to affect the environment and the community;
- 2) Where there is an event that affects to environment due to the products / services or the operation of the Company, the Company will promptly correct and take responsibility for the damage fairly.

- 3) To provide training and inspection system, maintenance of equipment, tools and continual development in order to increase the efficiency in caring for the environment to be safe and confident to the public by collectively maintaining and promoting unity and solidarity among employees, working together, and solving problems as an efficient team with care and to perform any action to maintain safety and good working environment.

Environmental responsibility starts from the process of resource acquisition, utilization, disposal of raw materials, packaging, packaging, electricity, oil, and water use with the concept of 6Rs in each work step.



Summary table of environmental figures

Environment	Unit	Y2021	Y2022	Y2023
Product Resulting	Metric tons	21,855.52	25,830.39	20,235.87
Energy and Greenhouse Gas Management*				
Total Energy Used	Million giga joules	0.0224	0.0256	0.0218
Rate of energy consumption in the production process	giga joules per ton production	1.0268	0.9921	1.0779
Direct greenhouse gas emissions Scope 1	Million tons of CO2 equivalents	381.00	425.00	205.00
Direct greenhouse gas emissions Scope 2	Million tons of CO2 equivalents	2,800.00	3,213.00	2,558.00
Direct greenhouse gas emissions Scope 3	Million tons of CO2 equivalents	23.00	129.00	83.00
Greenhouse Gas Emissions Intensity Scope 1 & 2	Ton per ton production	0.145546732	0.140841828	0.136539691
Greenhouse Gas Emissions Intensity Scope 1 & 2 & 3	Ton per ton production	0.146599098	0.145835945	0.140641318
Greenhouse Gas Emission Reduction Scope 1	Ton	(538.00)	44.00	(220.00)
Greenhouse Gas Emission Reduction Scope 2	%	-58.54%	11.55%	-51.76%
Air Quality				
Total particulate matter TSP	(mg/m3)	9.33	11.72	7.23
Waste Management				
The total amount of hazardous waste to be disposed of				
How to make mixed fuel 042	Ton	85.56	96.175	95.87
How to put it back to good use by other methods 049	Ton	-	18.84	15.882
Landfill safely 073	Ton	-	-	-
Co-burning in cement kiln 076	Ton	-	-	-
Chemical leak				
Significant number of chemical spills into land or water	Case	No leakage	No leakage	No leakage
Implementation of environmental laws				
Operating fines that do not comply with environmental laws	Million Baht	Never paid a fine	Never paid a fine	Never paid a fine



Environment	Unit	Y2021	Y2022	Y2023
The number of times in operation does not comply with environmental legislation.	Time	0	0	0
Water				
Water consumption	Million Cubic Meters	0.0253	0.0284	0.0297
Effluent volume	Million Cubic Meters	0.0202	0.0227	0.0237
Concentration of water consumption per operation process	Cubic Meters per ton production	0.000001158	0.000001098	0.000001467

Remark : * This information has not been verified by TGO

Environmental performance

Table of environmental performance according to the company's sustainability goals

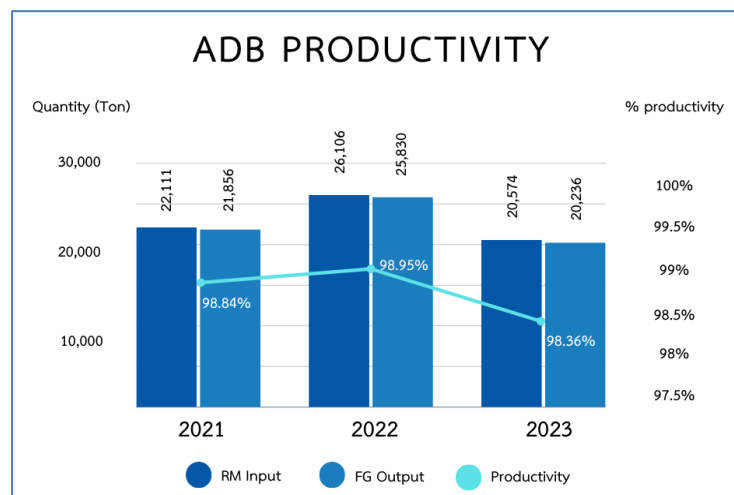
Year	No. of employees	Product Quantity (ton)	Production Efficiency (%Productivity)	Loss Rate (%loss)	Electricity consumption (Grid) per ton of product (kWh/ton product)	Electricity consumption per ton of product (kWh/ton product)	Water consumption per ton of product (m3/ton Product)	Water consumption per person (m3/person)	Total electricity consumption (kWh)	Grid electricity consumption (kWh)	Water consumption (m³)	Waste Generation (ton)	%ton waste/ton product	GHG* tonCo2eq Scope 1+2	GHG tonCo2eq/ton product Scope 1+2
2021	256	21,855.52	98.84%	1.16%	256.28	285.23	1.16	98.86	6,233,763.00	5,601,152	25,309.28	85.56	0.39%	3,181	0.146
2022	270	25,830.39	98.95%	1.05%	248.78	275.58	1.10	105.09	7,118,376.90	6,426,200	28,374.42	115.015	0.45%	3,638	0.141
2023	256	20,235.87	98.36%	1.64%	252.85	299.42	1.47	115.94	6,059,013.03	5,116,583	29,679.50	111.752	0.55%	2,763	0.137

Remark : * This information has not been verified by TGO

3.5.1 Efficient use of resources

The company is committed to using resources in production efficiently to reduce waste to a minimum and maximize production rate by improving technology, training employees' skills and enhancing work procedures and production factors appropriately to achieve the targeted production results. This will help the company reduce costs, increase productivity and minimize environmental impacts.

Production loss rate



In 2023, the company has set a target for a production loss rate of ≤ 1 , meaning production efficiency must be more than 99% or more, performance in 2023 has shown loss rate of 1.64 (production efficiency is 98.36 %) due to the economic slowdown in 2023, decreasing demand, intermittent production and some customers have adjusted their ordering methods by ordering small quantities led to greater loss, more cleaning process before changing the production grade for customers. However, the company has analyzed and taken steps to adjust production flexibility accordingly. In short-term operations, we have discussed with the sales department, adjusting production planning and use of machinery in accordance with the situation. As for long-term operations, the company has ordered one modern machine with a larger production capacity to replace the original two machines in order to increase variety in the appropriate size of product demand according to customer groups and reduce loss, work steps and environmental impacts in production as well. This new machine will be installed and ready for production by the third quarter of 2024.

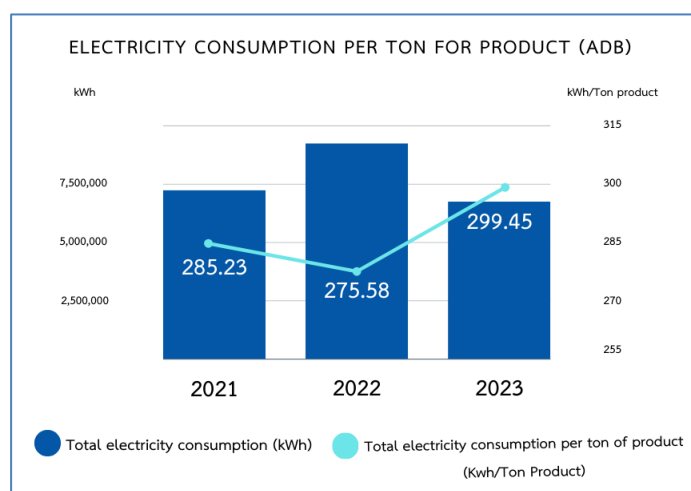
3.5.2 Ennergy Consumption

Electricity is an important source of energy used in the production process. The company therefore, management has been implemented to improve efficiency, promote energy efficiency and cost reduction to install technology to reduce electricity consumption including machine maintenance to reduce leakage and encouraging employees to save energy and resources both in the factory and in the office area.

The company uses electricity as an important energy source in the production process at 100%, diesel is used as fuel for transportation vehicles and forklifts only. Energy reporting and energy management reflect energy efficiency. This is a critical factor in business operations. In addition, energy management data enables companies to develop and improve energy efficiency and reduce energy wastage which is a cost in the business process.

Electricity usage rate

In 2023, the company has set a goal for the electricity consumption rate per product unit to decrease by $\geq 1\%$ (≤ 272.82 kWh/ton product) per product unit, the result has shown 299.45 kWh/ton product, which is higher than in 2022. Due to the fact that the company have faced decreased order according to the economic situation and the slowdown has caused production to decrease and be uneven. Another reason is that the company had constructions on progress and installation of machinery for medical PVC production lines and other construction and improvement projects caused the total electricity consumption rate per unit of product to be higher than the target. The solutions are consistent with productivity issues, by using improvement methods both in the short term with appropriate production planning and in the long term by procuring and improving machinery and processes to be modern and reduce steps as mentioned in Section 3.5.1.



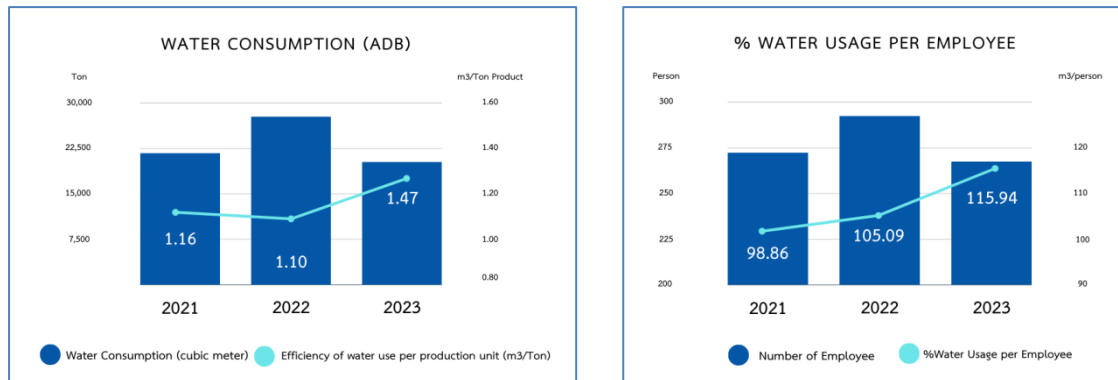
3.5.3 Water Management

Our 2 factories are located in Bang Pu Industrial Estate with both factories and using tap water from Bang Pu Industrial Estate. Had rate of water consumption in the daily consumption of employees that are not related to the production process, including monthly testing of fire extinguishing systems, Consumption account for more than 80% of the total amount of water usage. Another 20% was used as coolant system for production Trial and quality testing which would be the circulating water system.

The Company has provided leak check by the owner of the user and inspections from the maintenance personnel according to maintenance plans for infrastructure on a regular basis. In 2023, there were no major maintenance items caused by system leaks.

Water usage rate

In 2023, the company has set a target for the water use rate per unit of product to be reduced compared to the previous year at $\geq 5\%$ compared to 2022 (must have a usage rate of ≤ 1.045 m³/ton product). The result in Year 2023 was equal to 1.47 m³/ton product as the graph shows below.

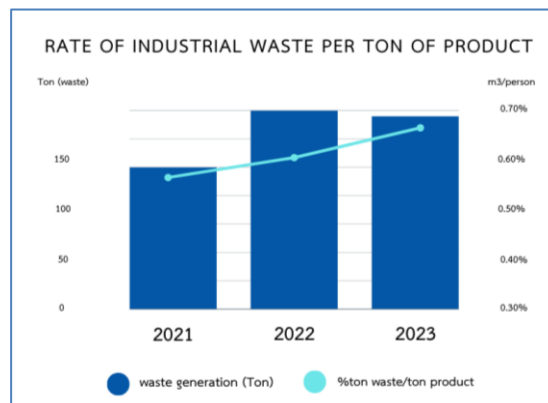


The main reason why the water usage rate is higher than target because in 2023 the company has installed a fire pump system, which includes testing the system and activities to clean the work area. However, the company has established main guidelines and measures for sustainable water use, such as planning to study and invest in the use of water-saving technology, adjusting the method for cleaning and cleaning the work area, examining water systems to determine strategies for appropriate water use and raising awareness among employees, etc.

3.5.4 Hazardous Waste Management

Reducing industrial waste management is important for the environment and sustainability. The company focuses on production efficiency by reducing waste to minimum by increasing the efficiency of the production process, recycling and reclaiming which involves waste separation, creating partnerships with recycling plants and promoting the use of recycled materials and storing of hazardous materials properly, and maintain equipment to prevent leaks, etc.

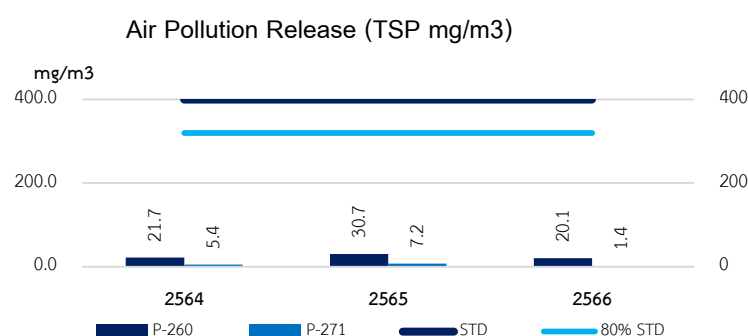
Industrial waste rate



In 2023, the company has set a target for the rate of industrial waste from operations per production unit to be reduced compared to the previous year by $\geq 2\%$ (≤ 0.44 ton/ton product) and the result was 0.55%. However, when comparing only the amount of industrial waste in 2023, it will be found that the amount is 115.015 tons, which is lower than in 2022, which had the amount of industrial waste at 111.725 tons, which related to discontinuous production as a result of the economic slowdown. Each order has a reduced order quantity caused frequent changes in the production line and machines need to be cleaned. This causes a higher level of contaminated waste from the cleaning process. However, the company is aware of this problem and has planned and focused on increasing production efficiency by investing in new machinery, and promoting 3Rs principle throughout the supply chain by collaborating with suppliers to reuse packaging as mentioned in Section 3.3.4 regarding supply chain management, etc.

3.5.5 Air pollution values from stacks

In the production section that releases dust, smoke, heat, odors, and various chemical residues, the Company has had a ventilation system that regularly checked and assessed the condition. However, there is still pollution mixed in the air into the environment. Therefore, pollution management risk is still an issue that senior executives still emphasizes by bringing the production technology to solve all the times by considering improvement and changing air treatment system and modern machinery in order to replace old machine in production. During the past 4 years, some machines have been improved to be automatic and some were still semi-automatic, and each year there will be a certification audit according to various law by external certified auditors annually. From the Company have monitored the environment throughout the work in the previous year, it found out that there was no any complaint or order of Bangpoo Industrial Estate to the Company to improve the work in any way, including setting up the targets for pollution management to achieve better air quality than the standard for 80%, resulting in all branches of factories could achieved the goal of 100%.



3.5.6 Global climate change

Reducing greenhouse gas emissions is essential to mitigating climate change and its adverse effects on the global climate to maintain a constant temperature and reduce the frequency of extreme climate events, slow down the rise of sea levels, preserve the ecosystem and improve human health. Adopting sustainable practices and transitioning to renewable energy are important steps in achieving this goal.

Aiming for carbon neutrality (Carbon Neutrality)

This is an important step in being a part of mitigating climate change and reducing the company's overall environmental impact of the company by striving towards carbon neutrality. The company is committed to balancing the amount of carbon dioxide released into the atmosphere with the amount of carbon dioxide removed or compensated. The goal of success is set in 2050, through measures and activities such as changing to use renewable energy sources, improving energy efficiency, promoting sustainable practices throughout the supply chain, investing in carbon offset projects. By committing to carbon neutrality, the company will be able to play a part in a sustainable future for the world.

Summary table of greenhouse gas management activities in 2023

Process	Working year 2023	Target
1. Managing GHG risks and identifying reduction opportunities		
Identifying risks associated with GHG constraints in the future.	The Company has assessed risks and opportunities in various aspects, along with specifying measures for implementation	The risk does not exceed the medium level.
Setting GHG targets	- Set a goal carbon neutral - Improve of Scope 3 database	- Year 2050 - Compiled base year selection

Process	Working year 2023	Target
	storage ■ Communicate and understand with partners for collecting Scope 3 data	reports. ■ Set a target to reduce greenhouse gas emissions in Scope 1&2 decreased from the previous year 5% ($\leq 3,456$ ton CO ₂ eq)
2. Measuring and Reporting progress		
■ Emission accounting and greenhouse gas calculations	■ Prepare a retrospective report in 2021-2023 in Scope 1&2.	■ Request CFO certification
■ Carbon Footprint of Product : CFP	■ Prepare and study information about operations.	■ Prepare a CFP prototype by 2025.

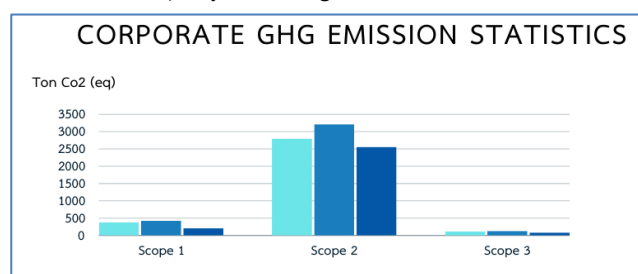
Gathering data to prepare greenhouse gas reports

The company has studied to find the source of significant greenhouse gas emissions in order to collect information, prepare a report on greenhouse gas emissions and disclose the information correctly. Company's goals Reports will be prepared for all factories of the company with the correct base year to set targets and find ways to reduce emissions appropriately.

However, it is essential to consider historical data and trends for a base year. In the beginning of 2023, the company has restructured by separating the business (spin off) the adhesive and sealant business to operate under ADB Sealant Co., Ltd. (ADBS), the company therefore needs to extend the time to verify the information that has been registered with the Administrative Organization. A. or equivalent and certified Carbon Footprint for Organization (CFO) from the original target set in 2023 to the new target in 2025.

Reducing greenhouse gas emissions

After the company has spun off, data collection has become more specific due to less fluctuation in the production process of the product. Activities in the production of PVC is less complicated than the adhesive and sealant business operated under ADB Sealant Co., Ltd. (ADBS). In 2023, the company has set targets for reducing greenhouse gases in Scope 1&2, decreasing from the previous year. 5% ($\leq 3,456$ ton CO₂ eq), which the company has greenhouse gas emissions in Scope 1 and 2 in 2023 at 2,763 ton CO₂ eq, which is a decrease of 24.05% from 2022, which is the main factor from energy use of circulating Solar Rooftop system that has been additionally installed in the manufacturing plant, Branch 271 since August 2023, which is an energy trading project between the Company and Bangkok Grand Pacific Lease Public Company Limited (BGPL) affiliated companies Asia Sermkij Leasing Public Company Limited (ASK), through BGPL, is responsible for the construction of the solar power system and allocates electricity for sale to the company which signed the contract on February 24, 2023



GHG	Scope1	Scope2	Scope3	Scope1+2	% decreased
Y2021	381	2,800	23	3,181	
Y2022	425	3,213	129	3,638	
Y2023	205	2,558	83	2,763	24.05

Remark : This information has not been verified by TGO

4. Management Discussion and Analysis (MD&A)

Management Discussion and Analysis for the year Ended December 31, 2023.

Applied DB Public Company Limited (the “Company”) or (“ADB”) is one of the leading manufacturers and distributors of plastic compound and industrial adhesive and sealant products to our main customers located in Thailand and overseas. The main customers are from the industrial sectors, located in ASEAN, Middle East, Africa, Europe and South America, that use our products in their production process. Besides, the Company also manufactures and sells the products under the Company’s brands and also under customers’ brands. Our revenue depends highly on an industrial growth leading by each industrial sector that uses the Company’s products in the production process such as wire and cable industry, real estate and construction industry, shoes and leathers industry. In addition, the demand of products also leads by the economic condition, private sector investments and government bidding projects. In 2023, the Company has implemented corporate restructuring plan with the transfer of a portion of the Company business to ADB Sealant Co., Ltd. (ADBS). The business segments that were transferred to the new company include adhesive segment and Sealant & DIY segment in order to increase the efficiency of the operation in the company as well as increasing competitiveness. The partial business transfer to ADB Sealant Co., Ltd. is legally effective on February 1, 2023 with the registered capital of THB 50.00 million. ADB currently holds 99.99% shares in ADBS. After restructuring, the business operation can be classified into 2 major categories, 1) Applied DB Public Company Limited, operated in Compound Business. The compound business segment can be classified into 3 subcategories including 1.1) Wire and Cable PVC (Plastic compound used in wire and cable industry); 1.2) General Grade PVC (Plastic compound used in general applications, Rigid PVC, and Polypropylene Split Yarn (PPY) and 1.3) Medical Grade PVC). 2) ADB Sealant Co., Ltd. operated in Adhesive & Sealant Business. The Sealant business segment can be classified into 3 subcategories including 2.1) Adhesive for customers in shoe and leather and furniture business. 2.2) Silicone Business for both cartridges and commercial use and 2.3) DIY Products

Performance Analysis

Table 1 : Financial Performance Financial Position as at 31 December 2022 and 2023

	2022		2023		Changes +,-	
	MB	%	MB	%	MB	%
Revenue from Sales	2,154.70	0.99	1,623.52	0.99	(531.18)	(24.65)
Cost of Sales	1,954.06	0.90	1,463.63	0.89	(490.43)	(25.10)
Gross Profit	200.64	0.09	159.89	0.10	(40.75)	(20.31)
Other Income	11.81	0.01	13.59	0.01	1.78	15.07
Net Foreign Exchange Gain	(3.02)	(0.00)	2.83	0.00	5.85	(193.71)
Profit Before Expenses	209.43	0.10	176.31	0.11	(33.12)	(15.81)
Distribution Costs	90.88	0.04	72.90	0.04	(17.98)	(19.78)
Administrative Expenses	110.85	0.05	129.69	0.08	18.84	17.00
Total SG&A	201.73	0.09	202.59	0.12	0.86	0.43
Earnings before interest and tax	7.70	0.00	(26.28)	(0.02)	(33.98)	(441.30)
Financial Costs	13.66	0.01	18.69	0.01	5.03	36.82
Profit before tax expenses	(5.96)	(0.00)	(44.97)	(0.03)	(39.01)	654.53
Tax expenses	0.97	0.00	1.73	0.00	0.76	78.35
Net Income	(6.93)	(0.00)	(46.70)	(0.03)	(39.77)	573.88
Other Comprehensive Income	3.43	0.00	3.58	0.00	0.15	4.37
Total Comprehensive Income for the period	(3.50)	(0.00)	(43.12)	(0.03)	(39.62)	1,132.00

*% is the proportion to the total revenue

Sales Revenue

For the year ended December 31, 2022 and 2023, our total revenue was THB 2,166.51 million and THB 1,639.95 million, respectively. From those amounts, revenue from sales was accounted of THB 2,154.70 million and THB 1,623.52 million, respectively, which represented the decrease of THB (531.18) million, or (24.65%) The decrease in revenue was mainly attributed to the decrease of revenue from Compound Segment that went down for THB (319.49) million, or (24.94%) compared to the same period of FY 2022. The lower revenue led by the demand of Wire & Cable PVC went down for THB (249.86) million or (33.51%) compared to the same period of FY2022. The majority revenue of Wire & Cable segments derives from large wire and cable manufacturers, which supply the products to both government projects invested in the infrastructure and electrical supplies. However, those revenue have been impacted by the delay of the government fiscal budget after the election and lower selling price due to the weak demand of wire cable and chemical price in 2023. Furthermore, For General Grade PVC, it also experienced weaken demand of THB (57.75) million, or went down of (26.05%) from its revenue of 2023. Additionally, pharmaceutical graded compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. also went down for THB (11.87) million with less impact from global economic slowdown. For the operating revenue of ADB Sealant Co, Ltd., it is classified as revenue from adhesive and sealant products. For adhesive products, the revenue also decreased for THB (211.69) million, or (24.20%) In Sealant and DIY Business, our revenue dropped for THB (128.62) million in 2023 or (37.27)% compared to the same period of last year as those segments have been impacted from the global economic slowdown and price competitions. When we combined our revenue from 3 Business Segments, the revenue of Compound Business, Adhesive and Sealant Business was THB 961.53 million, THB 255.65 million and THB 406.34 million, or 59:16:25 respectively, compared to the revenue of 2022 was at 59:14:27

Table 2 : Revenue breakdown by Business – for the year ending December 31

Revenue of Business	For the year ended					
	Jan-Dec 2022		Jan-Dec 2023		Increase (decrease)	
	MB	%	MB	%	MB	%
Wire and Cable PVC	745.61	34.60	495.75	30.54	(249.86)	(33.51)
General Grade PVC	221.65	10.29	163.90	10.10	(57.75)	(26.05)
Medical Graded PVC	313.75	14.56	301.88	18.59	(11.87)	(3.78)
Total Plastic Compound Business	1,281.02	59.45	961.53	59.23	(319.49)	(24.94)
Adhesive	294.77	13.68	255.65	15.75	(39.12)	(13.27)
Total Adhesive Business	294.77	13.68	255.65	15.75	(39.12)	(13.27)
Silicone	344.93	16.01	216.31	13.32	(128.62)	(37.29)
DIY & Related products	233.98	10.86	190.03	11.70	(43.95)	(18.78)
Total Silicone & Sealant Business	578.91	26.87	406.34	25.02	(172.57)	(29.81)
Total Revenue	2,154.70	100.00	1,623.52	100.00	(531.18)	(24.65)

In terms of main customer types by industry, approximately 68.45% of our revenue were classified under Real Estate and construction including Plastic compound and Sealant products. For the Plastic Compound group, the Company main targets are large wire and cable manufacturers who supply the products to both government projects and industry group in Real Estate and Construction segment. Furthermore, our General Graded PVC has also supported customers in those segments as well. For the sealant products, the main target group was the private sector in construction segment, while 10.62% of sales derived from Shoes and Leathers Industry selling under adhesive products. For automotive segment, it was accounted of 9.30% of total revenue, of which, most of the products were small package products for household use (DIY). The product applications were widely used in the decoration, repairment and parts and accessories of Automotive assembling industry. The rest of 11.63% was attributed to other industries.

Table 3 : Revenue by Industry – for the year ended December 31

Revenue by Industry	For the year ended					
	2021		2022		2023	
	MB	%	MB	%	MB	%
Real Estate and Construction	1,171.43	69.81	1,511.14	70.13	1,111.30	68.45
Shoes and Leathers	158.48	9.44	215.68	10.01	172.49	10.62
Automotives	165.09	9.84	192.07	8.91	150.95	9.30
Others	183.00	10.91	235.81	10.94	188.78	11.63
Total Revenue	1,678.00	100.00	2,154.70	100.00	1,623.52	100.00

In terms of revenue breakdown by geography, in 2023, revenue from local customers was THB 1,237.62 million from the total revenue of THB 1,623.52 million, or accounted for 76.23% of total revenue, or decreased from 2022, of which, revenue from local customers was THB 1,667.65 out of the total revenue of THB 2,154.70 million, or accounted for 77.40% of total revenue. The decrease of local revenue for THB (430.03) million or (25.78%) was mainly attributed to the decrease in Compound products sold to wire and cable companies to support the mega project's investment in the infrastructure and electrical supplies. While, the oversea customers were attributed to the weak demand and price competition in South East Asia and Africa markets due to the downstream of chemical material price globally and price war of Chinese manufacturers.

Table 4 : Revenue by Geographical segments

Geographical Segments	2021		2022		2023	
	MB	%	MB	%	MB	%
Thailand	1,237.03	73.72	1,667.65	77.40	1,237.62	76.23
Nigeria	61.19	3.65	58.04	2.69	68.22	4.20
Kenya	49.03	2.92	42.88	2.00	29.89	1.85
Singapore	27.66	1.65	34.13	1.58	19.63	1.21
Philippines	29.15	1.74	32.58	1.51	29.66	1.83
Bangladesh	47.05	2.80	41.62	1.93	37.72	2.32
Myanmar	37.55	2.24	41.81	1.94	37.66	2.32
India	37.67	2.24	45.78	2.12	41.08	2.53
Egypt	32.54	1.94	55.40	2.57	46.96	2.89
Vietnam	27.53	1.64	52.61	2.44	18.37	1.13
Other	91.59	5.46	82.19	3.81	56.70	3.49
Total	1,677.99	100.00	2,154.69	100.00	1,623.52	100.00

Cost of Sales and Gross Profit

In 2022 and 2023, cost of sales decreased from THB 1,954.06 million to THB 1,463.63 million, respectively. The cost of sales consists of cost of Plastic Compound Business for THB 912.75 million, costs of Adhesive Business for THB 212.25 million; and cost of Sealant and DIY Business for THB 338.63 million in 2023. Gross profit margin of Compound Business has been impacted from the price competition among local PVC manufacturers during the weak demand of the products. The delay of some infrastructure expansion projects was the impact on the late budget disbursement of fiscal year 2023. On the other hand, margins from adhesives and sealant and DIY products increased from 11% to 17% due to the lower material production costs. The following table indicates the breakdown of cost of sales by business segment.

Table 5 : Cost of sales and Gross Profit

Cost of sales and Gross Profit	Jan-Dec 2022	Jan-Dec 2023
	MB	MB
Cost of Sales : Plastic Compound Business	1,172.71	912.75
Cost of Sales : Adhesive	263.11	212.25
Cost of Sales : Sealant & DIY Business	518.24	338.63
Total Cost of Sales	1,954.06	1,463.63
Gross Profit : Plastic Compound Business	108.31	48.78
Gross Profit : Adhesive	31.66	43.40
Gross Profit : Sealant & DIY Business	60.67	67.71
Gross Profit	200.64	159.89
Gross Profit Margin : Plastic Compound	8.46%	5.07%
Gross Profit Margin : Adhesive	10.74%	16.98%
Gross Profit Margin : Sealant & DIY Business	10.48%	16.66%
Gross Profit Margin	9.31%	9.85%

Overall performance, gross margin of plastic compound business decrease in 2023 caused by rising production cost and weak demand during FY2023, leading to the price competition among PVC for wire and cable in the market; while the global oil price has also impacted to the plastics manufacturers in 2023 as the Russia-Ukraine war has been the threat of energy supply shortfall. Those rising chemical materials and rising production costs led to the negative impact in 2023 overall margin of Plastic Compound segments. For Adhesive and Sealant products, gross margin has been rising as the material costs including Synthetic Rubber, Toluene and other solvent materials using for industrial adhesive production were stable and less fluctuation, led to the overall increase in Gross Margin in Adhesive segment. In Sealant and DIY Business, the margin increased from last year as Silicone materials to be used for productions have been decreasing to the normal status with less material speculation in the markets.

Selling & Administrative Expenses

Total selling and administrative expenses in 2023 increased THB +0.86 million, or +0.43% from 2022. The increase in selling and administrative costs was mainly due to the following reasons;

Table 6 : Selling & Administrative Expenses

Selling & Administrative Expenses	Jan-Dec 2022		Jan-Dec 2023		Increase (decrease)	
	MB	%	MB	%	MB	%
Selling Expenses	90.88	45.05	72.90	35.98	(17.98)	(19.78)
Administrative Expenses	110.85	54.95	129.69	64.02	18.84	17.00
Selling & Administrative Expenses	201.73	100.00	202.59	100.00	0.86	0.43

Selling Expenses

Total selling expenses decreased for THB (17.98) million or (19.78%) from THB 90.88 million in 2022 to THB 72.90 million in 2023. The decrease of selling expenses was primarily due to decrease sales revenue from domestic customers leading the decrease transportation expenses both local & oversea logistics activities associated with the decrease in sales volume. In addition, less commission was paid to sales person and sales team in accordance with decreasing in sales revenue.

Administrative Expenses

Total administrative expenses in 2023 increased for THB +18.84 million or +17.00% from THB 110.85 million to THB 129.69 million during the same period of last year. The significant increase of administrative expenses was mainly related to the special reserve for allowance for doubtful accounts of and operating expenses associated with the business restructuring after spin-off ADB Sealant Co., Ltd. throughout 2023.

Finance Costs

When compared to the finance costs between 2022 and 2023, total finance costs increased from THB 13.66 million to THB 18.69 million, respectively. A significantly increase of finance costs for THB +5.03 million or +36.82% was mainly due to the uprising in market interest rates of commercial bank loans.

Net Profit

The Company had a net profit of 2023 for THB (46.70) million, or decreased of THB (39.77) million from net Profit of THB (6.93) million of 2022. The lower selling price from PVC Resin and Plasticizers to be used as additive solutions went down due to the weak demand of global chemical materials around the world while the global oil price has also impacted to the plastics manufacturers in 2023 as it is by products of petroleum. Besides the lower margin from weak demand of the products, our selling & administrative has been affected by the legal and advisory fees associating with the corporate restructuring on partial business transfer of ADB Sealant Co., Ltd. Due to the rising of administrative expenses associated with lower gross margin from sales, the Company reported net loss of the total THB (46.70) million in 2023.

Total Assets

As at December 31, 2022 and 2023, the Company had total assets of THB 1,626.39 million and THB 1,410.69 million, respectively. The company's main assets were mainly consisting of trade accounts receivable and other receivables, inventories, and property, plant and equipment. Among these assets; it can be classified as current assets for THB 1,111.83 million and THB 880.14 million and non-current assets for THB 514.56 million and THB 530.55 million, respectively.

Significant changes in assets in 2023 are summarized below;

1. Current Assets

- Cash and cash equivalents as at December 31, 2023, the overall cash and cash equivalents decrease of THB (60.96) million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. In December 31, 2023, our net cash flow received from operating activities for THB +176.96 million, mainly attributed to the decrease of inventories for THB +126.79 million and decrease of accounts receivable for THB +74.51 million. Additionally, the cash has also been used for the investment of fixed assets for THB (10.23) million. In financing activities, the company has net cashflow used in financing activities for THB (238.73) million mostly to repay of short-term and long-term bank loans as our Company has less working capital to be used for material purchase in accordance with less volume and purchase price.
- Trade accounts receivable as at December 31, 2022, and December 31, 2023, trade accounts receivable decrease of THB (68.78) million was led by the significantly lower in revenue from sales this year compared to our revenue during the same period of last year.

Unit (MB)	For year ended	
	31 December 2022	31 December 2023
Related parties	0.59	0.49
Other receivables	448.27	382.35
Total Receivables	448.86	382.84
Less allowance for doubtful accounts	(2.45)	(5.17)
Net Accounts Receivable	446.41	377.67

The allowance for doubtful accounts was set by considering ability to collect cash by using the percentage of outstanding balance over the different period of time. In addition, fully reserve 100% will be set once there are factors trigger to the potential credit defaults of any receivables. The increase of allowance for doubtful accounts was reserved due to the delay of the

payment of some oversea customers operated under ADB Sealant Co., Ltd. Consequently, the overall collection period increased from 70 days as at December 31, 2022 to 91 days as at December 31, 2023.

- Inventories as at December 31, 2022, and December 31, 2023, a decrease in inventory of THB (127.63) million was primarily the result of decreasing stocking level of finished products and materials as well as lower material costs of finished products and materials compared to last year.

Unit (MB)	For year ended	
	31 December 2022	31 December 2023
Finished goods	144.54	113.65
Raw materials	295.22	186.53
Work in process	23.61	23.77
Factory supplies	35.65	31.97
Goods in transit	20.88	37.18
Allowance for decline in value	(9.31)	(10.15)
Net Total	510.58	382.95

2. Non-current Assets

- Property, plant and equipment as at December 31, 2022, and December 31, 2023, a decrease in net property, plant and equipment of THB (33.53) million was the result of the depreciation of those fixed assets and sale of fixed assets that has not been used for THB (15.40) million.

Total Liabilities & Shareholders' Equity

As at December 31, 2022 and December 31, 2023, the Company had total liabilities of THB 982.66 million and THB 810.09 million, respectively. The company's major liabilities were consisting of bank overdrafts and short-term borrowings from financial institutions, trade accounts payable, and other payables, and long-term loans from financial institutions. During this period, the Company had shareholders' equity of THB 643.73 million and THB 600.60 million, respectively. At the end of 2023, the Company's shareholders' equity consisted of paid-up capital of THB 363.00 million. The other shareholders' equity included share premium of THB 202.20 million, surplus on share-base payment of THB 0.31 million, appropriated to legal reserve of THB 20.64 million, unappropriated reserve of THB 14.38 million and other component of shareholders' equity of THB 0.06 million.

Significant changes in liabilities and shareholders' equity of 2023 are summarized below;

1. Current Liabilities

- Short-term borrowings from financial institutions as at December 31, 2022, and December 31, 2023, a decrease in short-term loan of THB (175.96) million was the result of the lower chemical material price and less inventory reserved during Q4/2023 to secure with the next quarter orders from customers.
- Trade accounts payable as at December 31, 2022, and December 31, 2023, an increase of accounts payable of THB +5.33. During FY 2023, the average accounts payable period decreased from 46 days as at FY 2022 to 60 days as at FY 2023.

2. Non-current liabilities

As at December 31, 2023, the Company's non-current liabilities consisted of lease liabilities of THB 36.18 million, and the provisions for employee benefit of THB 43.22 million with the reference of the actuarial report from the actuarial experts.

3. Shareholders' equity

As at December 31, 2023, the Company's shareholders' equity of THB 600.60 or a decrease of THB (43.13) million, was the results of net loss from operation in 2023.

Financial Ratio Analysis

Table 7 : Key Financial Ratios

Financial Ratio	Unit	For the year ended			
		31 December 20	31 December 21	31 December 22	31 December 23
<u>Liquidity Ratio</u>					
Current Ratio	Times	1.46	1.36	1.20	1.20
Collection Period	days	92	81	70	91
Inventory Period	days	91	96	89	110
Accounts Payable Period	days	67	58	45	59
<u>Profitability Ratio</u>					
Gross Profit Margin	%	19.53	16.36	9.31	9.85
Net Profit Margin	%	5.05	4.45	(0.32)	(2.85)
Return On Equity	%	11.36	11.39	(1.04)	(7.51)
<u>Turnover Ratio</u>					
Return on Assets	%	5.58	5.61	(0.45)	(3.08)
Asset Turnover	Times	1.11	1.26	1.41	1.08
<u>Financial Policy</u>					
Debt to Equity	Times	0.93	1.13	1.53	1.35
Interest Coverage Ratio	Tunes	6.37	9.84	0.56	0.25

1. Current Ratio

As at December 31, 2023, our liquidity ratio was stable at 1.20 times in December 31, 2023 compared to the same period of last year. For Liquidity management, the collection period increased from 70 days in 2022 to 91 days in 2023, primarily due to the delay of some overseas payments operated under ADB Sealant Co., Ltd. In addition, our inventory period also increased from 89 days in 2022 to 110 days in 2023 because of less sales turnover from customers compared to the same period of last year. Additionally, our accounts payable days also increased from 45 days to 59 days in 2023 compared to the same period of 2022.

2. Profitability Ratio

The Company gross profit margin slightly increased from 9.31% in 2022 to 9.85% in 2023. Although the gross margin of plastic compound business significantly decreased in 2023 caused by rising production costs of PVC production from lower production volume of PVC for wire and cable business and fluctuation of raw material price from the global energy crisis around the world; Adhesive and Sealant gross margin has been rising as lower material costs including Synthetic Rubber, Toluene and other solvent materials used for industrial adhesive production led to the overall increase in Gross Margin in Adhesive segment. In Sealant and DIY Business, the margin slightly increased compared to last year as Silicone materials to be used for productions have also been decreasing to the normal status with less material speculation in the markets. However, our selling & administrative expenses have been affected by the legal and advisory fees associated with the corporate restructuring on partial business transfer of our subsidiary, ADB Sealant Co., Ltd. As a result, the net profit margin decreased from (0.32%) in 2022 to net loss of (2.85%) in 2023. Additionally, Return on Equity also decreased from (1.04%) in 2022 to (7.51%) in 2023.

3. Turnover Ratio

As at December 31, 2023, the Company return on assets decreased from (0.45%) in 2022 to (3.08%) in 2023. In addition, our asset turnover decreased from 1.41 times to 1.08 times in 2023 due to less sales transaction. While the assets decreased, we can generate lower growth in revenue generated from product selling compared to the growth of asset invested.

4. *Financial Policy*

Debt to Equity ratio decreased from 1.53 times in 2022 to 1.35 times in 2023 due to less short-term bank loans from financial institutions; while the rising market interest rate are the major factor to drive the increasing of interest expenses from THB 13.66 million to THB 18.68 million in 2023. With the decrease of earnings before interest and tax and rising interest expenses, our interest coverage ratio dropped from 1.78 times in 2022 to 0.25 times in 2023.

5. General Information and other Important Information

5.1 General information of other referential persons

Securities Registrar	Thailand Securities Depository Co.,Ltd. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400. Tel. 02-009 9000 Fax. 02-009 9991
Auditor	Ms.Sawitree Ongksirimemongkol Certified Public Accountant No.10449 KPMG Phoomchai Audit Co.,Ltd. No. 1 Empire Tower Floor 50-51 Sathorn Tai Road, Yannawa, Sathorn, Bangkok 10120. Tel. 0-2677 2000 Fax. 0-2677 2222
Internal outsourcing service	Ascent Advisory Co.,Ltd. No. 26/55 Nang Linchi Road, Thung Maha Mek, Sathon, Bangkok 10120. Tel. 090-962 4799

5.2 Other important information

5.2.1 Other information that may influence investors' decision-making significantly

- None -

5.2.2 Restrictions on foreign shareholders

- None -

5.3 Legal disputes

As of December 31, 2023, the Company and its subsidiaries have neither a legal dispute that might have a negative impact to the Company or its subsidiaries' assets with the value exceeding 5% of the shareholders' equity nor a dispute that significantly impacts the operations of the Company or its subsidiaries which cannot assess the impact in numbers, including no legal dispute arising from the non-normal operation of the Company and its subsidiaries that need to be disclosed or has not been finalized.

5.4 Secondary market

- None -

5.5 Financial institution with regular contact (only in case of debt securities offeror)

- None -



2 Corporate Governance





Part 2

Corporate Governance

The company operates its business with responsibility, transparency and fairness within the framework of the code of conduct of the company. Which, the Board of Directors committed to maintain the principles of good corporate governance and conduct in an ethics, respect for rights, social responsibility, environment and various stakeholders. Corporate governance will support the sustainable business value as well as maintain transparent, honest, responsible management. It is also an important factor that leads the company to complete ethically under changing business conditions. By increase the value and maximum return to the shareholders. Moreover, the company creates benefits for society, community, environment including various stakeholders in the long term as well as maintain the credibility and create value for the shareholders.

The Board of Directors prepared and implemented the corporate governance policy to support the duties performance properly as well as review and update the policy at least once a year. In order to comply with the principles of good corporate for listed companies, the year 2017 is appropriate and creates confidence. The effectiveness in performing duties of the board of directors in corporate governance of the company.

6. Corporate Governance Policy

6.1 Overview of the Policy and Guidelines

Policy and Practices for the Board of Directors

The Company has established a Good Corporate Governance policy In 2023, the Board of Directors has reviewed and revised key contents to suit the current situation, applicable to both parent companies and subsidiaries. which is in accordance with good corporate governance principles for listed companies on the Stock Exchange of Thailand. with objectives for the corporate governance. Which laid down the 8 guidelines for the Board of Directors as following:

- | | |
|---------------------------|---|
| <u>Principle 1</u> | Establish Clear Leadership Role and Responsibilities of The Board as an organization leader that creates sustainable value for the business. The scope is applicable to both parent company and subsidiary company. |
| <u>Principle 2</u> | Define Objectives that Promote Sustainable Value Creation. |
| <u>Principle 3</u> | Strengthen Board Effectiveness. |
| <u>Principle 4</u> | Ensure effective CEO and People Management. |
| <u>Principle 5</u> | Nature Innovation and Responsible Business. |
| <u>Principle 6</u> | Strengthen Effective Risk Management and Internal Control. |
| <u>Principle 7</u> | Ensure Disclosure and Financial Integrity. This section has been amended to the Confidentiality of Data and Retention and Destruction sections. |

Corporate Good Governance is important and necessary for business operation to increase the competence of the competition of the company for sustainable growth and to increase the reliability for shareholders, investor and related parties. The company always focuses on the business operation in accordance to Good Corporate Governance and perform in compliance with legal requirement, and the regulation of Securities and Exchange Commission (SEC) and Stock Exchange of Thailand strictly as agreed in accordance to Good Corporate Governance, also provide knowledge to staffs regarding Good Corporate Governance, including company's ethics. These are to create sustainable value to enterprise by set up the policy of Good Corporate Governance in order for the Board of Directors, Executives and staffs to hold as practices guidelines, expects for achievement and work guidelines in 4 dimensions as follows:

- 1) Competitiveness and performance with long-term perspective.
- 2) Ethical and Responsible Business.
- 3) Good corporate citizenship.
- 4) Corporate resilience.

The Board of Directors and the Executives have guidelines to achieve the above objectives as follows:

- 1) Provide a system to ensure that all shareholders and stakeholders are treated fairly and equally.
- 2) Supervise the Management to operate in accordance with the established policies with efficiency within the framework of policies, laws, and business ethics for the maximum benefit of the shareholders
- 3) Supervise the operations of the Management to be transparent, honest, verifiable, and to disclose sufficient information to all related parties.
- 4) Provide an internal control and audit system to be efficient, independent, and beneficial to the development and improvement of the organization.
- 5) Determine the Code of Conduct and Code of Ethics for the employees in writing and inform them about these so that the Directors, the Executives, and the employees can use them as guidelines for proper practice and the results can be verified and followed up.

Remuneration for Directors and Executives

The Company has established a director's remuneration structure. Executives and personnel of the Company To be an incentive for all levels to perform their duties in accordance with the objectives The main goals of the organization and consistent with the long-term interests of the business are as follows:

- 1) To provide remuneration for directors in which could compare with the industrial standard for experience, Accountability and Responsibility, including expected benefit from each director. For director who has more assignment such as: member of sub-committee, shall have additional and appropriate remuneration such as, Directors should also receive appropriate additional compensation.
- 2) To provide remuneration for Board of Directors and top management in accordance with the principle and policy set up by Board of Director in order to maximize Company's benefit. Level of remuneration in terms of salary, bonus and motivated incentive shall in accordance with the performance of each executive based on the benefit of shareholders.
- 3) All directors who are not management, Nomination and Remuneration Committee shall assess the performance of directors and executive every year in order to set up the remuneration for director and executive by using agree the concrete indicator with directors and executives, including financial performance regarding long term strategic objectives, executive development, etc. and proposes the preliminary assessment to Board of Director for consideration and approval. Chairman of Board of Director and Senior Director shall communicate the result to Board of Director for acknowledgment.

The committee approves the criteria and factors for the performance appraisal. as well as approve the remuneration structure of the top executives and follow up with the Chief Executive Officer to assess the senior management in accordance with the aforementioned assessment principles and take part in overseeing the determination of criteria and factors for the performance appraisal for the whole organization. Executives and personnel of the Company Can be compared to companies in the same industry.

Policies and practices towards stakeholders of the business

The Company regularly analyzes the stakeholders of the business. There is an assessment for risks and impacts that may arise from the Company's business operations. It also aims for achieving a balance or satisfaction in managing relationships with stakeholders appropriately. In this regard, the importance and relationships with stakeholders are considered as follows:



Shareholder

The Company uses Principle 8 to support participation and communication with shareholders. Consistent with the principles of corporate governance in 2017 as a practice To achieve equal treatment to shareholders. The Board of Director commits to facilitate the shareholder to exercise the right and has duties to protect every shareholder interest equally, both institution investors or major and minor shareholders, as the investor of the Stock Exchange Market and as the shareholders who are the owner of the company according to the Good Corporate Governance of the Stock Exchange of Thailand which is accepted. The Board of Director has the main duties according to the practices as follows:

1. To govern the shareholder to participate in major decision of the company.
2. To govern the arrangement for the shareholder meeting before the date of meeting, meeting in order to be readiness in all dimension with neat, transparency and efficient.
3. To govern to disclose the resolution of the shareholder meeting and to provide minutes of meeting of shareholder meeting correct, complete and real time.

Right of Shareholder

- 1) Shareholder has the right of ownership by controlling the company through the nomination of Directors to perform duties on behalf of shareholders and has the right to make decision for the major change of the company. The company also supports shareholders to exercise their own rights.
- 2) Fundamental right of shareholders namely; trading, or transferring of shares, being entitled to profit sharing of the company, receiving sufficient information of the company, attending the shareholders meeting in order to vote, to appoint, to dismiss directors, to nominate auditors, and to decide on the matters which may impact to the company such as dividend appropriation, determination or amendment of the company's Articles of Association, and Memorandum of Association, capital reduction or capital increase, and approval of special matters, etc.
- 3) Shareholder shall be aware of rules and procedure for attending the meeting and have sufficient information and appropriate time for consideration of each agenda prior to the meeting, having an opportunity to ask directors questions in the meeting and to submit questions in advance, having an opportunity to propose agenda meeting, and having right to authorize proxy for others to attend the meeting.
- 4) The Board of Directors shall realize and recognize the importance of right of shareholders, do not perform any action which may violate or deprive the shareholder's rights.

Practical Guidelines for Shareholders Meeting

- 1) The Board of Directors discloses policy to encourage and to promote all shareholders groups, including institutional shareholders to participate in the shareholders meeting.
- 2) The Board of Directors supervises the company to provide information, date, time, location and agenda meeting with the explanation and supporting document for each agenda or supporting to each proposed resolution as stated on the notice of the annual general meeting of the shareholder and the extraordinary general meeting of the shareholder or enclosed document of each agenda. The company will not commit any acts which may limit the opportunities of shareholder to receive the company's information.
- 3) The Board of Directors facilitates shareholder to exercise the right of attending the meeting and to fully exercise their rights. The company will not commit any acts which may limit the opportunities of shareholder to attend the meeting such as participating in the meeting for voting which shall not have any complicated or more expenses. The location for the shareholder meeting shall easy for travelling, etc.



- 4) The Board of Directors provides opportunities to shareholders to ask questions and express their opinions in advance prior to the shareholder's meeting date by clearly defining criteria of question submission and inform shareholders, together with the notice of shareholder meeting. In addition, the criteria of question submission will be published in advance on the company's website.
- 5) The Board of Director encourages shareholders to appoint any person as a proxy in which shareholder may direct to cast a vote. The company also proposed the name of independent director, at least one person to be alternative for shareholders to authorize a proxy.
- 6) The Company arranges meetings via electronic media. A meeting invitation letter and supporting documents for instructions on the registration process via electronic media both Thai and English versions are sent out. Assigning the Registrar of Securities Depository, a letter to the shareholders is sent out 14 days in advance before the meeting and a complete invitation letter for shareholders is published on the Company's website 21 days in advance before the meeting according to the rules of the Stock Exchange of Thailand. A letter of invitation and other attachments are prepared through a QR Code format for quick and easy access. This is to reduce resource utilization.

Conducting on Shareholder Meeting

- 1) The Board of Director encourages the company to bring technology for implanting in the shareholder meeting for registration of shareholders, counting vote and reporting in order to facilitate the meeting rapidly, accurately and precisely. Meetings and broadcast are also made through various electronic media and social media.
- 2) All directors shall attend the shareholders meeting and allow shareholder to ask question to related Chairman of each Sub-Committee.
- 3) During the shareholder meeting shall provide casting vote for each agenda, in case of several agenda such as; appointment of director.
- 4) The Board of Directors encourages the company to nominate person who is independent to count or inspect the vote during the annual general meeting of the shareholder and the extraordinary general meeting of the shareholder and discloses to the meeting, together with record on the minutes of meeting.
- 5) The Board of Directors encourages to use the ballot paper for major agenda such as related transaction, asset acquisition or disposal, etc. in order for transparency and inspection in case of any dispute after that.
- 6) The Chairman of the meeting shall allocate appropriate time and encourage shareholder to express opinions and ask questions related to the company.

Preparation of Minutes of Meeting and Disclosure of Shareholder's resolution.

- 1) The minutes of shareholder meeting which notifying voting procedure and counting vote in the meeting prior to the meeting the shareholder shall be informed before a meeting starts. The company also provides opportunities for shareholder to ask question or to express their opinions. In addition, the company also records questions, answers and voting results of all types, agreement, and disagreement for each agenda. A record of the meeting is clearly made, a number of votes in each agenda is clearly recorded covering agreement and disagreement in each agenda where the voting is required, including a record of names and position of directors who attend the meeting and those who do not attend the meeting is made.



- 2) The company discloses the result of voting of each agenda the annual general meeting of the shareholder and the extraordinary general meeting of the shareholder to the public on the next date of the shareholder meeting via the company's website.
- 3) The company received Quality assessment results of the Annual General Meeting of Shareholders for the year 2021 (AGM Checklist) by the Thai Investors Association, the Company received a rating of "Excellent" (4 Star).

Partners or Creditors

- 1) The company treats partners and/or creditors equally, equality, and fairly by emphasizing on the company's ultimate interest and based on the equal return to both parties.
- 2) Provide written criteria for partners selection and inform partners in advance.
- 3) Use copyright product and services and do not support products or any actions that are intellectual property infringement.
- 4) Provide an appropriate contract and under the same standard.
- 5) Provide management and follow-up system to ensure the compliance with a contract, also provide internal control system to prevent corruption at all stages or procurement process.
- 6) Make payment to suppliers on time and strictly comply with conditions as agreed and without any penalty when breach of contract.
- 7) Do not seek confidential trade information of business partners in a dishonest or inappropriate manner, such as payment commission to employees or executives of competitors.
- 8) Never accuse partners without truth.
- 9) Avoid situations that cause conflict of interest, including comply with obligation of the contract.
- 10) To use real information and accurate report. Negotiation and problem solving shall be based on business relationships that beneficial to all parties.
- 11) Comply with contract or agreed conditions strictly, including obligations and liabilities that may arise in the event that one of the conditions cannot be fulfilled or causes a default payment. The party shall inform creditors without concealing the facts, in order to find a way to solve problems by using reasonableness principles.
- 12) Manage capital to have proper structure in order to support the company's business operations and maintain credibility with creditors.
- 13) Commit to maintain a sustainable relationship with creditors and provide mutual trust.

Customers or Debtors

- 1) The company has fair policies and practical guidelines and is accountable to customer clearly and concretely. The company has good attitude toward working and emphasizes on customers. The company's employees are enthusiastic, generous, polite and always keep customer's confidential information. The company's employees never use such information for their self-interest or other's and treat minor and major customers equally.
- 2) Deliver quality products that meet customer's agreement at the reference price in the market, which is able to compete with others.
- 3) Provide accurate, sufficient and up-to-date information and suggestions about product and services to customers.
- 4) Strictly comply with different customer conditions. In the event that any conditions cannot be met, shall inform customer as soon as possible in order to find solutions for problem solving together.



- 5) Provide process which allows customers to complain about quality, services, procedure, provide consultation, quick response and delivery, and ultimate operation to enable customers to receive rapid response.
- 6) Allow customers to visit factory and inspect the system according to customer's standards, facilitate and provide customer to have convenience and independence for inspection. The company and employees who are inspected have a chance to clarify information directly and gain effective suggestions, exchange regulations or work procedure in order to improve and develop process of quality product and services to provide customer more responsive.

When working with partners and customers, the company provides opportunities for both parties to visit and inspect the working process and evaluate the performance for quality and satisfaction. The major customers will have the quality process inspection schedule at least 3 times a year. Result of inspection by customer or any request to improvement the working process will be fully supported by both parties. Any item that is recommended for improvement, the company has already implemented.

The company has clearly defined policy for treatment to partners related to vendor selection, assessment of quality and services for partners in accordance with the standard which informed in advance yearly. The company also informs the result to partners in order to develop the further delivery and also utilize the result for further planning at the partner's operation site.

In 2023, the Company communicated the Anti-Corruption Policy to business partners which is an important criterion that new business partners must acknowledge and sign the intention against corruption with the company, especially Tier 1 suppliers, we will increase the environmental standards and sustainability screenings. All feedbacks have not been received in writing, but the company will continue to work for achieving the goals of management and development with partners.

For partners or customers which jointed businesses and concerned with intellectual property, the company will make confidentiality agreement and related contract mentioned that never utilize the interest or intellectual property of partners or customers for its own use.

Competitors

- 1) The company has a fair policy and practical guidelines and be responsible to competitors clearly with ethics and in the legal framework.
- 2) The company has a policy for free trade and base on the faith that competitor will assist for further development in product and services standard and new innovation in order to response to the additional customer requirement.
- 3) Do not intentionally destroy a competitor's reputation by making misleading or false allegations without the fact.
- 4) Do not seek confidential information from competitors by illegal means.

Employee

- 1) The Company has a clear policy and procedure for approving connected transactions to prevent potential conflicts of interest.
- 2) The company has policies and practical guidelines on safety and hygiene workplace for employees, including creating a good working environment, encouraging employees to have good physical and mental health and to work happily. There are annual activities such as Activities to reduce belly fat disease



- Organize annual parties, 5S activities, etc. to enhance unity and good relationships among employees in all levels.
- 3) The company has realized the importance of employees, in order to achieve personnel development goal, the company organize the structure to have no more than 3 levels of approval hierarchy, recruits and hires knowledgeable and experienced personnel to work and to serve the company's need and growth. The company continually offers knowledge and competency development program to equip employees with high level of knowledge and to create good and talent employee in the organization.
 - 4) The company has concrete policies and practical guidelines regarding equal and fair remuneration and welfare for employees, as well as other benefits comparable to an industry and legal requirements such as establishing a provident fund, financial support for employees and families in the event of the death of a father, mother or husband or wife or in the case of maternity allowance, an annual medical check-up and 5S activities in every area of the work area hygienic and suitable for working and admired by visitors.
 - 5) The company realizes the importance of personnel development by providing Training Roadmap to enable internal personnel to have appropriate potential for each department. The company promotes employees in all levels, ranging from operational employees to management and the Board of Directors to receive training to develop theoretical and practical knowledge, creating skills at work and employment under fair conditions.
 - 6) Provide fair and appropriate remuneration to employees based on work capabilities with the implementation of an employee performance assessment system for evaluating employee competency as a basis in order to be the principles for competency development and having performance assessment as the key performance indicator. This is employed with all activities and applied to all departments in the system. This is to create the same standard, provide employees with career growth, encourage good motivation to development the work and remuneration related to value creation for enterprise and in line with the company's performance both in the short and long term.
 - 7) Create a collaborative work environment and teamwork by giving opportunities to employees to thoroughly share opinions about work practices.
 - 8) In 2023, The company has established a policy of respecting human rights in all aspects and guidelines for comprehensive human rights due diligence (HRDD), providing equal opportunities for women employment, disabilities, the elderly and the recognition of the right to gather as a group and to negotiate among employees. In 2023, the company had no labor dispute or complaints about human right violations.
 - 9) Supervision for employees to strictly comply with laws and regulations related to employees, including providing advice to employees to prevent illegal acts. The company forbids employees to drink alcohol or to take narcotic. The company randomly inspects employees from time to time. Any employees found to have narcotic in the body will have treatment according to the company's rules and regulation. The company offers training to communicate with employees at all levels to prohibit any acts or to involve in corruption. Employees can inform relevant agents when corruption is found according to whistleblowing manual in 2022, the company was not reported any corruption or business losses.
 - 10) All employees and executives in the organization Acknowledge and perform their roles and responsibilities according to the code of conduct for work announced by the company. They have important duties for



themselves, work, the company and stakeholders. protect and maintain the company's confidentiality relating to personal information, trade secret information intellectual property so that such information will not be disclosed and not use for personal or others without the permission.

- 11) All employees shall respect and honor the intellectual property of others and do not use the work under other's intellectual property, no matter as a whole or some parts, without permission from the owners.
- 12) The company has regulation that forbidden publication according to the computer laws. All executives and employees forbid to forward message via the Internet or other communication channels that damage or destroy reputation or disturb others or impolite acts. All executives and employees are prohibited from using illegal software.

Social and Community

- 1) The company has fair policies and practical guidelines and are clearly responsible to society. The company discloses such practical guidelines focusing on the public interest and do not act that may damage the country's reputation, natural resources, the environment and other public benefits, and perform in compliance with rules and regulation of the environmental standards and standard of the Industrial Estate of Thailand of establishing factories and offices. The company has not received any complaints from neighbors or industrial estate in violation of such laws and regulations.
- 2) Do not assist, support or act as a mean to avoid or not comply with the law.
- 3) The company respects the community as a part that the company shall care for and facilitate. The company and production plants are located in Bang Pu Industrial Estate. There are villages around Bang Pu Industrial Estate the company always joins in activities for the community and society with Bang Pu Industrial Estate in order to continuously give back to society.
- 4) The company is a member of several clubs of Bangpoo Industrial Estate and a member of organization of Samutprakarn Province in order to participate in activities organized for the community as deemed appropriate for each event.
- 5) The company has established preventive or corrective problem if there is an impact on the environment, the community and social caused by the company's operation.
- 6) The company has a whistle blowing and complaints policy with several channels for complaints so that the community or those affected by the problem can easily access and report the matter, including the protection of the informant and having a working process to ensure justice for both the informant and the complainant.

Environment

- 1) The company has been certified by environmental management system standard ISO14001:2015 from BSI British Standards Certification Institute.
- 2) Develop and improve environmental management system in the company's activities in order to reduce pollution and environmental impacts continually with the aims, target and action plan and assessment both internal and outside organization systematically.
- 3) Cooperate with government agencies in at the local level, departments, divisions and ministries To operate in accordance with the law, regulations. By all employees shall support to participate in an environmental protection campaign.
- 4) Respond rapidly and effectively to the events that affect to the environment and the community caused by the company's business operation.



- 5) Encourage employees to be conscious and responsible for the environment under the environmental management system, as well as energy and resources conservation campaigns efficiently. This can be done through training and knowledge via public relations such as Intranet, public relations board, training, activities, and news announcement to employees in order to increase knowledge and to communicate as the same practice throughout the organization.
- 6) Present the result of performance in accordance with the policy and plan on environmental responsibility in terms of report of environmental committee to Senior Executives and publicizes inside organization and to further develop to communicate with external.

Environmental, social and community management including reduce, reuse resources under the environmental policy and business development for sustainability, Directors and Executive shall promote to create the mentality of environmental conservation and using resources worthily. The company has performed for the second year by providing policy training, knowledge transfer for implementation, 5S activities, waste separation before discarding, reuse, turn on-turn off the lights when necessity. Paper saving policy using electronic signature, etc.

For social and community aspect, in 2023, The Company participated in forest planting activities, children's day activities, blood donation, public health activities and community development in Samut Prakan Province. Details can be found in the Sustainability Report section.

6.2 Business Code of Conduct

Business Confidentiality and Intellectual Property Policy

For business operations, the Company realizes and focuses on the creation and development of innovations so that such innovations can be applied for patents as intellectual property of the Company which is considered as a tool to build reliability, create value, and create brand awareness and the overall image of the Company.

In the operation of the company, there is a guideline for all employees who have access to commercial information. That is, they must sign a working memorandum, must not commit computer crime, and not infringe on intellectual property including the Company's information and customers' information that they have opportunities to access. Such information must not be directly and indirectly used for exploitation. The Company has established such policies in the Information System Security Policy and the Business Confidentiality and Intellectual Property Policy. In this regard, the Company audits the internal control system at least once a year, including the use of software programs for work and contract control and management to prevent the use of insider information and prevent intellectual property infringement.

The Business Confidentiality and Intellectual Property Policy prescribes the important details to prohibit employees of the Company from disclose or use of news, any inventions which are the Company's confidentiality including formulas, processes, manufacturing processes and significant business information that must be concealed to others for exploitation through any of the following methods:

- 1) Any inventions that the employees innovate or share ideas while working with the Company are the right and property of the Company. The employees cannot disclose or use them for exploitation.
- 2) Use the Company's assets for the Company's benefit, take care of such property not to be damaged or lost and do not use the Company's assets for exploitation or for someone's interest other than for the Company's business.
- 3) Do not take any action which is a violation of the Company's intellectual property or others and do not use pirated software in the Company.
- 4) Maintain the Company's confidentiality and do not disclose or leak any confidential documents or information of the Company to unrelated persons that may cause damage to the Company.



- 5) Do not disclose or make use of any news which is the Company's business confidentiality including formulas, production processes, production methods, financial reports, other business information and important information considered as the matters that must be concealed to others for exploitation by any means.
- 6) Do not use their authority and duties or allow other persons to use their authority and duties for exploitation or for others unlawfully.
- 7) Do not take any action causing damage to the image and reputation of the Company.

Insider Trading Policy

In 2023, the Board of Directors reviewed the policy of Insider Trading Policy and Disclosure Handbook by revising important content to be appropriate for both the parent company and its subsidiaries based on current working conditions and operational criteria. The policies have already announced on www.adb.co.th. These policies govern the work of directors, executives and related officers with the following details:

- 1) The Company will educate the directors and executives of the Company and its subsidiaries about their duties in preparing and disclosing reports on the holding of the Company's securities of themselves, their spouses and minor children to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 with the Securities and Exchange Act B.E. 2535 (1992) (the "Securities and Exchange Act") relating to the insider trading of the securities, and the Notifications of the Office of the Securities and Exchange Board (the "Office of the SEC")
- 2) The company defines a group of prohibited persons from trading Company's securities in specific period consisting of directors, executives, including those holding management positions in accounting or finance at the level of deputy assistant managing director or equivalent. and related workers who are aware of important inside information, including the spouse and minor children.
- 3) Designated persons are prohibited from Trading Company Group's Securities by using inside information to seek benefits in trading the company's securities or provide such information to other persons or carry out any legal acts by taking advantage of such inside information.
- 4) Designated persons are prohibited from using the companies inside information that has or may have an effect on the change in the price of the Company's securities which has not yet been disclosed to the public whether directly or indirectly in a way that is likely to cause damage to the company.
- 5) Designated persons are responsible for reporting the Change of the Company's Securities Holding Report to the Office of the SEC and delivering to Company within 3 (three) working days from the purchasing, selling, transferring or transfer accepting date of the securities pursuant to the Securities and Exchange Act in Section 59. and deliver 1 (one) copy of the report to the Company Secretary to be retained as evidence. The Company Secretary shall gather the Change of the Company's Directors' Securities Holding Report to be quarterly proposed to the Board of Directors' Meeting.
- 6) The company will notify blackout period to the company's designated persons at least thirty (30) days prior to the disclosure of the information to the public and waiting at least 24 hours after disclosing the information to the public. This time period will be consistent with the meeting schedule of the Company's directors. The meeting schedules are arranged in advance throughout the year.
- 7) The company determines disciplinary punishment if there is a violation of using inside information for personal benefit. This starts with a written warning, a pay cut, and a temporary suspension without being



paid or fired from work The punishment will be determined by the intent of the act and the seriousness of the offense. However, the person who violates the offense may also be punished according to the specified law as well.

- 8) Prohibited to disclose the company's trade secrets to other people, especially to the company's business competitors.
- 9) Prohibited to disclose confidential information of customers until receiving written consent from the company.
- 10) Detailed procedures for prohibited issue is mentioned in the disclosure policy and disclosure manual announced in www.adb.co.th and <http://knowledge.adb.com>

Anti-Corruption Policy

The Company prohibits the Directors, the Executives, and the employees of the Company from operating or accepting any form of corruption directly or indirectly. All businesses all departments/divisions/divisions of the Company and its subsidiaries must review their compliance with anti-corruption policies appropriately and regularly and review operational guidelines and operating requirements to be consistent with changes in business, rules, regulations, and legal requirements. The guidelines are as follows.

- 1) Do not perform any behavior that indicates the intention of corruption, give bribes to or accept bribes from government and private officials, or stakeholders related to the Company in order to obtain or maintain business or competitive advantages or for exploitation and those involved.
- 2) Do not ignore or neglect when observing actions considered as corruption related to the Company. It is the duty to notify the supervisors or responsible persons and cooperate in the investigation of facts.
- 3) The Company will provide fairness and protection to a person who refuses corruption or reports corruption clues to the Company as prescribed in the measures to protect a complainant or those who cooperate in reporting corruption.
- 4) The Company emphasizes on the importance of disseminating and providing knowledge and making understanding to the persons who must perform duties related to the Company or may affect the Company in matters that must be complied with the anti-corruption policy.
- 5) The Company provides an appropriate and efficient audit process and internal control system on a regular basis to prevent corruption.
- 6) The Company provides a human resource management process that reflects the Company's commitment against corruption and anti-corruption measures covering selection, training, performance evaluation, compensation, and promotion.
- 7) Those who commit corruption are unethical acts. They must receive a penalty in accordance with the regulations on the discipline of employees of the Company as prescribed. They may be subject to legal penalties if such actions violate legal provisions.

Human Rights Policy

In 2023, the company has improved its human rights policy to cover all businesses, departments of the company and subsidiaries to treat company employees and stakeholders fairly, and has established guidelines for conducting a comprehensive human rights due diligence (Human Rights Due Diligence: HRDD) by referring to the process which consists of 5 steps as follows:

- 1) Announcement of the Company's policy and principles regarding respect for human rights (A statement of policy commitment to Respect Human Rights)



- 2) Assessment of Actual and Potential Human Rights impacts of Company Activities and Relationships.
- 3) Integrating policy and evaluation including internal and external control mechanisms. (Incorporating into Company Procedures and Addressing impacts).
- 4) Tracking and Reporting Performance.
- 5) Remediation and Remedy.

(The company's important policy, can read the full version at www.adb.co.th Corporate Governance Section)

6.3 Major changes and developments in the policy Guidelines and systems of corporate governance in the past year.

Monitoring and Evaluating Anti-Corruption Policy Compliance

The Company has guidelines for monitoring and evaluating the anti-corruption policy compliance as follows:

- 1) Internal Audit Unit which the Company has hired is Ascent Advisory Company Limited auditing the internal control system. The audit is performed in accordance with the annual audit plan approved by the Audit Committee and the results are reported to the Audit Committee at a quarterly meeting.
- 2) Internal Control Unit is an internal unit which is responsible for setting up systems and controlling within the organization. It is responsible for internal operations which improves the results from the internal audit, prepares policies or control several agencies to formulate policies, work procedures or work manuals and set approval authority.
- 3) There is an internal seminar to provide knowledge about anti-corruption measures from the Internal Control Unit who communicates the implemented measures to prevent corruption and prepares a quarterly performance report.
- 4) There is an assessment of corruption risk in all activities related to government agencies and the measures to prevent all important sectors are prepared.

In the working cycle of 2023, the Company has not received any complaints about corruption.

Whistleblowing and Complaints

The Company has established measures and provided channels for both internal and external stakeholders as well as the employees and several groups of stakeholders. They can report clues or file complaints including corruption, suspected acts of violating laws, rules, regulations, and codes of conduct that affect economy, society and environment or policies, violations of law and unfair practices, any acts that may cause damage to the Company, defects in goods or services, suggestions and other complaints related to the Company. The Company has established measures to protect and maintain confidentiality of complainants and measures to heal those who have suffered from the Company's operations.

In 2023, Internal Audit Unit reported the whistleblowing and received the complaints reported to the Audit Committee. No complaints from both internal and external complainers.

Board of Directors' Performance

Throughout 2023, the Board of Directors' performance is as follows:

- 1) The Board of Directors organized 7 Board of Directors' meetings in 2023 and the Directors attended the meetings 100%. Most of them had 6 meetings via online (Zoom) were organized which were effective as regular meetings and 6 meetings Physical.
- 2) The Board of Directors provided the Management an opportunity to independently present the results and report the operational results by themselves as well as being acknowledged the meeting results of the subcommittees prepared as an agenda for acknowledgment. The Directors were independent in expressing



their opinions on performance and reporting that the Management could use to for improvement as recommended.

- 3) Risk assessment and risk management plan were considered and approved. The Committee considered the importance of adapting to the changes during and after the COVID-19 pandemic situation. The Company must prepare personnel with additional or different skills, change in consumer behavior and trends of substitute products that must meet the changing consumer behavior. Close monitoring was approved, and additional meetings of directors could be called for when necessary or when the delegation of management was changed or the approval limit for operations was increased.
- 4) The policy and charter of the Board of Directors and sub-committees are reviewed every year. In 2023, the Audit Committee charter and Sustainability and Risk Management Committee Charter has been amended. and Important policies, guidelines and manuals 12 edition, namely, Code of Ethics and Rules Of Conduct, Anti-Corruption Policy, Whistle Blowing Policy, Protective Measure grading the conflicts of Interest, Sustainability Management Policy, Human Resource Management and Development Policy, Accounting, Finance, Budget and Tax Policies, Human Rights Policy, Business Partner Code of Conduct, Risk management manual, Approval and Proceed Policy and Anti-Corruption Practices, and disclosed important policies on www.adb.co.th

(The company's important policy, can read the full version at www.adb.co.th Corporate Governance Section)

- 5) A press conference about the operating results and business direction of the Company was organized via the Opportunity Day held by the Stock Exchange of Thailand at least twice a year. The Managing Director and the Chief Financial Officers as well as relevant Senior Executives are responsible for presenting the information. In 2023, the Company participated in the Opportunity Day for 4 times.
- 6) A meeting with journalists was organized and the news was presented to analysts by the Chief Executive Officer and the Managing Director assigned to present information that should be disclosed to the public.
- 7) The compensations of individual directors, the team and the employees were disclosed. This includes shareholding information, work history, education, training and important information of the Directors and the Executives in the form of 56-1 One Report.

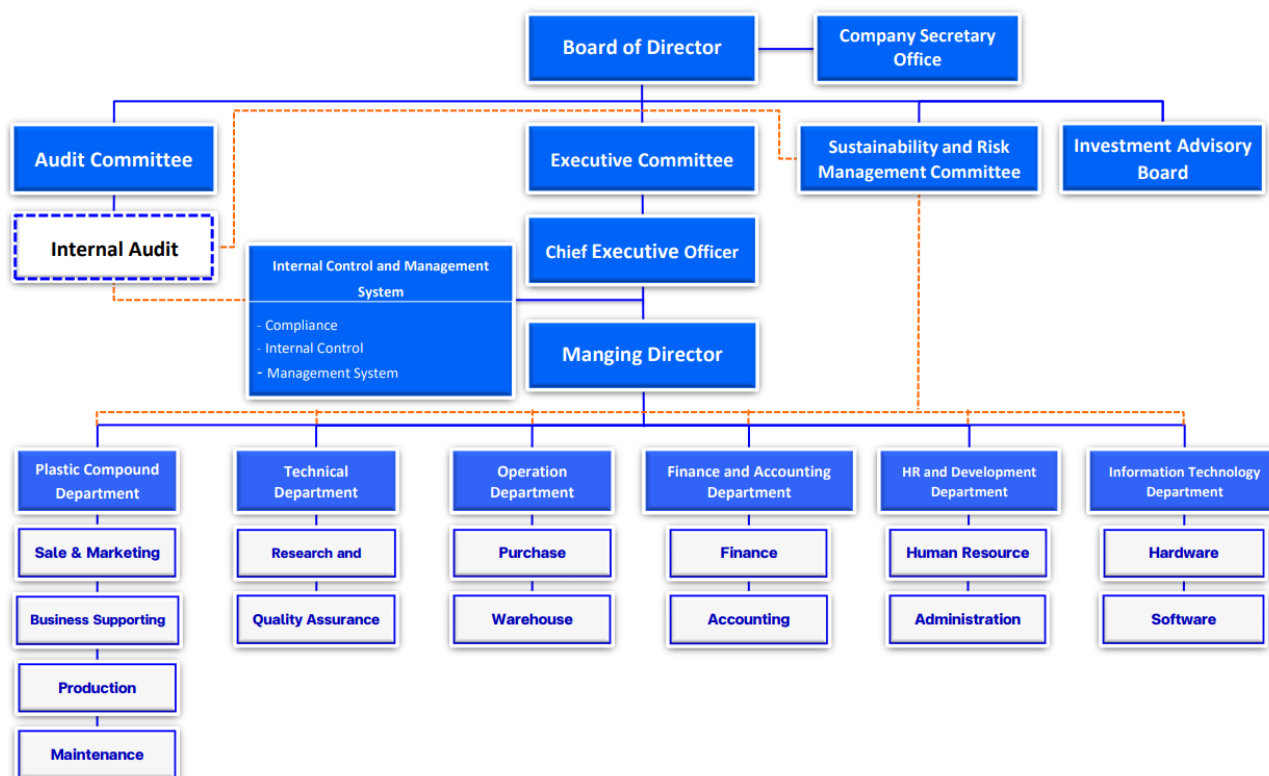
Major Developments in 2023

- 1) The Company has been assessed as a listed company with corporate governance in the “Excellent CG Scoring” at the 5-star level from the Thai Institute of Directors Association (IOD).
- 2) In 2023, the company received the 5-star Excellent CG award from the Thai Institute of Directors Association (IOD) and received the SET ESG Rating level “A” award for 2023 for 3 consecutive years which named THSI (Thailand Sustainability Investment) in 2021 and 2022, proved that the Company has focused on continuous development of good corporate governance.

7. Corporate Governance Structure and Important Information of the Board of Directors, Sub-Committees, Management, Employees and Others

7.1 Corporate Governance Structure.

Management Structure of Company consists of Board of Directors and 4 Subcommittees; Audit Committee, Executive Committee, Risk Management Committee, and Investment Advisory Board. Therefore, Company has Management Structure which has independent directors, not less than 3 persons and not less than one-third of total directors of the Company. The qualification of each independent directors and Audit Committee are complied with the Rules of Notification of The Capital Market Supervisory Board completely.



SHAREHOLDER

The Company has operated its business with transparency and fairness for the maximum interest of shareholders by considering for the sustainable growth and providing reasonable returns. The shareholders are responsible for appointing the Board of Directors during the Annual General Meeting of Shareholders and the meeting has acknowledged the Company's annual performance and considered the agendas according to the law, including approval of financial statement and director's remuneration.

CHAIRMAN OF BOARD OF DIRECTOR

The Board of Directors elected one independent director to be the chairman of the board, to support and to encourage the Board of Directors to perform duties in accordance with the scope of responsibility to the best of their capability with transparency, efficient and to achieve objectives.

Report

Appoint

BOARD OF DIRECTOR

Consists of 11 directors, duties to directorate and supervise each department to perform to comply with policy and stated plan effectively and to review the management of executive management under the legal framework, rules, regulation and ethics for business operation in order maximize shareholder's interest by focusing on the benefit of every stakeholder fairly.

7.2 Important Information of the Board of Directors

The composition of the Board of Directors

As of December 31, 2023, the company has 11 Board of Directors consisting of 4 members from management, Non-Executive Directors 7 members, with 4 persons having independent qualifications, which is more than 1 in total 3 of the total number of directors. Therefore, it is considered a proper balance of the Executive Directors. The Chairman of the Board of Directors is not the same person as the Chief Executive Officer but has a blood relationship. Therefore, the Chairman of Audit Committee is responsible for auditing. To propose an opinion on the agenda of the Board of Directors' meeting and the agenda of the shareholders' meeting instead.

..... Board of Director



Name of Director	Board of Director	Audit Committee	Risk Management Committee	Investment Advisory Board Committee	Executive Committee
1. Mr.Pawat Wongtangtrakul	Chairman	-	-	-	-
2. Mr.Wang Wanapaisorn	Director (Executive)	-	Committee	-	Chairman
3. Mr.Rattanachai Wongcharoensin	Director (Non-Executive)	-	-	-	-
4. Ms.Pornpiwan Niramongcherdchay	Director (Executive)	-	Committee	-	Committee
5. Mr.Wei Kai Wang	Director (Executive)	-	-	-	Committee
6. Mr.Veerachai Wongcharoensin	Director (Executive)	-	-	-	Committee
7. Mr.Wutthichai Wongcharoensin	Director (Non-Executive)	-	Committee	-	Committee
8. Dr.Mongkon Laoworapong	Independent Director	Chairman	Chairman	Chairman	-
9. Asst.Prof.Dr.Monpilai H. Narasingha	Independent Director	Committee	Committee	Committee	-
10. Mrs.Kanchana Piyasatit	Independent Director	Committee	-	-	-
11. Mr.Chung Jen Yang	Independent Director	-	-	-	-

Ms.Kanokwan Kongtanakomtunyakid, Acting as the Secretary of the Board of Directors and the Company Secretary.

Directors who are authorized signatories of the company

The directors authorized to sign on behalf of the Company are Mr. Pawat Wongtangtrakul o Mr. Wang Wanapaisorn or Mr. Wei Kai Wang, either person shall sign with Mr. Wutthichai Wongcharoensin or Mr. Veerachai Wongcharoensin, either person to have two signature and seal with Company's stamp.



Roles, Duties and Responsibility of the Board of Directors

The Board of Directors is responsible for managing the Company's operation to comply with laws, company's objectives, related regulations and resolutions of the shareholders with integrity for the utmost benefits of the Company. Duties and responsibilities of the Board of Director are as follows:

- 1) Directors must perform their duties in accordance with the law, objectives, company regulation as well as the resolutions of the shareholders with integrity, honesty and consciousness for the benefits of the Company.
- 2) Determine the Company's vision, policies, strategies, and directions as well as monitor the management team to effectively perform their duties with a purpose of shareholder's wealth and sustainable growth of the Company.
- 3) Follow up the operation performance according to policies and corporate goals by setting up clear key performance indicator as the measurement of performance, regularly review policies and implementation.
- 4) Review transactions which may constitute conflicts of interest, set up measures within a good ethical framework for the utmost benefits for the shareholders and the Company, ensure that conflict stakeholder will not participate in decision making and comply with regulation and requirements relating the disclosure of information with accuracy, completeness, standardization and transparency.
- 5) Authorize and set up the approval level of transaction and other operation related to the Company's operation to management level or person as appropriate or required by related law and providing authorization manual and review at least once a year.
- 6) Ensure that the Company has reliable accounting system, financial reports and auditing process as well as independent department responsible for the internal control system and report to Audit Committee directly
- 7) To formulate policy of corporate risk management by having operators to conduct according to policies by management and to report to committee regularly. To review or to assess the effectiveness of risk management regularly and in periodically. So, when it is found out that the risk level is changed in the targeted direction, as well as paying attention to the any warning and abnormal events.
- 8) Shall appoint subcommittee or any person to perform, monitor and control management of Company related to major issues, under the supervisory of Board of Directors, including performance assessment and setting up the remuneration for sub-committees or such person or to mandate in order for those subcommittee or people can have authority as such and as appropriate time which can be cancelled, deleted, revoked, changed or revised the assigned authorities.
- 9) To set up scope of duties for recruitment, promotion, transfer, deletion, or decreasing salary, relieve, dismiss, or performance assessment, penalty, reward, promotion to Chief Executive Officer and Chief Financial Officer.
- 10) To duties as Nomination and Remuneration Committee and to replace when this Committee is vacant, or no any appointment by nomination and to consider remuneration plan for Board of Directors, Chief Executive Officer, Chief Financial Officer when complete the term or vacant, also to provide the recruitment process of these major positions with transparency, fairness, and appropriate mechanism of remuneration for executive of the Company, in parallel with the performance of the Company in order to have short and long term motivation.
- 11) Appoint a person to be a director or executive officer in a subsidiary company and monitor the operations of subsidiaries by considering the performance report regularly.
- 12) Appoint and remove Company Secretary to have the duty of supporting the Board of Directors Prepare and maintaining important documents of the company, including taking any actions required by law or as assigned by the Board of Directors.



- 13) Set up corporate governance policy, business ethics and anticorruption policy in writing document and review the policy at least once a year.
- 14) Supervise business operations for the best interests of the Company, shareholders, as well as other stakeholders such as employees, customers, suppliers, competitors, creditors, communities, society and the environment, including rights required by law.
- 15) Encourage and support the creation of added value through innovation and technology throughout the business chain, in order to increase the competitiveness of the company with the development of knowledge and skills of employees at all levels in line with the objectives, goals and vision of the organization.
- 16) Encourage and instill morality and work ethics among employees to perform duties with responsibility according to the corporate governance policy, business ethics and anticorruption policy including not taking advantage of the property, information and opportunities of the company.
- 17) Approval authority
 - 1) Consider and approve any contracts that are not related to normal business operations or contracts that are significant.
 - 2) Consider and approve connected transactions between the company or its subsidiaries and related persons according to the rules of the Stock Exchange of Thailand, The Capital Market Supervisory Board and the Securities and Exchange Commission announce regulations.
 - 3) Consider and approve changes to policies and procedures that are significant regarding accounting, risk management and internal control of the company.
 - 4) Consider and approve the salary and bonus adjustment limits or annual compensation criteria for executives and employees.
 - 5) Consider and approve organizational restructuring at department level and above.
 - 6) Duties, and responsibilities according to relevant laws, regulations, and criteria of regulations and shareholder meeting resolutions.

Merging or Separation Positions

The Board of Directors has determined the separation of power and duties to decentralize the power and duties of making decisions and instructing, providing balance check, and review management clearly that has been always reviewed and improved throughout as appropriate and covering all activities of the Company, as well as in accordance with the changes in the notification or requirement of various regulatory agencies by setting up the management authority under the authorization and operation regulation.

Independence of the Board of Directors and Management

1) Separation of the position of Chairman of the Board and Chief Executive Officer.

The Board of Directors encouraged the good corporate governance by the Board of Directors prescribed that the Chairman of the Board of Directors is different from the Chief Executive Officer, as well as clearly segregation of powers and duties according to the authorization and operation. Previously, the consideration and approval by the Board of Directors to allow the Board of Directors to independently check and balance the work of the management.

2) Balance of Directors

The Board of Director provided the appropriate composition of the Board of Directors and clearly segregation of roles, duties, and responsibilities between the Board of Directors and the management. All directors are independent in expressing their opinions on the Company's operation with honesty, protecting



the interests of the Company without being possessed, as well as being responsible for the performance under the law, Articles of Association of the Company, as well as the resolution of the Board of Directors' meeting and the resolution of the shareholder's meeting.

Roles, Duties and Responsibility of the Chairman of Board of Director

To segregate the duties of setting out policies and business management, the Chairman of the Board of Directors shall not be the same person as the Chief Executive Officer.

- 1) Call a meeting of the Board of Directors and shareholders' meetings and consider to manage meeting agendas with the Chief Executive Officer.
- 2) Control the meeting to be effective in accordance with the company's regulations, support and allow directors to express their opinions independently.
- 3) Support and encourage the Board of Directors to perform their duties with full capability. according to the scope of duties and responsibilities with the principles of good corporate governance.
- 4) Supervise and monitor the management of the Board of Directors and other sub-committees. to achieve the specified objectives.
- 5) In the case of an equality of votes at a meeting of the board, the Chairman will have a casting vote.

Roles, Duties and Responsibility of the Chief Executive Officer

Manage and supervise business operations related to the general management of the Company, in order to comply with the objectives, policies, rules and regulations of the Company, regularly monitor and evaluate the Company's performance and have a duty to report the results to the Board of Directors, Audit Committee, and Sub-Committees.

Therefore, the delegation of authority and responsibilities of the Chief Executive Officer shall not be in the form of power of attorney or sub-authorization that allows the Chief Executive Officer or person authorized by the Chief Executive Officer to approve any transactions which him or anyone who may have conflicts of interest. (as defined by the relevant agencies) having a stake or may have any other conflict of interest with the Company or a subsidiary, except for the approval of transactions that are in the normal course of business with a defined scope.

7.3 Information on Subcommittees

The Board of Director has appointed the 4 Sub-Committees in order to duties to monitor and control management of the Company on the importance matters under the supervision of the Board of Directors, including assessment the performance and set up the remuneration of Sub-Committees for Sub-Committees as appropriate within the specified time as the Board of Directors deems appropriate. However, the Board of Director may cancel, delete, revoke, change or revise the assigned authorities. The authorization, duties and responsibilities of the Sub-Committee are as follows:

Audit Committee

Appointed by the Board of Directors, consists of at least 3 Independent Committees duties to examine the financial statement and to provide guidelines for internal audit. By at least one committee shall have adequate knowledge and experience to review reliability of financial statements.

Sustainability and Risk Management Committee

Appointed by the Board of Directors, on November 30, 2023. The same committee. consists of at least 3 Independent Committees duties to Establish sustainability and risk management policies, sustainability and risk management plans, and sustainability and risk management processes throughout the organization.

Investment Advisory Board Committee

Appointed by the Board of Director, consists of at least 2 Independent Committees, duties to provide consultation, and advice of the Company's investment, including monitoring the Company's Investment under the policy, principles and stated investment scope.

Executive Committee

Appointed by the Board of Directors, duties to supervise, control and manage the working process to be the same direction, considered the main issue of the business operation. In addition, to perform the duties of nomination and selection the person who shall be proposed as Board of Directors, Chairman of the Board of Directors, Managing Directors, and Senior Executive, including proposing payment principles and type of remuneration of Senior Executive of the Company from the position of director upwards in order to propose to the Board of Directors for approval.

Independent Director

Was the independent director to express opinion and to participate in the management in order to protect the interest of shareholders and all stakeholders equally. At the end of 2020, there were 4 independent directors. In case of the Chairman of the Board of Directors is not independent, may appoint the chairman of the Audit Committee to audit, provide opinions on the agenda of the Board of Directors' meeting and the agenda of the shareholder's meeting.

Chief Executive Officer

Appointed and supervise the Board of Directors, duties to manage the Company to comply with the objectives, policy and strategy as stated by the Board of Directors and to report to the Board of Director with transparency.

Management

Managed the responsibilities according to policy and target as assigned by the Chief of Executive Officer.

Company Secretary

appointed the Board of Directors, duties to be the Company Secretary according to Securities and Exchange Act 2535 and the Capital Market Supervisory Board, including performing as assigned by the Board of Directors.

Audit Committee

Audit Committee consists of 3 Independent directors, responsible for auditing financial statements and providing guidelines for internal audits. At least one director has sufficient knowledge and experience to review the credibility of the financial statements.

As of December 31, 2023, Audit Committee consists of 3 Independent directors as follows:

Name	Position	Type of Director
1. Dr.Mongkon Laoworapong	Chairman of Audit Committee	Independent Director
2. Asst.Prof.Dr. Monpilai H. Narasingha	Audit Committee	Independent Director
3. Mrs.Kanchana Piyasatit	Audit Committee	Independent Director

Mrs.Wichitra Thubburee, Acting as the Secretary of the Audit Committee.

Roles, Duties and Responsibility of the Audit Committee

Audit Committee has duties according to the assignment by Board of Directors as follows:

- 1) Review the Company financial reports are accurate and disclosed adequately in accordance with accounting standards and financial reporting standards.



- 2) Review and consider the quarterly financial statements and submit to the Board of Directors' meeting for approval before submitting to the relevant regulatory agencies, including reviewing the annual financial statements and proposing to the Board of Directors for consideration before proposing to the shareholders' meeting for approval.
- 3) Ensure that the Company activities in compliance with with the Securities and Exchange law, SET and SEC requirements, other laws, regulations, related to the business, including the Company's rules and regulations.
- 4) Monitor the internal audit process to ensure that the process is appropriate and efficient and consider the independence of the internal audit department as well as giving approval in considering the appointment, transfer, and dismissal of the head of the internal audit or any other unit responsible for internal auditing.
- 5) Ensure independence of the Internal Audit Division and consider of appointment, transfer, removal, promotion, and performance appraisals of the Head of the Internal Audit Division by seeking comments from the Chief Executive Officer.
- 6) Consider and approve the annual internal audit plan and any changes including verifying the audit report and following up on audit finding issues from the audit report.
- 7) Select and propose the appointment or termination of an independent person to act as the Company's financial auditor, including considering the auditor's remuneration and proposing to the Board of Directors for approval before presenting to Shareholders' meeting for approval.
- 8) Coordinate with the auditor about the objectives of the audit, scope, guidelines, work plans and problems encountered during the audit and finding issues and attend a meeting with the auditor without Management team at least once a year.
- 9) Review the internal operations of the company and provide recommendations to the board of directors and/or management in cases where the audit committee deems it beneficial to oversee the company's operations that is efficient and achieves its objectives in accordance with the principles of good corporate governance.
- 10) Review the accuracy of self-evaluation forms regarding the Company's anti-corruption measures according to the Thai Private Sector Collective Action Coalition Against Corruption Project including supervising and inspecting anti-corruption policies and practices to ensure they are appropriate and sufficient.
- 11) Consider connected transactions that may have conflicts of interest and ensure compliance with the laws and regulations of the Stock Exchange of Thailand, and that such transactions are reasonable and for the utmost benefit of the Company.
- 12) Perform any other tasks assigned by the Board of Directors with the approval of the Audit Committee.

..... **Sustainability and Risk Management Committee**

The Sustainability and Risk Management Committee which will use the same committee consisting of Director(s) and Independent Director(s) is established by the Board of Directors. The Committee must have at least 3 members. The role of the Committee is to support and operate the business based on the principle of Good Corporate Governance connecting to the visions, missions, and targets of the Organization. Additionally, the Company has adopted the international framework commonly known as COSO Enterprise Risk Management Framework ("COSO ERM") and has enhanced the Risk Management in order to be indoctrinated as part of Company's culture. These are to ensure the stakeholders of the Company that the tactical execution of Company has triggered to the achievement of Company's objectives and goals.

As of December 31, 2023, the company has the Sustainability and Risk Management Committee consists of 6 persons, 2 independent directors, 1 non-executive director and 3 executive directors as follows:



Name	Position	Type of Director
1. Dr.Mongkon Laoworapong	Chairman of Sustainability and Risk Management Committee	Independent Director
2. Mr.Wang Wanapaisan	Sustainability and Risk Management Committee	Executive Director
3. Ms.Pornpiwan Niramoncherdchay	Sustainability and Risk Management Committee	Executive Director
4. Mr.Wutthichai Wongcharoensin	Sustainability and Risk Management Committee	Non-Executive Director
5. Asst.Prof.Dr. Monpilai H. Narasingha	Sustainability and Risk Management Committee	Independent Director
6. Mr. Piriya Moungram	Sustainability and Risk Management Committee	Executive Director

Mrs.Wichitra Thubburee, Acting as the Secretary of the Sustainability and Risk Management Committee.

Roles, Duties and Responsibility of the Sustainability Management Committee

- 1) Create a plan for the company's sustainable development and supervise subsidiary companies in line with the sustainable development policy and strategic plan of the company including monitoring and pushing for operations according to the sustainability development plan.
- 2) Support and follow up on the company's sustainability development performance and report to the Board of Directors.
- 3) Supervise and support the preparation of sustainability development reports including approving the sustainability development report for disclosure to the public.
- 4) Communicate and promote participation from stakeholders to create a culture of sustainable development in the company's business operations and work processes.

Roles, Duties and Responsibility of the Risk Management Committee

- 1) Set and review policies, risk management goals and framework both integrated risk management and core business risk management such as strategic risk, business risk, operational risk. Financial Risk, Compliance Risk, including corruption and sustainability risks, ESG Risk related to environmental issues. Society and Governance (Environmental, Social, Governance) as well as emerging risks (Emerging Risk) to be appropriate for efficient business operations meets international standards and consistent with operating strategies, business plans, and changing circumstances in each period.
- 2) Create and approve an appropriate risk management plan by brainstorming opinions from executives and employees from various departments to evaluate risk factors that may significantly affect the Company's business operations and create risk management plans at every level to reduce the impact that may have on the company's business operations.
- 3) Support and develop an efficient risk management system including following up on the company's risk assessments on a regular basis or important changes and have appropriate risk management.
- 4) Supervise, follow up, and review important risk management plans and reports as well as giving advice to ensure that risk management is effective and appropriate for the Company's business operations and be able to manage various risks to an acceptable level and consistent with the company's risk management policy.
- 5) Coordinate with the audit committee on significant risks and have the internal audit department to ensure that the company has an appropriate internal control system to manage risks, including the implementation of the management system throughout the organization.
- 6) Regularly report to the Board of Directors on major risks and risk management.



- 7) Promote executives and employees to be aware of the importance of risk management including communicating and enhancing knowledge and understanding about risk management to push risk management at all levels of the company and instill a risk culture throughout the organization.
- 8) Provide advice and consultation to the risk management working group and/or agencies related to risk management including considering appropriate approaches to fixing various work systems about the development of the risk management system.

Other roles and responsibilities

- 1) Consider reviewing and improving the charter of the Sustainability and Risk Management Committee annually and if there are any amendments to the charter that should be presented to the Board of Directors for approval.
- 2) Perform any other duties as assigned by the Board of Directors.

Investment Advisory Board Committee

The Board of Directors has appointed the Investment Advisory Committee which has the objective of setting policy, rules and scope of investment as well as monitoring the Company's investment to ensure that they are aligned with the policy, framework, rules and scope of investment specified.

As of December 31, 2023, the company has the Investment Advisory Board Committee Consists of 2 independent directors as follows:

Name	Position	Type of Director
1. Dr.Mongkon Laoworapong	Chairman of Investment Advisory Board Committee	Independent Director
2. Asst.Prof.Dr. Monpilai H. Narasingha	Investment Advisory Board Committee	Independent Director

Ms.Kanokwan Kongtanakomtunyakid, Acting as the Secretary of the Investment Advisory Board Committee.

Roles, Duties and Responsibility of the Investment Advisory Board Committee.

- 1) Consider and identify policy, rules and scope of investment as well as monitoring and following up the Company's investment in accordance with the policy, framework, rules and scope of investment specified.
- 2) Follow up the investment to ensure it does not violate rules and regulations of the capital market.
- 3) Consider and evaluate the risk and worthiness of the investment.
- 4) Other tasks as assigned by the Board of Directors.
- 5) Report the performance, methods and suggestions to the Board of Directors for acknowledgment.

Executive Committee

The Executive Committee is a Sub-Committee established. To assist the Board of Directors in supervising the operations of the management in accordance with the policies set by the Board of Directors to support operations. To build confidence among stakeholders and to enable the Company to grow sustainably as well as causing clarity in the composition tenure Responsibilities and meetings of the Executive Committee.

As of December 31, 2023, the company has the Executive Committee consists of 8 persons as follows:

Name	Position
1. Mr.Wang Wanapaisorn	Chairman of the Executive Committee
2 Mr.Wei Kai Wang	Executive Committee
3. Mr. Kang Hsu Liu	Executive Committee



Name	Position
4. Mr.Wutthichai Wongcharoensin	Executive Committee
5. Mr.Veerachai Wongcharoensin	Executive Committee
6. Ms.Pornpiwan Niramoncherdchay	Executive Committee
7. Mr. Piriya Mounkram	Executive Committee
8. Mr. Jirawat Akkranupornpong	Executive Committee

Ms.Kanokwan Kongtanakomtunyakid, Acting as the Secretary of the Executive Committee.

Roles, Duties and Responsibility of the Executive Committee.

- 1) To formulate strategies, consider and moderate business plan, budget, including management structure corresponding to policy and target of the Board of Director, both short term and long term as to propose to the Board of Director for further consideration.
- 2) Consider important policies, regulations and guidelines presented by the Management or the Executive Board and proposed to the Management to implement for efficient and transparent management.
- 3) Determine the Company's investment finance policy and the investment policy direction in accordance with the Company's policy and approve investment rules including investment proposals according to the Company's regulations and propose to the Investment Advisory Board or the Board of Directors in accordance with the regulations set by the Company.
- 4) Supervise and monitor the Company's management so that it complies with the policy action plan and the annual budget set by the Board of Directors and report the results to the Board of Directors.
- 5) Approve financial matters and non-financial transactions of the Company within the scope of the approval authority.
- 6) Determine the organizational structure, order of command, appropriate individual authority and level of approval and provide separate duties that may facilitate corruption and present them to the Board of Directors for approval as well as controlling the compliance with the approved principles and requirements.
 - 6.1) Acting on behalf of the Nomination and Remuneration Committee while the company does not have this committee consider selection and determine compensation of the Board of Director, Chief Executive Officer, Managing Director, Executive and Company Secretary and consider the qualifications appropriately to the business context and propose to the Board for approval.
 - 6.2) Determine the compensation, prepare rules and policies for determining necessary and appropriate compensation, both in monetary and non-monetary terms for the Board of Directors and subcommittees by considering the suitability for the obligations, responsibilities, performance and comparing with companies in similar businesses as well as expected benefits from the Directors to be proposed to the Board of Directors for consideration and to the shareholders' meeting for approval.
 - 6.3) Consider an efficient management organization structure which covers both personnel recruitment, management salary structure of the Company, including authorization to set up scope and duties, recruitment, promotion, transfer, deletion, decreasing, relieve, termination, performance appraisal, penalty, reward to Managing Director (MD) Senior Vice President (SVP) and Vice President (VP) level or equivalent through the delegation to Chief Executives Officer or the grantee to perform on behalf of the Company for labor contract signing.
 - 6.4) Evaluate the performance of the Chief Management of the Company to be proposed to the Board of Directors' meeting for acknowledgment and approval.
- 7) Monitor an appropriate and concise internal control system by coordinating with the audit committee.



- 8) Analyze investment projects, risks and benefits expected to be received by the Company and propose to the Board of Directors for consideration.
- 9) Supervise and analyze the performance of the company and investment projects to be proposed to the Board of Directors for consideration.
- 10) Review the risk management report and monitor material risks and take steps to ensure that the organization has adequate and appropriate risk management.
- 11) Consider all types of work proposed to the Board of Directors except the work under the responsibility and/or the authority of other subcommittees of the Company who will consider screening and presenting them directly to the Board of Directors.
- 12) To carry out other relevant issues to Company's risk as assigned by the Board of Directors. Therefore, the mentioned delegation shall not grant the power to Executive Committee or grantee by Executive Committee to approve any transaction which may have conflict, interest, or may have any conflict with other Company or affiliated companies required by Stock Exchange of Thailand, except any transactions according to the approval of the Board of Directors.

(Charter of Board of Directors, Charter of Subcommittees, Charter of Chief Executive Officer, can read the full version at www.adb.co.th Investor Relations Section)

7.4 Information on Executives

7.4.1 Names and positions of the Executives

As of December 31, 2023, The company had 10 executives. Their name and title are as follows:

Name of Executives	Position
1. Mr. Wang Wanapaisorn	Chief Executive Officer
2. Ms.Pornpiwan Niramongcherdchay	Managing Director
3. Mr.Jirawat Akkranupornpong	Senior Vice President of Finance and Accounting
4. Mr. Wei Kai Wang	Senior Vice President of Plastic Compound Product
5. Mr.Piriya Moungrak	Senior Vice President of Technical Department
6. Mr.Siripong Luewongwattana	Vice President of Sales of Plastic Compound Product
7. Mrs.Wichitra Thubburee	Vice President of Internal Control and Management System Office
8. Ms.Nattha Likitrujanon	Vice President of Operation Department
9. Mr.Chang Chin Kuei	Vice President of Maintenance Department
10. Ms.Sirisuda Sujariyanurak	Acting to Vice President of Human Resources and Development Department
11. Mr.Cheng-Hsien Chen	Acting to Vice President of Information Technology Department

7.4.2 Remuneration Policy for Executive Committee and Executives.

The Company has a policy that the compensation for the Executive Directors shall be considered from the suitability of their duties and responsibilities, performance and compared with companies in similar businesses. On the part of the Executive Directors, they will be

7.4.3 Remunerations of Executives

(1) Remuneration in Cash

In 2023, the Company paid remuneration in cash to the Executives. Details as follows;

Remuneration for Executives	Year 2021		Year 2022		Year 2023	
	Number (Person)	Remuneration (Baht)	Number (Person)	Remuneration (Baht)	Number (Person)	Remuneration (Baht)
Salary and Bonuses ¹	12	22,283,103	12	23,324,644	9 ³	18,900,587
Others ²	12	13,446,211	12	13,775,826	9	4,531,919
Total ³		35,729,314		37,100,470		23,432,506

Note:

1. Company pays remuneration in terms of bonuses for 2 times per year by paying first time at the end of December of every year and second time before Songkran Festival of every year.
2. Other fringe benefits such as position allowance, other welfares such as provident fund, living cost, management fee, travelling expenses, premium for vehicle, accident insurance, medical care, tuition fee, depreciation fee, renting fee etc.
3. In 2023, the Company transferred 3 senior executives (Mr. Kang Xu Liu, Mr. Veerachai Wongcharoensin and Mr. Chang Chin Kuei) to work at the subsidiary ADB Sealant Co., Ltd. Which is separation of businesses (spin off) of adhesive and sealant products to be operated under ADB Sealant Company Limited, effective February 1, 2023, resulting in a decrease in executive compensation.

(2) Other Remuneration

■ Provident Fund

The Company has provided a provident fund for the Executive Directors at which the Company contributes the rate of 2.8 percent of salary for the employees with less than 10 years of service and the rate of 3.3 of the salary for the employees with more than 10 years of service. In 2023, the Company has paid contributions to the provident fund for 130 employees, totaling 3.40 million baht, with 50.78% of employees participating in PVD.

In addition, in 2023, the subsidiary made contributions to the provident fund for 145 employees, totaling 1.45 million baht. The proportion of employees participating in provident fund was 67.44 percent of all employees.

7.5 Information on Employees

As of December 31, 2023, the company has the employees (excluded executives) in total for 247 persons, as follows:

Department	Number of Employees (person)		
	December 31, 2021	December 31, 2022	December 31, 2023
COO ^{1,2}	13	14	9
Financial and Accounting	21	20	12
Plastic Compound ³	135	152	172
Adhesive ²	37	34	-
Sealant & DIY ²	121	114	-
Technical	36	40	26
Human Resources and Development	24	25	20
Operations ³	50	54	3
Maintenance ³	25	23	-

Department	Number of Employees (person)		
	December 31, 2021	December 31, 2022	December 31, 2023
Information Technology	4	5	5
Total ²	466	481	247

Remark :

1. The structure management in 2021 includes the Secretary Office of Company and the Internal Control and System Administration Office under the COO Division.
2. In 2023, the company has separated businesses (spin off) adhesive products and sealant products to operate under ADB Sealant Co., Ltd. (ADBS) and divided employees in every department approximately 40- 50% transferred to work at ADB Sealant Company Limited (ADBS), effective February 1, 2023, resulting in a reduction in the number of employees of Applied DB Public Company Limited.
3. In 2023, the warehouse department has been transferred from the operations department and changed to a warehouse division under the plastic compound department and adjusted the maintenance department to a maintenance division under the plastic compound department effective from 1 July 2023

■ **Remuneration of Employee**

In 2023, The company pay remuneration in cash to employees (excluded executives) as follows:

Remuneration of Employee	Year 2021 (Baht)	Year 2022 (Baht)	Year 2023 (Baht)
Salary and Bonuses ¹	115,472,237	121,375,918	66,006,985
Others ²	23,268,892	27,037,651	24,192,124
Total ³	138,741,129	148,413,569	90,199,109

Remark :

- 1) Salary and bonuses are not provided for sales representatives. Company pays by commission in which is calculated with this portion.
- 2) Other fringe benefits such as position allowance, expertise fee, living cost, smell fee, mixed paint fee, lump sum OT, long distance fee, renting fee, retirement, etc.
- 3) In 2023, the company has separated businesses (spin off) adhesive products and silicone sealants to operate under ADB Sealant Co., Ltd. (ADBS) and divided employees in every department by approximately 40%. -50% transferred to work at ADBS Company, effective from February 1, 2023, resulting in a reduction in compensation for employees of Applied DB Public Company Limited

In addition, the details of the number of employees and compensation of the subsidiary's employees in 2023 are as follows:

As of December 31, 2023	Subsidiaries ADB Selant Co.,Ltd.
Operations staff (people)	147
Management level (people)	5
Head office (people)	63
Total (people)	215
Compensation (Baht) ¹	70,073,356

Remark:

- 1) Compensation includes salary and bonus. The company pays compensation in the form of commission for sales staff included with this section as well. Other compensation included the position and benefits such as expertise allowance, living allowance, work allowance, OT allowance, and retirement allowance, etc.



Remuneration Policy

The employee remuneration policy applies to all employees. The Company believes that the factor making the Company success is the ability to attract talented people to attend and retain those people and to motivate them to work at full capacity. The employees will be offered remuneration that is appropriate, comparable to companies in the same industry, which is the main component of the remuneration. The result is that the employees have great encouragement to create sustainable results and allow the Company to continuously grow.

Composition of remuneration

- 1) Salary
- 2) Annual bonus and special bonus
- 3) Benefits
- 4) Severance pays in case of termination (Under the Labor Protection Act)

Personnel Performance Management System

The Company has the performance management system for personnel by establishing Corporate KPIs in accordance with the Balanced Scorecard (BSC) which consider the perspective that covers dimensions. The consideration comes from all sectors in the organization and is summarized by the Management. After that, the indicators will be sequentially passed on from the Chief Executive Officer to the Management, the managers and all employees respectively. Each employee will have their own indicators that correspond to the indicators of department/division and organization. A head or supervisor will give advice and suggestions to subordinates in order to develop the work and will promote, support and encourage the subordinates to dedicate to work. This will be related to the remuneration and reward given to the employees based on their performance.

The performance management system is a continuous process for measuring and evaluating knowledge and capabilities of personnel as well as measuring the effectiveness of the implementation of work goals which is in line with the departments and the organization. This performance management system is a tool for measuring the performance of current personnel and evaluating the readiness of personnel in terms of knowledge, the ability to be promoted which specifies knowledge level, capabilities and lacking skills for higher job levels in the future. The assessment results will be used as information for the appropriate Career Development Plan.

The Company focuses on providing fair remuneration and benefits that are comparable to other companies in the same industry. The policy of the Board of Directors put great emphasis on fair employment with the consideration on capabilities, performance based on the ability of employees in certain positions without discrimination. The Company also focuses on providing equal opportunities for women, the disabled, the disadvantaged, which take into account the principles of equality, fairness, suitable qualifications and having a commitment with the Company in order to promote career advancement and sustainable growth along with the Company. The Company sets up the remuneration management policy for employees in both short-term and long-term which in line with the organization's performance and related to the employee's performance as follows:

- 1) **Short-term remuneration** The Company specifies remuneration that is comparable to general rates of other organizations in the same business so as to maintain and enhance the ability to compete in human resources for the organization. In addition, the Company sets annual bonus (according to years' experience and behavior) and annual special bonus (Songkran festival) based on the Company's performance.
- 2) **Long-term remuneration** The Company sets the evaluation of the employees' performance and potential. The Company will pay appropriate remuneration to highly knowledgeable employees. In addition, the Company will provide Career Growth in accordance with the Company's Succession Plan. The company organizes welfare for the employees such as annual medical check, travel expense, accident insurance, group health insurance, provident fund in order to ensure security and financial guarantee for the

employees after termination of employment or retirement covering family welfare such as maternity allowance, marriage allowance, funeral allowance, etc.

The Company establishes a framework for planning and controlling the remuneration budget that must be consistent with the Company's budget plan. It is considered from the Company's Ability to Pay both in short-term and long-term period. It shall have flexibility to adjust the budget plan during the year to be in line with the results of the organization in a timely manner.

Labor Protection Guideline

The Company prioritizes and focuses on Health, Occupational Safety and Environment of workplace of employees due to the different work in each function, then to set up Committee of Occupational Safety, Health and Work Environment of the Workplace by appointing one representative from employer for supervisor level and by election from employees side coming by volunteer, in order to be joint committees to formulate the operation guidelines according to the required law, work inspection, providing equipment, tools and machines for highest safety protection, facilities, in order to reduce accident or any hazard which might happen to employees during operation or external when visiting the factory. The Company also issue campaigns for employees to realize the safety during working and the process for labor protection, as well as providing medical treatment when having illness from working, etc.

Provident Fund Policy

Company has provident fund policy as follows:

- 1) Company will invest with the reliable asset management company and to formulate policy to invest in appropriate fund for employees by selecting medium risk investment (mixed stock fund not more than 25%) and low risk (Fixed Income Fund)
- 2) Provident Fund has been established as part of welfares to provide for employees. This is similar to increase additional salary from employers, to build saving discipline in long term and to have large saving amount for living when retirement or resign and also can be the guarantee for family when employees pass away.

■ Contribution Rate and Provident Fund Contribution Rate

No.	Detail of Employee	Saving rate (Employee)	Contribution Rate (Company)
1	An employee with 0-10 years' experience	2.8%	2.8%
2	An employee with 11 years' experience	3.3%	3.3%

■ Criteria for receiving employer contributions in case of resignation from the fund

Experience	Contribution Rate (Company)
less than 1 year experience	0%
1 year experience but less than 2 years	40%
2 years' experience but less than 3 years	60%
3 years' experience but less than 5 years	80%
More than 5 years' experience up.	100%

Conditions for application

- 1) Applying is voluntary, not compulsory (after probation only).
- 2) While being a member, an employee can to resign from the fund but does not resign from the Company, the Company will provide an opportunity to re-apply later but only one time and the



employee must resign from the fund for at least 6 months and the membership period is not continuously counted.

Labor Disputes

In 2023, Labor Union requested to change the employment conditions to the Company and had meeting negotiation till receiving the final resolution for the Memorandum of Understanding of Employment Condition dated March 20, 2023, in which Company has registered this MOU of Employment Conditions with the Labor Protection and Welfare Office of Samutprakarn Province since April 7, 2023. Since starting till present, Company does not have any disputes with continues to maintain good relationship with union.

However, Company does not have any significant on number of employees or any major labor disputes within the past 5 years.

7.6 Other Significant Information

Accounting Controller

The Company appointed Mrs. Nokjinda Non-asa to hold the position of Accounting Manager to supervise the accounting of the Company. She was qualified according to the Securities and Exchange Commission (SEC) and stated by the Stock Exchange of Thailand (SET), in order to provide the quality and governance of financial report in accordance with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) guidelines. (Information of the person holding the position of the Company's accounting controller as shown in Attachment 1)

Company Secretary

The Board of Director has resolved to appoint Ms. Kanokwan Kongtanakomtunyakid to serve as Company Secretary since January 1, 2020, by Miss Kanokwan Kongtanakomtunyakid has passed the Company Secretary Program (CSP) training course, class 114/2020, from the Thai Institute of Directors Association (IOD) in order to oversee and organize meetings of the Board of Directors, subcommittees and holding shareholder meetings, including filing various documents related and supporting other operations to be in accordance with good corporate governance standards, Securities and Exchange Act, including providing basic advice to directors about the law, rules and regulations of the company are monitored to ensure they are followed correctly and regularly and report any significant changes to the directors. (The qualification and information of the person holding the position as the Company Secretary as shown in Attachment 1.)

Head of Internal Audit or the Outsourced Internal Auditor

The Company has to appointed Ascent Advisory Co.,Ltd. to be Internal Auditor of the Company in order to audit the compliance according to the regulation of the official agencies governing the Company's business operations (Information of the Head of Internal Audit as shown on Attachment 3).

Head of Investor Relations

The Board of Directors recognizes the importance of disclosing general information and important financial information of the Company to investors and stakeholders. The Company has assigned Ms.Kanokwan Kongtanakomtunyakid to hold a position of head of Investor Relations of the Company in order to communicate with shareholders and other stakholders such as investors, analysts as appropriate, equally and in timely manner. in order to ensure that the Company's disclosure of various information to be accurate, complete, reliable and up-to-date so that all parties involved can benefit from this information. Information will be disclosed through various media of the Stock Exchange of Thailand, the company's website and social media, etc. (The qualification and data of the person hold a position of Company Secretary as shown on Attachment 1.)

Auditor Remuneration

■ Audit Fee

The 2023 Annual General Meeting of Shareholders on April 20, 2023 resolved to appointed KPMG Phoomchai Tax Ltd. to be auditor of the Company and subsidiaries for 2023 in order to audit and inquire the correctness of the Company's financial statements in accordance with the auditing standards in order to certify the Company's financial statement that has been prepared without any significant errors and has been prepared accordance with general accepted accounting principles. However, the auditors had no relationships or any interest with the Company/subsidiary/senior executive/major shareholders or any person related to such person. Therefore, they were independent in auditing and expressing their opinions on the Company's financial statements. The audit fee of the Company and subsidiaries are as follows:

Company	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Applied DB Public Company Limited	2,380,000	2,420,000	2,300,000	2,300,000	2,000,000
ADB BIO Co.,Ltd.	-	-	-	135,000	150,000
ADB Sealant Co.,Ltd.	-	-	-	-	850,000
Total Audit Fee	2,380,000	2,420,000	2,300,000	2,435,000	3,000,000

■ Non-audit Fee

The Company and its subsidiaries do not receive any other services from the auditing office that the auditor is affiliated with in the past accounting period.

8. Report on Key Performance in Corporate Governance

8.1 Summary of the performance of the Board of Directors in the previous year

In 2023, the Board of Director has considered and reviewed strategies, targets, and corporate structure and direction of the Company's business operation as appropriate and conform with the business operation, for management and staffs to have the same aim to operate in the same direction, including monitoring to implement the corporate strategies to comply with the policy, rule, and relevant law and regulations, as well as supervising the adequate of the internal control system and enterprise risk management as appropriate level, under the legal framework, objectives and to express opinion beneficial to corporate development. In the year 2022 arranged the Board of Director meeting for 7 times. Every director performed own self duties and responsibilities with full power and capabilities, and with honesty and care, and focusing on highest advantage of the Company in which to be responsible to the shareholders and all stakeholders.

8.1.1 Nomination, development and evaluation of the Board's performance of duties

Nomination of Independent Directors

The Board of Directors assigns the Executive Board to act on behalf of the Nomination and Compensation Committee and determine the compensation while the Company does not have such committee. This committee is responsible for considering, selecting, and screening qualified persons according to the Company's regulations and nominating qualified persons so that the Company can have professional and diverse directors. The structure, size and board composition are considered to propose to the Board of Directors for approval. The list of such directors will be presented in the shareholders' meeting to elect the directors according to the rules. In addition, the shareholders are given an opportunity to participate in the nomination of qualified directors. In voting for directors, the Company allows the shareholders to use ballots to elect directors individually. The shareholders are allowed to cast the votes to elect the persons nominated as directors one by one. Each director must receive more than half of the total votes of the shareholders who attend the meeting and have the right to vote.



Then, the Board of Directors will consider the qualifications of the persons who will serve as independent directors by considering the qualifications and prohibited characteristics of directors under the Public Limited Companies Act, Securities and Exchange Laws, Notifications, Regulations and/or relevant rules. In addition, the Board of Directors will consider and select independent directors from qualified persons who have work experience and other suitability. The selected persons will be proposed in the shareholders' meeting for consideration and appointment as the Company's Directors. In this regard, the Company has a policy to appoint independent directors at least one third of the total number of committees and must not be less than 3 members. An independent director must possess all the qualifications as defined.

In addition, in order to comply with relevant laws and regulations and the principles of good corporate governance, the Company has defined the definition of independent directors. There must be rules that are "more stringent than" the minimum requirements according to the Notification of the Capital Market Supervisory Board. Independent directors are independent in performing their duties to protect the interests of the Company and shareholders efficiently as follows:

- 1) Hold shares not more than 0.75% of the total shares with the voting right for the Company, Subsidiary, Associated, Major Shareholder or Company's controlling person. This includes the shares held by those related to the independent director as well.
- 2) Is not a person who is or was a director who takes part in the management, or an employee, an advisor who receives a regular salary or Company's controlling person, the parent company, the subsidiary, the associated, the same-level subsidiary or Major Shareholder. This includes the shares held by those related to the independent director as well.
- 3) Is not a person who possess a relationship by blood or by legal registration in the form of father, mother, spouse, siblings, and children, including spouses of children of Director, Executives, Major Shareholders, controlling person or persons who will be nominated as the Director, Executives or Company's controlling person or of a subsidiary.
- 4) Do not have or had a business relationship with the Company, Subsidiary, Associated, Major Shareholder or Company's controlling person in a manner that may obstruct the exercise of independent judgment including a person who is not or was a Significant Shareholders or controlling person of a person who has a business relationship with the Company, the Company, Subsidiary, Associated, Major Shareholder or Company's controlling person. unless such status has been terminated at least 2 years.
- 5) Is not or was an auditor of the Company, Subsidiary, Associated, Major Shareholder or Company's controlling person, is not or was a Significant Shareholders or controlling person or partner of audit office. which has the Company's auditor, the Company, Subsidiary, Associated, Major Shareholder or Company's controlling person, unless such status has been terminated at least 2 years.
- 6) Is not or was a professional service provider of any kind including services as a legal or financial advisor who receives service fee of more than 2 million baht per year from the Company, Subsidiary, Associated, Major Shareholder or Company's controlling person, is not or was a Significant Shareholders or controlling person or partner of the such professional service provider, unless such status has been terminated at least 2 years.
- 7) Is not or was a professional service provider of any kind including services as a legal or financial advisor who receives service fee of more than 2 million baht per year from the Company, the parent company, the subsidiary, the associated, or juristic person who may have conflicts of interest. In the case when a professional service provider is a juristic person, it shall include being a major shareholder, a director who is not independent director, an executive or managing partner of such professional service provider unless

such status has been terminated at least 2 years prior to the date of submission of a permission request to the Office.

- 8) Is not a director who has been appointed as a representative of the Company's directors, major shareholder or shareholders related to the Company's major shareholders.
- 9) Do not have any characteristics that obstruct independent opinion expressing on the Company's operations.

Nomination of Directors and Top Management

The Board of Directors assigns the Executive Committee to act on behalf of the Nomination and Compensation Committee and determine the compensation while the Company does not have such committee. This committee is responsible for considering the selection and determination of the compensation for the Board of Directors, Chief Executive Officers, Managing Directors, Top Management, Company Secretary and initially considering the qualifications appropriate to the context of the business and present to the Board for approval. Selecting the Company's Directors, the Committee will consider, screens and recruit person with complete qualifications, appropriateness, knowledge, abilities, skills and experiences that are beneficial to the Company's operations as well as having the understanding of the Company's business very well and being able to manage the work to achieve the goals set by the Board of Directors.

Nomination the Committee, persons with qualifications according to the Company's regulations are considered and nominated so that the Company can have professional and diverse directors. The nominated persons must not possess prohibited characteristics as prescribed by the Securities and Exchange Commission (SEC). The structure, size and board composition are considered to propose to the Board of Directors for approval. The list of such directors will be presented in the shareholders' meeting to elect the directors according to the rules. In addition, shareholders are given an opportunity to participate in the nomination of qualified directors. In voting for directors, the Company allows the shareholders to use ballots to elect directors individually. The shareholders are allowed to cast the votes to elect the persons nominated as directors one by one. Each director must receive more than half of the total votes of the shareholders who attend the meeting and have the right to vote.

Details of the Knowledge and Expertise of the Board of Directors in the "Board Skill Matrix"

Board of Director	Type of Director	Skills Matrix											
		Business Operation	ADB Industry Knowledge	Technology	Human Resource Development	Financial	Accounting	International Business	Strategy Development	CG / Sustainability	Marketing	Legal / Regulatory	Internal Control / Risk Management
1. Mr.Pawat Wongtangtrakul	NED	●	●	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒
2. Mr. Rattanachai Wongcharoensin	NED	●	●	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒
3. Mr.Veerachai Wongcharoensin	ED	🕒	●	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	●
4. Mr. Wuttichai Wongcharoensin	NED	🕒	●	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	●
5. Mr.Wang Wanapaison	ED	●	●	🕒	🕒	🕒	🕒	🕒	🕒	●	🕒	🕒	●
6. Mr.Wang Wei Kai	ED	●	●	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	🕒	●

Board of Director	Type of Director	Skills Matrix											
		Business Operation	ADB Industry Knowledge	Technology	Human Resource Development	Financial	Accounting	International Business	Strategy Development	CG / Sustainability	Marketing	Legal / Regulatory	Internal Control / Risk Management
7. Ms. Pornpiwan Niramomcherdchay	ED	●	●	●	●	●	●	●	●	●	●	●	●
8. Asst.Prof.Dr. Monpilai H. Narasingha	ID	●	●	●	●	●	●	●	●	●	●	●	●
9. Dr. Mongkon Laowarapong	ID	●	●	●	●	●	●	●	●	●	●	●	●
10. Mr. Chung Jen Yang	ID	●	●	●	●	●	●	●	●	●	●	●	●
11. Mrs. Kanchana Piyasatit	ID	●	●	●	●	●	●	●	●	●	●	●	●

Remark : ID = Independent Director NED = Non-Executives Directors ED = Executives Directors

● = Trainer level ● = Expert ● = Moderately skilled ● = Basic awareness ○ = Not familiar

Performance Assessment of the Board of Directors and Top Management of the Company

The Company established to provide performance assessment of the Board of Directors, the Sub-Committee of each group and each personnel, including performance assessment of Chief Executive Officer at least once a year, in order for the director to consider to review the performance, problems and other obstructions during the past year. The assessments were provided into 3 types; 1) self-assessment by the whole Board of Directors 2) self-assessment of the Sub-Committee of each group and 3) self-assessment of the Sub-Committees of personnel, had the assessment principles to conform with the self-assessment of the Stock Exchange of Thailand (SET).

The performance assessment result of the director and Sub-Committees of 2023 can summarize the performance assessment in general as follows:

Performance Evaluation	Average Rating (%)	Criteria
Performance Assessment of the Board of Director (the whole group)	94.16	Excellent Level
Performance Assessment of Each Director (Self)	92.08	Excellent Level
Performance Assessment of Sub-Committee (each Sub-Committee)		Excellent Level
1) Audit Committee	97.50	Excellent Level
2) Executive Committee	92.92	Excellent Level
3) Sustainability and Risk Management Committee	97.50	Excellent Level
Performance Assessment of Chief Executive Officer	94.12	Excellent Level

1) Performance Assessment of the Board of Director (the whole group))

The self-assessment of the Board of Directors in general consists of 6 main categories; 1) structure and qualification of the directors 2) roles, duties and responsibilities of the directors 3) directors meeting 4) director's duties 5) relationship with the management 6) self-development of director and management development

**2) Performance Assessment of Director (Self-assessment)**

Performance assessment of each director (self) has had the assessments which consists of 3 main categories; 1) structure and qualification of director 2) directors meeting 3) role, duties and responsibilities of directors.

3) Performance Assessment of Sub-Committee (each Sub-Committee)

The Board of Director has evaluated performance of all 4 Sub-Committees; Audit Committee, Executive Committee, Corporate Governance Committee, and Risk Management Committee. However, the Company did not appoint the Nomination and Remuneration Committee, the Board of Director assigned the Executive Committee to perform duties instead of the mentioned Sub-Committees. For the Corporate Governance Committee was served by the Board of Directors, so still did not appoint the mentioned Sub-Committees also.

In order to implement the performance assessment result to improve and develop the performance of the Sub-Committees effectively, then classified the assessment subjects into 3 main categories; 1) Structure and qualification of the Committee 2) Committee Meeting 3) Roles, duties and responsibilities of the Committee.

4) Performance Assessment of Chief Executive Officer

Performance Assessment of Chief Executive Officer consists of 10 assessment subjects; 1) leadership 2) strategy establishment 3) strategic compliance 4) planning and financial result 5) relationships with directors 6) relationships with external 7) management and relationships with personnel 8) succession 9) product and service knowledge 10) personal attributes. The performance assessment result to be considered for the appropriate remuneration in next year.

Development of Directors and Senior Executives

The Company has focused to participate in the seminar in several relevant training courses for directors and senior executives in order to develop knowledge and competency continually to make the operation of the directors and senior executives more efficient, including implementing the knowledge and competency to communicate with the personnel in enterprise to implement also.

Director's Training

The company encourages all directors to attend training courses in accordance with the recommendations of the Office of the Securities and Exchange Commission. Organized by the Thai Institute of Directors Association (IOD) such as Directors Accreditation Program (DAP), Directors Certification Program (DCP), Audit Committee Program (ACP) etc. Currently, most of the company's directors have passed that training course. However, the company secretary will inform in providing additional training courses to all directors includes new directors regularly.

In addition, the company encourages the company secretary to attend various courses and listen to dialogue on issues related to the situation organized by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Thai Listed Companies Association and other related departments on a regular basis for efficient work.

8.1.2 Meeting attendance and remuneration of individual committees

The Company arranges for the Board of Directors meetings at least 4 times a year and has additional special meetings as necessary. Directors are required to attend every meeting. The Company Secretary will set the board meeting date in advance each year so that the directors can manage their time to attend the meetings as well as record and prepare written minutes of the meetings with complete details accurate and clear and the opinions of the directors, minutes of meetings will approve by the Board of Directors, including meeting invitations and supporting documents will be stored with the Company Secretary both in the form of documents and electronic data In a safe

place and ready for requesting to retrieve information for inspection only from the committee or persons who have the right to retrieve such information.

Board of Directors has established a fair and reasonable remuneration policy for company directors in accordance with the principles of good corporate governance with the Company's financial status, compare with businesses in the same industry and of similar size, principles and policies approved by the shareholders and the results of the annual performance assessment of the Board of Directors as well as the duties and responsibilities.

Information of Board Meeting attendance in 2023

Name of Directors	Meeting						
	AGM	EGM	Board of Director	Audit Committee	Sustainability and Risk Management Committee	Investment Advisory Board	Executive Committee
1. Mr.Pawat Wongtangtrakul	1/1	-	7/7	-	-	-	-
2. Mr.Wang Wanapaisan	1/1	-	7/7	-	2/2	-	5/5
3. Mr.Rattanachai Wongcharoensin	1/1	-	7/7	-	-	-	-
4. Ms.Pornpiwan Niramomcherdchay	1/1	-	7/7	-	2/2	-	5/5
5. Mr.Wei Kai Wang	0/1	-	7/7	-		-	5/5
6. Mr.Veerachai Wongcharoensin	1/1	-	7/7	-		-	5/5
7. Mr.Wuttichai Wongcharoensin	1/1	-	7/7	-	2/2	-	5/5
8. Dr.Mongkon Laoworapong	1/1	-	7/7	5/5	2/2	-	-
9. Asst.Prof.Dr.Monphilai Norasing	1/1	-	7/7	5/5	2/2	-	-
10. Mrs.Kanchana Piyasatit	1/1	-	7/7	5/5	-	-	-
11. Mr. Yang Chung Jen	1/1	-	7/7	-	-	-	-
12. Mr. Piriya Moungram	1/1	-	-	-	2/2	-	5/5
13. Mr. Jirawat Akkaranupornpong	1/1	-	-	-	-	-	5/5

Remark :

1. Number of meeting times / Number of meetings held.
2. The Board of Directors' Meeting No.4/2022 held on August 9, 2022 passed a resolution the removal of Mr. Wei Kai Wang and Mr. Veerachai Wongcharoensin from the Risk Management Committee because they were in management positions who may have conflict in the position of the Risk Management Committee.

Individual Board Remuneration in 2023

Directors' remuneration consists of monthly remuneration and meeting allowances of the Board of Directors and Sub-Committees. Which is paid according to the number of times participating in the meeting in 2023, separated by individual, details are as follows:

(1) Remuneration in Cash

Name of Directors	Position	Board of Directors' Remuneration (Baht)					
		Board of Director	Audit Committee	Sustainability and Risk Management Committee	Investment Advisory Board	Executive Committee	Total
1. Mr.Pawat Wongtangtrakul	Chairman of the Board	405,000	-	-	-	-	405,000
2. Mr.Wang Wanapaisan	Executive Directors	105,000	-	-	-	-	105,000
3. Mr.Rattanachai Wongcharoensin	Non-Executive Directors	345,000	-	-	-	-	345,000



Name of Directors	Position	Board of Directors' Remuneration (Baht)					
		Board of Director	Audit Committee	Sustainability and Risk Management Committee	Investment Advisory Board	Executive Committee	Total
4. Ms.Pornpiwan Niramomcherdchay	Executive Directors	105,000	-	-	-	-	105,000
5. Mr.Wei Kai Wang	Executive Directors	105,000	-	-	-	-	105,000
6. Mr.Veerachai Wongcharoensin	Executive Directors	105,000	-	-	-	-	105,000
7. Mr.Wuttichai Wongcharoensin	Non-Executive Directors	105,000	-	30,000	-	600,000	735,000
8. Dr.Mongkon Laoworapong	Independent Director	105,000	375,000	30,000	-	-	510,000
9. Asst.Prof.Dr.Monphilai Norasing	Independent Director	105,000	315,000	30,000	-	-	450,000
10. Mrs.Kanchana Piyasatit	Independent Director	105,000	315,000	-	-	-	420,000
11. Mr. Yang Chung Jen	Independent Director	345,000	-	-	-	-	345,000
Total		1,935,000	1,005,000	90,000	0	600,000	3,630,000

Remark :

1. Such remuneration does not include remuneration as executives.
2. Monthly compensation Pay only for non-executive directors.
3. Directors and independent directors who serve as directors in several sub-committees will only receive the highest rate of remuneration for one committee.
4. No other benefits to the directors besides the compensation.

(2) Other remuneration

- None -

8.1.3 Subsidiary and Associated Governance

The Company will invest in companies with the same business objectives as the Company's core business or businesses having similar nature or businesses supporting the Company's business which increases the Company's operating results or profits or invest in a business that provides benefits (Synergy) to the Company which can support the Company's core business operations to be more comprehensive to increase competitiveness.

To supervise subsidiary and/or associated, the Company will send directors or executives with qualifications and experience suitable for business operations to be the representatives to manage the businesses of subsidiary and/or associated to set important policies and control the business operations of such subsidiary and/or associated. In this regard, the directors who are the representatives of the Company must be responsible for supervising the subsidiary and/or the associated to manage or carry out various tasks according to the Company's policy as well as considering matters in accordance with the resolution of the Board of Directors' meeting that approves important matters of the subsidiary and/or the associated to maximize the benefits of the Company and for the sustainable growth of the Company.

The Company has assigned 2 directors and 1 executive to be the directors in the subsidiary named ADB Bio Company Limited, which was established on September 7, 2021. Such directors and executive have been approved



by the Board of Directors' meeting. In this regard, if such directors and executive retire from being the directors of ADB Bio Company Limited, the Board of Directors will consider assigning directors and executives to take care of their interests from time to time.

8.1.4 Monitoring Corporate Governance Policies and Practice

The Company emphasizes on the importance to good corporate governance which is an essential mechanism leading to an efficient, transparent, and verifiable management system. This will help build reliability and confidence to shareholders, investors, stakeholders, and all related parties. Good corporate governance will be a tool to add value, build competitiveness and promote the sustainable growth of the Company. Therefore, the Company follows up this to ensure that the corporate governance policy is strictly complied. In 2023, the Company provided enhancement and communication of information to the directors, the executives, and the employees at all levels throughout the organization. The directors, the executives and the employees of the Company have complied with the corporate governance policy and business ethics. Regular follow-ups are made.

In addition, the Company must follow up good corporate governance practice in 5 areas as follows:

(1) Prevention of Conflicts of Interest

The Board of Directors has been aware of potential conflicts of interest. The Company has strictly complied with the rules and guidelines of the Securities and Exchange Commission of Thailand. The Audit Committee considers the purchase and sale transactions of the Company between related persons on a quarterly basis and presents the results and opinions to the Board of Directors. Guidelines to prevent benefits arising from connected transactions or from business operations or having interests in performing duties are provided. The Directors or the Executives of the Company must practice and report their stakes. In the event when a director who has conflicts of interest in an item or a matter, that director must not participate in considering the agenda and has no right to vote on such matter. Considering the results of the performance in 2023, the Board of Directors and the Executives have properly complied with the rules. The Board of Directors has considered the policy on related transactions and measures to prevent conflicts of interest and approved that it is appropriate. Therefore, it has been considered as a guideline to be used for further work.

Measures for Managing Conflicts of Interest

- The Company has developed a policy to prevent conflicts of interest and has considered the appropriateness of the content and can still be appropriately enforced.
- The Company provides continual knowledge to the Management and the employees of the Company so that all employees can access to policies and information that help identify and disclose conflicts of interest as well as educating the Executives and the employees on how to manage and prevent conflicts of interest and disseminating policies on the intranet and on the Company's website.
- For the Directors or the employees who wish to be directors or advisors of the Company or of other business organizations or associations, holding such positions shall not have conflicts of interest and not obstruct direct performance of the Company. They must inform the Board of Directors before taking such positions in other organizations.
- During the year, the Directors and the Executives trade in the Company's shares and report in accordance with the rules on the use of insider information. The increase-decrease rate of each person's shares does not significantly change their holdings.
- The Company reviews the list of Directors, Executives, and related parties every year to review related business operations which may have conflicts of interest with the Company. No conflicts of interest have been identified.

**(2) Use of Insider Information for Exploitation**

The Company has policies and procedures for supervising the Directors and the Executives in using the Company's insider information which has not yet been disclosed to the public for exploitation. The Company provides knowledge to the Directors and the Executives of the Company and its subsidiaries about their duties in preparing and disclosing the Company's securities holding reports of themselves, their spouses and underage children as well as preparing and disclosing a report on securities holding and a report on the change in the Company's securities holding and submit the reports to the Office of the Securities and Exchange Commission ("SEC") within 3 business days from the date of purchase, sale, transfer or transfer of securities. In addition, the Secretary Office of the Company submits a written notice of the suspension of trading the Company's shares via emails of the Directors, the Executives, and related persons at least thirty (30) days prior to the public disclosure and at least 24 hours after the public disclosure. Disclosure of such material information to other persons is prohibited. The Company prescribes disciplinary penalties if there is a violation of using insider information for exploitation, starting from a written warning, wage cut, temporary suspension without pay or dismissal. The punishment will be determined based on the intention of the act and the severity of the offense. A person who commits an offense may also be subject to penalties under the prescribed law.

In 2023, the Directors and the Executives under the definition of the Office of the Securities and Exchange Commission ("SEC") have a duty to prepare and disclose the Company's securities holding reports of themselves, their spouses, and underage children, comply with the corporate governance policy and the use of insider information as specified by the Company as well as reporting the securities holdings and changes in the Company's securities holdings to the Office of the Securities and Exchange Commission ("SEC Office") within 3 business days from the date of purchase, sale or transfer securities as prescribed by the Securities and Exchange Commission ("SEC").

(3) Anti-Corruption

The Company has strict measures and actions to prevent and fight against corruption. The Company strictly adheres to the principles of continuous anti-corruption policy and encourages the Executives, the employees, and involved persons to be aware of corruption that may occur in the Company as well as recognizing the importance of anti-corruption process. Regular reviews on the anti-corruption policy practice and on guidelines and operating requirements are performed to respond to changes in business conditions, rules, regulations, and legal requirements.

Based on the communication about anti-corruption policy and whistleblowing with the employees, the Executives and the stakeholders, they are encouraged to submit documentary evidence directly to the Directors, the Chief Executive Officers, the Finance and Accounting Director, the Human Resources Manager, the Company Secretary via mails, e-mails, telephone or comment box in several locations provided by the Company. This enables those who observe clues about corruption and unfair treats in various matters to report such matters. Over the past year, auditing internal control by both internal audit unit and the Company's auditor has not been reported corrupt. The Company was certified as a member of the Thai Private Sector Anti-Corruption Coalition on December 31, 2023.

In 2023, The company no complaints from employee, customer or partner about corruption.

**(4) Compliance with human rights**

The Board of Directors places importance and strictly respects human rights. In 2023, the human rights policy has been revised to cover all aspects as a guideline for treating labor fairly and equally and covering stakeholders with the company such as customers, business partners, communities and society, etc., and guidelines for conducting a comprehensive human rights due diligence are established: Human Rights Due Diligence: HRDD) with reference to the human rights due diligence process, which consists of 5 steps as follows:

- 1) Announcement of the Company's policies and principles regarding respect for human rights.
- 2) Evaluation of actual impacts or trends that may arise from the Company's activities.
- 3) Integrating policy and evaluation Including internal and external control mechanisms.
- 4) Monitoring and reporting performance results
- 5) Corrections and remedies

In 2023, the company received no complaints from employees or stakeholders such as customers or business partners or communities. regarding human rights violations.

(5) Whistleblowing

The Company has established measures and provided channels for both internal and external stakeholders as well as the employees and several groups of stakeholders. They can report clues or file complaints including corruption, suspected acts of violating laws, rules, regulations, and codes of conduct that affect economy, society and environment or policies, violations of law and unfair practices, any acts that may cause damage to the Company, defects in goods or services, suggestions and other complaints related to the Company. The Company has established measures to protect and maintain confidentiality of complainers and measures to heal those who have suffered from the Company's operations.

In 2023, no complaints about corruption or violations of the Company's corporate governance policy have been reported.

8.2 Report on the performance of the Audit Committee in the past year**Information on attendance of the Audit Committee in 2023**

Name	Position	Meeting Attendance
1. Dr.Mongkon Laoworapong	Chairman of the Audit Committee	5/5
2. Asst.Prof.Dr.Monphilai Norasing	Audit Committee	5/5
3. Mrs.Kanchana Piyasatit	Audit Committee	5/5

Performance Assessment of Audit Committee in year 2023

Actions of the Audit Committee during the year 2023 are as follows:

1) Financial Report Review

The Audit Committee has reviewed the accuracy and reliability of the financial reports consisting of quarterly financial statements and annual financial statements by the auditors from KPMG Phoomchai Company Limited. The auditors did not find any issues, problems, or significant deficiencies in these matters as well as in reports from internal auditors on critical work processes. In addition, the auditors are invited to attend the meeting to consider the scope, guidelines and annual audit plans and to inquire about the correctness and completeness of the adjustments of important accounting transactions according to accounting



standards, adequacy of disclosure, effectiveness of the internal control system necessary to prepare the financial statements and the suitability of accounting records to ensure that the financial statements are in accordance with generally accepted accounting standards. A meeting with the auditors without the Management is organized for 4 quarters to ensure that the auditors are free to report problems and obstacles in their performance of duties or to report any incidents or abnormality found to the Independent Committee. This is for the benefit of users of the financial statements.

2) Assessment and Review of the Internal Control System

The Audit Committee has reviewed the internal control system from the audit report prepared by external auditors and internal auditors. The system assessment according to the laws and regulations of the Securities and Exchange Commission of Thailand is reviewed. Useful suggestions on general commercial terms are given. The focus is on the compliance with the relevant rules and enabling the Management to perform duties with fairness, no transfer of interest and this shall be under the principles approved by the Company's Directors.

3) Review of Whistleblowing about Corruption and Complaints

The Audit Committee has reviewed the whistleblowing process and acknowledgment of reports, complaints or whistleblowing in work related to directors, executives and corruption. as well as receiving information about inappropriateness of financial reports or ethical issues. In the past year, the Audit Committee has not received any reports about corruption complaints or fraudulent information or inappropriateness of financial reports or other unethical matters.

4) Compliance and Policy Monitoring

The Audit Committee has reviewed the Company's operations so that the operations can proceed in accordance with the laws on securities and stock exchange including the laws related to the Company's business operations. Non-compliance with the laws mentioned are reported.

Furthermore, the Audit Committee has been informed about the changes and amendments of the important policies related to the Company's business operations from the presentation by the Management in the quarterly meeting. The Audit Committee provided comments and recommendations on the important matters to the Company to ensure that the Company has constant readiness for changes as well as proper allocation of resources in terms of personnel and budget. The Audit Committee has important opinions regarding the Company's personnel planning. The personnel's skills shall be strengthened and maintained. The Company's strategy shall be adjusted to keep up with the changing employment, and marketing where consumer behavior has changed and is unstable.

5) Auditor Selection and Appointment

The Audit Committee considers independence, knowledge and understanding of the Company's business, quality of work and qualifications of auditors as well as the appropriateness of the audit service fee. The Company agrees to have the auditors from KPMG Phoomchai Audit Company Limited in 2023 consisting of the following certified auditors: Ms. Sawitree Ongsirimongkol, Certified Public Accountant No.10449 and/or Mrs. Munchupa Singsuksawat Certified Public Accountant No.6112 and/or Mr. Sumet Jangsamsee, Certified Public Accountant No. 9362, who sign in the Company's financial statement audit report. They are qualified according to the requirements and approved by the Office of the Securities and Exchange Commission. None of the auditors has performed auditing duties for the Company more than 7 consecutive years.

6) Internal Auditor Selection and Appointment

The Audit Committee considers independence, knowledge and understanding of the Company's business, quality of work and qualifications of internal auditors as well as the appropriateness of the internal audit service fee. The Company agrees to have Ascent Advisory Company Limited by Mr. Narongsak Wangthaphan to be the head of the internal audit.

7) Performance Assessment by Individual, Self-Assessment and Review of the Charter in accordance with Responsibilities

The Audit Committee considers individual and group self-assessments. The audit duties in the context of the Company according to the Audit Committee Manual prepared by the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's Audit Committee Charter are reviewed. According to the annual assessment results in 2022, it was found that the Audit Committee performed in accordance with their duties and responsibilities. The scores are similar to the previous year

8) Summary of Overall Opinions of the Audit Committee on the Company's operations in Different fields

The Audit Committee has performed its duties as stipulated in the Audit Committee Charter approved by the Board of Directors with knowledge, abilities, awareness, carefulness, and independence and has given opinions and suggestions in a constructive way for the maximum benefit of the stakeholders. Good cooperation from relevant departments and personnel of the Company has been given. In 2023, all independent directors had the opportunity to join the meeting without other directors. The Chief Executive Officers were invited to attend the meeting to acknowledge various operational guidelines Actual and useful information was provided.

The Audit Committee stated that the Company's financial reports were prepared in accordance with generally accepted accounting principles and were accurate, complete, and reliable as necessary in material matters according to accounting standards. Regarding the connected transactions, it was found to be reasonable and be maximum benefits for the Company. There was sufficient information disclosure which was complete and reliable and there was sufficient and effective internal control system. The relevant policies were complied with, and no significant deficiencies were reported.

8.3 Summary of the performance of other Sub-Committees**Sustainability and Risk Management Committee****Information on attendance of the Sustainability and Risk Management Committee in 2023**

Name	Position	Meeting Attendance
1. Dr.Mongkon Laoworapong	Chairman of the Sustainability and Risk Management Committee	2/2
2. Mr.Wang Wanapaison	Sustainability and Risk Management Committee	2/2
3. Ms.Pompiwan Niramoncherdchay	Sustainability and Risk Management Committee	2/2
4. Mr.Wuttichai Wongcharoensin	Sustainability and Risk Management Committee	2/2
5. Asst.Prof.Dr.Monphilai Norasing	Sustainability and Risk Management Committee	2/2
6. Mr.Wei Kai Wang	Sustainability and Risk Management Committee	2/2
7. Mr.Veerachai Wongcharoensin	Sustainability and Risk Management Committee	2/2
8. Mr.Piriya Muangkram	Sustainability and Risk Management Committee	2/2

**Performance Assessment of Sustainability and Risk Management Committee in year 2023**

In 2023, Sustainability and Risk Management Committee has arranged the meeting 2 times, all committees attended all meetings each meeting. All 2 meetings held via electronic media (Zoom Conference) according to the electronic meeting law, the Royal Decree on Teleconferences through Electronic Means B.E. 2563 (2020). The Sustainability and Risk Management Committee was responsible for determining and reviewing the organizational risk management framework, risk management policies and processes in accordance with the roles and duties in the Risk Management Committee Charter and proposed guideline for appropriate risk management with efficient business operation conforming with strategic directions, operations and business plans, including supporting and continually and efficiently development the risk management in all levels throughout the organization according to the international standard in order to create a corporate culture. The key points of each meeting in year 2023 can be summarized as follows:

- 1) Approve the risk management plan for the year 2023 and the strategic risk of each business. In particular, the STARK corruption situation had a direct impact on the company's sales and important debtors. Sales and finance departments closely analyzed and monitored the situation, including setting aside the entire amount for bad debts. However, due to the cooperation of many parties, the company has received payment in full amount and customers have begun to recover and return to trading and the company is still concerning and following up closely.
- 2) Risk from business transfer: The management has appointed some management and employees to manage the business and set operating policies as specified by the Company and there will be regular reporting of operating results and joint meetings, and there will also be an inspection of the internal control system by an external service provider. The results of the inspection did not contain any high level of important risk issues and the items found were identified. The management has issued solutions and reported to the Board of director for acknowledgment.
- 3) Review the Risk Management Committee Charter to increase work efficiency: the committee and management have opinions proposed to the committee to amend the scope of work to increase sustainability management aspect. The name was changed to the Sustainability and Risk Management Committee. (Sustainability and risk management committee (SRMC)) has been approved to operate on December 12, 2023.
- 4) During 2023, the Risk Management Committee considered revising the anti-corruption work manual and a work manual for managing risk appropriately within the new scope of duties and increasing risk tolerance so that management can use the same criteria.

By conclusion, Risk Management Committee has opinion in year 2023, the Company has developed the Risk Management continually and conform with the change situation by arranging the Risk Management Meeting as appropriate. When there were important and urgent risks, the Risk Management Working Group has managed them in a timely manner and has reported according to the steps of command according to the practice that have been prepared. This resulted in the effectiveness of risk management, risk control management in the enterprise efficiently, appropriately and in risk appetite.

Investment Advisory Board Committee

Information on attendance of the Investment Advisory Board Committee in 2023

Name	Position	Meeting Attendance
1. Dr.Mongkon Laoworapong	Chairman of the Investment Advisory Board Committee	-
2. Asst.Prof.Dr.Monphilai Norasing	Investment Advisory Board Committee	-

Performance Assessment Result of Investment Advisory Committee in 2023

In the past year, the Investment Advisory Board Committee, here was no meeting to consider any investment.

Executive Committee

Information on attendance of the Executive Committee in 2023

Name	Position	Meeting Attendance
1. Mr.Wang Wanapaison	Chairman of the Executive Committee	5/5
2. Mr.Wei Kai Wang	Executive Committee	5/5
3. Mr.Kang Hsu Liu	Executive Committee	5/5
4. Mr.Wuttichai Wongcharoensin	Executive Committee	5/5
5. Mr.Veerachai Wongcharoensin	Executive Committee	5/5
6. Ms.Pornpiwan Niramoncherdchay	Executive Committee	5/5
7. Mr.Piriya Muangkram	Executive Committee	5/5
8. Mr.Jirawat Akkaranupornpong	Executive Committee	5/5

Performance Assessment Result of Executive Committee in 2023

Executive Committee has considered and scrutinized the business plan and annual budget in order to comply with the Company's policy and target, including monitoring the management of the executives in accordance with the policy, business operation and annual budget as stated closely. Moreover, still considering the nomination and selection of the Board of Directors, Sub-Committees retirement due to end of term, including set up remuneration for director, sub-director and remuneration of senior executive of the Company by comparing with business in the same industries and similar size as appropriate to the obligations and liabilities. and consider the details of the partial business transfer to the newly established company to propose to the Board of Directors for consideration.

9. Internal Control and Connected Transactions

9.1 Internal Control

Opinions of Board of Director about the Company's Internal Control System

In the Board of Directors' meeting No. 6/2023 on November 9, 2023, there were 4 independent committee members, 3 of them were the audit committee attended the meeting. The Board of Directors has assessed the internal control system of the Company and its subsidiaries according to the internal control system adequacy assessment form of the Securities and Exchange Commission (SEC), which is based on the internal control framework according to COSO 2013 standards, which consists of 5 elements: internal control within the organization, risk assessment, operational control, Information and communication systems and tracking system which has been reviewed by the Audit Committee and agreed that the internal control system of the Company and its subsidiaries is adequate and appropriate and no significant deficiencies were found regarding internal control. The Company and its subsidiaries



have arranged for sufficient personnel to operate in accordance with laws, regulations, policies and ethics, as well as various guidelines efficiently including a system to control, monitor and supervise the operations of the company and its subsidiaries to be able to protect assets from being used illegally or without authority by directors or executives including transactions with persons who may have conflicts and related persons.

The company instills knowledge in the management team, supervisors and employees to aware and work with an emphasis on good corporate governance, risk management, operational supervision and internal control by providing adequate personnel and aim to improve the work system with appropriate standards that promote the achievement of objectives efficiently and operations in accordance with the legal framework and relevant standards and be able to operate according to business plan and budget results to achieve the vision and mission set under the principles of good corporate governance.

In 2023, the committee promotes the development of various tools to be consistent with constantly changing risks to create a preventative system for business and support a better internal control system as follows:

1) Proactive and Preventive System

The company has transferred some of businesses to new subsidiary, ADB Sealant Co., Ltd., where employees are an important factor that will allow the company to achieve its goals and operate sustainably. Employees of the entire organization from the parent company and subsidiaries must have morality and ethics in work and comply with the policies announced by promoting preventive systems as follows:

- 1.1) Review and improve important policies and manuals related to building morality, including the Code of Ethics and Code of Conduct at Work. including the relevant work manual has been revised by improving it to be clear, comprehensive and consistent with the Code of Ethics and Code of Conduct for work. To apply good principles both at the national level and international standards and in today's business operations, Employees can apply good principles both at the national level and international standards into business operations to work more efficiently.
- 1.2) Review and conduct a policy knowledge test and employee ethics test that have been continuously measured every year in order to instill knowledge, raise awareness and can apply morality, organizational code of ethics, anti-corruption, supplier code of conduct correctly and appropriately. It also communicates to the company's trading partners the goal of combating corruption and operating sustainably.
- 1.3) Evaluate the internal control system, both operational systems and information systems to review the adequacy of the internal control system to ensure that it is suitable for the company's business operations, recommend good practices and create a Proactive & Preventive System to reduce risks in business operations.

2) Anti-corruption practices

In 2023, the company conducted a self-evaluation of anti-corruption measures and submitted to the Thai Private Sector Coalition Against Corruption Committee (CAC) for consideration and approval and at the meeting of the Coalition Committee. It was resolved to certify the Company as a member of the Thai private sector anti-corruption coalition. This was officially notified on January 2, 2024. Throughout the year, the company has revised the policy by improving the anti-corruption work manual to provide a guideline for companies or agencies (first line) that have contact with government agencies and have the potential to be



at risk of corruption as a guideline for systematic practice. There is a support unit (Second Line) to act as a consultant and give advice and an internal control unit (Third Line) to evaluate efficiency and effectiveness according to policy to build confidence in the management and the audit committee and board of Directors. Also, we have communicated to employees at all levels and must be followed, and the management team must conduct a risk assessment to set up appropriate measures, push, communicate and comply with the anti-corruption policy continuously.

3) Risk Assessment

In 2023, the Risk Management Committee developed a Risk Profile Assessment Table showing the level of Impact and Likelihood, a comprehensive risk monitoring covering Strategic Risk, Operational Risk, Financial Risk and Compliance Risk on an annual basis. There is a follow-up review in 2022. There are 3 follow-up meetings and there is the communication with the Risk Owners and the Executives in each department to build awareness of risk and preventive approaches, which is an important development that everyone must cooperate in risk management. with the following important achievements:

- 3.1) Approve the annual risk management plan for 2023 and strategic risk management plans for the business operations of each business. In particular, the STARK corruption situation has a direct impact on the company's sales and important debtors. Sales and finance departments closely analyzed and monitored the situation, including setting aside the entire amount for bad debts. However, due to the cooperation of many parties, the company has received payment in full amount and customers have begun to recover and return to trading, and the company is still concerning and following closely.
- 3.2) Risk from business transfer: The management has appointed some management and employees to manage the business and enforce various operating policies as set by the parent company and to report operating results and hold regular meetings. There is also an audit work of the internal control system by an external service provider, similar to that of parent companies. The results of the inspection did not contain any high level of risk issues, the management has issued corrective guidelines and reported to the committee for acknowledgment.
- 3.3) Review the risk management committee charter to increase work efficiency, the committee and management have opinions proposed to the committee to amend the scope of work to increase sustainability management. The name was changed to the Sustainability and Risk Management Committee. (Sustainability and risk management committee (SRMC)) has been approved to operate on December 12, 2023.
- 3.4) During 2023, the Risk Management Committee considered revising the anti-corruption work manual and the risk management work manual to be appropriate within the new scope of duties and increasing the acceptable criteria (Risk tolerance) for the management. Criteria can be applied in the same criteria.

9.2 Control Activities

9.2.1 Supervision of operations and compliance with relevant regulations

The Company has established written policies and procedures and covers various processes appropriately in terms of financial transactions, procurement and general administration of all work systems. The scope of work, the authority and the approval order at each level have been clearly defined according to the organizational structure and operational authority. The duty of approval is separated from



the duty of recording accounts and information and from the duty of maintaining the assets to balance and check each other.

The internal control has been provided through policies, operating procedures, written work manuals or guidelines so that the established policies can be practical, and the risks can be managed to achieve the objectives set by the Company. The Company's internal control activities will be applied at all levels of the organization. The prepared documents can be passed on from generation to generation as a pattern or standard of work.

9.2.2 Information & Communication

The Company prepares the information used in its operations. Such information must be quality information from inside and outside the organization to support the operations and internal control so that the Company can proceed as specified. The information must be accurately, appropriately, and sufficiently communicated with the employees at all levels for the performance of work.

For the shareholders' meeting, meetings of the Board of Directors and meetings of several subcommittees, the Company provides the shareholders, the Directors, the Executives, and the stakeholders with accurate information which is sufficient to make a decision in a timely manner. The Company always operates with completeness and has set out guidelines for managing stakeholders in the good corporate governance policy.

9.2.3 Whistleblowing System

The company has received approval and reviewed the policy for accepting complaints and reporting wrongdoing. (Whistleblowing Policy) to be clear and to continuously monitor the complaint process and provide opportunities for personnel both within the organization and external stakeholders to access channels to report any practices that do not comply with the principles of good governance, ethics, supervision, rules, regulations, laws and anti-corruption policies. The internal personnel can notify verbally to the supervisor, head of Internal Control Department, or can send a letter or notify through the website or send an electronic letter to the Chairman of the Audit Committee or the Chief Executive Officer. The Company has clearly specified procedures for operating when receiving complaints by gathering information, inspection, and making judgment by committee, punishment and remedy and protecting whistleblowers. The full version of the use of insider information policy and the whistleblowing policy can be read through the QR Code below.



In 2023, the company has not received complaints from both internal personnel and external stakeholders regarding corruption, directors, executives or employees' violation of ethics. There were no operations that cause damage or nuisance to society, nearby communities in any way. Complaints received are about business operations, service and product quality which are matters that the management has dealt with and resolved.

9.2.4 Monitoring Activities

The Company monitors and evaluates the results of internal control to ensure that the internal control system is operated completely and appropriately through the continuous monitoring and evaluation and is performed by internal auditors who are independent from outside. The auditors examine the facts of the operations with standardized auditing principles of each work system under each business unit, which functions appropriately and efficiently. This is also to prevent conflicts of interest that may arise between



the Company and the Management, the Board of Directors, or the shareholders, to prevent unreasonable use of assets, the Company's information, and chances and to make transactions with those related to the Company in a beneficial way.

At monthly management meetings, the Company monitors the goals and supervises the implementation of the plans stated in the annual budget approved by the Board of Directors and reports the progresses or changes that does not follow the plan. If significant deficiencies are discovered, the Executive Board and the Chief Financial Officer must report to the Board of Directors and/or the Risk Management Committee and/or the Audit Committee to clarify the causes and the solutions without delay.

Opinions of Audit Committee

The Audit Committee gave opinion on good corporate governance, risk management, supervision of operations and internal controls of the company in 2023 as shown in Attachment 6, Report of the Audit Committee.

Opinions of Internal Auditors about the Company's Internal Control System

The Company has hired the internal auditors with professional service provision which is Ascent Advisory Company Limited. This company has professional experience in the field of internal auditing and has qualified personnel sufficient to provide services to the Company. For the system auditing according to the specified time frame. The details of the internal auditor are attached in Attachment 3

In 2023, the auditors assessed the sufficiency of the internal control system in 5 topics as mentioned above and reported to the Audit Committee. The Audit Committee presented it to the Company's Directors on a quarterly basis. Any items proposed for improvement were communicated to the Management for revision and continuous monitoring. The results of the annual audit revealed that several issues were continually improved, and the remaining issues were at low priority.

In addition, the auditors had no significant remarks on the lack of internal control or the ability to protect the Company's assets from the wrongful or unauthorized use by the Management or the employees. The auditors stated that the Company's financial reports were accurate, reliable and consistent with generally accepted accounting standards and in accordance with financial reporting standards.

9.3 Connected Transactions

1) A party who may have conflicts of interest and relationship.

The company proceeds connected transactions with a party who may have conflicts of interest including the Board of Directors, shareholders, management and related companies which refer to any companies that have a party who may have conflicts of interest with the Company and is related to Board of Directors, management and shareholders. The relationships can be summarized as follows:

Party / Juristic Person who may have conflicts of interest	Relationships
CPL Group Public Company Limited	- Manufacturer and distributor of finished leather products and safety equipment and personal protective equipment - Share the same director who is Mr. Mongkol Laoworapong. - Have shareholders who are Mr.Manit Wongcharoensin, Mr.Puwasit Wongcharoensin, Mr.Wiwat Wongcharoensin and Mr.Suwatchai Wongcharoensin (Wongcharoensin Family) who are the Company's major shareholders holding 1.64%, 4.51%, 8.13% and 4.90% of paid-in registered capital of 418.89 million baht respectively.



Party / Juristic Person who may have conflicts of interest	Relationships
Thai Wiring System Company Limited	- Operates in the business of producing and distributing wire mesh product - There is 1 common director with the company, namely Mr. Wuttichai Wongcharoensin. - Have shareholders who are Mr.Manit Wongcharoensin, Mr.Puwasit Wongcharoensin, Mr.Wiwat Wongcharoensin and Mr.Suwatchai Wongcharoensin (Wongcharoensin Family) who are the Company's major shareholders holding 12.5%, 6.25%, 12.50% and 7.00% of paid-in registered capital of 418.89 million baht respectively.
ADB BIO Co.,Ltd.	- Operates in the business of producing and distributing bioplastic compound - There are 2 common directors of the Company, namely Mr. Wang Wanapaisan and Mr. Veerachai Wongcharoensin. - The Company currently holds 99.97% of shares in ADB Bio Company Limited.
ADB Sealant Co.,Ltd.	- Operates in the business of producing and distributing adhesive and sealant. - There are 4 common directors with the Company, namely Mr. Wang Wanapaisan and Mr. Veerachai Wongcharoensin, Mr. Wang Wei Kai and Mr. Wutthichai Wongcharoensin. - The Company currently holds 99.99% of shares in ADB Sealant Company Limited.

2) Details of connected transactions

Connected transactions the Company makes with a party/a juristic person who may have conflicts of interest on December 31, 2021 and 2022 are as follows:

2.1) Transactions related to purchase and sale of the Company's products

Nature of Transaction	Transaction Value (THB)		Necessity / Reasons for the Transaction	Opinion from Audit Committee
	Jan-Dec 2022	Jan-Dec 2023		
CPL Group Public Company Limited				
<u>Selling</u>				
Sale revenue	3,883,945	803,705	The company sells adhesives and PVC resin for CPL Group Public Company Limited, with the selling price and profit margin comparable to outsiders and gross margin. Average that the company Selling such products to third parties. This commercial transaction is a normal business operation. By determining the selling price which is considered based on the sales volume and the selling price and trade conditions as well as other customers	The Audit Committee agrees that proceeding the transactions are reasonable because such transactions the Company's normal business operations and can increase the Company's additional revenue by utilizing the Company's raw materials. Such transactions are subject to the Company's general business conditions which the sales prices and gross profit margins are comparable to the sales prices and average gross profit margins made by selling adhesives to outsiders and do not make the Company lose any interest.
Trade receivables	994,116	88,275		
CPL Group Public Company Limited				
<u>Purchasing</u>				
Cost of sales	63,528	48,196	The Company purchases personal protective equipment from C. P. L. Group Public Company Limited to use in the Company's factories. The Company had purchased such personal protective equipment. The sales prices are comparable to those given by other business partners. The Procurement Department compares the prices according to the Company's procurement policy and proposes to executives for an approval.	The Audit Committee agrees that preceding the transactions is reasonable because such transactions support the Company's normal business operations. Such transactions are subject to the Company's general trade terms and procurement policy. The Company considers and precedes the transactions in the same way the Company does with other business partners.
Account receivable	3,976	6,337		
ADB Bio Co.,Ltd.				
Sales and services revenue	328,953	6,337	The Company charges a service fee for the administration and management from ADB Bio Company Limited. This commercial transaction is a normal business operation. The management fees have been determined by the company based on volume of transactions. There may be items related	The Audit Committee give opinion that the said transaction is reasonable and it is a normal business transaction of the company in accordance with general trading conditions according to the company's sales policy and does not cause the
Trade receivables	10,700	90,000		

Nature of Transaction	Transaction Value (THB)		Necessity / Reasons for the Transaction	Opinion from Audit Committee
	Jan-Dec 2022	Jan-Dec 2023		
			to rent or wages for additional production if there are additional orders from customers.	company to lose benefits.
ADB Sealant Co.,Ltd				
<u>Receive transfer of goods and assets</u>	-	394,775,689	The company transferred the remaining inventory and some fixed assets such as machinery and equipment based on the appraised price from an independent property appraiser, while finished goods inventories were considered the profit margin of 5 percent of the net value.	The Audit Committee is of the opinion that the transaction is reasonable and supports the company's normal business and have already checked with the legal advisor.
outstanding account receivables	-	352,409,987		
<u>Factory rental and management costs</u>	-	42,900,000	The company received income from factory rental fees and management fees from ADB Sealant Co., Ltd. according to the rental and management fee contract for a period of 1 year, with the rental fee being based on the appraised value of an independent appraiser. The company has considered the appropriateness of the volume of transactions and service that related to management team and human resources from Applied DB Public Company Limited.	The transaction is the Company's normal transaction at the market price. The transaction therefore is reasonable and fair.
outstanding account receivables	-	4,173,000		
<u>Trademark usage fees</u>	-	4,239,966	The Company received trademark royalty income from the use of Brand: DB, Sparko, Dai-Ichi, Omaku, and ADB trademarks which the Company still owns these registered trademarks both domestically and abroad. It is calculated from the sales received from the sale of products bearing the said trademark at 1 percent of the sales value of that product.	The transaction is the Company's normal transaction at the market price. The transaction therefore is reasonable and fair.
outstanding account receivables	-	1,143,989		
<u>Sold raw materials</u>				
Sold raw materials		37,891,848	The Company sold raw materials to ADB Sealant Co., Ltd. because in the initial period of business transfer, because	The transaction is the Company's normal transaction at the fair-trade term. The transaction

Nature of Transaction	Transaction Value (THB)		Necessity / Reasons for the Transaction	Opinion from Audit Committee
	Jan-Dec 2022	Jan-Dec 2023		
Outstanding account receivables		-	ADB Sealant Co., Ltd. was unable to purchase certain types of raw materials or some parts of the order were sent through Applied DB Public Company Limited in advance, so the company sold the raw materials back to ADB Sealant Company Limited.	therefore is reasonable and fair.
<u>Providing financial assistance</u>				
Interest expense		9,599,725	The company is in arrears for transferring outstanding inventories and some fixed assets such as machinery and equipment based on the appraised price from an independent property appraiser. The interest is charged at the rate of 3.50 percent per year, based on the company's short-term loan interest costs.	The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.
Outstanding account receivables		1,047,575		
Thai Wiring System Co.,Ltd.				
<u>Selling</u>				
Sale revenue	1,100,000	506,175	The Company has sold PVC Compound to Thai Wiring System Co., Ltd. since the second quarter of 2022 with selling prices and profit margins that are comparable to other parties. This commercial transaction is a normal business operation, the selling price is determined by considering the appropriateness of sales volume and selling price and trade conditions as other customers.	The Audit Committee agrees that proceeding the transactions are reasonable because such transactions the Company's normal business operations and can increase the Company's additional revenue by utilizing the Company's raw materials. Such transactions are subject to the Company's general business conditions which the sales prices and gross profit margins are comparable to the sales prices and average gross profit margins made by selling adhesives to outsiders and do not make the Company lose any interest.
Trade receivables	-	-		

**3) Necessity and Reasonableness of Connected transactions.**

The Company's connected transactions for the fiscal year ended in December 31, 2022 can be divided into 2 groups.

3.1) Normal business transaction refers to a commercial transaction normally performed by the Company or its subsidiaries for the purpose of operating business such as trading, service provision, resale etc.

3.2) Supporting business transaction refers to a commercial transaction that companies that are in the same business with the Company often proceed to support normal business such as purchase of safety equipment etc.

4) Connected transactions Measures or Procedures for Approval of Connected Transaction.

The company established the policy and procedure for connected transactions of the Company with a party who may have conflicts of interest or related persons so as to clarify transactions and maintain the Company's benefits. The Company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand. The management and stakeholders are prohibited to take part in approving connected transactions. In the case where the law requires the approval of the Board of Directors, the Company will arrange the Audit Committee to attend the meeting to consider and give opinions on the transaction and the reasonableness of the transaction. Transactions of trade agreement with general trade terms and transaction of trade agreement without general trade terms shall apply as follows:

4.1) Transactions of Trade Agreement with General Trade Terms.

Normal business transactions and supporting normal business transaction including product selling and services shall have fair trade agreement and trade terms which can be comparable to the market prices or can refer to prices of products in the same groups and shall not cause benefit transfer. The Board of Directors is approved to set a framework for the management to proceed with the transactions. The Company's management can proceed with the transactions under the principles approved by the Board of Directors. The report of transactions shall be prepared and reported to the Audit Committee Meeting in every quarter. The Company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand and disclosure of connected transactions.

4.2) Transactions of Trade Agreement without General Trade Terms.

Transactions of trade agreement without general trade terms in the case of a connected transaction under the authority of the Board of Directors, the executives of relevant departments such as sales department, marketing department, accounting department, operating department shall propose details, transactions, necessity and reasonableness of transactions to request for an approval from the Audit Committee and propose them to the Meeting of the Board of Directors for an approval of transactions. The Company will disclose connected transactions in the remark of financial statements examined by the Company's auditor. If the Company's common shares are registered in the Stock of Exchange of Thailand, the Company will disclose connected transactions in Annual Transactions (Form 56-1) and Annual Report (Form 56-2) in accordance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand.

4.3) Connected transactions of the Company and subsidiaries

The Company conducts business with its subsidiaries such as services, space rental, buying and selling of raw materials, products, and financial assistance, technical or personnel support, etc. Business operations are transactions between the companies complied with legal and regulations issued by government



agencies and regulatory agencies or other relevant agencies and the Company's approval authorization as well as on the basis of the company's acceptable risk principles.

4.4) Policies or Trends for Approval of Future Connected Transaction

The Company proceeds connected transactions in the future including product selling and Service. These transactions are examined and approved by the Audit Committee and the Board of Directors. The Audit Committee will review and give opinions to connected transactions which are quarterly normal business transactions or supporting normal business transactions. However, for any transactions which are not normal business transactions occurring in the future, the Company will arrange the Audit Committee to review the necessity and reasonableness of the transactions prior to approval of connected transactions.

If the Company wishes to approve connected transactions with a party who may have conflicts of interest in the future, the Company will strictly follow the policies and procedures mentioned above. The Company will arrange the Audit Committee to consider and give opinions to review the necessity and reasonableness of the transactions. In case the Audit Committee considers it lacks expertise required for the consideration of possible transactions, the Company is empowered to recruit experts such as an independent appraiser, an independent expert or an auditor to give opinions on the connected transactions. The opinion of these recruited experts will be used in the decision-making of the Board of Directors of the company or shareholders as the case may be. The Company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand and disclosure of connected transactions as in Annual Registration Statement/Annual Report 2021 (Form 56-1 One Report) in accordance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand.

5) Connected transactions

The Company has a policy to operate in accordance with the criteria of the announcement of the Capital Market Supervisory Board regarding the criteria for conducting connected transactions and the announcement of the Stock Exchange of Thailand concerning the disclosure of information and operations of listed companies in connection with related transactions, as well as related laws, regulations and announcements.



Financial Statements





Part 3

Financial Statements

Board of Directors' Statement of Responsibility for Financial Report

The Board of Directors of Applied DB Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the separate and consolidated financial statement of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2023 which are prepared according professions (FAP) and correspond with the generally accepted accounting standards of Thailand. The Board of Directors has selected and consistently followed and appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information in adequately disclosed in the notes to the financial statements. The financial statements have been examined by and independent external auditor and the auditor has expressed and unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance in the past year.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to the evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely, adequate to protect its asset, as well as able to prevent fraud or materially irregular operations, The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

The Board of Directors believes that the effectiveness of the Company's overall internal control system is satisfactory and able to crate credibility and reliability for the separate and consolidated financial statements of Applied DB Company Limited and its subsidiaries for the period ended December 31, 2023.



Mr.Wang Wanapaisorn
Chief Executive Officer



Mr.Pawat Wongtangtrakul
Chairman



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

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

Independent Auditor's Report

To the Shareholders of Applied DB Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Applied DB Public Company Limited and its subsidiaries (the "Group") and of Applied DB Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their 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 Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and 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 consolidated and separate 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate 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 Note 3(f) and 7.	
The key audit matter	How the matter was addressed in the audit
The Group's inventories have significant balances and the main raw materials are commodity products, for which the market price is volatile as well as having a risk of deterioration. The Group measures its inventories at the lower of cost and net realizable value. The estimation of net realizable value of inventories involves management's judgment. Therefore, I considered this as the key audit matter.	My audit procedures included the following: - making inquiries of the management and inspecting a sample of related documents to understand the policies, process, and the management's judgments and assumptions used to set up selling prices, estimated net realizable value of inventories, including the design and implementation of the related internal controls; - verifying the accuracy of the inventory aging report on a sample basis with supporting documents; - assessing the management's assumptions used to identify deteriorated inventories by comparing with supporting documents, and attending inventory count observation including considering the condition of inventories; sampling items to test the estimated net realizable value of inventories and related selling expenses with supporting documents; and - evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.



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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 consolidated and separate 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.

(Sawitree Ongksirimemongkol)
Certified Public Accountant
Registration No. 10449

KPMG Phoomchai Audit Ltd.
Bangkok

21 February 2024

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2023	2022	2023	2022
		(in Baht)			
Current assets					
Cash and cash equivalents	5	40,555,485	101,515,605	38,016,746	99,366,954
Trade accounts receivable	4, 6	377,667,695	446,450,948	201,815,031	281,754,914
Other receivables	4, 8	78,970,804	37,584,067	396,968,807	37,513,051
Inventories	7	382,948,199	510,576,179	141,999,115	198,779,534
Other current assets		-	15,700,559	-	15,700,559
Disposal groups classified as held for sale	8	-	-	-	545,291,933
Total current assets		880,142,183	1,111,827,358	778,799,699	1,178,406,945
Non-current assets					
Investments in subsidiaries	9	-	-	51,006,523	2,006,523
Property, plant and equipment	10	462,306,005	495,840,808	406,544,281	432,270,829
Right-of-use assets	10	43,945,011	5,554,997	22,735,397	5,554,997
Other intangible assets		847,334	1,394,626	780,873	1,394,626
Deferred tax assets	19	11,712,890	11,226,927	6,115,579	6,370,330
Other non-current assets		11,736,848	543,511	11,736,848	543,511
Total non-current assets		530,548,088	514,560,869	498,919,501	448,140,816
Total assets		1,410,690,271	1,626,388,227	1,277,719,200	1,626,547,761

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

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2023	2022	2023	2022
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	12	440,172,284	616,133,793	405,831,481	615,133,793
Trade accounts payable	4	243,368,303	238,041,807	165,530,565	178,508,167
Other payables	4	29,846,084	49,342,553	15,337,582	39,603,122
Current portion of lease liabilities	12	5,411,252	1,539,238	2,814,770	1,539,238
Current portion of long-term borrowings					
from financial institutions	12	9,412,000	19,152,000	9,412,000	19,152,000
Income tax payable		-	651,609	-	842,904
Current provisions for employee benefits	13	1,293,341	2,489,686	693,212	2,489,686
Other current liabilities		1,184,738	462,070	1,133,273	462,069
Liabilities included in disposal groups					
classified as held for sale	8	-	-	-	87,077,589
Total current liabilities		730,688,002	927,812,756	600,752,883	944,808,568
Non-current liabilities					
Lease liabilities	12	36,179,278	2,786,035	18,090,709	2,786,035
Long-term borrowings from financial institutions	12	-	9,412,000	-	9,412,000
Non-current provisions for employee benefits	13	43,221,517	42,646,217	26,181,886	24,616,225
Total non-current liabilities		79,400,795	54,844,252	44,272,595	36,814,260
Total liabilities		810,088,797	982,657,008	645,025,478	981,622,828

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

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2023	2022	2023	2022
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(726 million ordinary shares,					
par value at Baht 0.5 per share)		362,999,962	362,999,962	362,999,962	362,999,962
Issued and paid-up share capital					
(726 million ordinary shares,					
par value at Baht 0.5 per share)		362,999,962	362,999,962	362,999,962	362,999,962
Share premium on ordinary shares	14	202,200,890	202,200,890	202,200,890	202,200,890
Surplus on share-based payment transactions	14	308,333	308,333	308,333	308,333
Retained earnings					
Appropriated					
Legal reserve	15	20,643,763	20,643,763	20,643,763	20,643,763
Unappropriated		14,386,946	57,516,557	46,540,774	58,771,985
Other components of equity		61,580	61,714	-	-
Total equity		600,601,474	643,731,219	632,693,722	644,924,933
Total liabilities and equity		1,410,690,271	1,626,388,227	1,277,719,200	1,626,547,761

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

Applied DB Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
		(in Baht)			
Revenues					
Revenue from sales of goods	4, 16	1,623,518,538	2,154,698,708	943,019,401	1,281,273,601
Net foreign exchange gain		2,833,490	-	7,681	-
Gain on business transfer	8	-	-	19,887,804	-
Other income	4	13,593,210	11,813,905	65,699,218	4,682,507
Total revenue		1,639,945,238	2,166,512,613	1,028,614,104	1,285,956,108
Expenses					
	4				
Cost of sales of goods	7, 18	1,463,632,077	1,954,060,420	893,616,016	1,175,433,694
Distribution costs	18	72,904,436	90,876,504	37,803,202	47,775,164
Administrative expenses	18	129,694,261	110,850,101	78,234,025	51,305,174
Net foreign exchange loss		-	3,024,478	-	4,687,177
Total expenses		1,666,230,774	2,158,811,503	1,009,653,243	1,279,201,209
Profit (loss) from operating activities		(26,285,536)	7,701,110	18,960,861	6,754,899
Finance costs		18,686,355	13,665,164	16,418,686	6,757,600
Profit (loss) before income tax expense		(44,971,891)	(5,964,054)	2,542,175	(2,701)
Income tax expense	19	1,734,510	970,235	6,459,369	917,175
Loss for the year from continuing operations		(46,706,401)	(6,934,289)	(3,917,194)	(919,876)
Loss for the year from discontinued operation, net of tax	8	-	-	(10,311,972)	(4,683,760)
Loss for the year		(46,706,401)	(6,934,289)	(14,229,166)	(5,603,636)

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

Applied DB Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
		(in Baht)			
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange difference on translating financial statements		(134)	67,875	-	-
Effective portion of gain on cash flow hedges		-	7,134	-	7,134
Income tax relating to items that will be reclassified subsequently to profit or loss	19	-	(1,427)	-	(1,427)
Total items that will be reclassified subsequently to profit or loss		(134)	73,582	-	5,707
Items that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	13	4,470,987	4,200,147	2,497,444	4,200,147
Income tax relating to item that will not be reclassified to profit or loss	19	(894,197)	(840,029)	(499,489)	(840,029)
Total items that will not be reclassified to profit or loss		3,576,790	3,360,118	1,997,955	3,360,118
Other comprehensive income for the year, net of tax		3,576,656	3,433,700	1,997,955	3,365,825
Total comprehensive expense for the year		(43,129,745)	(3,500,589)	(12,231,211)	(2,237,811)
Loss attributable to:					
Owners of the parent		(46,706,401)	(6,934,289)	(14,229,166)	(5,603,636)
Loss for the year		(46,706,401)	(6,934,289)	(14,229,166)	(5,603,636)
Total comprehensive expense attributable to:					
Owners of the parent		(43,129,745)	(3,500,589)	(12,231,211)	(2,237,811)
Total comprehensive expense for the year		(43,129,745)	(3,500,589)	(12,231,211)	(2,237,811)
Loss per share					
Loss per share from continuing operations	20	(0.064)	(0.010)	(0.006)	(0.001)
Loss per share from discontinued operations	8, 20			(0.014)	(0.007)
				(0.020)	(0.008)

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

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements									
				Retained earnings		Other components of equity			
	Issued and	Share	Surplus on				Cash flow	Total other	
Note	paid-up	premium	share-based	Legal reserve	Unappropriated	Translation	hedge	components	Total
	share capital		payment			reserve	reserve	of equity	equity
			transactions						

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

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements					Other components	
			Surplus on	Retained earnings		of equity	
	Issued and	Share	share-based	Legal reserve	Unappropriated	Translation	Total
	paid-up	premium	payment	(in Baht)		reserve	equity
	share capital		transactions				
Year ended 31 December 2023							
Balance at 1 January 2023	362,999,962	202,200,890	308,333	20,643,763	57,516,557	61,714	643,731,219
Comprehensive income (expense) for the year							
Loss	-	-	-	-	(46,706,401)	-	(46,706,401)
Other comprehensive income (expense)	-	-	-	-	3,576,790	(134)	3,576,656
Total comprehensive inncome (expense)							
for the year	-	-	-	-	(43,129,611)	(134)	(43,129,745)
Balance at 31 December 2023	362,999,962	202,200,890	308,333	20,643,763	14,386,946	61,580	600,601,474

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

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity

				Separate financial statements		Other components		
				Surplus on	Retained earnings		of equity	
	Note	Issued and paid-up share capital	Share premium	share-based payment transactions	Legal reserve (in Baht)	Unappropriated	Cash flow hedge reserve	Total equity
Year ended 31 December 2022								
Balance at 1 January 2022		362,999,962	202,200,890	308,333	20,643,763	97,315,495	(5,707)	683,462,736
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	21	-	-	-	-	(36,299,992)	-	(36,299,992)
Total transactions with owners, recorded directly in equity		-	-	-	-	(36,299,992)	-	(36,299,992)
Comprehensive income (expense) for the year								
Loss		-	-	-	-	(5,603,636)	-	(5,603,636)
Other comprehensive income		-	-	-	-	3,360,118	5,707	3,365,825
Total comprehensive income (expense) for the year		-	-	-	-	(2,243,518)	5,707	(2,237,811)
Balance at 31 December 2022		362,999,962	202,200,890	308,333	20,643,763	58,771,985	-	644,924,933

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

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements					
			Surplus on	Retained earnings		
	Issued and	Share	share-based			Total
	paid-up	premium	payment	Legal reserve	Unappropriated	equity
	share capital		transactions			
				(in Baht)		
Year ended 31 December 2023						
Balance at 1 January 2023	362,999,962	202,200,890	308,333	20,643,763	58,771,985	644,924,933
Comprehensive income (expense) for the year						
Loss	-	-	-	-	(14,229,166)	(14,229,166)
Other comprehensive income	-	-	-	-	1,997,955	1,997,955
Total comprehensive income (expense) for the year	-	-	-	-	(12,231,211)	(12,231,211)
Balance at 31 December 2023	362,999,962	202,200,890	308,333	20,643,763	46,540,774	632,693,722

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

Applied DB Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2023	2022	2023	2022
(in Baht)					
Cash flows from operating activities					
Loss for the year		(46,706,401)	(6,934,289)	(14,229,166)	(5,603,636)
<i>Adjustments to reconcile loss to cash receipts</i>					
Income tax expense		1,734,510	970,235	6,459,369	954,383
Interest income		(38,858)	(12,081)	(9,629,885)	(12,081)
Finance costs		18,686,355	13,665,164	16,418,686	13,653,672
Depreciation and amortisation		57,013,607	53,195,212	47,263,915	53,195,212
Provision for employee benefits	13	5,466,665	5,629,879	2,845,372	5,629,879
Unrealised gain on exchange		(10,521,230)	(1,744,484)	(13,356,017)	(1,811,611)
(Reversal of) expected credit loss on					
trade accounts receivable	6	2,781,935	47,760	(368,911)	47,760
(Reversal of) loss on inventories devaluation	7	835,202	1,111,972	(589,687)	1,111,972
Loss on disposal and write-off of property, plant					
and equipment		27,078	393,937	27,078	393,937
Gain on write off of liabilities,					
net of right-of-use assets		(74,712)	-	(35,497)	-
Loss on write-off of intangible assets		-	97,500	-	97,500
Gain on business transfer - net of tax	8	-	-	(19,887,804)	-
		29,204,151	66,420,805	14,917,453	67,656,987
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		74,513,446	(64,629,119)	88,559,476	(64,629,119)
Other receivables		(37,928,268)	(16,487,097)	(22,844,962)	(16,394,081)
Inventories		126,792,778	(56,339,059)	61,853,006	(55,884,395)
Other current assets		15,700,559	(15,700,559)	15,700,559	(15,700,559)
Other non-current assets		(11,193,338)	969,269	(11,193,338)	969,269
Trade accounts payable		6,914,159	(13,131,097)	(21,812,807)	(13,131,097)
Other payables		(18,946,344)	(13,080,225)	(37,557,928)	(13,252,698)
Other current liabilities		722,668	462,069	671,203	462,069
Employee benefit paid	13	(1,616,723)	(1,447,516)	(1,400,210)	(1,447,516)
Net cash generated from (used in) operations		184,163,088	(112,962,529)	86,892,452	(111,351,140)
Tax paid		(7,198,128)	(3,383,949)	(4,172,420)	(3,383,949)
Net cash from (used in) operating activities		176,964,960	(116,346,478)	82,720,032	(114,735,089)

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

Applied DB Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2023	2022	2023	2022
(in Baht)					
Cash flows from investing activities					
Payment for acquisition of investment in subsidiary		-	-	-	(999,900)
Proceeds from sale of property, plant and equipment		-	897,196	-	897,196
Purchase of property, plant and equipment		(17,438,072)	(39,521,307)	(17,039,480)	(39,521,307)
Purchase of right-of-use assets		(2,282,244)	-	(1,469,700)	-
Purchase of intangible assets		(145,460)	(573,872)	(56,060)	(573,872)
Proceeds from business transfer	8	-	-	113,314,095	-
Interest received		9,638,582	12,081	9,629,885	12,081
Net cash from (used in) investing activities		(10,227,194)	(39,185,902)	104,378,740	(40,185,802)
Cash flows from financing activities					
Proceeds from (repayment of) short-term borrowings from financial institutions		(186,577,010)	288,222,239	(209,302,312)	287,222,239
Repayment of long-term borrowings from financial institutions		(19,152,000)	(41,152,000)	(19,152,000)	(41,152,000)
Payment of lease liabilities		(4,084,516)	(1,995,401)	(2,471,502)	(1,995,401)
Dividends paid to owners of the Company	21	-	(36,299,992)	-	(36,299,992)
Interest paid		(28,920,709)	(12,943,425)	(17,934,898)	(12,931,934)
Net cash from (used in) financing activities		(238,734,235)	195,831,421	(248,860,712)	194,842,912
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates					
		(71,996,469)	40,299,041	(61,761,940)	39,922,021
Effect of exchange rate changes on cash and cash equivalents					
		420,848	846,709	411,732	846,709
Net increase (decrease) in cash and cash equivalents		(71,575,621)	41,145,750	(61,350,208)	40,768,730
Cash and cash equivalents at 1 January		101,515,605	60,369,855	99,366,954	59,218,641
Impact from discontinued operation		-	-	-	(620,417)
Cash and cash equivalents at 31 December		29,939,984	101,515,605	38,016,746	99,366,954

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

Applied DB Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
		(in Baht)			
Supplemental disclosure of cash flow information					
1. Cash and cash equivalents consisted of:					
Cash and cash equivalent		40,555,485	101,515,605	38,016,746	99,366,954
Bank overdraft	12	(10,615,501)	-	-	-
Net		29,939,984	101,515,605	38,016,746	99,366,954
2. Property, plant and equipment purchased during the year are detailed as follows:					
Property, plant and equipment purchased during the period		17,496,415	39,094,693	16,768,175	39,094,693
Less: Capitalised interest	10	(115,763)	(2,394)	(115,763)	(2,394)
Add: Changes in payables on purchase of property, plant and equipment		57,420	429,008	387,068	429,008
Net purchase of property, plant and equipment paid by cash		17,438,072	39,521,307	17,039,480	39,521,307
Non-cash transactions					
Investment in subsidiary	8, 9	-	-	(49,000,000)	-

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

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivables
7	Inventories
8	Disposal groups classified as held for sale and discontinued operation
9	Investments in subsidiaries
10	Property, plant and equipment
11	Leases
12	Interest-bearing liabilities
13	Provisions for employee benefits
14	Share premium and surplus on share-based payment transactions
15	Legal reserves
16	Segment information and disaggregation of revenue
17	Employee benefit expenses
18	Expenses by nature
19	Income tax expense
20	Loss per share
21	Dividends
22	Financial instruments
23	Capital management
24	Commitments with non-related parties and contingent liabilities

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2024.

1 General information

Applied DB Public Company Limited, the “Company”, was incorporated in Thailand on 4 January 2005 and was listed on the Stock Exchanged of Thailand on 6 November 2017. The Company’s registered offices at:

Head office: 252 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.

First branch: 260 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.

Second branch: 271 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.

Third branch: 271/1 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.

Forth branch: 861 Moo 7, Sukhumvit Road, Tambol Bang Pu Mai, Amplur Muang, Samutprakarn 10280, Thailand.

The Company’s major shareholder during the financial year were the Wongcharoensin Family (24% shareholding), the Wanapraisson Family (14% shareholding) and the Wongtangtrakul Family (10% shareholding).

The principal activities of the Group are manufacturing and distribution of plastic compound, adhesive and sealant. Details of the Company’s subsidiaries as at 31 December 2023 and 2022 are given in note 9.

2 Basis of preparation of the financial statements

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 accounting policies, described in note 3, have been applied consistently to all periods presented in these financial statements.

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

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation.

(b) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group 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.

Foreign currency differences are generally 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.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve in equity until disposed of the investments.

(c) Financial instruments

(c.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivable and other receivables (see note 3(e))) are initially recognised when the Group 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.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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 Group 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 or FVTPL. 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.

(c.2) Derecognition and offset

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c.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 hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3(c.4)).

(c.4) Hedging

At inception of designated hedging relationships, the Group 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.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

A trade receivable is recognised when the Group 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 Group 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.

(f) 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. 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.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

(g) Disposal groups of assets and liabilities classified as held for sale

Disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such disposal group are measured at the lower of their carrying amount and fair value less cost to sell.

Once classified as held for sale, machine and equipment are no longer depreciated.

(h) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The Group 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.

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

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

The Group 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 Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 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 Group.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(c.6) Write-off

The gross carrying amount of a financial asset is written off when the Group 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.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(i) 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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. 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 when the future economic benefits embodied within the part will flow to the Group, 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 and assets under construction and installation.

The estimated useful lives are as follows:

Buildings and improvement	5, 10, 20, 30 and 40	years
Machinery and equipment	3, 5, 10 and 15	years
Furniture, fixtures and office equipment	3 and 5	years
Vehicles	5	years

(j) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences	3	years
Trademarks	2, 4, 5, 7, 8 and 10	years

(k) Leases

At inception of a contract, the Group 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 Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Group 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 expenses on a straight-line basis over the respective lease terms.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. 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 Group by the end of the lease term or the Group 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. The Group uses the interest rate implicit in the lease or the Group's incremental borrowing rate to discount the lease payments to the present value. The Group 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.

(l) *Impairment of non-financial assets*

The carrying amounts of the Group'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, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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.

(m) *Employee benefits*

Defined contribution plans

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

Defined benefit plans

The Group'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 annually by a qualified actuary using the projected unit credit method.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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 Group 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.

(n) Share-based payments

The grant-date fair value of share-based payment awards granted to employees is generally recognised as an employee expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met. For employees, the share-based payment awards granted and vest immediately on the grant date, the grant-date fair value of the awards is recognised as an expense immediately.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group 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 a finance cost.

(p) 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 Group 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 Group 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 inputs.

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

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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

(q) Revenue from contracts with customers

Revenue recognition

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

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for the estimated products to be returned.

(r) 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group 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 separate 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

(s) Discontinued operation

A discontinued operation is a component of the Company's business that represents a separate major line of business that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

(t) Earnings (loss) per share

Earnings (loss) per share 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.

(u) Related parties

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

(v) Segment reporting

Segment results that are reported to the Executive Committee and the Group'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

Relationships with major shareholder and subsidiaries are described in Note 1 and 9 to the financial statements. Other related parties which the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
All New Vision Co., Ltd.	Thailand	Common directors
C.P.L Group PCL.	Thailand	Common directors
Charoensin Asset Co., Ltd.	Thailand	Common directors
CS Rubber Industry Co., Ltd.	Thailand	Common directors
Thai Wiring System Co., Ltd.	Thailand	Common directors
Key management personnel	Thailand	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 Group.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Significant transactions with related parties</i> <i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	37,953	-
Purchases of goods	-	-	6,698	-
Service income	-	-	20,434	120
Rental income	-	-	23,100	-
License fees	-	-	4,240	-
Service fees	-	-	514	201
Other related parties				
Sales of goods	4,760	5,054	1,310	1,620
Purchases of goods	110	98	48	48
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	23,471	24,036	20,245	19,236
Post-employment benefits	2,711	1,263	1,738	864
Total key management personnel compensation	26,182	25,299	21,983	20,100

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

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Other related parties	491	580	88	59
Total	491	580	88	59
Other receivables				
Subsidiaries	-	-	359,693	-
Total	-	-	359,693	-
Trade accounts payable				
Subsidiaries	6	-	6	-
Total	6	-	6	-
Other payables				
Subsidiaries	-	-	71	-
Other related parties	8	34	-	33
Total	8	34	71	33

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Significant agreements with related parties

The new significant agreements with related parties during the year ended 31 December 2023 are as follows:

- (a) The Company has two marketing assistance agreements with two subsidiaries. Under the terms of these agreements, the subsidiaries agreed to provide marketing assistance and commercial information in overseas markets that are useful for the Company. In consideration thereof, the Company agreed to pay a service fee to the subsidiaries at the agreed rates as stipulated in the agreements. These agreements are effective for a period of 1 year and 9 months starting from 31 March 2017 and will be automatically renewable for additional periods, unless either party has an intention to terminate the agreements, a written notification must be made to the other party not later than 3 months prior to the expiration date.
- (b) The Company has a service agreement with a local subsidiary (ADB Sealant Co., Ltd.). Under the terms of the agreement, the Company agreed to provide management services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company as stipulated in the agreement. The agreement is effective for a period of 11 months and renewable for additional 1 year period at a time. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days in advance.
- (c) The Company has a lease agreement with a local subsidiary (ADB Sealant Co., Ltd.). Under the terms of the agreement, the subsidiary agreed to lease factory and warehouse space of the Company. In consideration thereof, the subsidiary agreed to pay monthly lease fees to the Company as stipulated in the agreement. The agreement is effective for a period of 4 years and 11 months, and will expire in December 2027.
- (d) The Company has a licensed trademark agreement with a local subsidiary (ADB Sealant Co., Ltd.). Under the terms of the agreement, the Company has granted its subsidiary to use trademarks in connection with the business operation. In consideration thereof, the subsidiary agreed to pay annual fees to the Company as stipulated in the agreement. If either party has intention to terminate the agreement, a written notification for reason of termination must be made to the other party.

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	834	1,658	319	37
Cash at banks	39,721	99,858	37,698	99,330
Total	40,555	101,516	38,017	99,367

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

6 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Within credit terms	256,374	373,387	156,523	260,662
Overdue:				
Less than 3 months	101,063	59,368	45,059	21,232
3 - 6 months	5,997	12,445	-	-
6 - 12 months	17,518	2,287	-	-
Over 12 months	1,890	1,417	1,117	1,269
Total	382,842	448,904	202,699	283,163
Less allowance for expected credit loss	(5,174)	(2,453)	(884)	(1,408)
Net	377,668	446,451	201,815	281,755

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Allowance for expected credit loss for the year ended 31 December				
At 1 January	2,453	2,405	1,408	2,405
Additions	2,782	48	-	48
Reversal	-	-	(369)	-
Write-off	(61)	-	-	-
Total	5,174	2,453	1,039	2,453
Transfer to discontinued operation	-	-	(155)	(1,045)
At 31 December	5,174	2,453	884	1,408

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	113,646	144,541	50,754	68,031
Work in progress	23,772	23,609	44	69
Raw materials	186,528	295,211	60,498	100,705
Factory supplies	31,971	35,649	7,745	13,201
Goods in transit	37,180	20,879	26,473	20,879
Total	393,097	519,889	145,514	202,885
Less allowance for loss on inventories devaluation	(10,149)	(9,313)	(3,515)	(4,105)
Net	382,948	510,576	141,999	198,780

Inventories recognised as an expense in 'cost of sales of goods':

- Cost	1,462,797	1,952,948	894,206	1,174,557
- Write-down to net realisable value	835	1,112	-	877
- Reversal of write-down	-	-	(590)	-
Continuing operations	1,463,632	1,954,060	893,616	1,175,434
Discontinued operation	-	-	55,783	778,626
Total	1,463,632	1,954,060	949,399	1,954,060

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

8 Disposal groups classified as held for sale and discontinued operation

At the Extraordinary General Meeting of shareholders of the Company held on 22 December 2022, the Company's shareholders approved the restructuring by Partial Business transfer of adhesive, sealant and DIY products to ADB Sealant Co., Ltd., a subsidiary of the Company, with a net book value of Baht 458.21 million. The Partial Business transfer was legally effective on 1 February 2023.

The Group classifies disposal groups as held for sale because it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Identifiable assets and liabilities as disposal groups classified as held for sale in separate financial statement as at 31 December 2022 are as follows:

	Note	31 December 2022 (in thousand Baht)
Cash and cash equivalents		620
Trade accounts receivable		164,696
Other receivables		207
Inventories		311,342
Machine and equipment	10	63,570
Deferred tax assets	19	4,857
Total assets		545,292
Trade accounts payable		(59,534)
Other payables		(9,513)
Non-current provisions for employee benefit	13	(18,031)
Total liabilities		(87,078)
Net book value of net assets		458,214

The comparative statement of comprehensive income for the year ended 31 December 2022 has been represented to show the discontinued operation separately from continuing operations.

**Results of discontinued operation
for the year ended 31 December**

Separate financial statements

	2023	2022
	(in thousand Baht)	
Revenues	57,114	901,089
Expenses	67,426	905,736
Results from operating activities	(10,312)	(4,647)
Income tax expense	-	37
Loss for the period	(10,312)	(4,684)
Loss attributable to owners of the parent	(10,312)	(4,684)
Loss per share (in Baht)	(0.014)	(0.007)

Cash flow used in discontinued operation

Net cash from (used in) operating activities	26,990	34,963
Net cash used in investing activities	(39,530)	(39,530)
Net cash used in financing activities	(6,896)	(6,896)
Cash flow used in discontinued operation	(19,436)	(11,463)

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Effect of Partial Business transfer on the financial position

	Separate financial statements
	1 February 2023 (in thousand Baht)
Cash and cash equivalents	1,484
Trade accounts receivable	168,129
Other receivables	397
Inventories	306,859
Machine and equipment	62,820
Total assets	539,689
Trade accounts payable	(49,499)
Other payables	(4,779)
Non-current provisions for employee benefits	(17,209)
Total liabilities	(71,487)
Carrying amount of net assets	468,202
 Consideration received	
Cash and cash equivalents	395,776
Short-term loan to related party	43,314
Investment in subsidiary	49,000
Total consideration received	488,090
Gain on business transfer	19,888

On 1 February 2023, the Company recognised considerations received from business transfer amounted to Baht 395.78 million in “other receivables” in separate financial statements. Subsequently during the year ended 31 December 2023, the Company received the considerations from business transfer amounted to Baht 70.00 million. The remaining balance in “other receivables” as at 31 December 2023 amounted to Baht 325.78 million.

As at 31 December 2023, the Company was fully received short-term loan to related party.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

9 Investment in subsidiaries

Investments in subsidiaries as at 31 December as follows:

			Separate financial statements					
Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost	
			2023	2022	2023	2022	2023	2022
			(%)		(in thousand Baht)			
Local direct subsidiaries								
ADB BIO Co., Ltd.	Providing biodegradable raw materials and semi-finished product that can replace traditional plastic to support the development, production and distribution of bio products.	Thailand	99.97	99.97	999.7	999.7	999.7	999.7
ADB Sealant Co., Ltd.	Manufacturing and distribution of adhesive and sealant.	Thailand	99.99	99.99	49,999.9	999.9	49,999.9	999.9
Total					50,999.6	1,999.6	50,999.6	1,999.6

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

			Separate financial statements							
Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost			
			2023	2022	2023	2022	2023	2022		
			2023		2022		2023		2022	
			(%)		(in thousand Baht)					
<i>Foreign direct subsidiaries</i>										
ADB USA Inc.	Holding company	United States of America	100.00	100.00	3.5	3.5	3.5	3.5		
Sparko USA Inc.	Holding company	United States of America	100.00	100.00	3.5	3.5	3.5	3.5		
Total					7.0	7.0	7.0	7.0		
Grand total					51,006.6	2,006.7	51,006.6	2,006.7		

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

On 1 February 2023, the Company had the restructuring by Partial Business transfer of adhesive, sealant and DIY products to ADB Sealant Co., Ltd., a subsidiary of the Company, by received partial compensation of 4,900,000 new ordinary shares with the par value of Baht 10 per share, totaling Baht 49 million by maintaining 99.99% of ownership interest.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

10 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2022	64,642	338,703	447,823	24,193	14,202	17,902	907,465
Additions	-	741	7,333	2,509	1,687	28,512	40,782
Transfers	-	6,888	30,299	-	-	(37,187)	-
Disposals and write-off	-	(339)	(12,572)	(1,006)	-	-	(13,917)
At 31 December 2022 and at 1 January 2023	64,642	345,993	472,883	25,696	15,889	9,227	934,330
Additions	-	32,424	4,455	779	15,455	12,247	65,360
Transfers	-	897	7,775	-	-	(8,672)	-
Disposals and write-off	-	(393)	(492)	(789)	(8,612)	-	(10,286)
At 31 December 2023	64,642	378,921	484,621	25,686	22,732	12,802	989,404
Depreciation							
At 1 January 2022	-	(110,475)	(254,800)	(19,771)	(7,835)	-	(392,881)
Depreciation charge for the year	-	(14,799)	(33,350)	(2,123)	(2,406)	-	(52,678)
Disposals and write-off	-	184	11,440	1,001	-	-	12,625
At 31 December 2022 and at 1 January 2023	-	(125,090)	(276,710)	(20,893)	(10,241)	-	(432,934)
Depreciation charge for the year	-	(17,356)	(33,137)	(2,130)	(3,698)	-	(56,321)
Disposals and write-off	-	393	466	788	4,455	-	6,102
At 31 December 2023	-	(142,053)	(309,381)	(22,235)	(9,484)	-	(483,153)

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Consolidated financial statements							
	Land	Buildings And building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Net book value							
At 31 December 2022							
Owned assets	64,642	220,903	196,173	4,803	93	9,227	495,841
Right-of-use assets	-	-	-	-	5,555	-	5,555
	<u>64,642</u>	<u>220,903</u>	<u>196,173</u>	<u>4,803</u>	<u>5,648</u>	<u>9,227</u>	<u>501,396</u>
At 31 December 2023							
Owned assets	64,642	206,108	175,240	3,451	63	12,802	462,306
Right-of-use assets	-	30,760	-	-	13,185	-	43,945
	<u>64,642</u>	<u>236,868</u>	<u>175,240</u>	<u>3,451</u>	<u>13,248</u>	<u>12,802</u>	<u>506,251</u>

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2022	64,642	338,703	447,823	24,193	14,202	17,902	907,465
Additions	-	741	7,333	2,509	1,687	28,512	40,782
Transfers	-	6,888	30,299	-	-	(37,187)	-
Transfer to assets held for sale	-	-	(160,851)	-	-	-	(160,851)
Disposals and write-off	-	(339)	(12,572)	(1,006)	-	-	(13,917)
At 31 December 2022 and at 1 January 2023	64,642	345,993	312,032	25,696	15,889	9,227	773,479
Additions	-	14,652	4,093	427	6,737	12,247	38,156
Transfers	-	897	7,775	-	-	(8,672)	-
Disposals and write-off	-	(393)	(492)	(789)	(5,112)	-	(6,786)
At 31 December 2023	64,642	361,149	323,408	25,334	17,514	12,802	804,849
Depreciation							
At 1 January 2022	-	(110,475)	(254,800)	(19,771)	(7,835)	-	(392,881)
Depreciation charge for the year	-	(14,799)	(33,350)	(2,123)	(2,406)	-	(52,678)
Transfer to assets held for sale	-	-	97,281	-	-	-	97,281
Disposals and write-off	-	184	11,440	1,001	-	-	12,625
At 31 December 2022 and at 1 January 2023	-	(125,090)	(179,429)	(20,893)	(10,241)	-	(335,653)
Depreciation charge for the year	-	(16,346)	(25,384)	(2,097)	(2,674)	-	(46,594)
Transfer to assets held for sale	-	-	750	-	-	-	750
Disposals and write-off	-	300	466	788	4,280	-	5,927
At 31 December 2023	-	(141,136)	(203,597)	(22,202)	(8,635)	-	(375,570)

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Net book value							
At 31 December 2022							
Owned assets	64,642	220,903	132,603	4,803	93	9,227	432,271
Right-of-use assets	-	-	-	-	5,555	-	5,555
	64,642	220,903	132,603	4,803	5,648	9,227	437,826
At 31 December 2023							
Owned assets	64,642	206,094	119,811	3,132	63	12,802	406,544
Right-of-use assets	-	13,919	-	-	8,816	-	22,735
	64,642	220,013	119,811	3,132	8,879	12,802	429,279

Assets under construction and installation

Assets under construction and installation as at 31 December 2023 amounted to Baht 12.80 million (2022: Baht 9.22 million) in consolidated financial statements and separate financial statements mainly represented cost of machinery including the related installation costs.

During the year ended 31 December 2023, the Group and the Company capitalised interest expenses as cost of asset under construction and installation in the total of Baht 0.12 million (2022: Baht 0.002 million), with capitalisation rate of 5.77% per annum (2022: 4.75% per annum).

Guarantee

As at 31 December 2023, land of the Group and the Company with carrying value of Baht 64.64 million (2022: Baht 64.64 million) was pledged as collateral against short-term and long-term borrowings from financial institutions, and letter of guarantee as described in note 12.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

11 Leases

Right-of-use assets At 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Buildings and building improvement	30,760	-	13,919	-
Vehicles	13,185	5,555	8,816	5,555
Total	43,945	5,555	22,735	5,555

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 47.86 million (2022: Baht 1.69 million) in consolidated financial statements and Baht 21.39 million (2022: Baht 1.69 million) in separate financial statements respectively.

The Group has lease agreements covering buildings and building improvement, and vehicles for periods of 10 months to 10 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets				
- Buildings and building improvement	1,649	-	733	-
- Vehicles	3,668	2,376	2,644	2,376
Interest on lease liabilities	1,245	229	748	229
Expenses relating to leases of low-value assets				
- Office equipment	561	413	413	413

In 2023, total cash outflow for leases of the Group and the Company were Baht 5.85 million (2022: Baht 2.64 million) in consolidated financial statements and Baht 3.61 million (2022: Baht 2.64 million) in separate financial statements respectively.

12 Interest bearing liabilities

	Consolidated financial statements					
	2023			2022		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Bank overdrafts	-	10,616	10,616	-	-	-
Short-term borrowings from financial institutions						
- Promissory note	413,972	-	413,972	616,134	-	616,134
- Liabilities under trust receipts	15,584	-	15,584	-	-	-
Lease liabilities	41,591	-	41,591	4,325	-	4,325
Long-term borrowing from financial institution	9,412	-	9,412	28,564	-	28,564
Total interest-bearing liabilities	480,559	10,616	491,175	649,023	-	649,023

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements	
	2023	2022
	Secured (in thousand Baht)	
Short-term borrowings from financial institutions		
- Promissory note	405,831	615,134
Lease liabilities	20,905	4,325
Long-term borrowing from financial institution	9,412	28,564
Total interest-bearing liabilities	436,148	648,023

Assets pledged as security for liabilities as at 31 December	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		(in thousand Baht)			
Land	10	64,642	64,642	64,642	64,642

Borrowings from financial institutions were secured by the Company's land and director. In this regard, the Company must comply with the specified covenants relating to maintain the required financial ratios and other terms as stated in the agreements.

The Group's liabilities under trust receipts, goods have been released to the Group in trust for the financial institutions. Therefore, the Group is obliged to the financial institution for such goods.

Unutilised credit facilities

As at 31 December 2023, the Group had unutilised credit facilities totalling Baht 1,330.25 million (2022: 768.25 million) in consolidated financial statements and Baht 1,011.03 million (2022: Baht 768.25 million) in separate financial statements respectively.

Long-term borrowings from financial institution

On 7 May 2019, the Company entered into a long-term borrowing agreement with a local financial institution of Baht 80 million and repayable on a monthly basis of Baht 1.33 million each, commencing from June 2019 to May 2024.

On 17 July 2019, the Company entered into a long-term borrowing agreement with a local financial institution of Baht 15.62 million and repayable on a monthly basis of Baht 0.26 million each, commencing from December 2019 to November 2024.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Lease liabilities

Movement during the year ended 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	4,325	4,634	4,325	4,634
Purchase of assets under lease liabilities	45,582	1,687	19,919	1,687
Payment of lease liabilities	(5,329)	(2,225)	(3,220)	(2,225)
Write-off	(4,231)	-	(867)	-
Finance costs under lease	1,244	229	748	229
At 31 December	41,591	4,325	20,905	4,325

13 Provisions for employee benefits

Defined benefit plan

The Group and the Company operate a defined benefit plan 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 Group to actuarial risks, such as interest rate risk, future salary growth risk, and turnover rate risk.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Present value of the defined benefit obligations</i>				
At 1 January	45,136	45,154	27,105	45,154
<i>Recognised in profit or loss:</i>				
Current service cost	3,844	4,872	2,034	4,872
Past service cost	993	-	401	-
Interest on obligation	630	758	410	758
	<u>5,467</u>	<u>5,630</u>	<u>2,845</u>	<u>5,630</u>
<i>Recognised in other comprehensive income:</i>				
Actuarial gains				
- Demographic assumptions	(2,944)	(405)	(2,153)	(405)
- Financial assumptions	(3,160)	942	(1,555)	942
- Experience adjustment	1,633	(4,737)	1,211	(4,737)
	<u>(4,471)</u>	<u>(4,200)</u>	<u>(2,497)</u>	<u>(4,200)</u>
<i>Other</i>				
Benefit paid	(1,617)	(1,448)	(1,400)	1,448
Transfer to liabilities included in disposal groups classified as held for sale	-	-	822	(18,031)
At 31 December	44,515	45,136	26,875	27,105

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Principal actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(%)			
Discount rate	2.58 and 2.65	1.89	2.58	1.89
Future salary growth	3.00	3.00	3.00	3.00
Turnover rate	0 - 51	0 - 47	0 - 47	0 - 47

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 9 years (2022: 9 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.

	Consolidated financial statements			
<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	(in thousand Baht)			
Discount rate	(2,934)	(3,623)	3,318	4,143
Future salary growth	2,973	4,180	(2,670)	(3,697)
Employee turnover	(3,124)	(3,814)	1,598	2,181

	Separate financial statements			
<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	(in thousand Baht)			
Discount rate	(1,477)	(3,623)	1,658	4,143
Future salary growth	1,479	4,180	(1,338)	(3,697)
Employee turnover	(1,577)	(3,814)	731	2,181

14 Share premium and surplus on share-based payment transactions

Share premium

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

Surplus on share-based payment transactions

Surplus on share-based payment transactions are recognised in equity is the fair value of employees' rights to acquire the shares at grant dates based on the underlying fair value of the shares and the consideration payable, and to recognise related expense, with a corresponding increase in equity in accordance with TFRS 2.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

15 Legal reserves

Section 116 of the Public Companies Act B.E. 2535 Section 116 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.

16 Segment information and disaggregation of revenue

Management determined that the Group has three reportable segments, which are the Group’s strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1 Plastic compound
- Segment 2 Adhesive
- Segment 3 Sealant

Each segment’s performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

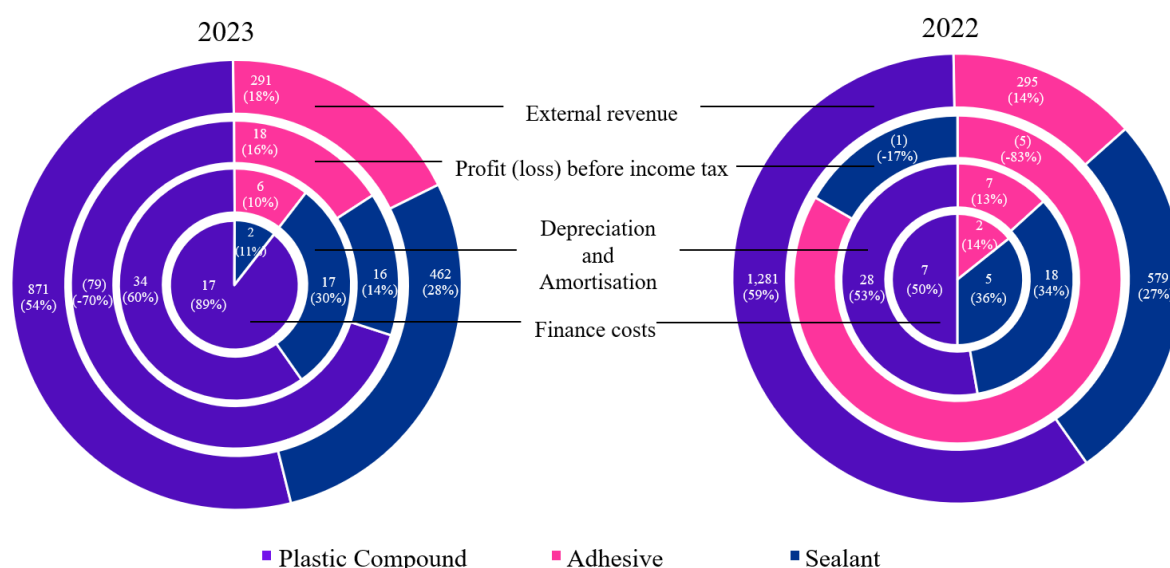
The Group’s main revenue is derived from sale of goods of plastic compound, adhesive and sealant, which revenue recognition is at a point in time.

Information about reportable segments

Consolidated financial statements

For year ended 31 December

Unit: million Baht



Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

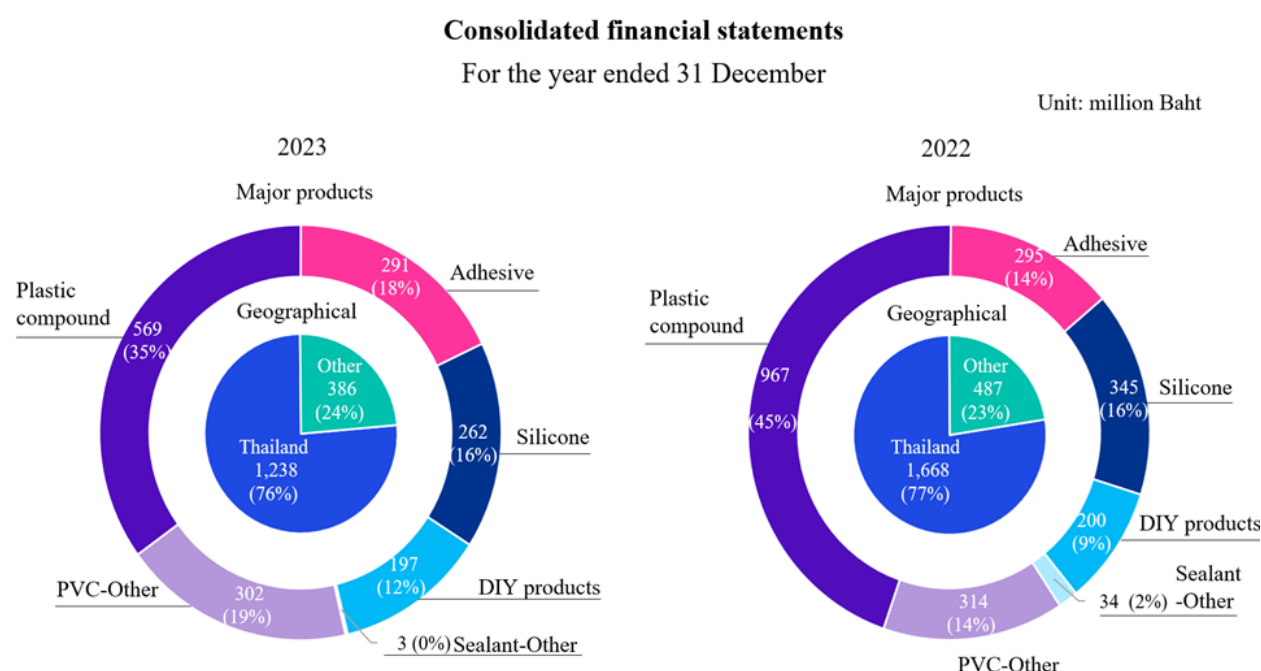
Information Segment assets

All Company's segment assets are located in Thailand.

Major customer

Revenues from one customer of the Group's segment 1 for the year ended 31 December 2023 represents approximately Baht 367.07 million (2022: Baht 406.68 million) of the Group's total revenues

Disaggregation of revenue by primary geographical market and major products



17 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Salaries, wages and bonus	143,338	145,031	77,036	68,432
Staff welfares	38,275	36,487	22,193	17,827
Defined contribution plans	5,805	4,903	3,184	2,507
Defined benefit plans	5,467	5,630	2,845	5,630
Other	3,687	4,321	2,875	382
Total	196,572	196,372	108,133	94,014

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2.5% to 15% of their basic salaries and by the Group at rates ranging from 2.5% to 15% of the employee's basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

18 Expenses by nature

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2023	2022	2023	2022
		(in thousand Baht)			
Included in cost of sales of goods:					
Changes in inventories of finished goods and work in progress		(14,070)	(20,140)	17,302	79,910
Raw materials and consumables used		1,264,951	1,755,864	741,546	970,625
Employee benefit expenses		97,520	100,103	50,551	51,984
Depreciation and amortisation		48,765	47,966	40,261	25,806
Utilities expenses		34,312	36,728	25,742	26,971
(Reversal of) Write-down to net realisable value	7	835	1,112	(590)	877
Other		31,319	32,427	18,804	19,261
Total		1,463,632	1,954,060	893,616	1,175,434
Included in distribution costs:					
Commission expenses		21,481	34,013	14,073	26,104
Employee benefit expenses		20,244	21,375	8,886	6,621
Distribution expenses		20,028	24,069	11,542	12,050
Sample product expenses		1,007	1,310	479	597
Other		10,144	10,110	2,822	2,403
Total		72,904	90,877	37,803	47,775
Included in administrative expenses:					
Employee benefit expenses		78,808	74,894	48,696	35,409
Professional fee		9,937	8,077	6,471	3,184
Depreciation and amortisation		7,843	5,022	6,047	2,314
(Reversal of) allowance for expected credit loss on trade accounts receivable	6	2,782	48	(369)	(351)
Other		30,324	22,809	17,389	10,749
Total		129,694	110,850	78,234	51,305

19 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Current tax expense				
Current year	3,115	1,875	1,847	2,066
Deferred tax expense				
Movements in temporary differences	(1,380)	(905)	4,612	(1,149)
Total income tax expense	1,735	970	6,459	917

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Income tax recognised in other comprehensive income

Consolidated financial statements						
	Before tax	2023 Tax expense	Net of tax (in thousand Baht)	Before tax	2022 Tax expense	Net of tax
Gains on cash flow hedges	-	-	-	8	(2)	6
Defined benefit plan actuarial gains	4,471	(894)	3,577	4,200	(840)	3,360

Separate financial statements						
	Before tax	2023 Tax expense	Net of tax (in thousand Baht)	Before tax	2022 Tax expense	Net of tax
Gains on cash flow hedges	-	-	-	8	(2)	6
Defined benefit plan actuarial gains	2,497	(499)	1,998	4,200	(840)	3,360

Reconciliation of effective tax rate

Consolidated financial statements					
	2023		2022		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	
Loss before income tax expense		(44,972)		(5,964)	
Income tax using the Thai corporation tax rate	20	(8,994)	20	(1,193)	
Expenses not deductible for tax purposes and other		10,988		2,675	
Additional deductible expenses		(259)		(512)	
Total	4	1,735	16	970	

Separate financial statements					
	2023		2022		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	
Profit (loss) before income tax expense		2,542		(3)	
Income tax using the Thai corporation tax rate	20	508	20	(1)	
Expenses not deductible for tax purposes and other		6,176		1,430	
Additional deductible expenses		(225)		(512)	
Total	>100	6,459	>100	917	

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Movements in deferred tax balances are as follows:

	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
2023				
<i>Deferred tax assets (liabilities)</i>				
Right-of-use assets	(246)	(225)	-	(471)
Trade accounts receivable	491	544	-	1,035
Inventories	1,863	167	-	2,030
Provisions for employee benefit	9,027	(70)	(894)	8,903
Changes in fair value of foreign currency hedges	92	124	-	216
Total	11,227	1,380	(894)	11,713
2022				
<i>Deferred tax assets (liabilities)</i>				
Right-of-use assets	10	(256)	-	(246)
Trade accounts receivable	481	10	-	491
Inventories	1,640	223	-	1,863
Provisions for employee benefit	9,031	836	(840)	9,027
Changes in fair value of foreign currency hedges	-	92	-	92
Changes in fair value of cash flow hedges	2	-	(2)	-
Total	11,164	905	(842)	11,227

Applied DB Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

	Separate financial statements				At 31 December
	At 1 January	Discontinued operation	(Charged) / Credited to Profit or loss (in thousand Baht)	Other comprehensive income	
2023					
Deferred tax assets (liabilities)					
Right-of-use assets	(246)	-	(120)	-	(366)
Trade accounts receivable	282	209	(314)	-	177
Inventories	821	1,042	(1,160)	-	703
Provisions for employee benefit	5,421	3,606	(3,153)	(499)	5,375
Changes in fair value of foreign currency hedges	92	-	135	-	227
Total	6,370	4,857	(4,612)	(499)	6,116

	Separate financial statements					At 31 December
	At 1 January	(Charged) / Credited to			Transfer to assets held for sale	
		Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Discontinued operation		
2022						
Deferred tax assets (liabilities)						
Right-of-use assets	10	(256)	-	-	-	(246)
Trade accounts receivable	481	70	-	(60)	(209)	282
Inventories	1,640	115	-	108	(1,042)	821
Provisions for employee benefit	9,031	1,128	(840)	(292)	(3,606)	5,421
Changes in fair value of foreign currency hedges	-	92	-	-	-	92
Changes in fair value of cash flow hedges	2	-	(2)	-	-	-
Total	11,164	1,149	(842)	(244)	(4,857)	6,370

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

20 Loss per share

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht/thousand shares)			
<i>For the year ended 31 December</i>				
Loss attributable to ordinary shareholder of the Company from continuing operations	<u>(46,706)</u>	<u>(6,934)</u>	<u>(3,917)</u>	<u>(920)</u>
Number of ordinary shares outstanding at 31 December	<u>726,000</u>	<u>726,000</u>	<u>726,000</u>	<u>726,000</u>
Basic loss per share (in Baht)	<u>(0.064)</u>	<u>(0.010)</u>	<u>(0.006)</u>	<u>(0.001)</u>
Loss attributable to ordinary shareholder of the Company from discontinued operations	<u>-</u>	<u>-</u>	<u>(10,312)</u>	<u>(4,684)</u>
Number of ordinary shares at 31 December	<u>-</u>	<u>-</u>	<u>726,000</u>	<u>726,000</u>
Basic loss per share (in Baht)	-	-	(0.014)	(0.007)

21 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				
2021 Annual dividends	28 April 2022	May 2022	0.05	36,300

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

22 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.

Consolidated financial statements				
At 31 December	Carrying amount		Fair value	
	Hedging instruments	Financial instruments measured at amortised cost (in thousand Baht)	Level 2	Level 3
2023				
Financial liabilities				
Long-term borrowings from financial institutions	-	(9,412)	-	(8,875)
Forward exchange contract	(24,806)	-	(24,806)	-
2022				
Financial liabilities				
Long-term borrowings from financial institutions	-	(28,564)	-	(26,730)
Forward exchange contract	(8,154)	-	(8,154)	-
Separate financial statements				
At 31 December	Carrying amount		Fair value	
	Hedging instruments	Financial instruments measured at amortised cost (in thousand Baht)	Level 2	Level 3
2023				
Financial liabilities				
Long-term borrowings from financial institutions	-	(9,412)	-	(8,875)
Forward exchange contract	(22,757)	-	(22,757)	-
2022				
Financial liabilities				
Long-term borrowings from financial institutions	-	(28,564)	-	(26,730)
Forward exchange contract	(8,154)	-	(8,154)	-

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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

The fair value of financial liabilities measured at amortised costs are calculated by discounted cash flows technique.

(b) Financial risk management policies

Risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivables

The Group'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 16.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Any sales exceeding those limits require approval from Chief Financial Officer ("CFO").

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 120 days. Outstanding trade receivables are regularly monitored by the Group.

An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables

Information relevant to trade accounts receivables are disclosed in note 6.

(b.1.2) Cash and cash equivalent and derivatives

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

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group'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.

		Consolidated financial statements			
		Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
(in thousand Baht)					
At 31 December					
2023					
Non-derivative financial liabilities					
Bank overdrafts	10,616	10,616	-		10,616
Promissory notes	413,972	413,972	-	-	413,972
Liabilities under trust receipts	15,584	15,584	-		15,584
Trade accounts payable	243,368	243,368	-	-	243,368
Other payables	29,846	29,846	-	-	29,846
Lease liabilities	41,591	7,159	7,067	35,098	49,324
Long-term borrowings from financial institutions	9,412	9,554	-	-	9,554
Total	764,389	730,099	7,067	35,098	772,264
Derivative financial liabilities					
Forward exchange contract	24,806	25,990	-	-	25,990
Total	24,806	25,990	-	-	25,990

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

		Consolidated financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
<i>(in thousand Baht)</i>					
2022					
Non-derivative financial liabilities					
Promissory notes	616,134	616,134	-	-	616,134
Trade accounts payable	238,042	238,042	-	-	238,042
Other payables	49,117	49,117	-	-	49,117
Lease liabilities	4,325	1,696	1,039	1,955	4,690
Long-term borrowings from financial institutions	28,564	20,069	9,537	-	29,606
Total	936,182	925,058	10,576	1,995	937,589
Derivative financial liabilities					
Forward exchange contract	8,154	8,616	-	-	8,616
Total	8,154	8,616	-	-	8,616
		Separate financial statements			
		Contractual cash flows			
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
<i>(in thousand Baht)</i>					
2023					
Non-derivative financial liabilities					
Promissory notes	405,831	405,831	-	-	405,831
Trade accounts payable	165,531	165,531	-	-	165,531
Other payables	15,338	15,338	-	-	15,338
Lease liabilities	20,905	3,779	3,780	17,296	24,855
Long-term borrowings from financial institutions	9,412	9,554	-	-	9,554
Total	617,017	600,033	3,780	17,296	621,109
Derivative financial liabilities					
Forward exchange contract	22,757	23,890	-	-	23,890
Total	22,757	23,890	-	-	23,890

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

		Separate financial statements			
		Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
(in thousand Baht)					
2022					
Non-derivative financial liabilities					
Promissory notes	615,134	615,134	-	-	615,134
Trade accounts payable	178,508	178,508	-	-	178,508
Other payables	39,603	39,603	-	-	39,603
Lease liabilities	4,325	1,696	1,039	1,955	4,690
Long-term borrowings from financial institutions	28,564	20,069	9,537	-	29,606
Total	866,134	855,010	10,576	1,955	867,541
Derivative financial liabilities					
Forward exchange contract	8,154	8,616	-	-	8,616
Total	8,154	8,616	-	-	8,616

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

(b.3) Market risk

The Group 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 Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises 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.

<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
United States Dollars				
Cash and cash equivalents	15,646	49,789	15,564	49,048
Trade accounts receivable	115,864	97,161	19,465	17,001
Interest-bearing liabilities	(19,368)	(52,735)	(36,388)	(46,271)
Trade accounts payable	(41,423)	(53,383)	(2,543)	-
Other payables	(3)	(191)	-	(191)
Net statement of financial position exposure	70,716	40,641	(3,902)	19,587
Currency forwards purchase	(24,806)	(8,616)	(22,757)	(8,616)
Net exposure	45,910	32,025	(26,659)	10,971

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Euro				
Cash and cash equivalents	94	91	94	91
Trade accounts receivable	1,082	1,328	-	-
Net statement of financial position exposure	1,176	1,419	94	91

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	<i>Movement (%)</i>	Consolidated financial statements		Separate financial statements	
		Profit or loss		Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
		<i>(in thousand Baht)</i>			
At 31 December 2023					
United States Dollars	5.00	(3,536)	3,536	195	(195)
Euro	5.00	(59)	59	(5)	5
At 31 December 2022					
United States Dollars	5.00	(2,031)	2,031	(978)	978
Euro	5.00	(71)	71	(5)	5

(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 Group's operations and its cash flows because loan interest rates (see note 12) are mainly variable. So the Group is primarily exposed to interest rate risk. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Financial instruments with variable interest rates				
Financial liabilities	9,412	28,564	9,412	28,564

23 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 regularly monitors the return on capital and monitors the level of dividends to ordinary shareholders.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

24 Commitments with non-related parties and contingent liabilities

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Building, machinery and equipment	1,094	3,420	986	3,420
Total	1,094	3,420	986	3,420
<i>Other commitments</i>				
Lease of low-value assets	1,154	855	693	855
Unused letters of credit for purchase goods	43,265	33,974	21,813	17,533
Bank guarantees	9,300	4,763	4,763	3,097
Purchase orders for goods and supplies	54,062	59,988	48,660	31,560
Total	107,781	99,580	75,929	53,045



Attachments





Attachment 1

Details of Directors

Mr.Pawat Wongtangtrakul (Age 81 years)**Chairman of the Board**

(Directors who are authorized signatories of the company as stipulated in the affidavit)

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- High school, Mechanical Engineering Dept, Taichung Mechanical College, Taiwan.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 135/2017

Other training courses in 2023 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023 :

- Directs : 3.7027%
- Indirect : - None -

Family Relationship among Directors and Executives

- Brother of Mr. Wang Wanapaison
- Uncle of Mr. Wei Kai Wang and Mr. Kang Hsu Liu

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr.Wang Wanapaison (Age 72 years)****Director/Chairman of Executive Committee/Risk Management Committee/Chief Executive Officer**

(Directors who are authorized signatories of the company as stipulated in the affidavit)

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- High school, Chemical Engineer, Tai Chung Technical High School, Taiwan.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 131/2016

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non Listed Companies/Other companies : -None -

Position in Non Listed Companies/Other companies : 2 Companies

2021 – Present	Chairman	ADB Bio Co.,Ltd.
2022 – Present	Chairman	ADB Sealant Co.,Ltd.

Shareholding in the Company as at December 28, 2023

- Direct : 6.8871%
- Indirect : 2.3878%

Family Relationship among Directors and Executives

- Brother of Mr.Pawat Wongtangtrakul
- Uncle of Mr. Wei Kai Wang and Mr. Kang Hsu Liu

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Sustainability and Risk Management Committee 2/2 Times (100%)
- Executive Committee 5/5 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr.Rattanachai Wongcharoensin (Age 74 years)****Director**

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- Primary, Lasalle School.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 131/2016

Other training courses in 2023 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Non-Listed Companies/Other companies : Present 5 Companies

1975 – Present	Director	Charoensin Tannery Industry Co.,Ltd.
1989 – Present	Chairman	Song Mao Nonwoven Co.,Ltd.
1990 – Present	Chairman	TTN Nonwoven Solution Co.,Ltd.
1990 – Present	Director	EAGLE Chemical Industry Co.,Ltd.
2009 – Present	Director	Charoensin Tannery Co.,Ltd.
1989 – 2023	Director	Sunshine Plastic Products Co.,Ltd.
2002 – 2021	Director	Sang Burapa Rubber Co.,Ltd.

Shareholding in the Company as at December 28, 2023

- Direct : 0.0409%
- Indirect : - None -

Family Relationship among Directors and Executives

- Father of Mr. Wutthichai Wongcharoesin
- Uncle of Mr. Veerachai Wongcharoensin

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)

Illegal Record in past of 10 years : - None -

**Ms.Pornpiwan Niramoncherdchay (Age 54 years)****Director/Risk Management Committee/Executive Committee/Managing Director**

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- Master of Business Administration (Finance), Assumption University.
- Bachelor of Arts Council, Chulalongkorn University.
- Diploma Beijing Language and Culture University.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 131/2016
- Director Certification Program (DCP) Class 265/2018
- Chief Transformation Officer (CTO)
- Director Certification Program (Diploma)

Other training courses in 2023

Date	Course	Instructor/Institute
Feb 21, 2023	Internal Control : IPO & Digital Assets Relating Activities	Investment Banking Club Thai Securities Companies Association
Apr 28, 2023	Alternative methods of Capital Fundraising : Digital Tokens and Venture	Investment Banking Club Thai Securities Companies Association
Jun 28, 2023	Good corporate structure for IPO	Investment Banking Club Thai Securities Companies Association
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : -None -

Position in NonListed Companies/Other companies : 2 Companies

2019 – Present	Secretary General	Association of Companies Listed in the Market for Alternative Investment (MAI)
----------------	-------------------	---

Shareholding in the Company as at December 28, 2023

- Direct : 0.8264%
- Indirect : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Sustainability and Risk Management Committee 2/2 Times (100%)
- Executive Committee 5/5 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr. Wei Kai Wang (Age 51 years)****Director/Executive Committee/Senior Vice President of Plastic Compound Department**

(Directors who are authorized signatories of the company as stipulated in the affidavit)

Appointment on March 22, 2017 (6 Years/2 Term)

Education

- Master of Business Administration (EMBA), National Taipei University of Technology Taiwan.
- Bachelor of Business Administration, Cumberland College, USA.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 135/2017

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : 4 Companies

2017 – Present	Director / President	ADB USA Inc.
2017 – Present	Director / President	SPARKO USA Inc.
2017 – Present	Director	Red Phoenix Venture
2022 – Present	Director / Director of operation	ADB Sealant Co.,Ltd.

Shareholding in the Company as at December 28, 2023

- Direct : 1.0333%
- Indirect : - None -

Family Relationship among Directors and Executives

- Nephew of Mr. Pawat Wongtantrakul and Mr. Wang Wanapaison
- Cousin with Mr. Kang Hsu Liu

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Executive Committee 5/5 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr.Veerachai Wongcharoensin (Age 45 years)****Director/ Executive Committee**

(Directors who are authorized signatories of the company as stipulated in the affidavit)

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- Master of Business Administration, University of Technology Sydney, Australia
- Bachelor of Engineering (Industrial Engineering), Thammasat University.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 132/2016

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : 4 Companies

2012 – Present	Director	Charoensin Holding Co.,Ltd.
2021 – Present	Director	ADB BIO Co.,Ltd.
2022 – Present	Director	ADB Sealant Co.,Ltd.
2022 – Present	Director / Director of operation	Venture Inter Plus Co.,Ltd.
2522 – Present	Director	Smart Sense Industrial Design Co.,Ltd.
2522 – Present	Director	Charoensin Condotown Co.,Ltd.
2522 – Present	Director	Charoensin Capital Co.,Ltd.
2512 - 2520	Director	Miracle Jewelry Co.,Ltd.

Shareholding in the Company as at December 28, 2023

- Direct : 0.23497%
- Indirect : - None -

Family Relationship among Directors and Executives

- Nephew of Mr. Ratthanchai Wongchareonsin
- Cousin with Mr.Wutthichai Wongchareonsin

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Executive Committee 5/5 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr. Wuttichai Wongcharoensin (Age 48 years)****Director/Risk Management Committee/Executive Committee**

(Directors who are authorized signatories of the company as stipulated in the affidavit)

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- Master of Business Administration, Westminster College, USA.
- Bachelor of International Business Management Faculty of Business Administration Assumption University.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 135/2017
- Director Certification Program (DCP) Class 277/2019

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : 15 Companies

2001 – Present	Director	TTN Nonwoven Solution Co.,Ltd.
2002 – Present	Director	Songmao Nonwoven Co.,Ltd.
2002 – Present	Director	Charoensin Holding Co.,Ltd.
2004 – Present	Director	Thai Wiring System Co.,Ltd.
2013 – Present	Director	UR Family Co.,Ltd.
2015 – Present	Director	LEO Company Co.,Ltd.
2021– Present	Director	ADB BIO Co.,Ltd.
2022 – Present	Director	ADB Sealant Co.,Ltd.
2022 – Present	Director	Herbal City (Thailand) Co.,Ltd.
2022 – Present	Director	TSF Technical Material Co.,Ltd.
2023 – Present	Director	Venture Inter Plus Co.,Ltd.
2023 – Present	Director	Valusafe Co.,Ltd.
2023 – Present	Director	Mimi Industrial Co.,Ltd.
2023 – Present	Director	Thai Nisshoku Co.,Ltd.
2023 – Present	Director	Youneng (Thailand) Co.,Ltd.
2023 – Present	Director	HRT Nonwoven Co.,Ltd.

Shareholding in the Company as at December 28, 2023

- Direct : 0.0409%
- Indirect : - None -

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Sustainability and Risk Management Committee 2/2 Times (100%)

Illegal Record in past of 10 years : - None -

Family Relationship among Directors and Executives

- Son of Mr.Rattanachai Wongchareonsin
- Cousin with Mr.Veerachai Wongchareonsin

Executive Committee 5/5 Times (100%)

**Dr.Mongkon Laoworapong (Age 55 years)****Independent Director/Chairmen of The Audit Committee/Chairmen of The Sustainability and Risk Management Committee /Chairmen of The Investment Advisory Board Committee**

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- Doctoral of Business Administration, (Accounting), Thammasat University.
- Master of Accounting, Thammasat University.
- Bachelor of Accounting, Thammasat University.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class BJC/2004
- Director Certification Program (DCP) Class 88/2007
- Audit Committee Program (ACP) Class 18/2007
- Monitoring the Internal Audit Function (MIA) Class 03/2008
- Successful Formulation & Execution of Strategy (SFE) Class 15/2012
- How to Measure the Success of Corporate Strategy (HMS) Class 03/2013
- Chartered Director Class (CDC) Class 08/2014
- Boardroom Success through Financing and Investment (BFI) Class 5/2018
- Ethical Leadership Program Class ELP22/2021
- Director Leadership Certification Program Class DLCP11/2023
- Risk Management Program for Corporate Leaders Class RCL33/2023

Other training courses in 2023

Date	Course	Instructor/Institute
Year 2023	Thai Standard on Auditing (TSA)	Federation of Accounting Professions and DBD
Year 2023	Thai Financial Reporting Standard (TFRS)	Federation of Accounting Professions and DBD
Year 2023	Internal Control and Internal Audit	Federation of Accounting Professions and DBD
Year 2023	Risk Management	Federation of Accounting Professions and DBD
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :**Position in Other Listed Companies : 3 Companies**

2015 – Present	Independent Director/Audit Committee	Sahakol Equipment PCL.
2011 – Present	Independent Director/ Audit Committee/Risk Management Committee	CPL Group PCL.
2019 – Present	Independent Director	AEON Thana Sinsap (Thailand) PCL.

Position in Non-Listed Companies/Other companies : 8 Companies

2015 – Present	Independent Director/Audit Committee	Charoensin Asset Co.,Ltd.
2021 – Present	Director	Quality Assurance Service Co.,Ltd.
2022 – Present	Director	Computer Union Co.,Ltd.
2022 – Present	Director	Union Textile Industries PCL.
2022 – Present	Director	Computer Union System Co.,Ltd.
2023 – Present	Director	Soldev Co.,Ltd.

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Audit Committee 5/5 Times (100%)
- Sustainability and Risk Management Committee 2/2 Times (100%)
- Investment Advisory Board Committee - None -

Illegal Record in past of 10 years : - None -

**Asst. Prof. Dr. Monpilai H. Narasingha (Age 56 years)****Independent Director/Audit Committee/ Sustainability and Risk Management Committee / Investment Advisory Board Committee**

Appointment on March 22, 2017 (6 Years / 2 Term)

Education

- Ph.D. Mining and Minerals Engineering (Coal Engineering), Virginia Polytechnic Institute and State University, USA.
- M.Sc. in Chemical Technology (Chemical Engineering), Chulalongkorn University, Bangkok, Thailand.
- B.Sc. in Chemical Engineering, Chulalongkorn University, Bangkok, Thailand.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 131/2016
- Director Certification Program (DCP) Class 265/2018

Other training courses in 2023

Date	Course	Instructor/Institute
Mar 27,29,31, 2023	Succession Plan Advisor, Class 5	A.Thanudet Thani People Develop Center
May 17-18,29, Jun 1, 2023	SET ESG Expert Pool Workshop: Training the Trainer (Coaching)	SET ESG Academy
Sep 30 – Nov 25, 2023	Accounting for Executives (Accounting for Non-accountants), Class 20	Chulalongkorn University
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong
Oct 27, 2023	SET ESG Expert Pool: Master Class-Environment, Social, and Governance (ESG), and Materiality Reporting (MESGMR)	SMU Academy, Singapore

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : 3 Companies

2017 – Present	Director	Society of Chemical Engineering and Applied Chemistry of Thailand
1992 – Present	Lecturer at Department of Chemical Engineering Faculty of engineering	King Mongkut's University of Technology North Bangkok
2022 – Present	Director	German-Thai Railway Association
2015 - 2018	Director	TGGS Co.,Ltd.

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Audit Committee 5/5 Times (100%)
- Sustainability and Risk Management Committee 2/2 Times (100%)
- Investment Advisory Board Committee - None -

Illegal Record in past of 10 years : - None –

**Mrs.Kanchana Piyasatit (Age 70 years)****Independent Director/Audit Committee**

Appointment on May 11, 2018 (5 Years / 2 Term)

Education

- Master of Law Ramkhamhaeng University.
- Master of Science in Public Administration Chulalongkorn University.
- Bachelor of Law Thammasat University.
- Bachelor of Accounting, Thammasat University.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 123/2016
- Role of the Chairman Program (RCP) Class 38/2016

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : 1 Companies

2018 – Present	Director / Independent Director / Chairman of the Nomination and Remuneration Committee	Built Land Public Company Limited.
----------------	--	------------------------------------

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)
- Audit Committee 5/5 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr. Yang Chung Jen (Age 52 years)****Independent Director**

Appointment on March 22, 2017 (6 Years / 2 Term)

Education :

- Master of Business Administration Banking and Finance, Manchester Business School, The University of Manchester, United Kingdom
- Bachelor B.A., Dual degrees in Business Administration and Tourism, Chinese Culture University.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 139/2017

Other training courses in 2023 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Work Experience for the Past 5 Years :

Position in Other Listed Companies : -None -

Position in Non-Listed Companies/Other companies : 1 Companies

2000 – Present	Senior Vice President	Bangkok Grand Pacific Lease Public Company Limited.
----------------	-----------------------	---

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2023

- Board of Director 7/7 Times (100%)

Illegal Record in past of 10 years : - None -



**Details of Executives, Controlling Persons, the Highest Responsibility in Accounting and Finance,
the Person Assigned to Take Direct Responsibility for Accounting Supervision, the Company's
Secretary**

Mr.Jirawat Akkranupornpong (Age 47 years)

Chief Financial Officer/Executive Director

(Highest responsibility in Accounting and Finance)

Education

- Master of Science in Accountancy, University of Illinois at Urbana Champaign, IL, USA.
- Master of Business Administration, California State University Fullerton, CA, USA.
- Bachelor of Finance, Faculty of Commerce and Accountancy Thammasat University.

Other training courses in 2023

Date	Course	Instructor/Institute
Jun 12, 2023	ESG Risks Management Workshop	SET
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : Present 2 Companies

2017 - Present	Director	ADB USA Inc.
2017 - Present	Director	SPARKO USA Inc.

Shareholding in the Company as at December 28, 2023

- Direct : 0.0466%
- Indirect : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2023

- Executive Committee 5/5 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr.Piriya Moungram (Age 45 years)**

**Executive Committee/ Sustainability and Risk Management Committee /
Senior Vice President of Technical Department**

Education

- Bachelor of Materials Technology (Petrochemicals and Polymer Materials) Silpakorn University.

Other training courses in 2023

Date	Course	Instructor/Institute
Feb 23, 2023	Bioplastics: From Global to Local-Legislation and Market	TBIA
Mar 23, 2023	Forwarding to Plastics Supply Chain Sustainability 2023	Plastics Institute
Mar 30, 2023	Circular Economy Talks : From Vision to Action	National Accreditation Council
May 11, 2023	Bioplastics and Application	Plastic & Rubber Thailand 2023
May 25, 2023	Plastic packaging choices and adapting to environmental responsibility	Propak connect
May 27, 2023	The Balancing Act: How Plastics Industry Thrive without Killing the Earth	RX Tradex
Jun 6, 2023	Trends, technology and innovation in the bioeconomy (Bio Economy) and knowledge about carbon footprint and greenhouse gases.	Plastics Institute
Jun 12, 2023	ESG Risks Management Workshop	SET
Jun 15, 2023	Bio-Packaging Global Trends	TBIA
Jul 18, 2023	Economy in Rocky Road, Sunrise or Sunset to be reviewed	PTTGC
Jul 25, 2023	Chemical Compliance on Consumer Products	TUV
Jul 27, 2023	Thai carbon credit market Business sector opportunities	Carbon Market Club
Aug 11, 2023	The AVC Sustainability Forum 2023 : Moving Forward to Vinyl Sustainability- The Episode of Additive system for Wire and Cable application	AVC
Sep 12, 2023	Sustainability in Packaging: Global Regulatory Trends	TUV
Sep 21, 2023	Bioplastics as part of Circular Economy	TBIA
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong
Nov 21, 2023	Arming Thai industry to expand business by designing according to the principles of the circular economy, CE Design in Action	MTEC
Nov 29, 2023	PVC Formulation Asia 2023	AMI
Dec 13, 2023	Bioplastics: Know deeply, know the truth without leaving a burden on the world	TBIA
Dec 15, 2023	Carbon Management for Executive Training Course	BSI

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies :

Present 2 Companies

2021 – Present	Director	ADB Bio Co.,Ltd.
----------------	----------	------------------

Shareholding in the Company as at December 28, 2023 :

- Direct : 0.0500%
- Indirect : - None -

Family Relationship among Directors and Executives

- None -

Meeting attendance in the year 2023

- Executive Committee 5/5 Time (100%)
- Sustainability and Risk Management Committee 2/2 Time (100%)

Illegal Record in past of 10 years : - None -

**Mr.Siripong Luewongwattana (Age 53 years)****Vice President of Sales Plastic Compound Department**

Education

- Bachelor in Marketing, Kasem Bundit University.

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023

- Direct : 0.0001%
- Indirect : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

Ms.Nutta Likitrujanont (Age 60 years)**Vice President of Operation Department**

Education

- Diploma of Marketing, Krirk College.

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023

- Direct : 0.0165%
- Indirect : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

**Mrs. Wichitra Thubburee (Age 59 years)****Vice President of Internal Control and Management System****Education**

- Master of Business Administration Logistics and Supply Chain Management Ramkhamhaeng university.
- Bachelor of Public Administration Ramkhamhaeng University.
- Bachelor of Accounting, Suan Dusit Rajabhat University.

Training by the Thai Institute of Directors Association (IOD)

- Company Reporting Program (CRP) Class 18/2017
- Company Secretary Program (CSP) Class 80/2017
- How to Develop a Risk Management Plan (HRP) Class 15/2017
- Anti-Corruption: The Practical Guide (ACPG) Class 45/2018

Other training courses in 2023

Date	Course	Instructor/Institute
May 15, 2023	Standard requirement ISO13485:2016	Perry Johnson Registrars, Inc.
Jun 12, 2023	ESG Risk management workshop	SET
Jun 13, 2023	Practical risk management with application of the 5 elements of ERM	TFAC
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : Present 2 Companies

2017 - Present	Director	ADB USA Inc.
2017 - Present	Director	SPARKO USA Inc.

Shareholding in the Company as at December 28, 2023

- Direct : 0.2641%
- Indirect : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

**Ms.Sirisuda Sujariyanurak (Age 48 years)****Acting Vice President of Human Resources and Development.****Education**

- Master's degree, Master of Business Administration, Mahanakorn University of Technology.
- Bachelor's degree in Management Sukhothai Thamthirat University.

Training by the Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP) Class 86/2018

Other training courses in 2023

Date	Course	Instructor/Institute
Jun 12, 2023	ESG Risk management workshop	SET
Mar 27, 2023	Get to know the cutting-edge ChatGPT AI and its uses	Mr.Wittayut Promma / ADB
Apr 6, 2023	Succession Plan Advisor	Mr.Thanudet Thani
Aug 9, 2023	Career Path in Action	Mr.Thanudet Thani
Aug 30, 2023	Know the truth, know the truth about modern labor laws	SSO
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong /Dr. Mongkon Laoworapong
Nov 8, 2023	Business and Climate Change	South Pole Group (Thailand) Co.,Ltd.

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023

- Direct : 0.0984%
- Indirect : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

**Mr. Chen Cheng Hsien (Age 49 years)****Acting Vice President of Information Technology Department**

Education

- Bachelor Degree, Electrical Engineering of China University Science of Technology.

Other training courses in 2023

Date	Course	Instructor/Institute
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong / Dr. Mongkon Laoworapong

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

Mrs. Nokjinda Non-asa (Age 44 years)**Accounting Manager (Account Controller)**

Education

- Bachelor of Business Administration (Accounting), Suan Dusit Rajabhat University.
- Bachelor of Science Rajabhat Maha Sarakham University.

Other training courses in 2023

Date	Course	Instructor/Institute
Mar 28, 2023	Advance Transfer Pricing and Accounting Standars 2023	Sanpakornsarn
Nov 21, 2023	How to close financial statements correctly and in a timely manner	Accounting Coach

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

**Ms.Kanokwan Kongtanakomtunyakid (Age 31 years)****Company Secretary/Investor Relations/Manager of New Business Development****Education**

- Master of Business Administration (MBA) Faculty of Commerce and Accountancy of Thammasat University.
- Bachelor's degree, Faculty of Arts Chinese Language of Silapakorn University.

Training by the Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP) Class 114/2020

Other training courses in 2023

Date	Course	Instructor/Institute
Sep 13, 2023	SEC Capital Market Regional Seminar 2023	SEC
Oct 4, 2023	Internal Audit Management Department	TFAC
Oct 20, 2023	Turning risk into opportunities	Mr. Kiatchai Maitriwong /Dr. Mongkon Laoworapong

Work Experience for the Past 5 Years :

Position in Other Listed Companies : - None -

Position in Non-Listed Companies/Other companies : - None -

Shareholding in the Company as at December 28, 2023 : - None -

Family Relationship among Directors and Executives : - None -

Illegal Record in past of 10 years : - None -

Duties and Responsibilities of Company Secretary

The Company secretary shall perform duties with responsibilities, caution, and honesty according to the Securities and Exchange Act (No.4) B.E. 2551. The roles, duties, and responsibilities for the Company secretary are specifically defined as follows:

- 1) Providing preliminary suggestion related to the rule of law, the relevant regulation that the Company is required to perform by laws, the articles of association. Reporting the significant changes on the relevant legal issues to the Directors.
- 2) Enhancing knowledge and understanding of the principle of Corporate Governance, Giving the information and encouraging the Board of Directors to comply with such principle, including evaluation.
- 3) Preparing meeting agendas, supportive documents for board of director' meeting and shareholders' meeting.
- 4) Arranging shareholders' meeting and board of director's meeting in accordance with the rules of law, article of association.
- 5) Providing minutes of shareholders' meeting and director' meeting as well as following-up with resolution of the shareholders' meeting and board of director's meeting.
- 6) Ensuring that directors and executives prepare reports on their interests and related persons. according to legal requirements.
- 7) Taking responsible for disclosure information and reporting information technology to the competent organization governing the Company according to relevant criteria and regulations.
- 8) Communicating with shareholders to render the information regarding the rights of shareholders, the Company's feeds and being a mediator between the Company and shareholder or between Board of Directors and Executive Committee.
- 9) Monitoring the Board of Directors' activities.



- 10) Arranging the evaluation of Board of Director's operation and reporting the result to the Board of Directors.
- 11) Follow the changes on laws and regulations pertaining to the Company's business operation in order to give the preliminary advices.
- 12) Coordinating with the Board of Directors and Executive Committee.
- 13) Providing and maintaining the following documents;
 - A) Directors Registration.
 - B) Notice of Board of Directors Meeting and Minutes of Board of Directors Meeting including sub-committees.
 - C) Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting.
- 14) Maintaining the report as to the matters-at-stake reported by Directors or Executive Committee and handling the copies to the Vice President and Chairman of Audit Committee as required by laws.
- 15) Send a copy of the conflict of interests report under section 89/14 prepared by the directors and executives to the Chairman and Chairman of the Audit Committee within 7 working days of receiving the report.
- 16) Any other duties that the Board of Directors may consider as appropriate including any other duties as required by relevant laws, rules and regulations The secretary of the listed company must comply.

Information on the position of the Board of Directors and Executives in related companies

Related Companies	Director/Executive										
	Mr.Pawat Wongtangtrakul	Mr.Wang Wanapaisan	Mr.Rattanachai Wongcharoensin	Ms.Pornpiwan Niramonherdchay	Mr.Wei Kai Wang	Mr.Veerachai Wongcharoensin	Mr.Wuttichai Wongcharoensin	Mr.Mongkon Laoworapong	Mrs.Monpilai Narasingha	Mrs.Kachana Piyasatit	Mr.Yang Chung Jec
Applied DB Public Company Limited	I	II,VI,C	II	II,VII,D	II,VII,M	II,VII,M	II,VII	III, IV	III,V	III,V	III
Charoensin Tannery Co.,Ltd.			II								
TTN Nonwoven Solution Co.,Ltd.			I				II,D				
Song Mao Nonwoven Co.,Ltd.			I				II				
Charoensin Tanning Industry Co.,Ltd.			II								
Eagle Chemical Industry Co.,Ltd.			II								
Charoensin Holding Co.,Ltd.						II	II				
UR Family Co.,Ltd.							II				
LEO Company Co.,Ltd.							II				
Thai Wiring System Co.,Ltd.							II				
Venture Inter Plus Co.,Ltd.						II	II				
Smart Sense Industrial Design Co.,Ltd.						II					
Charoensin Condotown Co.,Ltd.						II					
Mimi Industrial Co.,Ltd.							II				
Valusafe Co.,Ltd.							II				
Thai Nisshoku Co.,Ltd.							II				
Red Phoenix Venture					II						
Sahakol Equipment Public Company Limited								III,V			
C.P.L. Group Public Company Limited.								III,V			



Related Companies	Director/Executive										
	Mr.Pawat Wongtangtrakul	Mr.Wang Wanapaisan	Mr.Rattanachai Wongcharoensin	Ms.Pornpiwan Niramongherdchay	Mr.Wei Kai Wang	Mr.Veerachai Wongcharoensin	Mr.Wuttichai Wongcharoensin	Mr.Mongkon Laoworapong	Mrs.Monplai Narasingha	Mrs.Kachana Piyasatit	Mr. Yang Chung Jec
AEON Thana Sinsap (Thailand) Public Company Limited.								III			
Charoensin Asset Co.,Ltd.								III,V			
Built Land Public Company Limited.										II,III	
Bangkok Grand Pacific Lease PCL.											M
Charoensin Capital Co.,Ltd.						II					
Thai Institute of Chemical Engineering and Applied Chemistry.									II		
Herbal City (Thailand) Co.,Ltd.							II				
TSF Technical Material Co.,Ltd.							II				
German-Thai Railway Association									II		
Quality Assurance Service Co.,Ltd.								II			
Computer Union Co.,Ltd.								II			
Union Textile Industries PCL.								II			
Computer Union System Co.,Ltd.								II			
Youneng (Thailand) Co., Ltd.							II				
HRT Nonwoven Co.,Ltd.							II				
Soldev Co.,Ltd.								II			

Remark :

I = Chairman of the Board

II = Director

III = Independent Director

IV = Chairman of the Audit Committee

V = Audit Committee

VI = Chairman of the

VII = Executive Committee

C = CEO

D = MD

M = Management

Executive Committee



Attachment 2

Details of Directors and Subsidiaries

Information on holding positions of directors and executives of the Company in subsidiaries.

As of December 31, 2023, the Company has 4 subsidiaries, namely ADB USA Inc., SPARKO USA Inc., ADB Bio Company Limited. And ADB Sealant Company Limited.

No.	List of Directors and Executives	List of Subsidiaries			
		ADB USA Inc.	SPARKO USA Inc.	ADB BIO Co.,Ltd.	ADB Sealant Co.,Ltd.
1	Mr.Wang Wanapaison			I	I,M
2	Mr.Wei Kai Wang	II,M	II,M	M	
3	Mr.Veerachai Wongcharoensin			II,M	II,M
4	Mr.Wuttichai Wongcharoensin				II
5	Mr.Jirawat Akkaranupornpong	II	II		
6	Mrs.Wichitra Thubburee	II	II		
7	Mr.Piriya Mouangkram			II,M	
8	Mr.Kang Hsu Liu			II,M	D
9	Ms.Pornpiwan Niramomcherdchay			M	

Remark :

I = Chairman of the Board II = Director III = Independent Director IV = Chairman of the Audit Committee V = Audit Committee
 VI = Chairman of the Executive Committee VII = Executive Committee C = CEO D = MD M = Management



Attachment 3

Details of the Head of the Internal Audit and the Head of Compliance

The company to appointed Ascent Advisory Co.,Ltd. which was an independent agency from outside (Outsource) With Mrs.Wichitra Thubburee as the head of the internal audit had perform to internal audits of the Group. has qualifications, educational and work experience (Shown in Attachment 1).

Details about the work history and education of key personnel of Ascent Advisory Co.,Ltd.

Personnel of Ascent Advisory Co.,Ltd. are independent from the operation of the business, have qualifications, skills and experiences that can be internally audited in accordance with the COSO 2013 Framework, operate independently and ethically. in order to bring the greatest benefit to the business

1. Ms.Pakkaon Asawatachaphorn (Managing Director)

Educational : Master of Business Administration, Khon Kaen University

Background

Experience : Internal control system Financial institutions listed on the Stock Exchange of Thailand for more than 20 years.

Training : Certificate Course in Internal Auditors of Thailand (CPIAT), Association of Internal Auditors of Thailand.

Financial advisor course Association of Thai Securities Companies.

Course 7 Operational Risks and Crisis Response Guidelines.

2. Mr.Narongsak Wangtapunt (Manager)

Educational : Kasetsart University Chalermphrakiat Sakon Nakhon Province Campus.

background

Experience : Internal audit Real estate business, construction, industrial plants and services.

- Training** :
1. COSO 2013 Internal Control Certificate Training course.
 2. Upgrading working papers Expert in reviewing Anti-corruption (Working Paper for Better Corruption Prevention) Course
 3. IT Audit for Non IT Auditor course of the Federation of Accounting Professions.
 4. Integrated Audit Course Class 2/2018 of the Federation of Accounting Professions
 5. ITGC Course (Information Technology General Control : In House)



Attachment 4

Assets for business undertaking and details of asset appraisal

Applied DB Public Company Limited has released its report on its assets used in the operations and has also provided the details of property valuation under the section “Structure and Business Operations”, the sub-section “Assets Used in Business Operations”.



Attachment 5

Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Applied DB Public Company Limited operates its business responsibly, transparently, accountably, fairly, ethically and with due regard to all of its stakeholders by adhering to the principles of good corporate governance. The Company recognizes that its adherence to the principles of good corporate governance will contribute to the operational and management efficiency of the Company and a company under CG. The Company also bolsters its credibility and fosters sustainable growth, not only for the Company itself but also for the society and the nation as a whole.

The Board of Directors has integrated the Corporate Governance Policy into the Company's Business Operations Policy and has made the Business Code of Conduct Handbook. This handbook has been distributed throughout the Company in order for directors, executives and employees to adhere to code of conduct and all policies when performing their duties. The Company has reviewed and revised the handbook so as to keep them up-to-date, and to keep them abreast of any changes. This hand book must also be in line with business strategies of the company. This handbook has been comprehensively communicated to all Directors, Executives and Employees, who have acknowledged and understood it entirely, and are expected to stringently implement the handbook as a guideline for executing their duties. They are also required to inform individuals involved in GC Group's businesses, namely trading partners, customers and joint-operators, both local and overseas, of our ethical business strategies in order for all concerned parties to understand and comply with these important practices.

In this regard, the full details of the Company's policies and practices from the Corporate Governance and Business Code of Conduct Handbook can be found on the ADB website www.adb.co.th under the heading of "Corporate Governance"



Attachment 6

Report of the Audit Committee

The Audit Committee of Applied DB Public Company Limited consists of independent directors who have knowledge, ability, experience in accounting, finance, law, management and engineering along with qualifications that meet the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, 3 Director, Dr.Mongkon Laoworrapong, Chairman of the Audit Committee, Asst.Prof.Dr.Monpilai H. Narasingha and Mrs.Kanchana Piyasatit, Audit Committee, Mrs. Wichittra Thubburee Vice president of Internal Control Office as secretary to this committee.

The Audit Committee has completely performed its duties in accordance with the scope and responsibilities assigned by the Board of Directors as specified in the Audit Committee Charter with the requirements and best practices for the Audit Committee of the Stock Exchange of Thailand and regularly reports the performance to the Board of Directors.

In 2023, the Audit Committee has held a total of 5 meetings, all members of the Audit Committee attended all meetings. The Audit Committee invited the company's financial executives and Head of internal audit department to attend the meeting as appropriate in accordance with the topic of the meeting and to share information, opinions and suggestions that are beneficial to the management. The Audit Committee did not have a meeting with the auditor without the management attending this year because there is no question or topic of special consultation. The results of each meeting were presented to the Board of Directors for information. The Audit Committee has carried out important activities which can be summarized as follows:

- 1) **Review of financial reports** The Audit Committee reviewed and considered the quarterly financial statements, annual financial statements and related financial reports together with a certified public accountant and management of the company on important issues, adjustments accounting and Financial Reports. The Audit Committee recognizes the importance of compliance with the Thai Financial Reporting Standards. Sufficient disclosure of notes to financial statements. The Committee reviewed material issues and special items and obtained sufficient clarification from the external auditors, the Management, and the Vice president of Internal control department, confirming that the financial statements and the disclosure in notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee therefore approved the Financial Statements, which were reviewed and audited by the external auditors without reservation. In addition, the Audit Committee discussed the Key Audit Matters (KAM) ,as well as to hear whether there was any suspicious information indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E.2535 as amended by the Securities and Exchange Act (No.4) B.E.2551 with the auditor. In 2023, the external auditors did not discover any material misstatements or indications of suspicious incidents. Thus, The auditors are independent in performing their duties to consider financial statements and consolidated financial statements of the Company to be reliable, transparent and complies with generally accepted accounting standards as well as disclose sufficient information complied with relevant laws and announcements before the financial statements are presented for approval to the Board of Directors' meeting or the shareholders' meeting.



- 2) **Review the adequacy and appropriateness of the internal control process** The Audit Committee has reviewed the adequacy, suitability and effectiveness of the Company's internal control system and its subsidiaries by considering the report of the internal auditor of the company including assessment of the internal control system according to the guidelines set by the Securities and Exchange Commission. The Audit Committee has given opinion that the Company's internal control system is appropriate, sufficient which can reasonably assure that the company has an adequate and effective internal control system.
- 3) **Supervision of internal audit work** The Audit Committee ensures that the Internal Audit Department is independent as stated in the operation manual that the internal audit operation is efficient and effective complied with the rules and regulations of the Securities and Exchange Commission and international standards in the practice of internal auditing professions. The Audit Committee has reviewed the appropriateness and approved the annual internal audit plan with a focus on risk-based approaches including giving opinions, recommendations for optimizing internal control including reviewing the annual internal audit plan to ensure that the audit plan is revised in accordance with the changing situation with efficiency and effectiveness.
- 4) **Review of the Company's risk management** The Audit Committee reviewed the risk management system to ensure that the Company has a suitable and efficient risk management system to reduce the risk to an acceptable level. The Company has focused on developing a risk management system. The Board of Directors has appointed the Risk Management Committee to set a framework for risk management and governance policies for both the Company and its subsidiaries to be effective in line with the organization's goals.
- 5) **Review of connected transactions or transactions that may have conflicts of interest** The Audit Committee has focus on considering connected transactions and transactions that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand on a quarterly basis by assigning the internal audit department to follow up and review the accuracy. The Audit Committee has given opinion that the connected transactions are reasonable, carried out utmost benefit to the Company and not conducive to any parties. Connected transactions have been disclosed in accordance with the internal work process and the relevant laws and regulations.
- 6) Review the corporate governance, Business Ethics Policy, Information Dissemination Policy, Anti-Corruption Policy, Information Protection Policy and Complaint Investigation which comply with operations the requirements of the Stock Exchange of Thailand and Securities and Exchange Commission.
- 7) **The Charter of the Audit Committee is reviewed** In 2023, The Audit Committee has reviewed the Company's Audit Committee Charter and considered the improvements and amendments about qualifications, roles, duties, and authority of the Audit Committee. It is stated that the current Charter and the performance of the Audit Committee, which has been adjusted based on current situation, the issues of continuity, risk, and corruption and improved the format to be clear and easy to find information or bring information and arranged into categories and agreed that the Audit Committee Charter was appropriate and complete, referring to the guidelines of good corporate governance and the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission has been fully applied.



- 8) Provide a self-assessment of the entire Audit Committee and demonstrate that the Audit Committee has performed its duties assigned by the Board of Directors and comply with good working practices.
- 9) Consideration, proposal, appointment and determination of the auditor's remuneration of the company The Audit Committee has selected the auditors based on their independence in work, skills and knowledge and ability in business. Including audit fee. The Audit Committee considered and gave the opinion to the Board of Directors to consider and propose to the 2023 Annual General Meeting of Shareholders to consider appointing the auditors from KPMG Phoomchai Audit Ltd. as the auditors of the Company. Ms.Sawitree Ongksirimongkol, a Certified Public Accountant No.10449 and/or Mrs.Munchupa Singsuksawat Certified Public Accountant No.6112 and/or Mr.Sumate Jangsamsee Certified Public Accountant No.9362 In this regard, such auditors are auditors that have been approved by the SEC.
- 10) Supporting good corporate governance and considering complaints about corruption The Audit Committee emphasized that the Company must operate in accordance with good corporate governance and establish a system for receiving complaints including providing channels for employees, shareholders and related parties to contact the Audit Committee directly in order to notify information to the Internal Audit Committee such as complaints, illegal acts or non-compliance with business ethics or questions about financial reports or internal control systems can be conveniently via e-mail, website, post office, and whistleblowing and complaint box as well as having measures to protect the informant from disclosing and keeping it confidential.
- 11) Compliance with Securities and Exchange Laws The Audit Committee has reviewed the performance and supervise the company to take various actions complied with the law of securities and stock exchange announcements and regulations of the Stock Exchange of Thailand as well as other specific laws related to the Company's business. In addition, the Audit Committee has instructed the Company to follow up on the laws that are being considered and may affect the Company in order to prepare before their promulgation.

In summary, the Audit Committee performed its charter duties and responsibilities with competence, care, prudence, and adequate freedom while providing creative views and recommendations for the equitable benefit of all stakeholders. Its opinion is that ADB's financial statements were accurate, credible, and in line with generally accepted accounting standards, in addition, ADB commanded compliance with applicable laws and business obligations, together with good governance, adequate risk management and a suitable, effective internal audit system.

Dr.Mongkon Laoworapong
Chairman of the Audit Committee



APPLIED DB

PUBLIC COMPANY LIMITED

บริษัท แอ็พพลาย ดีบี จำกัด (มหาชน)

HEAD OFFICE / ที่ตั้งสำนักงานใหญ่

252 M.4 Bangpoo Industrial estate soi 3C, Sukhumvit Rd.,
Prakasa, Muang, Samutprakarn, Thailand 10280
252 หมู่ 4 นิคมอุตสาหกรรมบางปู ซอย 3C ถ.สุขุมวิท
ต.แพรกษา อ.เมือง จ.สมุทรปราการ 10280

LOCAL CUSTOMER SERVICE / ศูนย์บริการลูกค้าในประเทศ

Tel. (+66) 2709-4040 Fax. (+66)2709-4396

OVERSEA CUSTOMER SERVICE / ศูนย์บริการลูกค้าต่างประเทศ

Tel. (+66) 2323-1906, (+66) 2709-3997
Fax.(+66) 2324-0552

E-mail

CORPORATE GOVERNANCE / การกำกับดูแลกิจการ

adb_cg@adb.co.th

INVESTMENT RELATION / ความสัมพันธ์ด้านการลงทุน

adb_ir@adb.co.th

SALES & MARKETING / ฝ่ายขายและการตลาด

adb_marketing@adb.co.th

OTHER / อื่นๆ

adb_info@adb.co.th



@adbth



@AppliedDB

www.adb.co.th