



**Annual Registration Statement / Annual Report 2022
(Form 56-1 One Report)**



Modern chemical product for future well being and

ENVIRONMENTAL SUSTAINABLE



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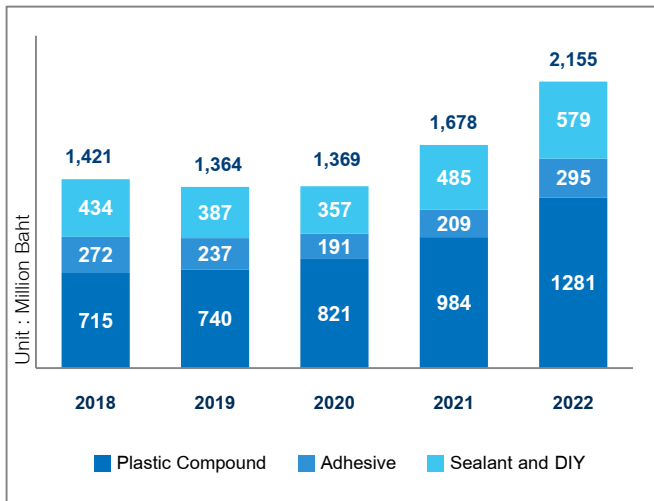
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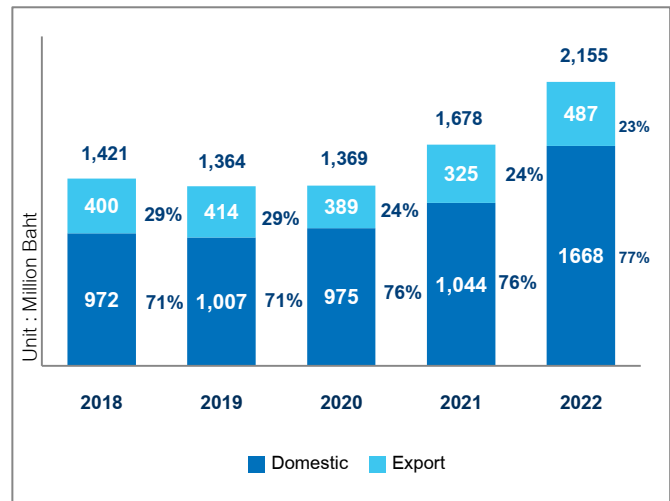
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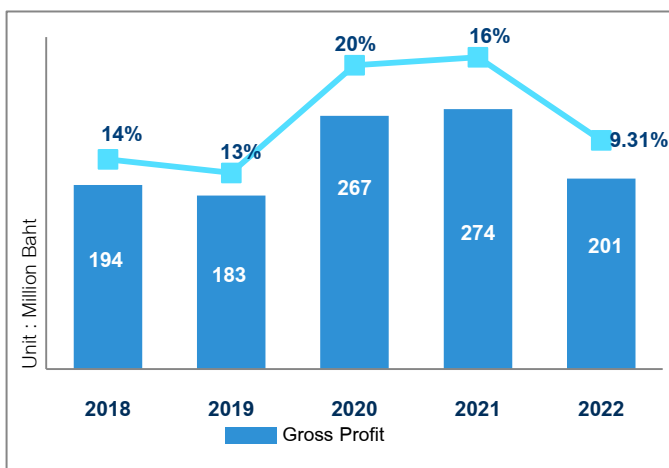
Financial Highlights



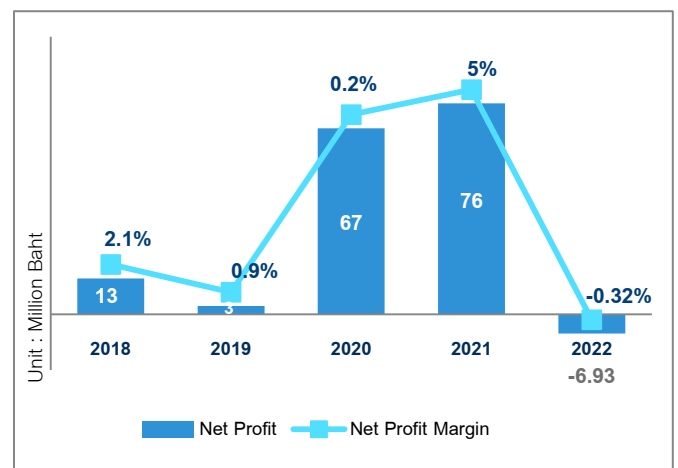
Total Sales Revenue



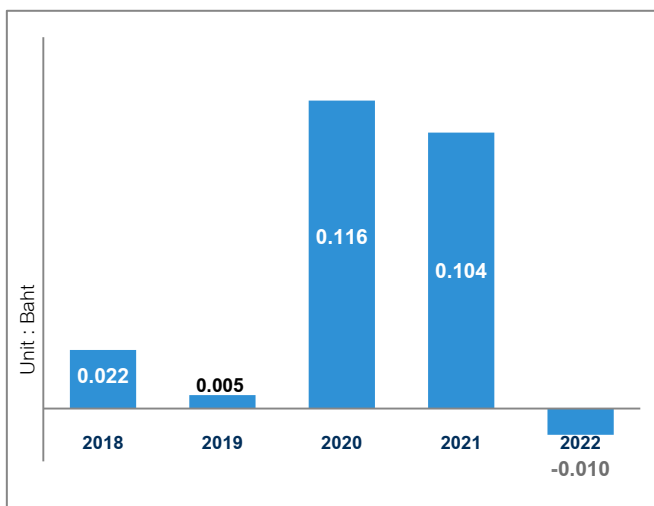
Proportion of sales revenue Domestic and Export



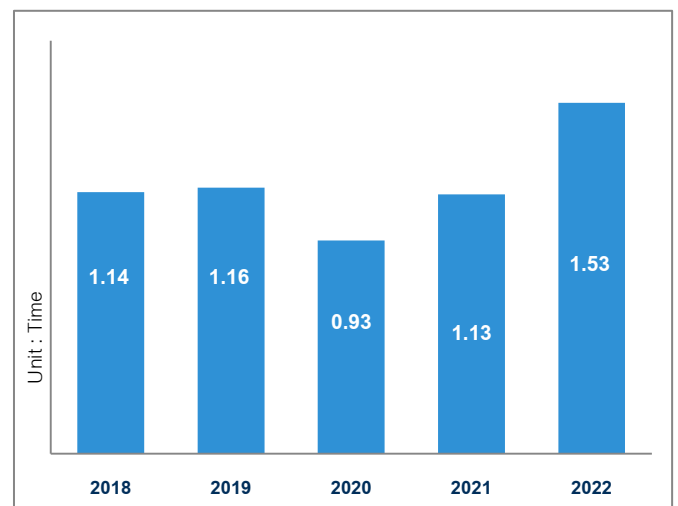
Gross Profit



Net Profit



Net Profit Per Share



Debt to Equity

Assets

| Asset | Year 2020 | | Year 2021 | | Year 2022 | |
|---------------------------|-----------------|-------|-----------------|-------|-----------------|--------|
| | MB | % | MB | % | MB | % |
| Cash and cash equivalents | 31.68 | 2.55 | 62.91 | 4.33 | 101.52 | 6.24% |
| Account Receivables | 365.77 | 29.41 | 385.97 | 26.54 | 446.45 | 27.45% |
| Other receivables | 5.51 | 0.44 | 21.12 | 1.45 | 37.58 | 2.31% |
| Inventories | 296.59 | 23.85 | 455.35 | 31.32 | 510.58 | 31.39% |
| Current asset | 699.56 | 56.25 | 925.35 | 63.64 | 1,111.83 | 68.36% |
| Fixed asset | 526.63 | 42.34 | 508.34 | 34.96 | 495.84 | 30.49% |
| Other non-current asset | 0.49 | 0.04 | 1.51 | 0.10 | 0.54 | 0.03% |
| Total Asset | 1,243.68 | | 1,454.05 | | 1,626.39 | |

Liabilities

| Liabilities | Year 2020 | | Year 2021 | | Year 2022 | |
|--------------------------|---------------|--|---------------|--|---------------|--|
| | MB | | MB | | MB | |
| Current liabilities | 480.41 | | 680.35 | | 927.81 | |
| Non-current liabilities | 117.92 | | 90.17 | | 54.84 | |
| Total liabilities | 598.34 | | 770.51 | | 982.66 | |

Financial Ratio

| Financial Ratio | Year 2020 | Year 2021 | Year 2022 |
|-------------------------|-----------|-----------|-----------|
| Liquidity ratio (times) | 1.46 | 1.36 | 1.20 |
| Gross profit margin (%) | 19.53 | 16.36 | 9.31 |
| Net profit margin (%) | 5.05 | 4.45 | (0.32) |
| Return on Assets (%) | 5.58 | 5.61 | (0.45) |
| Return on Equity (%) | 11.36 | 11.39 | (1.04) |
| Debt to Equity (times) | 0.93 | 1.13 | 1.53 |

Dividend Payout Ratio

| Details of Dividend Payment | Year 2019 | Year 2020 | Year 2021 | Year 2022 |
|--|-------------|-------------|-----------------|---------------|
| Net Profit (based on consolidated financial statements) (Baht) | 3,263,137 | 69,660,733 | - | 75,683,566 |
| Number of shares (Share) | 600,000,000 | 660,000,000 | 659,999,998** | 725,999,923 |
| Dividend per share | | | | |
| ▪ Interim Dividend (Baht/Share) | - | 0.05* | 0.05** | |
| ▪ Annual Dividend (Baht/Share) | 0.01 | 0.05 | 0.05 | 0.05 |
| The total amount of dividends paid | | | | |
| ▪ Interim Dividend (Baht/Share) | - | 33,336,000* | 36,669,598.89** | |
| ▪ Annual Dividend (Baht/Share) | 6,000,000 | 33,000,000 | 36,299,996.15 | 36,299,996.15 |
| Percentage of dividend payment per net profit (%) | 183.87 | 48.17 | - | 47.94 |

* 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.



Achievement Award



Good Corporate Governance of Listed Companies

The company received the score from the Corporate Governance Report of Thai Listed Companies 2022 in the level of "Very Good" 4 Stars.



Quality Assessment of Annual General

Meeting of Shareholders

The company received a full score of 100 from the quality assessment of the Annual General Meeting of Shareholders in 2022.



Thai Private Sector Collective Action Against Corruption: CAC

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



Thailand Sustainability Investment

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.



Asian Export Awards 2022

November 21, 2022, Ms. Pornpiwan Niramomcherdchay and Mr. Verachai Wongcharoensin, Director received 2 export awards. Asian Export Awards 2022 from Manufacturing Asia and Singapore Business Review at Shangri-La Singapore

- 1) Exporter of the Year Award Chemicals (Product Exporter of the Year-Chemicals)
- 2) Exporter of the Year Award Construction Materials (Product Exporter of the Year – Construction Materials)

For the production and export of quality products under the Sparko brand, such as multi-purpose lubricants X5 and Hi-Tech RTV Silicone, as well as sealants and construction adhesives that are popular both domestically and internationally



Eco Factory Award

On September 30, 2022, Mr. Pornpiwan Niramomchardchay, Managing Director, represented the Company and received the Eco Factory Award at the "Eco Innovation Forum 2022" to promote implementation achievement of eco-industrial factory standards to the public and exchange factory development knowledge from the Institute of Water and Environment for Sustainability, The Federation of Thai Industries. ADB received awards in 2 factories from 4 factories, Factory No. 252 where manufacturing adhesive and DIY products and Factory No. 260 where manufacturing plastic compound. The awards is valid from December 7, 2021 to December 6, 2024.



..... **Message from Chairman**



In 2022, the global economy began to recover and grow base on the fundamentals of each industry. ADB recorded new high sales of 2,155 million baht, a 28% increase from last year's revenue. However, the problem of fluctuating raw material prices and shortages in some periods and the currency fluctuation during the third and fourth quarter directly affected the company's profit margin. This is an important lesson that the management must formulate a practical strategies in the future.

Sustainable development principle is important factor in defining the company's work framework by inventing innovations and products that help solve environmental problems, being responsible throughout the product lifecycle, improving production processes to reduce pollution that may arise from production by using renewable and clean energy to replace exhaustible energy.

In 2021 and 2022, ADB was awarded by the Stock Exchange of Thailand as one of the Thailand Sustainability Investment (THSI) lists for two consecutive years, demonstrating our commitment to sustainable business operations both in terms of organizational growth along with long-term environmental protection.

On behalf of the Board of Directors, executives and employees of Applied DB Public Company Limited, I would like to thank all shareholders for trust, including business partners, government and private sectors that always support the Company's operations. The Company is committed to deliver value to all parties and achieve the goal of social and environmental responsibility.

Mr.Pawat Wongtangtrakul

Chairman of the Board



..... Message from Chief Executive Officer

For 40 years, Applied DB Public Company Limited (the "Company") has been committed to promoting the concept of sustainable business operations through continuous development and improvement of products and services and enhancing value of 3 dimensions, economic, social and environmental dimensions. The company has set guidelines for sustainable operations as follows:

Economic Dimension

Continuous growth in business through creating value together with customers, developing new products and technologies and expanding product groups in ways that appeal to your customer base and changing trends in industry.

Environmental Dimension

- Develop environmental friendly product, gradually reduce the use of solvents and choose more environmental friendly resources.
- Participating in the SET and mai Care the Wild, Plant & Protect project by planting trees totaling 91 rai in the forest area of Nan province to expand green areas and take care of the forest for 10 consecutive years by the Royal Forest Department.

Social Dimension

- Focus on development of the well-being of employees and surrounding communities, transformed into a clean production process to save energy and reduce emission of pollution. We planned to install solar panels in three factories, which are expected to help reduce carbon emissions by more than 20%.

In 2022, the company planned to restructure the organization by transferring a partial business to a subsidiary, ADB Sealant Co., Ltd., in order to prepare for significant changes in the company's business group, support growth and create a new S-curve. List of companies in the group are as follows:

- Applied DB Public Company Limited operates in the business of manufacturing and distributing plastic compounds.
- ADB Sealant Co.,Ltd. operates as a manufacturer and distributor of adhesives, sealants, adhesives and sealants in small packages (DIY).
- ADB Bio Co.,Ltd. operates in the business of sourcing biodegradable raw materials and semi-finished products that can replace traditional plastics and support the development, production and sales of bioplastic compound products.

On behalf of the executives and employees of Applied DB Public Company Limited, we would like to thank all shareholders, customers, partners, business partners, financial institution, government agency and stakeholders who play an important role in generating growth, building success and pride to the company including always giving confidence and trust the Company will operate within the framework of good governance and contribute to economic growth, social well-being and support environmental sustainability.



Mr. Wang Wanapaisan
Chief Executive Officer



1

Business Operation and Performance



Part 1

Business Operation and Performance

1. Structure and Business Operations

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 one of the manufacturers and distributors of plastic compound and adhesive and sealant products. The vision is to be a potential manufacturer of quality Plastic Compound, Adhesive and Sealant&DIY products with high management capability and international standard production procedures to create business partners and trust and serve the highest customer satisfaction.

Mission

- Being one of the leading manufacturers of PVC resins in all applications.
- Professional in troubleshooting of adhesive and sealants materials
- Produce quality products for customers, benefit society and countries that receive good returns to shareholders and recognize relevant parties as well.
- Professional management and accordance with good corporate governance principles.
- Corporate Social Responsibility.
- Personnel development, organizational development, coupled with the continued and consistent fair.

ADB Value and Culture



Professionalism

**Excellent Driven
Innovation**



**Ownership and
Commitment**

**Integrity and Practical
Customer Priority**



**Teamwork and
Collaboration**

Win-Win Orientation

“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 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 and competitive price for PVC compound and adhesive and sealant products. 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 strive to operating business that attains the balance among business operations, society and environment for 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 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 To offer an opportunity to talented persons to compete in creating innovation for business purposes and for creating happiness at work.

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.
- 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.
- 7.2 To develop new innovation and seek business opportunities contributing to sustainable growth.
- 7.3 To prepare for product development in the next level in Green Industry.

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
- 8.3 Commit to use CRM customer relationship management system (Customer Relation Management) to track and respond to customers' needs and analyze sales problems at important point

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.

1.1.2 Major Changes and Developments

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.

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.

2019

February

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

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.

2020

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

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.

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.

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 | Manufacturers and distributors of 3 groups of products, which are Placstic Compound, Adhesive, Sealant and DIY to sell to customers both domestically and internationally. |
| Registration No. | 0107560000117 |
| Telephone | 02-709 4040-9 |
| Facsimile | 02-709 4396 |
| Web Site | www.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 2020-2022 as follows:

| Revenue Structure | Year 2020 | | Year 2021 | | Year 2022 | |
|--|-----------------|--------------|-----------------|---------------|-----------------|---------------|
| | MB | % | MB | % | MB | % |
| 1. Plastic Compound Product | 820.61 | 59.45 | 983.62 | 57.86 | 1281.02 | 59.13 |
| 2. Adhesive Product | 191.32 | 13.86 | 208.92 | 12.29 | 294.77 | 13.61 |
| 3. Sealant & DIY Product | 357.28 | 25.88 | 485.46 | 28.56 | 578.91 | 26.72 |
| Total Revenues | 1,369.21 | 99.19 | 1,678.00 | 98.70 | 2,154.70 | 99.45 |
| Other Revenues ¹ | 7.68 | 0.56 | 11.82 | 0.70 | 11.81 | 0.55 |
| Profit (Loss) subject to Net Exchange Rate | 3.53 | 0.26 | 10.23 | 0.60 | 0.00 | 0.00 |
| Total | 1,380.42 | 100 | 1,700.05 | 100.00 | 2,166.51 | 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 2020 | | Year 2021 | | Year 2022 | |
|-----------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | Value | % to total income | Value | % to total income | Value | % to total income |
| Domestic Income | 1,044.15 | 76.26 | 1,237.03 | 73.72 | 1,667.65 | 77.40 |
| Overseas Income | 325.07 | 23.74 | 440.97 | 26.28 | 487.05 | 22.60 |
| Total | 1,369.22 | 100 | 1,678.00 | 100.00 | 2,154.70 | 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:

1.1 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 compound 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.



1.2 Polypropylene Split Yarn

■ 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 2022 Plastic Compound Business

The total revenue of PVC compound business of year 2022 reached record high of THB 1.27 billion, increasing by 30% from 2021. Despite of this seemingly exciting sales performance, the profitability was adversely affected by series of events in 2022 starting from Russia-Ukraine war, supply chain disturbance caused by strict COVID-19 locked down in China, inventory buildup due to post COVID-19 demand expectation at the high point of global inflation, major central banks turning hawkish on interest rate, increasing energy cost, domestic labor cost adjustment, and so on. Since the global logistic chaos in second half of 2021, it has been extremely difficult to pass down the full impact of historical high material cost to customers, resulting insufficient margin to cover the operation cost which can be seen in Q4 of 2021. And the low margin condition did not improve much in the rest of 2022. Facing the highly anticipated raw material shortage crisis, started by global logistic chaos in second half of 2021 then further inflamed by the events during the first quarter of 2022, the management team devoted immense effort to secure raw material from more diverse sources and ensured the supply of product to our customer not to be disturbed. Unfortunately, this effort to protect the supply chain to customers came with an undesirable flip side later

in 2022. The upper stream of PVC industry was also expecting the post COVID-19 demand would grow more in 2022, and the supply end was prepared and ready to meet the anticipated demand. However, the demand did not increase to the expected level due to the combination of undesirable events mentioned above. The buildup of stock at upper stream eventually needed to be released into the market and the raw material price started to fall sharply in the second half of 2022. Customers were aware of the market price situation and ADB were certainly caught in the middle of raw material price meltdown. On one side we have customers demanding price reductions, and on the other side we have the secured raw material in inventory at relatively higher cost that could not catch up to the fast-falling market price. Being squeezed between both sides, the profit margin is under tremendous pressure. It had become one of the biggest challenges we have not seen in many years. Our team had put enormous efforts to place ourselves at the balance point of meeting customer demand, maintaining market share, while generating enough operation margin so that the bottom line would not be impacted significantly.

➤ 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, 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 adjust 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 2022 Adhesive Business

In 2022, sales of the adhesive business of the company grew by more than 38% from both domestic and international sales. The proportion of domestic and international sales was 60% and 40% respectively. COVID-19 situation has improved, the economy began to return to normal resulting in a large number of purchase orders from existing customers, former customers and new customers. However, external factors such as inflation in the global economy, the war between Russia and Ukraine, the rise in main raw materials price, increasing trend of loan interest

rates and minimum wage, currency exchange rate fluctuations directly affected the company's profit margin during 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, optimizing the work processes within the company by replacing manual labor with automation, finding new sources of raw materials including costing down budget plans of all departments of the company.

➤ **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.



1.1 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 this 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.



1.2 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 2022 of Sealant&DIY Businesses

During 2022, Adhesive and Sealant encountered fluctuations in raw material prices which continued to be high throughout the year. In addition, exchange rates fluctuated due to the COVID 19 Epidemic, global economy inflation, Russia and Ukraine war and some export customers are unable to pay the dollars for the products. As a result, DIY products sales less from 2021. Although the number of DIY products has decreased from last year, the profit per unit has increased from last year and better than other types of products. However, Silicone products can still expand the market to many countries relecting overall sales increased 35.04% from 2021.

Note: SEA (Bulk) sales included with Silicone products.

| Product (MB) | Year 2019 | Year 2020 | Year 2021 | Year 2022 | % Growth |
|--------------|-----------|-----------|-----------|-----------|----------|
| DIY | 201.68 | 167.62 | 205.39 | 200.13 | 12.38% |
| SEA (Bulk) | 8.98 | 26.37 | 46.27 | - | - |
| Silicone | 183.38 | 173.30 | 237.59 | 344.93 | 22.36% |

Development of Business Innovation

Nowadays global warming, climate change 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. Therefore, the Company's innovation development is focusing on improving production technology and production processes to be more efficient, save energy and reduce pollution to the environment, also developing products that are environmentally friendly, including applying more bio-based raw materials.

2. Marketing and Competition

■ Marketing Strategy

1) The quality of the product has been standardized

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 of producing quality products that meet the needs of customers. The production process with minimal impact on the environment and the livelihood of the community we also focus on occupational safety and health of employees integrate with risk management and ISO standards into a single, integrated quality management system. Resulting in being certified to international quality standards ISO 9001: 2015 and environmental management standards ISO 14001: 2015 for other specific product standards such as automotive standards and medical devices standards. For other specific product standards, such as automotive and medical device standards, the company has an infrastructure management to support such standards even if we are not in the scope of such standards requirements. However, customers can always check the company's work system, also be assured that the whole operations process (sourcing, production, storage, transportation to customers) are controlled under standards certified in terms of quality and safety. In addition, the Research and Development Department can also develop both existing product and new ones to meet customers satisfaction.

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) Research and Product Development

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 both products, namely PVC compound and adhesive and sealant products 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 2022 has focused on environmental friendly product, along with improving the original product to comply with the standard regulations and market demands as well as joint 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 Green label qualified PVC compound for wire and cable, flame retardant PVC Compound, and phthalate free grade. For Adhesive products included toluene-free multi-purpose adhesive, toluene-free shoe adhesive, and various types of new formulated water base and hot melt adhesives. For Sealant product groups included hybrid adhesive & sealant that non-toxic, also had excellent properties, a new formula of supernail that is safer for users. The company also provided and upgraded equipment and testing machines to enhance effectiveness of research, analyze, and verify system, offer promptly respond to customers feedback and build trust and confidence by providing high-quality products.

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 and leather industry
- Furniture and general wood industry
- Automotive Industry
- Other Groups

The company has a large customer base both domestically and internationally which uses the company's products: plastic compound and adhesive and sealant. 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 2022 which is approximately 59.45%, 13.68% and 26.87% of the total revenue of the Company.

■ Distribution and 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, repair machines and equipment in the factory and household users who use the company's products to construct and repair equipment. The products sold through the direct distribution channel are 3 product groups: Plastic Compound, Adhesive and Sealant&DIY. 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. | <ul style="list-style-type: none"> ■ 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 domestic distributors which focuses on distribution of middle-grade soft PVC compound. |
| ■ Adhesive Product. | <ul style="list-style-type: none"> ■ 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. | <ul style="list-style-type: none"> ■ Mostly distributed through distributors to users in Thailand and Foreign |

| Product | Distribution Channel |
|---------|---|
| | countries. The company has assigned the sales representative in each country, and the main market is in Asia, Middle East and Africa. |
| | <ul style="list-style-type: none"> ■ The rest is the OEM production with both domestic and international markets. |

■ Proportion of Domestic and Overseas Sales

| Business | | Year 2020 | | | Year 2021 | | | Year 2022 | | |
|------------------|----|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|
| | | Domestic | Overseas | Total | Domestic | Overseas | Total | Domestic | Overseas | Total |
| Plastic Compound | MB | 786.54 | 34.08 | 820.61 | 936.23 | 47.40 | 983.62 | 1,221.08 | 59.94 | 1,281.02 |
| Product | % | 95.85% | 4.15% | 100.00% | 95.18% | 4.82% | 100.00% | 95.32% | 4.68% | 100.00% |
| Adhesive Product | MB | 110.75 | 80.58 | 191.32 | 112.43 | 96.49 | 208.92 | 177.01 | 117.76 | 294.77 |
| | % | 57.88% | 42.12% | 100.00% | 53.82% | 46.18% | 100.00% | 60.05% | 39.95% | 100.00% |
| Sealant and DIY | MB | 146.86 | 210.41 | 357.28 | 187.19 | 298.27 | 485.46 | 269.54 | 309.37 | 578.91 |
| Product | % | 41.11% | 58.89% | 100.00% | 38.56% | 61.44% | 100.00% | 46.56% | 53.44% | 100.00% |
| Total | MB | 1,044.15 | 325.07 | 1,369.21 | 1,235.84 | 442.15 | 1,678.00 | 1,667.65 | 487.05 | 2,154.70 |
| | % | 76.26% | 23.74% | 100.00% | 73.65% | 26.35% | 100.00% | 77.40% | 22.60% | 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.

● 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.

Applied DB Public Company Limited is specialized in manufacturing 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 as well as complying with international standard requirements. The Company has modernized the production lines, applied cutting-edge technology, and established long-term plans to allocate sufficient production capacity for future sales growth.

■ Industrial Outlook

● Plastic Compound Business

Krungsri Research on business trends and plastics industry of 2021 -2023 has analyzed that sales of plastic products in Thailand are likely to increase by an average of 2-3% per year due to the recovery of Thai economy and the world economy. Plastics are used in variety of business segments such as packaging, electrical appliances, construction, automotive and medical devices, in which the plastic uses are accounted for more than 80% of the plastic products in the country. The challenging factors of the industry during the past 3 years is the volatility of world crude oil prices which affects the price of raw material used in plastic resins production, the trend of higher wages and the trend of reduction the use of single-use plastic.

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. The Krungsri Research expects that the government construction will grow at an average of 6-7% in 2021 – 2023 from 5% in 2020.

● Adhesive Business

The data from Krungsri Research on June 10, 2020, showed the analysis of the business tendency of petrochemical industry in 2020-2022. In overall, the business tends to grow according to the demand for petrochemical products in downstream industries. Although the revenue may slow down due to the deflation of global and Thai economy caused by the COVID-19 pandemic, the business profits were likely to recover according to the global economy in 2021-2022 regardless of risk factors in industries which were the fluctuation of the world crude oil market and the factors that challenge entrepreneurs' ability to adapt themselves due to the internal and external factors. This also includes the global trend of environmental mitigation that accelerates the development of environmentally friendly products to meet the changing needs of both domestic and international customers.

According to Mordor Intelligence's Global Adhesives Market Data 2016-2026, the global adhesive market is growing at an average annual growth rate of 4.5%. Even though construction and factory sectors were affected by the COVID-19 outbreak in 2020, the demand for adhesives for packaging products has increased significantly, especially packaging for food and beverages online retail shipping. Moreover, the demand for bio-based adhesives signals a great opportunity for packaging, transportation, electronic components, construction, and furniture work.



(Source of information: <https://www.mordorintelligence.com/industry-reports/asia-pacific-adhesives-sealants-market-industry>)

The overall growth of Thailand's adhesive products during 2016-2026 is expected to grow at an average of 6.02% per year. The main factors steering the growth include the demand for packaging products, the applications in construction industry in public and private sectors, in transportation sector and in factory customers.

- **Sealant Business**

Adhesives and sealants market in Thailand values more than 220 million US Dollars and expected to grow more than 6% during 2022-2027. The COVID-19 Epidemic affecting the domestic automotive industry due to the lockdown situation causing shortage of domestic raw materials.

During this short period, however, the major factors driving the market are the increasing demand from the packaging industry and shift the focus to adhesives. sealants for domestic composite materials. On the other hand, stringent environmental regulations regarding VOC emissions and the negative impact of COVID-19 are hindering the market growth.

The environmental friendly sealants rising demand is expected to be an opportunity for market growth over the forecast period. Major industries that users These silicone sealants include electronics and electrical, automotive, aerospace, and building and construction. Some of the most commonly used silicone sealants are for basic repairs around the house.

Besides the abovementioned industries, automotive electronics sector and device use silicone to adhere the cable and sensor. Indoor and outdoor construction usage is also increasing because of the product performances in extreme weather conditions.

6) Procurement of products or services

- **Procurement of raw materials or products for production**

The company has 2 businesses, with different sources of raw materials to produce different types of products by purchasing raw materials in the country and abroad and sharing raw materials for some items. Therefore, the company has a policy to set different prices according to the source of raw materials 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, due to the company experience in the industry 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. The material provision is divided into 3 groups: plastic compound products, adhesive and sealant products 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 price and the relationship between the company and the suppliers. 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 | <ul style="list-style-type: none"> ■ 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 and customers will give the information to sales team such as color, solidness and flexibility of plastic beads. Therefore, these will be produced from the customer's demand. ■ The company has reviewed each situation to be appropriate. | <ul style="list-style-type: none"> ■ 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 | <u>Local</u> : Around 3-10 Days in Thailand and | <u>Local</u> : Around 7-10 Days. | |

| | Plastic Compound Product | Adhesive Product | Sealant and DIY Product |
|---|--|--|-------------------------|
| Purchase from Supplier until Material Receipt | <u>Foreign Countries</u> : Around 45-75 Days. receive short term orders Offer a price once per time. | <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 2020 | | | Year 2021 | | | Year 2022 | | |
|------------------------------|----|-----------|---------|--------|-----------|---------|----------|-----------|---------|----------|
| | | Domestic | Oversea | Total | Domestic | Oversea | Total | Domestic | Oversea | Total |
| Plastic Compound Product | MB | 431.89 | 188.44 | 630.33 | 685.46 | 90.17 | 775.63 | 175.40 | 83.49 | 258.89 |
| | % | 69.6% | 30.40% | 100% | 88.37% | 11.63% | 100% | 67.75% | 32.25% | 100.00% |
| Adhesive Product | MB | 93.42 | 55.68 | 355.02 | 113.75 | 76.26 | 190.01 | 816.92 | 239.22 | 1,056.15 |
| | % | 38.60% | 61.40% | 100% | 59.86% | 40.14% | 100% | 77.35% | 22.65% | 100.00% |
| Sealant and DIY Product | MB | 93.42 | 55.68 | 355.02 | 84.29 | 238.05 | 322.33 | 137.65 | 361.05 | 498.70 |
| | % | 38.60% | 61.40% | 100% | 26.15% | 73.85% | 100% | 27.60% | 72.40% | 100.00% |
| Total all type | MB | 569.10 | 406.24 | 975.32 | 883.49 | 404.48 | 1,287.97 | 1,275.07 | 738.67 | 2,013.74 |
| | % | 58.35% | 41.65% | 100% | 68.60% | 31.40% | 100% | 63.32% | 36.68% | 100.00% |

How to Purchase Materials

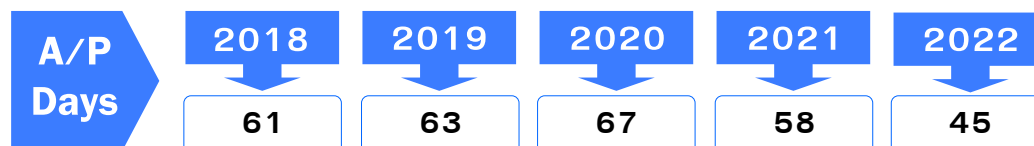
1. The manager of purchase department will consider the details of purchase request as specified in the purchase order received from the production department.
2. Consideration of the distributor lists, the legal conditions, the regulations and the material prices is selected from the approved supplier lists.
3. The purchase department issues the purchase order to purchase the materials or packages relating to production.
4. The warehouse department examines the materials or packages relating to production delivered to the company.
5. 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.
6. 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, debt management. On the other hand, we need a balance in inventory management to provide quality product to customer and be on time. Therefore, it is important to negotiate a fair deal among suppliers. In 2022, there are periodic price volatility and insufficient supply causing raw material prices to rise and short. We had to rely on flexibility to keep business running smoothly. Normally, the Company sets an average payment time period of 75 days, which considers from economic, political, social, environment, transportation, product standards, services, which is subject to change according to the situation.

Key risk factors in 2021 and 2022 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 increase according to increasing demand as well. As a result, the value of raw materials and finished goods continues to increase. While the Company had to maintain competitive costs and product availability. In 2022, there will be more cash purchases and prepayments amount, the average payable turnover rate can be displayed as follows:



1.2.3 Assets used in business undertaking

1. Table showing the Company's assets in business operation.

As of December 31, 2022, the Company has assets used as collaterals for business operations after deducting accumulated depreciation shown in the Company's statement of financial position is 515,250,572.68 million baht in total. The details are as follows:

| Asset type/Characteristics | Book value December 31, 2022 (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 | 218,408,194.40 | Owned | |
| Machinery and equipment | 198,668,089.62 | Owned | None |
| Decorative objects, fixtures, and office equipment | 4,802,684.26 | Owned | None |
| Vehicles | 5,648,122.96 | Owned | Under a financial lease of 11.91 million baht |
| Assets under construction and installation | 9,226,513.52 | Owned | None |
| Total | 501,395,805.20 | | |

| Asset type/Characteristics | Book value December 31, 2022 (Million baht) | Proprietary nature | Obligations |
|----------------------------|---|--------------------|-------------|
| Intangible Assets | 1,394,626.64 | Owned | None |

The Company's intangible assets are computer programs. The net book value as of December 31, 2022, is 1,394,626.64 baht (The cost is 6,142,040.74 baht and the accumulated amortization is 4,747,414.10 baht).

2. Important Agreements in Business Operations

2.1 Rental agreements

(1) Office Rental Agreement

| | |
|------------------------------|---|
| Contract Party | Applied DB Public Company Limited (“the lessor”) Shpwa 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, 2022 |
| Contract Period | January 1, 2022 – December 31, 2022 |
| Key content in the agreement | <ol style="list-style-type: none"> 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, Phraeksa 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. 2. 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”) Shpwa 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, 2022 |
| Contract Period | January 1, 2022 – December 31, 2022 |
| Key content in the agreement | <ul style="list-style-type: none"> ■ 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, Phraeksa 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. ■ 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 ("Borrower") and a financial institution ("Financial Institution") |
| Amount of loan | <p>The Amount of loan is 425,080,000 baht consisting of types and credit limits as follows.</p> <ol style="list-style-type: none"> 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 | <ul style="list-style-type: none"> ▪ 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. <p>For opening credit letters and making trust receipts, the following conditions are applied.</p> <ul style="list-style-type: none"> - 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 | <ul style="list-style-type: none"> ▪ Land Title Deed No. 45360, No. 92622, No. 8781 and No. 93214 in Phraeksa 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 ("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 | <ul style="list-style-type: none"> ▪ 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 | <ul style="list-style-type: none"> ▪ Land Title Deed No. 45360, No. 92622, No. 8781 and No. 93214 in Phraeksa 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 ("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 conditions | <ul style="list-style-type: none"> ▪ 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. ▪ 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 | <ul style="list-style-type: none"> 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 ("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 | <ul style="list-style-type: none"> 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 ("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. |
| Purposes of borrowing | <p>To increase the existing credit limit according to the revolving credit agreement dated January 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.</p> <ol style="list-style-type: none"> Overdraft (O/D) Provisionary Note (P/N) Clean Bill Discount Packing Credit (P/C) 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 <p>The financial institutions may consider changing any of the credit limits as necessary. However, it must not exceed the credit limit in total.</p> |
| Other important conditions | <p>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.</p> |
| | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> The land and buildings with Land Title Deed No. 37834, No. 45341, No. 453504, No. 83504 and No. 83505 in Phraeksa 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 ("Borrower") and A Financial Institution ("Financial Institution") |
| Amount of loan | <p>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:</p> <ul style="list-style-type: none"> 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 Wanapraison guaranteed in full amount including principal interest and default interest. |

- Loan Agreement with Financial Institution 4

| | |
|-----------------------|--|
| Contract Date | April 6, 2007, latest revised edition, May 5, 2020 |
| Contract Party | Applied DB Public Company Limited ("Borrower") and A Financial Institution ("Financial Institution") |
| Loan Amount | USD 3,500,000 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 | 14013-030-220000082 |
| Type of Insurance | Industrial All Risk Insurance |
| Period of Insurance | 365 days, May 28, 2021 to May 28, 2023 |
| Sum Insured | 1,285,653,950.00 million baht (100% proportion) |
| Properties/Places Insured | Properties located at the factory No. 271 ¹ , 260 ² , 252 ³ , 816 ⁴ consisting of: <ol style="list-style-type: none"> 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. <ul style="list-style-type: none"> - 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, robbery (JorRor. 3) with the limit not exceeding 20.00 million baht per accident and throughout the period of insurance (including all insured places). |



| | | |
|---------------|--|--|
| Beneficiaries | <ul style="list-style-type: none"> - 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. <ul style="list-style-type: none"> • 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). <ul style="list-style-type: none"> • 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 subsidiary of the Company and holds 100% of the Company's share. |
| Contract Date | January 1, 2022 |
| Contract Period | January 1, 2022 – December 31, 2022 |

| | |
|------------------------------|--|
| Key content of the agreement | <ul style="list-style-type: none"> ▪ 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. <ul style="list-style-type: none"> - 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. ▪ 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 subsidiary of the Company. and is 100% held by the Company |
| Contract Date | January 1, 2022 |
| Contract Period | January 1, 2022 – December 31, 2022 |
| Key content of the agreement | <ul style="list-style-type: none"> ▪ 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. <ul style="list-style-type: none"> - 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. ▪ 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 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 Unsent Assignment

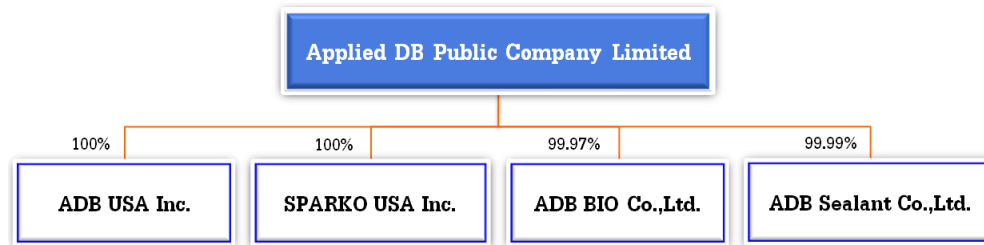
- There is no unsent assignment.

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 subsidiary, 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 subsidiary company 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 subsidiary company, 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 subsidiary companies 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

Names and proportions of the top 10 shareholders as of the book closing date on December 30, 2022 are as follows:

| No. | Major Shareholders | Number of shares | % of shareholding |
|-----|--|------------------|-------------------|
| 1 | Wongcharoensin Group | 185,315,657 | 25.5256 |
| 2 | Wanapaison Group | 88,240,280 | 12.1543 |
| 3 | Wongtangtrakul Group | 87,126,919 | 12.0010 |
| 4 | Thai NVDR Co.,Ltd. | 45,101,506 | 6.2123 |
| 5 | Showa Global Limited | 24,200,000 | 3.3333 |
| 6 | Mr. Wei Kai Wang Group | 22,608,570 | 3.1141 |
| 7 | Ms. Mei Ling Shih | 13,975,368 | 1.9250 |
| 8 | Thailand Securities Depository Co.,Ltd. For depositors | 12,264,543 | 1.6893 |
| 9 | Mr. Vorathep Srichawla | 10,000,000 | 1.3774 |
| 10 | Mr. Xiu Yong Zhou | 9,838,200 | 1.3551 |

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 and Spouse

| No. | Name of Director | Number of shares | Change | | Number of shares |
|-----|-------------------------------|--------------------|-----------|-----------|--------------------|
| | | as of Dec 30, 2021 | Receive | Disposal | as of Dec 30, 2022 |
| 1. | Mr.Pawat Wongtangtrakul | 24,437,512 | 2,443,751 | - | 26,881,263 |
| 2. | Mr.Wang Wanapaison | 51,688,150 | 5,168,815 | - | 56,856,965 |
| | Spouse | 15,577,650 | 326,150 | - | 17,135,415 |
| 3. | Mr.Rattanachai Wongcharoensin | 270,050 | 24,550 | - | 297,055 |
| 4. | Mr.Wei Kai Wang | 18,709,791 | - | - | 18,709,791 |
| 5. | Ms.Pornpiwan Niramoncherdchay | 6,300,000 | - | 300,000 | 6,000,000 |
| | Spouse | 3,200,000 | - | 3,200,000 | - |
| 6. | Mr.Wutthichai Wongcharoensin | 270,050 | 27,005 | - | 297,055 |
| 7. | Mr.Veerachai Wongcharoensin | 605,050 | 60,505 | - | 665,555 |
| 8. | Mr.Mongkon Laoworapong | - | - | - | - |
| 9. | Mrs.Monpilai H.Narasingha | - | - | - | - |
| 10. | Mr.Chung Jen Yang | - | - | - | - |
| 11. | Mrs.Kanchana Piyasatit | - | - | - | - |

■ 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, 2022, 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 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.

| Details of Dividend Payment | Year 2019 | Year 2020 | Year 2021 | Year 2022 |
|--|-------------|-------------|-----------------|---------------|
| Net Profit (based on consolidated financial statements) (Baht) | 3,263,137 | 69,660,733 | - | 75,683,566 |
| Number of shares (Share) | 600,000,000 | 660,000,000 | 659,999,998 | 725,999,923 |
| Dividend per share | | | | |
| ▪ Interim Dividend (Baht/Share) | - | 0.05* | 0.05** | |
| ▪ Annual Dividend (Baht/Share) | 0.01 | 0.05 | - | 0.05 |
| The total amount of dividends paid | | | | |
| ▪ Interim Dividend (Baht/Share) | - | 33,336,000* | 36,669,598.89** | |
| ▪ Annual Dividend (Baht/Share) | 6,000,000 | 33,000,000 | - | 36,299,996.15 |
| Percentage of dividend payment per net profit (%) | 183.87 | 48.17 | - | 47.94 |

* 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.

Subsidiary Company Dividend Payment Policy

The subsidiary company has the policy to pay dividend of its net profit of each subsidiary company to the shareholders each year at a rate of not less than 50 percent of net profit after tax. And after the various reserves. All categories are legal. The dividend payment will depend on the cash flow. The adequacy of working capital in business operations Investment plan loan repayment terms and conditions subsidiary company 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.



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. In addition, the company also committed to anti-corruption by submitting an intention to the Coalition against Corruption of the Thai Private Sector (CAC) in the working cycle throughout the year 2022. The Company has not received complaints about unfair actions, unethical conduct, corruption of directors executive or employee. The Company is confident that there are sufficient and appropriate measures and processes to control risks.

Risk Management Structure

The Company systematically manages risks through the Board of Directors and risk management units and integrate risk management so that risk management plans are efficient and effective in line with the goals and strategies of the organization. Operational risks are under the supervision of the executives responsible for those operations. It is the responsibility of all units to manage and control risks to an acceptable level which is clearly stated in their job descriptions.

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 2022, 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

| Risk Issues | Impact to the Company | Mitigation |
|---------------------------|---|--|
| Raw Materials Procurement | <p>In 2022, due to the situation of the Russian-Ukrainian war, energy and food instability, severe natural disasters around the world, and the spread of COVID-19 has been affecting the supply chain as follows:</p> <ul style="list-style-type: none"> ■ Increased raw material costs In some periods there are periodic fluctuations. Difficult to predict and risks for both buyers and sellers. ■ Lead time longer delivery. ■ Quality of raw material from the reserve area. ■ The insecurity of partners and insecurity of raw material sources. ■ Impairment of the product. | <ul style="list-style-type: none"> ■ Adjust purchasing strategies and manage partners, The Company has 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, COVID-19 epidemic both within the country, abroad and in the business partners country, 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 accurately plan the |



| Risk Issues | Impact to the Company | Mitigation |
|---------------------|---|---|
| | | <p>production and replenish stocks in situations of great uncertainty as possible.</p> <ul style="list-style-type: none"> ■ Negotiated with business partners, flexible credit terms for some with high cost rates, reduced the payment time to pay faster in some situations, and there were also cases where the business partners extended the payment period to the Company for certain products. ■ 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. ■ Developed new products and find new business partners, regularly study production innovations and market demand trends by allocating research and development budgets as appropriate. |
| Sales and Marketing | <p>Inflation, rising of product price, volatility of consumer goods prices; uncertainty of market conditions and economic conditions affected our sales and marketing as follows:</p> <ul style="list-style-type: none"> ■ Customers find a backup source of purchase ■ New competitors increase ■ Customer expectation of product responsibility to society and the environment is even higher ■ Compliance Cost, the cost of oversight of regulations, laws, standards, trade contract and stakeholder expectations that the proportion were increased. ■ loss or profit from THB. ■ Adjusting the selling price in time for higher costs | <p>Marketing Strategy and Relationship Management</p> <ul style="list-style-type: none"> ■ For existing customers, executives and sales will visit customers to negotiate about cooperation on both products and finance issue, such as temporary 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. ■ Prepared the readiness for providing a greenhouse gas emission report, to reduce greenhouse gas emission, hedging against risks and increasing the likelihood of business partners and customers demanding To obtain corporate emissions data. ■ The Company has imported some raw material and export product to oversea customers in foreign currencies, the exchange rate's fluctuation will affect both in cost and revenue, so the Company could reduce some risk form Natural Hedge. Moreover, the Company has minimized this risk through saving money |



| Risk Issues | Impact to the Company | Mitigation |
|-------------|---|--|
| | | in foreign financial institutions in order to making payment in foreign currencies, using Forward contract, Foreign exchange option. The management team always follows up the exchange rate change to evaluate the most suitable financial risk strategies. |
| Innovation | <ul style="list-style-type: none"> ■ Trends in demand for safe and environmentally friendly products ■ The costs of changing the production process to use clean technology. ■ Cost of development and readiness of personnel. | <ul style="list-style-type: none"> ■ Developed products to meet the needs of customers who were interested in environmentally friendly products. ■ Focus on the reduction of chemical hazards, heavy metals have been eliminated from the the production of plastic pellets. ■ Adjust the properties of by-products in the low-cost production formula to penetrate specific customer groups. |

■ Social Risk

| Risk Issues | Impact to the Company | Mitigation |
|---|--|--|
| Personnel, Development and Information Technology | <ul style="list-style-type: none"> ■ 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. ■ The cost of environmental adjustment and work safety in order to create a good quality of life in the organization. ■ Rely on personnel rather than the use of information technology systems. ■ Compliance cost of Human Right | <p>The Company emphasized on personnel development and the well-being of employees in the enterprise with the following actions:</p> <ul style="list-style-type: none"> ■ In 2022, 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 7,452 hours of training hours, increase 1,799 or 27.81% hours from the year 2021 with a training budget of 1.2 million baht. ■ Succession plan progress in 2022 was the 3/4 year of the first phase of the project. Organized training on Competency building and Training Road Map training plans of successors by professional speakers. ■ In 2022, the working environment has been improved by increasing the green area in the head office factory area by 1%. Currently, there are 7% green area of the total area. ■ In 2022, the company continuously campaigns to reduce the use of paper by establishing a project |



| Risk Issues | Impact to the Company | Mitigation |
|--------------------------------|--|--|
| | | <p>reducing paper in offices and factories (Paperless Project) with the objective of reducing the cost of buying paper and instilling personnel awareness of the importance of efficient use of resources and contributing to reducing the use of natural materials and reducing global warming. The goal is to reduce paper by 5% compared to the previous year.</p> |
| Occupational Safety and Health | <ul style="list-style-type: none"> ■ Accident Risk that occurred in the operation. ■ Damage to health, life and properties of employees and the Company. ■ Continuity of operations. ■ Corporate reputation. | <ul style="list-style-type: none"> ■ 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 2022, this risk is moderate and still not exceeding the acceptable standard. It also closely monitors work changes to ensure timely assessment of risks. ■ Create a system to prevent accident at work, both on the knowledge and capabilities of personnel, and working system of equipment and machine, and effective different alarm signals. ■ Emphasize on the accurate root cause analysis and effective measure to prevent recurrence. ■ Ensure that the accident KPI is part of the management's performance measurement. |



| Risk Issues | Impact to the Company | Mitigation |
|-------------|-----------------------|---|
| | | <ul style="list-style-type: none"> Use of less hazardous chemicals, produce and sell products that do not use RoHS prohibited chemicals in plastic resin products and produce Low VOC in adhesives and sealants products, which will encourage more Green in the construction industry and the infrastructure. |

■ **Environment Risk**

| Risk Issues | Impact to the Company | Mitigation |
|---|--|--|
| Climate and greenhouse gas and emissions, PM 2.5 (New Risk (Emerging Risk)) | <p>Climate change, Global warming is a new risk for companies and can be seen as good opportunities</p> <ul style="list-style-type: none"> Climate change and seasons change affect the stability of resources, production inputs, transport and unpredictable supply. Draft new law "Clean Air Act", rights to life and rights to health in a bad environment. This Act may apply to the machinery or work process which the company's production is part of the dust non-environmentally friendly items. | <ul style="list-style-type: none"> 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 climate-related opportunities. Executives, employees in related area have duties to learn about greenhouse gases through internal and external training, learning from case studies of the successful entrepreneurs of similar size, to apply to the internal planning of the organization to be ready for the implementation of the greenhouse gas reduction policy in the enterprise. Make a record of employees' business trips so that employees can record themselves and receive more complete and timely information. Improved all database sources preparation that will make the collecting of greenhouse gas reports reliable and complete, and setup target to be reported and reviewed by the licensees in 2023. The company has gradually modified the machines to semi-automatic and automatic, decrease production manpower and improve dust extraction systems which has been improved since 2021 and the budget has been placed continuously until the goal is reached. |
| Electrical Energy | <ul style="list-style-type: none"> The price of electricity has increased, affected to the price of product cost and lost the opportunities to compete. It is the Company's largest source of greenhouse gas emissions. | <ul style="list-style-type: none"> The company has signed a solar power purchase agreement from Bangkok Grand Pacific Lease Public Company Limited for use in the production of 3 factories, around 1,016.97 kW, which can be converted into electricity at least 20% which is |



| Risk Issues | Impact to the Company | Mitigation |
|-------------|--|--|
| | <ul style="list-style-type: none"> It is an energy source that has the opportunity to run out or is insufficient to meet the needs of the industry and the consumption of the population. | <ul style="list-style-type: none"> expected to be installed and operated in the third quarter of 2023. There are measures to save energy from office air conditioners by cleaning regularly. |

■ Governance and operational risks

| Risk Issues | Impact to the Company | Mitigation |
|-----------------|--|--|
| Regulatory Risk | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 Set a vision and culture where ADB will be one of the social forces driving unacceptable business practices and come out to fight against corruption Become a member of legal networks to receive news about the law and to ask for advice for implementation. |

3. Driving Business for Sustainability

3.1 Sustainability Policy

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 that responds to stakeholders including raising awareness of the impact on society and the environment to become one of the leaders in the industry.

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 society and the environment according to the management framework, direction, international standards. The policy for sustainability operations are as follows:

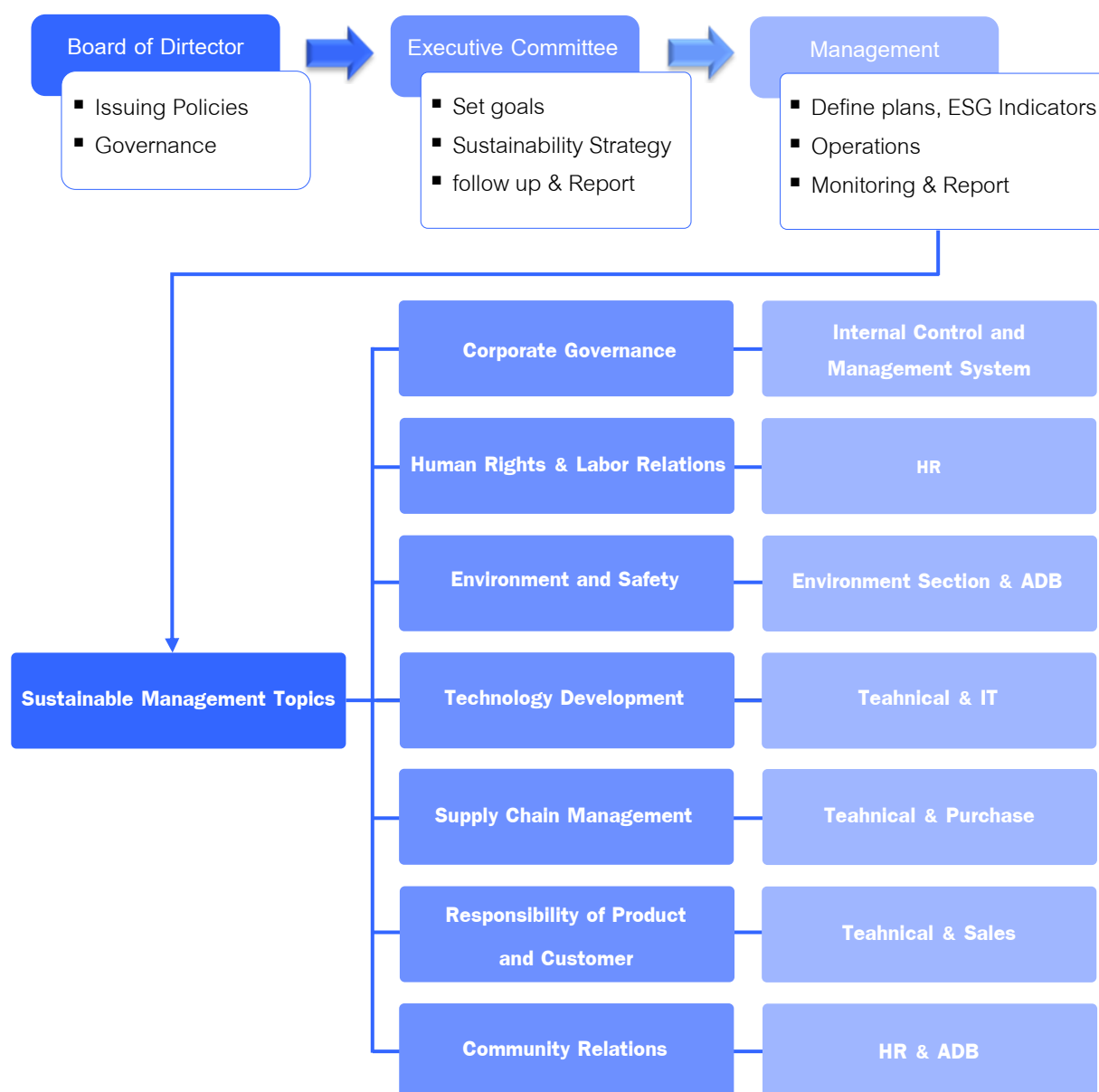
- 1) The company will operate business under good governance, ethics, code of conduct and good corporate governance along with taking care of stakeholders, economy, society and the environment with virtue, honesty, transparency, fairness and respect for human rights.
- 2) The company is committed to 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 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.

Scope of Reporting

Information presented in this report includes: sustainable development performance of all businesses which consists of PVC resins business that producing plastics resins for use in the electric wire, telephone wires, and various electronic devices, plastic resins for medical purposes, adhesive business and small sealant and adhesive business to use as product in footwear, leather goods, furniture, construction, automotive and direct-to-consumer industries through dealers. Reporting data is not yet available to the Global Reporting initiative (GRI) standards that presenting key indicators, as well as the sustainable development goals (SDGs), which the Company intends to improve the reporting format, Collecting and presenting data to meet both standards as much as possible.

3.2 Management Structure and Guidelines

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. **Executive Board** The Company has not appointed a Sustainable Development Committee but has assigned the executive committee to develop the sustainability of the company
3. **Management** Each department is assigned a sustainability framework and measures its performance based on sustainability indicators relevant to each operational function to link the work functions according to the business sustainability framework.








Operational Strategies

1. Determine policies and guidelines on corporate governance to be consistent in the same direction throughout the organization.
2. Allocate sufficient budgets and resources according to the plan.

3. Review corporate policies and guidelines that are suitable for business strategies and changes according to the situation appropriately at least once a year.
4. Communicate and encourage employees and business partners to realize and comply with policies and practices on corporate governance and business partners' code of conduct.
5. Supervise and monitor compliance with corporate governance policies and guidelines throughout the organization.

| Corporate Governance and Economy Strategy | Social Strategies | Environmental Strategies |
|--|--|--|
| <ul style="list-style-type: none"> Focus on strengthening business development and improving operational efficiency, cooperating with partners and customers with good governance | <ul style="list-style-type: none"> Deliver products with social responsibility, environment, product quality standards and safety for employees and consumers | <ul style="list-style-type: none"> use resources most effectively and reduce environmental impact Reduce greenhouse gas emissions from company operations and products |

Value Chain and Sustainability Goals

| Supply Chain Management | Production | Action | Sales and Service |
|--|--|--|---|
| <ul style="list-style-type: none"> 100% of key suppliers sign the Code of Conduct Tier1st New suppliers pass sustainability screening 100 % | <ul style="list-style-type: none"> Loss rate of production less than 1 % Reduce electricity consumption per unit of production more than 1% from the previous year. Reduce water consumption per production unit more than 5% from the previous year. Prepare GHG reports for all 3 Scopes | <ul style="list-style-type: none"> Lost Time Injury Frequency Rate (LTIFR) equal 0 Reduce waste to landfill per production unit more than 2% from the previous year. | <ul style="list-style-type: none"> Customer satisfaction More than 85% Number of complaints from customers and stakeholders equal 0 |
| SDGs Related | SDGs Related | SDGs Related | SDGs Related |
|  |   |   |   |

Corporate Sustainability Goals

| Topics | Goal | Indicator | Target |
|---|---|----------------------------------|------------|
| Supply chain management for satisfaction throughout the value chain | Percentage of key suppliers who have signed a contract to comply with the Code of Conduct "Principles Practice of Partners" | 100% | Year 2025 |
| | Suppliers who pass sustainability screening | 100% | Year 2027 |
| | Customer Satisfaction Index | 85% | Every year |
| | Number of complaints from stakeholders | 0 (zero) | Every year |
| Product Development | Sale of environmentally friendly product | Increase more than previous year | Every year |








| Topics | Goal | Indicator | Target |
|--------------------------------|--|--|------------|
| Occupational health and safety | Reduce the number of incidents or injuries from work that lead to lost time. | 0 (zero) | Every year |
| | Control lost time injury frequency rate (Lost Time injury Frequency Rate: LTIFR) | ≤ 0.95 | Every year |
| Environmental Management | Electricity consumption rate per ton of product | 250 Kwh/Ton | Year 2023 |
| | Water consumption rate per ton of product | 1 m3/Ton | Year 2023 |
| | Rate of waste sent to landfill per product | 0.75% | Year 2023 |
| | Gather data for greenhouse gas reports | Enterprise level certification | Year 2023 |
| | Reduce greenhouse gas emissions | Emissions Scope 1&2 Reduce from previous year 5% | Year 2025 |

| Supply Chain Management | Unit | Highest Goal | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------|----------------------------------|------|------|------|-------|-------|
| Existing vendors who were screened for environment items. | % | Tier 1 100% | n/a | n/a | n/a | 30.21 | 21.62 |
| Existing vendors who were known and complied with the vendors conduct principles. | % | all levels of importance 100% | n/a | n/a | n/a | 27.08 | 41.89 |
| Vendors who already signed a agreement against anti-corruption and fraud. | % | Tier 1 100% | n/a | n/a | n/a | 27.08 | 41.89 |
| New vendors who were screened for environment items. | % | 100% | n/a | n/a | n/a | 10.27 | 0/10 |
| New vendors who were known and complied with vendors conduct principles. | % | 100% | n/a | n/a | n/a | 10.27 | 100 |

3.3 Impact Management to Stakeholders in the Business Value Chain.

3.3.1 Business value chain

| 1 Inbound Logistics | 2 Operations | 3 Outbound Logistics | 4 Marketing & Sales | 5 Services |
|--|--|---|--|---|
|  |  |  |  |  |
| Purchasing and receiving raw materials | Processing | Product Delivery | Marketing and Sales | Services |
| <ul style="list-style-type: none"> Product Design, Certification and Development. Vendor selection and evaluation Procurement Supplier development and risk assessment of key vendors at Tier 1 level. 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. Purchase and delivery planning | <ul style="list-style-type: none"> Receiving orders and review customers' orders. Planing Production process control Product quality inspection. Finished product preservation Compliance with the any operation control regulations that have an impac ton the environment. Maintenance on equipment and production machinery. Safeey, occupational health and working environment. Employee screening to prevent the contagious diseases and illnesses from work. On the job training and general training and continuous development Infrastructure and facilities management. | <ul style="list-style-type: none"> Selection and assessment transport services provider Caring for the safety and health of transport workers. Invasive screening of communicable diseases in the company and protection to the outside Product delivery Product certification and support information | <ul style="list-style-type: none"> 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 Meeting with customers in epidemic prevention situations. Customer reach, and responding to the customers expectations for the major changes. Maintain customer relations (CRM) Customer Engagement | <ul style="list-style-type: none"> 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 handing. Information data. |

3.3.2 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:

Stakeholder Engagement Analysis

| Stakeholders | Interest/Concerns | Engagement Channels | Corporate's Response | Value Creation |
|--|---|--|---|---|
| Shareholders / Investors Analyst | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Confidence in obvious performance National achievement award of a trustworthy organization that has been awarded THSI CG 4 star & Eco factory for factories for 2 branches. Asian Export Awards 2022 from Manufacturing Asia and Singapore Business Review <ul style="list-style-type: none"> 1) Exporter of the Year Award Chemicals (Product Exporter of the Year-Chemicals) 2) Exporter of the Year Award Construction Materials (Product Exporter of the Year-Construction Materials) For the production and export of quality products under the Sparko brand, such as multi-purpose lubricants X5 and Hi-Tech RTV Silicone, as well as sealants and construction |
| Customers/sales representatives/ dealers | <ul style="list-style-type: none"> Be a good vendor with honest, sincere as a long-term alliance. Providing a variety of products to meet the market needs, usages, and environmentally friendly products. Rapidly in solving problems and corrected appropriately. Respond the requirement and expectations, systematically manage customer relationships Received accurate technical information of products and services. Reasonable prices of goods and services. Products that are less hazardous or environmentally friendly. Transparent price competition. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Providing organizational management to continuously develop organizational products and services. Customer relationships management with CRM system Quality management with ISO9001 standards and environmental management according to ISO14001 standards and safety standards ISO45001. Providing code of ethics in keeping confidential information of customers and vendors. Providing product inspection and certification both before entering into the | <ul style="list-style-type: none"> 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. |

| Stakeholders | Interest/Concerns | Engagement Channels | Corporate's Response | Value Creation |
|--------------|--|---|--|---|
| | <ul style="list-style-type: none"> Potential for business growth, capabilities to adapt to change situation as appropriate. Receive quality products, and services in compliance with requirements. Product delivery, transportation, do not contaminate the product, cares for environment. Transportation of goods is complied with Transportation Act. Fair compliance with the agreement Having code of ethics for protecting trade secret. Product certification with reliable standards. Improve product processes to be efficient, consistent quality products, and reduce environmental impact. innovative products, meet the change requirement appropriately. Visit to the Company or inspect the process. | | <ul style="list-style-type: none"> process and before the delivery with international laboratory standards. Can visit the process and can inspect the quality system. 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 | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> To know problems, expectations, to understand employees needs and to facilitate employees to work happily and to increase productivity. Improving the infrastructure and work systems within the factory by considering the impact on the health of employees and the environment Disclose operating information in public relations points and internal communication channels. Cooperation with stakeholders both the union president President of Labor Welfare Committee. | <ul style="list-style-type: none"> Employees received proper training for career advancement. Providing continous competency development. Providing stability and career advancement in work. Occupational safety, health, and work environment assessment. Complaint management mechanism and the results of the satisfaction assessment. The result of the satisfaction assessment is achieved according to the goal. |



| Stakeholders | Interest/Concerns | Engagement Channels | Corporate's Response | Value Creation |
|--------------------------------|---|--|---|--|
| | | <p>exchange of ideas through annual welfare committee representatives.</p> <ul style="list-style-type: none"> Complaints through Whistle Blowing | <ul style="list-style-type: none"> 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 of discrimination. Providing a booster dose of COVID-19 vaccine to employees and their families on a voluntary basis. 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. | |
| Regulator /Government Agencies | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> To organize a forum to listen to opinions or to meet entrepreneurs in the area or to meet community. Annual report and sustainability report. To 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. | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |

| Stakeholders | Interest/Concerns | Engagement Channels | Corporate's Response | Value Creation |
|--|--|---|--|--|
| | | <ul style="list-style-type: none"> Ministerial meeting, participating in various activities and regular visit to project organized by government agencies Joining the government-initiated cooperation committee. | <ul style="list-style-type: none"> 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 complaints data are sent directly to responsible person only. | |
| Partners / Contractors / Service Providers / Creditors | <ul style="list-style-type: none"> Being a 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 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 anit-fraud and corruption | <ul style="list-style-type: none"> 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 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 | <ul style="list-style-type: none"> 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: https://www.adb.co.th/ To clarify, train, assess risks and hazards together before any performing. Roles of value chain management | <ul style="list-style-type: none"> 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. |
| Community / Society / Other surrounding establishment. | <ul style="list-style-type: none"> Not causing trouble, nuisance, causing damage to the community, society and environment. Suggestions have been corrected and | <ul style="list-style-type: none"> To survey community needs and opinions through activities such as educational activities, participation activities in local community, etc. Interviews with social and community | <ul style="list-style-type: none"> Transparency and good supervision such as tax policy, anti-corruption, ethics of director, senior executives, and employees, to assess the risk, to prepare | <ul style="list-style-type: none"> Community employment Not causing trouble in the community, traffic matters in society, industrial waste, waste water or various pollutants. Community |

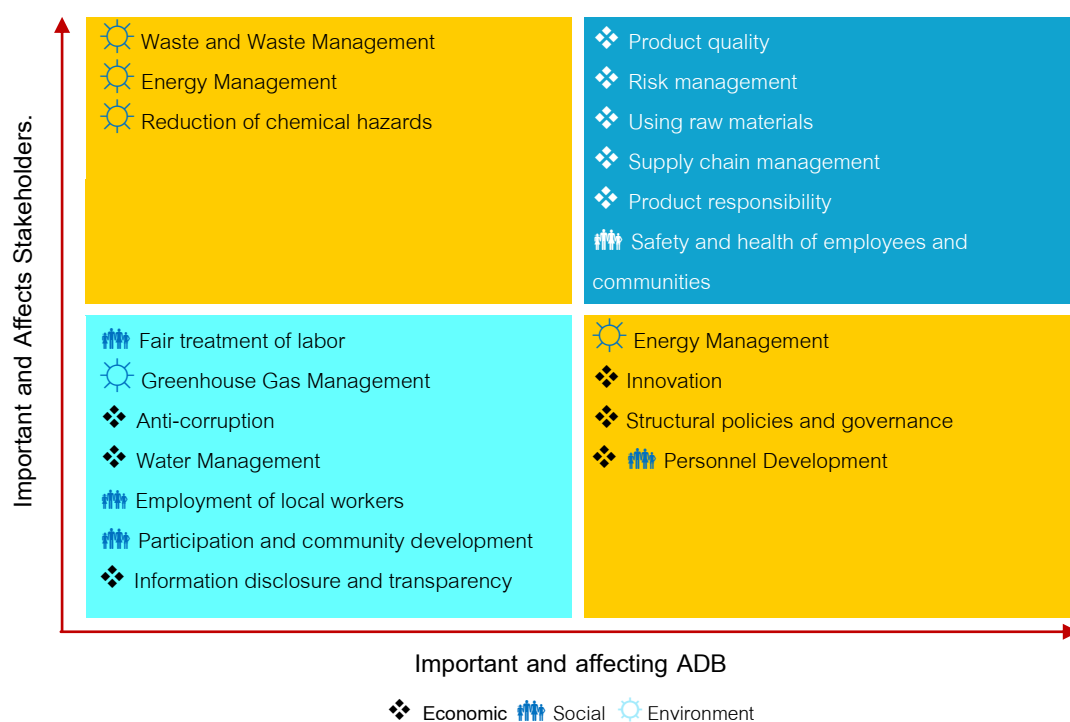
| Stakeholders | Interest/Concerns | Engagement Channels | Corporate's Response | Value Creation |
|---|--|---|---|--|
| | <p>improved.</p> <ul style="list-style-type: none"> To provide local employment in community Be a good entrepreneur, to provide a system for eliminating pollution before releasing 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. | <p>representatives</p> <ul style="list-style-type: none"> 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 | <p>report accurately, on time, etc.</p> <ul style="list-style-type: none"> To manage the operation of the Company under the environmental standards ISO14001:2015 and safety standards ISO45001 To check the various working systems in accordance with the safety and environmental laws and other relevants 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. | <p>Employment.</p> |
| <p>Independent organization/ organization /international Standard ISO / Association.</p> | <ul style="list-style-type: none"> To cooperate when requested, such as answering questionnaires, surveys, interviews, attending meetings, discussion, providing opinions. To perform in accordance with the requiremetns 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. | <ul style="list-style-type: none"> To provide information on the operations of the organization through articles, media, exchange forums, exhibitions, academic events, seminars. To organize a public hearing forum To conduct joint reseasrch. To open for visit Complaints through Whistle Blowing Complaint Channel | <ul style="list-style-type: none"> Being a member of the Provincial Chamber of Commerce, a member of Industrial Estate Entrepreneur, to a 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. | <ul style="list-style-type: none"> To comply with the standard at all times, even without audits. To offer or to provide actual data, reliable and timely. |

3.2.1 Participation with Stakeholders.

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.

| Identify | Consider Impact | Prioritize | Set Direction | Implementing and Reporting | Monitoring and Review |
|--|--|--|--|---|--|
| 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. | 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 2022



3.2.2 Sustainable Development Issues Management Framework.

ADB has collected and prioritized sustainable development issues related to business operation with reference to the international standard guidelines and using participatory process to prioritize sustainable development issues in order to be able to properly manage sustainable development.

| Sustainable Development Issues | Impact Boundary | | | | | | | | SDG Goals |
|--|-------------------------|----------|--------------------------|---------|----------|-------------------|---------------------------------|---|------------|
| | Inside the Organization | | Outside the Organization | | | | | | |
| | ADB | Employee | Share holder | Partner | Customer | Community/ Social | Government agencies, regulators | Independent organization/ certifying body | |
| 1. Issues that are the main and important risks for future sustainability development. | | | | | | | | | |
| 1.1 Product Quality | ● | ● | | | ● | | | | 9,11,12,13 |
| 1.2 Product Responsibility | ● | | | | ● | ● | | | 9,11,12,13 |
| 1.3 Raw material usage | ● | ● | | ● | ● | | ● | | 9,11,12,13 |
| 1.4 Supply Chain Management | ● | | | ● | ● | | | | |
| 1.5 Innovation | ● | | ● | ● | ● | | | | |
| 1.6 Production costs | ● | | | ● | ● | | | | |
| 2. Issues driving sustainable development. | | | | | | | | | |
| 2.1 Risk Management | ● | ● | ● | ● | ● | ● | ● | ● | |
| 2.2 Health and Safety | ● | ● | | | | ● | ● | ● | |
| 2.3 Energy Management | ● | | | | | | ● | | 6,9,12 |
| 2.4 Waste management, waste and pollution | ● | ● | | | | ● | ● | ● | 6,9,12 |
| 2.5 Greenhouse Gas Management | ● | | | | | | ● | | 7,9,13,15 |
| 2.6 Personnel Development | ● | ● | | | | | | | |
| 3. Issues that are fundamental to sustainable business operations. | | | | | | | | | |
| ● Fair Labor Practices | ● | ● | | | | | ● | ● | |
| ● Structure and corporate governance | ● | ● | ● | ● | ● | ● | ● | ● | 16 |
| ● Compliance with laws and regulations | ● | | | ● | ● | | ● | | |

Sustainability goals and performance

In 2022, the company still follows the sustainable development guidelines that are in line with the corporate goals and strategies from previous years, referring to various criteria and standards expected by regulators and stakeholders. The selection of sustainability topics is ongoing and adapts to the situation. Sustainability work in 2022 in each area are as follows:

1) Good corporate governance

Corporate Governance

| Anti-Corruption | Sustainability Activities | Annual Review |
|---|---|--|
| <ul style="list-style-type: none"> Declared the intention against corruption on May 23, 2022 Low-level corruption risk assessment | <ul style="list-style-type: none"> Mangrove planting Planting trees for the forest with mai No complaints were found about the wrongdoing of the directors. Executives and employees | <ul style="list-style-type: none"> Charter of directors and sub-committees Amend the policy to control and supervise subsidiaries Modify policies to cover subsidiaries |

Product Responsibility

■ Target

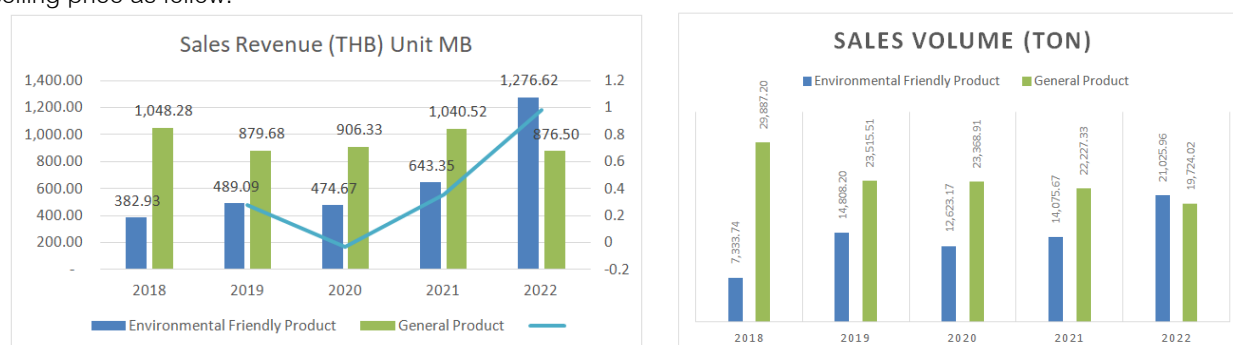
Produce products with less chemical hazards, increased security for both users and employees because the company's products as a chemical and the main raw materials are heavy metal chemicals, so there is a chance to remain in the skin and body of employees and users. The company is developing products that less dangerous and more environmentally friendly.

■ Strategy

- To develop products, services and solutions that meet the needs of customers, to improve the quality of life (Well Being) and to take responsibility for the environment.
- To develop internal business process and extend results to value chains.
- To implement innovation to develop products, services and solutions to create new business opportunities.

■ Performance

From the invention and development of products that reduce the hazards of chemicals and more environmentally friendly complied with Rohs, Low VOC, Lead Free and Toluene Free certificate, as well as more screening partners whose practices meet the sustainability goals, making the company's final products in 2022 had a growing proportion of environmental friendly products. There is an increasing ratio both in terms of quantity and selling price as follow:



Supply Chain Management

1) Sustainable Supply Chain Management and Procurement Policy

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.

2) 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. In 2022, there were 10 new trade partners who acknowledging trade partners' practices. Environmental issues and humanitarian principles have plans for improvement.

The objectives of implementing vendor's code of conduct in order to know the Company's code of conduct for vendor, including creditor with equality and fairness on the basis of obtaining fair rewards for both parties, avoiding situations that may cause conflicts of interest, as well as complying with commitment, providing truthful information, and accurate report. There are the guidelines as follows:

| Code of Conduct | Business operation of the Company |
|--|--|
| 1. Equality and fairness | Open business opportunities for vendor and consideration of vendor selection based on the equality and fairness. |
| 2. Not infringing on intellectual property | Use the products and services that have copyright, patents and trademarks, not support products and services or actions that violate intellectual property. |
| 3. Anti-Corruption | Receiving things or any other benefits must not be for the personal benefits, shall perform as appropriate to the business and not contrary to the law, and shall comply with the anti-corruption guidelines, and vendor's code of conduct, including communicating to vendor to sign on code of ethics which aforementioned documents are published on www.adb.co.th |
| 4. Complying with rules, laws, standard and contracts. | Provide opportunities for vendor who conducted business legally to comply with the system, standard, quality, environment, safety and occupational health and having social responsibility. |
| 5. Enhancing social responsibilities | Jointly develop products to reduce the use of less harmful chemicals or user environmentally friendly raw materials, materials, or inputs, to enhance the social responsibility of vendor and also to provide opportunities for vendor to take part in Company's social activities. |

3) Green Procurement Policy

The Company has set up the procurement policy to conform with the Company's policy, customer requirement in accordance with national law, including rules and important international requirement in the customer's country of residence or designation. The Company has started communicating various policies to vendor, to be informed during meeting the representatives or between executives of both parties in order to introduce the policies and code of conduct by themselves, including measure to support and to strengthen the supply chain during business operation that covering the following areas:

1. Determine the social and environmental issues as important criteria for selection

1.1 New Vendor

The Company has determined social and environmental issues to be part of the selection criteria for every new vendor of every business by communicating from selecting the raw materials for trial, testing and use for assessment the New Supplier Checklist. For audit and selection of vendor, and vendor in Tier 1, must pass an assessment of 90% of all questions for entering the purchasing with the Company. In 2022, We have 10 new suppliers in tier 2. They have been informed of the supplier code of conduct and signed anti-corruption policy. but not yet been able to comply with environmental certification.



Sustainable Purchasing Policy Supplier Code of Conduct

1.2 Current Vendor

During the application of green procurement policy along with the development of vendor development for sustainable operations in the value chain the Company has designed a survey of former and existing vendors, in order to know the status of the vendor's business performance whether it is able to pass the assessment criteria at the specified rate or not. An ongoing survey will be conducted in order to obtain information about vendors in all significant levels in a database and may be re-surveyed as necessary as appropriate by the Self-Assessment method.

2. Human Right and Environment Actions

2.1 Conflict Minerals Policy

The Company has had a policy to purchase quality raw materials from reliable sources, There were the survey on the vendors and impelling human rights policy to the relevant partners by trying to reduce or stop purchasing or not accepting raw materials from production sources from the country where human rights violations or international trade sanctions are imposed, especially the four minerals, namely tin (Sn), tantalum (Ta), tungsten (W), and gold (Au), coming from the countries where the human rights are violated in Africa. It will begin communicating this important policy with vendors in 2022 and set up a goal of purchasing 100% from legal labor sources by 2023.

2.2 Vendors policy on environment, occupational health, and safety, prohibited substances in specific raw material.

The Company has had the quality control of raw materials from specified vendors by requesting product certificates from vendors, including randomly measuring the quality of banned substances (Substance of Concerns : RoHS) 10 types that are classified as hazardous to health and affect the environment and living things in the ecosystem according to the customer requirements. All 10 types are: Cadmium (Cd): <100 ppm Lead (Pb): <1000 ppm Mercury (Hg): <1000 ppm Hexavalent Chromium: (Cr VI) <1000 ppm Polybrominated Biphenyls (PBB): <1000 ppm Polybrominated Diphenyl Ethers (PBDE): <1000 ppm Bis(2-Ethylhexyl) phthalate (DEHP): <1000 ppm Benzyl butyl phthalate (BBP): <1000 ppm Dibutyl phthalate (DBP): <1000 ppm isobutyl phthalate (DIBP): <1000 ppm

2.3 Policy on the usage of recycled paper made from paper packaging at least 75% of the pulp.

The Company has supported on using Recycled Paper in paper packaging from the use of recycled pulp to reduce the use of natural resources, including helping to reduce global warming problems. In 2022, 10 new suppliers are Tire2 suppliers. They have been informed of the supplier practices but have not yet been able to comply with environmental certification.

2.4 Prevention and reduction of global warming.

The Company has set up a policy to promote and select vendors who carrying out the energy conservation activities to reduce global warming, including promoting energy conservation projects in vendor factories to indirectly reduce CO₂, etc.

3. Supervision and development of vendors towards sustainable business

The Company believes that having a good vendor will make business relationships and the growth of business are advancing rapidly due to the skill and different reaching each type of customer. Increasing opportunities for vendors to be able to offer the best to the customers will provide good result both in terms of being up to date with technology, transparency, also to increase the channel to reduce the cost as well. In 2022 there were the development of important vendors as follows:

| Procurement | Operation | Sales & Marketing | After Sales |
|---|--|--|---|
| Rethinking <ul style="list-style-type: none"> Economic purchasing Choose less hazardous raw material | Reduce <p>Reduce work process reduce loss</p> | Rethinking <p>Use neutral materials</p> | Landfill <p>Reduce waste material waste and disposal $\leq 0.75\%$ of tons of product</p> |
| Refuse <p>Refuse excess material</p> | Reuse <p>Consider recycling, re-mixing.</p> | Redesign <p>Design to reduce the use of materials.</p> | |
| | Recycle <p>Sell usable scrap</p> | Refuse <p>Refusing and offering the right alternative to the customer</p> | |

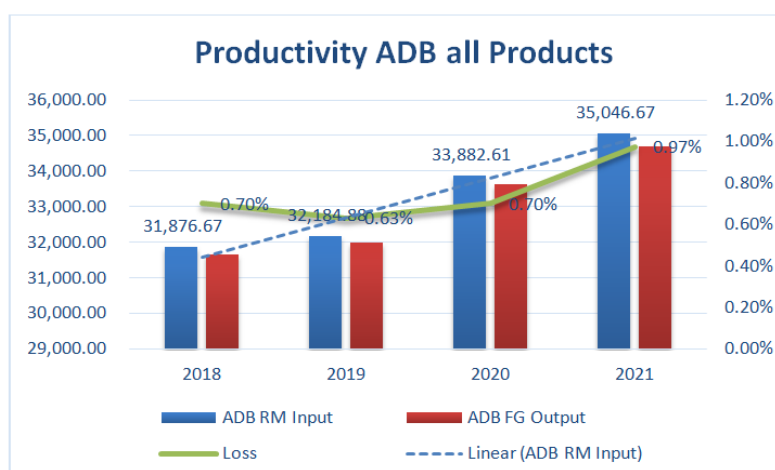
Resource Utilization

- Find reserve raw materials sources and lower costs
- Packaging design to reduce consumables which can contain more products
- Reduce LEAD and preparation steps to combined preparation.
- Reuse of scarp in adhesive and PVC manufacturing process, offered in lower grades.
- Reduce the use of paper in document work

Cost Down

- Raw materials from reserve source, Calcium Carbonate, causing the company to reduce the preparation process and prices from the source of purchase by 20%, in 2022, savings from the purchase of 1.5 million baht.
- Reducing wastage in the raw material preparation process and making employees work faster. The company has not much economic benefits, but it has gained employee happiness and reduced losses in the long run.
- From the development of by-products from Scarp to have properties equivalent to normal products, customers have tried and ordered which can reduce industrial waste and costs in some items up to 16% of plastic compound products and replacing raw materials of vinyl glue products by up to 43%.
- Use Digital Sign for approval, reading and storing documents in PDF form, the using paper decreased by 20% from the previous year (839,500 sheets in 2021 and 667,500 sheets in 2022).

Waste in operation statistics



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.

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. |



Whistle Blowing Policy

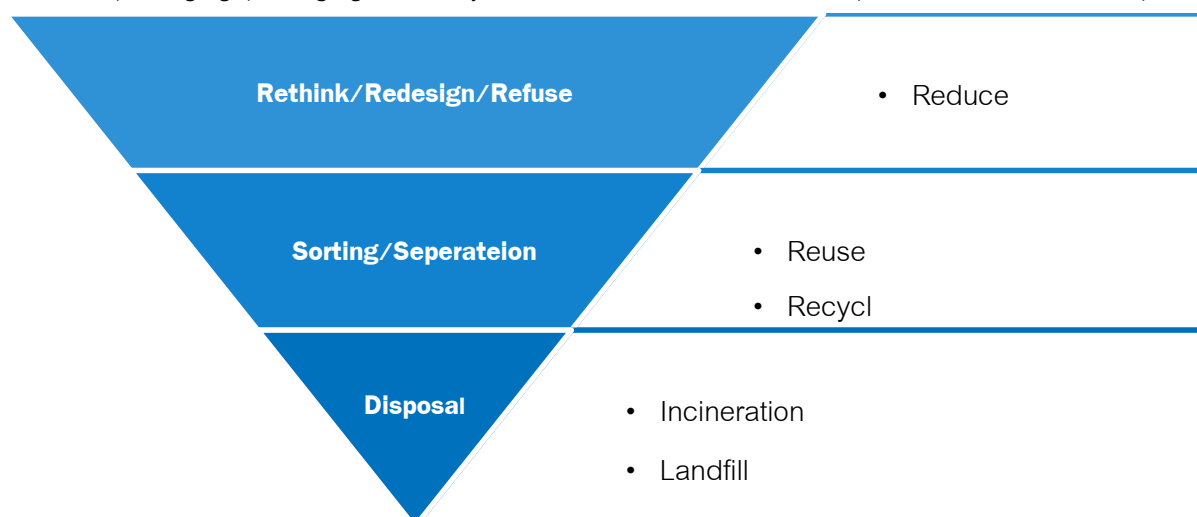
3.3 Management of Environmental Sustainability.

1) Environmental Policy and guidelines.

Applied DB Public Company Limited 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.



Environment Management

| Electricity usage | Water and Wastewater | Waste Management | Green House Gas Management |
|---|--|---|--|
| <ul style="list-style-type: none"> Buying and energy-saving electrical equipment and light bulbs Production planning for continuity and reducing stoppages Maintenance of machinery and equipment as planned Clean refrigeration, air conditioner | <ul style="list-style-type: none"> Water consumption in 2022 is higher because weekly firefighting equipment testing in accordance with the ISO45001 safety standard, applied by the company in 2022. Overall, water consumption per person is higher. Water from the fire test cannot be used to clean or water the plants because of oil and chemical stains. Supervise, inspect, clean, maintain water pipes, trap ponds, waste water manholes before draining into the settlement's treatment system. | <ul style="list-style-type: none"> Implement waste and industrial waste management policies 6Rs and all departments have waste control KPIs. As a result, the overall rate of industrial waste destruction in 2022 has decreased, although there is a higher rate of waste from production, but with proper NC management, some items can be reused. | <ul style="list-style-type: none"> The Board of Directors is responsible for overseeing climate issues, incorporated into the company's strategy by an annual review and assigning all management departments to participate in following up on trends, needs of customers, partners, markets, organizations or regulators. and managing climate risks and opportunities. |

**Environmental Performance**

| Environment | Unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------------------|-----------------------------------|--|--|--|--|
| Product Resulting | Metric tons | 31,653.90 | 31,980.93 | 33,645.15 | 34,705.11 | 35,633.03 |
| Energy and Greenhouse Gas Management | | | | | | |
| Total Energy Used | Million giga joules | 0.0279 | 0.0283 | 0.0279 | 0.0290 | 0.0310 |
| Rate of energy consumption in the production process | giga joules per ton production | 0.8818 | 0.8861 | 0.8295 | 0.8343 | 0.8703 |
| Direct greenhouse gas emissions Scope 1 | Million tons of CO2 equivalents | 871.00 | 1,201.00 | 919.00 | 469.00 | 402.78 |
| Direct greenhouse gas emissions Scope 2 | Million tons of CO2 equivalents | 3,876.00 | 3,935.00 | 3,875.00 | 4,047.00 | 5,014.21 |
| Direct greenhouse gas emissions Scope 3 | Million tons of CO2 equivalents | - | - | 739.00 | 25.00 | 23.62 |
| Greenhouse Gas Emissions Intensity Scope 1 & 2 | Ton per ton production | 0.149965712 | 0.160595704 | 0.142487118 | 0.130124933 | 0.152021639 |
| Greenhouse Gas Emissions Intensity Scope 1 & 2 & 3 | Ton per ton production | 0.149965712 | 0.160595704 | 0.164451653 | 0.130845288 | 0.152684554 |
| Greenhouse Gas Emission Reduction Scope 1 | Ton | Information unknown | 330.00 | (282.00) | (450.00) | (66.22) |
| Greenhouse Gas Emission Reduction Scope 2 | % | Information unknown | 37.89% | -23.48% | -48.97% | -14.12% |
| Air Quality | | | | | | |
| Total particulate matter TSP | (mg/m3) | 0.00 | 13.11 | 17.09 | 9.33 | 11.72 |
| Waste Management | | | | | | |
| The total amount of hazardous waste to be disposed of | | | | | | |
| How to make mixed fuel 042 | Ton | 189.16 | 211.65 | 252.54 | 169.33 | 199.75 |
| How to put it back to good use by other methods 049 | Ton | - | - | 18.71 | 32.73 | 38.94 |
| Landfill safely 073 | Ton | - | 3.3 | 0.31 | - | |
| Co-burning in cement kiln 076 | Ton | - | - | - | 42.75 | - |
| Chemical leak | | | | | | |
| Significant number of chemical spills into land or water | Case | No leakage | No leakage | 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 | Never paid a fine | Never paid a fine |
| The number of times in operation does not comply with environmental legislation. | Time | Not checking soil and groundwater | Not checking soil and groundwater and Result of waste water quality exceeding the standard | Not checking soil and groundwater and Result of waste water quality exceeding the standard | Result of waste water quality exceeding the standard | (Light, Sound, Heat, Chemicals) The law belongs to SAFETY. |
| Water | | | | | | |
| Water consumption | Million Cubic Meters | 0.0458 | 0.0451 | 0.0382 | 0.0385 | 0.0400 |
| Effluent volume | Million Cubic Meters | 0.0366 | 0.0361 | 0.0306 | 0.0308 | 0.0320 |



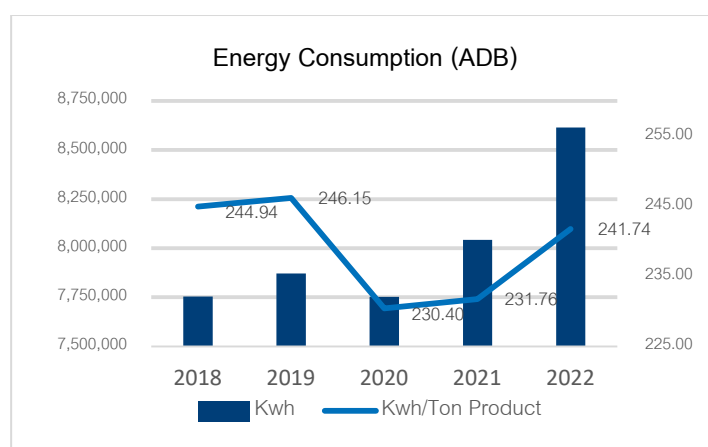
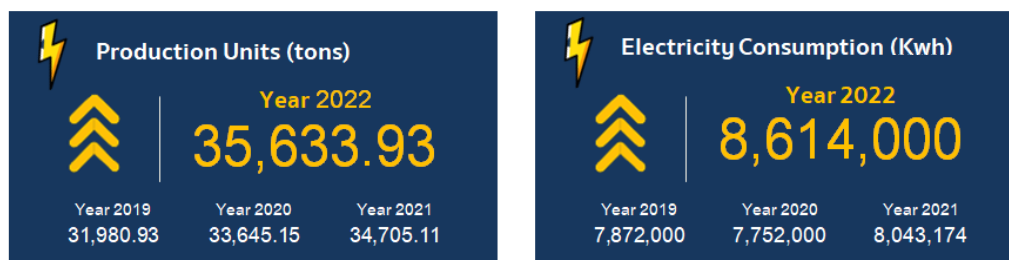
| Environment | Unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Concentration of water consumption per operation process | Cubic Meters per ton production | 0.000001447 | 0.000001410 | 0.000001136 | 0.000001108 | 0.000001122 |

Ennergy Consumption

Electricity is an important source of energy used in the production process at a rate of 100%. 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.

The statistics of electricity consumption during 2018-2022 are shown in the table below by combining the amount of electricity consumption from all 4 factories in kilowatt hours (kwh) and comparing with the production units produced from all product operations of the company. The measured values represent the energy consumed per product in ton of product, including showing the efficiency of energy consumption per ton of product.



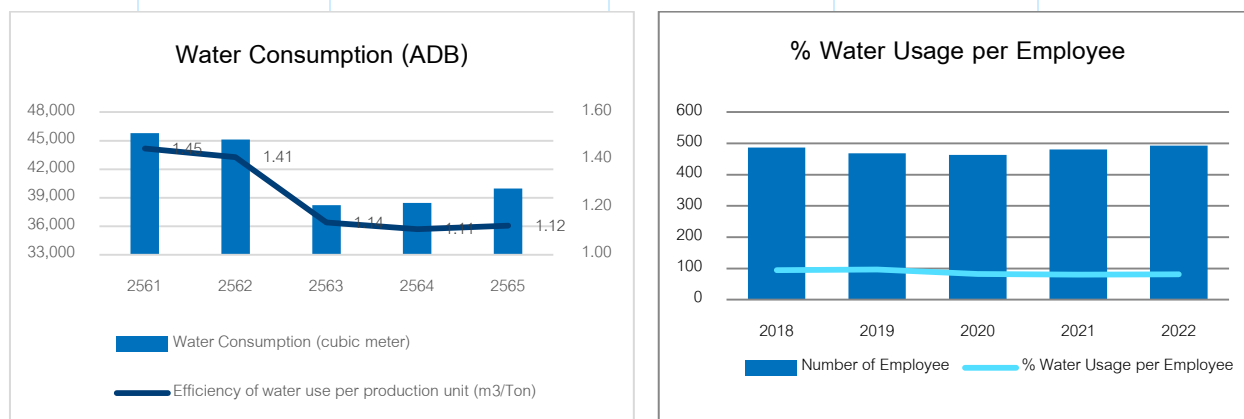
Water Management

ADB has set up offices and 3 factories in industrial estate, using tap water from Bang Pu Industrial Estate and another factory has located nearby but outside the water usage of Bang Pu Municipality. All 4 factories 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, gardening, and kitchen work, accounting for 80% of the total amount of water usage. Another 20% was used as coolant system for production and laboratories 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 property maintenance plans regularly and also provided “Good Eyes” reward for employees who found the incident which may cause damage to the property or cause of accident sending to the Human Resources and Safety.

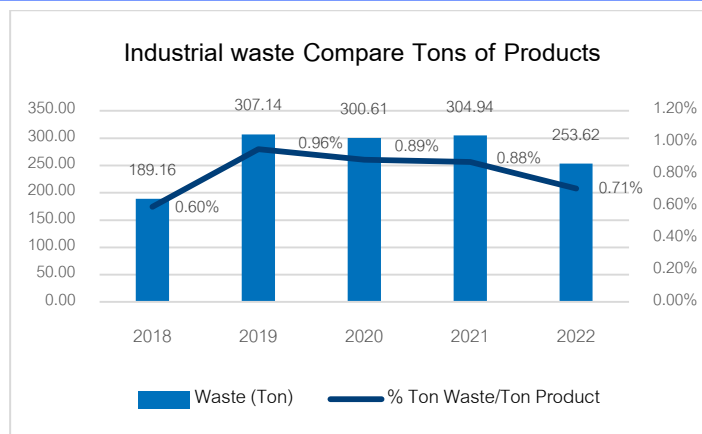
In 2022, there was no major maintenance caused by the system leak. Water usage statistics are presented in two dimensions, comparing with the rate of water used per person and compared with the rate of use per ton of product as shown below:

| Year | Number of Employee | Water Usage (Cubic Meter) | % Water Usage per Employee | Product Unit Quantity | % Water Usage per ton of product |
|------|--------------------|---------------------------|----------------------------|-----------------------|----------------------------------|
| 2018 | 487 | 45,804 | 94.05 | 31,654 | 0.69 |
| 2019 | 468 | 45,106 | 96.38 | 31,981 | 0.71 |
| 2020 | 463 | 38,206 | 82.52 | 33,645 | 0.88 |
| 2021 | 481 | 38,458 | 79.95 | 34,705 | 0.90 |
| 2022 | 493 | 39,978 | 81.09 | 35,633 | 0.89 |



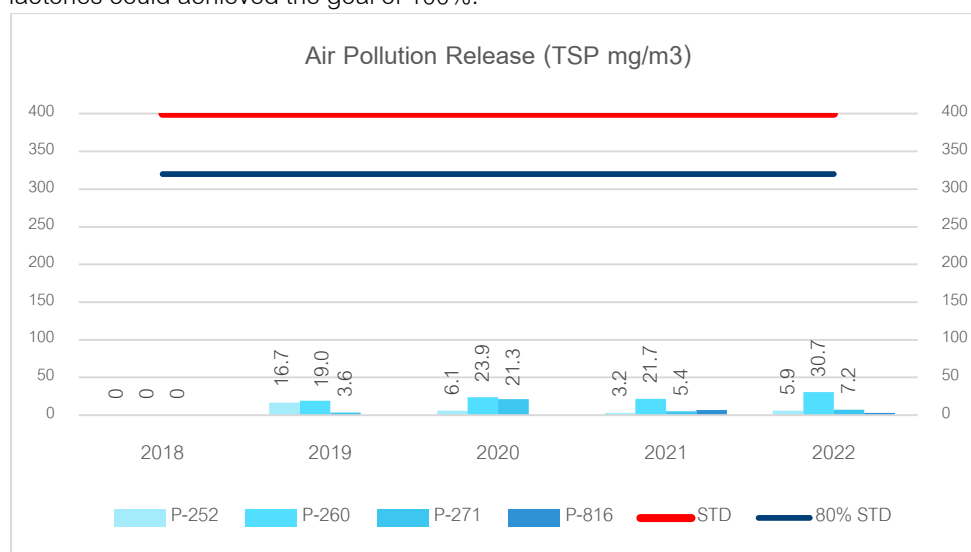
Hazardous Waste Management

The Company has disposed of industrial hazardous waste from working process each year are a large amount of destruction value and the cost of industrial waste is also a high proportion. Beginning of 2020 until present, the Company has launched campaign for employees of using resources wisely, reduction usage at sources, providing the effective management by using “3Rs” principles. In 2020 and in the current year, the Company has applied “6Rs” starting from the product design, purchasing, production, reusing in various processes to emphasize the value and product qualifications that meet the testimonial criteria. In 2022, The company set the loss of the whole process to be 1%, the total waste rate of the company was 0.97%. As a result, there is an increase in circulation, being sent to destroy at a rate of 0.71% of production, close to the target.



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 25%, resulting in all branches of factories could achieved the goal of 100%.

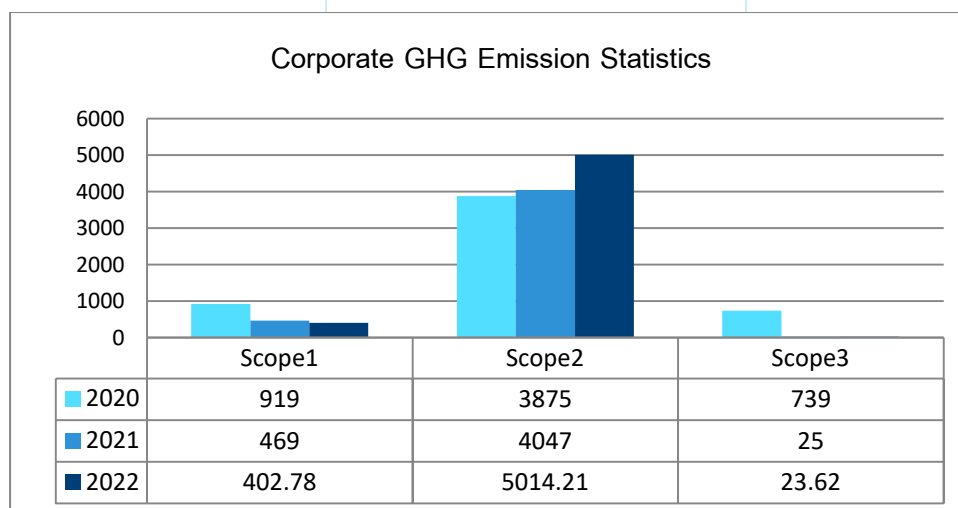


Management to reduce greenhouse gas

The company has studied to find the source of significant greenhouse gas emissions to collect data, prepare a report on greenhouse gas emissions and disclose information accurately for all factories of the company and set targets and find ways to reduce emissions appropriately.

However, there are important points in selecting the base year. By the end of 2022, the Company had transferred some of its business to new company. Therefore, it is very important to separate items and be able to select the base year more accurately. In this report, a full overview of the company is presented which has methods and results as follows:

| Process | Working year 2022 | Target |
|--|---|---|
| 1. Managing GHG risks and identifying reduction opportunities | | |
| <ul style="list-style-type: none"> Identifying risks associated with GHG constraints in the future. Identifying cost effective reduction opportunities | The Company has assessed risks and opportunities in terms of personnel, processes and products. The risks and opportunities are still low. | <ul style="list-style-type: none"> The risk does not exceed the medium level Invest in products and markets that have the opportunity to align with corporate strategies. |
| <ul style="list-style-type: none"> Setting GHG targets | <ul style="list-style-type: none"> Improve of Scope 3 database storage Communicate and understand with partners for collecting Scope 3 data | <ul style="list-style-type: none"> Compiled base year selection reports Set a target to reduce greenhouse gas emissions in Scope 1&2. |
| 2. Measuring and Reporting progress | | |
| <ul style="list-style-type: none"> Emission accounting and greenhouse gas calculations | <ul style="list-style-type: none"> Prepare a retrospective report in 2020-2022 in Scope 1&2. | <ul style="list-style-type: none"> Request CFO certification |
| <ul style="list-style-type: none"> Eco-labelling and GHG certification | Not yet implemented | <ul style="list-style-type: none"> Set long-term goals in case the market and customers to need. |



3.4 Social Sustainability Management

3.4.1 Social policy and guidelines

The Company has announced established a human rights policy. (see details on the Company website: [www. www.adb.co.th/Investor Relations/policies related to investors/human rights policy](http://www.adb.co.th/Investor Relations/policies related to investors/human rights policy)) 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 respect for human rights equally and non-discriminatory both in terms of employment, compensation, promotion, training and employee development without any discrimination of gender, age, educational institution, race and religion, 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, in order for all employees and personnel to feel the sense of binding as part of the organization’s family, the Company has set up an average employee engagement score of not less than 70% of all employees.

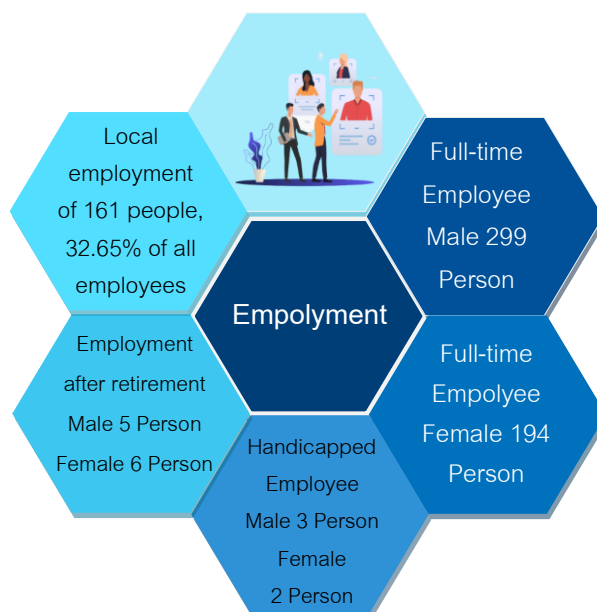
| Employee | Customer/Partner | Society and Community |
|--|---|---|
| <ul style="list-style-type: none"> ■ Ethics and code of conduct in the workplace ■ No discrimination respect human rights ■ Training and Development ■ Environment and safety ■ Work satisfaction | <ul style="list-style-type: none"> ■ Quality of the delivered products ■ Product responsibility ■ Complaints | <ul style="list-style-type: none"> ■ Local employment ■ Subsidizing community products ■ Pollution and complaints ■ Community and social assistance |
| Care Economy | Care People | CareEnvironment |
| <ul style="list-style-type: none"> ■ Product responsibility ■ Environmentally friendly products ■ Improving processes Develop personnel to increase efficiency and reduce costs | <ul style="list-style-type: none"> ■ Moderna Needle vaccines are encouraged to employees and their families on a voluntary basis. ■ Application of safety standards ISO45001:2018 | <ul style="list-style-type: none"> ■ Efficient utilization of resources through waste and industrial waste management policies ■ Minimum emissions collection and emissions |

3.4.2 Social Operating Results

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:

(1) Employees and labor

Employment



| | Unit | Year 2020 | | Year 2021 | | Year 2022 | |
|-----------------------------------|---------------|------------|------------|------------|------------|------------|------------|
| | | Male | Female | Male | Female | Male | Female |
| Total Number of Employees | Person | 282 | 185 | 283 | 195 | 299 | 194 |
| Top Management AVP Up | Person | 10 | 4 | 10 | 4 | 10 | 4 |
| Mnagement AM-Senior Mgr. | Person | 12 | 23 | 12 | 23 | 15 | 26 |
| Operator – Senior Chief | Person | 260 | 158 | 261 | 168 | 274 | 164 |
| Number of employees by age | Person | 282 | 185 | 283 | 195 | 299 | 194 |
| Less than 30 years | Person | 83 | 52 | 83 | 62 | 99 | 66 |
| Between 30-50 years | Person | 172 | 120 | 172 | 120 | 174 | 116 |
| More than 50 years | Person | 27 | 13 | 28 | 13 | 26 | 12 |



| | Unit | Year 2020 | | Year 2021 | | Year 2022 | |
|---|---|------------|------------|------------|------------|------------|------------|
| | | Male | Female | Male | Female | Male | Female |
| Employees by workplace | Person | 282 | 185 | 283 | 195 | 299 | 194 |
| Operations | Person | 240 | 113 | 240 | 123 | 243 | 109 |
| Office | Person | 42 | 72 | 43 | 72 | 56 | 82 |
| Employees by religion | Person | 283 | 195 | 283 | 195 | 299 | 194 |
| Buddhism | Person | n/a | n/a | 282 | 192 | 298 | 191 |
| Christianity | Person | n/a | n/a | 0 | 0 | 0 | 0 |
| Islam | Person | n/a | n/a | 1 | 2 | 1 | 2 |
| Neutral | Person | n/a | n/a | 0 | 1 | 1 | 2 |
| Retention | | | | | | 19.43 | |
| Total number of employees leaving the organization | Person | 45 | | 61 | | 15 | |
| Corporate leave rate | % per total number of employees | 9.86 | | 12.7 | | 15.41 | |
| Voluntary leave rate | % per total number of employees | 1 | | 1 | | 0 | |
| Employee Engagement | | | | | | | |
| Employee satisfaction with the organization | % | 69.33 | | 81.66 | | 82.95 | |
| Personnel Development | | | | | | | |
| Total number of training hours | Hrs. | 4,213 | | 5,653 | | 7,452 | |
| Average number of total Employees | Hrs./Person/Year | 9.02 | | 11.83 | | 15.12 | |
| Average number of Top Management | Hrs./Person/Year | 27.69 | | 29.21 | | 19.43 | |
| Average number of Management | Hrs./Person/Year | 18.74 | | 38.68 | | 36.39 | |
| average number of Employees | Hrs./Person/Year | 7.50 | | 8.72 | | 12.99 | |
| Employee Complaints | Case | | | | | | |
| Number of Corruption Complaints | Case | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of ILabor Complaints | Case | 0 | 0 | 0 | 0 | 0 | 0 |
| Labor Union | | | | | | | |
| Percentage to total number of employees | Percentage to total number of employees | n/a | n/a | 15 | | 15 | |

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 2022 as follows:

| Type of Training | Number of Training Courses | Budget (Baht) |
|--|----------------------------|---------------|
| Training in hard skill and on the job training | 198 | 1,200,000 |
| Training in soft skill, psychology and interpersonal skill | 8 | |
| Total | 206 | |

■ Employee Training

In 2022, the Company organized 33 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 15.12 hours per person per year, increased from the previous year at the rate of 27.81 percent from the goal of learning hours of employees that set an increase of 3% hours per person per year. There is still the convenience of online training, easy to access, save time caused the number of training hours is higher than the target value. However, for the management, the training rate decreased from the previous year by 33.50% for because there were no interesting training topics and have more regular workload. Therefore, it is necessary to plan the suitable course in the future.

Summary of training hour rates for 2022

| Position | Number of Employee (Person) | | Training Hours (Hrs.) | | Diff (Hrs.) | % Average of training hours | | % Change |
|-------------------------|--------------------------------|------|--------------------------|-------|----------------|--------------------------------|--------|-------------|
| | 2021 | 2022 | 2021 | 2022 | | 2021 | 2022 | |
| Officer / Operator | 321 | 336 | 1,709 | 4,409 | | 5.32 | 13.12 | |
| Chief | 73 | 66 | 1240 | 863 | | 16.99 | 13.08 | |
| Supervisor | 30 | 36 | 748 | 416 | | 24.93 | 11.56 | |
| Total | 424 | 438 | 3,697 | 5,688 | 1,991 | 8.72% | 12.99% | 48.94% |
| Assistant Manager | 13 | 12 | 654 | 484 | | 50.31 | 40.33 | |
| Manager- Senior Manager | 27 | 29 | 893 | 1008 | | 33.07 | 34.76 | |
| Total | 40 | 41 | 1547 | 1,492 | -55 | 38.68% | 36.39% | -5.51% |
| AVP UP | 14 | 14 | 409 | 272 | | 29.21 | 19.43 | |
| Total | 14 | 14 | 409 | 272 | -137 | 29.21% | 19.43% | -33.50% |
| Grand Total | 478 | 493 | 5,653 | 7,452 | 1,799 | 11.83% | 15.12% | 27.81% |

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 has operating with many chemicals used in the production process, and its 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.

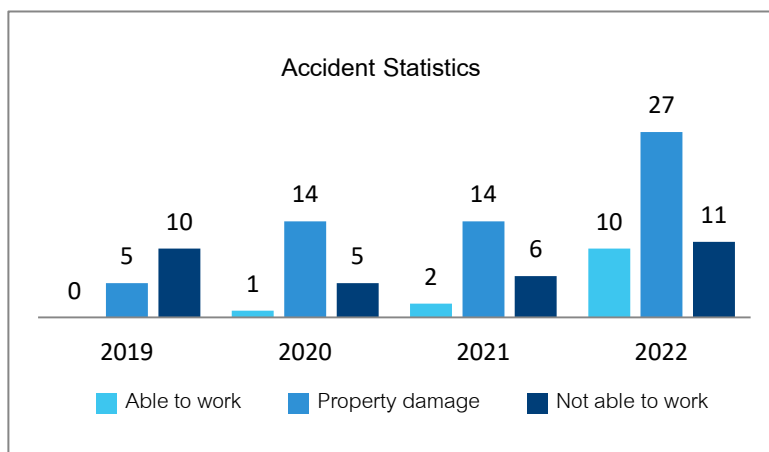
In 2022, the Company has applied Occupational health and safety ISO45001:2018 for the first year in all department of the Company and educated employees, improved workflow, created new work documents, revised any non-compliant document, reallocated hazards area, tools, equipment, evaluated hazards in work processes, including auditing systems within the organization. During the fourth quarter, the Company has requested for certification by Bureau Veritas Certification (Thailand) Ltd.

From the safety risk assessment, there are 12 high-level risk from production departments, warehouses and drivers. At the same time, the company continuously develops and improves the efficiency of safety operations to reduce the risk of illness, injury or death and take care of the quality of life of employees. There were no work-related accidents that resulted in death or disability. According to the comparative statistics in the table, in 2022 there were more accidents of all types than the previous year. The most common type of property damage was caused by the handling of goods in the warehouse. In such an accident, no employee was injured in any way. The main reason was the new employees did not have the skills. In the safety management measures, 12 plans have focused on all departments and cover all categories, during the year, it has strictly implemented safety standards as follows:



1. Training, Morning Talk. Two-way communication between supervisors and employees Emphasis on the participation of employees.
2. Training courses on safety and occupational health at work by the relevant departments.
3. Establish regulations for wearing protective equipment (PPE) and continuous monitoring.
4. Bug fixes improvements to ensure safety.

| Safety and Occupational Health | | Unit | Year 2018 | Year 2019 | Year 2020 | Year 2021 | Year 2022 |
|--|--|--|-----------|-----------|-----------|-----------|-----------|
| 1 | Total hours of work. | Hrs. | 1,627,200 | 1,839,600 | 1,810,800 | 1,261,286 | 1,255,824 |
| Work Injuries | | | | | | | |
| 1 | Employee Death Rate. | Case per <u>two hundred</u> thousand hours worked | 0 | 0 | 0 | 0 | 0 |
| 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 | 0.61 | 1.09 | 0.55 | 1.27 | 3.34 |
| 4 | Contractor's work Injury (Total Recordable Injuries Rate : TRIR2) | Case per <u>two hundred</u> thousand hours worked | 0 | 0 | 0 | 0 | 0 |
| 5 | <u>Employee</u> Lost Time Injury Rate (LTIFR) | Case per <u>two hundred</u> thousand hours worked | 0.4 | 0.75 | 0.4 | 0.95 | 1.75 |
| 6 | An accident that almost caused an accident (Near Miss) of an <u>Employee</u> | Case | 0 | 0 | 0 | 0 | 0 |
| 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. | 0 | 0 | 0 | 0 | 0 |
| 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 |



Employee Engagement

In 2022, the Company's employee engagement assessment result was 82.95%, an increase of 2.19% compared to the previous year. The goal is set for more than 70% of all employees. For this year, employees are satisfied with the opportunity and progress up to 10% compared to the previous year. because the company has supported continuous development training, including setting criteria for job adjustment appropriately.

However, compared to the turnover rate in 2022 at 15.41, an increase of 2.71 percent compared to the previous year due to the economic condition tends to increase the price of consumer products. In addition, the company has reduced overtime work in some departments. As a result, more employees resigned and returned to other provinces which cost of living is not very high.

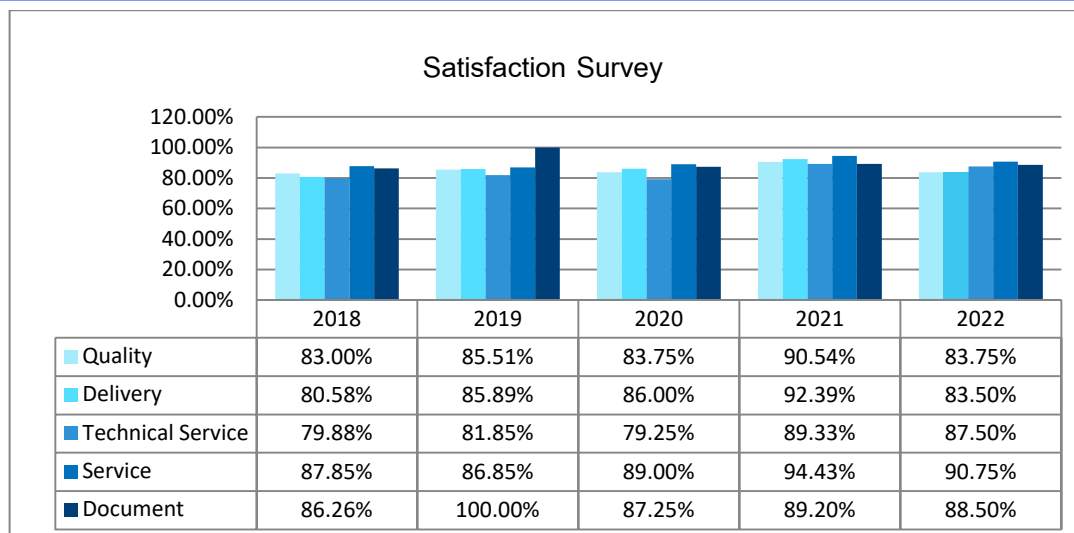
| Survey results of personnel opinions on various aspects of work | Satisfaction Rate | | %Change |
|---|-------------------|--------|---------|
| | 2021 | 2022 | |
| 1. Safety and working environment | 82% | 83% | +1% |
| 2. Responsibility for working | 87% | 90% | +3% |
| 3. Leadership and corporate culture | 86% | 88% | +2% |
| 4. Compensation and welfare of the enterprise | 71% | 67% | -4% |
| 5. Opportunities and advancement in the organization | 71% | 81% | +10% |
| 6. Rules and regulations of the organization | 90% | 89% | -1% |
| Average of Satisfaction | 81.17% | 82.95% | +2.19% |



(2) Customers, Complaints and Satisfaction

The results of the satisfaction survey for the year 2022, in terms of transportation and quality, the satisfaction rate was lower than the target value. Both items have the effect of the use of transportation and work plans, sometimes had some delay in material supply causing the discontinuous of production, which is reflected the satisfaction. The return product in the year occurred from the quality, accounting for 0.63% of the deliveries. The company has already dealt with quality complaints by examining the quality of substitute raw materials more than normal criteria. However, when combining all aspects, the satisfaction survey result was 86.6 percent, higher than the target value of 85 percent in all aspects according to the details:

| Supply Chain Management | Unit | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|--------|--------|--------|--------|--------|----------|
| Customer Satisfaction Index | % | 83.51% | 88.02% | 85.05% | 91.18% | 86.80% | 89.80% |
| Number of social and environmental complaints from customers | Case | 0 | 0 | 0 | 0 | 0 | 0 (Zero) |
| Number of customer data leak complaints | Case | 0 | 0 | 0 | 0 | 0 | 0 (Zero) |



(3) 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, 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 2022, the Company applied to participate in the CSR-DIW (Beginner) project and has joined activities for community or social development as follows:

- **October 3, 2022**, the company's working group participated in the discussion to gather information from the community in conducting community participation and development activities including asking questions about concerns from the activities of the company. There were representatives who participated in the community interview, led by Village Headman Village 2, Mr. Kriengkrai Chusawai, the head of the Klong Kho Tor Fang Nam Kem Community, Mrs. Wilailak Muangtarian, the Klong Kho Tor Fang Freshwater Community Leader, Mr. Soranat Mad Kosem and members. Village Public Health Volunteers.



- **October 10, 2022**, the company's working group participated in exploring the way of life of the community with the leader of the Klong Kho Tor Fang Nam Kem community, Mrs. Wilailak. Muang Tarian and Klong Kho Community Leader, Mr. Soranat Mad Kosem, to gather information from the community to conduct community participation and development activities in generating income for the community.



- November 2, 2022, the working group and employees of the company with the village headman Mr. Kriangkrai Chu Sawai and Klong Kho Tor Fang Nam Kem community leader, Mrs. Wilailak Muangtarian, joined in renovating the shelters for the disabled in the community along with visiting and giving essential items to the disabled under the project to promote rehabilitation and health promotion for the disabled



- Support CSR activities for the year 2022 to provide clean drinking water, clean water supply to prevent illness for the community and to help medical personnel and patients in the community who come to receive services by donating drinking water to Bang Pu Mai Sub-district Health Promoting Hospital, with the director of Bang Pu Mai Sub-district Health Promoting Hospital, Mr. Chalintorn Chanthaphan as the recipient.



- Promote cultural activities and local traditions by supporting the activities of paying respect to elders in the 2022 Songkran Festival to preserve Thai traditions as well as show respect towards the elderly in the communities surrounding Bang Pu Industrial Estate and to create good relationships between the industrial estates, entrepreneurs and communities in the surrounding areas. In the event, support items will be delivered to community representatives in organizing the Elderly Day event.



- In 2022, the company sponsored Children's Day activities for schools and communities around Bangpoo Industrial Estate to encourage children to participate in activities.



(4) Innovation and distribution of innovation

The Company will promote to create innovation both in the work flow process in organization level and cooperation between organization levels. This means to work with new method, including production change or value creation. Hence, the objectives of innovation are to create positive change for better change. Therefore, innovation distribution is one part of social responsibility, either through communication or publicize to stakeholders directly or indirectly or through several communication channels, in order to ensure that Company's stakeholders, can have extensively access to Company's information.

Moreover, the Company also looks for new knowledge, new concept from the existing practice or known before. This shall cover business, economy, social, technology and environment in order to create extensive advantages to the Company and society.

Activities to benefit society and the environment

The Company aims to perform business, together to prioritize the participation and creating good relationship between Company, communities and society. Throughout the year, the Company has arranged several projects and activities to promote the benefit for socio and environment development every year, main focusing that all employees will have mind set of social development. Details are as follows:

1. Support and development activities within the organization

- The company increased green areas to provide pleasant area by planting trees at head office with allocation budget of 60,000 baht.



- August 6, 2022, the company has allocated Covid-19 vaccine boosters for employees and executives by booking the Moderna vaccine through the Chulabhorn Royal College with a total value of 231,990 baht (including a 10% donation value) to boost the body's immunity. The company also continued the implementation of COVID-19 prevention measures with social distancing, ATK check service for risky employees for 5 consecutive days.



- The company has provided survival bags for employees affected by the COVID-19 during the recovery period.



- The Company has organized a Happy Birthday roaming activity, giving birthday presents to employees born in each month, in order to build the friendship and seeing the value in a small corner of the employees, enhancing the employees to have more relationships with the organization with a budget of approx. 30,000 baht.



- The company held ADB VIRTUAL RUN 2022 project to promote employees' exercise without limitation on time and place via accumulation of running distance. The project was held from March 1, 2022 to September 30, 2022 for 7 months with a budget 43,000 baht.



- The Company has given scholarships for the year 2022 to children of employees with good grade; cumulative GPA of 3.50 up for 53 scholarships, total value of 100,000 baht in elementary school – bachelor's degree as the welfare of the Company's employees, its purpose was to promote educational opportunities for employee's families which will enhance the employee's well-being in the future and create the good relationships between employees and the Company.



2. 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:

- The company has participated in blood donation with the Thai Red Cross Society at The Thai Red Cross Rehabilitation Center, Bangpu, that continually cares for helping the society and raises the awareness of employees to be "giver" and have social responsibility. The Company has promote the blood donation every 3 months to spare blood to patients for treatment, illness, surgery. As situation of COVID-19, the National Blood Service Center of the Thai Red Cross Society faced a severe blood shortage crisis. The number of blood donors has decreased dramatically.



- August 19, 2022, the company participated in CSR activities organized by Bangpu Industrial Estate Office. Mangrove Rehabilitation and Restoration activity at Royal Thai Army Nature Education Center (Bangpu Recreation Area) Bangpu Mai Subdistrict, Mueang District, Samutprakan Province. The objective is to conserve natural resources, environment and Mangrove forest as well as to increase green areas and participation in the preservation of natural resources and the environment, and building relationships with the community.



- June 11, 2022, the company participated in the Care the Wild project: "Plant & Protect" organized by SET and maiA jointly raised fund for planting 18,200 trees on 91 rais, of which 25 rais have been reforested by SET and the remaining 65 rais by mai-listed companies, in the community forests of Ban Oi and Ban Boon Roeng villages in Ban Wiang sub-district of Rong Kwang district, in Phrae province. The expected results are that the 91-rai reforestation will annually absorb greenhouse gases amounting to 163,800 kilograms of carbon dioxide equivalents, and rehabilitate the ecosystem in the upstream forest area. Moreover, the project will benefit 390 households or about 1,300 people who can grow agricultural products for consumption and commercial purposes, generate income and add value to develop the area in to an ecotourism destination creating community empowerment in the long run. This area will be taken care of by the Royal Forest Department for 10 consecutive years with the goal of 100% survival and growth of the trees planted products.



**4. Management Discussion and Analysis (MD&A)****Management Discussion and Analysis for the year Ended December 31, 2022.**

Applied DB Public Company Limited (the “Company”) 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 2022, the Company is classified the products into 3 Business segments 1) Plastic compound segment, 2) Adhesive segment and 3) Sealant & DIY segment. For Compound products (Segment 1), there are major changes in product classification due to uprising growth of Medical Grade PVC products. In the past few years, the revenue from Medical graded products was accounted of more than 20% of the total Plastic Compound Revenue. In this regards, we reclassify the compound products into 3 groups; 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). For Adhesive (Segment 2); most of the products are supplies to customers in shoe and leather and furniture business. For Sealant and DIY Business (Segment 3), the products are categorize into 3 product groups 3.1) Silicone Business 3.2) DIY Products 3.3) Related products.

Performance Analysis*Table 1 : Financial Performance Financial Position as at 31 December 2021 and 2022*

| | 2021 | | 2022 | | Changes +,- | |
|--|---------------|--------------|---------------|-------------|-----------------|-----------------|
| | MB | % | MB | % | MB | % |
| Revenue from Sales | 1,678.00 | 98.70 | 2,154.70 | 0.99 | 476.70 | 28.41 |
| Cost of Sales | 1,403.51 | 82.56 | 1,954.06 | 0.90 | 550.55 | 39.23 |
| Gross Profit | 274.49 | 16.15 | 200.64 | 0.09 | (73.85) | (26.90) |
| Other Income | 11.82 | 0.70 | 11.81 | 0.01 | (0.01) | (0.08) |
| Net Foreign Exchange Gain | 10.23 | 0.60 | (3.02) | 0.00 | (13.25) | (129.52) |
| Profit Before Expenses | 296.54 | 17.44 | 209.43 | 0.10 | (87.11) | (29.38) |
| Distribution Costs | 82.45 | 4.85 | 90.88 | 0.04 | 8.43 | 10.22 |
| Administrative Expenses | 111.34 | 6.55 | 110.85 | 0.05 | (0.49) | (0.44) |
| Total SG&A | 193.79 | 11.40 | 201.73 | 0.09 | 7.94 | 4.10 |
| Earnings before interest and tax | 102.75 | 6.04 | 7.70 | 0.00 | (95.05) | (92.51) |
| Financial Costs | 7.39 | 0.43 | 13.66 | 0.01 | 6.27 | 84.84 |
| Profit before tax expenses | 95.36 | 5.61 | (5.96) | 0.00 | (101.32) | (106.25) |
| Tax expenses | 19.67 | 1.16 | 0.97 | 0.00 | (18.70) | (95.07) |
| Net Income | 75.68 | 4.45 | (6.93) | 0.00 | (82.61) | (109.16) |
| Other Comprehensive Income | 2.50 | 0.15 | 3.43 | 0.00 | 0.93 | 37.20 |
| Total Comprehensive Income for the period | 78.19 | 4.60 | (3.48) | 0.00 | (81.67) | (104.45) |

*% is the proportion to the total revenue



Sales Revenue

For the year ended December 31, 2021 and 2022, our total revenue was THB 1,700.05 million and THB 2,166.51 million, respectively. From those amounts, revenue from sales was accounted of THB 1,678.00 million and THB 2,154.70 million, respectively, which represented the increase of THB +476.70 million, or +28.41%. The rising revenue was mainly attributed to the increase in Compound products for THB +297.40 million, or +30.24% from the same period of last year, driven by the solid revenue of Compound products sold to wire and cable companies to support the mega projects investment in the infrastructure and electrical supplies from the Government Budget in 2022. This Wire and Cable revenue was accounted for the growth of THB +150.19 million, or +25.22% compared to the same period of last year as it has been rebound after the impact of COVID 19 pandemic from last year. Furthermore, the revenue from General Graded PVC also provided the growth from last year for THB +26.58 million, or +13.63% of last year figure. In addition, Medical Graded PVC products contributed to the increase of THB +120.62 million, or +62.46% compared to the same period of last year, led by the rising demand of medical compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. In Sealant and DIY Business, our revenue provided solid growth of THB +93.45 million from the same period of last year or +19.25% compared to the same period of last year. The major revenue in Sealant & DIY business was mainly driven by the growth of our Sealant products sold as cartridges and for commercial use for over THB +93.45 million or +19.25%. For Adhesive segment, our revenue from adhesive products went up for THB +85.85 million, or +41.09%. When integrating all revenue from 3 Business Segments of the Company, the revenue of Compound Business, Adhesive Business and Sealant Business was THB 1,281.02 million, THB 294.77 million and THB 578.91 million, or 59% : 14% : 27%, respectively, compared to the revenue of the same period in 2021 was at 59% : 12% : 29%.

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

| Revenue of Business | For the year ended | | | | | |
|--|--------------------|---------------|-----------------|---------------|---------------------|--------------|
| | Jan-Dec 2021 | | Jan-Dec 2022 | | Increase (decrease) | |
| | MB | % | MB | % | MB | % |
| Wire and Cable PVC | 595.42 | 35.48 | 745.61 | 34.60 | 150.19 | 25.22 |
| General Grade PVC | 193.13 | 11.51 | 221.65 | 10.29 | 26.58 | 13.63 |
| Medical Graded PVC | 195.07 | 11.63 | 313.75 | 14.56 | 120.62 | 62.46 |
| Total Plastic Compound Business | 983.62 | 58.62 | 1,281.02 | 59.45 | 297.40 | 30.24 |
| Adhesive | 208.92 | 12.45 | 294.77 | 13.68 | 85.85 | 41.09 |
| Total Adhesive Business | 208.92 | 12.45 | 294.77 | 13.68 | 85.85 | 41.09 |
| Silicone | 281.89 | 16.80 | 344.93 | 16.01 | 63.04 | 22.36 |
| DIY | 178.09 | 10.61 | 200.13 | 9.29 | 22.04 | 12.38 |
| Related Products | 25.48 | 1.52 | 33.85 | 1.57 | 8.37 | 32.85 |
| Total Silicone & Sealant Business | 485.46 | 28.93 | 578.91 | 26.87 | 93.45 | 19.25 |
| Total Revenue | 1,678.00 | 100.00 | 2,154.70 | 100.00 | 476.69 | 28.41 |

In terms of main customer types by industry, approximately 70.63% of the revenue of the Company were classify under Real Estate and construction including Plastic compound, 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. For the sealant products, the main target group was the private sector in construction segment, while 10.01% of sales derived from Shoes and Leathers Industry selling under adhesive products. The demand of adhesive materials to be used in this segment



has been increasing after the impact of COVID-19 pandemic during the past few years. For automotive segment, it was accounted of 9% of total revenue, 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 10.94% was attributed to other industries.

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

| Revenue by Industry | For the year ended | | | | | |
|------------------------------|--------------------|---------------|-----------------|---------------|-----------------|---------------|
| | 2020 | | 2021 | | 2022 | |
| | MB | % | MB | % | MB | % |
| Real Estate and Construction | 986.11 | 72.01 | 1,171.43 | 69.81 | 1,511.14 | 70.13 |
| Shoes and Leathers | 130.91 | 9.56 | 158.48 | 9.44 | 215.68 | 10.01 |
| Automotives | 143.81 | 10.50 | 165.09 | 9.84 | 192.07 | 8.91 |
| Others | 108.52 | 7.93 | 183.00 | 10.91 | 235.81 | 10.94 |
| Total Revenue | 1,369.35 | 100.00 | 1,678.00 | 100.00 | 2,154.70 | 100.00 |

In terms of revenue breakdown by geography, in 2022, revenue from local customers was THB 1,667.65 million from the total revenue of THB 2,154.70 million, or accounted for 77.40% of total revenue, or increased from 2021, of which, revenue from local customers was THB 1,237.03 out of the total revenue of THB 1,677.99 million, or accounted for 73.72% of total revenue. The increase for THB +430.62 million or +34.80% was mainly attributed to the increase in Compound products sold to wire and cable companies as the mega projects investment in the infrastructure and electrical supplies, as well as medical graded PVC sold to local markets. The demand of these product categories has less impact during the COVID-19 pandemic. While, the overseas customers also provided the solid growth in Nigeria, Kenya, Bangladesh, Vietnam, Myanmar and Philippines. These export segments were attributed to the higher product pricing in accordance with the rising chemical material costs effected on all major products. In addition, as Baht depreciation compared to US Dollar during 2022, our revenue from overseas segments increased compared to the same period of last year.

Table 4 : Revenue by Geographical segments

| Geographical Segments | 2020 | | 2021 | | 2022 | |
|-----------------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | MB | % | MB | % | MB | % |
| Thailand | 1,044.15 | 76.26 | 1,237.03 | 73.72 | 1,667.65 | 77.40 |
| Nigeria | 49.61 | 3.62 | 61.19 | 3.65 | 58.04 | 2.69 |
| Kenya | 46.46 | 3.39 | 49.03 | 2.92 | 42.88 | 2.00 |
| Singapore | 16.03 | 1.17 | 27.66 | 1.65 | 34.13 | 1.58 |
| Philippines | 19.06 | 1.39 | 29.15 | 1.74 | 32.58 | 1.51 |
| Bangladesh | 30.43 | 2.22 | 47.05 | 2.80 | 41.62 | 1.93 |
| Myanmar | 30.81 | 2.25 | 37.55 | 2.24 | 41.81 | 1.94 |
| Vietnam | 32.54 | 2.38 | 37.67 | 2.24 | 45.78 | 2.12 |
| Other | 100.13 | 7.31 | 151.66 | 9.04 | 190.20 | 8.83 |
| Total | 1,369.22 | 100.00 | 1,677.99 | 100.00 | 2,154.70 | 100.00 |

Cost of Sales and Gross Profit

In the 2021 and 2022, cost of sales slightly increased from THB 1,403.51 million to THB 1,954.06 million, respectively. The cost of sales consists of cost of Plastic Compound Business for THB 838.06 million and the cost of Adhesive for THB 169.35 million and Sealant and DIY Business for THB 396.11 million in 2021; and cost of Plastic Compound Business for THB 1,172.71 million and costs of Adhesive for THB 263.11 million and Sealant & DIY



Business for THB 518.24 million in 2022. When combining with the significant growth in revenue, the company reported lower gross profit from 16.36% in 2021 to 9.31% in 2022, respectively. 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 2021 | Jan-Dec 2022 |
|--|-----------------|-----------------|
| | MB | MB |
| Cost of Sales : Plastic Compound Business | 838.06 | 1,172.71 |
| Cost of Sales : Adhesive | 169.35 | 263.11 |
| Cost of Sales : Sealant & DIY Business | 396.11 | 518.24 |
| Total Cost of Sales | 1,403.51 | 1,954.06 |
| Gross Profit : Plastic Compound Business | 145.57 | 108.31 |
| Gross Profit : Adhesive | 39.57 | 31.66 |
| Gross Profit : Sealant & DIY Business | 89.35 | 60.67 |
| Gross Profit | 274.48 | 200.64 |
| Gross Profit Margin : Plastic Compound | 14.80% | 8.46% |
| Gross Profit Margin : Adhesive | 18.94% | 10.74% |
| Gross Profit Margin : Sealant & DIY Business | 18.40% | 10.48% |
| Gross Profit Margin | 16.36% | 9.31% |

Overall performance, gross margin of plastic compound business has been decreasing in 2022 since the rising major material costs used for production, including PVC Resin and Plasticizers to be used as additive solutions went up due to the increasing demand of global chemical materials around the world while the global oil price has also impacted to the plastics manufacturers during 2022 as the Russia-Ukraine war has been the threat of energy supply shortfall. Those rising chemical materials led to the decrease of 2022 overall margin of Plastic Compound segments. For Adhesive products, gross margin also decreased as the rising material costs including Synthetic Rubber, Toluene and other solvent materials using for industrial adhesive production was direct effect to the overall decrease in Gross Margin in Adhesive segment. In Sealant and DIY Business, the margin also fell down significantly compared to last year as the rising petrochemical materials has been impact to the soaring material costs of Silicone and Silicone compound materials and Baht depreciation during the period, so the overall sealant material costs have been rising as most of the sealant production materials have been imported from overseas markets especially during the 2nd half of 2022.

Selling & Administrative Expenses

Total selling and administrative expenses in 2022 increased THB +7.94 million, or +9.78% from 2021. The increase in selling and administrative costs was mainly due to the following reasons;

Table 6 : Selling & Administrative Expenses

| Selling & Administrative Expenses | Jan-Dec 2021 | | Jan-Dec 2022 | | Increase (decrease) | |
|--|---------------|---------------|---------------|---------------|---------------------|-------------|
| | MB | % | MB | % | MB | % |
| Selling Expenses | 82.45 | 42.55 | 90.88 | 45.05 | 8.43 | 10.22 |
| Administrative Expenses | 111.34 | 57.45 | 110.85 | 54.95 | (0.49) | (0.44) |
| Selling & Administrative Expenses | 193.79 | 100.00 | 201.73 | 100.00 | 7.94 | 4.10 |



Selling Expenses

Total selling expenses increased for THB +8.43 million or +10.22% from THB 82.45 million of 2021 to THB 90.88 million in 2022. The increase of selling expenses was primarily due to higher sales revenue from domestic customers leading the higher transportation expenses associated with the increase in sales volume. For export section, capacity constraints was impact on the global marine shipment around the world, and these impact led to the uprising export expenses during the last year as well. In addition, the increase in commission paid to sales person and sales team led the overall rising in selling expenses in accordance with increase in sales revenue.

Administrative Expenses

Total administrative expenses for FY 2022 decreased for THB (0.49) million or (0.44%) from THB 111.34 million to only THB 110.85 million during the same period of last year. The decrease of administrative expenses was mainly related to the decrease in costs associated with employees, and organization management and employee's benefits.

Finance Costs

When compared to the finance costs between 2021 and 2022, total finance costs increased from THB 7.39 million to THB 13.66 million or increased from 0.43% of sales to 0.63% of sales. A significantly increase of finance costs for THB +6.27 million or +84.84% was mainly due to the rising interest rates and the increase of short-term bank loans to finance the increasing material purchase to support the solid growth of revenue in 2022.

Net Profit

The Company had a net loss of FY2022 for THB (6.93) million from net profit of THB 77.96 million of FY2021. The rising major material costs used for production, including PVC Resin and Plasticizers to be used as additive solutions went up due to the increasing demand of global chemical materials around the world while the global oil price has also impacted to the plastics manufacturers during FY2022 as it is by products of petroleum. For Adhesive & Sealant segments, we have also experienced lower profit margins from rising chemical materials, and solvents used for production while rising the freight costs and transportation expenses also impacted to overall FY2022 as well.

Financial Position

Total Assets

As at December 31, 2021 and December 31, 2022, the Company had total assets of THB 1,454.04 million and THB 1,626.39 million, respectively. The company's main assets were mainly consist 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 925.35 million and THB 1,111.83 million and non-current assets for THB 528.70 million and THB 514.56 million, respectively.

Significant changes in assets in 2022 are summarized below;

1. Current Assets

- Cash and cash equivalents as at December 31, 2022, the overall cash and cash equivalents increase of THB +38.61 million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. In 2022, the Company has net cash used for operating activities for THB (116.35) million mainly attributed to the Changes in operating assets consist of an increase of THB (56.34) million in inventories and THB (64.63) million in accounts receivable. In addition, additional cash flow were used in investment of fixed assets for THB (39.19) million. Those cash flow used in operating and investing activities has been financed by short-term loan from financing activities for THB +195.83 million especially the short-term financing to support more inventories reserved for production.



- Trade accounts receivable as at December 31, 2021, and December 31, 2022, trade accounts receivable increase of THB +60.48 million was led by the significantly higher in revenue from sales this year compared to our revenue during the same period of last year.

| Unit (MB) | For year ended | |
|--------------------------------------|------------------|------------------|
| | 31 December 2021 | 31 December 2022 |
| Related parties | 0.57 | 0.59 |
| Other receivables | 387.80 | 448.27 |
| Total Receivables | 388.37 | 448.86 |
| Less allowance for doubtful accounts | (2.41) | (2.45) |
| Net Accounts Receivable | 385.97 | 446.41 |

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. However, the average collection period decreased from 81 days as at FY2021 to 70 days as at FY2022 due to faster cash collection period.

- Inventories as at December 31, 2021, and December 31, 2022, an increase in inventory of THB +55.23 million was primarily the result of increasing stocking level of finished products and materials as well as higher production costs of finished products compared to last year.

| Unit (MB) | For year ended | |
|--------------------------------|------------------|------------------|
| | 31 December 2021 | 31 December 2022 |
| Finished goods | 128.22 | 144.54 |
| Raw materials | 242.94 | 295.22 |
| Work in process | 19.79 | 23.61 |
| Factory supplies | 30.56 | 35.65 |
| Goods in transit | 42.03 | 20.88 |
| Allowance for decline in value | (8.20) | (9.31) |
| Net Total | 455.35 | 510.58 |

2. Non-current Assets

- Property, plant and equipment as at December 31, 2021, and December 31, 2022, a decrease in property, plant and equipment of THB (12.50) million and sale of fixed assets that has not been used for THB (2.20) million.

Total Liabilities & Shareholders' Equity

As at December 31, 2021 and December 31, 2022, the Company had total liabilities of THB 770.51 million and THB 982.66 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 683.53 million and THB 643.73 million, respectively. At the end of December 31, 2022, 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 57.52 million and other component of shareholders' equity of THB 0.06 million.

**Significant changes in liabilities and shareholders' equity of 2022 are summarized below;****1. Current Liabilities**

- Short-term borrowings from financial institutions as at December 31, 2021, and December 31, 2022, an increase in short-term loan of THB +285.68 million was the result of rising chemical material price and more inventory reserve during Q4/2022 to secure with the next quarter orders from customers.
- Trade accounts payable as at December 31, 2021, and December 31, 2022, a decrease in accounts payable of THB (18.20) million was mainly due to the decrease in accounts payable to foreign suppliers. In 2022, the average accounts payable period decreased from 58 days to 45 days.

2. Non-current liabilities

As at December 31, 2022, the Company's non-current liabilities consisted of long-term loan of THB 9.42 million, or a decrease of THB (34.14) million, and a decrease of non-current provisions for employee benefit of THB (1.06) million with the reference of the actuarial report from the actuarial experts.

3. Shareholders' equity

As at December 31, 2022, the Company's shareholders' equity of THB 643.73 million or a decrease of THB (39.80) million, was the results of net loss from operations for (6.93) million, dividend payment during the year for THB (36.33) million, but the Company has other comprehensive income for THB 3.43 million.

Financial Ratio Analysis*Table 7 : Key Financial Ratios*

| Financial Ratio | Unit | For the year ended 31 Dec 19 | For the year ended 31 Dec 20 | For the year ended 31 Dec 21 | For the year ended 31 Dec 22 |
|-----------------------------------|-------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <u>Liquidity Ratio</u> | | | | | |
| Current Ratio | Times | 1.28 | 1.46 | 1.36 | 1.20 |
| Collection Period | days | 88 | 92 | 81 | 70 |
| Inventory Period | days | 86 | 91 | 96 | 89 |
| Accounts Payable Period | days | 63 | 67 | 58 | 45 |
| <u>Profitability Ratio</u> | | | | | |
| Gross Profit Margin | % | 13.44 | 19.53 | 16.36 | 9.31 |
| Net Profit Margin | % | 0.24 | 5.05 | 4.45 | (0.32) |
| Return On Equity | % | 0.56 | 11.36 | 11.39 | (1.04) |
| <u>Turnover Ratio</u> | | | | | |
| Return on Assets | % | 0.26 | 5.58 | 5.61 | (0.45) |
| Asset Turnover | Times | 1.10 | 1.11 | 1.26 | 1.41 |
| <u>Financial Policy</u> | | | | | |
| Debt to Equity | Times | 1.16 | 0.93 | 1.13 | 1.53 |
| Interest Coverage Ratio | Tunes | 1.72 | 6.37 | 9.84 | 0.56 |

1. Current Ratio

As at December 31, 2022, our liquidity ratio decreased from 1.36 times in Q4/2021 to 1.20 times in Q4/2022. For Liquidity management, the collection period decreased from 81 days in 2021 to 70 days in 2022, primarily due to the faster payment collections from customers during the period. Our inventory period also decreased from 96 days in 2021 to 89 days in 2022. In addition, our accounts payable days also decreased from 58 days to 45 days in 2022 compared to the same period of last year.



2. Profitability Ratio

The Company gross profit margin decreased from 16.36% in 2021 to 9.31% in 2022 mainly due to the soaring major material costs used for production, including PVC Resin and Plasticizers to be used as additive solutions; while the global oil price has also impacted to the plastic manufacturers and hydrocarbon solvents of adhesive productions during 2022. Furthermore, the shortage material supply in China from their energy crisis and dramatically increased of freight costs of oversea shipments around the world have been impact to the soaring material costs of Silicone and Silicone compound materials. As a results, the net profit margin decreased (NPM) from 4.45% in 2021 to Net Loss of (0.32%) in 2022. These lower NPM led the slightly negative of Return on Equity from 11.39% in 2021 to (1.04%) in 2022.

3. Turnover Ratio

As at December 31, 2022, the Company return on assets increased from 5.61% in 2021 to (0.45%) in 2022. The Company asset turnover increased from 1.26 times in 2021 to 1.41 times while the assets increased, the overall revenue of the Company also increased at the higher proportion during 2022.

4. Financial Policy

Debt to Equity ratio increased from 1.13 times in 2021 to 1.53 times in 2022. Our increasing of interest expenses increased from THB 7.50 million to THB 12.94 million in 2022 due to higher total liabilities. With a decrease of earnings before interest and tax and rising interest expenses, the interest coverage ratio decreased from 9.84 times in 2021 to 0.56 times in 2022

5. General Information and other Important Information

5.3 General Information of the Company.

| | |
|---------------------|--|
| Company name | Applied DB Public Company Limited |
| Symbol | ADB |
| Registration No. | 0107560000117 |
| Business Type | Manufacturer and Distributor of Plastic Compound, Adhesive, Sealant and DIY products for Domestic and International customers. |
| Head Office | 252 Moo 4 Sukumvit Road, Prakasa , Muangsamutprakan Samutprakan 10280. |
| Factory | <p>1) Adhesive and Sealant Products Factory. 252 Moo 4 Sukumvit Road, Prakasa , Muangsamutprakan Samutprakan 10280.</p> <p>2) Plastic Compound Products Factory. 260 Moo 4 Sukumvit Road, Prakasa , Muangsamutprakan Samutprakan 10280.</p> <p>3) Plastic Compound Products Factory. 271 Moo 4 Sukumvit Road, Prakasa , Muangsamutprakan Samutprakan 10280.</p> <p>4) Sealant Products Factory. 816 Moo 7 Bangpumai Mauangsamutprakan Samutprakan 10280.</p> |
| Telephone | 02-709 4040-9 |
| Facsimile | 02-709 4396 |
| Website | www.adb.co.th |
| Registered Capital | 362,999,961.50 baht Divided into ordinary shares 725,999,923 shares, par value 0.50 baht. |
| Paid-Up Capital | 362,999,961.50 baht Divided into ordinary shares 725,999,923 shares, par value 0.50 baht. |
| Company's Secretary | Ms.Kanokwan Kongtanakomtunyakid Tel. 02-709 4040-9 Ext.1097,1099 E-mail : adb-cs@adb.co.th |
| Investor Relation | Ms.Kanokwan Kongtanakomtunyakid Tel. 02-709 4040-9 Ext.1097,1098 E-mail : adb_ir@adb.co.th |

Reference Person

| | |
|------------------------------|---|
| 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 |

5.4 Other material facts

- None -

5.5 Legal disputes

- None -

5.6 Secondary market

- 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 2022, 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.
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 shareholders' 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 realtime.

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 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 opportunities to ask directors questions in the meeting and to submit questions in advance, having an opportunities 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 require, 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 a full score of 100 from the quality assessment of the Annual General Meeting of Shareholders in 2022. The score is in the "Excellent"

**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 beach of contract.
7. Do not seek confidential trade information of business partners in a dishonest or inappropriate manner, such as payment commision to employees or executives of competitors.
8. Never accuse partners without truth.
9. Avoid situations that cause conflict of interst, 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 a 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 oeprations and maintain credibility with creditors.
13. Committed to maintain a sustainable relationships with credtiros 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. Stricly 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 indepdence 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 2022, 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 exercise competitions and annual party 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 when parents or husband or wife pass away or parental leave, an annual medical check-up and 5S activities in every area of the company.



These aim for providing comfortable and clean environment, suitable for work place and is appreciated 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 in 2022. 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 an opportunities to employees to thoroughly share opinions about work practices.
8. The company has established a policy relating to respect of human rights by defining clear operational practices and guidelines for non-discrimination, 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 2022, 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 ermission.
11. All employees shall respect and honour 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's location and manufacturer are located in Bangpu Industrial Estate which surrounding by villages at all exits with the continuous development all over. The company cooperates with the Industrial Estate for participating in activities with community to return to society. In 2019, the management and the employees participated in forest planting activity and cleaning Bangpu Recreation Center in order to increase fresh and clean air to the community sustainably.
4. The company is a member of several clubs of Bangpu Industrial Estate and a member of organization of Samutprakarn Province in order to partipate in activities organized for the community as deemed appropriate for each event.
5. The company has established preventive or corrective measures for an impact on the environment and the community 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 Bureau Veritas Certification Thailand the company that provides standard certification worldwide.
2. Develop and improve environmental management system in the companys' 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 campaigns.
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 annoucement to employees in order to increase knowledge and to communicate as the same practice throughout the organization.
6. Present the result of performance in accordanc 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 communiате with external.

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

For social and community aspect, in 2022, 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 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 2022, 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. This 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.
2. It is prohibited to use insider information of the Company to seek benefits in the purchase or sale of the Company's shares or to provide such information to other persons to purchase or sell the Company's shares



3. It is prohibited to use the Company's confidential information for exploitation including for personal use or for any persons without realizing that such information may cause damage to the Company.
4. It is prohibited to disclose the Company's trading confidentiality to others, especially to the Company's competitors.
5. It is prohibited to disclose customers' confidential information until the written permission of the Company has been obtained.
6. The Company has established measures to prevent the exchange of the Company's insider information to the connected persons including the Directors, the Senior Management, and the employees in related departments (spouses and underage children are included). In this regard, the Company has a policy to prohibit connected persons from trading the Company's securities in writing for at least 30 days before the quarterly public disclosure and annual financial statements, and at least 24 hours after the public disclosure of such financial information.

■ **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 complainer 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.

(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 2022, 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 2022, 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 2022, the Board of Directors' performance is as follows:

1. The Board of Directors organized 7 Board of Directors' meetings in 2022 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 2022, the charter of all committees has been amended. and 9 important policies, namely, Good corporate Governance Policy, Code of Ethics and Rule of Condu, Control and Supervisory of Subsidiaries and Associate Companies Policy, Insider Trading Policy, Disclosure Handbook, Risk Management, Corporate Social Responsibility, Human Development Policy, Privacy Policy and Waste management policy n addition, the revised contents and summary of important issues have been used in internal communications by training and educating employees, both old and new employees, 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 2022, 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.

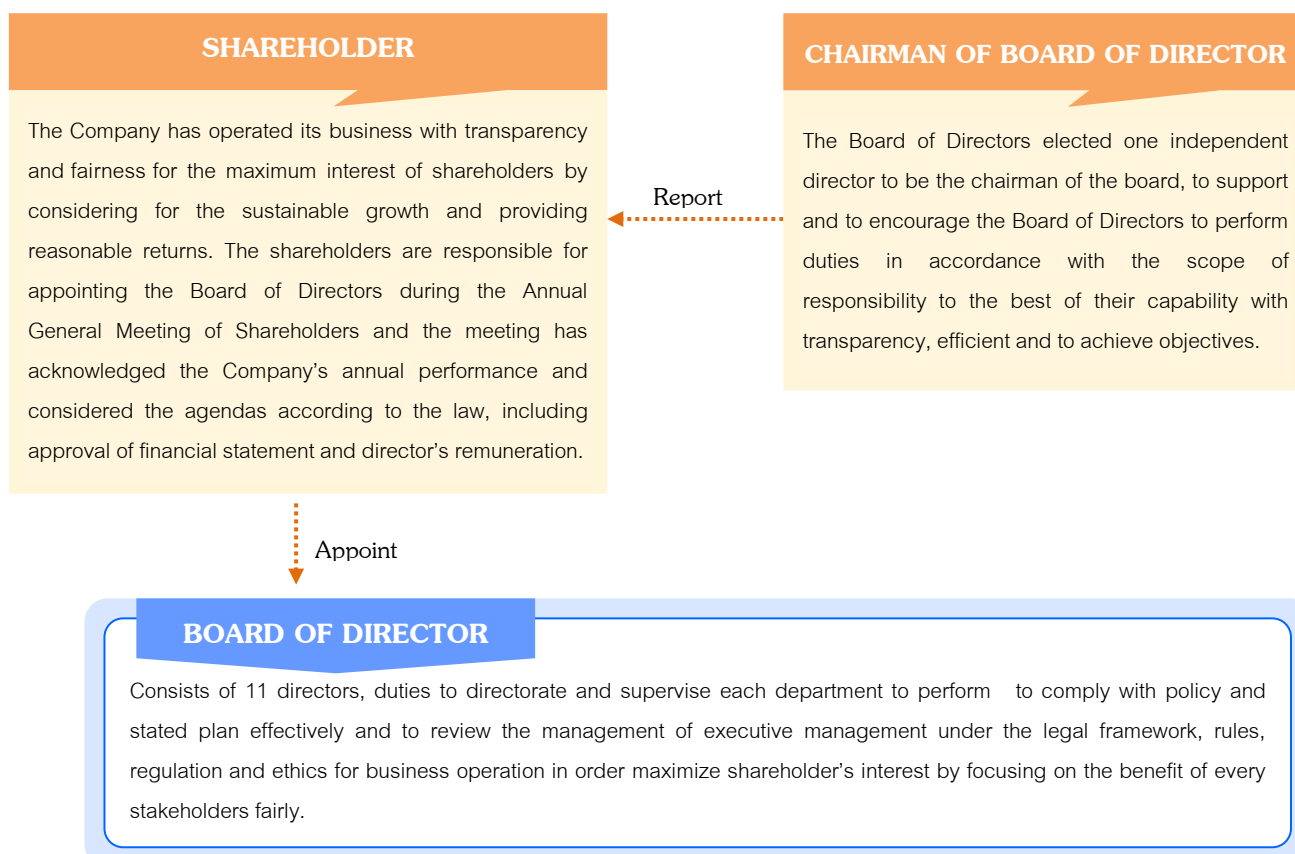
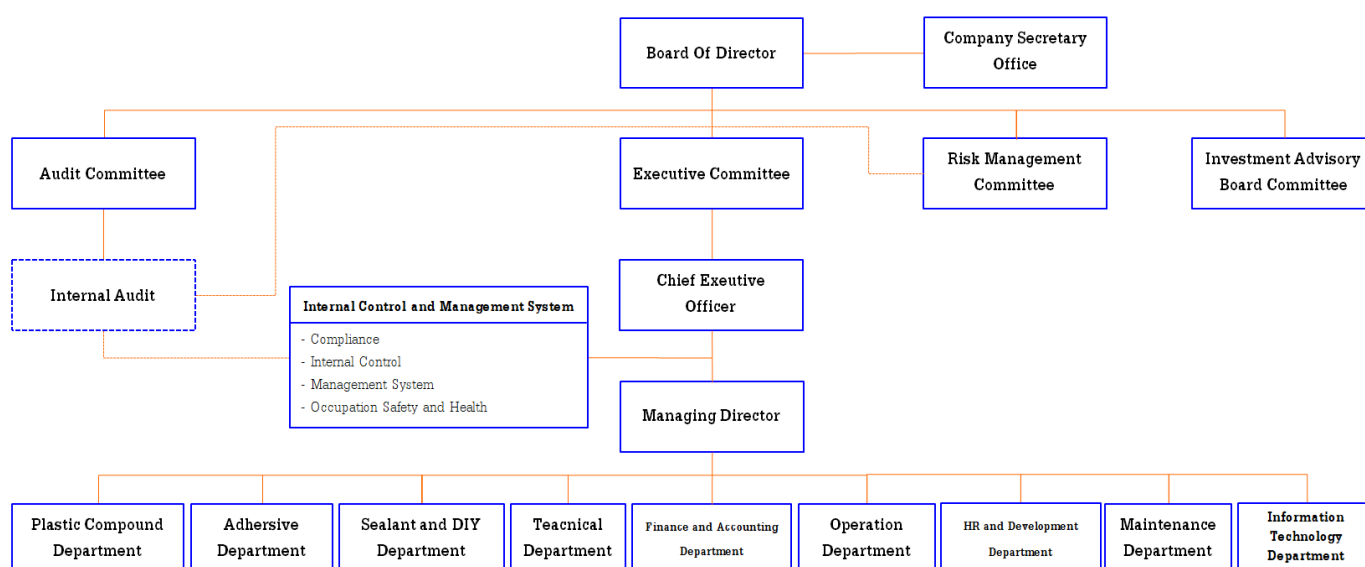
Major Developments in 2022

1. The company received the score from the Corporate Governance Report of Thai Listed Companies 2022 in the level of "Very Good"
2. 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.

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.



7.2 Important Information of the Board of Directors

The composition of the Board of Directors

As of December 31, 2021, 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 Wanapaison | Director (Executive) | - | Committee | - | Chairman |
| 3. Mr.Rattanachai Wongcharoensin | Director (Non-Executive) | - | - | - | - |
| 4. Ms.Pornpiwan Niramomcherdchay | Director (Executive) | - | Committee | - | Committee |
| 5. Mr.Wei Kai Wang | Director (Executive) | - | Committee | - | Committee |
| 6. Mr.Veerachai Wongcharoensin | Director (Executive) | - | Committee | - | 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 person 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.

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.

Risk Management Committee

Appointed by the Board of Director, consists of at least 3 persons, duties to establish risk management policy, risk management plan and risk management process for the whole enterprise.

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, 2022, Audit Committee consists of 3 Independent directors as follows:

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

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 .
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 efficiency and effectiveness of risk management, and governance processes.
10. The Audit Committee is one of the departments that provides access to procedures regarding receiving complaints, whistleblowing, corruption, misconduct, and practices contrary to the Company Group's regulations about the work of directors, executives, employees from insiders or external agencies.
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.

..... **Risk Management Committee**

The Risk Management Committee of the Company ("The 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, 2022, The company has the Risk Management Committee consists of 6 person, Consists of 2 independent directors, 1 non-executive director and 3 executive directors. as follows:

| Name | Position |
|---|---------------------------------------|
| 1. Dr.Mongkon Laoworapong | Chairman of Risk Management Committee |
| 2. Mr.Wang Wanapaison | Risk Management Committee |
| 3. Ms.Pornpiwan Niramoncherdchay | Risk Management Committee |
| 4. Mr.Wutthichai Wongcharoensin | Risk Management Committee |
| 5. Asst.Prof.Dr. Monpilai H. Narasingha | Risk Management Committee |
| 6. Mr. Piriya Mounkram | Risk Management Committee |

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

Roles, Duties and Responsibility of the Risk Management Committee.

1. Review and propose the policy and risk management framework to the Board of Directors for approval.
2. Review and approve the risk appetite and present to the Board of Directors for acknowledgment.
3. Monitor corporate governance, development and implementation of risk management policies and ensure the efficiency of risk management system throughout the organization.
4. Review the risk management report and ensure that the organization has adequate and appropriate risk management.



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. Give advice and consultation to the Sub-Risk-Management Committee (SRM) and/or departments and/or working groups related to risk management, including considering appropriate ways to correct information related to the development of risk management systems.
8. Consider appointing sub-committees and/or additional or replacement personnel in the risk management sub-committee or units or working groups related to risk management as appropriate, including determining roles and responsibilities. for the benefit of carrying out the objectives.
9. Any other operations related to risk management 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, 2022, The company has the Investment Advisory Board Committee Consists of 2 independent directors as follows:

| Name | Position |
|---|---|
| 1. Dr.Mongkon Laoworapong | Chairman of Investment Advisory Board Committee |
| 1. Asst.Prof.Dr. Monpilai H. Narasingha | Investment Advisory Board Committee |

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, 2022, The company has the Executive Committee consists of 8 person as follows:

| Name | Position |
|---------------------------------|-------------------------------------|
| 1. Mr.Wang Wanapaisan | Chairman of the Executive Committee |
| 2 Mr.Wei Kai Wang | Executive Committee |
| 3. Mr. Kang Hsu Liu | Executive Committee |
| 4. Mr.Wutthichai Wongcharoensin | Executive Committee |



| Name | Position |
|----------------------------------|---------------------|
| 5. Mr.Veerachai Wongcharoensin | Executive Committee |
| 6. Ms.Pornpiwan Niramoncherdchay | Executive Committee |
| 7. Mr. Piriya Moungram | 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 and 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. Considering 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 highest ranking executive. As of December 31, 2022, The company has the highest ranking executive consists of 13 person as follows:

| Name of Executives | Position |
|-----------------------------------|--|
| 1. Mr. Wang Wanapaisorn | Chief Executive Officer |
| 2. Ms.Pornpiwan Niramongcherdchay | Managing Director |
| 3. Mr.Jirawat Akkranupornpong | Vice President of Finance and Accounting |
| 4. Mr. Wei Kai Wang | Vice President of Plastic Compound Product |
| 5. Mr.Veerachai Wongcharoensin | Vice President of Adhesives Product |
| 6. Mr.Kang Hsu Liu | Vice President of Sealant and DIY Product |
| 7. Mr.Piriya Mounkram | Vice President of Technical Department |
| 8. Mr.Siripong Luewongwattana | Vice President of Sales of Plastic Compound Product |
| 9. Mrs.Wichitra Thubburee | Vice President of Internal Control and Management System Office |
| 10. Ms.Nattha Likitrujanon | Vice President of Operation Department |
| 11. Mr.Chang Chin Kuei | Vice President of Maintenance Department |
| 12. Ms.Sirisuda Sujariyanurak | Acting to Vice President of Human Resources and Development Department |
| 13. 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

8. Report on Key Performance in Corporate Governance

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

In 2022, 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 adequacy 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, Eexecutives, Major Shareholders, Controlling person or persons who will be nominated as the Director, Eexecutives 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 an 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 and Company Secretary and initially considering the qualifications appropriate to the context of the business and present such persons to the Board for approval. Selecting the Company's Directors, the Committee considers, screens and recruits persons 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.

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 2022 can summarize the performance assessment in general as follows:

■ 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

In 2021, the performance assessment result of the Board of Directors (group) gained in average of 95.22% Excellent Level.

■ Performance Assessment of Each Director (Self)

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

In year 2022, the performance assessment of each personnel (self) gained in average 97.73% Excellent Level.

■ 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, the result of assessment summarized as follows:

- **Audit Committee** performance assessment result gained in average of 96.75% Excellent Level.
- **Executive Committee** performance assessment result gained in average of 87.50% Very Good Level.
- **Risk Management Committee** performance assessment result gained in average of 97.16% Excellent Level.

■ 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.

In 2022, the performance assessment result of Chief Executive Officer gained in average of 95.50% Excellent Level. The most director has opinioned that Chief Executive Officers has performed his duties well.

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 2022

| Name of Directors | Meeting | | | | | | |
|----------------------------------|---------|-----|-------------------|-----------------|---------------------------|---------------------------|---------------------|
| | AGM | EGM | Board of Director | Audit Committee | Risk Management Committee | Investment Advisory Board | Executive Committee |
| 1. Mr.Pawat Wongtangtrakul | 1/1 | 1/1 | 7/7 | - | - | - | - |
| 2. Mr.Wang Wanapaison | 1/1 | 1/1 | 7/7 | - | 3/3 | - | 6/6 |
| 3. Mr.Rattanachai Wongcharoensin | 1/1 | 1/1 | 7/7 | - | - | - | - |
| 4. Ms.Pornpiwan Niramomcherdchay | 1/1 | 1/1 | 7/7 | - | 3/3 | - | 6/6 |
| 5. Mr.Wei Kai Wang | 1/1 | 1/1 | 7/7 | - | 1/1 | - | 6/6 |
| 6. Mr.Veerachai Wongcharoensin | 1/1 | 1/1 | 7/7 | - | 1/1 | - | 6/6 |



| Name of Directors | Meeting | | | | | | |
|------------------------------------|---------|-----|-------------------|-----------------|---------------------------|---------------------------|---------------------|
| | AGM | EGM | Board of Director | Audit Committee | Risk Management Committee | Investment Advisory Board | Executive Committee |
| 7. Mr.Wuttichai Wongcharoensin | 1/1 | 1/1 | 7/7 | - | 3/3 | - | 6/6 |
| 8. Dr.Mongkon Laoworapong | 1/1 | 1/1 | 7/7 | 4/4 | 3/3 | - | - |
| 9. Asst.Prof.Dr.Monphilai Norasing | 1/1 | 1/1 | 7/7 | 4/4 | 3/3 | - | - |
| 10. Mrs.Kanchana Piyasatit | 1/1 | 1/1 | 7/7 | 4/4 | - | - | - |
| 11. Mr. Yang Chung Jen | 1/1 | 1/1 | 7/7 | - | - | - | - |

Remark :

- Number of meeting times / Number of meetings held.
- 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 2022**

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 2022, 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 | 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 |
| 4. Ms.Pornpiwan Niramongcherdchay | 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 | - | 45,000 | - | 600,000 | 750,000 |
| 8. Dr.Mongkon Laoworapong | Independent Director | 105,000 | 360,000 | 45,000 | - | - | 510,000 |
| 9. Asst.Prof.Dr.Monphilai Norasing | Independent Director | 105,000 | 300,000 | 45,000 | - | - | 450,000 |
| 10. Mrs.Kanchana Piyasatit | Independent Director | 105,000 | 300,000 | - | - | - | 405,000 |
| 11. Mr. Yang Chung Jen | Independent Director | 345,000 | - | - | - | - | 345,000 |
| Total | | 1,935,000 | 960,000 | 135,000 | 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 2021, 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 4 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 2022, 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 2022, 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 signed declaration of intent Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on May 23, 2022.

In 2022, The company no complaints from employee, customer or partner about corruption

(4) 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 the previous year, 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 2022.**

| Name | Position | Meeting Attendance |
|------------------------------------|---------------------------------|--------------------|
| 1. Dr.Mongkon Laoworapong | Chairman of the Audit Committee | 4/4 |
| 2. Asst.Prof.Dr.Monphilai Norasing | Audit Committee | 4/4 |
| 3. Mrs.Kanchana Piyasatit | Audit Committee | 4/4 |

■ **Performance Assessment of Audit Committee in year 2022.**

Actions of the Audit Committee during the year 2022 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 2022 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 2022, 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 during the situation of the COVID-19 pandemic and the Company situation. 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 Ssub-Committees

Risk Management Committee

■ Information on attendance of the Risk Management Committee in 2022

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

Remarks: 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.

■ Performance Assessment of Risk Management Committee in year 2022

In 2022, Risk Management Committee has arranged the meeting 3 times, all committees attended all meetings each meeting. All 3 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 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 2022 can be summarized as follows:

1. Approve the risk management plan for the year 2022 and the strategic risk of each business. Especially the state of war, Russia's attack on Ukraine has escalated the conflict between Ukraine and Russia to a war situation that tends to prolong and has a wide-ranging impact both on the security of NATO countries and on the global economy. For The COVID-19 epidemic considering the balance between infection risks and resumption the public health risk depends on the environment and policy of each country the hug economic China market still has block. Climate change affects food inputs, resources and sustainability expectations. That affects the entire value chain of the company's processes, market conditions, situations of customers, trading partners, fluctuating raw material purchase prices. shortage of important raw materials increased shipping costs employee health care costs Including the standpoint of sustainability. All 3 important external events are causes and consequences that cause risks to operating results.
2. Approved the risk assessment in the COVID-19 periodically to be relaxed and rigorous to suit the situation, both benefits for the employees, contractors, and internal operations, in order to ensure the safety and not disrupt the business operation.
3. Approved the organizational risks, measures, and effectiveness indicator of risk management of previous year and assessment result of next year before presenting to the Board of Directors for approval and acknowledgement the risk management plan, Partial Business Transfer to open a subsidiary
4. Approval and assessment of emerging risks which is important risks that may occur in the next 3-5 years that stakeholders are concerned and expect from the Company's management. The Board of Directors has considered the issue climate management action plan, resource management, including the company's operations, biodiversity action guidelines, which have assessed that the company's operations do not directly affect biodiversity in key activities.
5. Approved 12 high-level risk mitigation measures covering work plans, people, resources, processes, infrastructure, and safety, which could help develop the potential of the organization's strategic goals in the 3Ps People Process Product.
6. Review the Risk Management Committee Charter and Risk Management Policy for approval the major practical guidebook such as Risk Management, Enterprise Risk Management Guidelines for other working documents related to risk management such as Acceptable criteria (Risk tolerance) Risk Mapping has reviewed and found that it is still appropriate and has not been modified in any way.

By conclusion, Risk Management Committee has opinion in year 2022, 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 2022

| 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 2022.

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 2022

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

■ Performance Assessment Result of Executive Committee in 2022

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

The Board of Directors and the Management have established the organizational structure for management, roles and duties of those involved as well as the authority to consider and approve different matters to ensure that the Company has an internal control system that promotes effective achievement of objectives and operations in accordance with the framework of relevant laws and standards, able to manage the business according to the business plan, budget approved and track reports to achieve the vision and mission set under the principles of corporate good governance.

In 2022, the Board of Directors has reviewed the annual policy and revised Good Corporate Governance Policy, Code of Conduct, Supervisory of Subsidiaries and Associate Companies Policy, Social Responsibility Policy, Personnel Management and Development Policy, Risk Management Policy and Privacy Policy. Other policies have considered that the content is still suitable for the current work, so there is no modification in any way.

The management of the company held annual policy training during the third quarter for employees at all levels to explain the revisions of important content, summarize important policies in new employee orientation training. There are activities to create participation between employees and executives in risk management and anti-corruption and a test to measure knowledge by answering an annual questionnaire so that employees will realize the importance of goals, vision, organizational culture, the duty to uphold business ethics, both with their duties and with the responsibility of the public, and all policies have been published on the website of the company for public dissemination and intranet systems for internal use of the company.

9.1.1 Risk Assessment

In 2022, 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:

- 1) Safety and occupational health. In 2022, it was the first year that the company apply occupational health and safety standards ISO45001:2018 with the approval of the Risk Management Committee from the previous year's proposal that the operation of the Company related to hazardous chemicals and mainly operated by labor, so we must focus on the safety of employees, operators and people involved in work process. Risks of operational level of the Company in terms of personnel, machinery, tools, are in a moderate level and are regularly managed according to the inspection cycle.
- 2) The Company set Anti-Corruption policies and communicate internally and externally and instill values among the company's employees by "ADB will work against corruption and be one force of society and business against corruption". ADB has joined Collective Action Against Corruption of the Thai Private Sector (CAC) on 23 May 2022.

9.1.2 Control Activities

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.

9.1.3 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.

In addition, the Company has established a mechanism for receiving complaints through several channel from internal and external sources such as informing a supervisor directly, informing a director, sending an email to the Company's Investor Relations Department. A whistleblower may be disclosed or remains anonymous. The full version of the use of insider information policy and the whistleblowing policy can be read through the QR Code below.



9.1.4 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 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 in 2022, 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.

9.2 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 | <ul style="list-style-type: none"> - 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. |
| CS Rubber Industry Company Limited | <ul style="list-style-type: none"> - Manufacturer, importer and exporter of rubber products - Shareholders are Mr.Manit Wongcharoensin, Mr.Puwasit Wongcharoensin, Mr. Wiwat Wongcharoensin and Mr.Suwatchai Wongcharoensin (Wongcharoensin Family) who are the Company's major shareholders, holding 10.63% of paid-in registered capital of 90 million baht per person. |

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 2021 | Jan-Dec 2022 | | |
| CPL Group Public Company Limited | | | | |
| <u>Selling</u> | | | | |
| Sale revenue | 2,505,547 | 3,883,945 | 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 | 543,314 | 994,116 | | |
| CS Rubber Industry Company Limited | | | | |
| <u>Selling</u> | | | | |
| Sale revenue | 55,080 | 69,840 | The Company sells thinners to CS Rubber Industry Company Limited. The products are developed from solvent which is a main material of adhesives. Thinners are not the Company's main products but they are produced from adhesive materials and can increase the Company's additional revenue. The Company sells thinners not only to CS Rubber Industry Company Limited but also to external | 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 |
| Trade receivables | 9,823 | 33,898 | | |



| Nature of Transaction | Transaction Value (THB) | | Necessity / Reasons for the Transaction | Opinion from Audit Committee |
|-----------------------------|-------------------------|--------------|--|--|
| | Jan-Dec 2021 | Jan-Dec 2022 | | |
| | | | customers. The thinners' prices sold to CS Rubber Industry Company Limited are comparable to those sold to outsiders. Average gross profit margin the Company makes can be comparable to those on outsiders and comparable to average gross profit margin made from general adhesives and sealants. Commercial transactions are normal business operations which determine sales prices considered by appropriateness of sales volume and sales prices and trade terms in the same way as the Company does to other customers. | 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. |
| Thai Wiring System Co.,Ltd. | | | | |
| <u>Selling</u> | | | | |
| Sale revenue | - | 1,100,000 | 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 |
| Trade receivables | - | - | | |



| Nature of Transaction | Transaction Value (THB) | | Necessity / Reasons for the Transaction | Opinion from Audit Committee |
|---|-------------------------|--------------|---|--|
| | Jan-Dec 2021 | Jan-Dec 2022 | | |
| | | | | to outsiders and do not make the Company lose any interest. |
| ADB Bio Co.,Ltd. | | | | |
| Sales and services revenue | - | 328,953 | The Company has sold raw materials of PVC Compound to ADB Bio Co., Ltd. at the same selling price as purchased from raw material manufacturers and distributors because during this second quarter of 2022, ADB Bio Co., Ltd. is in the process of requesting permission to import raw materials and requesting a credit from the bank, which at present, both transactions have been completed, however, this trade transaction is a normal business operation, the selling price is determined based on the appropriateness of the transaction volume. The purchase of Bio raw materials will be operated by ADB Bio Company Limited in the future. | 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 | - | 10,700 | | |
| CPL Group Public Company Limited | | | | |
| <u>Purchasing</u> | | | | |
| Cost of sales | 124,319 | 63,528 | 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 | 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 |
| Account receivable | 25,252 | 3,976 | | |



| Nature of Transaction | Transaction Value (THB) | | Necessity / Reasons for the Transaction | Opinion from Audit Committee |
|---|-------------------------|--------------|---|--|
| | Jan-Dec 2021 | Jan-Dec 2022 | | |
| | | | Department compares the prices according to the Company's procurement policy and proposes to executives for an approval. | considers and precedes the transactions in the same way the Company does with other business partners. |
| All New Vision Company Limited <u>Purchasing</u> | 300,143 | 28,037 | The Company purchases products from All New Vision Company Limited to be used as gifts to customers and/or Certification of the Company's customers as usual. | 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 | 25,552 | 30,000 | | |



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.

- 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.
- 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 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.



3 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, 2022 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, 2022.



Mr. Wang Wanapaisan
Chief Executive Officer



Mr. Pawat Wongtangtrakul
Chairman

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 2022, 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 2022 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.

| <i>Valuation of inventories</i> | |
|---|---|
| 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 realisable value. The estimation of net realisable value of inventories involve management's judgment. Therefore, I considered this as the key audit matter. | <p>My audit procedures included the following:</p> <ul style="list-style-type: none">- 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 realisable 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 realisable 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 2023

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| <i>(in Baht)</i> | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 101,515,605 | 62,911,343 | 99,366,954 | 61,760,129 |
| Trade accounts receivable | 4, 6 | 446,450,948 | 385,971,581 | 281,754,914 | 385,971,581 |
| Other receivables | | 37,584,067 | 21,118,971 | 37,513,051 | 21,118,971 |
| Inventories | 7 | 510,576,179 | 455,349,092 | 198,779,534 | 455,349,092 |
| Other current assets | | 15,700,559 | - | 15,700,559 | - |
| Disposal groups classified as held for sale | 8 | - | - | 545,291,933 | - |
| Total current assets | | 1,111,827,358 | 925,350,987 | 1,178,406,945 | 924,199,773 |
| Non-current assets | | | | | |
| Investments in subsidiaries | 9 | - | - | 2,006,523 | 1,006,623 |
| Property, plant and equipment | 10 | 495,840,808 | 508,340,282 | 432,270,829 | 508,340,282 |
| Right-of-use assets | 10 | 5,554,997 | 6,244,131 | 5,554,997 | 6,244,131 |
| Other intangible assets | | 1,394,626 | 1,434,246 | 1,394,626 | 1,434,246 |
| Deferred tax assets | 20 | 11,226,927 | 11,163,792 | 6,370,330 | 11,163,792 |
| Other non-current assets | | 543,511 | 1,512,780 | 543,511 | 1,512,780 |
| Total non-current assets | | 514,560,869 | 528,695,231 | 448,140,816 | 529,701,854 |
| Total assets | | 1,626,388,227 | 1,454,046,218 | 1,626,547,761 | 1,453,901,627 |

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

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

| Liabilities and equity | Note | Consolidated | | Separate | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| <i>(in Baht)</i> | | | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term borrowings | | | | | |
| from financial institutions | 12 | 616,133,793 | 330,453,042 | 615,133,793 | 330,453,042 |
| Trade accounts payable | 4 | 238,041,807 | 256,239,384 | 178,508,167 | 256,239,384 |
| Other payables | 4 | 49,342,553 | 62,150,594 | 39,603,122 | 62,075,067 |
| Current portion of lease liabilities | 12 | 1,539,238 | 1,734,193 | 1,539,238 | 1,734,193 |
| Current portion of long-term borrowings | | | | | |
| from financial institutions | 12 | 19,152,000 | 26,156,000 | 19,152,000 | 26,156,000 |
| Income tax payable | | 651,609 | 2,160,955 | 842,904 | 2,160,955 |
| Current provisions for employee benefits | 13 | 2,489,686 | 1,447,516 | 2,489,686 | 1,447,516 |
| Other current liabilities | | 462,070 | 7,134 | 462,069 | 7,134 |
| Liabilities included in disposal groups | | | | | |
| classified as held for sale | 8 | - | - | 87,077,589 | - |
| Total current liabilities | | 927,812,756 | 680,348,818 | 944,808,568 | 680,273,291 |
| Non-current liabilities | | | | | |
| Lease liabilities | 12 | 2,786,035 | 2,899,429 | 2,786,035 | 2,899,429 |
| Long-term borrowings from financial institutions | 12 | 9,412,000 | 43,560,000 | 9,412,000 | 43,560,000 |
| Non-current provisions for employee benefits | 13 | 42,646,217 | 43,706,171 | 24,616,225 | 43,706,171 |
| Total non-current liabilities | | 54,844,252 | 90,165,600 | 36,814,260 | 90,165,600 |
| Total liabilities | | 982,657,008 | 770,514,418 | 981,622,828 | 770,438,891 |
| Equity | | | | | |
| Share capital | 14 | | | | |
| Authorised share capital | | 362,999,962 | 362,999,962 | 362,999,962 | 362,999,962 |
| Issued and paid-up share capital | | 362,999,962 | 362,999,962 | 362,999,962 | 362,999,962 |
| Share premium on ordinary shares | 15 | 202,200,890 | 202,200,890 | 202,200,890 | 202,200,890 |
| Surplus on share-based payment transactions | 15 | 308,333 | 308,333 | 308,333 | 308,333 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 16 | 20,643,763 | 20,643,763 | 20,643,763 | 20,643,763 |
| Unappropriated | | 57,516,557 | 97,390,720 | 58,771,985 | 97,315,495 |
| Other components of equity | | 61,714 | (11,868) | - | (5,707) |
| Total equity | | 643,731,219 | 683,531,800 | 644,924,933 | 683,462,736 |
| Total liabilities and equity | | 1,626,388,227 | 1,454,046,218 | 1,626,547,761 | 1,453,901,627 |

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 | 2022 | 2021 | 2022 | 2021 |
| | | (in Baht) | | | |
| Revenues | | | | | |
| Revenue from sales of goods | 4, 17 | 2,154,698,708 | 1,677,995,507 | 1,281,273,601 | 983,554,097 |
| Net foreign exchange gain | | - | 10,234,927 | - | - |
| Other income | 4 | 11,813,905 | 11,822,197 | 4,682,507 | 4,678,715 |
| Total revenue | | 2,166,512,613 | 1,700,052,631 | 1,285,956,108 | 988,232,812 |
| Expenses | | | | | |
| | 4 | | | | |
| Cost of sales of goods | 7, 19 | 1,954,060,420 | 1,403,511,758 | 1,175,433,694 | 846,724,866 |
| Distribution costs | 19 | 90,876,504 | 82,449,432 | 47,775,164 | 44,719,225 |
| Administrative expenses | 19 | 110,850,101 | 111,344,144 | 51,305,174 | 50,676,839 |
| Net foreign exchange loss | | 3,024,478 | - | 4,687,177 | 445,822 |
| Total expenses | | 2,158,811,503 | 1,597,305,334 | 1,279,201,209 | 942,566,752 |
| Profit from operating activities | | 7,701,110 | 102,747,297 | 6,754,899 | 45,666,060 |
| Finance costs | | 13,665,164 | 7,392,945 | 6,757,600 | 3,565,732 |
| Profit (loss) before income tax expense | | (5,964,054) | 95,354,352 | (2,701) | 42,100,328 |
| Income tax expense | 20 | 970,235 | 19,670,786 | 917,175 | 8,158,440 |
| Profit (loss) for the year from continuing operations | | (6,934,289) | 75,683,566 | (919,876) | 33,941,888 |
| Profit (loss) for the year from discontinued operation, net of tax | | 8 | - | (4,683,760) | 41,818,067 |
| Profit (loss) for the year | | (6,934,289) | 75,683,566 | (5,603,636) | 75,759,955 |

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 | 2022 | 2021 | 2022 | 2021 |
| | | (in Baht) | | | |
| Other comprehensive income | | | | | |
| Items that will be reclassified subsequently to profit or loss | | | | | |
| Exchange difference on translating financial statements | | 67,875 | 20,243 | - | - |
| Effective portion of gain on cash flow hedges | | 7,134 | 244,346 | 7,134 | 244,346 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | 20 | (1,427) | (48,869) | (1,427) | (48,869) |
| Total items that will be reclassified subsequently to profit or loss | | 73,582 | 215,720 | 5,707 | 195,477 |
| Items that will not be reclassified to profit or loss | | | | | |
| Gains on remeasurements of defined benefit plans | 13 | 4,200,147 | 2,860,999 | 4,200,147 | 2,860,999 |
| Income tax relating to item that will not be reclassified to profit or loss | 20 | (840,029) | (572,200) | (840,029) | (572,200) |
| Total items that will not be reclassified to profit or loss | | 3,360,118 | 2,288,799 | 3,360,118 | 2,288,799 |
| Other comprehensive income for the year, net of tax | | 3,433,700 | 2,504,519 | 3,365,825 | 2,484,276 |
| Total comprehensive income (expense) for the year | | (3,500,589) | 78,188,085 | (2,237,811) | 78,244,231 |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | (6,934,289) | 75,683,566 | (5,603,636) | 75,759,955 |
| Profit (loss) for the year | | (6,934,289) | 75,683,566 | (5,603,636) | 75,759,955 |
| Total comprehensive income (expense) attributable to: | | | | | |
| Owners of the parent | | (3,500,589) | 78,188,085 | (2,237,811) | 78,244,231 |
| Total comprehensive income (expense) for the year | | (3,500,589) | 78,188,085 | (2,237,811) | 78,244,231 |
| Earnings (loss) per share | | | | | |
| Earnings (loss) per share from continuing operations | 21 | (0.010) | 0.104 | (0.001) | 0.047 |
| Earnings (loss) per share from discontinued operations | 8, 21 | | | (0.007) | 0.057 |
| | | | | (0.008) | 0.104 |

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 | | | | | | | | | |
|-----------------------------------|---------------|---------|--------------|-------------------|----------------|----------------------------|-----------|-------------|--------|
| | | | Surplus on | Retained earnings | | Other components of equity | | | |
| | Issued and | Share | share-based | | | | Cash flow | Total other | |
| Note | paid-up | premium | payment | Legal reserve | Unappropriated | Translation | hedge | components | Total |
| | share capital | | transactions | | | reserve | reserve | of equity | equity |
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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 | | | |
| | | | Surplus on | | | | Cash flow | Total other | |
| | Issued and | Share | share-based | | | Translation | hedge | components | Total |
| Note | paid-up | premium | payment | Legal reserve | Unappropriated | reserve | reserve | of equity | equity |
| | share capital | | transactions | | | | | | |
| (in Baht) | | | | | | | | | |
| Year ended 31 December 2022 | | | | | | | | | |
| Balance at 1 January 2022 | 362,999,962 | 202,200,890 | 308,333 | 20,643,763 | 97,390,720 | (6,161) | (5,707) | (11,868) | 683,531,800 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| <i>Distributions to owners of the parent</i> | | | | | | | | | |
| Dividends to owners of the parent | 22 | - | - | - | (36,299,992) | - | - | - | (36,299,992) |
| Total transactions with owners, recorded directly in equity | | - | - | - | (36,299,992) | - | - | - | (36,299,992) |
| Comprehensive income for the year | | | | | | | | | |
| Loss | | - | - | - | (6,934,289) | - | - | - | (6,934,289) |
| Other comprehensive income | | - | - | - | 3,360,118 | 67,875 | 5,707 | 73,582 | 3,433,700 |
| Total comprehensive income (expense) for the year | | - | - | - | (3,574,171) | 67,875 | 5,707 | 73,582 | (3,500,589) |
| Balance at 31 December 2022 | 362,999,962 | 202,200,890 | 308,333 | 20,643,763 | 57,516,557 | 61,714 | - | 61,714 | 643,731,219 |

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 2021 | | | | | | | | |
| Balance at 1 January 2021 | | 300,000,000 | 202,200,890 | 308,333 | 16,855,765 | 126,058,838 | (201,184) | 645,222,642 |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| <i>Distributions to owners of the Company</i> | | | | | | | | |
| Issue of stock dividends | 14 | 62,999,962 | - | - | - | (62,999,962) | - | - |
| Dividends to owners of the Company | 22 | - | - | - | - | (40,004,137) | - | (40,004,137) |
| Total transactions with owners, recorded directly in equity | | 62,999,962 | - | - | - | (103,004,099) | - | (40,004,137) |
| Comprehensive income for the year | | | | | | | | |
| Profit | | - | - | - | - | 75,759,955 | - | 75,759,955 |
| Other comprehensive income | | - | - | - | - | 2,288,799 | 195,477 | 2,484,276 |
| Total comprehensive income for the year | | - | - | - | - | 78,048,754 | 195,477 | 78,244,231 |
| Transfer to legal reserve | 16 | - | - | - | 3,787,998 | (3,787,998) | - | - |
| Balance at 31 December 2021 | | 362,999,962 | 202,200,890 | 308,333 | 20,643,763 | 97,315,495 | (5,707) | 683,462,736 |

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 | |
|---|--|--------------------|---|--------------------------------|---------------------|------------------|---------------------|
| | | | | Retained earnings | | of equity | |
| | | | | Surplus on | | | Cash flow |
| | | | | share-based | | | hedge |
| | | | | payment | | | reserve |
| Note | Issued and paid-up share capital | Share premium | Surplus on share-based transactions | Legal reserve (in Baht) | Unappropriated | 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 | 22 | - | - | - | (36,299,992) | - | (36,299,992) |
| Total transactions with owners, recorded directly in equity | | - | - | - | (36,299,992) | - | (36,299,992) |
| Comprehensive income 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 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 cash flows

| | Consolidated | | Separate | |
|---|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | For the year ended | | For the year ended | |
| | 31 December | | 31 December | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit (loss) for the year | (6,934,289) | 75,683,566 | (5,603,636) | 75,759,955 |
| <i>Adjustments to reconcile profit to cash receipts</i> | | | | |
| Income tax expense | 970,235 | 19,670,786 | 954,383 | 19,668,356 |
| Interest income | (12,081) | (7,811) | (12,081) | (7,811) |
| Finance costs | 13,665,164 | 7,392,945 | 13,653,672 | 7,392,945 |
| Depreciation and amortisation | 53,195,212 | 51,738,182 | 53,195,212 | 51,738,182 |
| Provision for employee benefits | 5,629,879 | 1,498,037 | 5,629,879 | 1,498,037 |
| Unrealised gain on exchange | (1,744,484) | (965,236) | (1,811,611) | (987,388) |
| Allowance for expected credit loss on | | | | |
| trade accounts receivable | 47,760 | (1,477,624) | 47,760 | (1,477,624) |
| Losses on inventories devaluation | 1,111,972 | 3,295,253 | 1,111,972 | 3,295,253 |
| Loss on disposal and write-off of property, plant | | | | |
| and equipment | 393,937 | 99,756 | 393,937 | 99,756 |
| Loss on write-off of intangible assets | 97,500 | - | 97,500 | - |
| | 66,420,805 | 156,927,854 | 67,656,987 | 156,979,661 |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | (64,629,119) | (17,869,622) | (64,629,119) | (17,869,622) |
| Other receivables | (16,487,097) | (15,605,951) | (16,394,081) | (15,605,951) |
| Inventories | (56,339,059) | (162,054,767) | (55,884,395) | (162,054,767) |
| Other current assets | (15,700,559) | - | (15,700,559) | - |
| Other non-current assets | 969,269 | (1,025,058) | 969,269 | (1,025,058) |
| Trade accounts payable | (13,131,097) | 58,345,994 | (13,131,097) | 58,345,994 |
| Other payables | (13,080,225) | 13,026,651 | (13,252,698) | 12,951,652 |
| Other current liabilities | 462,069 | (320,357) | 462,069 | (320,357) |
| Employee benefit paid | (1,447,516) | (552,227) | (1,447,516) | (552,227) |
| Net cash generated from (used in) operations | (112,962,529) | 30,872,517 | (111,351,140) | 30,849,325 |
| Tax received (paid) | (3,383,949) | (27,885,725) | (3,383,949) | (27,867,794) |
| Net cash from (used in) operating activities | (116,346,478) | 2,986,792 | (114,735,089) | 2,981,531 |

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 | 2022 | 2021 | 2022 | 2021 |
| | | (in Baht) | | | |
| Cash flows from investing activities | | | | | |
| Purchase of investment in subsidiaries | 9 | - | - | (999,900) | (999,700) |
| Proceeds from sale of property, plant and equipment | | 897,196 | 392,523 | 897,196 | 392,523 |
| Purchase of property, plant and equipment | | (39,521,307) | (33,973,138) | (39,521,307) | (33,973,138) |
| Purchase of intangible assets | | (573,872) | (1,156,271) | (573,872) | (1,156,271) |
| Interest received | | 12,081 | 7,811 | 12,081 | 7,811 |
| Net cash used in investing activities | | (39,185,902) | (34,729,075) | (40,185,802) | (35,728,775) |
| Cash flows from financing activities | | | | | |
| Proceeds from short-term borrowings | | | | | |
| from financial institutions | | 288,222,239 | 137,871,951 | 287,222,239 | 137,871,951 |
| Repayment of long-term borrowings from | | | | | |
| financial institutions | | (41,152,000) | (31,152,000) | (41,152,000) | (31,152,000) |
| Payment of lease liabilities | | (1,995,401) | (2,618,749) | (1,995,401) | (2,618,749) |
| Dividends paid to owners of the Company | 22 | (36,299,992) | (36,334,509) | (36,299,992) | (36,334,509) |
| Interest paid | | (12,943,425) | (7,558,378) | (12,931,934) | (7,558,378) |
| Net cash from financing activities | | 195,831,421 | 60,208,315 | 194,842,912 | 60,208,315 |
| Net increase (decrease) in cash and cash equivalents, | | | | | |
| before effect of exchange rates | | 40,299,041 | 28,466,032 | 39,922,021 | 27,461,071 |
| Effect of exchange rate changes on cash and | | | | | |
| cash equivalents | | 846,709 | 221,166 | 846,709 | 221,166 |
| Net increase (decrease) in cash and cash equivalents | | 41,145,750 | 28,687,198 | 40,768,730 | 27,682,237 |
| Cash and cash equivalents at 1 January | | 60,369,855 | 31,682,657 | 59,218,641 | 31,536,404 |
| Impact from discontinued operation | | - | - | (620,417) | - |
| Cash and cash equivalents at 31 December | | 101,515,605 | 60,369,855 | 99,366,954 | 59,218,641 |

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 | 2022 | 2021 | 2022 | 2021 |
| | | (in Baht) | | | |
| Supplemental disclosure of cash flow information | | | | | |
| 1. Cash and cash equivalents consisted of: | | | | | |
| Cash and cash equivalent | | 101,515,605 | 62,911,343 | 99,366,954 | 61,760,129 |
| Bank overdraft | 12 | - | (2,541,488) | - | (2,541,488) |
| Net | | 101,515,605 | 60,369,855 | 99,366,954 | 59,218,641 |
| 2. Property, plant and equipment purchased during the year are detailed as follows: | | | | | |
| Property, plant and equipment purchased during the period | | 39,094,693 | 32,395,475 | 39,094,693 | 32,395,475 |
| Less: Capitalised interest | 10 | (2,395) | (369,059) | (2,394) | (369,059) |
| Less: Changes in payables on purchase of property, plant and equipment | | 429,009 | 1,946,722 | 429,008 | 1,946,722 |
| Net purchase of property, plant and equipment paid by cash | | 39,521,307 | 33,973,138 | 39,521,307 | 33,973,138 |

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 2022

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For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2023.

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: 816 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 (25% shareholding), the Wanapraison Family (15% shareholding) and the Wongtangtrakul Family (12% shareholding).

The principal activities of the Company are manufacturing and distribution of plastic compound, adhesive and sealant. Details of the Company’s subsidiaries as at 31 December 2022 and 2021 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 consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”). 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
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For the year ended 31 December 2022

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
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For the year ended 31 December 2022

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.

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

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, debt investments measured at FVOCI, and loan commitments issued which are not measured at FVTPL.

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 2022

(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, equipment are no longer depreciated.

(h) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost.

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Notes to the financial statements
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(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 other constructions | 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 an expenses on a straight-line basis over the respective lease terms.

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For the year ended 31 December 2022

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. The Group remeasured lease liabilities using the original discount rate and recognised the impact of the change in lease liability in profit or loss.

(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.

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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.

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

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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 2022

(t) Earnings per share

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

(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. | | | |
| Significant transactions with related parties For the year ended 31 December | | Consolidated financial statements | | Separate financial statements | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | (in thousand Baht) | | | |
| Subsidiaries | | | | | |
| Services and others fee | | - | - | 321 | 188 |
| Other related parties | | | | | |
| Sales of goods | | 5,054 | 2,561 | 1,620 | 385 |
| Purchases of goods | | 98 | 117 | 48 | 79 |
| Services and other fees | | - | 201 | - | 199 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
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| <i>Significant transactions with related parties</i> <i>For the year ended 31 December</i> | Consolidated | | Separate | |
|---|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefits | 24,036 | 24,013 | 19,236 | 19,242 |
| Post-employment benefits | 1,263 | 1,263 | 864 | 864 |
| Total key management personnel compensation | 25,299 | 25,276 | 20,100 | 20,106 |

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

| | Consolidated | | Separate | |
|---|-----------------------------|------------|-----------------------------|------------|
| | financial statements | | financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Trade accounts receivable - other related parties | 580 | 576 | 59 | 576 |
| Trade accounts payable - other related parties | - | 23 | - | 23 |
| Other accounts payable - other related parties | 35 | 2 | 33 | 2 |

Significant agreements with related parties

Marketing Assistance Agreement

As at 31 December 2022, 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.

5 Cash and cash equivalents

| | Consolidated | | Separate | |
|---------------|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 1,658 | 918 | 37 | 736 |
| Cash at banks | 99,858 | 61,993 | 99,330 | 61,024 |
| Total | 101,516 | 62,911 | 99,367 | 61,760 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

6 Trade accounts receivable

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Within credit terms | 373,387 | 283,028 | 260,662 | 283,028 |
| Overdue: | | | | |
| Less than 3 months | 59,368 | 90,293 | 21,232 | 90,293 |
| 3 - 6 months | 12,445 | 13,110 | - | 13,110 |
| 6 - 12 months | 2,287 | 820 | - | 820 |
| Over 12 months | 1,417 | 1,126 | 1,269 | 1,126 |
| Total | 448,904 | 388,377 | 283,163 | 388,377 |
| Less allowance for expected credit loss | (2,453) | (2,405) | (1,408) | (2,405) |
| Net | 446,451 | 385,972 | 281,755 | 385,972 |

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Allowance for expected credit loss for the year ended 31 December</i> | | | | |
| At 1 January | 2,405 | 7,875 | 2,405 | 7,875 |
| Additions | 48 | - | 48 | - |
| Reversal | - | (1,478) | - | (1,478) |
| Write-off | - | (3,992) | - | (3,992) |
| Total | 2,453 | 2,405 | 2,453 | 2,405 |
| Transfer to discontinued operation | - | - | (1,045) | - |
| At 31 December | 2,453 | 2,405 | 1,408 | 2,405 |

7 Inventories

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Finished goods | 144,541 | 128,223 | 68,031 | 128,223 |
| Work in progress | 23,609 | 19,787 | 69 | 19,787 |
| Raw materials | 295,211 | 242,944 | 100,705 | 242,944 |
| Factory supplies | 35,649 | 30,563 | 13,201 | 30,563 |
| Goods in transit | 20,879 | 42,033 | 20,879 | 42,033 |
| Total | 519,889 | 463,550 | 202,885 | 463,550 |
| Less allowance for loss on inventories devaluation | (9,313) | (8,201) | (4,105) | (8,201) |
| Net | 510,576 | 455,349 | 198,780 | 455,349 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Inventories recognised as an expense in 'cost of sales of goods': | | | | |
| - Cost | 1,952,948 | 1,400,217 | 1,174,557 | 844,834 |
| - Write-down to net realisable value | 1,112 | 3,295 | 877 | 1,891 |
| Continuing operations | 1,954,060 | 1,403,512 | 1,175,434 | 846,725 |
| Discontinued operation | - | - | 778,626 | 556,787 |
| Total | 1,954,060 | 1,403,512 | 1,954,060 | 1,403,512 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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 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:

| | <i>Note</i> | <i>(in thousand Baht)</i> |
|---|-------------|---------------------------|
| Cash and cash equivalents | | 620 |
| Trade accounts receivable | | 164,696 |
| Other receivables | | 207 |
| Inventories | | 311,342 |
| Equipment | 10 | 63,570 |
| Deferred tax assets | | 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 2021 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 | |
|---|--------------------------------------|---------------|
| | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | |
| Revenues | 901,089 | 719,697 |
| Expenses | 905,736 | 666,369 |
| Results from operating activities | (4,647) | 53,328 |
| Income tax expense | 37 | 11,510 |
| Profit (loss) for the year | (4,684) | 41,818 |
| Profit (loss) attributable to owners of the parent | (4,684) | 41,818 |
| Profit (loss) per share (in Baht) | (0.007) | 0.057 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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 | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | (%) | | | | (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 | - | 999.9 | - | 999.9 | - |
| Total | | | | | 1,999.6 | 999.7 | 1,999.6 | 999.7 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
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| | | | Separate financial statements | | | | | |
|---|------------------|--------------------------|-------------------------------|--------|--------------------|---------|---------|---------|
| Name of party | Type of business | Country of operation | Ownership interest | | Paid-up capital | | At cost | |
| | | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | | | | | | | | |
| | | | (%) | | (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 | | | | | 2,006.6 | 1,006.7 | 2,006.6 | 1,006.7 |

None of the Company's subsidiaries is publicly listed and consequently does not have published price quotations.

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

10 Property, plant and equipment

| | Consolidated financial statements | | | | | | |
|--|--|--|-------------------------------|--|-----------------|---|------------------|
| | Land | Building and other constructions | Machinery and equipment | Furniture, fixtures and office equipment <i>(in thousand Baht)</i> | Vehicles | Assets under construction and installation | Total |
| <i>Cost</i> | | | | | | | |
| At 1 January 2021 | 64,642 | 312,877 | 421,235 | 23,292 | 9,359 | 51,851 | 883,256 |
| Additions | - | 236 | 5,384 | 2,016 | 4,993 | 22,994 | 35,623 |
| Transfers | - | 25,807 | 31,128 | 8 | - | (56,943) | - |
| Disposals and write-off | - | (217) | (9,924) | (1,123) | (150) | - | (11,414) |
| At 31 December 2021 and 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 | 64,642 | 345,993 | 472,883 | 25,696 | 15,889 | 9,227 | 934,330 |
| <i>Depreciation</i> | | | | | | | |
| At 1 January 2021 | - | (96,530) | (232,482) | (18,287) | (5,120) | - | (352,419) |
| Depreciation charge for the year | - | (14,162) | (32,114) | (2,243) | (2,865) | - | (51,384) |
| Disposals and write-off | - | 217 | 9,796 | 759 | 150 | - | 10,922 |
| At 31 December 2021 and 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 | - | (125,090) | (276,710) | (20,893) | (10,241) | - | (432,934) |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| Consolidated financial statements | | | | | | | |
|-----------------------------------|---------------|--|-------------------------------|---|--------------|---|----------------|
| | Land | Building and other constructions | Machinery and equipment | Furniture, fixtures and office equipment (in thousand Baht) | Vehicles | Assets under construction and installation | Total |
| <i>Net book value</i> | | | | | | | |
| At 31 December 2021 | | | | | | | |
| Owned assets | 64,642 | 228,228 | 193,023 | 4,422 | 123 | 17,902 | 508,340 |
| Right-of-use assets | - | - | - | - | 6,244 | - | 6,244 |
| | 64,642 | 228,228 | 193,023 | 4,422 | 6,367 | 17,902 | 514,584 |
| 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 |
| | 64,642 | 220,903 | 196,173 | 4,803 | 5,648 | 9,227 | 501,396 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| | Separate financial statements | | | | | | |
|--|-------------------------------|--|-------------------------------|---|-----------------|---|------------------|
| | Land | Building and other constructions | Machinery and equipment | Furniture, fixtures and office equipment (in thousand Baht) | Vehicles | Assets under construction and installation | Total |
| Cost | | | | | | | |
| At 1 January 2021 | 64,642 | 312,877 | 421,235 | 23,292 | 9,359 | 51,851 | 883,256 |
| Additions | - | 236 | 5,384 | 2,016 | 4,993 | 22,994 | 35,623 |
| Transfers | - | 25,807 | 31,128 | 8 | - | (56,943) | - |
| Disposals and write-off | - | (217) | (9,924) | (1,123) | (150) | - | (11,414) |
| At 31 December 2021 and 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 | 64,642 | 345,993 | 312,032 | 25,696 | 15,889 | 9,227 | 773,479 |
| Depreciation | | | | | | | |
| At 1 January 2021 | - | (96,530) | (232,482) | (18,287) | (5,120) | - | (352,419) |
| Depreciation charge for the year | - | (14,162) | (32,114) | (2,243) | (2,865) | - | (51,384) |
| Disposals and write-off | - | 217 | 9,796 | 759 | 150 | - | 10,922 |
| At 31 December 2021 and 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 | - | (125,090) | (179,429) | (20,893) | (10,241) | - | (335,653) |

Applied DB Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

| | Separate financial statements | | | | | Assets under construction and installation | Total |
|----------------------------|-------------------------------|----------------------------------|-------------------------|--|--------------|--|----------------|
| | Land | Building and other constructions | Machinery and equipment | Furniture, fixtures and office equipment (in thousand Baht) | Vehicles | | |
| Net book value | | | | | | | |
| At 31 December 2021 | | | | | | | |
| Owned assets | 64,642 | 228,228 | 193,023 | 4,422 | 123 | 17,902 | 508,340 |
| Right-of-use assets | - | - | - | - | 6,244 | - | 6,244 |
| | 64,642 | 228,228 | 193,023 | 4,422 | 6,367 | 17,902 | 514,584 |
| 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 |

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounted to Baht 151.03 million (2021: Baht 146.55 million) in consolidated financial statements and Baht 103.56 million (2021: Baht 100.19 million) in separate financial statements respectively.

Assets under construction and installation

Assets under construction and installation as at 31 December 2022 amounted to Baht 9.22 million (2021: Baht 17.90 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 2022, the Group and the Company capitalised interest expenses as cost of asset under construction and installation in the total of Baht 0.002 million (2021: Baht 0.37 million), with capitalisation rate of 4.75% per annum (2021: 4.90% per annum).

Guarantee

As at 31 December 2022, land of the Group and the Company with carrying value of Baht 64.64 million (2021: 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 interim financial statements
For the year ended 31 December 2022

11 Leases

| <i>Right-of-use assets</i> <i>At 31 December</i> | Consolidated/Separate financial statements | |
|---|---|--------------|
| | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | |
| Vehicles | 5,555 | 6,244 |
| Total | 5,555 | 6,244 |

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 1.69 million (2021: Baht 4.89 million).

The Group has lease agreements covering vehicles for periods of 18 months to 5 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

| <i>For the year ended 31 December</i> | Consolidated/Separate financial statements | |
|---|---|-------|
| | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | |
| <i>Amounts recognised in profit or loss</i> | | |
| Depreciation of right-of-use assets - Vehicles | 2,376 | 2,852 |
| Interest on lease liabilities | 229 | 197 |
| Expenses relating to leases of low-value assets | | |
| - Office equipment | 413 | 370 |

In 2022, total cash outflow for leases of the Group and the Company were Baht 2.64 million (2021: Baht 3.19 million).

12 Interest bearing liabilities

| | Consolidated financial statements | | | | | |
|---|--|-----------|----------------|----------------|---------------|----------------|
| | 2022 | | | 2021 | | |
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| | <i>(in thousand Baht)</i> | | | | | |
| Bank overdrafts | - | - | - | - | 2,541 | 2,541 |
| Short-term borrowings from financial institutions | | | | | | |
| - Promissory note | 616,134 | - | 616,134 | 270,482 | - | 270,482 |
| - Liabilities under trust receipts | - | - | - | 57,430 | - | 57,430 |
| Lease liabilities | 4,325 | - | 4,325 | 4,634 | - | 4,634 |
| Long-term borrowing from financial institution | 28,564 | - | 28,564 | 40,646 | 29,070 | 69,716 |
| Total interest-bearing liabilities | 649,023 | - | 649,023 | 373,192 | 31,611 | 404,803 |

Applied DB Public Company Limited and its Subsidiaries
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For the year ended 31 December 2022

| | Separate financial statements | | | | | |
|---|-------------------------------|-------------------|-----------------------------|----------------|-------------------|----------------|
| | Secured | 2022 Unsecured | Total (in thousand Baht) | Secured | 2021 Unsecured | Total |
| Bank overdrafts | - | - | - | - | 2,541 | 2,541 |
| Short-term borrowings from financial institutions | | | | | | |
| - Promissory note | 615,134 | - | 615,134 | 270,482 | - | 270,482 |
| - Liabilities under trust receipts | - | - | - | 57,430 | - | 57,430 |
| Lease liabilities | 4,325 | - | 4,325 | 4,634 | - | 4,634 |
| Long-term borrowing from financial institution | 28,564 | - | 28,564 | 40,646 | 29,070 | 69,716 |
| Total interest-bearing liabilities | 648,023 | - | 648,023 | 373,192 | 31,611 | 404,803 |

| <i>Assets pledged as security for liabilities as at 31 December</i> | <i>Note</i> | Consolidated financial statements | Separate financial statements |
|---|-------------|--------------------------------------|----------------------------------|
| | | 2022 | 2021 |
| | | 2022 | 2021 |
| | | (in thousand Baht) | |
| Land | 10 | 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 2022, the Group had unutilised credit facilities totaling Baht 768.25 million (2021: 955.12 million).

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
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Lease liabilities

Movement during the year ended 31 December as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 4,634 | 4,025 | 4,634 | 4,025 |
| Purchase of assets under lease liabilities | 1,687 | 3,228 | 1,687 | 3,228 |
| Payment of lease liabilities | (2,225) | (2,816) | (2,225) | (2,816) |
| Finance costs under lease | 229 | 197 | 229 | 197 |
| At 31 December | 4,325 | 4,634 | 4,325 | 4,634 |

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.

Present value of the defined benefit obligations

| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 45,154 | 47,069 | 45,154 | 47,069 |
| <i>Recognised in profit or loss:</i> | | | | |
| Current service cost | 4,872 | 813 | 4,872 | 813 |
| Interest on obligation | 758 | 685 | 758 | 685 |
| | <u>5,630</u> | <u>1,498</u> | <u>5,630</u> | <u>1,498</u> |
| <i>Recognised in other comprehensive income:</i> | | | | |
| Actuarial gains | | | | |
| - Financial assumptions | (4,200) | (2,861) | (4,200) | (2,861) |
| | <u>(4,200)</u> | <u>(2,861)</u> | <u>(4,200)</u> | <u>(2,861)</u> |
| <i>Other</i> | | | | |
| Benefit paid | (1,448) | (552) | (1,448) | (552) |
| Transfer to liabilities included in disposal groups classified as held for sale | - | - | (18,031) | - |
| At 31 December | 45,136 | 45,154 | 27,105 | 45,154 |

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Principal actuarial assumptions

| | Consolidated financial statements | | Separate financial statements | |
|----------------------|--|--------|--|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | | | | (%) |
| Discount rate | 1.89 | 1.71 | 1.89 | 1.71 |
| Future salary growth | 3.00 | 3.00 | 3.00 | 3.00 |
| Turnover rate | 0 - 47 | 0 - 47 | 0 - 47 | 0 - 47 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 9 years (2021: 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/Separate financial statements | | | |
|---|---|---------|----------------------------------|--------------------|
| <i>Effect to the defined benefit obligation At 31 December</i> | 1% increase in assumption | | 1% decrease in assumption | |
| | 2022 | 2021 | 2022 | 2021 |
| | | | | (in thousand Baht) |
| Discount rate | (3,623) | (3,432) | 4,143 | 3,935 |
| Future salary growth | 4,180 | 3,523 | (3,697) | (3,123) |
| Employee turnover | (3,814) | (3,615) | 2,181 | 2,111 |

14 Share capital

| | Par value per share (in Baht) | 2022 | | 2021 | |
|----------------------------------|-------------------------------------|----------------|---------------------------------|----------------|----------------|
| | | Number | Amount | Number | Amount |
| | | | (thousand shares/thousand Baht) | | |
| <i>Authorised</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 0.5 | 726,000 | 360,000 | 600,000 | 300,000 |
| Increase of new shares | 0.5 | - | - | 126,000 | 63,000 |
| At 31 December | | | | | |
| - ordinary shares | 0.5 | 726,000 | 360,000 | 726,000 | 363,000 |
| <i>Issued and paid-up</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 0.5 | 726,000 | 360,000 | 600,000 | 300,000 |
| Increase of new shares | 0.5 | - | - | 126,000 | 63,000 |
| At 31 December | | | | | |
| - ordinary shares | 0.5 | 726,000 | 360,000 | 726,000 | 363,000 |

At the Extraordinary General Meeting of Shareholders of the Company held on 13 January 2021, the Company's Shareholders approved to increase the Company's authorised share capital of Baht 30 million (increase from Baht 300 million to Baht 330 million) by issue 60 million new ordinary shares with the par value of Baht 0.50 per share as a stock dividend, at the ratio of 10 existing shares to 1 new share for 600 million ordinary shares. The Company registered the increase in the authorised share capital with the Ministry of Commerce on 5 February 2021

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At the Extraordinary General Meeting of Shareholders of the Company held on 9 November 2021, the Company's Shareholders approved to increase the Company's authorised share capital of Baht 33 million (increase from Baht 330 million to Baht 363 million) by issue 66 million new ordinary shares with the par value of Baht 0.50 per share as a stock dividend, at the ratio of 10 existing shares to 1 new share for 660 million ordinary shares. The Company registered the increase in the authorised share capital with the Ministry of Commerce on 29 December 2021.

15 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.

16 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.

The Company appropriated legal reserve for the year ended 31 December 2021 amounted to Baht 3.79 million

17 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.

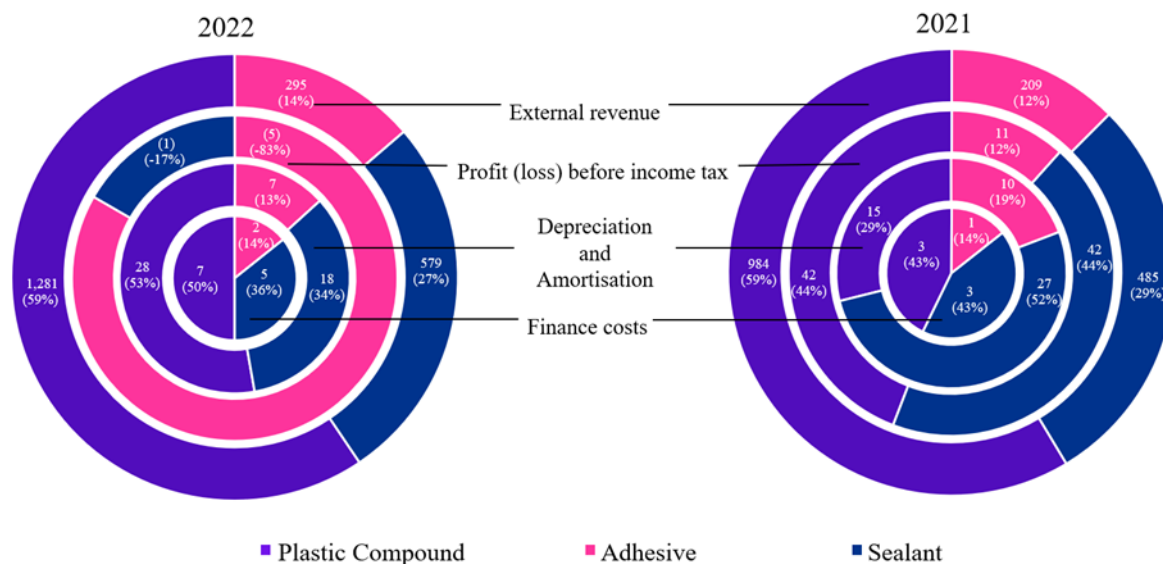
Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

Information about reportable segments

Consolidated financial statements

For the year ended 31 December

Unit: million Baht



Separate financial statements

Plastic Compound

2022 2021

(in million Baht)

| | | |
|----------------------------------|-------|-----|
| External revenue | 1,281 | 984 |
| Depreciation and amortisation | 28 | 15 |
| Finance costs | 7 | 3 |
| Profit before income tax expense | - | 42 |

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 2022 represents approximately Baht 406.68 million (2021: Baht 282.27 million) of the Group's total revenues.

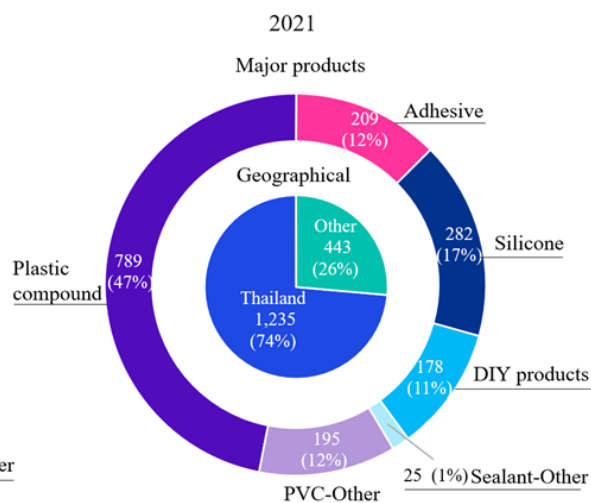
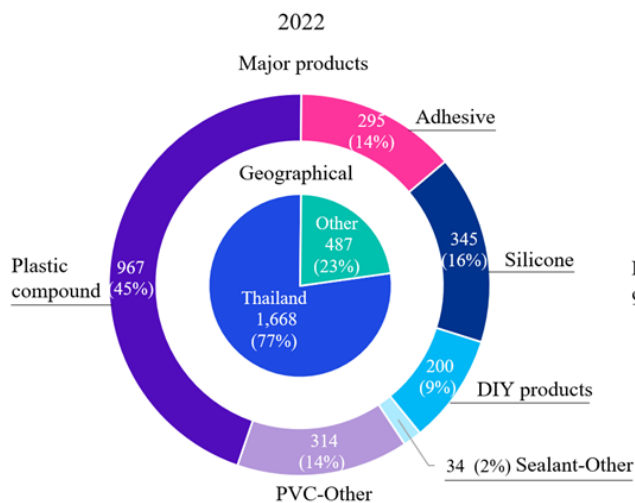
Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

Disaggregation of revenue by primary geographical market and major products

Consolidated financial statements

For the year ended 31 December

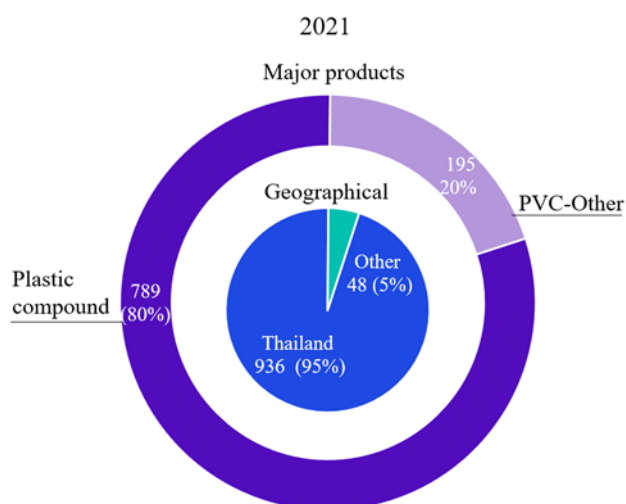
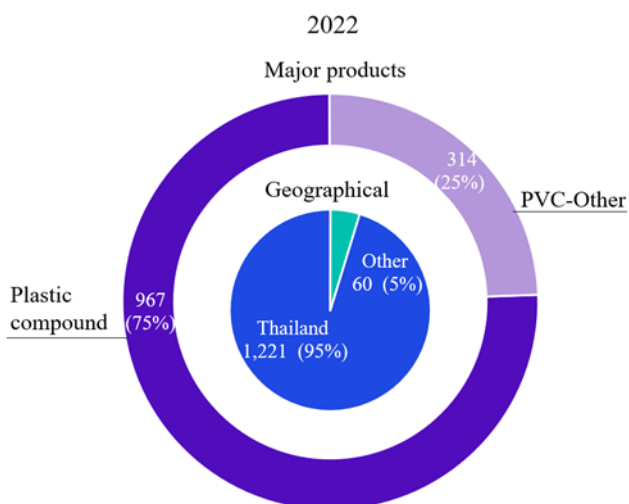
Unit: million Baht



Separate financial statements

For the year ended 31 December

Unit: million Baht



Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

18 Employee benefit expenses

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------|--|----------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Salaries, wages and bonus | 145,031 | 146,370 | 68,432 | 68,771 |
| Staff welfares | 36,487 | 45,254 | 17,827 | 22,020 |
| Defined contribution plans | 4,903 | 4,605 | 2,507 | 2,368 |
| Defined benefit plans | 5,934 | 1,520 | 3,403 | 42 |
| Others | 4,017 | 3,467 | 1,845 | 1,647 |
| Total | 196,372 | 201,216 | 94,014 | 94,848 |

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.

19 Expenses by nature

| | | Consolidated | | Separate | |
|---|---|----------------------|------------------|----------------------|----------------|
| | | financial statements | | financial statements | |
| Note | | 2022 | 2021 | 2022 | 2021 |
| | | (in thousand Baht) | | | |
| Included in cost of sales of goods: | | | | | |
| Changes in inventories of finished goods and work in progress | | (20,140) | (51,992) | 79,910 | (50,588) |
| Raw materials and consumables used | | 1,755,864 | 1,248,164 | 970,625 | 776,706 |
| Employee benefit expenses | | 100,103 | 95,967 | 51,984 | 47,974 |
| Depreciation and amortisation | | 47,966 | 45,987 | 25,806 | 33,101 |
| Utilities expenses | | 36,728 | 30,434 | 26,971 | 20,829 |
| Write-down to net realisable value | 7 | 1,112 | 3,295 | 877 | 1,891 |
| Others | | 32,427 | 31,657 | 19,261 | 16,812 |
| Total | | 1,954,060 | 1,403,512 | 1,175,434 | 846,725 |
| Included in distribution costs: | | | | | |
| Commission expenses | | 34,013 | 29,823 | 26,104 | 23,615 |
| Distribution expenses | | 24,069 | 25,381 | 12,050 | 11,967 |
| Employee benefit expenses | | 21,375 | 20,947 | 6,621 | 7,399 |
| Sample product expenses | | 1,310 | 748 | 597 | 468 |
| Others | | 10,110 | 5,550 | 2,403 | 1,270 |
| Total | | 90,877 | 82,449 | 47,775 | 44,719 |
| Included in administrative expenses: | | | | | |
| Employee benefit expenses | | 74,894 | 84,302 | 35,409 | 39,475 |
| Professional fee | | 8,077 | 5,762 | 3,184 | 2,041 |
| Depreciation and amortisation | | 5,022 | 5,352 | 2,314 | 3,076 |
| (Reversal of) allowance for expected credit loss on trade accounts receivable | 6 | 48 | (1,478) | (351) | (2,404) |
| Others | | 22,809 | 17,406 | 10,749 | 8,489 |
| Total | | 110,850 | 111,344 | 51,205 | 50,677 |

AGREED AND ACCEPTED.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

20 Income tax expense

Income tax recognised in profit or loss

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--|---------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| Current tax expense | | | | |
| Current year | 1,875 | 19,289 | 2,066 | 7,776 |
| Deferred tax expense | | | | |
| Movements in temporary differences | (905) | 382 | (1,149) | 382 |
| Total income tax expense | 970 | 19,671 | 917 | 8,158 |

Income tax recognised in other comprehensive income

| | Consolidated/Separate financial statements | | | | | |
|---|---|----------------|---------------|---------------|----------------|---------------|
| | 2022 | | | 2021 | | |
| | Before tax | Tax expense | Net of tax | Before tax | Tax expense | Net of tax |
| | <i>(in thousand Baht)</i> | | | | | |
| Gains on cash flow hedges | 8 | (2) | 6 | 244 | (49) | 195 |
| Defined benefit plan actuarial gains | 4,200 | (840) | 3,360 | 2,861 | (572) | 2,289 |

Reconciliation of effective tax rate

| | Consolidated financial statements | | | |
|--|--|-------------------------------|-------------|-------------------------------|
| | 2022 | | 2021 | |
| | Rate (%) | <i>(in thousand Baht)</i> | Rate (%) | <i>(in thousand Baht)</i> |
| Profit (loss) before income tax expense | | (5,964) | | 95,354 |
| Income tax using the Thai corporation tax rate | 20 | (1,193) | 20 | 19,071 |
| Expenses not deductible for tax purposes and others | | 2,675 | | 651 |
| Additional deductible expenses | | (512) | | (51) |
| Total | 16 | 970 | 21 | 19,671 |

| | Separate financial statements | | | |
|--|--------------------------------------|-------------------------------|-------------|-------------------------------|
| | 2022 | | 2021 | |
| | Rate (%) | <i>(in thousand Baht)</i> | Rate (%) | <i>(in thousand Baht)</i> |
| Profit (loss) before income tax expense | | (3) | | 42,100 |
| Income tax using the Thai corporation tax rate | 20 | (1) | 20 | (8,420) |
| Expenses not deductible for tax purposes and others | | 1,430 | | 633 |
| Additional deductible expenses | | (512) | | (51) |
| Transfer to discontinued operation | | - | | (844) |
| Total | >100 | 917 | 19 | 8,158 |

AGREED AND ACCEPTED.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

Movements in deferred tax balances are as follows:

| | Consolidated financial statements (Charged) / Credited to | | |
|---|---|---|---------------------------|
| | At 1 January | Profit or loss Other comprehensive income (in thousand Baht) | At 31 December |
| 2022 | | | |
| <i>Deferred tax assets (liabilities)</i> | | | |
| Right-of-use assets | 10 | (256) | (246) |
| Trade accounts receivable (<i>expected credit loss</i>) | 481 | 10 | 491 |
| Inventories (<i>allowance for decline in value</i>) | 1,640 | 223 | 1,863 |
| Provisions for employee benefit | 9,031 | 836 | 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 | 11,227 |
| 2021 | | | |
| <i>Deferred tax assets</i> | | | |
| Right-of-use assets | 82 | (72) | 10 |
| Trade accounts receivable (<i>expected credit loss</i>) | 1,575 | (1,094) | 481 |
| Inventories (<i>allowance for decline in value</i>) | 981 | 659 | 1,640 |
| Provisions for employee benefit | 9,414 | 189 | 9,031 |
| Changes in fair value of foreign currency hedges | 64 | (64) | - |
| Changes in fair value of cash flow hedges | 51 | (49) | 2 |
| Total | 12,167 | (382) | 11,164 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

| | At 1 January | Separate financial statements (Charged) / Credited to | | | Transfer to assets held for sale | At 31 December |
|--|-----------------|--|--|---------------------------|--|-------------------|
| | | Profit or loss | Other comprehensive income (in thousand Baht) | Discontinued operation | | |
| 2022 | | | | | | |
| Deferred tax assets (liabilities) | | | | | | |
| Right-of-use assets | 10 | (256) | - | - | - | (246) |
| Trade accounts receivable (expected credit loss) | 481 | 10 | - | (60) | (209) | 282 |
| Inventories (allowance for decline in value) | 1,640 | 223 | - | 108 | (1,042) | 821 |
| Provisions for employee benefit | 9,031 | 836 | (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 |
| 2021 | | | | | | |
| Deferred tax assets | | | | | | |
| Right-of-use assets | 82 | (72) | - | - | - | 10 |
| Trade accounts receivable (expected credit loss) | 1,575 | (1,094) | - | - | - | 481 |
| Inventories (allowance for decline in value) | 981 | 659 | - | - | - | 1,640 |
| Provisions for employee benefit | 9,414 | 189 | (572) | - | - | 9,031 |
| Changes in fair value of foreign currency hedges | 64 | (64) | - | - | - | - |
| Changes in fair value of cash flow hedges | 51 | - | (49) | - | - | 2 |
| Total | 12,167 | (382) | (621) | - | - | 11,164 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

21 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the year ended 31 December 2022 and 2021 were based on the profit (loss) for the year attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the year after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of stock dividend. The number of ordinary shares used in the calculation of the basic earnings per share for the year ended 31 December 2021 are adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|---------|----------------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | (in thousand Baht/thousand shares) | | | |
| For the year ended 31 December | | | | |
| Profit (loss) attributable to ordinary shareholders of the Company from continuing operations | (6,934) | 75,684 | (920) | 33,942 |
| Ordinary shares outstanding | | | | |
| Number of ordinary shares outstanding at 1 January | 726,000 | 600,000 | 726,000 | 660,000 |
| Effect of stock dividends issued | - | 126,000 | - | 126,000 |
| Weighted average number of ordinary shares outstanding at 31 December | 726,000 | 726,000 | 726,000 | 726,000 |
| Basic earnings (loss) per share (in Baht) | (0.010) | 0.104 | (0.001) | 0.047 |
| Profit (loss) attributable to ordinary shareholders of the Company from discontinued operations | - | - | (4,684) | 41,818 |
| Number of ordinary shares outstanding at 31 December | - | - | 726,000 | 726,000 |
| Basic earnings (loss) per share (in Baht) | - | - | (0.007) | 0.057 |

22 Dividends

The shareholders of the Company have approved dividends as follows:

| | Approval date | Payment schedule | Dividend rate per share <i>(Baht)</i> | Amount <i>(in thousand Baht)</i> |
|------------------------------|------------------|---------------------|---|-------------------------------------|
| <i>2022</i> | | | | |
| 2021 Annual dividends | 28 April 2022 | May 2022 | 0.05 | 36,300 |
| <i>2021</i> | | | | |
| 2020 Interim dividends | 13 January 2021 | February 2021 | 0.01 | 3,336 |
| 2020 Interim stock dividends | 13 January 2021 | February 2021 | 0.05 | 30,000 |
| 2020 Annual dividends | 21 April 2021 | May 2021 | 0.05 | 32,999 |
| 2021 Interim dividends | 24 December 2021 | January 2022 | 0.01 | 3,669 |
| 2021 Interim stock dividends | 24 December 2021 | January 2022 | 0.05 | 33,000 |
| Total | | | | <u>103,004</u> |

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

23 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/Separate financial statements | | |
|--|---------------------|--|------------|----------|
| | | Carrying amount | Fair value | |
| | Hedging instruments | Financial instruments measured at amortised cost (in thousand Baht) | Level 2 | Level 3 |
| At 31 December | | | | |
| 2022 | | | | |
| Financial liabilities | | | | |
| Long-term borrowings from financial institutions | - | (28,564) | - | (26,730) |
| Forward exchange contract | (8,154) | - | (8,154) | - |
| 2021 | | | | |
| Financial liabilities | | | | |
| Long-term borrowings from financial institutions | - | (69,716) | - | (69,705) |
| Interest rate swaps used for hedging | (11) | - | (11) | - |

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 |
| Interest rate swaps | <i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve. |

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.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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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 17.

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").

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.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

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

| <i>At 31 December</i> | Carrying amount | Consolidated financial statements | | | |
|--|-----------------|--|--|---|----------------|
| | | Contractual cash flows | | | Total |
| | | 1 year or less | More than 1 year but less than 2 years | More than 2 years but less than 5 years | |
| | | <i>(in thousand Baht)</i> | | | |
| 2022 | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| 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 |
| Long-term borrowings from financial institutions | 28,564 | 20,069 | 9,537 | - | 29,606 |
| Lease liabilities | 4,325 | 1,696 | 1,039 | 1,955 | 4,690 |
| Total | 936,182 | 925,058 | 10,576 | 1,995 | 937,589 |
| <i>Derivative financial liabilities</i> | | | | | |
| Forward exchange contract | 8,154 | 8,154 | - | - | 8,154 |
| Total | 8,154 | 8,154 | - | - | 8,154 |
| 2021 | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| Bank overdrafts | 2,541 | 2,541 | - | - | 2,541 |
| Promissory notes | 270,482 | 270,482 | - | - | 270,482 |
| Liabilities under trust receipts | 57,430 | 57,430 | - | - | 57,430 |
| Trade accounts payable | 256,239 | 256,239 | - | - | 256,239 |
| Other payables | 62,151 | 62,151 | - | - | 62,151 |
| Long-term borrowings from financial institutions | 69,716 | 28,143 | 26,919 | 17,965 | 73,027 |
| Lease liabilities | 4,634 | 1,909 | 1,380 | 1,757 | 5,046 |
| Total | 723,193 | 678,895 | 28,299 | 19,722 | 726,916 |
| <i>Derivative financial liabilities</i> | | | | | |
| Interest rate swaps used for hedging | 11 | 11 | - | - | 11 |
| Total | 11 | 11 | - | - | 11 |

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the year ended 31 December 2022

| | | 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) | | | | | |
| At 31 December | | | | | |
| 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 |
| Long-term borrowings from financial institutions | 28,564 | 20,069 | 9,537 | - | 29,606 |
| Lease liabilities | 4,325 | 1,696 | 1,039 | 1,955 | 4,690 |
| Total | 866,134 | 855,010 | 10,576 | 1,955 | 867,541 |
| Derivative financial liabilities | | | | | |
| Forward exchange contract | 8,154 | 8,154 | - | - | 8,154 |
| Total | 8,154 | 8,154 | - | - | 8,154 |
| 2021 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Bank overdrafts | 2,541 | 2,541 | - | - | 2,541 |
| Promissory notes | 270,482 | 270,482 | - | - | 270,482 |
| Liabilities under trust receipts | 57,430 | 57,430 | - | - | 57,430 |
| Trade accounts payable | 256,239 | 256,239 | - | - | 256,239 |
| Other payables | 62,075 | 62,075 | - | - | 62,075 |
| Long-term borrowings from financial institutions | 69,716 | 28,143 | 26,919 | 17,965 | 73,027 |
| Lease liabilities | 4,634 | 1,909 | 1,380 | 1,757 | 5,046 |
| Total | 723,117 | 678,819 | 28,299 | 19,722 | 726,840 |
| Derivative financial liabilities | | | | | |
| Interest rate swaps used for hedging | 11 | 11 | - | - | 11 |
| Total | 11 | 11 | - | - | 11 |

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.

Applied DB Public Company Limited and its Subsidiaries
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For the year ended 31 December 2022

(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.

| Exposure to foreign currency at 31 December | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| United States Dollars | | | | |
| Cash and cash equivalents | 49,789 | 38,006 | 49,048 | 37,740 |
| Trade accounts receivable | 97,161 | 132,505 | 17,001 | 132,505 |
| Interest-bearing liabilities | (52,735) | (57,430) | (46,271) | (57,430) |
| Trade accounts payable | (53,383) | (34,445) | - | (34,445) |
| Other payables | (191) | (3) | (191) | (3) |
| Net statement of financial position exposure | 40,641 | 78,633 | 19,587 | 78,367 |
| Currency forwards purchase | 8,616 | - | 8,616 | - |
| Net exposure | 49,257 | 78,633 | 28,203 | 78,367 |
| Euro | | | | |
| Cash and cash equivalents | 91 | 111 | 91 | 111 |
| Trade accounts receivable | 1,328 | 107 | - | 107 |
| Net statement of financial position exposure | 1,419 | 218 | 91 | 218 |

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.

| Impact to profit or loss | Movement (%) | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-------------------------|--|-----------|--|-----------|
| | | Profit or loss | | Profit or loss | |
| | | Strengthening | Weakening | Strengthening | Weakening |
| | | <i>(in thousand Baht)</i> | | | |
| At 31 December 2022 | | | | | |
| United States Dollars | 5.00 | (2,031) | 2,031 | (978) | 978 |
| Euro | 10.00 | (142) | 142 | (9) | 9 |
| At 31 December 2021 | | | | | |
| United States Dollars | 5.00 | (3,927) | 3,927 | (3,918) | 3,918 |
| Euro | 10.00 | (22) | 22 | (22) | 22 |

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

(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 | |
|---|--|---------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Financial instruments with variable interest rates</i> | | | | |
| Financial liabilities | 28,564 | 69,716 | 28,564 | 69,716 |
| Interest rate swaps | - | (2,000) | - | (2,000) |
| | 28,564 | 67,716 | 28,564 | 67,716 |

24 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.

25 Commitments with non-related parties

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Capital commitments</i> | | | | |
| <i>Contracted but not provided for:</i> | | | | |
| Building, machinery and equipment | 3,420 | 3,500 | 3,420 | 3,500 |
| Total | 3,420 | 3,500 | 3,420 | 3,500 |
| <i>Other commitments</i> | | | | |
| Lease of low-value assets | 855 | 1,032 | 855 | 1,032 |
| Unused letters of credit for purchase goods | 33,974 | 12,268 | 17,533 | 9,500 |
| Bank guarantees | 4,763 | 4,363 | 3,097 | 2,697 |
| Purchase orders for goods and supplies | 59,988 | 46,384 | 31,560 | 21,895 |
| Total | 99,580 | 64,047 | 53,045 | 35,124 |

Attachment





Attachment 1

Details of Directors

Mr.Pawat Wongtangtrakul (Age 80 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 2022 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Other Listed Companies : -None -

Position in Non Listed Companies

Present : 2 Companies

- Director of SAVEMOR International Co.,Ltd.
- Director of PWT Land Co.,Ltd.

5 Years Past of work Experiences

- Year 2005 – 2017 Chairman of Board of Director of Applied DB Industrial Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- Directs : 3.7027%
- Indirects : -None-

Family Relationship among Directors and Executives

- Brother of Mr. Wang Wanapaisan
- Uncle of Mr. Wei Kai Wang and Mr. Kang Hsu Liu

Meeting attendance in the year 2021

- Board of Director 7/7 Times (100%)

Illegal Record in past of 10 years : - None -

Mr.Wang Wanapaison (Age 71 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 2022

- April 24 Strategic Discussion of Spin-Off Business course
- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong
- June 1 Vietnam Market Business Opportunity course
- December 12 Sales Growth Strategic Discussion course

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Other Listed Companies : -None -

Position in Non Listed Companies

Present : 3 Companies

- Chairman of the Board of Director of ADB BIO Co.,Ltd.
- Director of All New Vision Co.,Ltd.
- Director of ADB Sealant Co.,Ltd.

5 Years Past of work Experiences

- Year 2005 – 2017 Director / Chief Executive Officer of Applied DB Industrial Company Limited
- Year 2015 – 2018 Director of TVDI Vietnam
- Year 2013 – 2018 Director of Hypanique Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- Direct : 7.8315%
- Indirect : 2.3603%

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 2022

- Board of Director 7/7 Times (100%)
- Risk Management Committee 3/3 Times (100%)
- Executive Committee 6/6 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr.Rattanachai Wongcharoensin (Age 72 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 2022 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Other Listed Companies : - None -

Position in Non Listed Companies

Present : 5 Companies

- Director of Charoensin Tannery Co.,Ltd.
- Director of Charoensin Tannery Industry Co.,Ltd.
- Chairman of the Board of Thai TTN Nonwoven Solution Co.,Ltd.
- Chairman of the Board of Songmao Nonwoven Co.,Ltd.
- Director of EAGLE Chemical Industry Co.,Ltd.

5 Years Past of work Experiences

- Year 1989 – 2020 Director of Sunshine Plastic Products Co.,Ltd.
- Year 2002 – 2021 Director of Sang Burapa Rubber Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- 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 2021

- Board of Director 7/7 Times (100%)

Illegal Record in past of 10 years : - None -

Ms.Pornpiwan Niramoncherdchay (Age 52 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 2022

- January 25 The path to sustainable business course, by Dr.Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -**Position in Other Listed Companies : - None -****Position in Non Listed Companies****Present : 1 Companies**

- Secretary General of Association of Companies Listed in the Market for Alternative Investment (MAI).

5 Years Past of work Experiences

- Year 2017 – 2019 Director / Executive Committee / Vice President of Finance and Accounting / Vice President of Office Administration of Applied DB Public Company Limited.
- Year 2006 – 2017 Director / Executive Committee / Vice President of Finance and Accounting / Vice President of Office Administration of Applied DB Industrial Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- Direct : 0.8948%
- Indirect : -None-

Family Relationship among Directors and Executives : - None -**Meeting attendance in the year 2022**

- Board of Director 7/7 Times (100%)
- Risk Management Committee 3/3 Times (100%)
- Executive Committee 6/6 Times (100%)

Illegal Record in past of 10 years : - None -

Mr. Wei Kai Wang (Age 49 years)**Director/Risk Management Committee/Executive Committee/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 2022

- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Other Listed Companies : - None -

Position in Non Listed Companies

Present : 3 Companies

- Director of President ADB USA Inc.
- Director of President SPARKO USA Inc.
- Director of Red Phoenix Venture

5 Years Past of work Experiences

- Year 2017 – Present Director of President ADB USA Inc.
- Year 2017 – Present Director of President SPARKO USA Inc.
- Year 2011 – Present Director of Red Phoenix Venture
- Year 2007 – 2017 Director / Executive Committee / Vice President of Manufacturing of Applied DB Industrial Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- Direct : 2.5632%
- Indirect : - None -

Family Relationship among Directors and Executives

- Nephew of Mr. Pawat Wongtantrakul and Mr. Wang Wanapaisorn
- Cousin with Mr. Kang Hsu Liu

Meeting attendance in the year 2022

- Board of Director 7/7 Times (100%)
- Risk Management Committee 1/1 Times (100%) (Term expired on August 9, 2022)
- Executive Committee 6/6 Times (100%)

Illegal Record in past of 10 years : - None -

Mr.Veerachai Wongcharoensin (Age 44 years)**Director/Risk Management Committee/Executive Committee/Vice President of Adhesive 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, 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 2022

- January 25 The path to sustainable business course, by Dr.Mongkon Laoworapong
- July 6 – November 8 IR IN ACTION 2 course, by Association of Listed Companies on the MAI Stock Exchange

Other Companies which may have Conflict of Interest Against ADB : - None -**Position in Other Listed Companies : - None -****Position in Non Listed Companies****Present : 8 Companies**

- Director of ADB BIO Co.,Ltd.
- Director of ADB Sealant Co.,Ltd.
- Director of Venture Inter Plus Co.,Ltd.
- Director of Charoensin Resident Co.,Ltd.
- Director of Smart Sense Industrial Design Co.,Ltd.
- Director of Charoensin Holding Co.,Ltd.
- Director of Charoensin Condotown Co.,Ltd.
- Director of Charoensin Capital Co.,Ltd.

5 Years Past of work Experiences

- Year 2012 – 2020 Director of Miracle Jewelry Co.,Ltd.
- Year 2012 – 2018 Director of CS Rubber Industry Co., Ltd.
- Year 2012 – 2018 Director of The Lovemarks Co.,Ltd.
- Year 2012 – 2017 Director of Thai Wiring System Co.,Ltd.
- Year 2006 – 2017 Director of Charoensin Thani Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- Direct : 0.0917%
- Indirect : - None -

Family Relationship among Directors and Executives

- Nephew of Mr. Ratthanchai Wongchareonsin
- Cousin with Mr.Wutthichai Wongchareonsin

Meeting attendance in the year 2022

- Board of Director 7/7 Times (100%)
- Risk Management Committee 1/1 Times (100%) (Term expired on August 9, 2022)
- Executive Committee 6/6 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr. Wuttichai Wongcharoensin (Age 46 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 2022 : - None -

Other Companies which may have Conflict of Interest

Against ADB : - None -

Position in Other Listed Companies : - None -

Position in Non Listed Companies

Present : 14 Companies

- Director of UR Family Co.,Ltd.
- Director of Venture Inter Plus Co.,Ltd.
- Director of Valusafe Co.,Ltd.
- Director/Managing Director of TTN Nonwoven Solution Co.,Ltd.
- Director of Thai Wiring System Co.,Ltd.
- Director of Songmao Nonwoven Co.,Ltd.
- Director of Sunshine Plastic Products Co.,Ltd.
- Director of Mimi Industrial Co.,Ltd.
- Director of LEO Company Co.,Ltd.
- Director of Thai Nisshoku Co.,Ltd.
- Director of Charoensin Holding Co.,Ltd.
- Director of Herbal City (Thailand) Co.,Ltd.
- Director of TSF Technical Material Co.,Ltd.
- Director of ADB Sealant Co.,Ltd.

5 Years Past of work Experiences

- Year 2013 – Present Director of UR Family Co.,Ltd.
- Year 2004 – Present Director of Thai Wiring System Co.,Ltd.
- Year 2003 – Present Director of Sunshine Plastic Products Co.,Ltd.
- Year 2002 – Present Director of Charoensin Holding Co.,Ltd.
- Year 2002 – Present Director of Songmao Nonwoven Co.,Ltd.
- Year 2001 – Present Director / Managing Director of TTN Nonwoven Solution Co.,Ltd.

Shareholding in the Company as at December 30, 2022

Direct : 0.0409%

Indirect : - None -

Family Relationship among Directors and Executives

- Son of Mr.Ratthanachai Wongchareonsin
- Cousin with Mr.Veerachai Wongchareonsin

Meeting attendance in the year 2022

- | | |
|-----------------------------|------------------|
| ▪ Board of Director | 7/7 Times (100%) |
| ▪ Risk Management Committee | 3/3 Times (100%) |
| ▪ Executive Committee | 6/6 Times (100%) |

Illegal Record in past of 10 years : - None -

Dr.Mongkon Laoworapong (Age 53 years)

Independent Director/Chairmen of The Audit Committee/Chairmen of The 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

Other training courses in 2022 :

- Thai Standard on Auditing (TSA)
- Thai Financial Reporting Standard (TFRS)
- Internal Control and Internal Audit
- Training on accounting standards and auditing standards Federation of Accounting Professions

Other Companies which may have Conflict of Interest

Against ADB: - None -

Position in Other Listed Companies

Present : 3 Companies

- Independent Director/Audit Committee of Sahakol Equipment PCL.
- Independent Director/ Audit Committee/Risk Management Committee of CPL Group PCL.
- Independent Director of AEON Thana Sinsap (Thailand) PCL.

Position in Non Listed Companies

Present : 8 Companies

- Visiting Lecturer of Faculty of Commerce and Accountancy, Thammasat University.
- Independent Director / Audit Committee Risk Management Committee of Charoensin Asset Co.,Ltd.
- Director of Quality Assurance Service Co.,Ltd.

- Director / Chairman of the Audit Committee / Risk Management Committee of Warehouse Organization.
- Director of Computer Union Co.,Ltd.
- Director of Union Textile Industries PCL.
- Director of Computer Union System Co.,Ltd.
- Independent Director of PAP Exim Co.,Ltd.

5 Years Past of work Experiences

- Year 2021 - Present Independent Director/ Audit Committee /Risk Management Committee/Nomination and Remuneration Committee of CPL Group PCL.
- Year 2015 - Present Independent Director/Audit Committee of Sahakol Equipment PCL.
- Year 2019 - Present Independent Director of AEON Thana Sinsap (Thailand) PCL.
- Year 2009 – Present Visiting Lecturer of Faculty of Commerce and Accountancy, Thammasat University.
- Year 2015 - Present Independent Director / Audit Committee Risk Management Committee of Charoensin Asset Co.,Ltd.
- Year 2021 – Present Director of Quality Assurance Service Co.,Ltd.
- Year 2022 – Present Director / Chairman of the Audit Committee / Risk Management Committee of Warehouse Organization.
- Year 2022 – Present Director of Computer Union Co.,Ltd.
- Year 2022 – Present Director of Union Textile Industries PCL.
- Year 2022 – Present Director of Computer Union System Co.,Ltd.
- Year 2022 – Present Independent Director of PAP Exim Co.,Ltd.

Shareholding in the Company as at December 30, 2022

:

- None -

Family Relationship among Directors and Executives :

- None -

Meeting attendance in the year 2022

- Board of Director 7/7 Times (100%)
- Audit Committee 4/4 Times (100%)
- Risk Management Committee 3/3 Times (100%)
- Investment Advisory Board Committee - None -

Illegal Record in past of 10 years : - None -

**Asst. Prof. Dr. Monpilai H. Narasingha (Age 54 years)****Independent Director/Audit Committee/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 2022

- April 18-30 Certified Coach Napoleon Hill (CCNH) Course Class 29 by Coach-Napoleon Hill™ Institute
- June 1, 2022 – January 31, 2023 Professional Coach Napoleon Hill (PCNH) and ICF Intensive Mentoring Program ACC/PCC Course by Coach-Napoleon Hill™ Institute
- November 12 The lecturer teach is a coach Course by Coach Sukanya Michel.

Other Companies which may have Conflict of Interest Against ADB : - None -**Position in Other Listed Companies : - None -****Position in Non Listed Companies****Present : 3 Companies**

- Director of Society of Chemical Engineering and Applied Chemistry of Thailand.
- Lecturer at Department of Chemical Engineering Faculty of Engineering King Mongkut's University of Technology North Bangkok.
- Director of German-Thai Railway Association.

5 Years Past of work Experiences

- Year 2015 - 2018 Director of TGGs Co.,Ltd.
- Year 2017 - Present Director of Chemical Engineering and Applied Chemistry of Thailand.
- Year 2022 - Present Director of German-Thai Railway Association.

Shareholding in the Company as at December 30, 2021 : - None -**Family Relationship among Directors and Executives : - None -****Meeting attendance in the year 2022**

- Board of Director 7/7 Times (100%)
- Audit Committee 4/4 Times (100%)
- Risk Management Committee 3/3 Times (100%)
- Investment Advisory Board Committee - None -

Illegal Record in past of 10 years : - None -

**Mrs.Kanchana Piyasatit (Age 68 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 2022 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Other Listed Companies

Present : 1 Companies

- Director / Independent Director / Chairman of the Nomination and Remuneration Committee of Built Land Public Company Limited.

Position in Non Listed Companies : - None -

5 Years Past of work Experiences

- Year 2018 - Present Director / Independent Director / Chairman of the Nomination and Remuneration Committee of Built Land Public Company Limited.
- Year 2015 - 2018 Independent Director / Chairman of the Audit Committee of Built Land Public Company Limited.

Shareholding in the Company as at December 30, 2022 : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2022

- Board of Director 7/7 Times (100%)
- Audit Committee 4/4 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr. Yang Chung Jen (Age 50 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 2022 : - None -

Other Companies which may have Conflict of Interest Against ADB : - None -

Position in Other Listed Companies : - None -

Position in Non Listed Companies

Present : 1 Companies

- Senior Vice President of Bangkok Grand Pacific Lease Public Company Limited.

5 Years Past of work Experiences

- Year 2000 – Present Senior Vice President of Bangkok Grand Pacific Lease Public Company Limited.

Shareholding in the Company as at December 30, 2022 : - None -

Family Relationship among Directors and Executives : - None -

Meeting attendance in the year 2022

- 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 45 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 2022

- January 25 The path to sustainable business course, by Dr.Mongkon Laoworapong
- May 18– July 20 IR IN ACTION 1 course, by Association of Listed Companies on the MAI Stock Exchange

Position in Other Listed Companies : - None -**Position in Non Listed Companies****Present** : 2 Companies

- Director of ADB USA Inc.
- Director of SPARKO USA Inc.

5 Years Past of work Experiences :

- Year 2017 – Present Director of ADB USA Inc.
- Year 2017 – Present Director of SPARKO USA Inc.

Shareholding in the Company as at December 30, 2022

- Direct : 0.0466%
- Indirect : - None -

Family Relationship among Directors and Executives :

- None -

Meeting attendance in the year 2022

- Executive Committee 6/6 Times (100%)

Illegal Record in past of 10 years : - None -**Mr.Kang Hsu Liu (Age 51 years)****Executive Committee/Vice President of Sealant & DIY Department****Education**

- Bachelor in Engineering, Wichita State University, USA.

Training by the Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 158/2019

Other training courses in 2022

- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong

Position in Other Listed Companies : - None -**Position in Non Listed Companies** : - None -**5 Years Past of work Experiences** : - None -**Shareholding in the Company as at December 30, 2022**

- Direct : 0.0152%
- Indirect : - None -

Family Relationship among Directors and Executives

- Nephew of Mr. Pawat Wongtantrakul and Mr. Wang Wanapaisan
- Cousin with Mr. Wei Kai Wang

Meeting attendance in the year 2022

- Executive Committee 6/6 Times (100%)

Illegal Record in past of 10 years : - None -

**Mr.Piriya Moungkram (Age 44 years)****Executive Committee/Risk Management
Committee/Vice President of Technical Department****Education**

- Bachelor of Materials Technology (Petrochemicals and Polymer Materials) Silpakorn University.

Other training courses in 2022

- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong
- November 25 Radiation accident prevention preparation course by National Institute of Nuclear Technology (Public Organization).

Position in Other Listed Companies : - None -**Position in Non Listed Companies****Present :** 1 Companies

- Director of ADB Bio Co.,Ltd.

5 Years Past of work Experiences : - None -**Shareholding in the Company as at December 30, 2022**

- Direct : 0.0500%
- Indirect : - None -

Family Relationship among Directors and Executives :

- None -

Meeting attendance in the year 2022

- Executive Committee 6/6 Times (100%)
- Risk Management Committee 3/3 Times (100%)

Illegal Record in past of 10 years : - None -**Mr.Siripong Luewongwattana (Age 51 years)****Vice President of Sales Plastic Compound Department****Education**

- Bachelor in Marketing, Kasem Bundit University.

Other training courses in 2022

- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong

Position in Other Listed Companies : - None -**Position in Non Listed Companies :** - None -**5 Years Past of work Experiences :** - None -**Shareholding in the Company as at December 30, 2022**

- Direct : 0.0045%
- Indirect : - None -

Family Relationship among Directors and Executives :

- None -

Illegal Record in past of 10 years : - None -

**Mrs. Wichitra Thubburee (Age 58 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 2022

- **January 25** The path to sustainable business course, by Dr.Mongkon Laoworapong
- **February 10** "DIW Safety Application" Industrial Safety Management in the Digital Age by the Department of Industrial Works.
- **April 5-6** Anti-Corruption the Practical Guide (ACPG) by Thai CAC
- **April 19** Prepare for THSI2022 Sustainability Assessment by the Stock Exchange of Thailand.
- **May 18** Risk 2022 A guide to Understanding by Dr.Mongkon Laoworapong.
- **May 20** Functional Competency by Mr.Amnart Watjinda
- **June 13** Contents and legal principles of the Personal Data Protection Act by Ajarn Patiwat Nararat.
- **June 15** Manage corporate personal data in accordance with the Personal Data Protection Act B.E. 2562 by Mr.Patiwat Nararat
- **July 1** Manpower analysis by Work study by Mr.Amnart Watjinda
- **July 4-5** Climate Change measurement & Management by the Stock Exchange of Thailand
- **July 24-25** HR Strategy in New Normal by Mr.Sorawut Harnop, Mr.Narongwet Wachanapanich

- **August 8** Climate measurement & management The Stock Exchange of Thailand/TGO.
- **August 24-25** SET HR Strategy in New Normal (Workshop) by Mr.Sorawut Harnop
- **August 31 – September 1** Corruption issues that organizations must be aware of and Fraud Risk Assessment by the Federation of Accounting Professions. under the royal patronage
- **October 7** Basic Energy Conservation Techniques in Industrial Plants by Mr. Anat Nomsrien
- **November 22** Basic firefighting training by Phraeksa Mai Fire Department

Position in Other Listed Companies : - None -

Position in Non Listed Companies

Present : 2 Companies

- Director of ADB USA Inc.
- Director of SPARKO USA Inc.

5 Years Past of work Experiences :

- **Year 2017 – Present** Director of ADB USA Inc.
- **Year 2017 – Present** Director of SPARKO USA Inc.

Shareholding in the Company as at December 30, 2022

- **Direct** : 0.2641%
- **Indirect** : - None -

Family Relationship among Directors and Executives :

- None -

Illegal Record in past of 10 years : - None -

**Mr.Chang Chin Kuei (Age 47 years)****Vice President of Maintenance Department****Education**

- High School, Department of Machine Paul Hsu Senior High School.
- Master of Business Administration (EMBA), College of Management (Thailand), National Taipei University of Technology

Other training courses in 2022

- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong

Position in Other Listed Companies : - None -

Position in Non Listed Companies : - None -

5 Years Past of work Experiences

- Year 2021 – Present Vice President of Maintenance Department of Applied DB Public Company Limited.
- Year 2017 – 2020 Assistant Vice President of Maintenance Department of Applied DB Public Company Limited.

Shareholding in the Company as at December 30, 2022

- Direct : 0.0126%
- Indirect : - None -

Family Relationship among Directors and Executives :

- None -

Illegal Record in past of 10 years : - None -

Ms.Nutta Likitrujanont (Age 59 years)**Vice President of Operation Department****Education**

- Diploma of Marketing, Krirk College.

Other training courses in 2022

- May 18 Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong

Position in Other Listed Companies : - None -

Position in Non Listed Companies : - None -

5 Years Past of work Experiences

- Year 2020 – Present Vice President of Operation Department of Applied DB Public Company Limited.
- Year 2018 – 2019 Acting Vice President of Resources Department of Applied DB Public Company Limited.
- Year 2017 – 2018 Assistant Vice President of Purchasing of Applied DB Public Company Limited.

Shareholding in the Company as at December 30, 2022

- Direct : 0.0165%
- Indirect : - None -

Family Relationship among Directors and Executives :

- None -

Illegal Record in past of 10 years : - None -

Ms.Sirisuda Sujariyanurak (Age 46 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 Thamthirath University.

Training by the Thai Institute of Directors Association (IOD)

- Company Secretary Program (CSP) Class 86/2018

Other training courses in 2022

- **January 18** The last curve to prepare for the preparation of Form 56-1 One Report - Sustainability Reporting by KPMG.
- **January 27** Road to Certify with CAC by WebEX Online
- **February 11** Social Security Law, Dealers and Insurers by Beyond EI Co., Ltd.
- **February 12-13** Leading My Life (LML) by Thailand Coaching
- **February 15** pgrade financial personnel to become The Next Normal Financial Professional by the Stock Exchange of Thailand.
- **February 24** How to create anti-corruption immunity? to reduce costs and create business opportunities by CAC
- **February 28** Workshop for establishments that have entered into the drug prevention and solution standard system by the Office of Labor Protection and Welfare.
- **March 17** Careful, knowledgeable with labor relations laws by Beyond EI Co., Ltd.
- **March 17-18** Understanding key global ESG Rating by the Stock Exchange of Thailand.
- **March 18** Father and son came to talk about HR work, mixed formula HR-BB to HR-x by Beyond Training Institute.
- **April 19** Prepare for THSI2022 Sustainability Assessment by the Stock Exchange of Thailand.
- **May 4** Employer protection law according to the Supreme Court's verdict by Samut Prakan Human Resource Management Club
- **May 5** Anti-Corruption the Practical Guide (ACPG) by Thai CAC
- **May 17** Designing a system of personnel competency (Managerial Competency) by Mr.Amnart Watjinda

- **May 18** Risk 2022 A guide to Understanding course, by Dr.Mongkon Laoworapong
- **June 15** Manage corporate personal data in accordance with the Personal Data Protection Act B.E. 2562 by Mr.Patiwat Nararat
- **July 1** Manpower analysis by Work study by Mr.Amnart Watjinda
- **July 4** Direction of the COVID situation and changes through endemic diseases and the situation of smallpox by Dr. Non Chindave
- **July 24-25** HR Strategy in New Normal by Mr.Sorawut Harnop, Mr.Narongwet Wachanapanich
- **August 24-25** SET HR Strategy in New Normal (Workshop) by Mr.Sorawut Harnop

Position in Other Listed Companies : - None -

Position in Non Listed Companies : - None -

5 Years Past of work Experiences

- **Year 2021 – Present** Acting Vice President of Human Resources and Development of Applied DB Public Company Limited.
- **Year 2020** Assistant Vice President of Administration Department of Applied DB Public Company Limited.
- **Year 20217 – 2019** Manager of Human Resources and Administration of Applied DB Public Company Limited.
- **Year 20211 – 2017** Manager of Human Resources and Administration of Applied DB Industrial Co.,Ltd.

Shareholding in the Company as at December 30, 2022

- **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 47 years)****Acting Vice President of Information Technology Department****Education**

- Bachelor Degree, Electrical Engineering of China University Science of Technology.

Other training courses in 2022 : -None-**Position in Other Listed Companies :** - None -**Position in Non Listed Companies :** - None -**5 Years Past of work Experiences**

- **Year 2021 – Present** Acting Vice President of Information Technology Department of Applied DB Public Company Limited.
- **Year 2016 – 2020** Manage of IT of Taiwan love tourism Marketing

Shareholding in the Company as at December 30, 2022 :

- None -

Family Relationship among Directors and Executives : -

None -

Illegal Record in past of 10 years : - None -**Mrs. Nokjinda Non-asa (Age 42 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 2022

- **February 15** Negotiation and Conflict Management by Benjamat Jailak
- **May 12** Core Competency by Mr.Amnart Watjinda
- **May 20** Functional Competency by Mr.Amnart Watjinda
- **May 21** Training to use the program HR ON WEB by ADB HR
- **May 25** Delegation Effectively by K.Benjaminas Jairak
- **July 7** Change the way you think about life by Ms.Pornpiwan Niramomchardchay
- E-learning CFO's Refresher Course by Capital Market Knowledge Development Center, Stock Exchange of Thailand
- In-depth NPAEs in terms of income and assets, along with tax rules and privileges by the Revenue Department
- Keep up with the transfer pricing law by the Revenue Department
- How to manage business money that accountants should know by Accounting Coach (Thailand)

Position in Other Listed Companies : - None -**Position in Non Listed Companies :** - None -**5 Years Past of work Experiences :** - None -**Shareholding in the Company as at December 30, 2022 :**

- None -

Family Relationship among Directors and Executives :

- None -

Illegal Record in past of 10 years : - None -

**Ms.Kanokwan Kongtanakomtunyakid (Age 30 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 2022

- **January 25** The path to sustainable business course, by Dr.Mongkon Laoworapong
- **February 15** Negotiation and Conflict Management by Benjamat Jailak
- **May 25** Delegation Effectively by K.Benjamas Jairak
- **June 13** Contents and legal principles of the Personal Data Protection Act by Ajarn Patiwat Nararat
- **June 15** Manage corporate personal data in accordance with the Personal Data Protection Act B.E. 2562 by Mr.Patiwat Nararat
- **July - August** Company Secretary Professional Development Program 2022 by Thai Listed Companies Association

Position in Other Listed Companies : - None -

Position in Non Listed Companies : - None -

5 Years Past of work Experiences

- **Year 2021 – Present** Company Secretary / Investor Relations / Manager of New Business Development of Applied DB Public Company Limited.
- **Year 2019 – 2020** Senior Chief of Information Technology and ERP Department, Applied DB Public Company Limited.
- **Year 2017 – 2019** Chief of Information Technology and ERP Department, Applied DB Public Company Limited.

Shareholding in the Company as at December 30, 2022 : - 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. Followes 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 Niramondchay | Mr.Wei Kai Wang | Mr.Veerachai Wongcharoensin | Mr.Wuttichai Wongcharoensin | Mr.Mongkon Laoworapong | Mrs.Monplai 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 |
| PWT LAND Co.,Ltd. | II | | | | | | | | | | |
| Savemor International Co.,Ltd. | II | | | | | | | | | | |
| Charoensin Tannery Co.,Ltd. | | | II | | | | | | | | |
| TTN Nonwoven Solution Co.,Ltd. | | | I | | | | II,D | | | | |
| Kalavan Co.,Ltd. | | | I | | | | II | | | | |
| Sun Sine Product Co.,Ltd. | | | | | | | 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 | | | | |
| Charoensin Resident Co.,Ltd. (Old VT Brother Co.,Ltd.) | | | | | | 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 | | | | |
| All New Vission Co.,Ltd. | | II | | | | | | | | | |
| Red Phoenix Venture | | | | | II | | | | | | |
| Sahakol Equipment Public Company Limited | | | | | | | | III,V | | | |
| C.P.L. Group Public Company Limited. | | | | | | | | III,V | | | |
| 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 Public Company Limited. | | | | | | | | | | | 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 | | | |



| Related Companies | Director/Executive | | | | | | | | | | |
|--------------------------------|-------------------------|--------------------|-------------------------------|-------------------------------|-----------------|-----------------------------|-----------------------------|------------------------|------------------------|-----------------------|-------------------|
| | Mr.Pawat Wongtangtrakul | Mr.Wang Wanapaisan | Mr.Rattanachai Wongcharoensin | Ms.Pompiwan Niramondcherdchay | Mr.Wei Kai Wang | Mr.Veerachai Wongcharoensin | Mr.Wuttichai Wongcharoensin | Mr.Mongkon Laoworapong | Mrs.Monplai Narasingha | Mrs.Kachana Piyasatit | Mr.Yang Chung Jec |
| Warehouse Organization | | | | | | | | II,IV | | | |
| Computer Union Co.,Ltd. | | | | | | | | II | | | |
| Union Textile Industries PCL. | | | | | | | | II | | | |
| Computer Union System Co.,Ltd. | | | | | | | | II | | | |
| PAP Exim Co.,Ltd. | | | | | | | | III | | | |

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, 2022, 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

Details about the work history and education of key personnel.

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 : 1. Certificate Course in Internal Auditors of Thailand (CPIAT), Association of Internal Auditors of Thailand.
2. Financial advisor course Association of Thai Securities Companies.
3. Course 7 Operational Risks and Crisis Response Guidelines.

2. Ms.Chonlada Teerapattananon (Partner)

Educational : Master of Finance and Accounting, Chulalongkorn University

Background

Experience : 1. Audit accounting, taxation, finance, information system and internal control systems of companies listed on the Stock Exchange of Thailand for more than 20 years.
2. Audit internal operation of technology, information and communication technology, engineering system, food and beverage businesses.

Training : 1. Accounting Standards Course, Federation of Accounting Professions.
2. Internal control system and internal control audit course, Federation of Accounting Professions.

3. Mr.Narongsak Wangtapunt (Senior Auditor)

Educational : Kasetsart University Chalermphrakiat Sakon Nakhon Province Campus.

Background

Experience : Internal audit Real estate business, construction, industrial plants and services.



Attachment 4

Assets for business undertaking and details of asset appraisal

- In 2022, the Company has no asset appraisal policy and no asset appraisal during the accounting period.



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 GC. 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 2022, the Audit Committee has held a total of 4 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 2022, 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 2022, 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 Ongksirimemongkol, 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

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- <https://www.facebook.com/AppliedDB>

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