



Annual Registration Statement / Annual Report

Form 56-1 One Report

(e-One Report)

APPLIED DB PUBLIC COMPANY LIMITED

Fiscal Year End 31 December 2024



# Table of Contents

	Page
<b>Part 1 Business Operations and Performance</b>	
<b>1. Group Structure and Operations</b>	
1.1 Policy and business overview	1
1.2 Business Operations	7
1.3 Shareholding structure	24
1.4 Number of registered capital and paid-up capital	27
1.5 Issuance of other securities	28
1.6 Dividend payment policy	29
<b>2. Risk management</b>	
2.1 Risk mgmt policy and plan	30
2.2 Risk factors	32
<b>3. Sustainable Development</b>	
3.1 Sustainability Management Policy and Targets	38
3.2 Management of impacts on stakeholders in the business value chain	41
3.3 Management of environmental sustainability	52
3.4 Social sustainability management	63
<b>4. Management Discussion and Analysis (MD&amp;A)</b>	
4.1 Operation, financial condition and material changes, accompanied by the causes or factors contributing thereto during the past year	81
4.2 Potential factors or incidents that may materially affect the financial condition or the operating results	85
4.3 Disclose information from the financial statements and significant financial ratios	86
<b>5. General information and other material facts</b>	

## Table of Contents (continued)

	Page
5.1 General information	93
5.2 Other material facts	94
5.3 Legal disputes	95
5.4 Secondary market	96
5.5 Financial institution with regular contact (only in case of debt securities offeror)	97
<b>Part 2 Corporate Governance</b>	
<b>6. Corporate governance policy</b>	
6.1 Corporate Governance Policy	98
6.2 Business code of conduct (if any)	113
6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year	120
<b>7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others</b>	
7.1 Corporate Governance Structure	122
7.2 Information on the Board of Directors	123
7.3 Information on subcommittees	135
7.4 Information on executives	144
7.5 Information on employees	150
7.6 Other significant information	153
<b>8. Report on key operating results on corporate governance</b>	
8.1 Summary of duty performance of the Board of Directors in the past year	155
8.2 Report on the results of duty performance of the Audit Committee in the past year	172
8.3 Summary of the results of duty performance of subcommittees	174

## Table of Contents (continued)

	Page
<b>9. Internal control and related party transactions</b>	
9.1 Internal control	178
9.2 Related party transactions	180
<b>Part 3 Financial Statement</b>	
Board of Directors' Responsibility Statement for the Financial Report	194
Auditor's Report	196
Financial Statements	202
Notes to the Financial Statements	215
<b>Back up attachment</b>	
Attachment	261

## Part 1 Business Operations and Performance

# 1. Group Structure and Operations

## 1.1 Policy and business overview

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

#### Message from the chairman

2024 is a year of positive changes in the business group of Applied DB Public Company Limited (ADB) from the joint venture between ADB Sealant Co., Ltd. (ADBS), which was originally a 99.99% subsidiary of ADB, and AICA ASIA PACIFIC HOLDING PTE. LTD. (AAPH), a wholly owned subsidiary of AICA KOGYO CO., LTD. (AICA), a Japanese company that has been in business for over a century. The collaboration between the two companies will help drive ADBS's growth, enhance global management capabilities, increase production proportion to benefit from scale, and strengthen brands and product diversity, including adhesives, sealants, and adhesive sealant in small packages for household end users (DIY Products), and enhance ADBS's market position in the retail market in the Asian region. After the capital increase, ADBS will have a new registered capital of 645.09 million baht, and the Company will maintain our investment proportion in ADBS at 49%.

Meanwhile, the plastic compound business, which is ADB's core business, also has a good recovery trend. The Company has adjusted our policy with the principles of sustainable management to increase efficiency and maintain competitiveness through key strategies, including maintaining market leadership by upgrading product quality and expanding the market to high-potential industries to ensure continuous product demand, effective cost management, and adjusting marketing strategies to maintain competitiveness and profitability through regular analysis of market and cost data.

From 2021 to 2024, ADB has been selected by the Stock Exchange of Thailand as one of the Thailand Sustainability Investment or SET ESG Rating for the 4th consecutive year, which reflected our commitment to operate sustainable business and will continue to develop to create good returns for shareholders and be responsible for society and the environment.

In addition, the Company continuously emphasizes and promotes ESG practices by applying them to business operations and developing products that are responsible for society, the environment with good corporate governance. The Company has also set Carbon Neutrality target in 2050 and set Net Zero target in 2065. We continuously invest in energy management and efficient resource utilization for the organization's sustainable growth in the long term.

On behalf of the executives and employees of Applied DB Public Company Limited, we would like to thank our shareholders, customers, business partners, and business allies for their trust and confidence. The company will adhere to the principles of good governance and corporate governance in conducting business to create good returns for all parties.

#### Vision

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

#### Objectives

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

#### Goals

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

#### • Business Growth

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

#### • Return on Investment

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

#### • Sustainability

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

### **Business strategies**

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

#### **1. Customer:** To maximize customer satisfaction, we focus on the following areas.

- 1.1 Production and distribution of diverse products to meet customer needs.
- 1.2 Quality and standard products accepted by customers at competitive prices.
- 1.3 Fast & On-time Delivery.
- 1.4 Quick Response.
- 1.5 Customer Relation Management.

#### **2. Sales and Marketing**

- 2.1 To research and develop products to meet market needs and increase distribution channels to expand products to both domestic and international markets.
- 2.2 To produce diverse products and to continually grow in the industry.
- 2.3 To have competitive potential in product differentiation with a research and development team who are ready to adjust products to serve customer needs and specific utilization.
- 2.4 To have sales staff and customer service staff with expertise in products to answer questions and give recommendations on products that suit customer needs and to provide quick responses to complaints.
- 2.5 To provide product quality guarantee as agreed with customers.

#### **3. Supplier**

- 3.1 To develop existing partners and continually seek new business partners.
- 3.2 To develop relationships with business partners contributing to having the same business goals.
- 3.3 To have integrated supply chain management.

#### **4. Employees as essential resources for the organization**

- 4.1 To maximize employees' capabilities at all levels continuously.
- 4.2 To develop employees to have expertise skill sets to become specialists in each field.
- 4.3 To adopt an integrated working style, establish collaboration with various parties and offer an opportunity to employees to participate in management.
- 4.4 To develop performance management system that relates organizational goals to personal goals by relating employees' performance and capabilities in performance evaluation of each period.
- 4.5 To define succession hierarchy in all command lines so as to define knowledge development format and knowledge and ability of personnel who can take higher positions.
- 4.6 Provide Opportunities for self-directed learning and offsite training which will be the benefit for business and employee's work experience.

#### **5. Cost**

5.1 To develop the most effective working system with the minimum cost and enable competitive potential through loss management with minimum damage.

5.2 To continually seek substitute materials.

5.3 To make the most of assets efficiently.

5.4 To reduce workforce by replacing labor intensive with semi-automatic machines in some production parts so as to achieve quality standards, reduce waste and reduce labor costs that tend to rise every year.

## 6. Management System

6.1 To develop effective management system in accordance with international standards and adopt good corporate governance to compete in the global market and to build trust and reliability continuously and sustainably.

6.2 To develop product and service quality and business risk management by controlling and mitigating risk factors that have a negatively impact on business operations.

6.3 To develop a successful management system for teamwork and continual development.

## 7. Research and Development

7.1 To enhance research and development potential this creates new innovation that adds value to products. Continuously increasing product quality and efficiency.

7.2 To develop new innovation and seek business opportunities contributing to sustainable growth.

7.3 Ready to develop products to the next level to support green industry in every product group.

## 8. Technology

8.1 Development of production technology, Product design and modern management system suitable for the company's business.

8.2 Develop the company's website for a variety of benefits. Easy access Have current information both to customers those interested in the products, shareholders, investors and the general public

## 9. Society and Environment

9.1 To contribute and participate in the development of quality of life of stakeholders such as employees society and community.

9.2 To promote job creation and income generation in social community development.

9.3 To develop community, maintain the environment comply with the rules of estate authority and destroy products properly which eliminates pollution in the organization and surrounding society effectively.

9.4 3Rs principle of raw material and resource utilization is applied. Industrial waste will finally be exposed in proper way to deal with pollution within the organization and the society.

9.5 Encourage to reduce paper use within the organization by using the digital system to mitigate global warming and reduce greenhouse gas emissions from the paper production process.

## 1.1.2 Material changes and developments

### Details regarding material changes and developments

Year	Material changes and developments
2024	<p><b>August</b></p> <ul style="list-style-type: none"> <li>Quality assessment results of the Annual General Meeting of Shareholders for the year 2023 (AGM Checklist) by the Thai Investors Association, the Company received a rating of "Excellent" (4 Star).</li> </ul> <p><b>September</b></p> <ul style="list-style-type: none"> <li><b>September 19</b>, 2024 AICA ASIA PACIFIC HOLDING PTE. LTD., a subsidiary wholly owned by AICA KOGYO CO., LTD., a Japanese corporation, has entered into a joint venture with ADB Sealant Co., Ltd. by subscribing to newly issued shares in the proportion of 51 percent. After the capital increase, ADBS has a new registered capital of 645.09 million baht, with the joint objective of expanding the sealant and DIY market in the Asian region.</li> </ul> <p><b>November</b></p> <ul style="list-style-type: none"> <li>The Extraordinary General Meeting of Shareholders No.1/2024 held on November 27, 2024, approved the Disposition of the Company's Assets Transaction to ADB Sealant Co.,Ltd. and related authorization.</li> </ul> <p><b>December</b></p>



Year	Material changes and developments
2024	<ul style="list-style-type: none"> <li>The Company has been assessed as a listed company with corporate governance in the “Very Good CG Scoring” at the 4 star level from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand.</li> <li>The Company has been assessed as SET ESG Ratings for the year 2024 in “AA” level The company being evaluated as one of the list of the Thailand Sustainability Investment (THSI) since the year 2021 and 2024. Demonstrates commitment to operating a sustainable business with consideration for the environment. Socially responsible and has management in accordance with the principles of corporate governance (Environmental, Social and Governance: ESG).</li> </ul>
2023	<p><b>August</b></p> <ul style="list-style-type: none"> <li><b>August 26, 2023</b> The Company has been certified for Occupational health and safety management systems ISO 45001: 2018 from BSI, the British Standards Certification Institute.</li> </ul> <p><b>November</b></p> <ul style="list-style-type: none"> <li>The Company has been assessed as a listed company with corporate governance in the “Excellent CG Scoring” at the 5-star level from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand.</li> <li>The Company has been assessed as SET ESG Ratings for the year 2023 in “A” level The 3 consecutive year from being evaluated as one of the list of the Thailand Sustainability Investment (THSI) in the year 2021 and 2022. Demonstrates commitment to operating a sustainable business with consideration for the environment. Socially responsible and has management in accordance with the principles of corporate governance (Environmental, Social and Governance: ESG)</li> </ul> <p><b>December</b></p> <ul style="list-style-type: none"> <li>Quality assessment results of the Annual General Meeting of Shareholders for the year 2023 (AGM Checklist) by the Thai Investors Association, the Company received a rating of “Excellent” (4 Star).</li> <li><b>December 20, 2023</b> The Company has been certified for Medical Devices Quality Management System ISO 13485: 2016 from BSI, the British Standards Certification Institute.</li> <li><b>December 31, 2023</b> Received certification as Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the first time which is our commitment for anti-corruption.</li> </ul>
2022	<p><b>May</b></p> <ul style="list-style-type: none"> <li>The company signed declaration of intent Thailand's Private Sector Collective Action Coalition against Corruption on May 23, 2022.</li> </ul> <p><b>December</b></p> <ul style="list-style-type: none"> <li>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.</li> <li><b>December 26, 2022</b> ADB Sealant Co., Ltd. was established with a registered capital of 1 million baht to produce and sell adhesive, sealant and DIY products.</li> <li>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".</li> <li>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.</li> </ul>
2021	<p><b>February</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>September</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>November</b></p>

Year	Material changes and developments
2021	<ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>December</b></p> <ul style="list-style-type: none"> <li>• 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”.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
2020	<p><b>September</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>November</b></p> <ul style="list-style-type: none"> <li>• Awarded CG Score 4 star and AGM Level 4 in the evaluation of the Securities and Exchange Commission for the year 2020.</li> </ul>
2019	<p><b>February</b></p> <ul style="list-style-type: none"> <li>• <b>11 February</b> The Company has been certified for environmental standards ISO 14001: 2015 from BSI, the British Standards Certification Institute.</li> </ul>
2018	<p><b>November</b></p> <ul style="list-style-type: none"> <li>• <b>9 November</b> 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.</li> </ul>
2017	<p><b>March</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p><b>November</b></p> <ul style="list-style-type: none"> <li>• <b>9 November</b> 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.</li> </ul>

### 1.1.3 Spending of the raised fund to serve the objectives declared in the registration statement for securities offering

Is there an issuance of equity securities or debt : No  
securities?

**1.1.4 The obligations to which the company has committed in the registration statement, including the compliance with such obligations or conditions in the following years**

Are there any issued securities with obligations or : No  
conditions?

**1.1.5 Company information**

Company name : APPLIED DB PUBLIC COMPANY LIMITED  
Symbol : ADB  
Address : 252 Moo 4, Sukumvit Road, Prakasa, Muang, Samutprakan  
Province : Samut Prakarn  
Postcode : 10280  
Business : Applied DB Public Company Limited “ADB” is one of the leading a manufacturers of plastic compound to industrial sectors that use our products in their production process such as wire and cable industry, shoe industry and furniture industry. Our associated company, ADB Sealant Co.,Ltd “ADBS” is a manufacturer and distributor of industrial adhesive and sealant provided to shoe and leather, furniture, construction and automotive industries both in domestic and international markets with industrial size (Bulk) and cartridge and small packaging (DIY product) for household application under the Company’s brands and also under customers’ brands.  
Registration number : 0107560000117  
Telephone : 0-2709-4040-9  
Facsimile number : 0-2709-4396  
Website : <http://www.adb.co.th>  
Email : [adb-cs@adb.co.th](mailto:adb-cs@adb.co.th)  
**Total shares sold**  
Common stock : 725,999,923  
Preferred stock : 0

## 1.2 Nature of business

### 1.2.1 Revenue structure

In addition, the Extraordinary General Meeting of Shareholders dated 27 November, 2024 also approved the disposition of the Company's assets used in manufacturing and distribution of adhesives and sealants, i.e., lands, factories, office buildings, and various equipment including intellectual property. The total purchase price of those transactions was THB 279,000,000 of which, those transactions were not considered a connected transaction. In this regards, the Company recognized gain from sale of assets disposal in consolidated income statement of THB 34.65 million. After this subscription for newly issued shares in ADBS, the Company's shareholding interests in ADBS decreased from 99.99% to 49.00%. Therefore, ADB is classified the remaining investment in ADBS to investment in joint venture and recognized gain/loss in subsidiary in the consolidated income statement according to the percentage of interest in subsidiary.

#### Revenue structure by product line or business group

	2022	2023	2024
<b>Total revenue from operations (thousand baht)</b>	2,154,699.00	961,532.62	925,909.97
Plastic Compound Products (thousand baht)	1,281,020.00	961,532.62	925,909.97
Adhesive Products (thousand baht)	294,769.00	0.00	0.00
Sealant and DIY Product (thousand baht)	578,910.00	0.00	0.00
Others (thousand baht)	0.00	0.00	0.00
<b>Total revenue from operations (%)</b>	100.00%	100.00%	100.00%
Plastic Compound Products (%)	59.45%	100.00%	100.00%
Adhesive Products (%)	13.68%	0.00%	0.00%
Sealant and DIY Product (%)	26.87%	0.00%	0.00%
Others (%)	0.00%	0.00%	0.00%

#### By geographical area or market

	2022	2023	2024
<b>Total revenue (thousand baht)</b>	2,154,699.00	961,532.62	925,909.97
Domestic (thousand baht)	1,667,650.00	945,170.21	908,000.00
International (thousand baht)	487,049.00	16,362.41	17,909.97
<b>Total revenue (%)</b>	100.00%	100.00%	100.00%
Domestic (%)	77.40%	98.30%	98.07%
International (%)	22.60%	1.70%	1.93%

#### Other income as specified in the financial statements

	2022	2023	2024
<b>Total other income (thousand baht)</b>	11,813.90	83,445.00	77,659.29
Other income from operations (thousand baht)	0.00	0.00	0.00
Other income not from operations (thousand baht)	11,813.90	83,445.00	77,659.29

Share of profit of joint ventures and associates accounted for using equity method

	2022	2023	2024
Share of profit (thousand baht)	0.00	0.00	3,150.23

## 1.2.2 Information on products and services

### 1.2.2.1 Product/service information and business innovation development

#### Plastic Compound Products

##### PVC Compound

The Company manufactures and distributes plastic compound pellets, consisting of PVC compound pellets and Polypropylene Split Yarn products, which are sold for use in industrial factories, as detailed below:

##### 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 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.

##### 2. 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 2024: Plastic Compound Business

The global plastics industry in 2024 is shaped by sustainability imperatives, regulatory shifts, and evolving economic dynamics. While demand remains strong in key sectors such as automotive, electronics, and packaging, companies face increasing pressure to align growth with environmental responsibility. Key trends include the rise of high-performance plastics, the push for circular economy models, and advancements in recycling technologies. Supply chain challenges persist, including port congestion, strikes, and reliance on fossil-based materials, prompting a shift toward bio-based and recycled feedstocks.

In response to these global challenges, the company has taken a proactive approach to maintaining business stability and supply chain resilience throughout the year. The company faced multiple logistics disruptions, including the Red Sea crisis,

Panama Canal drought, port congestion in Singapore and the Mediterranean, and dockworkers' strikes in the U.S. To mitigate these risks, ADB employed a multi-sourcing strategy, ensuring diverse and reliable supplier networks. Additionally, advanced planning and global monitoring allowed the company to anticipate disruptions and adjust logistics accordingly. Agile coordination between procurement, logistics, and operations teams further strengthened ADB's ability to swiftly respond to evolving challenges.

By leveraging these strategic measures, ADB has successfully maintained the smooth supply of raw materials, preserving its competitive edge and operational efficiency despite external pressures. This approach highlights the importance of adaptability, collaboration, and resilience in modern supply chain management.

### Diagram of Plastic Compound Products



### Adhesive, Sealant and DIY Product

[Products under the operation of ADB Sealant Co., Ltd.\(Associated Company\)](#)

#### Adhesive Products

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-H-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 glueing materials of the shoes. In addition, it can also be used to glue various types of materials, such as plastic, wood, formic, laminate, foam, rubber, leather and synthetic leather, insulation and metal. The company distributes this product for use in both industries and households.

- **Graft Adhesive**

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

households.

- **Polyurethane adhesive (PU adhesive)**

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

- **Vinyl Adhesive**

It is composed of pipe adhesive, multi-purpose adhesive and plastic adhesive used to glue PVC pipes and hard joints, including other assembling works where plastic parts are glued together. The pipe adhesive melts into the PVC pipe texture. When PVC pipes are connected to the joints, they are combined into one without leakage of liquid inside the pipes. The property of this adhesive is different from that of others as it melts into the pipe texture and resistant to high pressure works such as drainage system in tall buildings or swimming pool pipe work, etc. The company distributes this product for use in both industries and households. While the multi-purpose adhesive is used to glue in general works such as stationary. The company distribute it in small containers. As for the plastic adhesive, it is used to glue plastic parts such as acrylic sheets, etc.

- **Water-based Adhesive**

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

- **Primer**

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

- **Thinner**

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

- **Hardener**

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

## **Sealant Products**

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.

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

- **Acrylic Sealant**

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



- **Silicone Sealant**

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

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

- **Acetic Cure**

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

- **Neutral Cure**

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

- **Hybrid Sealant**

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

- **Room Temperature Vulcanizing Silicone (RTV)**

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

## **DIY Products (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 DIY 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.

### Challenges in Operations in 2024 of ADB Sealant Co., Ltd.

In 2024, the Company's overall sales decreased slightly from the previous year. This was a decrease in both the adhesive business and the small sealant and adhesive business. This was due to the global economic slowdown, price competitiveness with competitors, especially the Chinese market, the war between Israel, Palestine, Russia, and Ukraine, raw material price volatility and exchange rate fluctuations, adjustments in the minimum wage, including public utility costs such as electricity costs, restrictions on payment for goods in US dollars by customers in some countries, and the ability to pay debts or credit limits that have started to exceed the ceiling for some customers.

Due to the aforementioned reasons, the Company has decided to consider selling products to each customer by taking into account more factors than before, such as considering the customer's business growth rate, past trading history, appropriate profit margin, and order volume. In addition, the Company has plans to increase the efficiency of internal work processes, human resource management, control of unnecessary expenses, finding new sources of raw materials as an alternative, increasing the proportion of products with high profit margins and that are environmentally friendly, as well as plans to use the appropriate budget for all departments of the Company.

The results of the above policies have resulted in the Company's ability to generate higher profits from its business operations in the past year, even though the Company's overall sales have decreased slightly. However, in order to increase business competitiveness, the Company has considered entering into a joint venture with AICA Pacific Holding Pte. Ltd (AAPH), a subsidiary wholly owned by AICA KOGYO CO., LTD. (listed on the Tokyo Stock Exchange) at the end of last year. AICA Pacific Holding Pte. Ltd (AAPH) has a key strategy to drive the growth of the chemical business in the Asian region. In the past, it has significantly expanded its adhesive and industrial resin businesses. It has factories covering 8 countries in the Asia-Pacific region and has a stable and strong sales network in the retail market. The sealant product group is a new product that complements the existing chemical product group, including solvent-based adhesives, in which ADB Sealant Co., Ltd. has a high market share in Thailand.

The joint venture between ADB Sealant Co., Ltd. and AICA Pacific Holding Pte. Ltd (AAPH) will help promote business growth through collaboration with potential partners. It will be able to expand product distribution channels in Thailand and Southeast Asian countries, increase production proportions, share technology, work systems, strengthen and diversify brands, make the Company's market position in the retail market stronger, and have the opportunity to expand its market share.

### Diagram of Adhesive, Sealant and DIY Product



Adhesive Product



Sealant Product



## Research and development policy in various areas, and details regarding innovation development in processes, products and/or services, or business models.

Research and development (R&D) policy : No

### R&D expenses in the past 3 years

	2022	2023	2024
Research and development (R&D) expenses over the past 3 years (Million Baht)	2.97	0.91	3.10

### Additional explanation about R&D expenses in the past 3 years

#### Research and Development

Global warming, climate change, and the energy crisis are having increasingly evident impacts. ADB acknowledges its responsibility to address the challenges arising from these impacts. The Company's innovation development approach continues to focus on improving production technologies and processes to enhance energy efficiency, reduce environmental emissions, and develop environmentally friendly products. This includes the continuous sourcing and utilization of bio-based raw materials through a selection process that prioritizes suppliers with a strong commitment to environmental and social sustainability.

#### Continuous Research and Development

Product research and development is at the heart of the Company's ability to compete and grow sustainably. In the past year, the Company's research and development approach has continued to focus on environmentally friendly products and improving existing products to meet market standards, regulations, and demands. This is achieved through continuous collaboration with partners and customers, addressing all aspects of their needs, including quality, price, end-user impact, and the environmental impact of using the Company's products. Examples include RoHS-compliant PVC compound grades for wires and cables, phthalate-free PVC compound groups, and flame-retardant PVC grades for fire-resistant electrical wires in high-safety areas. To optimize resource utilization, the Research and Development Department has also designed production formulas that utilize scrap materials and leftover products from quality testing, sampling, and experiments. These materials are then incorporated back into specific designated formulas. In addition to continuous product development and improvement, the Company remains focused on process development to increase productivity, reduce production costs, optimize raw material selection, collaborate with suppliers on development, and innovate cost-effective products as alternatives for customers. These efforts aim to align with the current economic climate and market competition.

To enhance the efficiency of its continuous research and development operations, the Company has been procuring and upgrading its tools and testing equipment to be up-to-date, improving facilities, and increasing its research, analysis, and quality inspection capabilities. This ensures a swift response to demands and further increases customer confidence in the quality of the Company's products. In 2025, the Company plans to relocate its research and development department from its separate location to the PVC compound plant no. 271. This move aims to facilitate more convenient and prompt management and enhance the efficiency of human resource management within the department.

### 1.2.2.2 Marketing policies of the major products or services during the preceding year

#### Plastic Compound Business

ADB marketing policies serve as the foundational guidelines of overall marketing strategy which will keep the Company maintaining market leadership and improving profitability while ensuring that our marketing practices remain agile, customer focused, and ethically sound, as follows:

##### 1. Sales Goal Setting and Performance Excellence

- Establish clear, measurable, and time-bound sales targets for each quarter and year.
- Require all sales teams to track progress against these targets, with regular performance reviews and incentive programs that reward surpassing goals.
- Promote a culture of accountability where managers and sales personnel are responsible for their individual and team performance.

##### 2. Quality and Compliance in Product Sales

- With support from our production, quality control, and R&D teams, ensure that every product sold meets or exceeds both customer and industry standards.
- Institute regular quality audits and certifications to verify that all raw materials and finished products adhere to relevant regulatory and industrial benchmarks.
- Commit to continuous improvement initiatives that incorporate customer feedback and industry best practices.

### **3. Excellence in Customer Service**

- Maintain a comprehensive customer service policy that guarantees prompt, courteous, and efficient service for all inquiries, orders, and after-sales support.
- Provide a dedicated support team that is accessible through multiple channels (phone, email, online chat) to resolve issues quickly.

### **4. Building and Maintaining Strong Customer Relationships**

- Establish and nurture long-term partnerships by proactively engaging with customers through regular meetings, surveys, and personalized communications.
- Implement a customer relationship management (CRM) system to track interactions, feedback, and service history, ensuring tailored solutions for each customer's needs.

### **5. Market Intelligence and Trend Monitoring**

- Mandate that the marketing team continuously gathers and analyzes market information including industry trends, shifts in demand, competitor activities, and market pricing.
- Use a combination of primary research (customer feedback, industry conferences) and secondary data (market reports, trade publications) to remain informed.

### **6. Adaptive Marketing Strategy**

- Establish a process for regularly reviewing and adjusting marketing strategies and tactics in response to dynamic market conditions.
- Set up cross-functional review meetings (involving sales, marketing, R&D, and supply chain teams) to ensure that adjustments reflect both market intelligence and internal capabilities.

### **7. Exploration of New and Emerging Opportunities**

- Commit to ongoing research to identify new customer segments, emerging market trends, and innovative applications for plastic raw materials.
- Encourage the sales team to actively pursue new lead and pilot projects in underexplored markets, while monitoring industry developments that could open additional avenues for growth.

### **8. Continuous Technical and Product Knowledge Development**

- Ensure that all sales and marketing personnel undergo regular training programs covering technical aspects of plastic raw materials, emerging product innovations, and industry-specific applications.
- Provide access to internal workshops, external seminars, and updated product literature so that the team remains an expert resource for customers.

### **9. Ethical Marketing and Professional Conduct**

- Enforce a strict code of ethics that governs all marketing activities, ensuring transparency, honesty, and fairness in communications and customer engagements.
- Require that all marketing materials and communications are professionally produced, accurate, and compliant with industry and legal standards.
- Maintain accountability by setting up an internal audit process to regularly review marketing practices and ensure they meet the highest ethical standards.

The company's marketing policy reflects an approach that focuses on quality, customer care, and sustainability to enable the company to grow steadily and compete in the long run.

#### **Operated under a Associated Company, ADB Sealant Co., Ltd.**

#### **Adhesive, Sealant and DIY Business**

For marketing policy, the company continues to focus on product public relations, including various activities through exhibitions both domestically and internationally, as well as through online channels such as Facebook, Line official account, and the ADB Public Company Limited website. After the company entered into a joint venture with AICA Pacific Holding Pte. Ltd (AAPH) late last year, the company is confident that it will help promote business growth through collaboration with potential partners, expand product distribution channels in Thailand and Southeast Asian countries, increase production proportions, share technology and work systems, enhance brand strength and diversity, make the company's market position in the retail market even stronger, and have the opportunity to expand its market share in the future.



## The industry competition during the preceding year

### Compound Plastic Resin Business

The competition in the plastics industry in 2024 was intense, driven by market demand, cost pressures, and sustainability regulations. The industry saw a strong rebound in market growth, fueled by high-performance plastics in key sectors like automotive, aerospace, and electronics. However, rising raw material costs, supply chain disruptions, and shifting regulatory requirements increased the pressure on manufacturers to optimize efficiency and maintain competitive pricing.

To maintain its position in this challenging environment, the Company adopted a strategic approach focused on three key pillars:

- 1. Market Leadership** We reinforced its position as a leading supplier by continuously enhancing product quality, reliability, and customer service. By leveraging strong relationships with key clients and expanding into high-growth sectors, ensuring sustained demand for its products.
- 2. Cost Advantage** We capitalized on its strong purchasing power and efficient operations to secure lower raw material costs. The company's proactive supply chain management and multi-sourcing strategy minimized risks associated with price fluctuations and material shortages, allowing for more stable production costs.
- 3. Pricing and Competitive Strategies** we implemented a pricing strategy that balanced competitiveness with profitability. By leveraging market intelligence and cost analytics, the company ensured that its pricing remained attractive to customers while preserving healthy margins. This approach allowed A to stay competitive without compromising financial stability.

*By integrating these strategies, the Company successfully navigated the highly competitive landscape, strengthened its market position, and achieved sustainable growth despite industry challenges.*

### Operated under a Associated Company, ADB Sealant Co., Ltd.

#### Adhesive, Sealant and DIY Business

There are more than 10 major adhesive manufacturers and distributors in the Thai market, both international brands and domestic manufacturers. The main customers are industrial customers who manufacture footwear, furniture, hardware stores, and construction contractors both domestically and internationally. Meanwhile, the sealant and DIY segment also has a large number of manufacturers and distributors, especially from China. The main customers are OEM customers in the construction, auto parts, and hardware store industries. However, the company also manufactures its own products under the brands ADB, DB, OMAKU, and Sparko and distributes products through industrial factories, dealers, and direct customers.

### 1.2.2.3 Procurement of products or services

#### Plastic Compound Products

- **Raw materials used in production** : PVC Resin, Additives, Plasticizer and Filler.
- **Raw material procurement** : The company provides the materials in Thailand and in foreign countries depending on the material quality in each source, The company also focuses on cooperation in various areas with suppliers in the long term for sustainable growth together. All of the material purchase in Thailand will be delivered via a truck whereas all of the material purchase from foreign countries will be delivered via a ship.
- **Ordering** : The company will purchase the materials when receiving orders by customers. Since most plastic compound products have the specific characteristics in terms of physical and chemical property such as color, solidness and flexibility of plastic beads. Therefore, these will be produced from the customer's demand.
- **Period of Material Purchase from Supplier until Material Receipt.**
- **Local** : Around 3-10 Days in Thailand.
- **Foreign Countries** : Around 45-60 Days. receive short term orders Offer a price once per time.

#### Adhesive, Sealant and DIY Products

- **Raw materials used in production** : Solvents, synthetic rubber, additives
- **Raw material procurement** : The company provides the materials in Thailand and in foreign countries depending on the material quality in each source, The company also focuses on cooperation in various areas with suppliers in the long term for sustainable growth together. All of the material purchase in Thailand will be delivered via a truck whereas all of the material purchase from foreign countries will be delivered via a ship.
- **Ordering** :
  - 1) The Company orders raw materials for production and for distribution which are stored in the warehouses.

2) Produced under the customers' brands or as an Original Equipment Manufacturer (OEM); raw materials are ordered for production and distribution when orders from customers are received.

• **Period of Material Purchase from Supplier until Material Receipt.**

- **Local** : Around 7-10 Days.

- **Foreugn Countries** : Around 60 Days receive short term orders Offer a price once per time.

**The company's production capacity**

	Production capacity	Total utilization (Percent)
Compound plastic pellets (Ton)	37,000.00	61.00

ADB's production policy is designed to ensure efficiency, quality, and sustainability in all manufacturing operations. Our approach focuses on maintaining high product standards, optimizing resources, and continuously improving processes to meet customer demands while adhering to environmental and safety regulations.

**1. Commitment to Product Quality and Compliance**

- Ensure all products meet or exceed industry and customer quality standards.
- Conduct regular quality inspections and implement a zero-defect strategy to minimize product defects.
- Comply with all relevant local and international safety, environmental, and industrial regulations to maintain legal and ethical manufacturing practices.

**2. Production Efficiency and Cost Optimization**

- Utilize lean manufacturing principles to minimize waste and enhance productivity.
- Optimize raw material usage to reduce costs while maintaining product integrity.
- Continuously analyze and improve production workflows to ensure maximum efficiency.

**3. Supply Chain and Material Management**

- Maintain a reliable and diversified supply chain to ensure continuous material availability.
- Implement an inventory control system to manage stock levels effectively and prevent shortages or overstocking.
- Collaborate with suppliers to secure high-quality raw materials at the most competitive prices.

**4. Workplace Safety and Employee Well-being**

- Establish and enforce strict safety protocols to ensure a secure working environment for all employees.
- Provide regular safety training to prevent workplace accidents and enhance operational awareness.
- Ensure compliance with occupational health regulations and promote employee well-being through ergonomic workplace design and wellness programs.

**5. Innovation and Continuous Improvement**

- Invest in new technologies and automation to enhance production efficiency.
- Encourage a culture of continuous improvement (Kaizen) by engaging employees in problem-solving initiatives.
- Regularly review production processes and implement best practices from industry benchmarks.

**6. Environmental Responsibility and Sustainability**

- Reduce waste generation and carbon footprint by optimizing resource utilization.
- Promote the use of eco-friendly materials and energy-efficient production methods.
- Ensure compliance with sustainability regulations and adopt responsible waste disposal practices.

**7. Production Planning and On-time Delivery**

- Develop detailed production schedules to meet customer delivery expectations.
- Use advanced planning systems (APS) to anticipate demand and allocate resources efficiently.
- Monitor up-to-date production data to proactively address any potential bottlenecks.

**8. Collaboration Between Departments**

• Foster close coordination between production, quality control, supply chain, and sales teams to align production output with market demand.

- Conduct regular cross-departmental meetings to enhance communication and operational efficiency.

**9. Risk Management and Business Continuity**

• Identify potential risks such as supply chain disruptions, equipment failures, and workforce shortages, and develop contingency plans.

- Maintain preventive maintenance schedules to minimize downtime.
- Ensure readiness for emergency situations by implementing crisis management protocols.

**10. Ethical and Responsible Manufacturing**

- Uphold fair labor practices and ensure a respectful workplace for all employees.
- Adhere to corporate social responsibility (CSR) principles, ensuring ethical sourcing and sustainable manufacturing practices.
- Maintain transparency with stakeholders regarding production policies and corporate commitments.

This production policy ensures that ADB maintains high efficiency, product excellence, and sustainable growth in an increasingly competitive market.

## Acquisition of raw materials or provision of service

The Company and its subsidiaries operate two business groups and place importance on managing the value chain of the business from the stage of procuring quality raw materials. The Company focuses on sourcing from a variety of reputable and specialized suppliers from multiple sources, both domestically and internationally, in order to obtain quality products at a reasonable price and to reduce the risk of monopoly or shortage of raw materials for the production of different types of products. Therefore, the Company has a policy of setting different prices for products depending on the source or raw materials of the products, as detailed below.

### 1. In the case of products sold under the customer's brand (OEM)

The Company has a policy of setting prices for products purchased for assembly under the customer's brand by using the cost of raw materials as determined by the brand company plus a reasonable profit margin (Cost plus pricing). The raw materials used in the production of products purchased for assembly under the brand are mostly imported from foreign countries such as Japan, Taiwan, Korea, and India. This is mainly a requirement to ensure the quality specified by the customer. In addition, the cost of goods sold also includes the cost of packaging used to assemble the finished products. Most of the benefits come from continuous trading, which facilitates purchasing planning and helps to increase overall efficiency.

### 2. In the case of products sold under the Company's brand (House Brand)

The Company has a policy of setting prices for products purchased for assembly under the Company's brand by using the cost of raw materials as determined by the brand company plus a reasonable gross profit margin (Cost Plus Pricing). However, the raw materials used in the production of products under the Company's brand are different from those sold under the customer's brand. This is because the raw materials are purchased from both domestic and international suppliers with whom the Company has had long-standing business relationships at prices that are not higher or lower than market prices.

However, the profit margin set by the Company for each sale of its products may vary or be flexible depending on market conditions for the cost of goods sold, order volume, price competitiveness with other companies selling the same type of products, and business relationships with certain customers.

### 3. Procurement of products or services

The Company focuses on sourcing quality and standardized raw materials to be used in the production of products to meet the needs of its customers. The main raw materials used by the Company in the production of its products are PVC Resin, which are the main raw materials in the production of compound plastic resin products. As the Company places great importance on the quality of the raw materials used in the production of its products, the Company has procedures and criteria for selecting suppliers based on the tangibility of the partner, trading history, past performance, product standards, and reasonable prices. Once the Company has considered the list of suppliers based on these criteria, the Company will select and compile an Approved Supplier List for the shortlisted suppliers. In addition, each time a new supplier is added, the R&D team must test the quality of the sample products from the supplier first to confirm the quality of the raw materials. The R&D team will use the raw materials to produce sample products that have the same physical and chemical properties as the specified specifications. The R&D team will then confirm the quality to the purchasing department to proceed with the purchase of raw materials from the supplier.

In addition, the Company's management has been managing the business for a long time. With their extensive experience, they have a strategy to plan for the procurement of quality raw materials worldwide, not limited to domestic suppliers. The management also has the accuracy in forecasting future raw material price trends, which helps in planning the purchase of raw materials effectively, resulting in good quality raw materials at low cost. It also helps to reduce the impact of raw material shortages.

## Proportion of domestic and overseas procurement

Countries	Name of raw material	Value (Baht)
Thailand	RESIN	178,187,343.75



Countries	Name of raw material	Value (Baht)
Singapore	RESIN	83,757,180.20
Japan	RESIN	15,291,280.88
China	RESIN	14,252,433.65
Hong Kong	RESIN	8,344,302.69
Thailand	FILLER	26,823,850.00
Thailand	Plasticcizers	272,270,794.91
Thailand	Stabilizer	28,857,899.60

#### 1.2.2.4 Assets used in business undertaking

##### Core permanent assets

As of December 31, 2024, the Company has assets used as collaterals for business operations after deducting accumulated depreciation shown in the Company's statement of financial position is 533,598,429 baht in total. The as Table showing the Company's assets used in business operations.

##### The appraisal price of core permanent assets

List of assets	Book value / Appraised value	Ownership	Obligations	Additional details
Land and Land Improvements	4,510,250.00	Owned/Ownership possessed	Used as collaterals for some financial institutions	-
Buildings and Structures	62,992,390.08	Owned	Used as collaterals for some financial institutions	-
Machinery and Equipment	84,035,463.09	Owned	None	-
Decorative objects, fixtures, and office equipment	1,471,741.02	Owned	None	-
Vehicles	18,215,823.92	Owned	None	-
Assets under construction and installation	24,986,016.61	Ownership	None	-

##### Core intangible assets

The Company's intangible assets are computer programs. The net book value as of December 31, 2024, is 334,363.79 baht (The cost is 5,904,509.52 baht and the accumulated amortization is 5,570,145.73 baht).

##### The appraisal price of core intangible assets

List of assets	Types	Book value / Appraised value	Additional details
Computer program	Software	334,363.79	-

## Investment policy in the subsidiaries and associated companies

Investment policy in the subsidiaries and associated : Yes  
companies

### 1. Objectives

As investment is a channel to increase revenue and generate profit for the company, Apply DB Public Company Limited (“the Company” or “ADB”), the Company recognizes the importance of investment. Since investment has an impact on the Company and shareholders, it must be carefully considered to ensure that the investment is in the best interests of the Company. Therefore, this Investment Control and Supervision Policy for Subsidiaries and/or Associated Companies (“Control Policy”) has been established as a blueprint to control and supervise the Company’s investments to achieve its objectives.

### 2. Investment and Supervision Policy for Subsidiaries and Associated Companies

2.1 Investments must be consistent with the Company’s objectives, focusing on developing and generating revenue and profits for the Company, and protecting the interests of shareholders. Before making any investment, the Company will carefully consider and analyze, with advice from investment professionals, whether the investment will generate good returns relative to the investment proportion, the proportion of funds used for investment to expected revenue and profits, potential risks, the financial status of both the Company and the subsidiary or associated company to be invested in, as well as other considerations depending on the circumstances at the time of each investment.

2.2 Investments in subsidiaries and/or associated companies must be submitted for approval in accordance with the regulations of the Securities and Exchange Commission regarding the criteria for significant transactions that constitute the acquisition or disposal of assets and the regulations of the Stock Exchange of Thailand regarding the disclosure of information and the conduct of listed companies in the acquisition or disposal of assets B.E. 2547 (2004). Such investments will be considered and approved by the Company’s Board of Directors and the shareholders’ meeting in accordance with the Company’s Articles of Association or as required by law.

2.3 Establish a control policy and mechanism to supervise the companies in which the Company invests, in accordance with the regulations of the Securities and Exchange Commission, together with the good corporate governance principles of the Stock Exchange of Thailand and the SEC Office. The Company’s subsidiaries are required to adopt this mechanism (Control Policy) through the Board of Director Charter of each subsidiary or associated company. This aims to build confidence among all stakeholders that the companies in which the Company invests have a transparent and auditable management system, both directly and indirectly, for business continuity and sustainable growth. The Company can control and supervise the management, finance, and investment of these companies. The Company will always appoint its representatives to serve as directors of the subsidiaries and/or associated companies in which it invests. This is to enable the Company to participate in or control the operations of the subsidiaries and/or associated companies in accordance with the standards set forth in the Company’s policies.

### 3. Scope

To ensure that the Control Policy complies with the regulations governing the operations of subsidiaries and/or associated companies as prescribed by the Securities and Exchange Commission, both currently in effect and as amended in the future, as well as the good corporate governance principles of the Stock Exchange of Thailand, both currently in effect and as amended in the future.

### 4. Definitions

- **Subsidiary Company** Companies in which the Company holds more than 50 percent of the total voting shares of such companies, or ADB holds more than 50 percent of the total voting shares of such companies, or companies in which shares are held further down the chain, with each tier holding more than 50 percent of the total voting shares of the company being held. This includes shareholdings by related parties.
- **Associated company** Companies in which ADB or its subsidiaries hold, in aggregate, more than 20 percent but not more than 50 percent of the total voting shares of such companies, or companies in which ADB or its subsidiaries have the power to participate in decisions regarding financial and operational policies but not to the extent of controlling such policies and are not considered subsidiaries or joint ventures. This includes shareholdings by related parties.
- **Affiliated company** Subsidiaries and/or associated companies that are currently and will be established under the control,

participation in management, and supervision of ADB, including both subsidiaries and associated companies, are collectively referred to as affiliated companies.

## **5. Guidelines for the Control and Supervision of Subsidiaries and Associated Companies**

The Company has established guidelines for the control and supervision of the management of subsidiaries and/or associated companies in which the Company has invested, with the following key details:

### **5.1 Management Control Policy for Subsidiaries and/or Associated Companies**

5.1.1 In supervising subsidiaries and/or associated companies, the Company will assign individuals approved by the Board of Directors to serve as directors and executives in the subsidiaries and/or associated companies. The Company's Board of Directors will jointly consider the qualifications and experience appropriate for the type of business to be conducted in order to act as the Company's representatives in holding director positions in such subsidiaries and/or associated companies, to set important policies, and to control the business operations of the subsidiaries and associated companies.

5.1.2 Persons approved by the Company to serve as directors of subsidiaries or associated companies are responsible for monitoring the operations of the subsidiaries and associated companies under their supervision to ensure that they align with the objectives, operational plans, strategies, and budgets set by the Company. They shall exercise their discretion in accordance with the resolutions of the Board of Directors' meetings or shareholders' meetings that approve significant matters of the subsidiaries or associated companies to maximize the benefits for the Company.

5.1.3 Persons approved by the Company to serve as directors of subsidiaries or associated companies have the right to vote at board meetings of the subsidiaries or associated companies on matters related to the general and ordinary course of business of the subsidiaries or associated companies, as deemed appropriate by the directors and executives of the subsidiaries and associated companies, for the best interests of the subsidiaries and associated companies. This excludes the consideration and voting as specified in Clause 5.1.4.

5.1.4 Persons approved by the Company to serve as directors of subsidiaries or associated companies are prohibited from voting at board meetings of the subsidiaries or associated companies on the following matters, unless prior approval has been obtained from the Company's Board of Directors and/or the shareholders' meeting, as the case may be:

1) Reporting of subsidiaries in accordance with the Notification of the SEC No. Tor Jor. 21/2551 Re: Rules on Connected Transactions and the Notification of the SEC No. Tor Jor. 20/2551 Re: Rules on the Acquisition and Disposal of Assets.

2) Any transactions that have an impact on the financial position and operating results of the subsidiary, such as:

(1) The sale or transfer of all or part of the business of a subsidiary to another party, including the transfer or waiver of rights or claims that are material to the detriment of the subsidiary.

(2) Borrowing, lending, guaranteeing, incurring obligations, or providing financial assistance to other companies.

(3) Capital increases, allocation of newly issued shares, and reduction of registered capital of subsidiaries, as well as any other actions that result in changes to the direct and indirect shareholding proportions of Companies in which the Company holds shares in any subsidiary, no matter how remote.

5.1.5 Persons approved by the Company to serve as directors and executives of subsidiaries or associated companies, including related parties of such directors and executives, are required to inform the board of directors of the subsidiaries of their relationships and transactions with the subsidiaries that may give rise to conflicts of interest with the subsidiaries. The board of directors of the subsidiaries is responsible for informing the Company of such matters. However, such persons shall not participate in the approval of transactions in which they have an interest or a conflict of interest.

### **5.2 Financial Control Policy for Subsidiaries and/or Associated Companies**

5.2.1 Subsidiaries and/or associated companies are required to submit monthly operating results and quarterly financial statements audited by a certified public accountant, along with supporting information for the preparation of such financial statements of the subsidiaries or associated companies, to ADB. They shall also consent to the Company's use of such information for the preparation of consolidated financial statements or the Company's quarterly or annual earnings reports, as the case may be.

5.2.2 Subsidiaries and/or associated companies are required to prepare quarterly performance forecasts and summaries comparing planned performance with actual performance, as well as monitor performance to ensure alignment with plans for reporting to the parent company.

5.2.3 Subsidiaries and/or associated companies are required to report material financial issues to the Company upon discovery or upon the Company's request for investigation and reporting.

### 5.3 Control and Supervision Policy for Investment Plans of Subsidiaries and/or Associated Companies

5.3.1 Subsidiaries and/or associated companies must prepare investment plans, budgets, and operational plans by setting operational targets within the annual budget cycle. These plans are to be presented to the Board of Directors of the subsidiaries and/or associated companies, the top executives of the subsidiaries and/or associated companies, and subsequently to the Company's Board of Directors for further consideration.

5.3.2 Subsidiaries and/or associated companies are responsible for monitoring the progress of investments in projects and summarizing the comparison between actual performance and established targets.

5.3.3 Each subsidiary and/or associated company is responsible for reporting its action plans, operational results, and a comparison of actual results against established targets to the Company for regular performance review and for the purpose of revising, improving, or developing work plans and operational targets.

5.3.4 The Company requires its directors and/or executives who are appointed as directors and/or executives in subsidiaries and/or associated companies to report on the progress of each project and business operations, informing the Company of any material issues or operational matters.

### 5.4 Control Policy for Supervision of Subsidiaries and/or Associated Companies

5.4.1 Subsidiaries and/or associated companies are required to comply with the Company's corporate governance policy, as well as other relevant policies established by the Company for promulgation and application to affiliated companies.

5.4.2 Associated companies and/or subsidiaries are required to comply with the Company's Code of Conduct, as well as other relevant codes of conduct established by the Company for use within the affiliated companies.

5.4.3 Subsidiaries and/or associated companies are required to comply with all policies and practices established by the parent company, apply international standards related to various products appropriately to the business, customer and/or stakeholder needs, and conduct business risk assessments and fraud and corruption risk assessments for private and state agencies with which the company transacts business in accordance with the policy framework or guidelines set forth.

5.4.4 The Company shall require directors and/or executives appointed to positions in subsidiaries and/or associated companies to comply with the Company's policies, code of conduct, and practices to ensure alignment with the Company's policies and management approach, to the extent that it does not conflict with the policies and operational guidelines of such subsidiaries.

## 6. Review of the Control Policy, Corporate Governance Mechanism, and Board Charter of Subsidiaries

The review of the control and supervision policy, the mechanism for providing advice to subsidiaries and/or associated companies, and the Board Charter of subsidiaries must be approved by the Company's Board of Directors. The Board of Directors of each subsidiary will then approve the Board Charter of the subsidiary as approved by the Company's Board of Directors. This policy is to be reviewed at least every 2 years or as appropriate to ensure that it is up-to-date and consistent with the corporate governance regulations of the Stock Exchange of Thailand and the SEC, as well as other regulatory bodies that are constantly being updated. The control and supervision policy for subsidiaries and associated companies is also disclosed on the Company's website with the intention of communicating the Company's firm commitment and adherence to good governance principles in the management of the companies in which it invests in a concrete, transparent, and verifiable manner.

### 1.2.2.5 Under-construction projects

Under-construction projects : No

#### Details of under-construction projects

Total projects : N/A

Values of total ongoing projects : N/A

Realized value : N/A

Unrealized value of remaining projects : N/A

Additional details : -

## 1.3 Shareholding structure

### 1.3.1 Shareholding structure of the group of companies

#### Policy on operational organization within the group of companies

The Company registered the 4 subsidiaries, including ADB USA Inc. and SPARKO USA Inc. at Delaware State on March 3, 2017 and March 10, 2017 respectively. The Company holds 100% shares in both subsidiaries. on September 7, 2021, ADB Bio Co., Ltd. was established, with the company holds 99.97 shares. December 26, 2022, , ADB Sealant Co., Ltd.(ADBS) was established, with the company holds 99.99 shares.

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

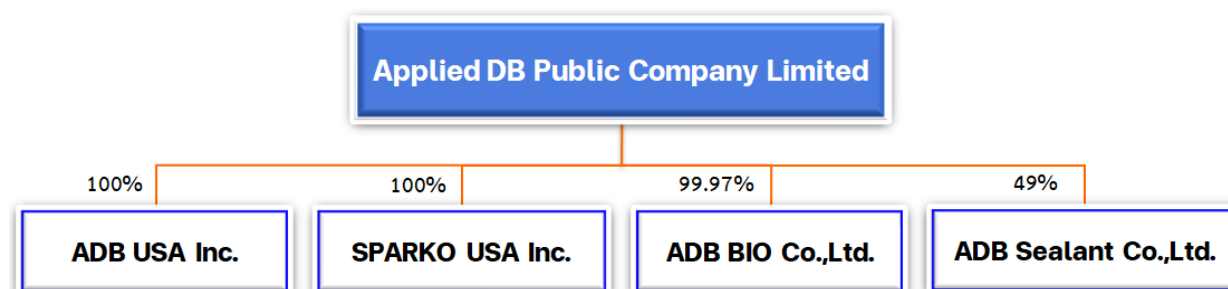
On September 19, 2024, AICA ASIA PACIFIC HOLDING PTE. LTD., has entered into a joint venture with ADB Sealant Co., Ltd. by subscribing to newly issued shares in the proportion of 51 percent. After the capital increase, ADBS has a new registered capital of 645.09 million baht, with the joint objective of expanding the sealant and DIY market in the Asian region, resulting in ADBS no longer being a subsidiary of the Company. However, ADBS will remain as an associate company of the Company.

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

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

#### Shareholding diagram of the group of companies

##### Shareholding diagram



##### Subsidiaries

Company name	Juristic person who holds shares of the company	Shareholding proportion (%)	Voting right proportion (%)
ADB USA Inc.	APPLIED DB PUBLIC COMPANY LIMITED	100.00%	100.00%

Company name	Juristic person who holds shares of the company	Shareholding proportion (%)	Voting right proportion (%)
SPARKO USA Inc.	APPLIED DB PUBLIC COMPANY LIMITED	100.00%	100.00%
ADB BIO Co.,Ltd.	APPLIED DB PUBLIC COMPANY LIMITED	99.97%	99.97%

#### Associated companies

Company name	Juristic person who holds shares of the company	Shareholding proportion (%)	Voting right proportion (%)
ADB Sealant Co.,Ltd.	APPLIED DB PUBLIC COMPANY LIMITED	49.00%	49.00%

#### Company that holds 10% or more of the total shares sold

Name and the location of the head office	Type of business	Type of shares	The number of shares	The number of shares sold
ADB USA Inc. Delaware, United States of America Telephone : - Facsimile number : -	Promote marketing and sales of the company's products.	Common shares	100	100
SPARKO USA Inc. Delaware, United States of America Telephone : - Facsimile number : -	Promote marketing and sales of the company's products.	Common shares	100	100
ADB BIO Co.,Ltd. 252 Moo 4 Sukhumvit Road, Prakasa, Muang Samut Prakarn Samut Prakarn 10280 Telephone : 02-709 4040-9 Facsimile number : -	provide biodegradable raw materials and semi-finished products that an replace traditional plastics, to support the development production, and distribution of biological products.	Common shares	10,000	10,000
ADB Sealant Co.,Ltd. 252 Moo 4 Prakasa, Muang Samut Prakarn Samut Prakarn 10280 Telephone : 02-709 4040-9 Facsimile number : -	Manufacture of Adhesives and Sealants.	Common shares	32,900,000	32,900,000

#### 1.3.2 Shareholding by a person with a potential conflict of interest holding exceeding 10 percent of the voting shares in a subsidiary or associated company

Does the company have a person with potential : No  
conflicts of interest holding shares in a subsidiary or  
associated company?

#### 1.3.3 Relationship with major shareholders' business

Does the company have a relationship with a business : Yes  
group of a major shareholder?

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

Group/List of major shareholders	Number of shares (shares)	% of shares
1. Wongcharoensin Group	184,717,257	25.44
2. Wanapaisan Group	90,335,580	12.44
3. Wongtangtrakul Group	87,126,919	12.00
4. Thai NVDR Co.,Ltd.	73,609,004	10.14
5. Showa Global Limited	31,460,000	4.33
6. Mr. Wei Kai Wang Group	20,342,653	2.80
7. Securities Depository (Thailand) Co., Ltd. for depositors	23,715,943	3.27
8. Mr. Xiu Yong Zhou	14,080,000	1.94
9. Ms. Mei Ling Shih	13,975,368	1.92
10. Mr. Vorathep Srichawla	10,000,000	1.38

#### Major shareholders' agreement

Does the company have major shareholders' : Yes  
agreements?

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 Amounts of registered capital and paid-up capital

### 1.4.1 Registered capital and paid-up capital

#### Registered capital and paid-up capital

Registered capital (Million Baht)	:	362,999,961.50
Paid-up capital (Million Baht)	:	362,999,961.50
Common shares (number of shares)	:	725,999,923
Value of common shares (per share) (baht)	:	0.50

#### Has the company listed in other stock exchange?

Has the company listed in other stock exchange? : No

### 1.4.2 Other types of share whose rights or terms differ from those of ordinary share

Other types of share whose rights or terms differ from those of : No  
ordinary share

### 1.4.3 Shareholding by Thai NVDR Company Limited (NVDR)

Are shares held by Thai NVDR Company Limited (NVDR)?	:	Yes
Number of shares (Share)	:	73,609,004
Calculated as a percentage (%)	:	10.14

#### The impacts on the voting rights of the shareholders

No Impact



## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

Convertible securities : No

### 1.5.2 Debt securities

Debt securities : No

## 1.6 Dividend policy

### The dividend policy of the company

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.

### The dividend policy of subsidiaries

The subsidiary has a policy to pay dividends from the subsidiary's separate financial statements to the shareholders each year at a rate of not less than 50 percent of the net profit after corporate income tax and all types of reserves required by law. The dividend payment consideration will depend on cash flow, sufficiency of working capital, investment plans, loan repayments, terms and conditions in various agreements to which the subsidiary is bound, as well as legal limitations, other necessities, and future suitability.

The resolution of the subsidiary's Board of Directors approving the dividend payment shall be submitted for approval by the shareholders' meeting, except for the interim dividend payment, which the subsidiary's Board of Directors has the power to approve from time to time when it deems that the subsidiary has sufficient profit to do so. The shareholders' meeting shall be notified at the next meeting.

### Historical dividend payment information

	2020	2021	2022	2023	2024
Net profit per share (baht : share)	0.1200	0.1200	0.1000	-0.0100	-0.0400
Dividend per share (baht : share)	0.0100	0.0500	0.0500	0.0000	0.0000
Ratio of stock dividend payment (existing share : stock dividend)	0.0000	10.0000	10.0000	0.0000	0.0000
Value of stock dividend per share (baht : share)	0.0000	0.0500	0.0500	0.0000	0.0000
Total dividend payment (baht : share)	0.0100	0.1000	0.1000	0.0000	0.0000
Dividend payout ratio compared to net profit (%)	183.87	48.17	48.45	0.00	0.00

## 2. Risk management

### 2.1 Risk management policy and plan

#### Risk management policy and plan

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

#### Risk Management Structure

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

#### Responsibilities

1) **Board of Directors** determines policies, goals, direction of the organization, approves work plans and frameworks of sustainability.

2) **Sustainability and Risk Management Committee:** The Company has appointed a Sustainability Development Committee which included the same committees as the Risk Management Committee According to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on November 30, 2023, the committee was assigned to contribute and develop the company's sustainability.

3) **Risk Management Working Group and Risk Owners:** The Company has appointed a risk and sustainability working group according to the resolution of the Board of Directors of Applied DB Public Company Limited No. 7/2023 on 30 November 2023 to determine strategies, plans, and measures in the area of sustainability together with the risk owners of each department including setting a sustainability framework and measuring performance based on sustainability indicators related to each operational division or department and linking the work functions to the business plan with sustainability goal.

#### Tools for Risk Management

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

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

- 1) Build understanding, conscience and shared responsibility on risks, control and risk impacts for the company in the management and operating procedures of employees and executives at all levels in the company.
- 2) Set in place procedures, guidelines and measures in suitable risk management meeting international standards in terms of quality and sufficiency. In addition, identify, analyze, evaluate, prioritize, manage, control, monitor, report, assess, communicate and provide information about risks continuously, regularly and with company-wide practice.
- 3) Set in place qualitative risk assessment such as on the company's reputation and image and quantitative risk assessment such as loss, reduction of income and increased expenses with considerations to probability of occurrence and impacts.
- 4) Specify risk limits to restrict potential damages to a level deemed acceptable by the company. Additionally, specify

warning sign situations or risk levels in order to have operators take actions to prevent risks from exceeding set limits.

5) Manage Risk in the acceptable level and be consistent with the Company's policy which is suitable for the cost and benefits that will be returned.

6) Specify work regulations in writing to have executives and operators adhere to in order to control risks during work operations.

In the year 2024, 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.

Link for risk management policy and plan : <https://shorturl.at/HQ00S>

Link Page Number : 2-3

## 2.2 Risk factors

### 2.2.1 Risk that might affect the company's business, including environmental, social and corporate governance issues

#### Risk 1 Strategic and Operational Risks

Related risk topics : Strategic Risk

- Behavior or needs of customers / consumers
- Reliance on large customers or few customers
- Competition risk
- Climate change and disasters

#### Risk characteristics

##### 1) Changing customer behavior and needs

Due to the global economic slowdown, the prolonged military conflict between Russia and Ukraine, the war between Israel and Palestine, the soaring and volatile energy prices, the economic war and trade sanctions, inflation and rising interest rates, and rising public debt, consumer purchasing power has declined. This includes the case of the delayed approval of the annual government budget, which has slowed down new projects that require resources.

##### 2) Reaching on to large customers

Most of the company's customers are wire and cable manufacturers, which are not many in the country but account for a relatively high proportion of PVC compound plastic resin usage. The company's focus on this group will enable the company to have consistent sales and grow in line with the economy and urban expansion. However, as there are few wire and cable manufacturers in the country, if there is high competition and/or if any major customer experiences problems or crises, or problems from the economic slowdown in the real estate and construction sectors, it will significantly affect the company's revenue and performance.

##### 3) High market competition

As the domestic market has shrunk due to the economic situation, competitors have to find more markets than before, resulting in the company having more competitors in the market segments in which the company specializes.

##### 4) Climate change

The company's business uses raw materials related to the petrochemical industry, which is an industry that emits relatively high greenhouse gases and has an impact on the environment. Currently, climate change problems are clearly visible around the world. This risk affects the company in many aspects, including raw material management and supply chain, innovation from increasing consumer awareness of the environment, business regulations, product regulations and carbon tax measures, as well as the company's image and reputation.

#### Risk-related consequences

##### 1) Changing customer behavior and needs

- Slowing demand for goods, declining sales.
- Increased demand for low-cost products.
- Customers pre-order products, which may result in discontinuous production. Production planning and resource allocation must be appropriate.
- Uncertainty in raw material ordering planning and difficulties in supply chain management.

##### 2) Reaching on to large customers

- Revenue risk. If major customers reduce orders or change purchasing policies, it can significantly impact the company's revenue.
- Low bargaining power. Large customers have high bargaining power, forcing the company to accept unfavorable terms, such as price reductions or extended payment terms.
- Reliance on a limited market makes the company lack revenue stream diversity in the event of changes or increased competition.
- Lack of business agility in adapting to the needs of major customers and losing opportunities to develop new products or services for other customer groups.
- Financial and cash flow risks. If major customers have financial problems and are unable to make timely payments, it may affect the company's cash flow.

##### 3) High market competition

- Declining market share and higher pricing pressure due to increased competitors, which affects the company's sales, profits, and performance.

- Increased marketing and development costs to attract customers and create differentiation.
- Customers are more likely to switch to competitors' products or services if the company cannot maintain quality or create differentiation.

#### 4) Climate change

- Business goals and future operational plans to focus on green industries, including the company's reputation and image.
- Disruptions, shortages of raw materials, or higher raw material costs from disasters, environmental measures, and regulations.
- Higher operating costs due to the need to comply with environmental measures and regulations from the government, regulatory bodies, or customer demands.
- Having environmental innovations related to products as an alternative for customers.

#### Risk management measures

##### 1) Changing customer behavior and needs

- Manage good relationships with partners, develop joint plans with partners, and build close collaboration with partners to enable partners to accurately plan production and replenish products in highly uncertain situations.
- Executives, together with the sales team, meet with customers more often, negotiating both product and financial collaborations, such as extending payment terms and providing advance notice of market situations that affect price adjustments.
- Meet and test products with new customers and in new markets. Prepare products, train salespeople, and develop distribution channels to gain new markets and new customers looking for new business partners and develop new products.
- Always study production innovations and market demand trends. Allocate an appropriate research and development budget to reduce production costs.
- Develop low-cost products, explore more alternative raw materials, and improve processes to use resources efficiently, enabling waste products from the production process to be recycled into new products.

##### 2) Reaching on to large customers

- In addition to major wire and cable manufacturers, the company has expanded its customer base to include PVC compound for medical devices by collaborating with Showa Global (Thailand) Co., Ltd. In 2024, the company plans to expand its marketing efforts to customer groups other than wire and cable manufacturers by increasing the number of salespeople with language skills and expertise in selling to customers in the automotive injection molding and electrical appliance industries to support the relocation of production bases from China due to potential trade war tariffs in the future.
- The company has developed products in the higher-grade and special-grade wire and cable groups, such as heat-resistant and fire-retardant grades, to reduce price pressure in the general-grade (low voltage) wire and cable product group.
- The company plans to increase sales of PVC compound for wire and cable to foreign countries, including Laos, Vietnam, the Philippines, and Indonesia, by leveraging the database of existing customers and collaborating with the Showa Group from Japan, which has a customer base in some countries.
- The company has established systematic measures for approving trade credit for customers, considering credit limits based on customer performance and financial position.

##### 3) High market competition

- The company focuses on building good relationships with customers continuously. There is a strategic plan to take care of each customer who has different needs in terms of quality, service, and delivery. There is a team-based customer care approach, including sales, quality care, and technical services to create differentiation of products and services, such as innovation, quality, or after-sales service.
- Build customer confidence in terms of quality, reasonable cost, and delivery, along with all three aspects of sustainability (ESG), including safe products and concern for employee safety, boosting employee morale, environmentally friendly production processes and products, and ethical business practices through operations based on the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System.
- The company improves operational efficiency to reduce costs and increase production efficiency by procuring new machinery that reduces labor-intensive processes, helps reduce waste, and saves energy.
- The company has developed products to cover the level of use in each product category to increase customer options and create a competitive advantage.
- The company allocates an appropriate budget to the technical department and takes steps to improve equipment, testing tools, and testing methods to be modern in order to build more confidence for customers.

#### 4) Climate change

- The Board of Directors oversees climate change issues, integrates them into the company's strategy, and conducts an annual review. It assigns all management levels to participate in monitoring the needs of customers, partners, markets,

regulatory bodies, and managing risks and opportunities in business. Management and operations are aligned with climate change issues. The company aims to achieve Carbon Neutrality by 2050 and net-zero greenhouse gas emissions by 2065. Initially, the company will monitor internal operations and external situations that may require adjustments to the operational plan to be made more quickly. • The company has verified the organization's carbon footprint (CFO) for greenhouse gas emissions data in Scopes 1 and 2 of its operations in 2023 and is ready to verify greenhouse gas emissions data in Scopes 1 and 2 of 2024 and prepare for certification in 2025 as planned.

- The company has planned to conduct a carbon footprint of the product (CFP) in order to be able to provide product greenhouse gas emissions data to customers for use in calculating the carbon footprint of their products in the future, to create a competitive advantage and prepare for tax measures.

- In 2024, the company invested in modern machinery, reducing waste and energy consumption.

- In terms of research and development, the company is developing environmentally friendly products by setting it as one of the sustainability goals.

## Risk 2 Legal and Regulatory Risks

Related risk topics : Compliance Risk

- Violations of laws and regulations

### Risk characteristics

In the past, the company has established policies and measures to combat corruption, internal control systems, including monitoring, enforcement, protection, and strict adherence to the Code of Ethics and Conduct. There are regulations and operational procedures related to compliance with the law to prevent corruption, including the appointment of officials to monitor various channels that the company has opened for reporting dishonest acts or complaints. There is a process for responding to complaints, protecting complainants, reporting results, and notifying complainants systematically and fairly, in accordance with company regulations. These practices have been published on the company's website. However, in the context of the industry, laws that need to be closely monitored are those related to the environment, labor, and human rights, including safety laws. This is a significant risk to the company's operations.

### Risk-related consequences

- Fines or suspension of operations due to violation of environmental laws, such as the discharge of waste, wastewater or pollution exceeding the prescribed standards. Failure to comply with the law on industrial waste management or the use of prohibited chemicals that are harmful to the environment. Violation of labor law and human rights, illegal employment, child labor or forced labor and failure to comply with occupational safety standards, discrimination or violation of labor rights.

- Loss of investor confidence, damage to the company's reputation and image.
- Impact on customer, community and social trust and employee opposition.

### Risk management measures

- The Company uses the services of a company specializing in safety and the environment to monitor and provide information on safety, occupational health, environment, and energy laws to the Company's departments for improvement, inspection, and implementation to ensure that the Company complies with new laws and regulations appropriately and promptly.

- In 2024, the Company became a member of the Safety and Health at Work Promotion Association (Thailand) under the Royal Patronage to receive more qualified academic services, training, and information on occupational health and safety.

- The Company has a department responsible for environmental, occupational health and safety matters, working in conjunction with the Safety Committee and the 5S Activities Working Group, and operating in conjunction with the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System.

- The Company allocates a budget for additional training to comply with new environmental, occupational health and safety standards and regulations.

- The Company enhanced the regulatory compliance control process by collecting and defining the list of procedures and surveying the status from departments, divisions, and units related to various regulations throughout the Company.

- The Company has an Internal Audit system to reduce the chance of violations of relevant rules and regulations.

## Risk 3 Management and Operational Risks

Related risk topics : Operational Risk

- Shortage or reliance on skilled workers
- Shortage or fluctuation in pricing of raw materials or productive resources
- Systems or internal control system

### Risk characteristics

### 1) Shortage or reliance on skilled workers

Personnel development is a key risk for the Company. As the Company's business requires labor in the production process, labor costs are currently a significant expense. Reducing the workforce in some positions or tasks to enable the Company to operate efficiently requires existing employees to be more multi-skilled. Therefore, there is a need for increased skills to prevent work problems, delays, limitations on growth, and competitiveness in the long run.

### 2) Fluctuation in pricing of raw materials

The Company's business involves purchasing raw materials, blending them, and processing them to achieve the appropriate properties according to customer usage and requirements. Therefore, the price of raw materials is a major factor in production costs and plays a significant role in determining the selling price of goods. Fluctuations in raw material prices due to global situations, oil prices, energy prices, supply and demand, environmental measures, legal requirements, and trade barriers will directly impact the price of raw materials and have a significant impact on the Company's gross profit and production costs.

### 3) Systems and Work processes

Currently, the company has numerous operational systems, work processes, practices, regulations, and work specifications. Some tasks are newly added activities that require reporting or execution in alignment with policies and various requirements, including regulatory stipulations, customer demands, system requirements, and public reporting and disclosure. Some of these tasks are new, and with limited personnel, the company faces an increasingly complex workload. This presents a risk of diminishing competitiveness, management flexibility, communication, operational efficiency, and long-term growth.

## Risk-related consequences

### 1) Shortage or reliance on skilled workers

- Reduced production and efficiency, leading to product quality issues.
- Increased operating costs due to product quality issues and training costs for new skill development.
- Reduced competitiveness, affecting customer satisfaction and directly impacting the confidence of customers and business partners.

### 2) Fluctuation in pricing of raw materials

- Increased and volatile raw material costs driven by global demand for chemical raw materials, making forecasting difficult and impacting the company's pricing and gross profit margins.
- Inventory impairment in cases of raw material price fluctuations and declines below the average raw material cost.
- Impacts on customer purchasing power, resulting in order delays or the absence of advance orders, hindering appropriate and efficient raw material management, production planning, and order fulfillment.
- Raw material shortages.

### 3) Systems and Work processes

- The company is at risk in terms of efficiency and quality of work from uncomplicated and repetitive work processes, and errors may occur frequently.
- There are risks in terms of cost and finance, including the loss of business opportunities that may require more resources than necessary and the inability to effectively manage personnel.
- There are risks in terms of personnel and the company's culture, in which if there is no continuous training or development, employees may not be able to perform their assigned tasks effectively, especially in terms of additional tasks. Personnel do not accept change and change occurs (Resistance to Change).
- There is miscommunication within the organization, leading to misunderstandings, inconsistent work, loss of goals and the company's culture.

## Risk management measures

### 1) Shortage or reliance on skilled workers

- The company facilitates the development of internal trainers to transfer knowledge and experience to employees.
- The company plans and implements training programs to enhance employees' skills in accordance with the evolving organizational structure and increased responsibilities in certain positions. This ensures that employees are equipped with the necessary knowledge and skills for their roles and reduces reliance on highly skilled labor.
- The human resources department has established a Succession Plan and collaboratively formulated a Training Roadmap with various departments and units to align with the company's current operational structure.

### 2) Fluctuation in pricing of raw materials

- The company mitigates the risk of raw material price fluctuations by sourcing key materials from multiple sources, both domestically and internationally, to reduce reliance on a single source. This is achieved through coordination between the procurement and research and development departments in sourcing, testing, and approving the use of materials from new sources.
- Adjust purchasing strategies and customer relationship management, focusing on supply chain management.



- The company monitors product price movements, production factors, market trends, oil prices, inflation, interest rates, exchange rates, political and economic conditions. It also assesses partner risks and seeks additional raw material sources when necessary to prevent excessive inventory costs or overstocking.

- During price crises, the company focuses on managing both short-term and long-term plans, adapting to the situation with flexibility and responsiveness to customer needs. It prioritizes key customers and target groups while ensuring the ability to deliver products.

### 3) Systems and Work processes

- The company has integrated various requirements and systems, employing a process of analyzing input factors and desired outcomes. This integration is supported by the IT team and focuses on seamless connectivity between processes, maximizing the use of a unified database to eliminate gaps, reduce complexity, and minimize redundancy.

- Strengthen the Risk Management System by increasing risk monitoring, review, and analysis in each department, division, and unit. Conduct employee training and focus group discussions, along with more concrete monitoring, improvement, and evaluation.

- Enhance communication channels for effective dissemination of information, fostering understanding and acceptance among personnel. Leverage standardized work systems to promote awareness and shared understanding among employees.

- Support the Information Technology (IT) department in implementing tools or programs that enhance operational efficiency, speed, and convenience.

- Participate in various projects with institutions that support ESG initiatives, seeking training grants and disclosures. One example is the SET Carbon Sandbox project, which assists in recording GHG Scope 1&2 data, reducing the workload associated with mandatory disclosures in this area.

## Risk 4 Financial Risk

Related risk topics : Financial Risk

- Default on payment or exchange of goods
- Fluctuation in exchange rates, interest rates, or the inflation rate

### Risk characteristics

#### 1) Default on debt repayment

Economic recession, inflation, high interest rates, delays in government budget disbursements, resulting in various situations in foreign countries, causing the Company's customers to be affected by liquidity. This has a significant impact on customers' ability to repay debts and significantly affects the Company's finances, operations, and risk management.

#### 2) Fluctuation in exchange rates

The Company purchases raw materials and assets in foreign currencies as well as sells goods in foreign currencies. Therefore, currency fluctuations will affect the profit/loss from exchange rates in the Company's financial statements.

#### 3) Fluctuation in interest rates

Interest rate risk arising from inflation, central bank policies, and global financial market conditions due to economic uncertainty, all of which will affect the Company's financial costs.

### Risk-related consequences

#### 1) Default on Debt Payment

- The company's revenue is not on target.
- Increased allowance for doubtful accounts due to late payments from trade debtors, posing a risk to future collection of receivables and potentially impacting the company's net profit.
- Reduced operating cash flow due to late customer payments, leading to delays in business expansion or new product development.
- Stricter credit policies are required. Enhance customer credit checks and impose stricter lending conditions.

#### 2) Fluctuation in exchange rates

- Profit or loss from foreign exchange fluctuations.
- Product pricing and the calculation of product or raw material costs fluctuate according to the exchange rates of the reference foreign currencies.

#### 3) Fluctuation in interest rates

- The company has higher financial costs.
- Customer purchasing power may decline.
- Uncertainty in investment planning or business expansion.
- The company's debt repayment expenses increase.

### Risk management measures

### 1) Default on debt repayment

- The company has a customer screening system to check customers' financial history and has set credit terms for customers.
- The company has been monitoring customer payments closely with the sales department on a monthly basis, reporting the results to the management team, acknowledging, and jointly determining appropriate follow-up and operational guidelines and plans.
- The company prepares an accounts receivable aging report to monitor the status of outstanding balances on a monthly or quarterly basis to closely monitor customer payments and establish a system to suspend shipments in the event of payment exceeding the timeframe specified in the policy.
- For foreign customers, they are required to open letters of credit to reduce payment risk or obtain credit insurance for exporting goods to be sold abroad with domestic financial institutions as insurers to reduce the risk of non-payment by foreign customers.
- The company regularly updates its financial statement database and customers' financial positions to reflect the current status of each customer.

### 2) Fluctuation in exchange rates

- The company imports some raw materials from abroad and exports goods, resulting in foreign currency income. Therefore, it can partially reduce the risk from natural hedging. In addition, the company has deposited foreign currency with financial institutions to pay for goods and services specifically. Furthermore, the company enters into forward contracts to hedge against such risks. The company regularly updates its financial statement database and customers' financial positions to reflect the current status of each customer.
- Monitor exchange rate trends regularly to consider the appropriateness of hedging methods at each period.

### 3) Fluctuation in interest rates

- Diversify the risk by seeking loans from multiple sources for comparison.
- Build good relationships with lending banks.
- Consider entering into derivative contracts to switch from floating to fixed interest rates to reduce risk (considering future interest rate directions).
- Improve the bank's reference interest rate database for comparison and negotiation.

## 2.2.2 Risk to securities holders

Are there any risk factors affecting securities holders? : No

## 2.2.3 Risk to securities holders from investing in foreign securities (applicable to only foreign companies)

Are there any risk factors affecting securities holders : No  
from investing in foreign securities?

## 3. Sustainable Development

### 3.1 Policy and goals of sustainable management

#### Sustainability Policy

Sustainability Policy : Yes

The Company conducts business in accordance with the principles of sustainable development by building confidence among stakeholders through efficient, transparent, and continuously improving operations for the sustainable future of the company, society, and the environment under the management framework. It is stipulated to have practices in the same direction according to international standards. The company's sustainable development policy is as follows:

1) The Company will conduct business under the principles of good corporate governance, ethics, code of conduct, and good governance, along with caring for stakeholders, the economy, society, and the environment with integrity, honesty, transparency, fairness, and respect for human rights.

2) The Company is committed to continuously developing and improving product quality management, quality of work life, environmental management, safety management, occupational health, and working environment by operating under the ISO9001, ISO14000, ISO45001 standards, energy conservation, greenhouse gas management, guidelines in accordance with international standards related to the business, as well as complying with laws and regulations, commitments to customers, partners, and stakeholders related to the business. These are integrated to lead to continuous and stable business success, achieving the Sustainable Development Goals (SDGs).

3) Promote approaches to integrate the vision, mission, and goals of the organization, including operational guidelines to create sustainability in business operations.

4) Create strategies, operational guidelines, and results that can meet the expectations of the organization effectively and efficiently by taking into account the balance of the economy, society, and the environment, including managing the expectations of stakeholders who have significant impacts.

5) Promote the development of innovation and operational technology and find allies with partners to reduce the impact on society and the environment throughout the value chain along with business growth covering social and environmental dimensions.

6) Promote the development of knowledge about sustainability management, including risk and opportunity assessment skills, to the company's personnel and stakeholders in order to create value and a work culture that leads to sustainability.

7) Disclose sustainability performance results correctly according to accepted international standards to enable continuous development. The Board of Directors, executives, and all employees are responsible for supporting, driving, and acting in accordance with this sustainable development policy and management framework.

Reference link for sustainability policy : <https://shorturl.at/Knq5F>

Page number of the reference link : 1

#### Sustainability management goals

Does the company set sustainability management goals : Yes

##### Governance and Economic Strategy

Focus on strengthening the business by developing and improving operational efficiency, collaborating with partners and customers with good governance.

##### Social Strategy

- Deliver products responsibly to society and the environment, in accordance with production standards, product quality standards, and safety for employees and consumers.
- Promote continuous learning and development of employee potential.

##### Environmental Strategy

- Strive for the best in utilizing resources efficiently and reducing environmental impact.
- Reduce greenhouse gas emissions from the company's operations and products.

##### Sustainability Management Goals

The Company has set the following sustainability management goals:

• **Economic and Governance**

1. Complaints from stakeholders (Corruption) = **Zero complaints**
2. Supply chain management = **100% ESG Critical Tier 1 Supplier Assessment in the country (Year 2024)**
3. Customer satisfaction = **Not less than 92% (Year 2024)**
4. Product development (Sales of environmentally friendly products) = **Not less than 40% (Year 2024)**
5. Production process efficiency rate = % Productivity  $\geq 99\%$  (Y2022=98.95%)

• **Social and Environmental**

1. Occupational health and safety = **Work-related accidents reduced or equal to zero (to the point of stopping work)**
2. Employee training and potential enhancement = **Average training hours per person not less than 3% compared to 2022 (Y2022) = Average 15.12)**
3. Environmental management
  - Electricity consumption rate per production unit decreased compared to 2022  $\geq 1\%$  (Y2022=275.58 Kwh/Ton)
  - Water resource consumption rate decreased compared to 2022  $\geq 5\%$  (Y2022=105.09 M3/person)
  - Industrial waste generation rate from operations per production unit decreased Compared to 2022  $\geq 2\%$  (Y2022=4.5 kg waste/ton of product)
4. Scope 1 and 2 emissions
  - Aiming for Carbon Neutrality (2050)
  - Received corporate certification (2025)
  - GHG emissions from factory activities decreased from 2022 (Scope1, 2)  $\geq 5\%$  (Y2022=0.141 tons of carbon equivalent/ton of product)

**Sustainability Performance Results 2024**

The Company has set the following sustainability performance results 2024:

• **Economic and Governance**

1. Complaints from stakeholders (Corruption) = **Zero complaints**
2. 100% ESG Critical Tier 1 Supplier Assessment in the country (Year 2024) = **100%**
3. Customer satisfaction Not less than 92% (Year 2024) = **91.03%**
4. Sales of environmentally friendly products Not less than 40% (Year 2024) = **43.49%**
5. %Productivity  $\geq 99\%$  (Y2022=98.95%) = **98.60%**

• **Social and Environmental**

1. Work-related accidents reduced or equal to zero (to the point of stopping work) = **4 accidents**
2. Average training hours per person not less than 3% compared to 2022 (Y2022) = **Average 15.12) = +3.64% (Average training hours =15.67 hrs.)**
3. Environmental management
  - Electricity consumption rate per production unit decreased compared to 2022  $\geq 1\%$  (Y2022=275.58 Kwh/Ton) = **285.99 Kwh/ton (-3.78%)**
  - Water resource consumption rate decreased compared to 2022  $\geq 5\%$  (Y2022=105.09 M3/person) = **103.68 M3/person (1.34%)**
  - Industrial waste generation rate from operations per production unit decreased Compared to 2022  $\geq 2\%$  (Y2022=4.5 kg waste/ton of product) = **4.5 kg waste/ton of product (0%)**
4. Scope 1 and 2 emissions
  - Aiming for Carbon Neutrality (2050)
  - Received corporate certification (2025) = **In-process to verify (February 2025)**
  - GHG emissions from factory activities decreased from 2022 (Scope1, 2)  $\geq 5\%$  (Y2022=0.141 tons of carbon equivalent/ton of product) = **0.124 tons of carbon equivalent/ton of product (12.06%)**

United Nations SDGs that align with the organization's sustainability management goals :

Goal 3 Good Health and Well-being, Goal 4 Quality Education, Goal 6 Clean Water and Sanitation, Goal 8 Decent Work and Economic Growth, Goal 9 Industry, Innovation and Infrastructure, Goal 10 Reduce Inequalities, Goal 11 Sustainable Cities and Communities, Goal 12 Responsible Consumption and Production, Goal 13 Climate Action, Goal 14 Life below Water, Goal 15 Life on Land, Goal 17

## Review of policy and/or goals of sustainable management over the past year

Has the company reviewed the policy and/or goals of sustainable management over the past year : Yes

Has the company changed and developed the policy and/or goals of sustainable management over the past year : Yes

The company reviewed the sustainability policy and considered amending the sustainability management policy at the 1/2024 Sustainability and Risk Committee meeting on May 7, 2024, from the original 5 items to 7 items by adding the company's standard system to increase the efficiency of the work of the committee and management. The amendment to the sustainability management policy was approved by the Board of Directors on May 9, 2024.

In terms of climate change management, from the 2/2024 meeting of the Sustainability and Risk Committee on November 7, 2024, there was an opinion for the company to set an additional target of Net Zero 2065 from Carbon Neutrality 2050, with the opinion from the Board of Directors on November 11, 2024.

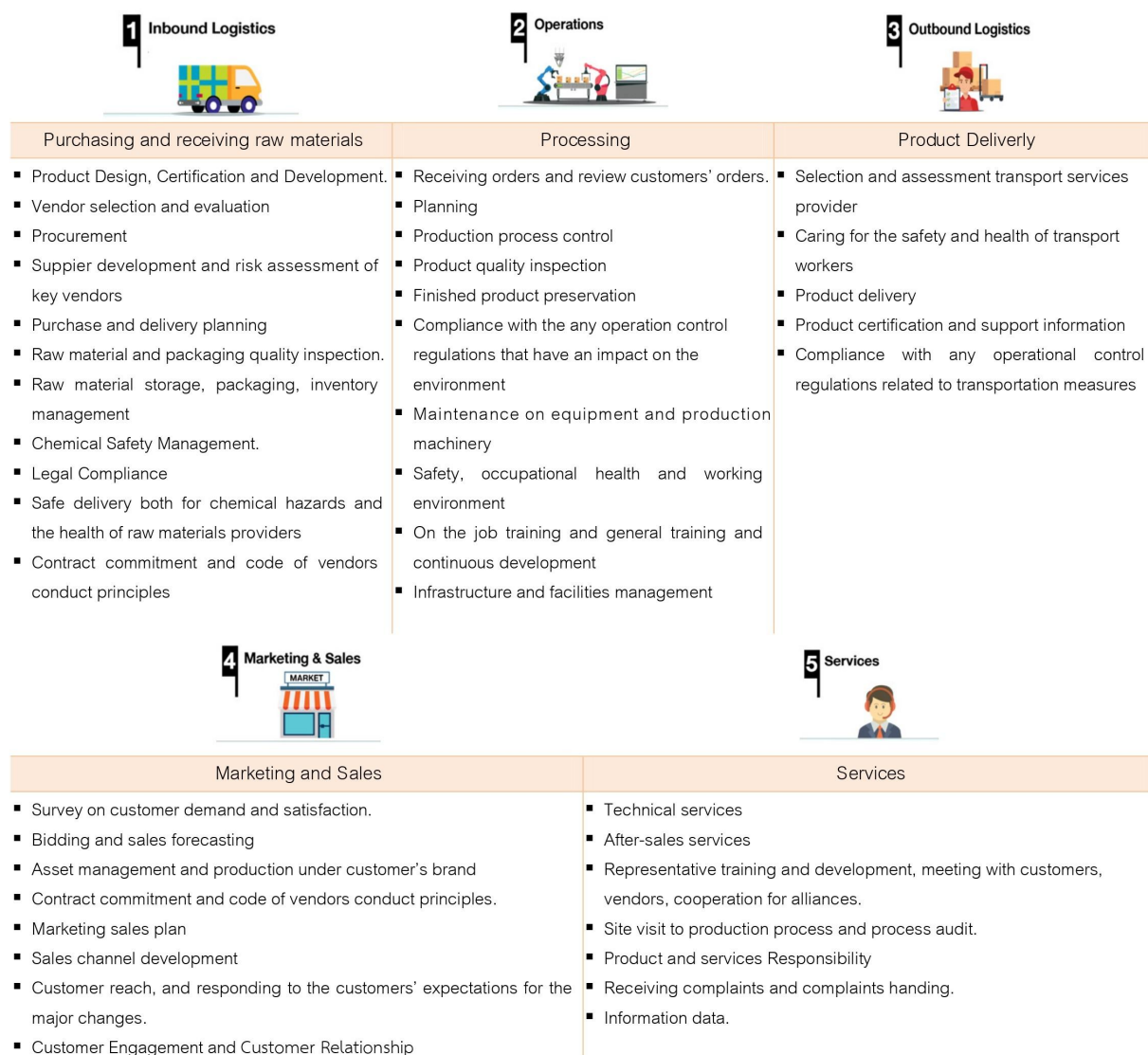
The company also monitors the performance of sustainability indicators and targets through the Sustainability and Risk Working Group and reports to the Sustainability and Risk Management Committee to jointly review and consider actions according to the established goals.

## 3.2 Management of impacts on stakeholders in the business value chain

### 3.2.1 Business value chain

The Company is a manufacturer of plastic PVC pellets used in various industries and polypropylene fibers used in the wire and cable industry. The Company purchases raw materials from chemical producers, PVC resin and polypropylene resin, and then melts and mixes them (Compounding), cuts them into PVC pellets, and produces polypropylene fibers to meet the required properties and standards. The Company then delivers PVC plastic pellets and polypropylene fibers to customers in the required industries. The value chain of the business can be described in the following table:

#### Business value chain diagram



### 3.2.2 Analysis of stakeholders in the business value chain

The company had identified stakeholders into 7 groups: 1)Shareholders/Investors/Analysts 2) Customers / Affiliates 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:

Details of stakeholder analysis in the business value chain

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
Internal stakeholders			



Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Learning and skill development (Reskill , Upskill), and increasing capabilities to accommodate business changes.</li> <li>Directions of the organization's operation and awareness of important news.</li> <li>Caring employee, safety, security, welfare and fairness.</li> <li>Complaints are handled reasonably.</li> <li>Continually improving performance to reflect the Company's business operation. Employees are compensated appropriately.</li> <li>Strict and fair working regulations.</li> <li>Human rights actions</li> <li>Organizational participation</li> </ul>	<ul style="list-style-type: none"> <li>The company provides annual health check-ups for employees every year to ensure that employees are healthy and can work effectively.</li> <li>There are activities to create happiness for employees within the organization (Well-being) to give morale and encouragement to employees, such as birthday activities. scholarships to employees' children, etc.</li> <li>The company has improved its infrastructure in terms of safety and working environment according to the safety management system according to ISO 45001 and the environmental management system according to ISO14001.</li> <li>Cooperation with stakeholders both the union president of Labor Welfare Committee.</li> <li>Informing the roles and responsibilities of each position and providing review and evaluating annually.</li> <li>Providing human resources development plan and establishing training goals, employees' skill and competency development (Skill Matrix).</li> <li>Apply human rights work in all aspects for both employees and stakeholders of the company.</li> <li>Enhancing white factory policy and providing random drug test by specialist.</li> <li>Providing complaint channel that protects the complainant and the</li> </ul>	<ul style="list-style-type: none"> <li>Complaint Reception</li> <li>Others <ul style="list-style-type: none"> <li>Employee engagement/Employee satisfaction with the enterprise survey.</li> <li>Safety Talk, Morning Talk</li> <li>Town Hall Meeting</li> <li>Performance Assessment of performance indicators.</li> <li>Communication sending new through announcement, discussion, meetings within organization.</li> <li>Exchange of opinions between supervisor and employees in the organization.</li> <li>Interview with representatives of employees, meeting with the labor union, or the Employee Welfare Committee or participating in the exchange of ideas through annual welfare committee representatives.</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
		complaint information is sent directly to the responsible person only.	

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<b>External stakeholders</b>			
<ul style="list-style-type: none"> <li>• Investors or investment institutions</li> <li>• Analysts</li> <li>• Shareholders</li> </ul>	<ul style="list-style-type: none"> <li>• Business growth potential with adaptability to changing circumstances.</li> <li>• Satisfactory return on investment.</li> <li>• Profitable, growing operations with a positive image.</li> <li>• Good corporate governance with ethical business conduct, free from and not conducive to fraud and corruption.</li> <li>• Stable and continuously growing business.</li> <li>• Accurate, timely, and transparent information disclosure.</li> <li>• Reliable risk management system.</li> <li>• Sound internal control and audit system.</li> <li>• Business operations comply with relevant laws and regulations, including environmental, community, and social aspects.</li> <li>• Does not cause disturbances to surrounding communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Building a strong foundation for sustainable business operations</li> <li>• Paying appropriate dividends</li> <li>• Establishing good corporate governance policies and ensuring transparent, fair, and auditable board oversight</li> <li>• Developing business strategic plans</li> <li>• Implementing comprehensive risk management</li> <li>• Establishing, communicating, and enforcing anti-fraud and anti-corruption policies</li> <li>• Conducting quarterly internal control system audits by external service providers</li> </ul>	<ul style="list-style-type: none"> <li>• Press Release</li> <li>• Online Communication</li> <li>• Internal Meeting</li> <li>• Annual General Meeting (AGM)</li> <li>• Complaint Reception</li> <li>• Others <ul style="list-style-type: none"> <li>• Meetings, appointment with analysts, telephone or e-mail the inquiries to the investor relations department and the opportunity to visit the factory.</li> <li>• Annual Registration Statement/Annual Report (Form 56-1 One Report)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Dealers</li> <li>• Customers</li> </ul>	<ul style="list-style-type: none"> <li>• Be a good business partner, honest, sincere, and a long-term ally</li> <li>• Meet needs and expectations and manage customer relationships systematically</li> <li>• Offer a diverse product portfolio that caters to market demands and applications, ensuring product safety and environmental friendliness</li> <li>• Possess innovation to appropriately address evolving needs</li> <li>• Offer products and services at reasonable prices</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational Management: Committed to continuous improvement of the organization, products, and services.</li> <li>• Quality Management: Certified to ISO9001:2015 for quality management, ISO14001:2015 for environmental management, and ISO45001:2018 for safety standards.</li> <li>• Confidentiality: Ethical conduct in maintaining the confidentiality of customer and partner information.</li> <li>• Product Inspection and Certification: Products</li> </ul>	<ul style="list-style-type: none"> <li>• Visit</li> <li>• Online Communication</li> <li>• Complaint Reception</li> <li>• Training / Seminar</li> <li>• Others <ul style="list-style-type: none"> <li>• Visit clients and representatives.</li> <li>• Exhibition and conference arrangement at related events</li> <li>• Satisfaction survey.</li> <li>• Providing technical knowledge to customers and representatives.</li> <li>• Opportunity for customer, sales representative to visit the Company or various audits</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
	<ul style="list-style-type: none"> <li>• Engage in transparent price competition</li> <li>• Provide accurate technical information about products and services</li> <li>• Certify products with reliable standards</li> <li>• Ensure timely delivery and responsible product transportation</li> <li>• Provide swift and effective problem resolution</li> <li>• Demonstrate business growth potential and adaptability to changing circumstances</li> <li>• Adhere to agreements fairly</li> <li>• Maintain ethical conduct in safeguarding confidential business information</li> <li>• Implement efficient production processes, ensuring consistent product quality and minimizing environmental impact</li> <li>• Facilitate company visits or process inspections</li> </ul>	<p>undergo rigorous inspection and certification processes, both before processing and before delivery, using internationally recognized testing standards.</p> <ul style="list-style-type: none"> <li>• Transparency and Auditability: Open to site visits and audits of quality management systems.</li> <li>• Process Optimization: Continuous improvement of production processes, maintenance of production equipment, testing equipment, and electrical systems for optimal efficiency.</li> <li>• External Verification and Compliance: Regularly undergoes audits and certifications of operational systems by external agencies to ensure compliance with legal requirements.</li> <li>• Technical Support and Knowledge Sharing: Provides regular meetings, consultations, and technical training to clients.</li> <li>• After-Sales Service: Offers comprehensive technical support and after-sales services.</li> <li>• Supply Chain Management: Efficient and effective supply chain management practices.</li> <li>• Cost Management and Pricing: Competitive pricing strategies and efficient cost management.</li> </ul>	<p>through the quality audit, product audit, process audit, etc.</p> <ul style="list-style-type: none"> <li>• Activities with customers and sales representative.</li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>Government agencies and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>To perform business in accordance with legal requirements, regulations or relevant rules</li> <li>To cooperate with government agencies and to present the good guidelines for sustainable development.</li> <li>To disclose the business operation information with transparency, verified, and in timely manner.</li> <li>To operate business by focusing on the impact of environment and the safety of society and the community.</li> <li>Promoting innovation, apply and expanding innovations from research.</li> </ul>	<ul style="list-style-type: none"> <li>Certified by the Thai Private Sector Collective Action Against Corruption (CAC)</li> <li>Disclosure of various operational policies on the Company's website: <a href="https://www.adb.co.th">https://www.adb.co.th</a></li> <li>Responsibilities according to the ethics of directors, executives and employees and assessment of the directors. and senior executives annually.</li> <li>Providing Board Meeting to enhance independence and implementing knowledge and expertise of directors.</li> <li>Set important policies for the organization, stakeholders, corporate governance, environmental and climate change management and energy and resources efficient utilization.</li> <li>Providing complaint channel that protect the complianant, and complaint data are sent directly to responsible person only.</li> <li>Requesting support from the government in research, taxes and/or various projects. that are cooperated</li> </ul>	<ul style="list-style-type: none"> <li>Visit</li> <li>Others <ul style="list-style-type: none"> <li>To organize a forum to listen to opinions or to meet entrepreneurs in the area or to meet community.</li> <li>Annual report and sustainability report</li> <li>Reporting on business performance and performance</li> </ul> </li> </ul> <p>to relevant government agencies according to the specified frequency by the government agency.</p> <ul style="list-style-type: none"> <li>Interviews with representatives of government agencies and related agencies.</li> <li>Ministerial meeting, participating in various activities and regular visit to project organized by government agencies</li> <li>Joining the government-initiated cooperation committee.</li> <li>Participant, visit an institute or research unit on issues of interest.</li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>• Creditor</li> <li>• Suppliers</li> <li>• Contractors</li> <li>• Others               <ul style="list-style-type: none"> <li>• Service Provider</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Being an alliance and doing long term business</li> <li>• Providing regular orders, plan the purchase in advance, do not modify the order plan too much.</li> <li>• Emphasizing on feedback, results, or product trials, both satisfaction, expectation in order to further improvement product quality.</li> <li>• Paying on time, having a stable financial status.</li> <li>• Conducting business fairly, not disclose business secrets, have a good business ethics.</li> <li>• Informing the rules or other announcement in advance.</li> <li>• Providing training on environment and safety prior to any working.</li> <li>• Providing advice and support in applying good management to implement to vendors such as environmental management anti-fraud and corruption.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has set up the good corporate governance policy regarding code of conduct with vendor and creditor with fairness</li> <li>• Not claiming for benefits and disclose to all vendors for information</li> <li>• To sign on confidentiality agreement for the benefit of joint development</li> <li>• To disclose various operation policies on the Company's website: <a href="https://www.adb.co.th/">https://www.adb.co.th/</a></li> <li>• To clarify, train, assess risks and hazards together before any performing.</li> <li>• Roles of value chain management.</li> </ul>	<ul style="list-style-type: none"> <li>• Visit</li> <li>• Training / Seminar</li> <li>• Others               <ul style="list-style-type: none"> <li>• Communication of selection results and annual vendor assessment .</li> <li>• Interview the representatives of vendor, business partners and contractors.</li> <li>• To assess the consulting and capacity building.</li> <li>• 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.</li> <li>• Continuous purchasing order or at an appropriate time for the price and cost situation.</li> <li>• Inspection and verification of raw materials delivered on fair, correct and standard basis.</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>• Community</li> <li>• Society</li> <li>• Others               <ul style="list-style-type: none"> <li>• Surrounding establishment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Not causing trouble, nuisance, causing damage to the community, society and environment.</li> <li>• Suggestions have been corrected and improved.</li> <li>• To provide local employment in community</li> <li>• Be a good entrepreneur, have a good environmental system and comply with the standards and laws correctly.</li> <li>• There is safety for life and property of the company, employees and the community.</li> <li>• participate in activities and support sustainable growth of communities and society continuously.</li> <li>• Comply with human rights principles and promote equality.</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency and good supervision such as tax policy, anti-corruption, ethics of director, senior executives, and employees, to assess the risk, to prepare report accurately, on time, etc.</li> <li>• To manage the operation of the Company under the environmental standards ISO14001 and safety standards ISO45001.</li> <li>• To check the various working systems in accordance with the safety and environmental laws and other relevant laws by agencies or auditors who are certified by accepted standard.</li> <li>• Cooperate in attending meetings, seminars, interviews and participating in activities that are beneficial to external agencies and disclose information correctly, transparently and beneficially for joint development and improvement.</li> <li>• Provide internship opportunities for students from institutions in the community and surrounding areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Complaint Reception</li> <li>• Others               <ul style="list-style-type: none"> <li>• To survey community needs and opinions through activities such as educational activities, participation activities in local community, etc.</li> <li>• Interviews with social and community representatives.</li> <li>• Annual report and sustainability report.</li> <li>• 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.</li> <li>• Activities for community and society of industrial estates, municipality or local authorities.</li> </ul> </li> </ul>

Group of stakeholders	Stakeholders' expectations	Responses to stakeholder expectations	Channels for engagement and communication
<ul style="list-style-type: none"> <li>• Independent entities</li> <li>• Others               <ul style="list-style-type: none"> <li>• Institution/certifying body/association/academic</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate upon request, such as responding to inquiries, surveys, interviews, attending meetings, exhibitions, innovation seminars, and providing feedback.</li> <li>• Operate in accordance with the standards and regulations of relevant organizations.</li> <li>• Accurately cite information sources.</li> <li>• Provide information for improvement and development.</li> <li>• Ensure continuity in collaboration with various agencies through designated coordinators or responsible personnel.</li> <li>• Foster continuous knowledge development and information sharing.</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Provincial Chamber of Commerce, member of industrial estate operators, member of associations of businesses and products related to the company, such as the Plastic Institute, Safety Promotion Association, etc., to promote joint operations, exchange and receive various news.</li> <li>• To manage various work systems to meet standards, be certified, and continuously improve.</li> <li>• Cooperate and attend meetings in various agendas of organizations that the company is a member of, associations and various agencies, attend training and support various activities continuously.</li> </ul>	<ul style="list-style-type: none"> <li>• Visit</li> <li>• Complaint Reception</li> <li>• Others               <ul style="list-style-type: none"> <li>• To provide information on the operations of the organization through articles, media, exchange forums, exhibitions, academic events, seminars.</li> <li>• To organize a public hearing forum.</li> <li>• To conduct joint research.</li> <li>• Support for research, organizational development and shared knowledge in collaborative projects and projects.</li> <li>• To be member of various organizations and associations.</li> </ul> </li> </ul>



## 3.3 Management of environmental sustainability

### 3.3.1 Environmental policy and guidelines

#### Environmental policy and guidelines

Environmental policy and guidelines	: Yes
Environmental guidelines	: Electricity Management, Fuel Management, Renewable/Clean Energy Management, Water Management, Waste Management, Biodiversity Management, Greenhouse Gas and Climate Change Management, Air Quality Management, Noise Pollution Management

The Company has established the following environmental and social policies:

The Company will conduct business with environmental balance by complying with environmental laws and regulations according to international standards or appropriate standards for each business. The Company places importance on and cooperates with the community to preserve the environment of the community where the Company operates. The Company will take care of and prevent incidents that affect the environment as follows:

1. Provide waste treatment equipment or waste confinement to prevent environmental and community impacts.
2. In the event of an environmental impact due to the Company's products/services or operations, the Company will promptly and fairly remedy and take responsibility for the damage.
3. Provide training and establish a system for inspection, maintenance, and continuous development to enhance the efficiency of environmental care, maintain safety, and build public confidence. We will work together to maintain and promote unity and solidarity among employees, work together to solve problems as an effective team, and be dedicated to and assist in any actions that will maintain safety and a good working environment.

*(For the complete Environmental and Social Policy, please see <https://shorturl.at/cM4tw>)*

The Company operates an ISO14001 Environmental Management System. The Company has been certified to ISO14001:2015 since 2020, covering all 3 factories, representing 100%. Based on the aforementioned environmental and social policy, the Company has established the following policies and practices under the ISO14001 system in 2024:

The Company recognizes its responsibility for the expectations of stakeholders in terms of the environment and has the following guidelines:

1. Control, prevent, treat, and reduce pollution to minimize environmental impacts, including water pollution, air pollution, waste, chemicals, noise, and others, in accordance with laws, regulations, and all relevant requirements, including strict compliance with environmental obligations.
2. Committed to protecting the environment by using resources and energy efficiently, both in terms of consumption, treatment, waste control, and reuse, including planning for various emergencies in an appropriate manner.
3. Set objectives and targets for environmental work, monitor, review operations that have environmental impacts, and promote continuous improvement.
4. Provide education and training to employees to stimulate and cultivate environmental awareness, which is the responsibility of all employees.
5. Cooperate with the community and relevant government agencies to improve environmental management.

*(For the complete Environmental Policy, please see <https://shorturl.at/pqCZ4>)*

In terms of energy management, since the company's production process mainly uses electricity, which is in accordance with the criteria of the Ministerial Regulations on Energy Management in Controlled Factories and Controlled Buildings B.E. 2551 according to the Energy Conservation Promotion Act B.E. 2535, which was amended by the Energy Conservation Promotion Act (No. 2) B.E. 2550, the company must have an energy management system with an energy conservation policy as follows:

1. The Company will develop an appropriate energy management system by specifying energy conservation as part of the Company's operations in accordance with relevant laws and other regulations.
2. The Company will continuously improve the energy efficiency of the organization in line with the business, the technology used, and good practices.
3. The Company will set annual energy conservation work plans and targets and communicate them to all employees for their understanding and proper implementation.

4. The Company considers energy conservation to be the responsibility of executives and employees at all levels, who must cooperate in complying with the specified measures, monitor, inspect, and report the results to the Energy Management Working Group.

5. The Company will provide necessary support, including human resources, budget, working time, training, and participation in providing feedback to improve energy work.

### Review of environmental policies, guidelines, and/or goals over the past year

Review of environmental policies, guidelines, and/or goals : Yes  
over the past year

Changes in environmental policies, guidelines, and/or goals : Electricity Management, Fuel Management, Renewable/Clean Energy Management, Water Management, Waste Management, Biodiversity Management, Greenhouse Gas and Climate Change Management, Air Quality Management, Noise Pollution Management

#### Environmental Policy and Objectives Review

The company reviews its environmental policy and related practices annually. It is scheduled to be reviewed at least twice a year under the ISO14001 system framework. In 2024, the company has set environmental operational targets as follows:

1. Environmental compliance rate. = 100%
2. Electricity consumption rate decreased compared to 2022.  $\geq 1\%$
3. The water resource utilization rate has decreased compared to 2022.  $\geq 5\%$
4. The generation rate of industrial waste (hazardous waste) from operations has decreased compared to 2022.  $\geq 2\%$
5. The rate of pollutants in the air discharged from the factory does not exceed the specified standard. = 100%
6. Greenhouse gas emissions from activities within the factory are reduced from 2022.  $\geq 5\%$
7. Number of environmental complaints from both inside and outside the organization. = 0 times

### 3.3.2 Environmental operating results

#### Information on energy management

##### Energy management plan

The company's energy management plan : Yes

The Company has planned the management of electricity power, which is the Company's main energy, by planning to suit the business situation. Originally, the Company installed Solar rooftop at Branch No. 260 since 2022 and the Solar rooftop power purchase agreement project at Branch No. 271 since June 2023. Therefore, in 2024, the Company will focus on the plan for lighting and air conditioning systems, without focusing on machinery because there are still machines that are in the process of being installed that are not yet complete, along with taking time to study various technologies appropriately.

In 2024, the company has the following plans for electricity conservation:

##### 1. Electricity Conservation Plan

- 1.1 Measures for cleaning split-type air conditioners
- 1.2 Measures to modify the air conditioner to be suitable for use and to be an energy-saving system.
- 1.3 Measures to change light bulbs in moonlighting fixtures in factories to energy-saving LED bulbs and measures to

survey and modify the lighting system to suit the area of use for each purpose.

##### 2. Energy Conservation Training Plan by creating energy conservation awareness among employees.

##### 3. Plan of Activities to Promote Energy Conservation

- 3.1 Energy Conservation Public Relations
- 3.2 Lunch Break Lights Out Activities
- 3.3 Setting a computer screen break timer

### Setting goals for managing electricity and/or oil and fuel

Does the company set goals for electricity and/or fuel : Yes  
management

#### Details of setting goals for electricity and/or fuel management

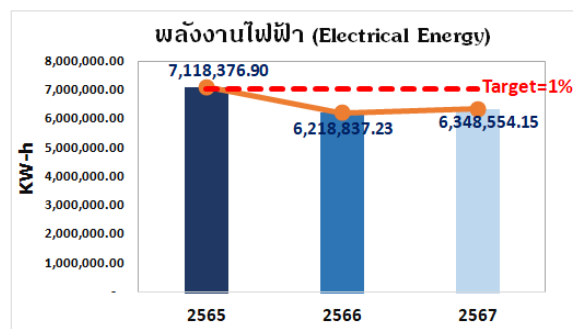
Target(s)	Base year(s)	Target year(s)
Reduction of electricity purchased and fuel consumption	2022 : energy consumption 7,118,376.90 Kilowatt-hour	2024 : Reduced by 1% or 71,183.77 Kilowatt-hour

#### Performance and outcomes of energy management

Performance and outcomes of energy management : Yes

The company's total electricity consumption compared to the target of reducing more than 1% (71,183.77 kWh) from the base year (2022) shows that from operating according to the plan in 2023, the company's electricity consumption decreased from 2022 by 759,822.75 kWh, representing a decrease of 10.67%. However, electricity consumption was higher than in 2023 due to the company's higher production output in 2024 than in 2023, as shown in the graph below.

#### Diagram of Performance and outcomes of energy management



#### Energy management: Fuel consumption

	2022	2023	2024
Jet fuel (Litres)	0.00	0.00	0.00
Diesel (Litres)	78,761.27	38,783.84	33,513.65
Gasoline (Litres)	63,571.23	3,900.32	36,335.93
Fuel oil (Litres)	0.00	0.00	0.00
Crude oil (Barrels)	0.00	0.00	0.00
Natural gas (Standard cubic feet)	0.00	0.00	0.00
LPG (Kilograms)	15.00	45.00	45.00
Steam (Metric tonnes)	0.00	0.00	0.00
Coal (Metric tonnes)	0.00	0.00	0.00

#### Energy management: Electricity consumption

	2022	2023	2024
--	------	------	------

	2022	2023	2024
<b>Total electricity consumption within the organization (Kilowatt-Hours)</b>	7,118,376.90	6,218,837.23	6,348,554.15
Electricity purchased for consumption from non-renewable energy sources (Kilowatt-Hours)	6,426,200.00	5,314,440.00	5,190,506.66
Electricity purchased or generated for consumption from renewable energy sources (Kilowatt-Hours)	692,176.90	904,397.23	1,158,047.49

## Information on water management

### Water management plan

The Company's water management plan : Yes

The company is located in the Bang Pu Industrial Estate, both in the head office and 2 factories, and uses tap water from the Bang Pu Industrial Estate. The consumption of employees is a significant part of water usage, more than 80 percent of the total water used. The other 20 percent is used for fire extinguishing system testing, cooling water systems for production, experiments, and quality testing, which will be a circulating water system.

The company has leak inspections by both the user and the maintenance staff according to the infrastructure maintenance plan regularly. However, in 2024, the company found system leaks due to the old infrastructure system. In 2024, the company has a water management plan as follows:

1. The company designates a responsible person to oversee and report water usage clearly by assigning the environmental officer to control, collect, and report the results of water usage each month, as well as inspect and monitor problems with the company's wastewater management system.
2. Arrange meetings to report on water usage and water management performance on a monthly basis, along with reporting on other environmental management results from the 5S working group to the management meeting and management review according to the company's ISO14001 system.
3. Meeting with departments/divisions/units that use water in the process to find ways to save water, reduce waste, and integrate for efficient water use.
  - 3.1 Water usage in the cooling system, in collaboration with the production and maintenance department.
  - 3.2 Water usage in the cooling system for quality inspection in collaboration with the quality assurance department.
  - 3.3 Water usage in the fire extinguishing system, fire extinguishing system testing, in collaboration with the safety department.
  - 3.4 Water conservation and water-saving measures in the office in collaboration with the administration department.
4. Campaign for water conservation in cleaning, and changing necessary equipment, repairing, to be water-saving types.

### Setting goals for water management

Does the company set goals for water management : Yes

#### Details of setting goals for water management

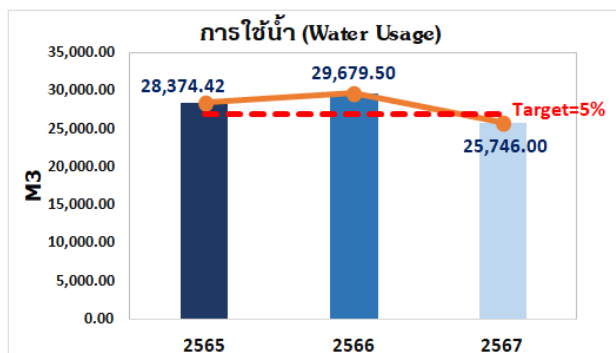
Target(s)	Base year(s)	Target year(s)
Reduction of water withdrawal	2022 : Water withdrawal 28,374.42 Cubic meters	2024 : Reduced by 5% or 1,418.72 Cubic meters

### Performance and outcomes of water management

Performance and outcomes of water management : Yes

The company's total water consumption compared to the target of reducing more than 5% (1,417.721 cubic meters) from the base year (2022) shows that from operating according to the plan in 2024, the company's water consumption has decreased from 2022 by 2,628.42 cubic meters, representing a decrease of 9.26%, exceeding the target. This is because the company has been monitoring water usage more clearly according to the plan, leading to the identification of leakage problems and the implementation of system repairs. Additionally, the company has been campaigning for water conservation among all employees to raise awareness and encourage cooperation in water saving, as shown in the graph below.

#### Diagram of performance and outcomes in water management



#### Water management: Water withdrawal by source

	2022	2023	2024
Total water withdrawal (Cubic meters)	28,374.42	29,679.50	25,746.00
Water withdrawal by third-party water (cubic meters)	28,374.42	29,679.50	25,746.00
Water withdrawal by surface water (cubic meters)	0.00	0.00	0.00
Water withdrawal by groundwater (cubic meters)	0.00	0.00	0.00
Water withdrawal by seawater (cubic meters)	0.00	0.00	0.00
Water withdrawal by produced water (cubic meters)	0.00	0.00	0.00

#### Water management: Water discharge by destinations

	2022	2023	2024
Percentage of treated wastewater (%)	0.00	0.00	0.00
Total wastewater discharge (cubic meters)	22,699.54	23,743.60	20,596.80
Wastewater discharged to third-party water (cubic meters)	22,699.54	23,743.60	20,596.80
Wastewater discharged to surface water (cubic meters)	0.00	0.00	0.00
Wastewater discharged to groundwater (cubic meters)	0.00	0.00	0.00
Wastewater discharged to seawater (cubic meters)	0.00	0.00	0.00

#### Water management: Water consumption

	2022	2023	2024
Total water consumption (Cubic meters)	5,674.88	5,935.90	5,149.20

#### Water management: Recycled water consumption

	2022	2023	2024
Total recycled water for consumption (Cubic meters)	0.00	0.00	0.00

### Information on waste management

#### Waste management plan

The company's waste management plan : Yes

Reducing industrial waste management is important for the environment and sustainability. The Company focuses on production efficiency by minimizing waste by increasing the efficiency of the production process, recycling and reuse, which involves waste separation, promoting recycling development, storing and managing hazardous materials, and properly maintaining equipment to prevent leakage, etc. Waste reduction and reuse are also important sustainability issues (Materiality) in 2024 that the Company's stakeholders prioritize.

In 2024, the company plans to manage waste as follows:

1. Review and assess all waste generated from the company's operations for analysis, both hazardous and non-hazardous waste.
2. Modify the production process to be more automated to reduce the number of chemical containers used in the Manual production process.
3. Implement source waste reduction by collaborating with the purchasing department to reduce waste from packaging materials from suppliers.
4. Systematically sort waste to create value and facilitate management.
5. Train, communicate with, and campaign to employees to be aware of waste reduction and separation in the factory.
6. Inspection and evaluation, along with 5S activities and occupational health according to the ISO45001 system.
7. Collaboration between manufacturing and R&D departments to reduce waste and find appropriate methods for re-processing.

#### Setting goals for waste management

Does the company set goals for waste management : Yes

#### Details of setting goals for waste management

Target(s)	Base year(s)	Target year(s)	Waste management methods
Reduction of waste generation Waste type: Hazardous waste	2022 : hazardous waste 115,020.00 Kilograms	2024 : Reduced by 2% or 2,300.00 Kilograms	• Incineration with energy recovery

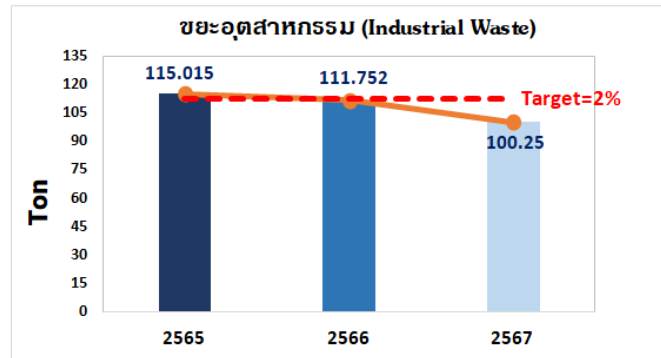
#### Performance and outcomes of waste management

Performance and outcomes of waste management : Yes

In 2024, the Company has set a target for the Company's industrial waste management (hazardous waste) to be reduced by more than 2% (2.3 tons) from the base year (2022). It was found that from the implementation of the plan in 2024, the Company had industrial waste disposed of at 100.25, which is a percentage reduction of 12.84%, more than the set target. The issue that was

able to be reduced more than the set target is because the Company has changed the production process in the production line to an automatic weighing system to reduce the use of chemical containers in the manual system. In addition, there is cooperation with chemical suppliers by using rotating containers and ordering chemicals in the tank-car system to reduce containers contaminated with chemicals and having to be disposed of as hazardous waste.

#### Diagram of Performance and outcomes of waste management



#### Waste management: Waste Generation

	2022	2023	2024
Total waste generated (Kilograms)	115,015.00	111,752.00	100,250.00
Total non-hazardous waste (kilograms)	0.00	0.00	0.00
Non-hazardous waste - Landfilling (Kilograms)	0.00	0.00	0.00
Non-hazardous waste - Incineration with energy recovery (Kilograms)	0.00	0.00	0.00
Non-hazardous waste - Incineration without energy recovery (Kilograms)	0.00	0.00	0.00
Non-hazardous waste – Others (kilograms)	0.00	0.00	0.00
Total hazardous waste (kilograms)	115,015.00	111,752.00	100,250.00
Hazardous waste - Landfilling (Kilograms)	0.00	0.00	0.00
Hazardous waste - Incineration with energy recovery (Kilograms)	115,015.00	111,752.00	100,250.00
Hazardous waste - Incineration without energy recovery (Kilograms)	0.00	0.00	0.00
Hazardous waste – Others (kilograms)	0.00	0.00	0.00

#### Waste management: Waste reuse and recycling

	2022	2023	2024
Total reused/recycled waste (Kilograms)	132,600.00	105,392.00	360,295.00
Reused/Recycled non-hazardous waste (Kilograms)	132,600.00	105,392.00	330,686.00
Reused non-hazardous waste (Kilograms)	123,070.00	73,492.00	140,799.00

	2022	2023	2024
Recycled non-hazardous waste (Kilograms)	9,530.00	31,900.00	189,887.00
Reused/Recycled hazardous waste (Kilograms)	0.00	0.00	29,609.00
Reused hazardous waste (Kilograms)	0.00	0.00	0.00
Recycled hazardous waste (Kilograms)	0.00	0.00	29,609.00

## Information on greenhouse gas management

### Greenhouse gas management plan

The company's greenhouse gas management plan : Yes

Greenhouse gas management is one of the company's sustainability goals and a risk in the company's business. In 2024, the company set a goal of net zero carbon emissions by 2065, in addition to setting a goal of carbon neutrality by 2050. A climate change management committee has been established to review and formulate a greenhouse gas management plan that aligns with the sustainability strategy in reducing greenhouse gas emissions from the company's operations and from the products. The plan is as follows:

1. Review the survey and collect greenhouse gas emission figures in Scope 1 and 2 of the company.
2. Collaborate with the Energy Management Working Group to reduce greenhouse gas emissions in Scope 2.
3. Plan to review data from the organization's carbon footprint certifier (CFO) by 2024 and be able to apply for certification from the Greenhouse Gas Management Organization or TGO in Scope 1 and 2 by 2025.
4. Provide training to employees in the organization, communicate operations and activities to employees.
5. Send employees to participate in various projects and training from associations, institutions, and government agencies to learn and acknowledge information and news to apply to work in this field.
6. Plan for Scope 3 data management to prepare for accurate reporting and obtain Scope 3 certification by 2027.
7. Plan to train employees, both environmental officers and staff in the research and development department, in product life cycle assessment (LCA) for the company's carbon footprint in products (CFP) operations.
8. Monitor the progress of laws and regulations related to greenhouse gas management, such as Thailand Taxonomy, CBAM, Carbon Tax, Global Warming Act, etc.

### Compliance with principles and standards for greenhouse gas or climate change management

Principles and standards for greenhouse gas or climate change management : Thailand Greenhouse Gas Management Organization (TGO)

### Setting greenhouse gas emission goals

Does the company set greenhouse gas management goals : Yes

Company's existing targets : Setting net-zero greenhouse gas emissions targets, Setting carbon neutrality targets

### Setting net-zero greenhouse gas emissions targets

#### Details of setting net-zero greenhouse gas emissions targets



Greenhouse gas emission scope	Base year(s)	Short-term target year	Long-term target year	Certification
Scope 1-2	2022 : Greenhouse gas emissions 3,638.00 tCO <sub>2</sub> e	2024 : Reduced by 5% or 181.90 tCO <sub>2</sub> e in comparison to the base year	2065 : Reduced by 100% or 0.00 tCO <sub>2</sub> e in comparison to the base year	<ul style="list-style-type: none"> <li>Thailand Greenhouse Gas Management Organization (TGO) : None</li> <li>Science-based Targets (SBTi) : None</li> </ul>

## Setting carbon neutrality targets

### Details of setting carbon neutrality targets

Greenhouse gas emission scope	Base year(s)	Target year(s)	Certification
Scope 1-2	2022 : Greenhouse gas emissions 3,638.00 tCO <sub>2</sub> e	2024 : Reduced by 5% or 181.90 tCO <sub>2</sub> e	None

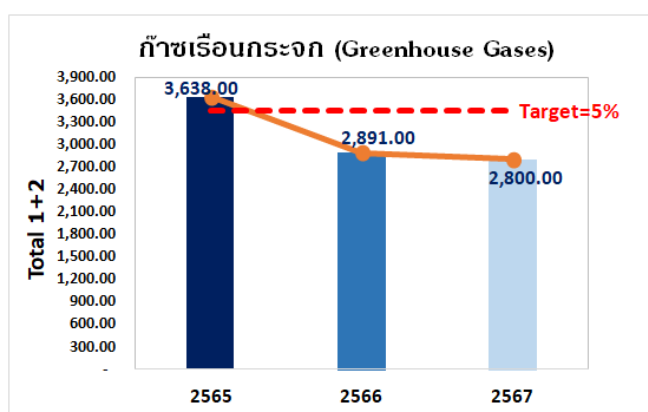
## Performance and outcomes of greenhouse gas management

Performance and outcomes of greenhouse gas management : Yes

From the target set in 2024, which stipulates that greenhouse gas emissions from activities within the factory (Scope 1 and 2) must be reduced by more than 5% (181.90 tons of carbon dioxide equivalent) from 2022 (base year), the results of the operations (graph below)

That in 2024, the company had greenhouse gas emissions of 2,800 tons of carbon dioxide equivalent, which is a decrease of 838 tons of carbon dioxide equivalent or 23% from 2022 (base year), exceeding the set target. One of the key reasons is the full-year operation of the solar rooftop system at Factory Branch No. 271 in 2024 (commenced operation in mid-2023). Another important reason is the company's control of fuel consumption systems for executives and salespersons. Moreover, the company participated in the SET Carbon project with the Stock Exchange of Thailand (March-September 2024), which provided clarity in data collection and funding for verifying 2023 carbon emission data. This information can be used to manage the company's activities in managing its greenhouse gas emissions.

### Diagram of Performance and outcomes of greenhouse gas management



### Greenhouse gas management : Corporate greenhouse gas emission

	2022	2023	2024

	2022	2023	2024
Total greenhouse gas emissions (Metric tonnes of carbon dioxide equivalent)	3,638.00	2,891.00	2,800.00
Total greenhouse gas emissions - Scope 1 (Metric tonnes of carbon dioxide equivalent)	425.00	234.00	205.00
Total greenhouse gas emissions - Scope 2 (Metric tonnes of carbon dioxide equivalent)	3,213.00	2,657.00	2,595.00
Total greenhouse gas emissions - Scope 3 (Metric tonnes of carbon dioxide equivalent)	0.00	0.00	0.00

## Greenhouse gas management: Verification of the company's greenhouse gas emissions over the past year

Verification of the company's greenhouse gas emissions : Yes

List of greenhouse gas verifier entity : SGS (Thailand) Co., Ltd.

## Information on other environmental management

### Plans, performance, and outcomes related to other environmental management

#### Compliance with Environmental Laws

To promote long-term business sustainability, enable the business to operate continuously, without impacting the environment, society, and communities, both now and in the future, and be prepared to cope with environmental regulations that may become more stringent in the future. Compliance with environmental laws is not just a legal obligation, but also an opportunity to develop the industry to grow sustainably and be more competitive in the market. The company has set a target for compliance with environmental laws at 100%, with the following operational plans:

1. Schedule environmental monitoring in the company together with 5S activities, along with managing inappropriate environments and those that are likely to cause problems in the future.
2. Follow up on the improvement of related environmental laws according to the procedures for identifying and evaluating laws and reviewing compliance with laws related to the Company's operations.
3. Meeting, reporting, communicating, and publicizing environmental operations and relevant laws to executives and personnel in relevant departments/divisions/agencies to acknowledge and implement.

The operating results in 2024 showed that the Company complied with relevant environmental laws 100%.

#### Air pollution

The company's production process releases dust, smoke, heat and odor. The company has a ventilation system that is regularly checked and assessed for environmental conditions. However, the company still has pollution management risks. This is an issue that executives are focusing on and are continuously using technology to improve the production process. In 2024, the company has a plan to improve dust in the production process as follows:

1. Improve and change machinery to be modern to replace old machinery in production.
2. Improving the weighing system to be automated and some parts semi-automated.
3. Continuously carry out 5S activities to reduce dust accumulation in the production process, cleaning machinery regularly every day, and environmental inspections by the company's environmental officers.
4. Improve and correct minor defects that may cause air pollution.

In 2024, the company has set a goal of managing pollution to achieve air quality with air contaminants discharged from the factory not exceeding the standard set at 100%, and the operating results from air quality inspections at all factory branches were found to not exceed the specified values.

## Information on incidents related to legal violations or negative environmental impacts

### Number of cases and incidents of legal violations or negative environmental impacts

	2022	2023	2024
Number of cases or incidents of legal violations or negative environmental impact (cases)	0	0	1

### Details of incidents and corrective measures for significant legal violations or negative environmental impacts

Year of incident	Details	Progress status
2024	<p><b>Incident</b></p> <p>According to Global Environmental Technology Co., Ltd., the operator responsible for wastewater treatment at Bang Pu Industrial Estate, wastewater quality analysis was conducted at Factory Branch 260 for the second time in July 2024. The analysis revealed that the FOG value was 72.8 mg/l, exceeding the standard limit (FOG must be less than 10 mg/l) as stipulated in the Industrial Estate Authority of Thailand's Announcement No. 029/2567 regarding the General Standard for Wastewater Discharge into the Central Wastewater Treatment System in Industrial Estates.</p> <p><b>Impacts that occurred or expected to occur</b></p> <p><u>Non-financial impact</u></p> <p>There has been an excess discharge of wastewater exceeding the standard into the industrial estate's wastewater treatment system.</p> <p><u>Financial impact</u></p> <ul style="list-style-type: none"> <li>Actual impact on financial statement : 35,800.05 Baht</li> </ul> <p><b>Corrective or remedial measures</b></p> <p>Improve the wastewater disposal system by providing and installing grease traps, establishing a cleaning schedule for the grease traps, and providing training to employees.</p>	Incident no longer subject to action

## 3.4 Social sustainability management

### 3.4.1 Social policy and guidelines

Social and human rights policy and guidelines : Yes

Social and human rights guidelines : Employee rights, Child labor, Consumer/customer rights, Community and environmental rights, Safety and occupational health at work, Non-discrimination, Supplier rights

Applied DB Public Company Limited recognizes its responsibility to society, the environment, and all stakeholders both within the organization and in society. The Company has adopted the Corporate Social Responsibility guidelines set by the Stock Exchange of Thailand as guidelines for executives and employees. There are 8 important components that must be adhered to as follows:

1. Fair Business Practices
2. Anti-Corruption
3. Respect for Human Rights
4. Fair Labor Practices
5. Consumer Responsibility
6. Environmental Care
7. Community and Social Co-Development
8. Innovation and Innovation Dissemination

Including the company, it will create ideas or find new knowledge. that is different from what has been practiced or known before by being knowledge that covers business, economics, society, technology, and the environment to benefit the company or to benefit society at large. You can study more details of the aforementioned policies on the company's website.

(For the full Corporate Social Responsibility Policy, please visit <https://shorturl.at/TAODu>)

#### Human Rights Policy

Applied DB Public Company Limited and its subsidiaries conduct business and strive to develop the business to progress and are committed to sustainable business operations. It is based on ethics and morals as guidelines and has always been practiced. Not only creating sustainable value for shareholders, but also giving importance to fair treatment of all stakeholders. The Company also supports, promotes, and is committed to conducting business in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) with the key principles of protection, respect, and remedy. When there is an impact from human rights violations arising from business operations By applying it as a policy in managing human rights comprehensively and using the same standards throughout the organization, the Board of Directors therefore defines it as the responsibility of the Board of Directors, executives, and all employees of the Company. Must comply with and acknowledge As well as informing customers, shareholders, partners, and society, which will have human rights practices. to be used with stakeholders both inside and outside the organization.

#### 1. Human Rights of Employee

**1) Forced Labor** The Company does not engage in or support any form of forced labor and will not demand or accept security deposits, identity cards, or any other identity documents from employees, whether upon employment, after employment, or as a condition of employment, except as exempted by law. Including not using corporal punishment or threats of violence or other forms of physical, sexual, mental, or verbal abuse as disciplinary or control measures.

**2) Child Labor** The Company will not employ or support the employment of children under the age of 15 and will not allow or support child labor that is harmful to health or in an environment that may cause harm to health and safety. hazards to health and safety

**3) Female Labor** The Company must not allow female employees to work that is harmful to their health or body as prescribed by law. The company must also arrange for pregnant female employees to work. or in an environment that is not harmful to health and safety for pregnancy Including the company will not terminate, demote, or reduce the benefits of female employees. because of pregnancy

**4) Discrimination** The Company will not discriminate in hiring, compensation and benefits, welfare, training and development opportunities, promotion or position considerations, termination or retirement. and will not interfere with, obstruct, or take any action that affects the exercise of rights or practices of employees. due to differences in nationality,

religion, language, age, gender, marital status, sexual orientation, disability, HIV infection, union membership, employee committee membership, political affiliation, or other personal beliefs.

**5) Freedom of Association and Collective Bargaining** The Company will respect the rights of employees to freedom of association, collective bargaining, selection or election of representatives, facilitation, and will treat such representatives equally with other employees.

**6) Social and Labor Responsibility** The Company is committed to ensuring that all employees of the Company work to a high standard. under protection and fair treatment on a social basis and in accordance with the provisions of labor law on labor protection, labor welfare, labor relations, and safety, occupational health, and the working environment and relevant practices, which will be reviewed, developed, and improved on a regular basis.

**7) Responsibility for taking care of employees regarding sexual harassment and/or assault** Including violence against women, the Company has measures in place to prevent its employees from being sexually harassed and abused. by expressing in words, gestures, physical contact, or by any other means Including violence against women If an employee is harassed and/or sexually abused, the Company will take disciplinary action against the offender in accordance with the Company's work regulations strictly.

## **2. Human Rights of Customer**

1) Take care of all customers equally. Welcome and communicate with customers politely. Provide information and advice about products, how to use products, and the company's services. to be effective and most beneficial to customers Ready to deliver quality products and services that meet customer expectations at a fair price

2) Strictly comply with the conditions for customers. by acting with equality and equality Regardless of race, nationality, religion, gender, language, age, skin color, education, and social status

3) Protect the personal information of customers to the highest level of security when using the Company's services.

4) Provide channels for customers to complain, provide feedback, suggestions. If customers have any concerns, they can submit them to the company. The complaints are managed appropriately. as well as providing remedies If there is a violation of human rights

## **3. Human Rights of Social and Environment**

1) The Company will continue to operate and give importance to conducting business that is responsible to the community, society, and the environment.

2) Establish an environmental policy as a practice to ensure that the Company's business operations have the least impact on the community, society, and the environment.

3) Comply with laws, regulations, rules, and requirements. on the environment in various activities of the company continuously and strictly

4) The Company gives importance to the rights of all stakeholder groups appropriately. Ready to receive advice from the community for proper development Along with respecting the rights and treating stakeholders fairly to protect actions that may violate the human rights of stakeholders appropriately.

## **4. Human Rights of Supplier and/or Creditor**

1) Provide opportunities for all partners to present products and services. Equal opportunity to participate in trade partnerships without discrimination

2) Treat trading partners and/or creditors equally and fairly. Regardless of race, nationality, religion, gender, language, age, skin color, education, and social status By considering the best interests of the company and based on receiving a fair return for both parties

3) Protect, protect, do not disclose information on the part of the trading partner and/or creditor. Let the customer or other unrelated parties know. Including protection, care, non-embezzlement or misuse of intellectual property and confidential information of trading partners

4) Adhering to the principles of fair business, advertising, and competition. This includes complying with all laws and regulations.

## **5. Human Rights of Social and Environment**

1) The Company will continue to operate and give importance to conducting business that is responsible to the community, society, and the environment.

2) Establish an environmental policy as a practice to ensure that the Company's business operations have minimal impact on the community, society, and the environment.

3) Comply with laws, regulations, rules, and requirements. on the environment in various activities of the company continuously and strictly

4) The Company gives importance to the rights of all stakeholder groups appropriately. Ready to receive advice from the community for proper development Along with respecting the rights and treating stakeholders fairly to protect actions that may violate the human rights of stakeholders appropriately.

In addition, the Company conducts business with integrity, transparency, fairness, and accountability based on laws and various international standards. It also complies with the law strictly. in terms of labor protection, no forced labor, no employment or support of child labor, the use of female labor in accordance with the law, setting working hours according to the law, and adjusting wages, fair compensation to employees by referencing the law and also take care of, promote, protect to conduct business that does not affect the working environment of employees and does not affect the social environment arising from the Company's business operations. You can study more details of the aforementioned policies on the company's website. *(For the full Human Rights Policy, please visit <https://shorturl.at/d4xpn>)*

### Human Resources Management and Development Policy

Applied DB Public Company Limited and its subsidiaries are committed to enhancing the quality of employees and the working environment so that employees in the company can perform their duties to their full potential. In order to comply with this commitment, the Company will adhere to and comply with the regulations, labor standards, the Code of Conduct for Business Partners, the Universal Declaration of Human Rights, and other related labor principles. In order to achieve the objectives mentioned above, the Company has the following personnel management and development policies:

1. Organization Policy
2. Employment Policy
3. Human Resource Development Policy
4. Performance Assessment Policy
5. Promotion Policy
6. Compensation and Welfare Management Policy

### Employment Practices

#### 1. Use of Forced Labor

The Company shall not commit or support the use of forced labor in any form and shall not demand, collect or receive a guarantee for work, etc.

#### 2. Use of Child Labor

The Company will not employ or support the employment of children under the age of 15 and will not allow or support child labor that is harmful to health or in an environment that may cause harm to health and safety.

#### 3. Use of female labor

The Company shall not allow female employees to work in a manner that is hazardous to health or body as prescribed by law. The Company shall also provide pregnant female employees with the rights prescribed by law.

#### 4. Discrimination

The Company will not discriminate in hiring, compensation and benefits, welfare, training and development opportunities, promotion or position considerations, termination or retirement. and will not interfere with, obstruct, or take any action that affects the exercise of rights or practices of employees. due to differences in nationality, religion, language, age, gender, marital status, sexual orientation, disability, union membership, employee committee membership, political affiliation, or other personal beliefs.

#### 5. Freedom of Association and Collective Bargaining

The Company shall respect the rights of employees to associate, collectively negotiate, select or elect representatives, facilitate and treat such representatives equally to other employees.

#### 6. Social and Labor Responsibilities

The Company is committed to ensuring that all employees of the Company perform their duties in accordance with standards, under protection and fair treatment on a social basis.

#### 7. Responsibility to take care of employees who are threatened and/or sexually abused, including violence against women

The Company has channels to report wrongdoings for employees of the Company who are threatened and sexually abused through words, gestures, physical contact or other methods. They can report clues to [adb\\_cg@adb.co.th](mailto:adb_cg@adb.co.th)  
*(For the full Human Resources Management and Development Policy, please visit <https://shorturl.at/he7Ba>)*

### Occupational Health and Safety Policy

With Applied DB Public Company Limited, we care about the lives and health of our employees. Therefore, it is deemed appropriate to have occupational safety, health, and working environment operations. In parallel with the regular duties of employees, the following policies have been set:

- 1) The Company stipulates that work safety is the first responsibility in the work of all employees. All employees must consider their own safety, colleagues as well as the company's assets importantly at all times while working
- 2) The Company complies with laws, regulations, and standards related to safety, occupational health, and the working environment. Including safety policies and regulations of stakeholders strictly
- 3) The Company supports human resources and budget in safety, occupational health, and working environment management. to achieve the goal of zero accidents for employees and stakeholders both within the establishment and employees traveling to work outside the establishment
- 4) The Company requires all levels of supervisors to set a good example. Be a leader, trainer, encourager, and motivator for employees to work safely.
- 5) The company supports and promotes the improvement of the environment. and safe working practices continuously By following the 5S principles (Sort, Set in Order, Shine, Standardize, Sustain) together with continuous hazard identification and assessment (Safety Shop Floor Management) as well as the use of appropriate personal protective equipment to prevent fires, accidents at work, occupational diseases, and dangerous communicable diseases. Including the good health of all employees
- 6) The Company is committed to supporting and encouraging employees, contractors, and external parties. Participate in occupational health and safety activities. to help stimulate the awareness of employees both inside and outside of work such as safety culture, training, motivation, public relations, competitions, safety suggestions, etc.
- 7) The Company shall have an assessment of compliance with the aforementioned policies at least once a year.

The Company, through the management, will promote and support both time and resources for various tasks. according to policies and objectives Achieve the goals set in the implementation seriously. Communicate policies to employees to be aware of and put into practice.

(For the full Occupational Health and Safety Policy, please visit <https://shorturl.at/XBMlz>)

## Compliance with human rights principles and standards

Human rights management principles and standards : The UN Guiding Principles on Business and Human Rights

## Review of social and human rights policies, guidelines, and/or goals over the past year

Review of social and human rights policies, guidelines, and/or goals over the past year : No

Changes in social and human rights policies, guidelines, and/or goals : Employee rights, Migrant/foreign labor, Child labor, Consumer/customer rights, Community and environmental rights, Safety and occupational health at work, Non-discrimination, Supplier rights

The company has set operational goals for human rights and has continuously reviewed its annual performance. In terms of stakeholder engagement and materiality in 2024, human rights issues are considered a material issue for the company's sustainability that stakeholders place importance on. The goal is to have society and surrounding communities support and reduce conflicts in the community, as well as create a good image and reputation and gain trust from society. The 2024 annual target has been set to be an organization with good corporate governance in compliance with human rights principles, protection, and respect for human rights in business operations as follows:

- 1) 100% of risk issues have been planned for prevention and problem-solving (Mitigation and Preventive Plan), including being managed and mitigating the impacts (Remediation Actions).
- 2) Zero human rights violations.

By setting strategies to meet the set goals:

- 1) Comply with the "ADB's Human Rights Policy" and the laws of each country or treaties to which each country where the company has customers and business partners.
- 2) Conduct a comprehensive human rights due diligence process (Human Rights Due Diligence Process) continuously.
- 3) "Whistleblowing" Anyone who sees it must not ignore or neglect human rights violations. When witnessing an act that may

violate human rights, it must be reported to the supervisor or notified through the designated channels. (Whistleblowing)

As a result of human rights work in 2024, the company did not find any complaints regarding human rights violations.

## Human Rights Due Diligence : HRDD

Does the company have an HRDD process : Yes

The Company mandates a Human Rights Due Diligence (HRDD) process to identify, prevent, and mitigate any human rights impacts that have occurred or may occur from its business operations under the UN Guiding Principles on Business and Human Rights (UNGPR) by referencing the human rights due diligence process, which consists of 5 steps as follows:

### 1) A statement of Policy commitment to Respect Human Rights

The Company is committed to respecting the human rights of all stakeholders by adhering to international human rights and labor standards, including the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, which cover the prohibition of forced labor, child labor, non-discrimination, and harassment or sexual harassment in all forms, freedom of association, the right to collective bargaining, equal pay, and other human rights.

The Company has announced a human rights policy that comprehensively respects international human rights principles and labor standards. The scope of the human rights policy includes the Company's expectations for compliance with human rights not only in the Company's operations but also in its subsidiaries and business partners.

*(For more information on the Human Rights Policy, please visit the Company's website. <https://shorturl.at/HCOAt>)*

In addition, the Company has requested its business partners to complete a questionnaire on the sustainability of its partners, covering economic, social, and environmental aspects, including human rights, to raise awareness among business partners about the importance of human rights.

### 2) Assessment of Actual and Potential Human Rights Impacts of Company Activities and Relationship

The Company has conducted a human rights risk assessment to identify actual and potential risks from involvement or linkage through business relationships by considering both internal and external stakeholder groups that may be directly or indirectly impacted by the Company's business activities throughout the supply chain. In addition, the Company also considers vulnerable groups such as forced labor, women, children, migrant workers, and local communities that may be involved in business activities in the human rights risk assessment process, including risks related to pay equity and discrimination.

The human rights risk assessment covers all of the Company's business activities, divided into 2 main groups:

#### 1) Core business activities, including:

- 1.1) Production Operations
- 1.2) Procurement Operations
- 1.3) Service and Delivery Operations
- 1.4) Research and Product Development Operations

#### 2) Supporting Business Activities

- 2.1) Partners
- 2.2) Employees
- 2.3) Customers
- 2.4) Society and Community

This includes potential new business processes such as Joint Ventures or Mergers and Acquisitions.

### 3) Incorporating into Company Procedures and Addressing impacts

#### Step 1: Human Rights Identification

Identifying human rights issues related to the Company's business activities can be done by comparing the Company to similar businesses in the same industry. The scope of the Company's relevant human rights

#### Step 2: Risk Ranking

The Company assesses the level of human rights risk by using the Likelihood and Impact Level criteria to rank human rights risks.

#### Step 3: Risk Management

### 4) Tracking and Reporting Performance



The Company monitors human rights performance and provides ongoing communication, education, and training to employees on human rights to prevent potential negative impacts through the Company's activities and business relationships.

The Company discloses its human rights performance to the public annually through its annual report or website.

#### 5) Remediation and Remedy

The Company recognizes that its business activities may support or be linked to human rights violations of its stakeholders. Therefore, the Company strives to mitigate and prevent such risks and violations to fulfill its commitments. The Company will conduct human rights risk assessments to identify situations and human rights violations in its business activities. The Company will also establish mitigation measures with the objective of remedying and mitigating the likelihood of human rights violations that may arise from its business activities.

In the event of a human rights violation, the Company will conduct a fair investigation process and take disciplinary actions in accordance with the Company's regulations and rules as follows:

- 1) Verbal or written warning
- 2) Suspension
- 3) Deduction or suspension of annual bonuses
- 4) No Salary Adjustment
- 5) Dismissal or termination

(For more information on the Human Rights Due Diligence :HRDD, please visit the Company's website. <https://shorturl.at/coPv5>)

In 2024, from a comprehensive Human Rights Due Diligence (HRDD), the Company has identified key human rights risks, actions, performance, monitoring, and remediation as summarized in the following table:

Reference link for the information and an HRDD process : <https://shorturl.at/coPv5>

Page number of the reference link : 5-10

#### HRDD process diagram

Important Human Rights Risk Issues	Corrective and Preventive actions	Inspection and follow-up	Performance results for 2024	Correction and Remedy
Laborrights, Legal compliance.	New laws are monitored and implemented within the company.	The company has complied with the law and has no lawsuits.	No complaints of human rights violations were found.	If there is a case of human rights violation, the Company will conduct a fair investigation process and have measures to punish in accordance with the Company's rules and regulations, including a human rights risk assessment to identify situations of human rights violations in the Company's business activities, and determine measures to mitigate the impact and provide appropriate remedies.
Health and safety of employees and contractors in the operating area.	<ul style="list-style-type: none"> <li>Communicate knowledge, create awareness and safety culture.</li> <li>Campaign and inspect compliance and violation of safety rules.</li> </ul>	The company has safety measures, instills awareness in wearing PPE while working, and has annual health checks for employees in accordance with the law.	There were no serious accidents resulting in deaths among the company's employees or contractors.	
Community health and safety	<ul style="list-style-type: none"> <li>Be aware and prevent the impact of your business on the community.</li> <li>Explore and listen to community feedback.</li> </ul>	The company participated in discussions with the community through the important community activity, Sustainable Relationships (Neighboring Meeting 2024) of Bayer Thai Co., Ltd. (BYER) in collaboration with government agencies such as the Industrial Estate Authority, community representatives, etc.	There are no incidents or reports in which communities have been damaged or harmed by the Company's operations.	
Impact of environmental pollution	Monitor environmental indicators and maintain waste collection and discharge equipment to ensure they are in efficient working condition, and communicate and educate employees to be mindful of their work to preserve the environment, which benefits themselves, the organization, society, and the environment.	<ul style="list-style-type: none"> <li>Safety and environment team inspects light, noise, heat, dust, wastewater according to the law from external agencies that have received standards every year.</li> <li>Improve the wastewater system by increasing the cleaning of the water tank and adding equipment to screen waste contaminated in the water.</li> </ul>	<ul style="list-style-type: none"> <li>Air quality test results passed the criteria set by law.</li> <li>No complaints of wrongdoing and environmental impacts.</li> </ul>	

### 3.4.2 Social operating results

#### Information on employees and labor

## Employees and labor management plan

The company's employee and labor management plan	:	Yes
Employee and labor management plan implemented by the Company in the past year	:	Fair employee compensation, Employee training and development, Promoting employee relations and participation, Child labor

### Compensation and Welfare Management

- 1) The Company has a policy of paying wages according to the salary structure and benefits specified for each job position, based on the individual's knowledge and abilities as defined in the framework of core competencies and/or specific competencies that are necessary and consistent with the Company's responsibilities.
- 2) Annual salary increases will be determined by the Chief Executive Officer as appropriate each year, taking into account the Company's operating results, economic conditions - inflation rate, and the average salary rate of the labor market in the same or similar industries. Salary increases for employees will depend on the results of the annual performance appraisal of each employee, both in terms of individual performance (KPI & Competency) and the performance of the department or division (in terms of productivity and organizational development activities).
- 3) The Company will ensure that employees are informed of their wages and compensation received in each pay period in writing and can understand the details of the various components. No other deductions will be made from wages except for deductions for income tax in the amount that the employee is required to pay or other payments as provided by law.
- 4) The Company has a policy to organize recreational and collective activities for employees to promote relationships among employees, encourage teamwork and a positive work attitude, as well as to enhance health and work-life balance.

In 2024, there were no complaints of unfair compensation.

### Employee Development Program

The Company believes that the growth of the organization depends on quality employees. Employees are considered one of the factors that will help drive the organization to excellence. Therefore, the Company has a policy to focus on developing and improving personnel management and development systems to be modern, consistent with technology, and in accordance with international standards in order to increase competitiveness and respond to organizational changes. The Company has planned and designed personnel development to be linked to the organization's goals by dividing the courses into 2 types: Hard Skill training and Soft Skill training from the operational level to the executive level. For 2024, the focus will be on Hard Skill courses more than Soft Skill courses to ensure that the work achieves its goals. There are a total of 127 training courses, consisting of 125 Hard Skill training courses, including on the job training, and 2 Soft Skill training courses.

In 2024, the Company had an average training hour rate of 15.67 hours per person per year, compared to the previous year (in 2023, the average training hour rate was 15.38 hours per person per year), which increased by 1.89 percent from the previous year.

### Employee Engagement

In 2024, the Company had an employee engagement score of 90%, an increase of 9% compared to the previous year at 81%. The turnover rate in 2024 was 1.10%, a decrease of 16% compared to the previous year at 1.32%, which is in line with the improved organizational engagement.

### Child Labor

The Company will not employ or support the employment of children under the age of 15 and will not allow or support child labor that is harmful to health or in an environment that may be hazardous to health and safety.

In 2024, there was no employment of children under the age of 15 years.

## Setting employee and labor management goals

Does the company set employee and labor management goals	:	Yes
--	---	-----

### Details of setting goals for employee and labor management

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Fair employee compensation	Employee Compensation Complaint	2023: No complaints found	2024: No complaints found
• Employee training and development	Average training hours per person per year, not less than 3% compared to the base year	2023: The average training hours is 15.38 hours.	2024: The average training hours are 15.67 hours, an increase of 3.64% compared to the base year.
• Safety and occupational health at work	Zero work-related accidents	2023: 2 work-related accidents	2024: 4 work-related accidents
• Safety and occupational health at work	There were no employee illnesses related to work activities.	2023: Reduced efficiency: 11 people	2024: Reduced efficiency in 4 people.
<ul style="list-style-type: none"> <li>• Promoting employee relations and participation</li> <li>• Migrant/foreign labor</li> <li>• Child labor</li> <li>• Non-discrimination</li> </ul>	The employee satisfaction rate in each area is over 80%.	2023: 81% of all employees	2024: 90% of all employees
<ul style="list-style-type: none"> <li>• Promoting employee relations and participation</li> <li>• Migrant/foreign labor</li> <li>• Child labor</li> <li>• Non-discrimination</li> </ul>	Employee turnover rate not exceeding 1.5% per year of all employees.	2023: 1.32% per year of all employees	2024: 1.10% per annum of all employees

## Performance and outcomes for employee and labor management

Performance and outcomes for employee and labor : Yes  
management

### 1) Employees and Workers

The Company adheres to human rights principles from recruitment to employee and personnel care to ensure that all employees and personnel feel like one family with the organization. The Company collects certain important information for the benefit of summarizing useful reports for effective human resource management.

### 2) Employee Training

In 2024, the Company organized 127 training courses for employees to enhance their work skills and potential (including OJT hours for production employees). The average number of training hours or knowledge development activities per employee was 15.67 hours per year, an increase of 1.89% from the previous year. This is less than the target of a 3% increase in employee learning hours per year. The increase in average training hours, which did not meet the target, was due to the transfer of employees to ADBS, which has a higher proportion of personnel at the management level than ADB. In the past, it has been difficult to provide training to employees at the operational level due to their regular duties, which would affect production capacity. However, in 2024, the management team's training attendance increased by 27.71% from the previous year to prepare for the volatile economic situation and business direction related to future change and sustainability. The Company expects to adjust the target to be more appropriate to the nature of the business next year.

### 3) Occupational Safety, Health and Working Environment

The Company recognizes the importance of safety and the damage caused by accidents and disasters. As the Company's business involves various chemicals used in the production process and stored in the factory, it prioritizes and assesses risks comprehensively, covering personnel capabilities, the adequacy of safety equipment, and the effectiveness of emergency drills.

This is to determine appropriate preventive and corrective measures for each situation. The key goal is to have zero work-related fatalities.

The Company continuously develops and improves the efficiency of its safety operations to reduce the risk of illness, injury or death, and to appropriately care for the well-being of employees. The Company has set a corporate goal of reducing the number of incidents or injuries resulting in lost time to zero by 2024. In 2023, there were 4 accidents resulting in lost time injuries.

The Company has implemented measures to prevent such accidents, including additional risk assessments in the area and safety training in the event of an incident.

#### 4) Employee Engagement

In 2024, the Company's employee engagement score was 90%, an increase of 9% compared to the previous year's score of 81%. The turnover rate in 2024 was 1.10%, a decrease of 16% compared to the previous year's rate of 1.32%, which is in line with the increase in employee engagement.

### Employee and labor management: Employment

#### Hiring employees

	2022	2023	2024
Total employees (persons)	493	256	231
Male employees (persons)	299	177	163
Female employees (persons)	194	79	68

#### Employment of workers with disabilities

	2022	2023	2024
Total employment of workers with disabilities (persons)	5	3	3
Total number of employees with disabilities (persons)	5	3	3
Total male employees with disabilities (persons)	3	2	2
Total female employees with disabilities (persons)	2	1	1
Total number of workers who are not employees with disabilities (persons)	0	0	0
Contributions to empowerment for persons with disabilities fund	Yes	Yes	Yes

### Employee and labor management: Remuneration

#### Employee remuneration

	2022	2023	2024
Total employee remuneration (baht)	185,514,039.00	113,631,615.65	100,154,732.22
Total male employee remuneration (Baht)	110,320,212.10	71,644,012.18	66,597,367.11
Total female employee remuneration (Baht)	75,193,826.90	41,987,603.47	33,557,365.11

## Employee and labor management: Employee training and development

### Employee training and development

	2022	2023	2024
Average employee training hours (hours / person / year)	15.12	15.38	15.67
Training and development expenses for employees (baht)	1,200,000.00	500,000.00	50,000.00

## Employee and labor management: Safety, occupational health, and environment at work

### Safety, occupational health, and environment at work

	2022	2023	2024
Total number of lost time injury incidents by employees (cases)	9	2	4

## Employee and labor management: Employee engagement and internal employee groups

### Employee engagement

	2022	2023	2024
Total number of employee turnover leaving the company voluntarily (persons)	77	45	32
Total number of male employee turnover leaving the company voluntarily (persons)	51	29	19
Total number of female employee turnover leaving the company voluntarily (persons)	26	16	13
Proportion of voluntary resignations (%)	15.62	17.58	13.85

	2022	2023	2024
Evaluation result of employee engagement	Yes	Yes	Yes

### Employee internal groups

Employee internal groups : Yes

Types of employee internal groups : Welfare committee, Labor union, Others : Occupational Safety, Health and Environment Committee (OSHEC)

## Information about customers

### Customer management plan

Company's customer management plan : Yes

Customer management plan implemented by the company over the past year	: Responsible production and services for customers, Development of customer satisfaction and customer relationship, Consumer data privacy and protection
---	---

The Company has policies and practices towards customers, committed to ensuring customer satisfaction by delivering quality products and services that meet their needs. We disclose complete, accurate, and timely business information without distortion of facts. We provide communication channels for customers to file complaints regarding product quality and unfair business practices. We adhere to contracts, agreements, and conditions with customers transparently and fairly. We prioritize the protection of customer confidentiality and refrain from using such information for our benefit or that of related parties. Recognizing the importance of customers, the Company has established the following customer relations guidelines:

1. The Company is committed to developing comprehensive products and services, delivering fast and high-quality products and services to continuously meet customer needs at reasonable prices and in a timely manner. We add value, support the participation of stakeholders in the Value Chain, maintain good relationships with customers, promote innovation, do not limit customer rights, and have fair terms of sale.
2. Implement a system to control and oversee the production process and delivery of high-quality products to customers. Prioritize the improvement and development of production technology and product quality inspection to stay up-to-date.
3. Implement a system to strictly monitor compliance with agreements made with customers with honesty, care, and consistency.
4. Implement a system to safeguard customer confidentiality rigorously and appropriately, treating it with the same level of confidentiality as company secrets, and refrain from using it for personal gain or the benefit of related parties improperly.
5. Not soliciting or accepting money, gifts, rewards, or any other benefits from customers or other persons, except for acceptance due to customary practices.
6. Uphold and maintain integrity as a core business principle and safeguard customer confidentiality. Refrain from using information for personal gain or the benefit of related parties improperly.
7. Prioritize the best interests of customers to ensure their satisfaction and meet their needs promptly and punctually with attentive, responsible service. Maximize customer satisfaction by providing information on quality and efficient products.
8. Conduct business in accordance with laws and regulations and will not aid, promote, or support any illegal activities or transactions.
9. Comply with contracts and agreements made with customers. Refrain from any actions that violate and/or breach contracts with customers. In cases of inability to fulfill contracts or agreements, promptly notify customers to jointly find solutions and prevent damages.
10. Listen to problems/complaints from customers and take action to provide prompt responses. Conduct customer satisfaction evaluations to improve and develop products and services further.

In 2024, the Company has planned customer management in terms of responsible production and service, and customer satisfaction development as follows:

#### **Responsible Production and Service**

The Company has established two responsible production plans:

1. Encourage customers to switch to environmentally friendly formulas in accordance with the RoHS (Restriction of Hazardous Substances) standard, which is the European Union (EU) Regulation No. 2011/65/EU issued on January 27, 2003, concerning the restriction of the use of certain hazardous substances in electrical and electronic equipment as a basis for defining environmentally friendly products. This will be achieved by planning visits and presenting test results and studies to customers to demonstrate the impact, understanding of use, and quality for customer acceptance. Additionally, the selling price will be controlled at an appropriate level to incentivize customers to make the switch.
2. The development of Flame Retardant grade wire and cable formulas will provide customers with additional choices from limited suppliers at reasonable prices. It will also help promote awareness, application, and development of special grade wires and cables, reducing the risk of fire hazards or fatalities. In 2024, the sales and marketing team, in collaboration with the company's research and product development department, plans to develop and introduce new products to customers within the year.

#### **Customer Satisfaction Development and Relationship Building**

To create continuous customer satisfaction and mitigate risks from increasing market competition, in 2024, the Company plans to enhance customer satisfaction as follows:

1. Focus on building strong and continuous relationships with customers by strategically planning customer care for each individual with diverse needs in terms of quality, service, and delivery. Provide team-based customer care, including sales,

quality assurance, and technical services, to create differentiation in products and services, such as innovation and quality. Establish concrete action plans for customer visits for each client.

2. Build customer confidence in quality, reasonable cost, and timely delivery, complemented by sustainability in all three aspects (ESG). Ensure product safety and prioritize employee safety, fostering employee morale. Promote environmentally friendly production processes and products and uphold ethical business practices by operating under the ISO9001 Quality Management System, ISO14001 Environmental Management System, and ISO45001 Occupational Health and Safety Management System as a foundation.

3. The Company improves operational efficiency to reduce costs and enhance production efficiency by procuring new machinery that reduces labor-intensive processes, minimizes waste, and saves energy.

4. The Company has developed products to cover the usage levels of each product category to increase customer choices and create a competitive advantage.

5. The Company allocates an appropriate budget to the technical department and takes action to improve equipment, testing tools, and testing methods to ensure they are up-to-date, further enhancing customer confidence.

## Setting customer management goals

Does the company set customer management goals : Yes

### Details of setting customer management goals

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Responsible production and services for customers	Sales of environmentally friendly products >40%	2023: 45.09%	2024: 45.09%
• Responsible production and services for customers	There were sales in new fire-retardant (FR) grade products in 2023.	-	2024: 5,638,000.00 Baht
• Development of customer satisfaction and customer relationship	Customer satisfaction of no less than 92% in 2024	2023: 90.9%	2024: 91.03%

## Performance and outcomes of customer management

Performance and outcomes of customer management : Yes

### Responsible Production and Services

1. Sales of environmentally friendly products >40% of the target were achieved at 43.49%. Compared to 45.09% in 2023, the target may not reflect past performance. This is because in mid-2023 and continuing into 2024, major customers who primarily used harmless products experienced business problems, which affected sales of products in this group. As a result, management set targets that reflected the actual situation. However, the figure of 43.49% reflects the overall market. In other words, large cable manufacturers are continuously adapting to environmental issues by increasingly switching to environmentally friendly products. Only a few still use formulas that are not free of heavy metals, which the company must plan to promote and incentivize customers to use in the future.

2. From planning, development, testing, and presenting new products with Flame Retardant cable formulations, the company was able to build confidence in the quality and received orders from customers, totaling sales of 5,638,000.00 baht in 2024. However, this figure is still small compared to the total usage of this type of special cable manufacturer group. The company will need to plan to present it to this customer group further.

### Diagram of performance and outcomes of customer management



**ADB**

**เบ็ดพลาสติกคอมปาวด์  
สำหรับผลิตสายไฟฟ้าทนไฟ**  
(Fire Resistant & Flame Retardant Cable)

คุณสมบัติพิเศษ

- สอดคล้องตามมาตรฐาน RoHS และปราศจากสารตะกั่ว (RoHS Compliance and Lead-free)
- มีคุณสมบัติป้องกันการกัดกร่อนจากน้ำมัน (Oil Resistance)
- ป้องกันการกัดแทะจากหนูและปลวก (Anti-termite and Anti-rodent)
- ควันน้อยและไม่ปล่อยแก๊สพิษ (Low Smoke and Low Halogen Gases)

**ทน** ความร้อนจากเพลิงไหม้  
**ป้องกัน** ไฟฟ้าลัดวงจร  
**ลด** การเกิดควัน  
**เพิ่ม** เวลาช่วยชีวิต  
ผู้ที่ติดในอาคาร

@ADBTH Applied DB Public Company Limited <https://www.adb.co.th>

## Customer management: Customer satisfaction

### Customer Satisfaction Development and Relationship Building

The results of the customer satisfaction survey in 2024 were below the set target (target 92%, result 91.03%). The issues that scored lower than 92% were mainly related to the consistency of product quality, which were mostly from small customers with infrequent orders and inconsistent purchases. To address this, the technical department, including the research and development, quality assurance, and sales departments, have planned to review customer issues individually and formulate a joint response plan to enhance customer satisfaction in this area and achieve the designated target.

### Customer satisfaction

	2022	2023	2024
Evaluation results of customer satisfaction	Yes	Yes	Yes



## Information on community and society

### Community and social management plan

Company's community and social management plan : Yes

Community and social management plan implemented by the company over the past year : Employment and professional skill development, Occupational health, safety, health, and quality of life, Disadvantaged and vulnerable groups, Water and sanitation management

The company recognizes its role as a part of the community and has a policy of operating with social responsibility by striving to develop sustainable business growth alongside caring for the environment and community safety. The company has a corporate social responsibility plan in place, which includes: supporting the recruitment of employees from the community, participating in community activities through industrial estate authorities and various medical agencies. For responsibility towards internal employees, this includes: providing scholarships for children of employees with good academic performance, providing an infirmary, providing annual health check-ups, and other benefits as strictly stipulated by law.

In 2024, the company participated in supporting Children's Day gifts for schools in the community within the Bang Pu Industrial Estate and Samut Prakarn Province to encourage children to participate in activities that promote self-expression and various skills. This is because the company recognizes that children are the future of the nation.

### Setting community and social management goals

Does the company set community and social management goals : Yes

#### Details of setting community and social management goals

Target(s)	Indicator(s)	Base year(s)	Target year(s)
• Employment and professional skill development	Hiring at least 1 local employee per year	2023: 45 people (excluding 43 subsidiary employees)	2024: 47 people (increased by 2)
• Occupational health, safety, health, and quality of life	No complaints were found regarding the company's environmental impact.	2023: No errors found	2024: No errors found
• Disadvantaged and vulnerable groups	Employing people with disabilities in compliance with legal requirements.	2023: 3 people	2024: 3 people
• Water and sanitation management	No complaints regarding the company's environmental impact were found.	2023: No complaints found	2024: No complaints found

### Performance and outcomes of community and social management

Performance and outcomes of community and social management : Yes

#### 1. Activities to Support and Develop within the Organization.

1) Waste Separation Activities The company campaigned for waste separation activities for the environment within the factory to achieve the Net Zero target in reducing greenhouse gas emissions.

2) Happy Birthday Activity The company organized a Happy Birthday activity in 2024, giving birthday gifts to employees.

The activity has been held for 4 consecutive years (since 2021) to connect friendship and recognize the importance of all employees and create a stronger bond with the organization. This year, the company campaigned to reduce the use of plastic food containers and plastic bags. The company gave away cloth bags and glass food containers for employees to use to carry food without using plastic bags or plastic food containers. The budget for the event was approximately 30,000 baht.

**3) Give Scholarships** on September 24, 2024, the company awarded give scholarships for the year 2024 to 17 children of employees with outstanding academic performance, with a cumulative GPA of 3.50 or higher, worth no more than 100,000 baht, from primary to bachelor's degree levels, as a welfare to the company's employees. The objective is to promote educational opportunities for the families of employees, which will improve the well-being of employees in the future and build good relationships between employees and the company.

**4) Creating Green Spaces** The company creates green spaces in the office area on the ground floor and in front of the company entrance to provide employees and visitors with a shady resting area and a place to rest their eyes.

## **2. Activities for the Benefit of Society and the Environment outside the Organization.**

The company recognizes its role as a part of the community and has a corporate social responsibility policy that strives to develop sustainable business growth alongside environmental care and community safety. The company has a corporate social responsibility plan, including supporting the recruitment of employees from the community, participating in community activities through the Industrial Estate Authority and various medical agencies. For the responsibility of internal employees, the company provides scholarships for children of employees with good academic performance, infirmity welfare, annual health check-ups, and other welfare benefits as strictly stipulated by law.

In 2024, the company supported Children's Day gifts for schools in the communities within the Bang Pu Industrial Estate and Samut Prakan Province to encourage children to participate in activities that promote self-confidence and various skills, totaling 10,000 Baht. The company recognizes that children are the future of the nation, as follows:

- 1) Bang Pu Police Station Amount 2,000 Baht
- 2) Piboonprachasan School, OBEC Amount 2,000 Baht
- 3) Wat Tamru School Amount 2,000 Baht
- 4) Wat Panprasittharam School Amount 2,000 Baht
- 5) Bang Pu Industrial Estate Office Amount 2,000 Baht

In addition, the company also focuses on conducting business while giving importance to participation and building good relationships between the companies. with community and society In the past time, the company has organized various projects and activities that promote social and environmental development every year, with the main objective of making all employees aware of social development. The details are as follows:

**1) Blood Donation** When On January 25, 2024, the company participated in blood donation with the Thai Red Cross Society at the Rehabilitation Medicine Center, Thai Red Cross Society, to be a part of helping fellow human beings, as it does every year.

**2) The Royal Reforestation Project** On August 9, 2024, the company participated in the Let's Zero Together mangrove planting activity: Planting for a (Reduced) Sustainable Future for the fiscal year 2024 with the Bangpu Industrial Estate Office and entrepreneurs in the Bangpu Industrial Estate. The attendees included local government agencies in Samut Prakan Province, communities around the Bangpu Industrial Estate, the media, and a total of approximately 900 people. This is the 3rd time that the event has been held. IEAT will plant 10,000 mangrove trees, white mangroves, and sea hibiscus in a 10-rai area at the Royal Thai Army Natural Study Center (Bangpu) to commemorate the 72nd Birthday Anniversary of Her Majesty Queen Sirikit The Queen Mother in Samut Prakan Province. The company has participated every year.

**3) Neighboring Meeting Activities** On November 29, 2024, the company participated in the Neighboring Meeting of Bayer Thai Co., Ltd. (BYER) to create a platform for building good relationships between the community and the organization to be stronger, both in the public and private sectors. Government agencies in the Bangpu Industrial Estate, namely the Bangpu Industrial Estate, Phraeksa Municipality, communities, and industrial companies in the surrounding areas of the Bangpu Industrial Estate, were invited to discuss the potential impacts of the operations of each company that may affect neighboring companies and communities to develop society and the environment for the community and society. The meeting provided an opportunity for the community and government agencies to express their opinions and provide suggestions from the surrounding community to improve the situation.

## **Diagram of performance and outcomes in community and social management**

กิจกรรมสนับสนุนและพัฒนาภายในองค์กร (Internal organization support and development activities)



กิจกรรมแยกขยะ (Waste Separation Activities)



กิจกรรม Happy Birthday (Activities Happy Birthday)



มอบทุนการศึกษาประจำปี 2567 (Give Scholarships)



พื้นที่สีเขียว (Creating Green Spaces)

กิจกรรมเพื่อประโยชน์ต่อสังคมและสิ่งแวดล้อมภายนอกองค์กร (Activities for the benefit of society and the environment outside the organization)



บริจาคโลหิต (Blood Donation)



โครงการปลูกป่าเฉลิมพระเกียรติ  
(The Royal Reforestation Project)



กิจกรรม Neighboring Meeting (Neighboring Meeting Activities)

## โครงการ SET Social Impact GYM 2024



## Information on other social management

### Plans, performance, and outcomes related to other social management

#### [Activities for the Benefit of Society and the Environment outside the Organization](#)

##### SET Social Impact GYM 2024 Project of the Stock Exchange of Thailand

Applied DB Public Company Limited (the "Company") has assigned Ms. Pornpiwan Niromlertchai, Managing Director, as a representative to participate in the SET Social Impact GYM 2024 project of the Stock Exchange of Thailand. The Company participated as a volunteer coach for a total of 49 hours over 9 weeks and provided business planning advice throughout the project. This project aims to develop the business potential of social enterprises (SEs) to operate their businesses effectively and efficiently, with the hope that SEs will participate in addressing and solving social problems in various dimensions.

This year, the company participated as a "Volunteer Coach" for Creative Move Co., Ltd., a social enterprise committed to developing and promoting sustainable drinking water consumption with drinking water products in aluminum cans that can be 100% recycled. As a result, after the project, Creative Move Co., Ltd. has a clear business model, can continue to develop the business model, and manage it according to the plan immediately. They have also learned from experiences and various ideas that can be used to adjust or create a business to be strong and sustainable.

## Information on incidents related to legal or social and human rights violations

### Number of cases and incidents of significant legal or social and human rights violations

	2022	2023	2024
Total number of cases or incidents of significant legal or social and human rights violations (cases)	0	0	0
Total number of cases or incidents leading to significant labor disputes (cases)	0	0	0
Total number of incidents or complaints related to business partner's rights violations (cases)	0	0	0
The total number of cases or complaints related to partner rights violations (Cases)	0	0	0
Total number of cases or incidents leading to disputes with the community/society (cases)	0	0	0
Total number of cases or incidents related to cybersecurity or customer data breaches (cases)	0	0	0
Total number of cases or incidents related to workplace safety and occupational health (cases)	0	0	0



## 4. Management Discussion and Analysis (MD&A)

### 4.1 Operation, financial condition and material changes

#### Operational overview

Applied DB Public Company Limited (the "Company") or ("ADB") is one of the leading manufacturers and distributors of plastic compound and industrial adhesive and sealant products to our main customers located in Thailand and overseas. The main customers are from the industrial sectors, located in ASEAN, Middle East, Africa, Europe and South America, that use our products in their production process. Besides, the Company also manufactures and sells the products under the Company's brands and also under customers' brands. Our revenue depends highly on an industrial growth leading by each industrial sector that uses the Company's products in the production process such as wire and cable industry, real estate and construction industry, shoes and leathers industry. In addition, the demand of products also leads by the economic condition, private sector investments and government bidding projects.

In 2023, the Company has implemented corporate restructuring plan with the transfer of a portion of the Company business to ADB Sealant Co.,Ltd. (ADBS). The business segments that were transferred to the new company include adhesive segment and Sealant & DIY segment in order to increase the efficiency of the operation in the company as well as increasing competitiveness. After restructuring, the business operation can be classified into 2 major categories, 1) Applied DB Public Company Limited, operated in Compound Business. The compound business segment can be classified into 3 subcategories including 1.1) Wire and Cable PVC (Plastic compound used in wire and cable industry); 1.2) General Grade PVC (Plastic compound used in general applications, Rigid PVC, and Polypropylene Split Yarn (PPY) and 1.3) Medical Grade PVC). 2) ADB Sealant Co., Ltd. operated in Adhesive & Sealant Business. The Sealant business segment can be classified into 3 subcategories including 2.1) Adhesive for customers in shoe and leather and furniture business. 2.2) Silicone Business for both cartridges and commercial use and 2.3) DIY Products. On September 19, 2024, ADB' Board of Directors' Meeting approved the increase in the registered capital of ADB of THB 595,098,040 from the existing registered capital of THB 50,000,000 to the registered capital of 645,098,040 by issuing the newly issued ordinary shares amounting to 58,694,706 shares and 645,098 newly issued preference shares. Additionally, they also approved the partial waiver of right to subscribe for newly issued shares in ADBS, whereby the Company will subscribe for only 27,900,000 ordinary shares, equivalent to 279,000,000 and the Aica Asia Pacific Holding Pte. Ltd., a wholly-owned subsidiary of AICA Kogyo Co., Ltd., (listed company in the Tokyo Stock Exchange). After the Waiver of Rights to Subscribe for the Newly Issued Shares of ADBS for 30,964,706 ordinary shares and 645,098 preference shares, the Company's voting rights in ADBS will decrease from 99.99% to 49.00%, resulting in ADBS no longer being a subsidiary of the Company. However, ADBS will remain an associate company of ADB.

In addition, the Extraordinary General Meeting of Shareholders dated 27 November, 2024 also approved the disposition of the Company's assets used in manufacturing and distribution of adhesives and sealants, i.e., lands, factories, office buildings, and various equipment including intellectual property. The total purchase price of those transactions was THB 279,000,000 of which, those transactions were not considered a connected transaction. In this regards, the Company recognized gain from sale of assets disposal in consolidated income statement of THB 34.65 million. After this subscription for newly issued shares in ADBS, the Company's shareholding interests in ADBS decreased from 99.99% to 49.00%. Therefore, ADB is classified the remaining investment in ADBS to investment in joint venture and recognized gain/loss in subsidiary in the consolidated income statement according to the percentage of interest in subsidiary.

#### Analysis on the operation and financial condition

##### Operating results and profitability

The Company gross profit margin slightly increased from 5.07% in 2023 to 6.33% in 2024. Although the gross margin of plastic compound business slightly increased in 2024 caused by rising production costs of PVC production and fluctuation of raw material price from the global energy crisis around the world. In addition, our selling & administrative has been increasing related to the Assets Transfer Fees, Special Business Tax, and additional expenses associated to the operational expenses associated to the corporate restructuring process as well as costs associated with employees, and organization management. However, the Company recognized gain of assets disposal to ADB Sealant Co., Ltd., for THB 34.65 million, and gained from discontinued operation of ADBS to contribute to ADB Net Profit in 2024. As a results, the net profit margin increased from (4.82%) in 2023 to 3.41% in 2024. Additionally, Return on Equity also increased from (7.51%) in 2023 to 5.54% in 2024.

##### Sales Revenue

For the year ended December 31, 2023 and 2024, our total revenue was THB 969.88 million and THB 1,003.57 million, respectively. From those amounts, revenue from sales was accounted of THB 961.53 million and THB 625.91 million, respectively, which represented the decrease of THB (35.62) million, or (3.70%). The revenue of plastic compound business has been decreasing during 2024. The lower revenue led by less orders of customers from Wire & Cable PVC for THB (2.93) million or (0.59%) compared to the same period of FY2023. The majority revenue of Wire & Cable segments is to target to large wire and cable manufacturers, which supply the products to both government projects invested in the infrastructure and electrical during FY2024. For General Grade PVC, it also experienced weaken demand of THB (16.84) million, or went down of (10.28%) from its revenue FY2023 due to less demand from one of the major customers from oversea markets; while pharmaceutical graded compound products to be used for medical applications such as blood infusion tube, bleeding bag sold to our partner, Showa Global (Thailand) Co., Ltd. also decreased for THB (15.86) million. respectively with the details below. When we combined our revenue from 3 product categories, the revenue of Wire & Cable, General Grade PVC and Medical Graded Products were 53:16:31, respectively.

## Cost of Sales and Gross Profit

In 2023 and 2024, cost of sales decreased from THB 912.75 million to THB 867.28 million, respectively. The cost of sales consists of cost of Plastic Compound Wire & Cable PVC for THB 472.12 million; cost of For General Grade PVC and Medical PVC for THB 440.64 million in FY2023 and Wire & Cable PVC for THB 458.86 million and General Grade PVC and Medical PVC for THB 408.42 million in FY2024. With less fluctuation of chemical material costs in all, the company reported an increase in gross profit from 5.07% in FY2023 to 6.33% in FY2024. Overall performance, gross margin of plastic compound business slightly increased in 2024 caused by the material costs of production, including PVC Resin and Plasticizers to be used as additive solutions, has been lower due to less demand of petrochemical products around the world; while the global oil price has also impacted to the plastics manufacturers during 2024. However, the volume of wire & cable segment led the turnaround of overall gross margin of our compound business.

## Selling & Administrative Expenses

Total selling and administrative expenses in 2024 increased THB +10.54 million, or +12.32% from 2023. The increase in selling and administrative costs was mainly due to the following reasons;

### Selling Expenses

Total selling expenses increased for THB +0.23 million or +0.58% from THB 39.79 million in 2023 to THB 40.02 million in 2024. The increase of selling expenses was primarily due to the higher transportation costs both local and oversea logistics activities especially from the rising of global shipping costs due to the port congestions problems and product compensation to our Compound customer for THB 5.00 million.

### Administrative Expenses

Total administrative expenses in 2024 increased for THB +10.31 million or +11.74% from THB 87.83 million to THB 98.14 million during the same period of last year. The significant increase of administrative expenses was mainly related to the Assets Transfer Fees, Special Business Tax, and additional expenses associated to the operational expenses associated to the corporate restructuring process.

## Finance Costs

When compared to the finance costs between 2023 and 2024, total finance costs decreased from THB 17.26 million to THB 16.68 million, respectively. decrease of finance costs for THB (0.59) million or (3.42%) was mainly due to the lower market interest rates of commercial bank loans compared to the same period of last year and less bank loans from financial institutions after sales of assets disposal to ADBS.

## Net Profit

The Company had a net profit of 2024 for THB 34.22 million, from net loss of THB (46.71) million of 2023. Although material costs used for production, including PVC Resin and Plasticizers to be used as additive solutions still influenced on the impact to the plastics manufacturers in 2024 as it is by products of petroleum. However, the Company recognized gain of assets disposal to ADB Sealant Co., Ltd., for THB 34.65 million, and gained from discontinued operation of ADBS to contribute to ADB Net Profit in 2024.

## Total Assets

As at December 31, 2023 and 2024, the Company had total assets of THB 1,410.69 million and THB 1,053.57 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 880.14 million and THB 519.96 million and non-current assets for THB 530.55 million and THB 533.60 million, respectively.

Significant changes in assets in 2024 are summarized below;

### 1. Current Assets

- Cash and cash equivalents as at December 31, 2023 and December 31, 2024, the overall cash and cash equivalents increase of THB +50.62 million was attribute to the 3 major transactions, operating activities, investment activities and financing activities. In 2024, our net cash flow received from operating activities for THB +387.12 million, mainly attributed to the decrease of inventories for THB +241.82 million and decrease of accounts receivable for THB +129.21 million. As the ADB recognized the sale of assets and those assets have no longer been recorded in ADB consolidated financial report. In addition, the cash has also been used for the investment of fixed assets as machines and factory equipment for THB (71.46) million. In financing activities, the company has net cashflow used in financing activities for THB (265.28) million mostly to repay of short-term and long-term bank loans after ADBS already repay all outstanding balance associated with previous assets transfer to ADBS.

- Trade accounts receivable as at December 31, 2023, and December 31, 2024, trade accounts receivable decrease of THB (126.48) million was led by the assets disposal and those items have no longer been recorded in ADB consolidated financial report. The allowance for doubtful accounts was set by considering ability to collect cash by using the percentage of outstanding balance over the different period of time. In addition, fully reserve 100% will be set once there are factors trigger to the potential credit defaults of any receivables. The decrease of allowance for doubtful accounts derived from the payment received from overdue payment operated under ADB Sealant Co., Ltd. The overall collection period decreased from 154 days as at December 31, 2023 to 122 days as at December 31, 2024

- Inventories as at December 31, 2023, and December 31, 2024, a decrease in inventory of THB (245.81) million was primarily the result of assets disposal and those items have no longer been recorded in ADB consolidated financial report, the decreasing stocking level of finished products and materials as well as lower material costs of finished products and materials compared to last year.

### 2. Non-current Assets

- Property, plant and equipment as at December 31, 2023, and December 31, 2024, a decrease in property, plant and equipment of THB (284.28) million and sale of fixed assets that has not been used for THB (279) million.

## Total Liabilities & Shareholders' Equity

As at December 31, 2023 and December 31, 2024, the Company had total liabilities of THB 810.09 million and THB 418.73 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. During this period, the Company had shareholders' equity of THB 600.60 million and THB 634.84 million, respectively. At the end of 2024, 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 21.96 million, unappropriated reserve of THB 47.29 million and other component of shareholders' equity of THB 0.08 million.

Significant changes in liabilities and shareholders' equity of 2024 are summarized below:

### 1. Current Liabilities

- Short-term borrowings from financial institutions as at December 31, 2023, and December 31, 2024, a decrease of short-term loan of THB (231.62) million was the result of the cash received from outstanding balance associated with previous assets transfer to ADBS.

- Trade accounts payable as at December 31, 2023, and December 31, 2024, an decrease of accounts payable of THB (99) million was mainly due to less materials procurement. During 2024, the average accounts payable period decreased from 95 days at the end of 2023 to 80 days at the end of 2024.2. Non-current liabilitiesAs at December 31, 2024, the Company's non-current liabilities consisted of long-term loan of THB 14.62 million, or a decrease of THB (21.56) million, and a decrease of non-current provisions for employee benefit of THB (27.11) million with the reference of the actuarial report from the actuarial experts after those items have no longer been recorded in ADB consolidated financial report.

### 2. Non-current liabilities

As at December 31, 2024, the Company's non-current liabilities consisted of long-term loan of THB 14.62 million, or a decrease of THB (21.56) million, and a decrease of non-current provisions for employee benefit of THB (27.11) million with the reference of the actuarial report from the actuarial experts after those items have no longer been recorded in ADB consolidated financial report.

### 3. Shareholders' equity

As at December 31, 2024, the Company's shareholders' equity of THB 634.84 or an increase of THB +34.24 million, was the results of the profit from operation during 2024.

## Issuance of debt securities with an obligation to maintain financial ratios

Is there an issuance of debt securities with an obligation : No



to maintain financial ratios?

## 4.2 Potential factors or incidents that may materially affect the financial condition or the operating results

### Significant factors or incidents that may materially affect the future financial condition or the operating results

The company does not have any significant factors or incidents that may materially affect the future financial condition or the operating results.

## 4.3 Information from financial statements and significant financial ratios

### Information from financial statements

#### Summary of financial position statements

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Assets</b>			
<b>Current Assets</b>			
Cash And Cash Equivalents (ThousandTHB)	101,515.61	40,555.49	91,185.00
Trade And Other Receivables - Current - Net (ThousandTHB)	484,035.02	456,638.50	291,649.59
Inventories - Net (ThousandTHB)	510,576.18	382,948.20	137,134.14
Other Current Assets (ThousandTHB)	15,700.56	15,700.56	0.00
<b>Total Current Assets</b> (ThousandTHB)	1,111,827.36	880,142.18	519,968.72
<b>Non-Current Assets</b>			
Trade And Other Receivables - Non-Current - Net (ThousandTHB)	484,035.02	456,638.50	291,649.59
Investment In Subsidiaries, Associates And Joint Ventures Using The Equity Method - Net (ThousandTHB)	0.00	50,000.00	317,315.27
Property, Plant And Equipment - Net (ThousandTHB)	495,840.81	462,306.01	178,033.46
Other Non-Current Assets (ThousandTHB)	543.51	11,736.85	13,386.66
<b>Total Non-Current Assets</b> (ThousandTHB)	514,560.87	530,548.09	533,598.43
<b>Total Assets</b> (ThousandTHB)	1,626,388.23	1,410,690.27	1,053,567.15

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank Overdrafts And Short-Term Borrowings From Financial Institutions (ThousandTHB)	616,133.79	440,172.28	208,549.65
Trade And Other Payables - Current (ThousandTHB)	287,384.36	273,214.39	161,541.88
Short-Term Borrowings (ThousandTHB)	616,133.79	440,172.28	208,549.65
Current Portion Of Long-Term Debts (ThousandTHB)	19,152.00	9,412.00	0.00
Other Current Liabilities (ThousandTHB)	462.07	1,184.74	109.13
<b>Total Current Liabilities</b> (ThousandTHB)	927,812.76	730,688.00	376,991.94
<b>Non-Current Liabilities</b>			
Trade And Other Payables - Non-Current (ThousandTHB)	287,384,360.00	273,214.39	161,541.88
Non-Current Portion Of Long-Term Debts (ThousandTHB)	19,152.00	9,412.00	0.00
Other Non-Current Liabilities (ThousandTHB)	54,844.25	79,400.80	41,733.67
<b>Total Non-Current Liabilities</b> (ThousandTHB)	54,844.25	79,400.80	41,733.67
<b>Total Liabilities</b> (ThousandTHB)	982,657.01	810,088.80	418,725.62

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Shareholders' equity</b>			
Issued And Paid-Up Share Capital (ThousandTHB)	362,999.96	362,999.96	362,999.96
Premium (Discount) On Share Capital (ThousandTHB)	202,200.89	202,200.89	202,200.89
Retained Earnings (Deficits) (ThousandTHB)	-6,934.26	-46,706.40	34,223.90
Other Components Of Equity (ThousandTHB)	61.71	61.58	77.75
<b>Equity Attributable To Owners Of The Parent</b> (ThousandTHB)	643,731.22	600,601.47	634,841.54
<b>Total Equity</b> (ThousandTHB)	643,731.22	600,601.47	634,841.54

## Summary of income statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Statement of Comprehensive Income</b>			
<b>Revenue</b>			
Revenue From Operations (ThousandTHB)	2,154,698.71	961,532.62	925,909.97
<b>Total Revenue</b> (ThousandTHB)	2,166,512.61	969,877.61	1,003,569.27
<b>Cost And Expenses</b>			
Costs (ThousandTHB)	1,954,060.42	912,752.88	867,275.93
Selling And Administrative Expenses (ThousandTHB)	201,726.61	127,617.23	138,153.26
<b>Total Cost And Expenses</b> (ThousandTHB)	2,155,787.03	1,040,370.11	1,005,429.20
Share Of Profit (Loss) From Investments Accounted For Using The Equity Method (ThousandTHB)	0.00	0.00	1,304.86
Finance Costs (ThousandTHB)	13,665.16	17,265.52	16,677.71
Income Tax Expense (ThousandTHB)	970.24	6,474.99	7,013.60
<b>Net Profit (Loss) For The Period</b> (ThousandTHB)	-6,934.29	-46,706.40	34,223.90
Net Profit (Loss) Attributable To : Owners Of The Parent (ThousandTHB)	-6,934.29	-46,706.40	34,223.90
<b>Basic Earnings (Loss) Per Share (Baht/Share)</b> (ThousandTHB)	-0.01	-0.06	0.05
EBITDA (ThousandTHB)	60,896.32	30,728.07	110,670.00

## Summary of cash flow statement

	THB		
	31 Dec 2022	31 Dec 2023	31 Dec 2024
	Consolidate	Consolidate	Consolidate
	AUDITED	AUDITED	AUDITED
<b>Cash flow statement</b>			
<b>Net Cash From Operating Activities</b>			
Depreciation And Amortisation (ThousandTHB)	53,195.21	57,013.61	52,754.93
<b>Net Cash From (Used In) Operating Activities</b> (ThousandTHB)	-116,346.48	176,964.96	387,121.95
<b>Net Cash From Investing Activities</b>			
Payment For Purchase Of Fixed Assets (ThousandTHB)	-40,095.18	-17,583.53	-23,537.89
<b>Net Cash From (Used In) Investing Activities</b> (ThousandTHB)	-39,185.90	-10,227.19	-71,464.84
<b>Net Cash From Financing Activities</b>			
Dividend Paid (ThousandTHB)	-36,299.99	0.00	0.00
<b>Net Cash From (Used In) Financing Activities</b> (ThousandTHB)	195,831.42	-238,734.24	-265,279.25

## Key financial ratios

	2022	2023	2024
<b>Liquidity ratio</b>			
Current ratio (times)	1.20	1.20	1.38
Quick ratio (times)	0.59	0.57	0.91
Cash flow liquidity ratio (times)	-0.11	0.18	0.55
Average account receivable turnover (times)	5.18	2.33	2.94
Average collection period (days)	70.00	154.00	122.00
Average inventory turnover (times)	4.05	2.04	3.34
Average inventory turnover period (days)	89.00	176.00	108.00
Average account payable turnover (times)	7.91	3.79	4.47
Average payment period (days)	46.00	95.00	80.00
Average cash cycle (days)	113.00	236.00	150.00
<b>Profitability ratio</b>			
Gross profit margin (%)	9.31	5.07	6.33
Operating margin (%)	-0.05	-8.20	-8.52
Net profit margin (%)	-0.32	-4.82	3.41
Return on equity (ROE) (%)	-1.04	-7.51	5.54
<b>Financial policy ratio</b>			
Total debts to total equity (times)	1.53	1.35	0.66
Interest coverage ratio (times)	1.78	0.22	2.35
Dividend payout ratio (%)	0.00	0.00	0.00
<b>Efficiency ratio</b>			
Return on asset (ROA) (%)	-0.45	-3.08	2.78



	2022	2023	2024
Return On Fixed Assets (%)	8.87	1.97	16.35
Asset turnover (times)	1.41	0.64	0.81

## 5. General information and other material facts

### 5.1 General information

#### General information

#### Securities registrar

**Name of securities registrar** : Thailand Securities Depository Co., Ltd.  
**Address/location** : 93 Ratchadaphisek Road  
**Subdistrict** : Din Daeng  
**District** : Din Daeng  
**Province** : Bangkok  
**Postcode** : 10400  
**Telephone** : 02-009-9000  
**Facsimile number** : 02-009-9991

#### Auditing firm

**Name of auditing firm\*** : KPMG PHOOMCHAI AUDIT COMPANY LIMITED  
**Address/location** : -  
**Subdistrict** : YAN NAWA  
**District** : SATHON  
**Province** : Bangkok  
**Postcode** : 10120  
**Telephone** : 0 2677 2000  
**Facsimile number** : 0 2677 2222  
**List of auditors** : Miss SAWITREE ONGKSIRIMEMONGKOL  
**License number** : 10449  
**List of auditors** : Mrs MUNCHUPA SINGSUKSAWAT  
**License number** : 6112  
**List of auditors** : Mr SUMATE JANGSAMSEE  
**License number** : 9362

## 5.2 Other material facts

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

Other information that may influence investors' decision : No  
making

### 5.2.2 Restrictions of foreign shareholders

Are there restrictions on foreign shareholders? : No

## 5.3 Legal disputes

### Legal disputes

Is there any legal dispute? : No

### Details of legal dispute

## 5.4 Secondary market

### Secondary market

Has the company's security been listed on a stock exchange in : No  
another country?

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

### Financial institution with regular contact

Are there any debt securities offered? : No

## Part 2 Corporate Governance

## 6. Corporate governance policy

### 6.1 Overview of the policy and guidelines

#### Overview of the policy and guidelines

Corporate governance policy and guidelines : Yes

Applied DB Public Company Limited and Subsidiaries realize the importance of good corporate governance as an important factor that will help promote the Company's operations to be efficient and have sustainable growth, which will lead to the utmost benefit to all parties involved, including employees, shareholders and other stakeholders. Therefore, the Board of Directors has agreed to establish a better corporate governance policy, covering important principles from the structure, roles, duties and responsibilities of the Board of Directors to the principles of transparent, clear and auditable management of executives as a guideline for the organization's management, ensuring that any operations of the Company are fair and take into account the utmost benefit of shareholders and all stakeholders.

Applied DB Public Company Limited and its subsidiaries realize the importance of good corporate governance as something important and necessary for business operations to increase the company's competitiveness for sustainable growth and to increase confidence among shareholders, investors and all related parties. The company has always adhered to conducting business in accordance with the principles of good corporate governance and strictly complied with the requirements of the law, the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand by continuously approving the principles of good corporate governance and providing knowledge to employees about the principles of good corporate governance and the company's ethics to create sustainable value for the business. The company has set a good corporate governance policy for the board of directors, executives and employees to adhere to as a guideline for their operations with the aim of achieving results and as a guideline for working to achieve results in 4 areas as follows:

1. Be competitive and have good performance with long-term impact in mind
2. Conduct business ethically, respect rights and be responsible to shareholders and stakeholders
3. Be beneficial to society and develop or reduce negative impacts on the environment
4. Be able to adapt to changing factors

In order for the Company to be credible to shareholders and all stakeholders, and for the benefit of creating sustainable value for the Company, the Company has established a good corporate governance policy based on the principles of good corporate governance for listed companies in 2017, which were established by the Securities and Exchange Commission (SEC) to serve as guidelines for the Company's corporate governance, as a guideline for the Board of Directors to apply as a guideline for creating sustainable value for the Company. The CG Code 2017 has established 8 principles for the Board of Directors, as follows:

#### **Practice 1: Establish Clear Leadership Role and Responsibilities of the Board**

The Board of Directors is a group of persons with knowledge, ability, skills and diverse experiences that enable them to exercise independent judgment and leadership. They are responsible for determining the Company's vision, mission, strategies, goals, business plans and budgets, as well as supervising the management to operate in accordance with the business plans and budgets efficiently and effectively in order to maximize the economic value of the business, including monitoring the performance results in order to achieve objectives and to act in accordance with relevant policies, rules, laws and regulations. The Board of Directors, executives and all employees are committed to implementing the important principles of good corporate governance of the Company. The Directors have the following duties and responsibilities as leaders of the organization:

1. The duty to supervise the company to have good management, covering:
  - 1.1 Determining the company's objectives and goals .
  - 1.2 Determining strategies, operating policies and allocating key resources to achieve objectives and monitoring targets, overseeing performance reporting and performance evaluation.
2. The duty of corporate governance to lead to the results (Governance Outcome) As follows:
  - 2.1 Responsibility for one's own decisions and actions, able to explain and explain such decisions (Accountability).
  - 2.2 Responsibility for performing duties with sufficient capability and efficiency (Responsibility).
  - 2.3 Treating stakeholders equally, fairly and with explanation (Equitable Treatment).
  - 2.4 Transparency in operations that can be verified and transparently disclose information to those involved (Transparency).



2.5 Having a vision to create added value for the organization in the long term (Vision to Create Long Term Value).

2.6 Having ethics and business ethics (Ethics) in operations.

3. Duties to ensure that the Board of Directors, sub-committees and executives perform their duties with due care (Duty of care) and loyalty to the Company (Duty of loyalty), including ensuring that operations are in accordance with laws, regulations and resolutions of the Board of Directors and shareholders' meetings.

4. Be aware and understand the scope of duties and responsibilities as a board of directors, clearly define the scope, assign duties and responsibilities to the board of directors, CEO and management, and monitor the performance of assigned duties periodically.

#### **Management structure with fair relationship between the board of directors and shareholders**

1. The Board of Directors shall perform its duties with dedication and responsibility, with independence, and the roles and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer shall be clearly separated.

2. The Board of Directors shall play an important role in determining the Company's vision, strategies, policies, and important plans, and shall consider risk factors and establish appropriate management guidelines, as well as ensure that the accounting system, financial reports, and auditing systems are reliable.

3. The Board of Directors shall be a leader in ethics and an example in operating in accordance with the principles of good corporate governance.

4. Establish internal control and audit systems to enhance corporate governance, prevent risks, and give importance to unusual items and warning signs that may occur.

5. Provide a report of the Board of Directors stating the Board's responsibilities in preparing financial reports, as shown in the report.

6. The Board of Directors may appoint specific committees as appropriate to help consider and screen important work thoroughly.

7. The Board of Directors shall consider and determine the Company's code of ethics for the Board of Directors, executives, and all employees to use as a guideline for their conduct, in conjunction with the Company's rules and regulations.

8. The Board of Directors, executives, and employees who are persons who know or have the opportunity to know the Company's inside information, which is material to the change in the price of securities, shall refrain from trading, transferring, or receiving transfers of securities issued by the Company that refer to the Company's common shares. Before disclosing financial information to the public during the period of 30 days before the disclosure of quarterly and annual financial statements and within 24 hours after the disclosure of such financial statements, including no meeting to provide information, holding group meetings or answering any questions related to the operating results for shareholders, investors, securities analysts and the media, and to comply with the internal control regulations set by the Company by having the Investor Relations Unit and/or the Company Secretary be the unit to publicize the quarterly trading suspension period to the relevant parties officially.

9. The Company discloses sufficient, reliable and timely information on both financial and non-financial matters so that shareholders and stakeholders of the Company receive information equally, with the Investor Relations Unit being responsible for providing information to investors and the general public.

10. The Company's shareholders will be treated equally, have the right to access information and have appropriate channels to communicate with the Company.

11. The Company has a system for selecting personnel to take responsibility for important management positions at all levels appropriately, with a transparent and fair selection process that complies with the Company's policy on succession of key personnel.

#### **Principle 2: Define Objectives that Promote Sustainable Value Creation**

The Board of Directors is responsible for providing opinions and approving the main objectives and goals of the Company each year during the preparation of the annual operating plan and budget in order to ensure continuous operations. The guidelines for compliance with the following good practices are in place:

1. The Board has set and supervised the main objectives and goals of the Company (Objectives) to be sustainable with objectives and goals that are consistent with creating value for the Company, customers, stakeholders and society as a whole.

2. In order to achieve the main objectives or goals, the board of directors determines the business model that can create value for the business, stakeholders and society as a whole, taking into account:

(1) The environment and changes in various factors, including the appropriate use of innovation and technology;

(2) The needs of customers and stakeholders;

(3) The readiness, expertise and competitiveness of the business.

3. The organization's values will partly reflect the characteristics of good corporate governance: accountability, integrity, and transparency.

4. The board promotes communication and reinforces the organization's main objectives and goals, reflecting them in the

decisions and operations of personnel at all levels until they become organizational culture.

The Board shall ensure that the Company's objectives and targets, medium-term and/or annual strategies are consistent with the achievement of the Company's main objectives and goals, with appropriate and safe use of innovation and technology, and practices to comply with the following principles:

1. The Board of Directors shall supervise the preparation of the annual strategy and plan to be consistent with the Company's vision and mission, taking into account the Company's environment, opportunities and acceptable risks, and shall support the preparation or review of objectives, goals and strategies for the medium term of 3 years.
2. In determining the annual strategy and plan, the Board of Directors shall oversee the analysis of the environment, risk factors and opportunities that may affect stakeholders throughout the Value Chain, including factors that may affect the achievement of the Company's main goals, with a mechanism to understand the needs of stakeholders, and create shared value with stakeholders.
3. In setting the strategy, the Board of Directors shall supervise the promotion of innovation and the use of innovation and technology to create competitiveness and respond to the needs of stakeholders, while still being based on social and environmental responsibility.
4. The set goals shall be appropriate to the business environment and the Company's potential, with the Board of Directors setting both monetary and non-monetary goals. In addition, it shall be aware of the risk that setting goals may lead to illegal or unethical conduct.
5. The Board of Directors will oversee the communication of objectives and goals through strategies and action plans throughout the organization.
6. The Board of Directors will oversee the allocation of resources and appropriate operational controls. It will also monitor the implementation of annual strategies and action plans by ensuring that there are responsible persons to oversee and monitor performance.

### **Practice 3: Strengthen Board Effectiveness**

#### **Responsibilities of the Board of Directors**

The Board of Directors is responsible to shareholders regarding the Company's business operations, supervising the business to achieve the goals and guidelines that will create the highest benefit for shareholders, taking into account the benefits of all stakeholders, with the following working principles:

1. Review the structure of the board of directors, in terms of size, composition, and proportion of independent directors that are appropriate and necessary for leading the organization to achieve its main objectives and goals.
2. Consider and select individuals with appropriate qualifications to hold positions as directors and select an appropriate chairman of the board of directors. Oversee that directors exercise their discretion in making decisions independently.
3. Supervise the selection and selection of directors to ensure that the process is transparent, clear, and that they have qualifications, skills, knowledge, and experience that are beneficial to the company and enable them to perform their duties efficiently.
4. Consider appropriate compensation structures and rates for both the organization and the directors and management, and supervise that the directors are responsible for performing their duties and allocate sufficient time.
5. Supervise that there is a framework and mechanism for supervising the policies and operations of the subsidiary appropriately.
6. Arrange for an annual performance evaluation of the board of directors and subcommittees, both individually and as a group.
7. Supervise that the directors have knowledge and understanding of the company's business, relevant laws, and promote that the directors gain skills and knowledge for performing their duties as directors.
8. Supervise that the operations of the board of directors proceed smoothly and that they can access necessary information with support from the management.

#### **The Board of Director Meeting.**

1. The Board of Directors shall schedule meetings and agendas in advance so that directors can arrange time to attend all meetings. The Board of Directors shall consider appropriateness to the duties and responsibilities of the Board of Directors and the nature of the Company's business operations by stipulating that the Board of Directors shall meet no less than 6 times per year and that the Executive Committee shall report the results of the management to the meeting so that the Board of Directors can continuously and promptly supervise and monitor the performance of the management
2. The meeting documents must be delivered to the directors at least 7 business days before the meeting date.

3. The Board of Directors has provided a mechanism for each director, including the management, to freely propose matters that are beneficial to the Company to the meeting agenda.

4. The Board of Directors encourages the CEO to invite senior executives to attend board meetings to provide additional information as they are directly involved in the issues and to have the opportunity to get to know senior executives for consideration of the succession plan.

5. All directors have access to additional necessary information from the CEO, the Company Secretary or other executives assigned within the scope of the specified policies and, where necessary, the Board of Directors may provide independent opinions from external consultants or external professionals at the Company's expense.

6. In voting at the board of directors' meeting, the majority vote shall be the main principle, with each director having one vote. Directors with vested interests shall not attend the meeting on that agenda and shall not have the right to vote on that matter. In the event of an equal number of votes, the chairman of the meeting shall cast a deciding vote.

7. The board of directors shall ensure that the roles and duties of the board of directors and subcommittees are disclosed, the number of meetings held, the number of meetings attended by each director in the past year, including the performance report of all subcommittees, the annual information list/annual report 2022 (Form 56-1 One Report).

8. Each director must attend not less than 75 percent of all the Board of Directors' meetings held in the year. For the shareholders' meeting, directors who have urgent business may be absent from the meeting, but the total number of the Board of Directors attending the meeting should not be less than 90 percent. In each meeting, the Company Secretary attends the meeting and records the minutes. The minutes will be submitted for approval by the meeting as the first agenda item of the next meeting, and the Chairman of the Board of Directors will sign to certify their accuracy. The Company Secretary will collect information and documents related to the meetings for easy reference.

9. The Board of Directors has a policy that non-executive directors have the opportunity to meet among themselves as necessary to discuss issues related to management that are of interest without the participation of the management. The meeting results must be reported to the CEO.

#### Remuneration of Directors and Executives

1. Arrange the remuneration of the directors to be comparable to the level practiced in the same industry in terms of experience, duties, scope of roles and responsibilities (Accountability and Responsibility), including the benefits expected from each director. Directors who are assigned additional duties and responsibilities, such as being a member of a subcommittee, should receive appropriate additional compensation.

2. Arrange the compensation of the CEO and senior executives in accordance with the principles and policies determined by the Board of Directors and for the maximum benefit of the Company. The compensation levels in the form of salary, bonuses and incentives shall be consistent with the performance of each executive and shall take into account the benefits received by shareholders.

3. All non-executive directors shall evaluate the performance of the directors and executives annually for consideration of the remuneration of the directors and executives using criteria agreed in advance with the directors and executives based on concrete criteria including financial performance, performance in accordance with long-term strategic objectives, executive development, etc. and submit the above evaluation results for the Board of Directors to consider and approve and the Chairman of the Board shall communicate the consideration results to the Chief Executive Officer.

#### Term of office and election of Directors

1. The Board of Directors assigns the Executive Committee to select and nominate qualified persons to serve as directors of the Company and submit the names of such persons to the shareholders' meeting for consideration and approval of the election.

2. The shareholders' meeting shall elect the Company's directors. However, in the case of election of directors to replace vacant director positions due to reasons other than expiration of term, the Board of Directors shall select persons nominated by the Executive Committee to serve as directors of the Company. In such cases, persons who assume directorship positions shall serve only the remaining term of office of the director they replace.

3. At every annual general meeting of shareholders, one-third of the total number of directors shall vacate their positions. If the number of directors cannot be divided into three parts, the number nearest to one-third shall vacate their positions. Directors who have vacated their positions may be re-elected to resume their positions. Directors who are to vacate their positions in the first and second years after the company is registered shall be drawn by lot. In subsequent years, the director who has held the position the longest shall vacate his position.

4. In addition to leaving the position according to the aforementioned term, a director may leave the position when:

(a) Death

(b) Resignation

(c) Lacking the qualifications to be a director of the company or having prohibited characteristics under the law on public limited companies and related laws or having characteristics indicating a lack of suitability to be trusted to manage a business with the public as shareholders under the law on securities and exchange.

(d) The shareholders' meeting resolves to remove him from the position.

(f) The court orders to remove him.

5. Any director who wishes to resign from the position must submit a resignation letter to the chairman of the board of directors.

#### Self-Assessment of the Board of Director

The Company has had the Board of Directors conduct a self-evaluation, which is organized into 3 types: 1) a self-evaluation form for the entire Board of Directors, 2) a self-evaluation form for each subcommittee, and 3) an evaluation form for each subcommittee at least once a year. The evaluation criteria are consistent with the self-evaluation form of the Stock Exchange of Thailand (SET), which consists of 6 main topics:

1. Structure and characteristics of the Board of Director
2. Roles, duties and responsibilities of the Board of Director
3. The Board of Director meeting
4. Duties of Board of Directors
5. Relationship with Management
6. Self-development of the board and development of executives

The performance evaluation of all committees shall be conducted by the Company Secretary at the third quarter meeting, along with the distribution of the performance evaluation form to each committee member. The committee members shall conduct self-evaluations, both as a group and individually, at least once a year and submit the evaluation results to the Company Secretary before the next meeting. The Secretary shall summarize the evaluation results of each committee member at the fourth quarter meeting of each year. The summary of the results may be presented in an open or confidential manner, depending on the Board's approval of the presentation format. The evaluation results and recommendations shall be released as a resolution of the Board members for consideration in improving the performance and composition of the Board of Directors and subcommittees, including disclosing the criteria, procedures, and overall evaluation results in the annual report.

#### Governance of subsidiaries and Investment

The Board of Directors has supervised to have a time frame and mechanism to supervise the policies and operations of subsidiaries in which they have invested significantly at a level appropriate to each business, including having a mutual understanding of the subsidiaries in which they have invested, with the following practices:

1. Determine investment policies and supervise the operations of subsidiaries and associates in a clear document.
2. Consider appointing appropriate executives as directors with the same tenure as the parent company.
3. Determine the scope and authority to approve important internal controls and communicate them to the directors before performing their duties
4. Disclose financial information and financial transaction results in accordance with the regulations of the Stock Exchange of Thailand.

#### Development of Director and Executives

The Board of Directors has a policy to promote and facilitate training and education for the Company's directors and executives to continuously improve and perform their duties, both internal and external training courses. All directors must receive training to understand their duties as directors. The Board of Directors and senior executives give importance to their participation in training or seminars in various courses or to develop their knowledge and skills in the following ways:

1. The Board of Directors promotes and facilitates training and education for those involved in the Company's corporate governance system, such as directors, audit committee members, executives, and company secretaries, to continuously improve their performance. Training and education may be conducted within the Company or by using the services of external institutions.
2. Every time a new director is appointed, the management provides documents and information that are useful for the new director's performance, including introducing the nature of the Company's business and business operations to the new director.
3. The Board of Directors requires the CEO to regularly report on the development and succession plan, which the CEO and senior executives should prepare as a continuous plan for successors in the event that they are unable to perform their duties.
4. The Board of Directors should establish a project for executive development, requiring the CEO to regularly report on what has been done during the year, and it should be considered in conjunction with the consideration of the succession plan.

#### Orientation for new Board of Director

Arrange orientation for all new directors to inform them of the company's expectations for the roles, duties and responsibilities of directors, the company's overall operations, and the company's good corporate governance practices, as well as create knowledge and understanding of various business operations to prepare them for their duties as directors. The company also has a policy to enhance knowledge and new perspectives for all directors in learning about corporate governance, the state

of the industry, technology, and innovation, so that directors can assume their positions as soon as possible and efficiently.

The company secretary will coordinate the following matters:

1. Things to know: business structure, board structure, board powers and duties, laws related to the company's business, etc.
2. General knowledge of the business, operating guidelines, work policies, various good corporate governance policies, and factory visits in the production process and laboratories.
3. Arrange meetings and discussions with the entire board to exchange ideas and ask for in-depth information for the benefit of working together.

#### Company Secretary and Support

The Board shall ensure that the Board's operations are carried out smoothly, that it has access to necessary information, and that it has a Company Secretary with the necessary and appropriate knowledge and experience to support the Board's operations, with the following guidelines:

1. The Board has determined the qualifications and experience of the Company Secretary to be appropriate to perform the duties of providing advice on laws and regulations that the Board must be aware of, and to manage documents for Board meetings. In addition, the qualifications and experience of the Company Secretary are disclosed in the annual report and on the Company's website.
2. The Company Secretary is supported to continuously receive training and develop knowledge that will be beneficial to the performance of duties, including courses that are certified and paid by the Company.

#### **Practice 4: Ensure Effective CEO and People Management**

The Company has good self-development of directors and executives. Directors understand the roles, duties and responsibilities of being directors and senior executives, have sufficient knowledge and understanding of the Company's business, and are attentive in finding information or following important news about the economic and industrial situation, changes in regulations and competition, which will help the directors perform their duties effectively. The directors and executives have received training to understand their duties as directors and executives. Executives at all levels are preparing personnel to create a succession plan so that they can perform their duties in important executive positions of the Company continuously.

#### Recruitment of important Directors and Executives

The Board of Directors shall set the criteria for the consideration of the Company's directors and senior executives by setting written guidelines and regularly reviewing their suitability at least once a year. Since the Company does not have a nomination committee, the Board of Directors has been assigned to make preliminary considerations for the selection and appointment of directors who are due to retire by rotation, the search for replacements or additions, including the appointment, transfer, reward or punishment of senior executives. The consideration shall be screened for suitability and presented to the Board of Directors for review and submission to the shareholders' meeting for the appointment of directors on an annual basis. Directors with vested interests shall not vote and shall not participate in the consideration of this agenda item.

The Company also provides an opportunity for shareholders to nominate suitable persons to be directors every year during October - December of each year via the Company's website and announcing to the Stock Exchange of Thailand.

#### Development of Director and Executive

1. Promote and facilitate training and knowledge provision for those involved in the Company's corporate governance system, such as directors, audit committee members, executives, senior executives and the Company Secretary, etc., to ensure continuous improvement of operations. Training and knowledge provision may be conducted within the Company or by using the services of external institutions.
2. Every time a new board of directors is appointed, the management shall provide documents and information that are beneficial to the performance of the new board of directors, including providing an introduction to the nature of the Company's business and business operations to the new board of directors so that they can perform their duties honestly, carefully and for the greatest benefit of the Company and shareholders as a whole.

For executives who are designated as successors, in addition to being equipped with appropriate qualifications and work experience, they must also receive knowledge and experience transfer by rotating to other related departments and attend additional necessary training courses to prepare for future duties in higher positions and ensure smooth handover and continuous management.

For the Company's human resource management, a human resource management system has been established with adequate allocation, control, monitoring and evaluation, both in terms of the recruitment process to obtain knowledgeable and capable personnel, using a performance appraisal system to consider compensation that is appropriate for their abilities and performance.

Compensation and performance evaluation structure The Company has established a compensation structure that is an incentive for the CEO, senior executives and other personnel at all levels to perform their duties in line with the organization's main objectives and goals and in line with the long-term benefits of the Company, including:

1. Consider the appropriateness of the proportion of compensation in the form of salary, short-term performance such as bonuses, performance-based management compensation, and long-term compensation such as being a business unit executive and receiving appropriate compensation.
2. Set a compensation policy that is consistent with the industry level and takes into account the Company's performance.
3. Set a performance evaluation policy and communicate it to the entire organization.
4. Non-executive directors play a role in and evaluate the performance of the CEO.
5. The Board of Directors approves the criteria and factors for performance evaluation, as well as approves the compensation structure of senior executives and monitors the CEO to evaluate senior executives in accordance with the evaluation principles.
6. The Board of Directors plays a part in overseeing the determination of criteria and factors for performance evaluation for the entire organization.

#### Shareholding Structure and Shareholder Relationships

The Board of Directors has understood the shareholding structure of the Company which may affect the management and operation of the business and there is no agreement within the family business which will significantly affect the power to control the management of the business and in the future if there is an agreement within the family business, the Board of Directors will take part in ensuring that such agreements do not become obstacles to the performance of the duties of the Board of Directors or conflicts in selecting a suitable successor and the Directors are required to disclose information if such agreements are made.

#### Human resource monitoring and development

The Committee has monitored the management and development of personnel to ensure that the size of employees, knowledge, skills, experience and motivation are appropriate by supervising:

1. Monitoring the management to ensure that human resources are managed in line with the organization's direction and strategy, that employees at all levels have the appropriate knowledge, skills and motivation and are treated fairly in order to retain the organization's capable personnel.
2. Supervising the establishment of a provident fund or other mechanism to ensure that employees save sufficiently for retirement, as well as supporting employees to have knowledge and understanding of financial management, and to select investment policies that are consistent with their age range and risk levels.

#### Principle 5: Nature Innovation and Responsible Business

The Board of Directors places importance on and supports innovations that create value for the controlled business along with creating benefits for customers or stakeholders and being responsible for society and the environment by emphasizing the following:

1. The Board of Directors places importance on creating an organizational culture that promotes innovation and ensures that the management uses it as part of the strategy review, development planning, operation improvement and performance monitoring.
2. The Board of Directors promotes innovations to add value to the business in line with the ever-changing environment, covering business models, thinking and perspectives in designing and developing products and services, research, improving production processes and work processes, and cooperation with business partners.

The Board of Directors has duties in accordance with the principles to achieve sustainable objectives and goals as follows:

1. Support innovation that creates value for the business, with social and environmental responsibility.
2. Supervise the management to conduct business ethically, with social and environmental responsibility reflected in the operational plan.
3. Supervise the management to allocate and manage resources efficiently and effectively, taking into account the impact and development of resources throughout the value chain.
4. Supervise and manage information technology that is consistent with the needs of the business, including ensuring that it is used to increase business opportunities and develop operations appropriately.

#### Principle 6: Strengthen Effective Risk Management and Internal Control

The Company places importance on an effective internal control system by establishing internal control guidelines to effectively prevent and reduce potential risks and to comply with relevant laws and standards. The Board of Directors participates in risk management supervision as follows:

1. Supervise the Company to have a risk management and internal control system, approve and review risk management policies and analyze risks at least once a year.
2. Appoint a risk management committee that can perform its duties efficiently and independently.
3. Supervise and manage conflicts of interest between the Company and management, the Board of Directors or shareholders.
4. Supervise compliance with anti-corruption measures within the Company.
5. Supervise the Company to have a mechanism to receive complaints and appropriate procedures.

#### **Practice 7: Ensure Disclosure and Financial Integrity**

The Company places importance on good corporate governance by disclosing important information that may or may have an impact on changes in the Company's securities prices or on investment decisions or on the rights and benefits of shareholders so that shareholders and general investors are informed of important news equally and promptly.

The Company has a guideline for disclosing important information related to the Company to the public correctly, completely, timely, transparently and in accordance with the criteria set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) through channels that are easily accessible, such as publishing various information via the websites of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and the Company's website in both Thai and English. The Board of Directors has duties according to the following practices:

1. Supervise the preparation of financial reports and disclosure of important information to be correct, sufficient, timely, and in accordance with relevant criteria, standards, and practices.
2. Supervise the Company to have sufficient financial liquidity and debt repayment capability.
3. Supervise the Company to have a plan to solve financial problems or a management plan in case the Company encounters problems or is likely to encounter financial problems.
4. Establish an investor relations unit to disseminate information to the public at the appropriate time, with correct information and benefits to shareholders and investors.
5. Promote the use of information technology to disseminate information.
6. Promote the preparation of sustainability reports as appropriate.
7. Maintain confidentiality of information, storage, and destruction of documents.

The Company places importance on the protection and maintenance of confidential information of the Company, customers, business partners and shareholders, whether it is information, documents, technology, academic knowledge, rights, copyrights, patents, as well as inventions, including personal information of directors, employees, customers, shareholders or visitors, unless the Company has given consent to perform duties according to the contract criteria or the owner of the information has given consent. The regulations and measures for the protection and maintenance of the Company's confidential information are specified in the Code of Business Ethics. The acquisition, use, storage of confidential information, the shelf life of documents and the destruction of important documents must be in accordance with the relevant work manuals according to the internal control system.

#### **Practice 8: Ensure Engagement and Communication with Shareholders**

The Board of Directors has given importance to ensuring that shareholders exercise their rights and have a duty to take care of the interests of all shareholders equally, whether institutional investors or major or minor shareholders, as investors in the Stock Exchange of Thailand and as shareholders who own the company in accordance with the principles of good corporate governance of the Stock Exchange of Thailand, which are widely accepted. The Board of Directors has important duties according to the following practices:

1. Supervise shareholders to participate in decision-making on important matters of the Company.
2. Supervise the operations for the shareholders' meeting, both before the meeting and on the meeting day, to be ready in all aspects and to conduct the meeting smoothly, transparently and efficiently.
3. Supervise the disclosure of the shareholders' meeting resolutions and the preparation of the shareholders' meeting report to be correct, complete and timely.

Reference link for the full version of corporate governance : <https://shorturl.at/Wy6kc>  
policy and guidelines

Page number of the reference link : 1-12

## 6.1.1 Policy and guidelines related to the board of directors

Are there policy and guidelines related to the board of directors : Yes

Guidelines related to the board of directors : Nomination of directors, Determination of director remuneration, Independence of the board of directors from the management, Director development, Board performance evaluation, Corporate governance of subsidiaries and associated companies

### Nomination of directors

In order to comply with the Stock Exchange of Thailand's corporate governance policy on the selection and determination of remuneration of the Company's directors, subcommittees and senior executives to be transparent and fair to all stakeholders, the Board of Directors has appointed the Executive Committee to be responsible for determining policies, criteria and methods for selection and determination of remuneration, including performing other tasks assigned and presenting them to the Board of Directors and/or the shareholders' meeting, as appropriate,

#### Recruitment and Appointment of Directors

The board should ensure that the selection and selection process for directors is transparent and clear in order to obtain directors with qualifications that are in line with the specified composition, as follows:

- 1) Provide an opportunity for minority shareholders to nominate qualified persons to be considered for election as directors and to nominate from major shareholders.
- 2) Qualifications in accordance with relevant laws and regulations, including the Public Limited Companies Act, the Securities and Exchange Act B.E. 2535, the Company's regulations and the Company's principles of good corporate governance.
- 3) Consider according to the criteria for selecting directors of the Stock Exchange of Thailand.
- 4) Give importance to those who have skills, professional experience, and specific qualifications in various fields that the Board of Directors still lacks and are essential to the Company's business in order to make the Board's composition complete and of maximum benefit.
- 5) Consider knowledge, skills and experience related to the business to be consistent with the Company's business strategy, including using the Director Pool database of the Thai Institute of Directors Association (IOD) as a component in selecting new directors.
- 6) Consider the qualifications of the directors to be in line with the Company's business strategy by creating a (Board Skill Matrix) by specifying the qualifications of the directors to be recruited by considering skills and expertise in various fields such as law, accounting, finance, economics, engineering and management to integrate knowledge and skills that are beneficial to the Company's operations.
- 7) Consider the time commitment of the directors. If they are former directors who will return to serve another term, they may consider their performance during their tenure. They should also consider the number of companies that each director will serve in, which should be appropriate for the nature or business of the company, which should not exceed 5 registered companies, to ensure that work efficiency is not reduced.
- 8) The appointment of independent directors will consider the independence of the person proposed to be an independent director according to the criteria set by the Securities and Exchange Commission (SEC), with the independence qualifications as specified in the Good Corporate Governance Manual.
- 9) Performance results for the past year (if any).
- 10) Providing useful feedback.

Reference link for the nomination of directors policy and guidelines : <https://shorturl.at/kitkU>

Page number of the reference link : 3-4

### Determination of director remuneration

The Company has established a remuneration structure for Directors, Senior Executive, and Employees of the Company to incentivize all levels to perform in accordance with the objectives and main goals of the organization and in line with the long-term interests of the business, as follows:

- 1) Provide remuneration for directors at a level comparable to that prevailing in the same industry, taking into account experience, responsibilities, scope of roles and responsibilities, and the expected benefits to be received from each director. Directors who are assigned additional roles and responsibilities, such as being members of subcommittees, should receive



appropriate additional remuneration.

2) Provide remuneration for the Chief Executive Officer and senior management in accordance with the principles and policies set by the Board of Directors and in the best interests of the Company. The level of remuneration in the form of salary, bonuses, and incentives will be commensurate with the performance of each executive and must take into account the benefits received by shareholders.

3) All non-executive directors will evaluate the performance of directors and executives annually for use in considering the remuneration of directors and executives, using benchmarks agreed in advance with directors and executives based on objective criteria, including financial performance, performance against long-term strategic objectives, management development, etc., and submit the above evaluation results to the Board of Directors for approval, and the Chairman of the Board will communicate the results of the consideration to the Chief Executive Officer.

The Board of Directors approves the performance appraisal criteria and factors, as well as the remuneration structure for senior management, and monitors the Chief Executive Officer to evaluate senior management in accordance with the said appraisal principles and participates in overseeing the establishment of performance appraisal criteria and factors for the entire organization. It has been considered that the remuneration structure for directors, senior management, and employees of the Company is comparable to that of companies in the same industry.

Reference link for determination of the director remuneration : <https://shorturl.at/kitkU>  
policy and guidelines

Page number of the reference link : 3-4

## Independence of the board of directors from the management

### Separation of the Position of Chairman of the Board and Chief Executive Officer.

The Board of Directors promotes good corporate governance by having the Board of Directors appoint a Chairman of the Board who is not the same person as the Chief Executive Officer. Although the Chairman of the Board is not the same person as the Chief Executive Officer, they are related by blood and are therefore not independent. Therefore, the Chairman of the Audit Committee has been appointed to act as an inspector, to provide opinions on the agenda of the Board of Directors' meetings and shareholders' meetings, as well as to have a clear separation of powers and duties, in accordance with the regulations on authorization and execution approved by the Board of Directors, to enable the Board of Directors to perform its duties of inspection and balance of the management's work independently.

Reference link for the policy and guidelines related to : <https://shorturl.at/kitkU>  
independence of the board of directors from the management

Page number of the reference link : 2

## Director development

The Company has supported all directors to attend training courses as recommended by the Securities and Exchange Commission, organized by the Thai Institute of Directors Association (IOD), such as the Directors Accreditation Program (DAP), the Directors Certification Program (DCP), and the Advanced Audit Committee Program (AACP). Most of the Company's directors have already completed these training courses.

The Board of Directors places importance on attending training courses or seminars in various fields or developing their knowledge and abilities through the following methods:

1) The Board of Directors promotes and facilitates training and education for those involved in the Company's corporate governance system, such as directors, audit committee members, executives, and the company secretary, in order to continuously improve their performance. Training and education may be conducted internally or through the use of external institutions.

2) Each time a new director is appointed, management will provide documents and information useful for the performance of the new director's duties, including an introduction to the nature of the business and the Company's business operations.

3) The Board of Directors requires the Chief Executive Officer to report regularly on the succession planning, which the Chief Executive Officer and senior management should prepare as a continuous plan for successors in the event that they are unable to perform their duties.

4) The Board should establish a management development program, with the Chief Executive Officer reporting annually on what has been done during the year and should be considered in conjunction with succession planning.

Reference link for the director development policy and : <https://shorturl.at/kitkU>  
guidelines

Page number of the reference link : 4-5

## Board performance evaluation

Evaluation of the Performance of the Board of Directors. The Company has implemented a self-assessment process for the Board of Directors, which is conducted in 3 formats:

- 1) Self-assessment form for the entire Board of Directors.
- 2) Self-assessment form for each Sub-Committee, and
- 3) Individual Sub-Committee Evaluation Form at least once a year.

The assessment criteria are in line with the self-assessment model of the Stock Exchange of Thailand (SET), which consists of 6 main topics:

- 1) Structure and Qualifications of the Board of Directors.
- 2) Roles, Responsibilities, and Accountabilities of the Board of Directors.
- 3) Board Meetings.
- 4) Duties of Directors.
- 5) Relationship with Management.
- 6) Director Self-Development and Management Development.

For the performance evaluation of all Board committees, the Company Secretary will explain the evaluation form to the Board meeting in the third quarter meeting, along with distributing the Board performance evaluation forms to each director. Directors conduct self-evaluations both as a committee and individually at least once a year and submit the evaluation results to the Company Secretary before the next meeting. The Company Secretary will summarize the evaluation results of each committee at the fourth quarter meeting of each year. The summary may be presented in a manner that discloses or conceals the evaluator, at the discretion of the Board of Directors. The evaluation results and suggestions will be issued as a resolution of the Board of Directors for consideration to improve the performance and composition of the Board of Directors and subcommittees, including disclosing the criteria, process, and overall evaluation results in the annual report.

Reference link for the board performance evaluation policy : <https://shorturl.at/kitkU>  
and guidelines

Page number of the reference link : 5

## Corporate governance of subsidiaries and associated companies

The Company will invest in companies that have the same business objectives as the Company's core business or similar businesses or businesses that support the Company's business, which will increase the Company's operating results or profits, or invest in businesses that create synergy for the Company by supporting the Company's core business to be more comprehensive in order to increase its competitiveness.

In supervising subsidiaries and/or affiliates, the Company will send directors or executives with appropriate qualifications and experience in the business to represent the Company in managing the subsidiaries and/or affiliates in order to set important policies and control the business operations of such subsidiaries and/or affiliates. The directors who are representatives of the Company must perform their duties in supervising the subsidiaries and/or affiliates to ensure that their management or operations are in accordance with the policies set by the Company. They must also exercise their discretion in accordance with the resolutions of the Board of Directors' meetings that approve important matters of the subsidiaries and/or affiliates in order to maximize the benefits to the Company and for the sustainable growth of the Company.

Reference link for the corporate governance of subsidiaries : <https://shorturl.at/kitkU>  
and associated companies policy and guidelines

Page number of the reference link : 5-6

### 6.1.2 Policy and guidelines related to shareholders and stakeholders

Are there policy and guidelines and measures related to : Yes  
shareholders and stakeholders

Guidelines and measures related to shareholders and : Shareholders, Employee, Customer, Business competitors, Suppliers,  
stakeholders Creditors, Government agencies, Community and society

## Shareholders

## Stakeholder Policies and Practices

Applied DB Public Company Limited is committed to conducting business with honesty and fairness in accordance with good ethics. The Board of Directors has therefore established a code of conduct or business ethics that is consistent with the important principles of good corporate governance as a guideline for the Company's personnel, including directors, executives, and employees of the Company and its subsidiaries, to strictly adhere to and comply with. In addition to acting as a good role model, directors, executives, and supervisors have a duty to monitor, supervise, and encourage subordinates to behave and comply with the specified policies and practices.

The Company has a duty to promote and facilitate shareholders to exercise their rights according to all laws, as well as to provide other rights even if not specified by law, by following reliable standards and disclosing important information that may affect shareholders by means that are easily accessible. In shareholder meetings, the Company will provide shareholders with an opportunity to ask questions or express additional opinions before voting on each agenda item, by providing relevant persons to answer questions or provide explanations to shareholders. Therefore, the Company has set the following guidelines for shareholders:

- 1) The Company is committed to conducting business with good performance and can generate continuous and stable profit growth to enhance competitive potential and create added value for shareholders in the long term.
- 2) Perform duties with honesty, integrity and fairness to all shareholders for the greatest benefit of all.
- 3) Manage by applying knowledge and management skills to the fullest extent of ability in every case, including any decision-making that will be made transparently, carefully and comprehensively.
- 4) The Company will treat all shareholders equally, both in shareholder meetings, giving shareholders the opportunity to propose meeting agendas and nominate persons to be elected as directors of the Company and other rights that shareholders should receive in accordance with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission and related laws.
- 5) Report the Company's financial status, operating results and non-financial information to shareholders in an equal, consistent and complete manner based on truth.
- 6) Do not seek benefits for yourself and your related persons by using any internal information of the Company that has not yet been disclosed to the public, disclosing it to outsiders, or taking any action in a manner that may cause a conflict of interest with the Company.
- 7) The Company shall perform its duties with honesty and integrity and shall make any decisions with fairness towards major and minor shareholders for the utmost benefit of shareholders as a whole.
- 8) The Company shall manage the organization by adhering to morality and ethics, including promoting morality and ethics at all levels of the organization, monitoring and managing conflicts of interest that may arise in the organization.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to shareholders

Page number of the reference link : 1-2

## Employee

### Employee Policies and Practices

All of the company's personnel are the most important part of the business operation that the company must prioritize without discrimination. The company promotes unity and trust among its personnel, without division, treating each other with courtesy, respecting human dignity, and creating pride in the organization. Employees are the key to success and achieving the company's goals, which are invaluable. The company will take care of its employees fairly, both in terms of opportunities, compensation, appointments, transfers, and skills development, along with developing the best possible work safety and organizational environment. To comply with this policy, the following are the practices towards employees:

- 1) Arrange for a process for considering the recruitment, appointment and transfer of the Company's personnel with honesty and based on the knowledge, ability and suitability of the personnel, including the termination and punishment of personnel that is transparent, verifiable and conducted with honesty.
- 2) Treat employees with courtesy and respect for their individuality.
- 3) Provide fair compensation to employees, including the establishment of employee provident funds and giving importance to employee welfare.
- 4) Establish an employment management system to ensure that employees are protected and treated fairly by establishing a human rights policy as a guideline for compliance with the requirements of Thai labor standards and labor laws, including other related regulations.
- 5) The Company has established a personal data protection policy to protect the personal data and privacy of all personnel of the Company.

- 6) Maintain a working environment that is safe for employees' lives and property.
- 7) Promote and give importance to the development of employees' knowledge and abilities by providing equal and consistent opportunities to develop employees' abilities to achieve their potential to perform professionally.
- 8) Respect the rights and listen to the opinions and suggestions of employees at all levels equally and without interference.
- 9) Strictly comply with laws and regulations regarding labor laws and employee welfare.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to employee

Page number of the reference link : 4-5

## Customer

### Customer Policies and Practice

The Company is committed to creating customer satisfaction by delivering quality products and services according to customer needs, disclosing complete, accurate, timely and non-distorted information about management, providing communication channels for customers to complain about product quality and unfair management, complying with contracts, agreements or conditions with customers transparently and fairly, giving importance to maintaining customer confidentiality consistently and not using such information for the benefit of oneself and/or related persons.

The Company realizes the importance of customers and has therefore established the following guidelines for treating customers:

- 1) The company is committed to developing complete products and services, delivering products and services quickly and with quality to continuously meet customer needs at reasonable prices, in time for demand, adding value, supporting the participation of various stakeholders in the Value Chain, maintaining good relationships with customers, promoting innovation, not limiting customer rights and having fair trading conditions.
- 2) Establish a system to control and supervise the production process and delivery of quality products to customers, including giving importance to improving and developing production technology and checking product quality to be up-to-date at all times.
- 3) Establish a system to strictly and consistently monitor compliance with agreements made with customers, with honesty, care and consistency.
- 4) Provide a tight and appropriate system for keeping customer confidential information as if it were a company secret and not use it for personal gain or the benefit of others inappropriately.
- 5) Do not request or accept money, gifts, prizes or other compensation from customers or other persons, except when receiving in accordance with traditional giving.
- 6) Adhere to and maintain honesty as the main principle in conducting business and maintain customer confidentiality. Do not use information for the benefit of oneself or others inappropriately.
- 7) Protect the highest interests of customers as a priority, so that customers receive satisfaction and respond to customer needs quickly and punctually, with attentive, responsible service and create maximum customer satisfaction by presenting quality and efficient product information.
- 8) Conduct business in accordance with the law and government regulations and will not assist, promote or support any illegal activities and transactions.
- 9) Comply with the contracts and agreements made with customers. Do not perform any acts that are a violation and/or breach of contract with customers. If the contract or agreement cannot be complied with, the customer must be notified immediately to jointly find a solution to prevent damage.
- 10) Listen to problems/complaints from customers and take corrective action to ensure that customers receive a quick response, as well as evaluate customer satisfaction in order to improve/develop products and services.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to customer

Page number of the reference link : 2-3

## Business competitors

### Towards Competitors Policies and Practices

A trade competitor is an external person or juristic person with whom the Company must compete according to the general procurement process in order to gain benefits for the business. The competition must be fair, without distorting information, deceiving or using any other methods that are not in accordance with good competition practices, without violating the

confidentiality or knowing the trade secrets of competitors through fraudulent means. The Company has set the following practices:

- 1) Conduct business in accordance with the law, with fair competition, and conduct business within the framework of good competition rules equally. Do not distort information, deceive, or use any other methods that are not in accordance with good competition rules.
- 2) Do not seek confidential information of competitors by dishonest or improper means.
- 3) Do not intentionally damage the reputation of competitors by making defamatory accusations, making untrue accusations, or taking any action that is unfair to competition.
- 4) Do not perform any action that infringes on the intellectual property of others or business competitors and comply with intellectual property laws.
- 5) Do not prevent others from participating in business competitions.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to business competitors

Page number of the reference link : 4

## Suppliers

### Towards Business Partners Policies and Practices

The company takes into account equality, honesty and mutual benefits with its business partners. Therefore, it has sustainable practices with its business partners, along with supply chain management, so that the company's business partners operate ethically, are socially responsible, respect human rights, take care of occupational health and safety of customers and consumers of its products, and have good environmental management. The guidelines for business partners are as follows:

- 1) Promote good and sustainable relationships between the company and its business partners to be good, friendly and satisfying to all parties, leading to quality, correct, fast, relevant and efficient services.
- 2) Refrain from receiving or paying any dishonest benefits in contacting or negotiating business with partners. Treat partners transparently, fairly, equally, honestly and do not take advantage of them, taking into account the company's highest benefits based on receiving fair returns for both parties.
- 3) Establish clear and fair procurement policies in selecting business partners with the potential to conduct business sustainably and strictly comply with contracts/trade terms and conditions agreed upon with partners. In the event that the terms and conditions cannot be complied with, the partners will be immediately notified to jointly consider solutions using the principle of reasonableness.
- 4) Establish policies/guidelines for promoting potential and sustainability together with business partners. The company emphasizes on building good relationships and jointly developing potential for sustainable supply chain management by effectively communicating with business partners about integrated supply chain management, planning potential development, promoting, supporting and pushing business partners to have good management together in order to make operations most efficient.
- 5) Keep confidentiality and do not use information for the benefit of yourself and those involved inappropriately.
- 6) Communicate to business partners about the company's anti-corruption policy to create mutual understanding and find common ground to fight against corruption on a wider scale.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to suppliers

Page number of the reference link : 3

## Creditors

### Towards Creditor Policies and Practices

The Company realizes the importance of creditors and has therefore established the following policies for treating creditors:

- 1) Strictly maintain and comply with the conditions agreed upon with creditors, both in terms of repayment, maintenance of collateral and other conditions, including not using the funds obtained from the loan in a way that conflicts with the objectives of the agreement made with the lender.
- 2) Report the Company's financial status honestly, accurately and on time to creditors regularly.
- 3) Treat trade creditors equally and fairly, based on the principle of receiving fair returns for both parties.
- 4) In the event that the obligations in the contract cannot be fulfilled, the creditor must be notified in advance to jointly find a solution and prevent any possible damage.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to creditors

Page number of the reference link : 3

## Government agencies

### Towards the government sector and government agencies Policies and Practices

The Company stipulates that transactions with government agencies must strictly comply with local laws and regulations and must not perform any actions that may induce government agency employees to take improper actions.

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to government agencies

Page number of the reference link : 5

## Community and society

### Towards Community, Society and Environment Policy and Practices

1) Conduct business responsibly, adhering to moral principles and ethics, taking into account negative impacts on communities, society and the environment throughout the supply chain.

2) Provide products and promote the development of environmentally friendly innovations, including supporting and encouraging partners to produce products and services that reduce resource use and are environmentally friendly.

3) Focus on sustainable business operations, with responsibility towards the community, society and the environment, both in terms of developing quality of life, safety and use of natural resources, including taking care of the interests of stakeholders.

4) Promote organizations to have awareness of social, community and environmental responsibility, cooperate with entrepreneurs in the industrial area and community in providing facts of operations and cooperate with investors, shareholders and interested persons in general.

5) Promote projects or activities for society and the environment regularly. These activities are activities that truly benefit the community and society, using the company's resources efficiently and cost-effectively, and communicating and publicizing projects or activities for society and the environment to stakeholders.

6) Campaign for the efficient use of resources and promote energy conservation for the benefit of the public.

7) Do not perform any actions that harm natural resources and the environment beyond what is permitted by law.

8) Provide channels for complaints, grievances and suggestions that may affect the community, society and the environment.

9) Report the results of operations in terms of community, social and environmental responsibility to stakeholders in the annual information form/annual report (Form 56-1 One Report).

Reference link for the policy, guidelines and measures related : <https://shorturl.at/Elcnk>  
to community and society

Page number of the reference link : 5

## 6.2 Business code of conduct

### Business code of conduct

Business code of conduct : Yes

Applied DB Public Company Limited and its subsidiaries give importance to conducting business along with conducting oneself in accordance with the principles of good governance, which is considered a tool to enhance the transparency of the Company's operations, which will create confidence and credibility from all stakeholders. Therefore, the Company has prepared a code of ethics and work practices in writing so that directors, executives, and employees at all levels of the Company and its subsidiaries are aware of and understand the ethical principles that the Company uses in conducting business and adhere to them as guidelines for working in accordance with the same standards throughout the organization, including setting measures to supervise and monitor everyone's compliance with the practices in the code of ethics, along with setting penalties if any actions that violate the ethical principles occur.

However, this Code of Ethics and Working Practices is reviewed annually or as appropriate to suit the business situation and environment that may change with the times. The contents have been filtered by the Executive Committee and submitted to the Board of Directors for approval and announced to all relevant parties.

The company is committed to conducting business responsibly, under the framework of morality and ethics, and to ensure that the work of all levels of personnel meets the same standards. Therefore, a code of ethics and work practices have been established for everyone to adhere to and strictly comply with.

The Company will treat all stakeholders honestly, fairly and equally without discrimination under good corporate governance, legal regulations, rules, regulations, traditions and good morals, including ensuring that cooperation between the Company and stakeholders is promoted to create growth and sustainability of the business.

#### 1. Compliance with the Company Laws and Regulations

##### 1) Compliance with the law.

In conducting the Company's business, including directors and executives and in performing the duties of employees, employees must comply with the law, not do anything that will be a risk of illegal actions, including regulations issued by relevant officials, such as:

##### 2) Work regulations and related rules and orders

In addition to complying with general laws, which are basic duties that the company, employees and staff must comply with without any action that would violate any laws, the company has work regulations, including rules and orders that are currently in effect or may be announced in the future. Employees and staff must comply with them. The human resources department or internal audit and control unit and/or other relevant units have the duty to inform the announcement, revise, improve and provide knowledge and understanding to employees and staff so that they are aware of the duties that must be performed and have a correct understanding.

#### 2. Treatment of Company Assets

All executives and employees of the Company are responsible for using the Company's assets in a cost-effective, economical and most beneficial way. All executives and employees must take care not to cause damage to such assets.

#### 3. Intellectual Property and Use of Information Technology

The Company encourages its personnel to study, invent, develop and create work value that will benefit the Company by using information resources and technology and must be more careful in accessing and respecting the copyrights and intellectual property of others. The Company has established the following work practices related to the use of intellectual property and information technology.

#### 4. No Giving, Soliciting or Accepting of Bribes, Rewards or any compensation

In addition to what is specified in the Anti-Corruption Policy, the Company has additional policies on the following matters.

#### 5. Use of Inside Information and Confidentiality

Confidential information is considered non-public information. If disclosed to the public or in the hands of competitors, it will have a serious impact on the Company. In addition to inside information that affects the value of shares traded on the

Stock Exchange, it also includes all types of information that partners and customers have trusted to the Company. The Company has a duty to keep such information confidential and only those who directly perform their duties or have the right to access important information of the Company are aware of it.

#### **6. Conducting Business with Transparency, Honesty, and Anti-Fraud and Corruption**

The Company adheres to the principles of good corporate governance, which emphasizes on conducting business transparently, honestly, and being auditable, acting equally and conducting business in accordance with good practices in order to be in accordance with the morality of business partners, customers and other persons who contact the Company. The Company will proceed in accordance with all legal procedures, including disclosing important information to the public in a manner that is easily accessible. When conducting business with partners and external persons, the Company's personnel must comply with the Code of Conduct while conducting business with customers, vendors, partners or external persons who are involved in the business (hereinafter collectively referred to as "partners"). All personnel of the Company.

#### **7. Conflict of Interest**

When a conflict of interest arises with the Company, the Company will always proceed in accordance with the law and policies for standard due diligence before considering and approving only those businesses that are beneficial to the Company. The Company has established a policy on conflicts of interest.

#### **8. Ensuring Compliance and Review of the Code of Conduct and Work Ethics**

8.1 This Code of Ethics and Work Practices is the responsibility of all directors, executives and employees who must strictly comply with it. Executives and employees are not allowed to do anything that violates this policy. If there is any ambiguity or any other problem that is not specified in this policy, executives and employees should consult their superiors in order to jointly consider finding a solution or finding an appropriate practice. In addition, the Company Secretary is responsible for coordinating and monitoring the management to comply and is the unit to receive complaints on corporate governance and business ethics.

8.2 Supervisors at all levels must take care of and be responsible for employees under their supervision to strictly comply with this Code of Ethics and Work Practices.

8.3 Supervisors at all levels must act as good examples in complying with ethics, the Code of Ethics and Work Practices, and advise, communicate, create understanding, and promote a working environment so that employees and related persons understand that complying with the Code of Ethics and Work Practices is correct and must be strictly followed, and cannot claim that they are not aware of the practices specified in this work manual.

8.4 The Board of Directors Adhere to conducting business under the principles of ethics and good corporate governance along with Corporate Social Responsibility (CSR) until it becomes the corporate culture by integrating with the vision, mission, strategies and goals of the organization to promote an efficient, transparent and auditable management system, which helps build trust and confidence for shareholders, investors and all stakeholders, as well as increase value and promote sustainable growth of the company. In addition, executives at all levels of the company must take care of and be responsible for employees under their supervision to know, understand and comply with the Code of Conduct in a concrete manner. If any director or employee violates the Code of Conduct, they will be subject to disciplinary punishment in accordance with the specified regulations.

8.5 The Company provides human resource procedures and processes that reflect its commitment to combating corruption, such as establishing a small committee to recruit or select personnel, especially for jobs that require personnel with specific qualifications, promotions, training, performance evaluations, compensation, fairness, and employee punishment processes, etc.

8.6 The Company will provide training and explanations on various policies of the Company during orientation for new directors and employees. The details must be explained so that they can be implemented appropriately, including communication and explanations of penalties for failure to comply with the Company's regulations.

8.7 The Company will conduct an annual assessment of business risks covering all aspects of the overall picture, including considering or improving appropriate measures or practices and adhering to the principles as stated in the intention to combat corruption for all parties/departments or activities that are highly likely to cause corruption.

8.8 The Company will require all executives and employees to conduct self-assessments annually and review the assessment results by their supervisors in order of rank.

8.9 When there is a problem with the implementation or interpretation of the Code of Ethics, Ethics, or Code of Conduct, the problem must be raised in accordance with the chain of command. The Board of Directors has the ultimate decision-making power and the decision of the Board of Directors shall be final.

8.10 The Company shall review the Code of Ethics and Work Practices every 2 years to ensure that it is appropriate for the changing business situation and environment.

8.11 This Code of Ethics and Work Practices shall be considered as part of the Company's regulations.



## 9. Internal Training, Discipline, and Complaint Channels

The Company expects all employees to jointly monitor compliance with the Code of Ethics and Code of Conduct by encouraging inquiries in case of doubts or concerns about the guidelines for practice, including providing opportunities for employees or the general public to report any inappropriate behavior or behavior that violates ethics, codes of conduct, or codes of conduct. The whistleblower can follow the procedures in the whistleblowing and complaints document that the Company has announced at [www.adb.co.th](http://www.adb.co.th) and <http://knowledge.adb.com/>.

### 9.1 Discipline and Penalties

For the Company's employees who violate the Code of Ethics and Work Practices and cause damage to the Company, the Company may take disciplinary action as specified below, one or a combination, depending on the case and in accordance with the applicable work regulations, considering the severity of the violation and may punish the employees who commit the violation in accordance with civil and/or criminal laws as follows:

- (1) Verbal warning.
- (2) Issue a warning letter, record the employee's guilt in the violation.
- (3) Deduct bonuses from performance or annual bonuses or terminate employment.
- (4) If the violation is serious, the company may dismiss the employee in accordance with the Labor Protection Act B.

E. 2541 and the terms of the employment contract.

(5) If it is found that the supervisor intentionally conceals or fails to supervise the subordinate employee who violates the Code of Conduct, the supervisor may be warned or terminated.

### 9.2 Whistleblowing and Complaint Channels

All employees of the Company are required to report matters to the following persons/agencies when they find that the Company's employees may be involved in activities that violate the law or the Code of Ethics and Working Practices, as follows:

- 1) The head of the management unit to which the employee belongs.
- 2) The head of the Internal Control Office, acting and/or the Director of Human Resources and Development or legal advisor.
- 3) Suggestion box.
- 4) E-mail.

## 10. Penalties

All directors, executives and employees have a duty to comply with and encourage others to comply with this Code of Ethics and Work Practices. The following actions are considered a violation or omission of compliance with this work manual:

- 1) Failure to comply with this Code of Ethics and Work Practices document.
- 2) Advising, promoting or supporting others not to comply with this Code of Ethics and Work Practices.
- 3) Neglecting or ignoring when encountering a violation or non-compliance with this Code of Ethics and Work Practices if they know or should know because it is related to their work under their responsibility.
- 4) Failing to cooperate with or obstructing an investigation or inquiry into the facts that are alleged to have been a violation or non-compliance with this Code of Ethics and Work Practices.
- 5) Acting unfairly towards others because that person reported non-compliance with this Code of Ethics and Work Practices.

Any actions that are considered unethical as mentioned above will be subject to disciplinary punishment as appropriate according to the trial process, including being prosecuted if the action is illegal.

Policy and guidelines related to business code of conduct : <https://shorturl.at/eVwJd>

Page number of the reference link : 9-19

## Policy and guidelines related to business code of conduct

Guidelines related to business code of conduct : Prevention of misuse of inside information, Anti-corruption, Whistleblowing and Protection of Whistleblowers, Preventing the misuse of inside information, Gift giving or receiving, entertainment, or business hospitality, Compliance with laws, regulations, and rules, Anti-unfair competitiveness

## Prevention of misuse of inside information

### Conflict of Interest Policy

Applied DB Public Company Limited and its subsidiaries prioritize the consideration of various items transparently and beneficially to the Company. Therefore, it emphasizes the prevention of items that may be a conflict of interest, related items or inter-company items by setting guidelines, prohibitions and considerations to enable the Company's directors, executives and employees to understand how to comply with the Conflict of Interest Policy. In addition, the words used in this policy shall have the meanings specified in the Public Limited Company Act, the Securities and Exchange Act and the rules, announcements and orders of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand ("Securities Act")

The Company has therefore established a policy to prevent conflicts of interest of the Company's personnel in contacting business partners and other persons, which will affect the Company's operations. In order to maintain the highest benefits of the Company, shareholders and stakeholders

The Board of Directors has taken precautions against potential conflicts of interest and has strictly complied with the rules and guidelines of the Securities and Exchange Commission of Thailand. The Audit Committee has considered the purchase and sale of goods of the Company between related persons on a quarterly basis and presented the results and comments to the Board of Directors. It has guidelines to prevent benefits arising from related transactions or business operations or interests from performing duties by requiring the Company's directors or executives to comply with and report their interests. In the event that any director has an interest in any item or agenda, that director will not participate in the consideration of that agenda and will not have the right to vote on such matter.

In 2024, there were no conflicts of interest among the Company's directors, executives and employees.

Reference link for prevention of conflicts of interest : <https://shorturl.at/RfU7b>

Page number of the reference link : 2-4

### **Anti-corruption**

Applied DB Public Company Limited and its subsidiaries, collectively referred to as the Company, have a policy of conducting business with transparency, honesty, integrity and accountability in order to comply with laws and regulations, including implementing the principles of good corporate governance, which the Company has established and adhered to. The Company therefore aims to promote all personnel in the Company to have a good sense of honesty and integrity in performing their duties.

The Company is aware of the damage caused by corruption, which not only affects the good reputation of the Company but also has a great impact on the Company's management system and especially good social practices. The Company has therefore established an anti-corruption and corruption policy. This anti-corruption and corruption policy ("Policy") is an additional part of the Company's Code of Ethics and has been approved by the Board of Directors.

The Company has been a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) since December 2023. The certified membership lasts 3 years from the certification date. To affirm its intention to operate with concerns about governance principles, transparency, verifiability, and non-involvement with all forms of corruption, direct or indirect, when dealing with the public or private sectors. All personnel from the Board of Directors to executives and employees are prohibited from asking for, receiving or committing any fraudulent/corrupt act.

The Board of Directors outlined the anti-fraud and corruption risk management framework and the internal control system and defined the responsibilities of responsible persons, guidelines, and rules on the issue in writing, to provide a clear operational framework against corruption in all business activities for the Company's sustainability.

Reference link for anti-corruption : <https://shorturl.at/M86XP>

Page number of the reference link : 1-7

### **Whistleblowing and Protection of Whistleblowers**

The Company has established oversight measures and designated channels for all stakeholders, both internal and external, including employees and various stakeholder groups, to report whistleblowing or complaints. These may include corruption, suspected violations of laws, regulations, rules, and ethics with economic, social, and environmental impacts, or various policies, legal violations, and unfair practices, any actions that may cause damage to the Company, deficiencies in products or services, as well as suggestions and other complaints related to the Company. The Company has established measures to protect the confidentiality of whistleblowers and measures to provide remedies to those affected by the Company's operations.

Upon discovering any misconduct or suspicious behavior that may involve wrongdoing by the Board of Directors, executives, employees, and those working for the Company and its subsidiaries, please report such whistleblowing and complaints through the

channels designated by the Company in the Whistleblowing Policy.

Whistleblowers, complainants or those who cooperate in the investigation will receive appropriate and fair protection from the Company as follows:

1. The Company shall keep the information and identity of the whistleblower, the complainant, the accused, including those who cooperate in the investigation as confidential. The relevant persons who are aware of the matter or information related to the complaint must keep the information confidential and not disclose it to other persons, except where it is necessary to disclose it as required by law.
2. The Company shall disclose information only as necessary, taking into account the safety and damage of the reporter, the source of the information or the related persons.
3. Whistleblowers, complainants and those who cooperate in fact-finding investigations will have their rights protected, whether they are company personnel or external persons, to ensure their safety and avoid harassment.
4. The Company shall not act in any way that is unfair to the whistleblower, the complainant or the person who cooperates in the fact-finding investigation, such as transferring, changing positions, changing the nature of work, workplace, suspending work, threatening, disturbing work, terminating employment or taking any other action that is considered improper and unfair.

In 2024, the Company did not receive any reports or complaints regarding corruption or any reports that were detrimental to the business in any channels.

Reference link for whistleblowing and protection of : <https://shorturl.at/li4rz>  
whistleblowers

Page number of the reference link : 1-5

## Preventing the misuse of inside information

The Company has policies and procedures for overseeing directors and management in utilizing the Company's inside information, which is not yet disclosed to the public, for personal gain. The Company informs its directors and management, as well as those of its subsidiaries, about their duties in preparing and disclosing reports on their shareholdings in the Company, including those of their spouses and unemancipated minor children. They are also informed about the requirement to submit and disclose reports on shareholdings and changes in shareholdings of the Company to the Securities and Exchange Commission ("SEC") within 3 business days from the date of purchase, sale, or transfer of securities. Furthermore, the Company Secretary's Office issues a written notice prohibiting the trading of the Company's securities via email to directors, management, and related persons at least thirty (30) days prior to public disclosure and at least 24 hours after public disclosure. This also includes prohibiting the disclosure of such material information to other individuals. Additionally, it requires directors, management, and designated persons who wish to trade securities of the Company Group to notify the Company Secretary or a person designated by the Board of Directors at least 1 day prior to the transaction. The Company imposes disciplinary actions for violations of using inside information for personal gain, ranging from a written reprimand, salary deduction, temporary suspension without pay, or dismissal. The penalty will be considered based on the intent of the action and the severity of the offense. Violators may also be subject to penalties under applicable laws.

In 2024, there was no use of the Company's inside information to seek benefits for the directors, executives, employees and related persons.

Reference link for misuse of inside information : <https://shorturl.at/5MWEm>

Page number of the reference link : 2-7

## Gift giving or receiving, entertainment, or business hospitality

### Gifts, Hospitality, and Expense

The Company stipulates that the giving, offering, or receiving of gifts, souvenirs, and hospitality must be within reasonable limits and in accordance with traditional customs and practices. However, they must not be of excessive value and must not be an act intended to induce action or omission, which may lead to corruption.

Reference link for gift giving or receiving, entertainment, or : <https://shorturl.at/mLv7L>  
business hospitality

Page number of the reference link : 3 (6.2.3)

## Compliance with laws, regulations, and rules

## 1) Compliance with Laws

In conducting the Company's business, including directors and executives and in performing the duties of employees, employees must comply with the law, not do anything that will be a risk of illegal actions, including regulations issued by relevant officials, such as:

- The Company's personnel must work in accordance with the principles of the law, regulations, rules, requirements and policies of the Company, including performing any work in accordance with the principles of good corporate governance, risk management and internal control to create a good work culture of the Company.
- The Company's personnel must thoroughly understand the laws directly related to their duties and responsibilities and strictly comply with them. If unsure, seek advice from the internal control unit or the unit directly responsible.
- The Company has compiled the laws, rules and regulations of the program into categories for the Company's personnel to study and provide training and support in legal knowledge and understanding to the Company's personnel appropriately.

## 2) Compliance with Work Regulations, Rules, and Relevant Orders

In addition to complying with general laws, which is a fundamental duty that the Company, its employees, and staff must adhere to without any violation, the Company has work regulations, including rules, regulations, and orders that are currently in effect or may be announced in the future. Employees and staff are required to comply with these regulations. The Human Resources Department, the Internal Audit and Control Unit, and/or other relevant departments are responsible for notifying, announcing, amending, improving, and providing knowledge and understanding to employees and staff to ensure that they are aware of their duties and have a mutual understanding.

Reference link for compliance with laws, regulations, and rules : <https://shorturl.at/P9L5n>

Page number of the reference link : 9-10

## Anti-unfair competitiveness

### Treatment of Competitors

Competitors are individuals or juristic persons outside the Company that the Company must compete with through a general procurement process for the benefit of the business. The competition must be fair, without distortion of information, deception, or any other improper means in accordance with good competitive practices. Without violating or infringing upon the trade secrets of competitors by fraudulent means, the Company sets forth the following practices:

- 1) Conduct business in accordance with the law, with fair competition, and conduct ourselves within the framework of good competitive rules equally. Do not distort information, deceive, or use any other improper means in accordance with good competitive practices.
- 2) Do not seek confidential information of competitors by dishonest or inappropriate means.
- 3) Do not intentionally damage the reputation of competitors by making defamatory accusations, false accusations, or any other unfair competitive practices.
- 4) Do not infringe on the intellectual property of others or competitors and comply with intellectual property laws.
- 5) Do not prevent others from participating in business competition.

Reference link for anti-unfair competitiveness : <https://shorturl.at/P9L5n>

Page number of the reference link : 8 (4.5)

## Promotion of compliance with the business code of conduct

Promotion for the board of directors, executives, and : Yes  
employees to comply with the business code of conduct

The Company expects all employees to jointly monitor compliance with the Code of Ethics and Work Practices by encouraging inquiries in case of doubts or concerns about the guidelines for implementation, as well as providing opportunities for employees or the general public to report any inappropriate or unethical behavior, codes of conduct, or practices. The whistleblower can follow the methods of the whistleblowing and complaints document that the Company has announced.

In 2024, the Company provided knowledge about the Code of Ethics and Code of Conduct for Work, including the Company's important policies. In order to encourage the Board of Directors, executives, and employees to comply with the Code of Conduct, the Company's personnel were also asked to evaluate their knowledge and understanding of the Code of Ethics and Code of Conduct for Work, including important policies, by taking a test. From the evaluation results of a total of 204 employees, 88.31 percent of the total 231 employees took the test. The results of the 10-question test, the average test score of the employees was 84%, indicating that the Company's personnel have knowledge and understanding of the Code of Ethics and Code of Conduct for Work, and the Company's important policies.

## Participation in anti-corruption networks

Participation or declaration of intent to join anti-corruption networks	:	Yes
Anti-corruption networks or projects the company has joined or declared intent to join	:	Thai Private Sector Collective Action Against Corruption (CAC) CAC membership certification status : Certified

## 6.3 Material changes and developments in policy and corporate governance system over the past year

### 6.3.1 Material changes and developments related to the review of policy and guidelines in corporate governance system or board of directors' charter

In the past year, did the company review the corporate governance policy and guidelines, or board of directors' charter : Yes

Material changes and developments in policy and guidelines over the past year : Yes

#### Insider Trading Policy

Directors, executives, and persons designated by the Company who wish to trade in the securities of the Group must notify the Company Secretary or a person designated by the Board of Directors at least 1 day before making the purchase or sale. They must also complete the Group's Securities Trading Intention Form (IA1-FM-02-03) and submit it to the Company Secretary on the business day prior to the date of the desired trade.

#### Whistleblowing Policy

Adding a process for handling whistleblowing or complaints, including fact-finding, information processing and filtering, and measures to protect whistleblowers or complainants. Whistleblowers, complainants, or those who cooperate in the investigation will receive appropriate and fair protection from the Company, including penalties for those who make false whistleblowing or complaints.

#### Conflict of Interest Prevention Policy

Add guidelines on the disclosure of stakeholders of directors and executives for transparency and to prevent conflicts of interest by

- 1) In the case of the first report : Report within the 15th of the following month.
- 2) When a director or executive is newly appointed : Report within 7 business days from the date of appointment.
- 3) In the case of reporting when there is a change in the conflict of interest information : Report within 3 business days

from the date of the data change, stating the number of changes, etc.

#### Recruitment and remuneration consideration guidelines

The content has been reviewed and rewritten to be comprehensive and complete, consisting of

1) Criteria for selecting new directors and the process for appointing the Company's directors, sub-committees, and executives

- Recruitment and appointment of directors
- Expiration of term
- Orientation for new directors
- Process and criteria for evaluating the performance of the Board of Directors
- Director Development Plan
- Executive Recruitment

2) Criteria and procedures for determining the remuneration of the Company's directors, sub-committees, executives, and other personnel

- CEO Succession Plan
- Criteria and procedures for determining the remuneration of the Company's directors and sub-committees
- Criteria and procedures for determining the remuneration of executives and other personnel
- Human Resource Management and Development Policy

#### Board of Directors Regulations/Audit Committee Regulations

Additional responsibilities of the Board of Directors and the Audit Committee in performing their duties in preventing and deterring inappropriate conduct of listed companies to comply with the good practices of the Audit Committee to prevent and deter inappropriate conduct of listed companies

### 6.3.2 Implementation of the CG Code for listed companies

Implementation of the CG Code as prescribed by the SEC : Fully implement

The Company has adopted the eight principles of good corporate governance for listed companies (CG Code) as its corporate governance policy and strictly adheres to them.

### **6.3.3 Other corporate governance performance and outcomes**

From the internal audit and auditor's review, no significant non-compliance with policies was found.

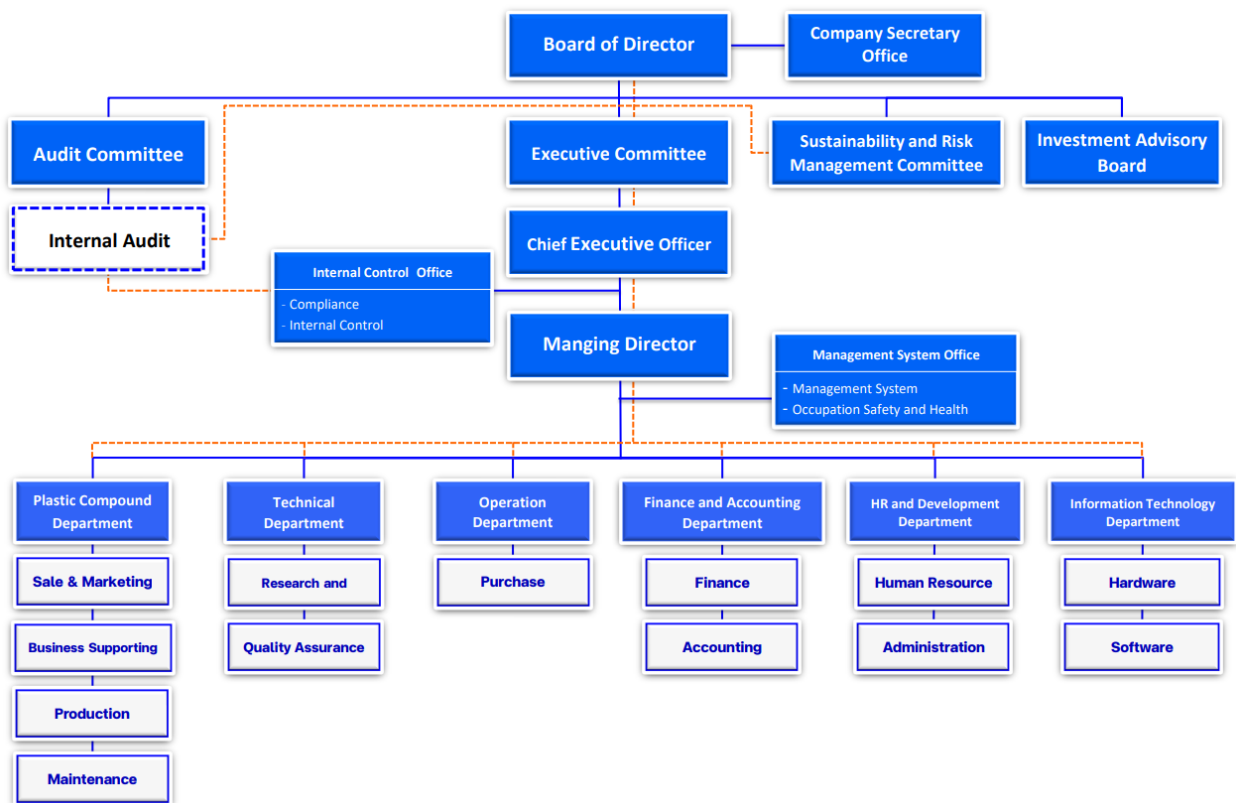
## 7. Corporate governance structure and significant information related to the board of directors, subcommittees, executives, employees, and others

### 7.1 Corporate governance structure

#### Corporate governance structure diagram

Corporate governance structure as of date : 31 December 2024

#### Corporate governance structure diagram



Corporate Governance Structure



## 7.2 Information on the board of directors

### 7.2.1 Composition of the board of directors

	Number (persons)	Percent (%)
Total directors	11	100.00
Male directors	8	72.73
Female directors	3	27.27
Executive directors	3	27.27
Non-executive directors	8	72.73
Independent directors	4	36.36
Non-executive directors who have no position in independent directors	4	36.36

### 7.2.2 The information on each director and controlling person

#### List of the board of directors

List of directors	Position	First appointment date of director	Skills and expertise
<p>1. Mr. PAWAT WONGTANGTRAKUL  Gender: Male  Age : 82 years  Highest level of education : Below a bachelor's degree  Study field of the highest level of education : Mechanical Engineering  Thai nationality : Yes  Residence in Thailand : Yes  Family relationship between directors and executives : Have  Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have  DAP course : Yes  DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 26,881,263 Shares (3.702654 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Chairman of the board of directors  (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	22 Mar 2017	Strategic Management, Governance/ Compliance, Marketing
<p>2. Mr. RATTANACHAI WONGCHAROENSIN  Gender: Male  Age : 74 years  Highest level of education : Below a bachelor's degree  Study field of the highest level of education : Honorary Degree  Thai nationality : Yes  Residence in Thailand : Yes  Family relationship between directors and executives : Have  Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have  DAP course : Yes  DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 297,055 Shares (0.040917 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director  (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	22 Mar 2017	Strategic Management, Governance/ Compliance, Marketing

List of directors	Position	First appointment date of director	Skills and expertise
<p>3. Mr. WANG WANAPAISON</p> <p>Gender: Male</p> <p>Age : 73 years</p> <p>Highest level of education : Below a bachelor's degree</p> <p>Study field of the highest level of education : Chemical Engineer</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 50,100,000 Shares (6.900827 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 17,843,615 Shares (2.457798 %)</li> </ul> <p><u>Indirect shareholding details</u></p> <p>Wife</p>	<p>Director (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	22 Mar 2017	<p>Governance/ Compliance, Marketing, Strategic Management, Sustainability, Leadership</p>
<p>4. Ms. PORNPIWAN NIRAMONCHARDCHAY</p> <p>Gender: Female</p> <p>Age : 54 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 6,000,000 Shares (0.826446 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	22 Mar 2017	<p>Finance, Accounting, Strategic Management, Governance/ Compliance, Sustainability</p>

List of directors	Position	First appointment date of director	Skills and expertise
<p>5. Mr. WEI-KAI WANG</p> <p>Gender: Male</p> <p>Age : 51 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : No</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 7,501,570 Shares (1.033274 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Executive Directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	22 Mar 2017	Strategic Management, Governance/ Compliance, Marketing, Leadership, Change Management
<p>6. Mr. VEERACHAI WONGCHAROENSIN</p> <p>Gender: Male</p> <p>Age : 45 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 908,000 Shares (0.125069 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	22 Mar 2017	Governance/ Compliance, Business Administration, Data Management, Project Management, Strategic Management

List of directors	Position	First appointment date of director	Skills and expertise
<p>7. Mr. MONGKON LAOWORAPONG</p> <p>Gender: Male</p> <p>Age : 55 years</p> <p>Highest level of education : Doctoral degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 0 Shares (0.000000 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Continuing director (Full term of directorship and being re-appointed as a director)</p>	22 Mar 2017	Finance, Accounting, Risk Management, Sustainability, Internal Control
<p>8. Mrs. MONPILAI NARASINGHA</p> <p>Gender: Female</p> <p>Age : 56 years</p> <p>Highest level of education : Doctoral degree</p> <p>Study field of the highest level of education : Engineering</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 0 Shares (0.000000 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	22 Mar 2017	Engineering, Risk Management, Industrial Materials & Machinery, Internal Control, Mining

List of directors	Position	First appointment date of director	Skills and expertise
<p>9. Mr. WUTTICHA WONGCHAROENSIN</p> <p>Gender: Male</p> <p>Age : 48 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : Yes</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 297,055 Shares (0.040917 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Non-executive directors)</p> <p>Authorized directors as per the company's certificate of registration : Yes</p> <p>Type of director : Existing director</p>	22 Mar 2017	Strategic Management, Risk Management, Data Management, Data Analysis, Corporate Management
<p>10. Mr. CHUNG JEN YANG</p> <p>Gender: Male</p> <p>Age : 52 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 0 Shares (0.000000 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director (Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	22 Mar 2017	Finance, Strategic Management, Governance/ Compliance, Marketing, Business Administration

List of directors	Position	First appointment date of director	Skills and expertise
<p>11. Mrs. KANCHANA PIYASATIT</p> <p>Gender: Female</p> <p>Age : 70 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Law</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p> <p>Family relationship between directors and executives : Doesn't Have</p> <p>Legal offenses in the past 5 years <sup>(*)</sup> : Doesn't Have</p> <p>DAP course : Yes</p> <p>DCP course : No</p> <p><b>Shareholding in a company</b></p> <ul style="list-style-type: none"> <li>• Direct shareholding : 0 Shares (0.000000 %)</li> <li>• Shareholding by persons related to directors, executives according to Section 59 <sup>(**)</sup> : 0 Shares (0.000000 %)</li> </ul>	<p>Director</p> <p>(Non-executive directors, Independent director)</p> <p>Authorized directors as per the company's certificate of registration : No</p> <p>Type of director : Existing director</p>	22 Mar 2017	Accounting, Finance, Strategic Management, Governance/ Compliance, Risk Management

Additional explanation :

(\*) Any offense under the Securities and Exchange Act B.E. 2535 (1992) or the Derivatives Act B.E. 2546 (2003), only in the following cases:

(1) Dishonest act or gross negligence

(2) Disclosure or dissemination of false information or statements that may be misleading or conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved

(3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.

(\*\*) Shareholdings by persons related to directors or executives as prescribed in Section 59 of the Securities and Exchange Act B.E. 2535 (1992), such as spouses or cohabiting couple (unmarried couples living together openly), minor children, etc.

## Diagram of the board of directors

## The Board of Director



• **Mr.Pawat Wongtangtrakul**  
- Chairman of the Board

• **Mr.Wang Wanapaison**  
- Director  
- Sustainability and Risk Management Committee  
- Chairman of the Executive Committee  
- Chief Executive Officer

• **Mr.Rattanachai Wongcharoensin**  
- Director



• **Ms.Pornpiwan Niramoncherdchay**  
- Director  
- Sustainability and Risk Management Committee  
- Executive Committee  
- Managing Director

• **Mr.Wei Kai Wang**  
- Director  
- Executive Committee  
- Senior Vice President of Plastic Compound Department

• **Mr.Veerachai Wongcharoensin**  
- Director  
- Executive Committee

• **Mr.Wuttichai Wongcharoensin**  
- Director  
- Sustainability and Risk Management Committee  
- Executive Committee



• **Mr.Yang Chung Jen**  
- Independent Director

• **Dr.Mongkon Laoworapong**  
- Independent Director  
- Chairman of the Audit Committee  
- Chairman of the Sustainability and Risk Management Committee  
- Chairman of the Investment Advisory Board Committee

• **Asst. Prof. Dr. Monpilai H.Narasingha**  
- Independent Director  
- Audit Committee  
- Sustainability and Risk Management Committee  
- Investment Advisory Board Committee

• **Mrs.Kanchana Piyasatit**  
- Independent Director  
- Audit Committee

List of the board of directors by position



List of the board of directors	Position	Executive directors	Non-executive directors	Independent directors	Non-executive directors who have no position in independent directors	Authorized directors as per the company's certificate of registration
1. Mr. PAWAT WONGTANGTRAKUL	Chairman of the board of directors		✓		✓	✓
2. Mr. RATTANACHAI WONGCHAROENSIN	Director		✓		✓	
3. Mr. WANG WANAPAISON	Director	✓				✓
4. Ms. PORNPIWAN NIRAMONCHARDCHAY	Director	✓				
5. Mr. WEI-KAI WANG	Director	✓				✓
6. Mr. VEERACHAI WONGCHAROENSIN	Director		✓		✓	✓
7. Mr. MONGKON LAOWORAPONG	Director		✓	✓		
8. Mrs. MONPILAI NARASINGHA	Director		✓	✓		
9. Mr. WUTTICHAJ WONGCHAROENSIN	Director		✓		✓	✓
10. Mr. CHUNG JEN YANG	Director		✓	✓		
11. Mrs. KANCHANA PIYASATIT	Director		✓	✓		
Total (persons)		3	8	4	4	5

### Overview of director skills and expertise

Skills and expertise	Number (persons)	Percent (%)
1. Industrial Materials & Machinery	1	9.09
2. Mining	1	9.09
3. Marketing	5	45.45
4. Accounting	3	27.27
5. Finance	4	36.36
6. Sustainability	3	27.27
7. Data Management	2	18.18
8. Data Analysis	1	9.09
9. Project Management	1	9.09
10. Corporate Management	1	9.09

Skills and expertise	Number (persons)	Percent (%)
11. Engineering	1	9.09
12. Change Management	1	9.09
13. Leadership	2	18.18
14. Strategic Management	9	81.82
15. Risk Management	4	36.36
16. Internal Control	2	18.18
17. Governance/ Compliance	8	72.73
18. Business Administration	2	18.18

### Information about the other directors

The chairman of the board and the highest-ranking executive : No  
are from the same person

The chairman of the board is an independent director : No

The chairman of the board and the highest-ranking executive : Yes  
are from the same family

Chairman is a member of the executive board or taskforce : No

The company appoints at least one independent director to : Yes  
determine the agenda of the board of directors' meeting

### The measures for balancing the power between the board of directors and the Management

The measures for balancing the power between the board of : Yes  
directors and the Management

Methods of balancing power between the board of directors : Appointing an independent director to jointly consider the agenda  
and Management of the board of directors' meeting

#### 1) Separation of the Chairman of the Board and the Chief Executive Officer

The Board of Directors promotes good corporate governance by stipulating that the Chairman of the Board be a different person from the Chief Executive Officer. Although the Chairman of the Board is not the same person as the Chief Executive Officer, they are considered non-independent due to their blood relationship. Therefore, the Chairman of the Audit Committee is assigned to review and provide opinions on the agenda of the Board of Directors' meetings and shareholders' meetings, as well as having a clear separation of powers and duties. This is in accordance with the authority and operational procedures approved by the Board of Directors to enable the Board of Directors to independently monitor and balance the work of management.

#### 2) Board Balance, Board of Directors

Establish an appropriate composition of the Board of Directors with a clear division of roles, responsibilities, and accountability between the Board of Directors and management. All directors shall have the independence to express their opinions on the Company's operations with honesty and integrity, act in the best interests of the Company without being dominated, and be responsible for performing their duties in accordance with the law, the Company's Articles of Association, as well as the resolutions of the Board of Directors' meetings and shareholders' meetings.

Reference link for the measures for balancing the power : <https://shorturl.at/2rsNw>  
between the board of directors and the management

Page number of the reference link : 2

### 7.2.3 Information on the roles and duties of the board of directors

Board charter : Yes

The Company's Directors have the power and responsibility to manage the Company in accordance with the law, the Company's objectives, and regulations, as well as the resolutions of the shareholders' meetings that are in accordance with the law with honesty, integrity, and prudence, and to protect the interests of the Company. In summary, the key powers and responsibilities are as follows:

1) Directors must perform their duties in accordance with the law, the objectives and regulations of the Company, and the resolutions of the shareholders' meeting with honesty, integrity, prudence, and in the best interests of the Company.

2) Have the duty to determine the vision, policies, and operational direction of the company and to supervise and oversee the management to operate in accordance with the established policies and plans effectively and efficiently in order to maximize the economic value of the business and the wealth of the shareholders.

3) Monitor the performance to be in accordance with the policies and objectives of the business operations. This will require setting clear indicators to be used as guidelines for operations, taking into account feasibility and reasonableness. In addition, there must be regular reviews of policies and compliance with such policies.

4) Carefully consider conflicts of interest, consider transactions that may involve conflicts of interest, with clear guidelines that are in the best interests of the Company and the shareholders as a whole. Stakeholders shall not participate in the decision-making process and shall oversee that the requirements regarding the procedures and disclosure of information on transactions that may involve conflicts of interest are properly, completely, and transparently implemented.

5) Determine the authority and level of approval for transactions and various operations related to the Company's business to groups of persons or individuals as appropriate and in accordance with relevant laws by preparing an authorization manual and having it reviewed at least annually.

6) Oversee the Company to have appropriate internal control and internal audit systems, effective checks and balances in terms of finance, operations, compliance with relevant laws, regulations, and rules, including the establishment of an independent internal audit unit reporting directly to the Audit Committee.

7) Establish a risk management policy that covers the entire organization, with the management being responsible for complying with the policy and reporting to the Board of Directors on a regular basis. Ensure that the risk management system is reviewed or its effectiveness is assessed regularly and whenever the level of risk is found to have changed in the specified direction. As well as paying attention to early warning signs and various anomalies.

8) Appoint subcommittees or any person to assist in overseeing, monitoring, and controlling the management of the Company in material matters under the supervision of the Board of Directors, including evaluating the performance and determining the remuneration of such subcommittees or persons, or delegate authority to such subcommittees or persons as the Board deems appropriate and for such period as the Board deems appropriate, which the Board may revoke, withdraw, change, or amend such authority.

9) Define the scope of authority, duties, appointment, transfer, salary reduction, removal, dismissal, consideration of merits, disciplinary action, rewards for the position of Chief Executive Officer (CEO).

10) Act as the Nomination and Remuneration Committee in lieu of such committee when vacant or not appointed, with the duty to nominate and consider the remuneration of the positions of the Company's Directors, Chief Executive Officer, and Chief Financial Officer upon their expiration of term or resignation.

11) Appoint persons as directors or executives of subsidiaries, as well as monitor the operations of subsidiaries by requiring regular reporting of operating results.

12) Appoint and remove the Company Secretary, who shall be responsible for supporting the work of the Board of Directors, preparing and maintaining the Company's important documents, and performing other duties as required by law or as assigned by the Board of Directors.

13) Ensure that the Company has a corporate governance policy, a code of business conduct, and an anti-fraud and corruption policy in writing and that such policies are reviewed and complied with at least annually.

14) Ensure that the business operations are conducted in the best interests of the Company, all shareholders, both large and small shareholders, institutional investors, and other stakeholders, including employees, customers, partners, competitors, creditors, communities, society, and the environment, as well as ensuring that they receive their rights as prescribed by law.

15) Promote and support value creation through innovation and technology throughout the business chain to enhance the Company's competitiveness by developing the knowledge, skills, and attributes of employees at all levels to have the potential to align with the objectives, goals, and vision of the organization.

16) Promote and instill in employees at all levels the awareness of morality, ethics, and responsible performance of duties in accordance with the corporate governance policy, code of business conduct, and anti-fraud and corruption policy, including not taking undue advantage of the Company's assets, information, and opportunities.

17) Manage and oversee all directors and executives to perform their duties responsibly, prudently, and honestly in accordance with the principles stipulated in Chapter 3/1, Part 2 of the Securities and Exchange Act B.E. 2535 ("SEA") by adhering to the aforementioned principles. The Board of Directors must exercise discretion in considering various matters on the

fundamental principle that the decision is made honestly, reasonably, based on sufficient and appropriate information, and without any direct or indirect conflict of interest to ensure that the performance of the directors' duties is truly in the best interests of the Company and the shareholders as a whole.

18) Review the authorization and operational procedures to be appropriate for the changing circumstances, conditions, and size of the business, and must take steps to ensure that there are independent and appropriate checks and balances on the approval of transactions, such as a clear segregation of duties between the approver and the reviewer.

19) The Board of Directors must take any action to ensure that the Company's internal control system, including, can detect irregularities and prevent fraud that may arise from the transactions and operations of subsidiaries in foreign countries.

20) Oversee and monitor material asset acquisition or disposal transactions ("MT") and related party transactions ("RPT"), including the Company's and its subsidiaries' fundraising transactions.

21) Review the internal control system to be in line with such transactions, especially in the event that the Company raises funds, the Board of Directors must ensure that the Company has a system to monitor the use of the proceeds to be in accordance with the disclosed objectives.

22) Ensure that the Company has a system for disclosing information, conducting transactions, and operating the business of the listed company that is accurate, appropriate, complete, and equitable to all investor groups, including the trading of securities by the Company's directors, executives, and employees who may be aware of material inside information of the Company in a prudent and appropriate manner to prevent the use of disclosure channels as a tool to manipulate the Company's securities prices for the benefit of any particular group of persons or the disclosure of information in a manner that misleads investors about the benefits that the Company will receive from such transactions.

23) Encourage the listed company to comply with the principles of good corporate governance for listed companies 2017 ("CG Code") and participate in various assessments by relevant agencies.

24) Approval Authority

(1) Consider and approve any contract that is not related to the normal course of business or a contract relating to the normal course of business that is material.

(2) Consider and approve related party transactions between the Company or its subsidiaries and related persons in accordance with the criteria prescribed by the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Office of the Securities and Exchange Commission, and transactions that do not fall under such criteria.

(3) Consider and approve changes to material accounting policies and practices, risk management, and the Company's internal control.

(4) Consider and approve the salary adjustment and bonus limits or the annual remuneration criteria for executives and employees.

(5) Consider and approve the restructuring of the organization at the department level or higher.

(6) Have other powers, duties, and responsibilities as prescribed by laws, rules, regulations, the Company's Articles of Association, and resolutions of the shareholders' meeting.

Reference link for the board charter : <https://shorturl.at/bjLgR>

Page number of the reference link : 3-5

## 7.3 Information on subcommittees

### 7.3.1 Information on roles of subcommittees

#### Roles of subcommittees

##### Audit Committee

##### Role

- Audit of financial statements and internal controls

##### Scope of authorities, role, and duties

The Audit Committee is accountable to the Company's Board of Directors within the scope of its assigned responsibilities. Its duties are as follows:

- 1) Review the Company's financial reporting to ensure accuracy, adequate disclosure, and compliance with accounting and financial reporting standards.
- 2) Review, consider, and approve both quarterly and annual financial statements, and communicate regularly with management and those charged with governance, including the Chief Financial Officer. The Audit Committee may recommend that the auditor review or examine any items deemed important and necessary during the Company's audit. In the event of significant irregularities in the financial statements, the Audit Committee shall investigate the cause from related parties.
- 3) Review the Company's compliance with the Public Company Act, the Securities and Exchange Act, the notifications of the Securities and Exchange Commission, the regulations of the Stock Exchange of Thailand, and other laws related to the Company's business operations.
- 4) Review the Company's internal control and internal audit systems to ensure that the Group has appropriate and effective internal control systems.
- 5) Oversee the performance of the Internal Audit Department to ensure alignment with the approved annual audit plan and adherence to international standards for the professional practice of internal auditing on a continuous and consistent basis.
- 6) Consider the independence of the internal audit function to ensure its effectiveness, as well as consider the selection of qualified individuals to serve as the Head of Internal Audit, including approving the appointment, transfer, and termination of the Head of Internal Audit or any other unit responsible for internal audit work.
- 7) Consider and approve the Group's annual internal audit plan, taking into account the type and level of risk that may affect the Group. The Audit Committee also considers and approves the review and improvement of the internal control system to keep pace with changes in business operations and to ensure that the system can detect irregularities and prevent potential fraud. Additionally, the Audit Committee reviews audit reports and considers follow-up on issues identified in the audit reports.
- 8) Consider the selection, propose the appointment, or propose the termination of independent individuals to serve as the Company's auditor, including considering the auditor's remuneration and submitting it to the Board of Directors for approval before proposing it to the shareholders' meeting for approval.
- 9) Coordinate with the auditor regarding the objectives, scope, approach, work plan, and problems encountered during the audit, as well as significant issues identified by the auditor. The Audit Committee shall also meet with the auditor without management present at least once a year.
- 10) Review the Company's internal operations and provide recommendations to the Board of Directors and/or management in cases where the Audit Committee deems it beneficial to oversee the Company's operations to be effective and achieve its objectives in accordance with good corporate governance principles.
- 11) Review the accuracy of reference documents and self-assessments regarding the Company's anti-corruption measures under the Collective Action Coalition Against Corruption framework. The Audit Committee also oversees and monitors the adequacy and effectiveness of anti-corruption policies and practices.
- 12) The Audit Committee serves as a channel for receiving complaints and whistleblowing reports from internal personnel or external agencies regarding fraud, corruption, or misconduct related to good corporate governance principles. Upon receiving a complaint, the Audit Committee shall take action in accordance with the policies or relevant operating manuals established by the Board of Directors.
- 13) Consider, monitor, and follow up on the acquisition or disposal of material assets (MT), related party transactions (RPT), or

transactions that may involve conflicts of interest to ensure compliance with the Securities and Exchange Act, the regulations and announcements of the Stock Exchange of Thailand, and/or other relevant laws applicable to the Group and/or its businesses. This is to ensure that such transactions are reasonable and in the best interests of the Group.

14) Prepare the Audit Committee Report for submission to the Board of Directors, which shall be disclosed in the Company's annual report. The report must be signed by the Audit Committee Chairman.

15) Consider and monitor the use of proceeds from fundraising to ensure alignment with the disclosed objectives by:

(1) Considering details related to the use of proceeds, such as the feasibility of project investments, the appropriateness of the fundraising amount and channels, the capital structure of the listed company, and investment agreements. The Audit Committee should also ensure that management thoroughly studies the economic conditions and growth prospects of the industries in

which the listed company intends to invest the proceeds to prevent situations where the listed company raises funds but is unable to invest in the projects or businesses as projected.

(2) Ensuring that the Company has mechanisms in place to properly and appropriately manage and monitor the use of proceeds in accordance with the disclosed objectives, such as internal control systems that ensure transparency and auditability of the disbursement of proceeds.

(3) If the proceeds are not used in accordance with the disclosed objectives, the Audit Committee must promptly take corrective actions and establish measures to prevent and deter the listed company from misusing the proceeds or using them for purposes other than those disclosed, which could harm the listed company and its shareholders.

(4) Ensuring that the listed company reports and discloses information on the use of proceeds from fundraising to shareholders in an appropriate and timely manner, and in accordance with the reporting timeframe specified in the regulations.

16) Perform other duties as assigned by the Company's Board of Directors with the approval of the Audit Committee.

**Reference link for the charter**

<https://shorturl.at/i3aRU>

## Executive Committee

### Role

- Director and executive nomination
- Remuneration

### Scope of authorities, role, and duties

The Executive Committee shall perform its duties as assigned by the Board of Directors, with the following scope of authority and responsibilities:

- 1) Formulate strategies, consider, and refine the annual business plan and budget, including the management structure to ensure alignment with the company's short-term and long-term policies and objectives, for presentation to the Board of Directors.
- 2) Consider significant policies, regulations, and practices proposed by management or the Executive Committee, and recommend their implementation to management to ensure efficient and transparent company management.
- 3) Determine the company's financial and investment policies, set investment policy directions in line with company policies, approve investment criteria, and propose investment proposals in accordance with company regulations to the Investment Advisory Committee or the Board of Directors as determined by the company.
- 4) Supervise and monitor the company's operations to ensure compliance with the policies, operational plans, and annual budgets set by the Board of Directors, and report the results to the Board of Directors.
- 5) Approve financial and non-financial transactions of the company within the scope of approval authority.
- 6) Establish an organizational structure, chain of command, authority, and approval levels for each individual to ensure appropriateness and segregation of duties that may facilitate fraud, and present it to the Board of Directors for approval, as well as monitor compliance with approved principles and regulations.
- 7) Act on behalf of the Nomination and Remuneration Committee while the company does not have such a committee. In terms of nomination, consider and select candidates for the Board of Directors, subcommittees, Chief Executive Officer, senior management, and company secretary, taking into account their qualifications and suitability for the company's context, and present them to the Board of Directors for approval.
- 8) Determine remuneration, establish criteria, and policies for determining appropriate and necessary compensation, both monetary and non-monetary, for the Board of Directors and subcommittees. Remuneration should be determined based on responsibilities, performance, benchmarking against comparable companies, and expected benefits to be received from the directors, for presentation to the Board of Directors for consideration and submission to the shareholders' meeting for approval.
- 9) Consider an effective management and organizational structure, encompassing personnel recruitment, salary structure, and authority to determine the scope of duties, appointment, transfer, salary reduction, removal, dismissal, performance evaluation, disciplinary action, and rewards for Senior Vice Presidents (SVPs) and Vice Presidents (VPs) or equivalent. The authority may be delegated to the Chief Executive Officer or authorized representative to sign employment contracts on behalf of the company.
- 10) Evaluate the performance of the company's top executives and report the results to the Board of Directors meeting for their consideration and approval.
- 11) Ensure that the company has an appropriate and comprehensive internal control system in collaboration with the Audit Committee.
- 12) Analyze investment projects, risks, and expected benefits for the company, and present them to the Board of Directors for approval.
- 13) Monitor, supervise, and analyze the company's operating results and investment projects, and propose improvements to the Board of Directors for consideration.
- 14) Monitor investments to ensure compliance with regulations, rules, and capital market guidelines.
- 15) Review risk management reports to monitor significant risks and their management to ensure that the organization has adequate and appropriate risk management measures in place. The committee can also call emergency meetings in case of urgent and significant risks or crises.
- 16) Consider and refine all matters submitted to the Board of Directors, except for matters that fall under the responsibilities and/or authority of other subcommittees of the company, which will be considered and refined for direct submission to the Board of Directors.
- 17) Consider other matters as assigned by the Board of Directors. The delegation of authority mentioned above must not empower the Executive Committee or its delegate to approve matters in which they or related persons have conflicts of interest, as defined by the SEC, with the company or its subsidiaries, except for approvals made in accordance with the criteria approved by the Board of Directors.

#### Reference link for the charter

<https://shorturl.at/Rbhhu>

### Sustainability and Risk Management Committee

#### Role

- Risk management
- Sustainability development

#### Scope of authorities, role, and duties

##### ## Risk Management

1. Establish and review the company's risk management policies, objectives, and framework, encompassing both Integrated Risk Management and key business risks. These include Strategic Risk, Business Risk, Operational Risk, Financial Risk, Compliance Risk, including fraud and corruption, and ESG Risk related to Environmental, Social, and Governance issues, as well as Emerging Risk. Ensure alignment with international standards, operational strategies, business plans, and the changing circumstances of each period for effective business operations.
2. Develop and approve appropriate risk management plans by gathering input from executives and employees from various departments. This collaborative effort aims to assess risk factors that could significantly impact the company's business operations and formulate risk management plans at all levels to mitigate potential adverse effects.
3. Support and enhance the effectiveness of the risk management system. Monitor the company's regular risk assessments, particularly when significant changes occur, and ensure appropriate risk management practices are implemented.
4. Supervise, monitor, and review critical risk management plans and reports. Provide recommendations to ensure effective and appropriate risk management aligned with the company's business operations. This includes managing risks within acceptable levels and in accordance with the company's risk management policy.
5. Coordinate with the Audit Committee on significant risks. Engage the internal audit function to review and ensure that the company has an adequate internal control system for risk management. This includes the proper implementation and organization-wide adoption of the risk management system.
6. Regularly report to the Board of Directors on significant risks and risk management outcomes.
7. Promote risk management awareness among executives and employees. Communicate and enhance understanding of risk management to foster its implementation at all company levels. Cultivate a Risk Culture throughout the organization.
8. Provide advice and consultation to the risk management working group and/or relevant risk management units. Consider appropriate approaches to modify work systems related to risk management system development.

##### ## Sustainability Management

1. Develop the company's sustainability plan and oversee subsidiaries to align with the sustainability policy and corporate strategy. Monitor, supervise, and drive the implementation of the sustainability plan.
2. Support and monitor the company's sustainability performance for reporting to the Board of Directors.
3. Oversee and support the preparation of sustainability reports. Provide approval for sustainability reports to be disclosed to the public.
4. Communicate and promote stakeholder engagement to foster a sustainability culture within the company's business operations and processes.

##### ## Other Responsibilities

1. Review and update the charter of the Sustainability and Risk Management Committee annually. Any amendments to the charter must be submitted to the Board of Directors for approval.
2. Perform other duties as assigned by the Board of Directors.

#### Reference link for the charter

<https://shorturl.at/TibtY>



## Investment Advisory Board Committee

### Role

- Other
  - The company's investment policy, criteria, and scope, including investment monitoring, must comply with the established investment policy, criteria, and scope.

### Scope of authorities, role, and duties

- 1) Consider and establish investment policies, criteria, and limits, including monitoring and overseeing the company's investments to ensure compliance with the established investment policies, criteria, and limits.
- 2) Analyze investment projects, risks, and return on investment that the company is expected to receive for the Board of Directors' approval.
- 3) Other duties as assigned by the Board of Directors.
- 4) Advise the Board of Directors.

### Reference link for the charter

<https://shorturl.at/kDzcW>

## 7.3.2 Information on each subcommittee

### List of audit committee

List of directors	Position	Appointment date of audit committee member	Skills and expertise
1. Mr. MONGKON LAOWORAPONG <sup>(*)</sup> Gender: Male Age : 55 years Highest level of education : Doctoral degree Study field of the highest level of education : Accounting Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : Yes	Chairman of the audit committee (Non-executive directors, Independent director)  Director type : Continuing director (Full term of directorship and being re-appointed as a director)	22 Mar 2017	Finance, Accounting, Risk Management, Sustainability, Internal Control
2. Mrs. MONPILAI NARASINGHA Gender: Female Age : 56 years Highest level of education : Doctoral degree Study field of the highest level of education : Engineering Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : No	Member of the audit committee (Non-executive directors, Independent director)  Director type : Existing director	22 Mar 2017	Engineering, Risk Management, Industrial Materials & Machinery, Internal Control, Mining
3. Mrs. KANCHANA PIYASATIT <sup>(*)</sup> Gender: Female Age : 70 years Highest level of education : Master's degree Study field of the highest level of education : Law Thai nationality : Yes Residence in Thailand : Yes Expertise in accounting information review : Yes	Member of the audit committee (Non-executive directors, Independent director)  Director type : Existing director	1 May 2018	Accounting, Finance, Strategic Management, Governance/ Compliance, Risk Management

Additional explanation :

(\*) Directors with expertise in accounting information review

## List of executive committee members

List of directors	Position	Appointment date of executive committee member
<p>1. Mr. WANG WANAPAISON</p> <p>Gender: Male</p> <p>Age : 73 years</p> <p>Highest level of education : Below a bachelor's degree</p> <p>Study field of the highest level of education : Chemical Engineer</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p>	Chairman of the executive committee	22 Mar 2017
<p>2. Ms. PORNPIWAN NIRAMONCHARDCHAY</p> <p>Gender: Female</p> <p>Age : 54 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p>	Member of the executive committee	22 Mar 2017
<p>3. Mr. VEERACHAI WONGCHAROENSIN</p> <p>Gender: Male</p> <p>Age : 45 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p>	Member of the executive committee	22 Mar 2017
<p>4. Mr. WUTTICHAI WONGCHAROENSIN</p> <p>Gender: Male</p> <p>Age : 48 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : Yes</p> <p>Residence in Thailand : Yes</p>	Member of the executive committee	22 Mar 2017
<p>5. Mr. WEI-KAI WANG</p> <p>Gender: Male</p> <p>Age : 51 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : No</p> <p>Residence in Thailand : Yes</p>	Member of the executive committee	22 Mar 2017

List of directors	Position	Appointment date of executive committee member
6. Mr. Kang Hsu Liu Gender: Male Age : 53 years Highest level of education : Bachelor's degree Study field of the highest level of education : Engineering Thai nationality : No Residence in Thailand : Yes	Member of the executive committee	22 Mar 2017
7. Mr. Piriya Mounkram Gender: Male Age : 45 years Highest level of education : Bachelor's degree Study field of the highest level of education : Material Technology (Petrochemicals and Materials, Polymers) Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	6 Sep 2019
8. Mr. Jirawat Akkaranupornpong Gender: Male Age : 47 years Highest level of education : Master's degree Study field of the highest level of education : Accounting Thai nationality : Yes Residence in Thailand : Yes	Member of the executive committee	6 Sep 2019

### Other Subcommittees

Subcommittee name	Name list	Position
Sustainability and Risk Management Committee	Mr. MONGKON LAOWORAPONG	The chairman of the subcommittee (Independent director)
	Mr. WANG WANAPAI SON	Member of the subcommittee
	Ms. PORNPIWAN NIRAMONCHARDCHAY	Member of the subcommittee
	Mr. WUTTICHA I WONGCHAROENSIN	Member of the subcommittee
	Mrs. MONPILAI NARASINGHA	Member of the subcommittee (Independent director)
	Mr. Piriya Mounkram	Member of the subcommittee

Subcommittee name	Name list	Position
Investment Advisory Board Committee	Mr. MONGKON LAOWORAPONG	The chairman of the subcommittee (Independent director)
	Mrs. MONPILAI NARASINGHA	Member of the subcommittee (Independent director)

## 7.4 Information on the executives

### 7.4.1 List and positions of the executive

List of the highest-ranking executive and the next four executives

List of executives	Position	First appointment date	Skills and expertise
<p>1. Mr. WANG WANAPAISON</p> <p>Gender: Male</p> <p>Age : 73 years</p> <p>Highest level of education : Below a bachelor's degree</p> <p>Study field of the highest level of education : Chemical Engineer</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	<p>Chief Executive Officer</p> <p>(The highest-ranking executive)</p>	4 Jan 2005	<p>Governance/ Compliance,</p> <p>Marketing, Strategic Management,</p> <p>Sustainability, Leadership</p>
<p>2. Ms. PORNPIWAN NIRAMONCHARDCHAY</p> <p>Gender: Female</p> <p>Age : 54 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Finance</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Board of Directors	1 Jan 2020	<p>Finance, Accounting,</p> <p>Strategic Management,</p> <p>Governance/ Compliance,</p> <p>Sustainability</p>
<p>3. Mr. WEI-KAI WANG</p> <p>Gender: Male</p> <p>Age : 51 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Business Administration</p> <p>Thai nationality : No</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	<p>Senior Product Manager,</p> <p>Plastic Compounds</p>	1 Jan 2023	<p>Strategic Management,</p> <p>Governance/ Compliance,</p> <p>Marketing, Leadership,</p> <p>Change Management</p>

List of executives	Position	First appointment date	Skills and expertise
<p>4. Mr. Piriya Moungram</p> <p>Gender: Male</p> <p>Age : 45 years</p> <p>Highest level of education : Bachelor's degree</p> <p>Study field of the highest level of education : Material Technology (Petrochemicals and Materials, Polymers)</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Technical Flute Facilitator	1 Jan 2023	Petrochemicals & Chemicals, Sustainability, Strategic Management, Risk Management, Governance/ Compliance
<p>5. Mr. Jirawat Akkaranupornpong<sup>(*)</sup></p> <p>Gender: Male</p> <p>Age : 47 years</p> <p>Highest level of education : Master's degree</p> <p>Study field of the highest level of education : Accounting</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : Yes</p> <p>Accounting supervisor : No</p>	Chief Financial Officer	1 Jan 2020	Finance, Accounting, Strategic Management, Governance/ Compliance, Law
<p>6. Ms. Nutta Likitrujanont</p> <p>Gender: Female</p> <p>Age : 61 years</p> <p>Highest level of education : Below a bachelor's degree</p> <p>Study field of the highest level of education : Market</p> <p>Thai nationality : Yes</p> <p>Residing in Thailand : Yes</p> <p>Highest responsibility in corporate accounting and finance : No</p> <p>Accounting supervisor : No</p>	Operations Manager	1 Jan 2020	Petrochemicals & Chemicals, Packaging, Marketing, Procurement



List of executives	Position	First appointment date	Skills and expertise
7. Ms. Sirisuda Sujariyanurak Gender: Female Age : 48 years Highest level of education : Master's degree Study field of the highest level of education : Business Administration Thai nationality : Yes Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Human Resources and Development Management	1 Jan 2020	Human Resource Management, Corporate Social Responsibility, Sustainability, Data Management, Corporate Management
8. Mr. CHENG HSIEN CHEN Gender: Male Age : 49 years Highest level of education : Bachelor's degree Study field of the highest level of education : Electrical Engineering Thai nationality : No Residing in Thailand : Yes Highest responsibility in corporate accounting and finance : No Accounting supervisor : No	Information Technology Support	3 Dec 2020	Information & Communication Technology, Data Analysis, IT Management, Engineering

Additional Explanation :

(\*) Highest responsibility in corporate accounting and finance

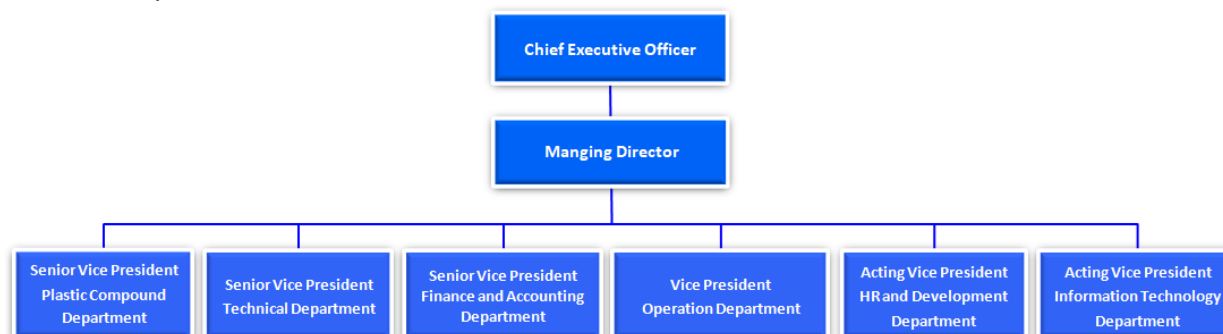
(\*\*) Accounting supervisor

(\*\*\*) Appointed after the fiscal year end of the reporting year

## Organization structure diagram of the highest-ranking executive and the next four executives

Organization structure of the highest-ranking executive and the : 31 Dec 2024  
next four executives as of date

## Organization structure diagram of the highest-ranking executive and the next four executives from the top executive



### 7.4.2 Remuneration policy for executive directors and executives

The Company has established clear and transparent policies, principles, and methods for the recruitment and determination of remuneration for both non-executive directors and executive directors, which are appropriate and comparable to those of the same industry. The Board of Directors will initially consider the remuneration and submit the information to the Board of Directors' meeting for consideration before submitting it to the Annual General Meeting of Shareholders for approval. The criteria and methods for determining various remunerations are as follows:

#### Principles and Methods for Determining the Remuneration of the Board of Directors and Subcommittees

##### 1) Remuneration of Directors and Subcommittees

1.1) Remuneration of the Board of Directors shall be considered based on the duties, responsibilities, and performance of the Board of Directors and must be approved by the shareholders' meeting.

1.2) The Board of Directors will consider the types of remuneration, methods of payment, and amount of remuneration for directors, as well as present them to the Board of Directors for approval and to the shareholders' meeting for further approval.

1.3) The Company has established a clear and transparent remuneration policy whereby the remuneration is appropriate to the duties and responsibilities assigned to each director and is at a level sufficient to attract and retain qualified directors and executives.

1.4) Types of compensation consist of 2 parts:

- Monthly remuneration
- Meeting allowance

1.5) The remuneration of the Board of Directors and subcommittees must be approved by the Annual General Meeting of Shareholders.

##### 2) Other Remuneration - None -

#### Principles and Methods for Determining the Remuneration of Senior Executives and Other Personnel

##### 1) Remuneration of the Chief Executive Officer and Senior Executives

The Board of Directors shall establish a compensation structure that motivates the Chief Executive Officer and senior executives to align with the objectives and key goals of the organization, including the long-term interests of the business.

1.1) Consider the appropriateness of the proportion of compensation that is salary, short-term performance, such as bonuses, and long-term performance.

1.2) Establish a remuneration policy that takes into account factors such as: remuneration levels higher than or equal to the industry average, business performance, etc.

1.3) Establish a policy on the criteria for evaluating the Chief Executive Officer and communicate it to be acknowledged, at least in the following matters:

- Approve the performance evaluation criteria of the Chief Executive Officer. The evaluation criteria should motivate the Chief Executive Officer to manage the business in accordance with the objectives, key goals, strategies, and in line with the long-term interests of the business.

- Evaluate the performance of the Chief Executive Officer annually.

- Approve the annual remuneration of the Chief Executive Officer by considering the performance evaluation of the Chief Executive Officer and other factors, including:

1.4) The Board should approve the criteria and factors in performance evaluation as well as approve the compensation structure of senior executives and monitor the Chief Executive Officer to evaluate senior executives in accordance with the aforementioned evaluation principles.

Reference link for remuneration policy for executive directors : <https://shorturl.at/colZw>  
and executives

Page number of the reference link : 5-7

Does the board of directors or the remuneration committee : No  
have an opinion on the remuneration policy for executive  
directors and executives

### 7.4.3 Remuneration of executive directors and executives

#### Monetary remuneration of executive directors and executives

	2022	2023	2024
<b>Total remuneration of executive directors and executives (baht)</b>	37,700,470.00	24,032,506.00	21,781,141.83
Total remuneration of executive directors (baht)	600,000.00	600,000.00	600,000.00
Total remuneration of executives (baht)	37,100,470.00	23,432,506.00	21,181,141.83

1. The Company pays monetary compensation to executives in the form of bonuses twice a year, divided into the first installment in December of each year and the second installment before Songkran of each year.

2. Other remuneration includes position allowances and various benefits such as provident funds, living allowances, management fees, travel expenses, vehicle insurance premiums, accident insurance premiums, medical expenses, child education expenses, depreciation expenses, house rental fees, etc.

3. In 2023, the Company transferred 3 senior executives (Mr. Kang Hsu Liu, Mr. Veerachai Wongcharoensin, and Mr. Chang Chin Kui) to manage the subsidiary, ADB Sealant Co., Ltd. because the Company spun off its adhesive and sealant products to operate under ADB Sealant Co., Ltd., effective from February 1, 2023, resulting in a decrease in executive compensation.

4. In 2024, one senior executive, Ms. Wichitra Thubburee, was transferred to manage the subsidiary, ADB Sealant Co., Ltd., effective from February 13, 2023, resulting in a decrease in executive compensation.

### Other remunerations of executive directors and executives

	2022	2023	2024
Company's contribution to provident fund for executive directors and executives (Baht)	2,649,302.00	2,230,176.00	2,069,963.00
Employee Stock Ownership Plan (ESOP)	No	No	No
Employee Joint Investment Program (EJIP)	No	No	No

### Provident Fund

The Company has established a provident fund for its employees. The Company contributes at the rate of 2.8 percent of salary for employees with less than 10 years of service and at the rate of 3.3 percent of salary for employees with more than 10 years of service.

In 2024, the Company contributed a total of 3 million baht to the provident fund for 96 employees. The proportion of employees participating in the PVD is 33 percent of all employees.

### Outstanding remuneration or benefits of executive directors and executives

Outstanding remuneration or benefits of executive directors : 0.00  
and executives in the past year  
Estimated remuneration of executive directors and executives : 0.00  
in the current year

## 7.5 Information on employees

### Information on the company's employees

#### Employees

	2022	2023	2024
<b>Total employees</b> (persons)	493	256	231
Male employees (persons)	299	177	163
Female employees (persons)	194	79	68

#### Number of employees by position and department

##### Number of male employees by position

	2022	2023	2024
Total number of male employees in operational level (Persons)	212	131	119
Total number of male employees in management level (Persons)	77	40	38
Total number of male employees in executive level (Persons)	10	6	6

##### Number of female employees by position

	2022	2023	2024
Total number of female employees in operational level (Persons)	115	41	34
Total number of female employees in management level (Persons)	75	34	31
Total number of female employees in executive level (Persons)	4	4	3

##### Number of employees categorized by department over the past year

Department / Line of work / Unit / Business group	Number of employees
COO	2
Finance and Accounting	12
Plastic Compound Production Department	157
Technical Department	26
Human Resources and Development	17
Operations Department	3

Department / Line of work / Unit / Business group	Number of employees
Information Technology Department	6
Company Secretariat	3
Administration Office	5
<b>Total number of employees</b>	<b>231</b>

## Significant changes in the number of employees

Significant changes in number of employees over the past 3 : Yes  
Years

1) The 2022 organizational structure placed the Office of the Company Secretary, the Internal Audit Office, and the System Management under the COO.

2) In 2023, the company underwent a business spin-off, separating the sealant and small sealant product lines to operate under ADB Sealant Co., Ltd. (ADBS). Approximately 40-50% of employees from all departments were transferred to ADB Sealant Co., Ltd. (ADBS), effective from February 1, 2023. This resulted in a decrease in the number of employees at Apply DB Public Company Limited.

3) In 2023, the Warehouse Department was transferred from the Operations Division and became the Warehouse Unit, reporting directly to the Plastic Compound Products Division. The Maintenance Department was dissolved and restructured as the Maintenance Section, reporting directly to the Plastic Compound Products Division, effective from July 1, 2023.

4) In 2024, one senior executive, Ms. Vijitra Tubtim, was transferred to manage ADB Sealant Co., Ltd., effective from February 13, 2023, resulting in a decrease in executive compensation.

## Information on employee remuneration

### Employee remuneration

	2022	2023	2024
<b>Total employee remuneration (baht)</b>	185,514,039.00	113,631,615.65	100,154,732.22
Total male employee remuneration (Baht)	110,320,212.10	71,644,012.18	66,597,367.11
Total female employee remuneration (Baht)	75,193,826.90	41,987,603.47	33,557,365.11

## Provident fund management policy

Provident fund management policy : Have

The company has a policy for investing in the provident fund as follows:

1) The company chooses to invest with a reputable securities company and establishes an investment plan in funds suitable for employees in the company. There are both medium-risk investment options (mixed funds with no more than 25% stocks) and low-risk options (bond funds).

2) Establishing a provident fund is considered a benefit that helps employees in the company, similar to receiving an increase in salary from the employer's contributions. It helps create savings discipline in a long-term binding format and provides a large sum of money to use for living expenses upon retirement or resignation. It can also serve as family insurance in the event of death.

### Provident fund for employees (PVD)

	2022	2023	2024
Number of employees joining in PVD (persons)	275	130	96

	2022	2023	2024
Proportion of employees who are PVD members (%)	55.78	50.78	41.56
Total amount of provident fund contributed by the company (baht)	2,250,698.00	1,169,824.00	954,215.00

## 7.6 Other significant information

### 7.6.1 Assigned person

List of persons assigned for accounting oversight

General information	Email	Telephone number
1. Mrs. Nokjinda Nonasa	nokjinda@adb.co.th	-

List of the company secretary

General information	Email	Telephone number
1. Ms. Kanokwan Kongtanakomtunyakid	kanokwan@adb.co.th	-

List of the head of internal audit or outsourced internal auditor

General information	Email	Telephone number
1. Mr. Narongsak Wangtapunt	narongsak.ascentadvisory@hotmail.com	-

List of the head of the compliance unit

General information	Email	Telephone number
1. Ms. Kanokwan Kongtanakomtunyakid	kanokwan@adb.co.th	-

### 7.6.2 Head of investor relations

Does the Company have an appointed head of investor relations : Yes

List of the head of investor relations

General information	Email	Telephone number
1. Ms. Kanokwan Kongtanakomtunyakid	kanokwan@adb.co.th	-

### 7.6.3 Company's auditor

Details of the company's auditor

Audit firms	Audit fee (Baht)	Other service fees	Names and general information of auditors
KPMG PHOOMCHAI AUDIT COMPANY LIMITED YAN NAWA SATHON Bangkok 10120 Telephone 0 2677 2000	2,000,000.00	-	<p>1. Ms. SAWITREE ONGKSIRIMEMONGKOL Email: sawitreeo@kpmg.co.th License number: 10449</p> <p>2. Mrs. MUNCHUPA SINGSUKSAWAT Email: munchupa@kpmg.co.th License number: 6112</p> <p>3. Mr. SUMATE JANGSAMSEE Email: Sumate@kpmg.co.th License number: 9362</p>

#### Details of the auditors of the subsidiaries

Audit firms	Audit fee (Baht)	Other service fees	Names and general information of auditors
KPMG PHOOMCHAI AUDIT COMPANY LIMITED YAN NAWA SATHON Bangkok 10120 Telephone 0 2677 2000	1,100,000.00	-	<p>1. Ms. SAWITREE ONGKSIRIMEMONGKOL Email: sawitreeo@kpmg.co.th License number: 10449</p> <p>2. Mrs. MUNCHUPA SINGSUKSAWAT Email: munchupa@kpmg.co.th License number: 6112</p> <p>3. Mr. SUMATE JANGSAMSEE Email: Sumate@kpmg.co.th License number: 9362</p>

#### 7.6.4 Assigned personnel in case of a foreign company

Does the company have any individual assigned to be : No  
representatives in Thailand



## 8. Report on key operating results on corporate governance

### 8.1 Summary of duty performance of the board of directors over the past year

#### Summary of duty performance of the board of directors over the past year

In 2024, the Board of Directors reviewed and revised the company's strategies, objectives, organizational structure, and operational direction to ensure alignment and suitability with business operations. This process aimed to provide executives and employees with a unified direction and facilitate the implementation of the company's strategies in accordance with relevant policies, regulations, laws, and rules. Additionally, the Board monitored the adequacy of the organization's internal control system and risk management to maintain an appropriate level within the legal framework, objectives, and provide valuable insights for organizational development. In 2024, the Board of Directors held 7 meetings. All directors have fully performed their duties to the best of their ability with honesty, integrity, prudence, and consideration for the best interests of the company, shareholders, and all stakeholders.

#### 8.1.1 Selection, development and evaluation of duty performance of the board of directors

##### Information about the selection of the board of directors

#### List of directors whose terms have ended and have been reappointed

List of directors	Position	First appointment date of director	Skills and expertise
Ms. PORNPIWAN NIRAMONCHARDCHAY	Director (Executive Directors)	22 Mar 2017	Finance, Accounting, Strategic Management, Governance/ Compliance, Sustainability
Mr. WEI-KAI WANG	Director (Executive Directors)	22 Mar 2017	Strategic Management, Governance/ Compliance, Marketing, Leadership, Change Management
Mr. VEERACHAI WONGCHAROENSIN	Director (Non-executive directors)	22 Mar 2017	Governance/ Compliance, Business Administration, Data Management, Project Management, Strategic Management
Mr. MONGKON LAOWORAPONG	Director (Non-executive directors, Independent director)	22 Mar 2017	Finance, Accounting, Risk Management, Sustainability, Internal Control

#### Selection of independent directors

#### Criteria for selecting independent directors

##### Qualifications of Independent Directors

In order to comply with relevant laws and regulations, as well as to be in line with the principles of good corporate governance, the Company has established the Charter of Independent Directors, which sets out criteria that are "stricter" than the minimum requirements under the Notification of the Capital Market Supervisory Board. This is to ensure that independent directors are independent in performing their duties to protect the interests of the Company and shareholders effectively. The details are as follows:

1. Holds no more than 0.75 percent of the total voting shares of the Company, its parent company, subsidiaries, associated

companies, major shareholders, or persons with control of the Company. This includes the shareholding of related persons of such independent directors. (Note: The Company sets the criteria in this item stricter than the minimum requirements under the Notification of the Capital Market Supervisory Board, which stipulates that the shareholding shall not exceed 1 percent.)

2. Is not or has never been a director who is involved in management, an employee, a salaried consultant, or a person with control of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholders, or persons with control of the Company, unless such person has ceased to hold such position for at least 2 years.

3. Is not a person who has a blood relationship or a registered relationship under the law as a parent, spouse, sibling, and child, including the spouse of a child, of other directors, executives, major shareholders, persons with control, or persons to be proposed as directors, executives, or persons with control of the Company or its subsidiaries.

4. Does not have or has never had a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders, or persons with control of the Company in a manner that may hinder the exercise of their independent judgment, and is not or has never been a significant shareholder or person with control of a person who has a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders, or persons with control of the Company, unless such person has ceased to hold such position for at least 2 years. The business relationship referred to in paragraph one includes normal commercial transactions for the purpose of carrying on business, leasing or renting of immovable property, transactions relating to assets or services, or the provision or receipt of financial assistance by way of borrowing or lending, guarantees, the provision of assets as security for debts, including other similar acts, which result in the Company or the counterparty having a debt obligation to pay to the other party of at least 3 percent of the Company's net tangible assets or from 20 million baht, whichever is lower. In considering such debt obligations, the debt obligations incurred during the 1 year prior to the date of having a business relationship with the same person shall be included.

5. Is not or has never been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders, or persons with control of the Company, and is not a significant shareholder, person with control, or partner of an audit firm that has an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders, or persons with control of the Company, unless such person has ceased to hold such position for at least 2 years.

6. Is not or has never been a professional service provider, including providing services as a legal advisor or financial advisor who has received a service fee of more than 2 million baht per year from the Company, its parent company, subsidiaries, associated companies, major shareholders, or persons with control of the Company, and is not a significant shareholder, person with control, or partner of such professional service provider, unless such person has ceased to hold such position for at least 2 years.

7. Is not a director appointed to represent the board of directors of the Company, a major shareholder, or a shareholder who is related to a major shareholder.

8. Does not engage in a business that is of the same nature and is in material competition with the business of the Company or its subsidiaries, or is not a partner with a significant interest in a partnership, or is a director who is involved in management, an employee, a salaried consultant, or holds more than one percent of the total voting shares of another company that engages in a business that is of the same nature and is in material competition with the business of the Company or its subsidiaries.

9. Does not have any other characteristics that make it impossible to give an independent opinion on the Company's operations.

After being appointed as an independent director, the independent director may be assigned by the Board of Directors to make decisions in the business operations of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholders, or persons with control of the Company, by making decisions in the form of a collective decision.

### Director Recruitment and Appointment

The Board of Directors should oversee the recruitment and selection of directors to have a transparent and clear process in order to obtain directors with qualifications that are consistent with the specified elements, as follows:

1) Provide an opportunity for minority shareholders to nominate qualified persons for consideration for election as directors and nominations from major shareholders.

2) Qualifications according to laws and relevant regulations, such as the Public Limited Company Act, the Securities and Exchange Act B.E. 2535, the Company's Articles of Association, and the Company's Good Corporate Governance principles.

3) Consider in accordance with the criteria for the recruitment of directors of the Stock Exchange of Thailand.

4) Give importance to those who have skills, professional experience, specific qualifications in various fields that the

Board of Directors still lacks, and are essential to the Company's business in order to make the composition of the Board of Directors complete and most beneficial.

5) Consider knowledge, abilities, and experience relevant to the business to be in line with the Company's business strategy, including using the Director Pool database of the Thai Institute of Directors Association (IOD) as part of the recruitment of new directors.

6) Consider the qualifications of directors to be in line with the Company's business strategy by preparing a Board Skill Matrix, which specifies the qualifications of directors to be recruited, considering expertise in various fields, including law, accounting, finance, economics, engineering, and management, in order to combine knowledge and abilities that are beneficial to the Company's operations.

7) Consider the time commitment of the directors. If it is a former director who will return to office for another term, it may be considered from the performance results during the term of office. It should also consider the number of companies that each director will hold a position in, to be appropriate to the nature or business conditions of the Company, which should not exceed 5 listed companies, to ensure that work efficiency will not decrease.

8) The appointment of independent directors shall consider the independence of the person proposed to be an independent director according to the criteria set by the Securities and Exchange Commission (SEC), with the qualifications for independence as specified in the Good Corporate Governance Manual.

9) Performance results in the past year (if any).

10) Providing useful suggestions and comments.

## Business or professional relationships of independent directors over the past year

Business or professional relationships of independent : No  
directors over the past year

## Selection of directors and the highest-ranking executive

To comply with the Corporate Governance Policy of the Stock Exchange of Thailand regarding the transparent and equitable recruitment and remuneration of the Company's directors, subcommittees, and executives for the benefit of all stakeholders, the Board of Directors has appointed a Corporate Governance Committee to be responsible for establishing policies, regulations, and methods for recruitment and remuneration, including performing other assigned tasks and presenting them to the Board of Directors and/or the Shareholders' Meeting as the case may be. The committee has also established regulations and methods for the recruitment of the Company's directors, subcommittees, and executives.

In the recruitment and appointment of directors, the Corporate Governance Committee has established a policy of diversity in the structure of the Board of Directors and has set criteria for the selection of new directors, the process for appointing new directors, and the method for identifying individuals who should be nominated as directors of the Company and subcommittees.

## Method for selecting directors and the highest-ranking executive

Method for selecting persons to be appointed as : Yes  
directors through the nomination committee  
Method for selecting persons to be appointed as the : Yes  
highest-ranking executive through the nomination  
committee

## Number of directors from major shareholders

Number of directors from each group of major : 5  
shareholders over the past year (persons)

## Rights of minority shareholders on director appointment

To promote good corporate governance in terms of respecting shareholder rights and treating all shareholders fairly and equitably, the Company allows shareholders to propose matters for consideration to be included on the agenda and nominate persons for election as the Company's directors at the Annual General Meeting of Shareholders in advance, according to the criteria set by the Company, which has been published on the Company's website at [www.adb.co.th](http://www.adb.co.th) under the Investor Relations section.

Shareholders can submit such matters from 1 October – 31 December each year.

Method of director appointment : Method whereby each director requires approval votes more than half of the votes of attending shareholders and casting votes

## Setting qualifications for the selection of directors

### Director Qualifications

1. Possess knowledge, experience, and abilities beneficial to the company and its subsidiaries, be able to dedicate sufficient time to the company, and be diligent in performing their responsibilities.
2. Possess the qualifications and not be disqualified under the Public Limited Companies Act B.E. 2535 (including amendments), the Securities and Exchange Act B.E. 2535 (including amendments), or other regulations stipulated by the Securities and Exchange Commission.
3. Be able to express opinions and exercise independent judgment in decision-making, considering the best interests of the company, all shareholders, and all stakeholders.
4. Directors or executives of the company must not have been employees or partners of the external audit firm currently engaged by the company within the past 2 years.
5. Directors should not hold positions in more than 5 listed companies to ensure that they can perform their duties effectively and dedicate sufficient time to each company.
6. Independent directors must meet the independence criteria as defined by the company.
7. Establish and comply with the same qualifications for audit committee members as stipulated in the Stock Exchange of Thailand's notification regarding the qualifications and scope of work of the audit committee. They must be able to safeguard the interests of all shareholders equally, avoid conflicts of interest, and participate in board meetings by providing independent opinions.

## Information on the development of directors

### Development of directors over the past year

The Company has supported all directors to attend training courses as recommended by the Securities and Exchange Commission, organized by the Thai Institute of Directors Association (IOD), such as the Directors Accreditation Program (DAP), Directors Certification Program (DCP), and Advanced Audit Committee Program (AACP). Most of the Company's directors have already completed these training courses. The Board of Directors places importance on attending training courses or seminars in various programs or developing knowledge and abilities through the following methods:

- 1) The Board promotes and facilitates training and education for those involved in the Company's corporate governance system, such as directors, audit committees, executives, and company secretaries, to ensure continuous improvement in their performance. Training and education may be conducted internally or through external institutions.
- 2) Upon the appointment of each new director, the Corporate Secretary shall provide documents and information useful for the performance of the new director's duties, including an introduction to the nature of the business and the Company's business operations.
- 3) The Board requires the Chief Executive Officer to report regularly on the development and succession plan, which the Chief Executive Officer and senior management should prepare as a continuous plan for successors in the event that they are unable to perform their duties.
- 4) The Board should establish a management development program and require the Chief Executive Officer to report annually on the progress made during the year, which should be considered in conjunction with the succession plan.

## Details of the development of directors over the past year

List of directors	Participation in training in the past financial year	History of training participation
1. Mr. PAWAT WONGTANGTRAKUL Chairman of the board of directors	Non-participating	-
2. Mr. RATTANACHAI WONGCHAROENSIN Director	Non-participating	-
3. Mr. WANG WANAPAISON Director	Non-participating	-
4. Ms. PORNPIWAN NIRAMONCHARDCHAY Director	Non-participating	-
5. Mr. WEI-KAI WANG Director	Non-participating	-
6. Mr. VEERACHAI WONGCHAROENSIN Director	Non-participating	-
7. Mr. MONGKON LAOWORAPONG Director	Participating	Thai Institute of Directors (IOD) • 2024: Director's Guide to Legal Obligations and Duties (DLD)
8. Mrs. MONPILAI NARASINGHA Director	Participating	Thai Institute of Directors (IOD) • 2024: Risk Management Program for Corporate Leaders (RCL)
9. Mr. WUTTICHA WONGCHAROENSIN Director	Non-participating	-
10. Mr. CHUNG JEN YANG Director	Non-participating	-
11. Mrs. KANCHANA PIYASATIT Director	Non-participating	-

## Information on the evaluation of duty performance of directors

### Criteria for evaluating the duty performance of the board of directors

The Company shall have an assessment of the performance of the Board of Directors and sub-committees, both as a whole and individually, at least once a year. This is used as a framework to review the performance of the Board of Directors during the past year to determine whether they have performed their duties fully and appropriately within the scope of their authority and in accordance with good corporate governance principles.

The Board of Directors performance evaluation uses an assessment form prepared in accordance with the guidelines of the Stock Exchange of Thailand, which is adapted to suit the characteristics and structure of the Board of Directors. The assessment results will be an important part in developing the performance of duties and operations related to the Board of Directors to be more efficient and effective.

The Board's self-assessment consists of 6 topics, including:

- Structure and qualifications of the Board of Directors
- Roles, duties, and responsibilities of the Board of Directors
- Board meetings
- Performance of directors
- Relationship with management
- Self-development of directors and executive development

The self-assessment of individual members of the Board of Directors, sub-committees as a whole and individually, consists of 3 topics, include:

- Structure and qualifications of the Board of Directors
- Board of Directors meetings
- Roles, duties, and responsibilities of the Board of Directors

The scoring method used is to indicate the opinion of each director by ticking ( / ) in the score box from 0 – 4, only 1 box in the assessment form, or having a score level from strongly disagree or no action taken on the matter to strongly agree or excellent action taken on the matter. Then, all the scores are evaluated as a percentage of the total score, which is defined as follows:

- Equal to or greater than 90 percent = Excellent
- Equal to or greater than 80 percent = Very good
- Equal to or greater than 70 percent = Good
- Equal to or greater than 60 percent = Fair
- Less than 60 percent = Needs Improvement

## Evaluation of the duty performance of the board of directors over the past year

### 1. Performance evaluation results of the Board of Directors

In 2024, the evaluation results of the entire Board of Directors had an average score of 93.86 which is in the Excellent decreased from the previous year -0.30%

### 2. Performance evaluation results of sub-committees by committee

In 2024, the evaluation results of the sub-committees by committee had an average score of 94.91 which is in the Excellent decreased from the previous year -0.51%

The evaluation results of the sub-committees are as follows:

1) Audit Committee The average score is 96.07 which is in the Excellent

2) Executive Committee (acting as the Nomination and Remuneration Committee) The average score is 92.08 which is in the Excellent

3) Corporate Governance Committee (acted by the Executive Committee) The average score is 95.50 which is in the Excellent

4) Sustainability and Risk Management Committee The average score is 95.63 which is in the Excellent

### 3. Evaluation of the performance of the Board of Directors and individual sub-committees (self-assessment)

In 2024, the performance evaluation results of the Board of Directors and individual sub-committees (self-assessment) had an average score of 96.33 which is in the Excellent

## 8.1.2 Meeting attendance and remuneration payment to each board member

## Meeting attendance of the board of directors

### Meeting attendance of the board of directors

Number of the board of directors meeting over the past : 7  
 year (times)  
 Date of AGM meeting : 19 Apr 2024  
 EGM meeting : Yes  
 Date of the EGM over the past year (1st time) : 27 Nov 2024

### Details of the board of directors' meeting attendance

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
1. Mr. PAWAT WONGTANGTRAKUL (Chairman of the board of directors)	6	/	7	1	/	1	1	/	1
2. Mr. RATTANACHAI WONGCHAROENSIN (Director)	7	/	7	1	/	1	1	/	1
3. Mr. WANG WANAPAI SON (Director)	7	/	7	1	/	1	1	/	1
4. Ms. PORNPIWAN NIRAMONCHARDCHAY (Director)	7	/	7	1	/	1	1	/	1
5. Mr. WEI-KAI WANG (Director)	7	/	7	1	/	1	1	/	1
6. Mr. VEERACHAI WONGCHAROENSIN (Director)	7	/	7	1	/	1	1	/	1
7. Mr. MONGKON LAOWORAPONG (Director, Independent director)	7	/	7	1	/	1	1	/	1
8. Mrs. MONPILAI NARASINGHA (Director, Independent director)	7	/	7	1	/	1	1	/	1
9. Mr. WUTTICHAI WONGCHAROENSIN (Director)	7	/	7	1	/	1	1	/	1

List of directors	Meeting attendance of the board of directors			AGM meeting attendance			EGM meeting attendance		
	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)	Attendance (times)	/	Meeting rights (times)
10. Mr. CHUNG JEN YANG (Director, Independent director)	7	/	7	1	/	1	0	/	1
11. Mrs. KANCHANA PIYASATIT (Director, Independent director)	7	/	7	1	/	1	1	/	1

### Detailed justification for the Company director's non-attendance at the Board of Directors' meeting

Tied up with urgent tasks.

## Remuneration of the board of directors

### Types of remuneration of the board of directors

The Company has established clear and transparent policies, guidelines, and methods for the recruitment and determination of remuneration for both non-executive directors and executive directors, which are appropriate and comparable to those in the same industry. The Board of Directors will initially consider the remuneration and submit the information to the Board of Directors' meeting for consideration before proposing it to the Annual General Meeting of Shareholders for approval. The criteria and methods for determining various remunerations are as follows:

#### Directors' and Sub-Committees' Remuneration

1. The remuneration of the Board of Directors shall be considered based on the duties, responsibilities, and performance of the Directors, which must be approved by the shareholders' meeting.
2. The Board of Directors shall consider the types of remuneration, the methods of remuneration payment, and the amount of Directors' remuneration, including proposing to the Board of Directors for approval and presenting to the shareholders' meeting for further approval.
3. The Company has established a clear and transparent remuneration policy whereby the remuneration is commensurate with the duties and responsibilities assigned to each Director and is at a level sufficient to attract and retain qualified directors and executives.
4. Types of remuneration consist of 2 parts:
  - Monthly Remuneration
  - Attendance Fee
5. The remuneration of the Board of Directors and sub-committees must be approved by the general meeting of shareholders.

**Other Remuneration** - None -

### Remuneration of the board of directors



## Details of the remuneration of each director over the past year

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
<b>1. Mr. PAWAT WONGTANGTRAKUL (Chairman of the board of directors)</b>			390,000.00		0.00
Board of Directors	90,000.00	300,000.00	390,000.00	No	
<b>2. Mr. RATTANACHAI WONGCHAROENSIN (Director)</b>			345,000.00		0.00
Board of Directors	105,000.00	240,000.00	345,000.00	No	
<b>3. Mr. WANG WANAPAI SON (Director)</b>			105,000.00		0.00
Board of Directors	105,000.00	0.00	105,000.00	No	
Executive Committee	0.00	0.00	0.00	No	
Sustainability and Risk Management Committee	0.00	0.00	0.00	No	
<b>4. Ms. PORNPIWAN NIRAMONCHARDCHAY (Director)</b>			105,000.00		0.00
Board of Directors	105,000.00	0.00	105,000.00	No	
Executive Committee	0.00	0.00	0.00	No	
Sustainability and Risk Management Committee	0.00	0.00	0.00	No	
<b>5. Mr. WEI-KAI WANG (Director)</b>			105,000.00		0.00
Board of Directors	105,000.00	0.00	105,000.00	No	
Executive Committee	0.00	0.00	0.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
<b>6. Mr. VEERACHAI WONGCHAROENSIN (Director)</b>			<b>105,000.00</b>		<b>0.00</b>
Board of Directors	105,000.00	0.00	105,000.00	No	
Executive Committee	0.00	0.00	0.00	No	
<b>7. Mr. MONGKON LAOWORAPONG (Director)</b>			<b>510,000.00</b>		<b>0.00</b>
Board of Directors	105,000.00	0.00	105,000.00	No	
Audit Committee	60,000.00	300,000.00	360,000.00	No	
Sustainability and Risk Management Committee	30,000.00	0.00	30,000.00	No	
Investment Advisory Board Committee	15,000.00	0.00	15,000.00	No	
<b>8. Mrs. MONPILAI NARASINGHA (Director)</b>			<b>450,000.00</b>		<b>0.00</b>
Board of Directors	105,000.00	0.00	105,000.00	No	
Audit Committee	60,000.00	240,000.00	300,000.00	No	
Investment Advisory Board Committee	15,000.00	0.00	15,000.00	No	
Sustainability and Risk Management Committee	30,000.00	0.00	30,000.00	No	
<b>9. Mr. WUTTICHA WONGCHAROENSIN (Director)</b>			<b>735,000.00</b>		<b>0.00</b>
Board of Directors	105,000.00	0.00	105,000.00	No	
Executive Committee	0.00	600,000.00	600,000.00	No	
Sustainability and Risk Management Committee	30,000.00	0.00	30,000.00	No	

Names of directors / Board of directors	Company				Total monetary remuneration from subsidiaries (Baht)
	Meeting allowance	Other monetary remuneration	Total (Baht)	Non-monetary remuneration	
10. Mr. CHUNG JEN YANG (Director)			345,000.00		0.00
Board of Directors	105,000.00	240,000.00	345,000.00	No	
11. Mrs. KANCHANA PIYASATIT (Director)			405,000.00		0.00
Board of Directors	105,000.00	0.00	105,000.00	No	
Audit Committee	60,000.00	240,000.00	300,000.00	No	
12. Mr. Kang Hsu Liu (Member of the executive committee)			0.00		0.00
Executive Committee	0.00	0.00	0.00	No	
13. Mr. Piriya Mounkram (Member of the executive committee)			0.00		0.00
Executive Committee	0.00	0.00	0.00	No	
Sustainability and Risk Management Committee	0.00	0.00	0.00	No	
14. Mr. Jirawat Akkaranupornpong (Member of the executive committee)			0.00		0.00
Executive Committee	0.00	0.00	0.00	No	

#### Summary of the remuneration of each committee over the past year

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
1. Board of Directors	1,140,000.00	780,000.00	1,920,000.00
2. Audit Committee	180,000.00	780,000.00	960,000.00
3. Executive Committee	0.00	600,000.00	600,000.00

Names of board members	Meeting allowance	Other monetary remuneration	Total (Baht)
4. Sustainability and Risk Management Committee	90,000.00	0.00	90,000.00
5. Investment Advisory Board Committee	30,000.00	0.00	30,000.00

## Remunerations or benefits pending payment to the board of directors

Remunerations or benefits pending payment to the : 0.00  
board of directors over the past year  
(Baht)

## 8.1.3 Supervision of subsidiaries and associated companies

### Mechanism for overseeing subsidiaries and associated companies

Does the Company have subsidiaries and associated : Yes  
companies

Mechanism for overseeing subsidiaries and associated : Yes  
companies

Mechanism for overseeing management and taking : The appointment of representatives as directors, executives, or controlling  
responsibility for operations in subsidiaries and persons in proportion to shareholding, The determination of the scope of  
associated companies approved by the board of duties and responsibilities of directors and executives as company  
directors representatives in establishing important policies, Disclosure of financial  
condition and operating results, Transactions between the company and  
related parties, Other significant transactions, Acquisition or disposal of  
assets, Internal control system of the subsidiary operating the core business  
is appropriate and sufficient in the subsidiary operating the core business

The Company has established practices for controlling and supervising the management of subsidiaries and/or associated companies in which the Company has invested. The main details are as follows:

#### 1. Management Control Policy for Subsidiaries and/or Associated Companies

1.1 In overseeing subsidiaries and/or associated companies, the Company will appoint persons approved by the Company's Board of Directors to serve as directors and executives of subsidiaries and/or associated companies. The Company's Board of Directors will jointly consider the qualifications and experience appropriate for that type of business to represent the Company in holding positions on the boards of directors of such subsidiaries and/or associated companies in order to set important policies and control the business operations of subsidiaries and associated companies.

1.2 Persons approved by the Company to serve as directors of subsidiaries or associated companies are responsible for monitoring the operations of the subsidiaries and associated companies for which they are responsible to ensure that they are in accordance with the goals, operational plans, strategies, and budgets set by the Company. They shall exercise their discretion in accordance with the resolutions of the board of directors or shareholders' meetings approving important matters of the subsidiaries or associated companies in order to maximize the benefits to the Company.

1.3 Persons approved by the Company to serve as directors of subsidiaries or associated companies have the right to vote at meetings of the board of directors of subsidiaries or associated companies on matters relating to the general operations of the subsidiaries or associated companies, as deemed appropriate by the directors and executives of the subsidiaries and associated companies, for the benefit of the subsidiaries and associated companies, except for consideration and voting as specified in 1.4.

1.4 Persons approved by the Company to serve as directors of subsidiaries or associated companies are prohibited from voting at meetings of the board of directors of subsidiaries or associated companies on the following matters, unless approved by the Company's Board of Directors and/or the shareholders' meeting, as the case may be, prior to commencement:

1.4.1 Transactions of subsidiaries under SEC Notification No. Tor Jor. 21/2551 Re: Rules on Connected Transactions and SEC Notification No. Tor Jor. 20/2551 Re: Rules on Material Transactions Deemed as Acquisition or Disposal of Assets.

1.4.2 Transactions that have an impact on the financial position and operating results of the subsidiary, including:

(1) The sale or transfer of all or part of the business of a subsidiary to another person, including the transfer or waiver of rights or claims that are material to the detriment of the subsidiary.

(2) Borrowing, lending, guaranteeing, incurring obligations or providing financial assistance to other companies.

(3) Capital increases, rights offerings, and capital reductions of subsidiaries, as well as any other actions that result in a change in the Company's direct or indirect shareholding in the subsidiary.

1.5 Persons approved by the Company to serve as directors and executives of subsidiaries or associated companies, including related persons of such directors and executives, are required to inform the board of directors of the subsidiary of the relationship and transactions with the subsidiary that may give rise to a conflict of interest with the subsidiary. The board of directors of the subsidiary is responsible for notifying the Company of such matters. However, such persons shall not participate in the approval of any transaction in which they have an interest or a conflict of interest.

## **2. Financial Control Policy for Subsidiaries and/or Associated Companies**

2.1 Subsidiaries and/or associated companies are responsible for submitting monthly operating results and quarterly reviewed financial statements by a certified public accountant, as well as supporting information for the preparation of such financial statements of the subsidiary or associated company, to ADB and consent to the Company's use of such information for the preparation of consolidated financial statements or the Company's quarterly or annual reports, as the case may be.

2.2 Subsidiaries and/or associated companies are responsible for preparing operating results estimates and summaries comparing actual performance to plans on a quarterly basis, including monitoring performance to be in accordance with the plan for reporting to the parent company.

2.3 Subsidiaries and/or associated companies are responsible for reporting material financial issues to the Company upon discovery or upon the Company's request for investigation and reporting.

## **3. Investment Planning Control and Supervision Policy for Subsidiaries and/or Associated Companies**

3.1 Subsidiaries and/or associated companies must prepare investment plans, budgets, and operational plans by setting operational targets in the annual budget cycle, presenting them to the board of directors within the subsidiaries and/or associated companies and the top executives of the subsidiaries and/or associated companies, and then presenting them to the Company's Board of Directors for further consideration.

3.2 Subsidiaries and/or associated companies are responsible for monitoring the performance of project investments and summarizing the comparison between actual performance and established targets.

3.3 Each subsidiary and/or associated company is responsible for reporting its operational plan, performance results compared to the Company's established targets, in order to regularly review performance and revise, improve, or develop future operational plans and targets.

3.4 The Company requires its directors and/or executives who are appointed as directors and/or executives of subsidiaries and/or associated companies to report on the progress of each project and business operations, including any material operational issues, to the Company.

## **4. Corporate Governance Control Policy for Subsidiaries and/or Associated Companies**

4.1 Subsidiaries and/or associated companies are responsible for complying with the Company's Corporate Governance Policy, including other relevant policies, as established by the Company for use within the Group.

4.2 Associated companies and/or subsidiaries are responsible for complying with the Company's Code of Conduct, including other relevant codes of conduct established by the Company for use within the Group.

4.3 Subsidiaries and/or associated companies are responsible for complying with all policies and practices established by the parent company. The application of international standards related to various products must be appropriate to the business, the needs of customers and/or stakeholders, and include business risk assessments, fraud and corruption risk assessments for private and public sector entities with which the Company transacts business in accordance with the policy framework or guidelines set forth.

4.4 The Company shall require directors and/or executives appointed to positions in subsidiaries and/or associated companies to comply with the Company's policies, code of conduct, and practices in order to comply with the Company's policies and management approach, to the extent that they do not conflict with the policies and operational guidelines of such subsidiaries.

### **8.1.4 The monitoring of compliance with corporate governance policy and guidelines**

## Prevention of conflicts of interest

### Operations for conflict of interest prevention over the past year

Has the company operated in preventing conflicts of : Yes  
interest over the past year

The Company places importance on good corporate governance, which is an important mechanism leading to an efficient, transparent, and auditable management system. This will help build confidence and trust among shareholders, investors, stakeholders, and all parties involved. Good corporate governance will be a tool to increase value, create competitiveness, and promote the sustainable growth of the Company. Therefore, the Company adheres to the good corporate governance policy. For the year 2024, the Company has promoted and communicated information to directors, executives, and employees at all levels throughout the organization. The Board of Directors, executives, and employees of the Company have complied with the good corporate governance policy and business ethics, and have monitored compliance on a regular basis.

#### Conflict of Interest Prevention

The Board of Directors is mindful of potential conflicts of interest and strictly adheres to the rules and guidelines of the Securities and Exchange Commission of Thailand. The Audit Committee regularly reviews the Company's purchase and sale transactions between related parties every quarter and presents the results and opinions to the Board of Directors. There are guidelines to prevent conflicts of interest arising from related party transactions or from conducting business or having interests from performing duties by requiring the Company's directors or executives to comply and report their interests. In the event that any director has an interest in any agenda item or meeting, such director shall not participate in the consideration of such meeting and shall not be entitled to vote on such matter. As a result of the performance in 2024, the Board of Directors and management have complied with the rules and regulations correctly, and the Board of Directors has considered the connected transaction policy and measures to prevent conflicts of interest to ensure their continued accuracy and appropriateness. Therefore, it was considered to be used as a guideline for further work.

#### Measures for Managing Conflicts of Interest

1. Provide knowledge to employees, executives at all levels, including disseminating the conflict of interest management policy throughout the company.
2. When a director or employee wishes to become a director or consultant in another company, organization, or business association, such position must not conflict with the interests and direct duties of the Company. They must also inform the Board of Directors before accepting such a position in other organizations.
3. The Company will effectively manage conflicts of interest by encouraging officers to disclose conflicts of interest and providing assistance in resolving problems arising from such conflicts of interest.
4. Executives or employees are prohibited from borrowing money from the Company's customers, individuals, or juristic persons doing business with the Company, except for financial institutions, as this may influence the performance of their duties in the Company.
5. Disclose the list of major shareholders of the Company. In addition, the executives and directors of the Company are required to report changes in their shareholding to the relevant authorities according to the law and have the company secretary notify the results of the report along with the Board of Directors meeting.
6. The Company shall ensure that the conflict of interest prevention and management system is regularly reviewed for effectiveness by collecting data from actual events to ensure that the conflict of interest prevention and management system can be applied in the actual context. It must also review and modify the system to keep it up-to-date.
7. In the event that an executive, employee, or family member of such person has a direct or indirect interest that conflicts or may conflict with the interests of the Company, the executive or employee of the Company must notify their supervisor or other authorized person in advance, and such person shall not be entitled or participate in any decision-making related to such interest.
8. The Company shall have a policy to prevent its executives and employees who are shareholders or beneficiaries of competitors or vendors/sellers with whom the Company conducts business from participating in decisions related to business relationships with such entities.
9. The Company has established procedures for conducting related party transactions and the authority to approve them, including clear disclosure of information in accordance with the SEC's announcements and the Capital Market Board's

announcements. It must also disclose this information in its annual report and annual information form (Form 56-1) and communicate to stakeholders, service recipients, supporters, and the community about its commitment to managing conflicts of interest.

As a result of the performance in 2024, the Board of Directors and management have complied with the rules and regulations correctly. There were no cases or issues related to conflicts of interest. In addition, the Board of Directors has considered amending the connected transaction policy and the conflict of interest prevention policy to be more rigorous and appropriate. Therefore, it was considered to be used as a guideline for further work.

#### Number of cases or issues related to conflict of interest

	2022	2023	2024
Total number of cases or issues related to conflict of interest (cases)	0	0	0

#### Prevention of the use of inside information to seek benefits

##### Operations for prevention of the use of inside information to seek benefits over the past year

Has the company operated in preventing the use of : Yes  
inside information to seek benefits over the past year

The Company has policies and procedures in place to prevent directors and executives from using the Company's non-public information for personal gain. The Company provides training to directors and executives of the Company and its subsidiaries on their duties to prepare and disclose their reports on the holdings of the Company's securities by themselves, their spouses, and their unemancipated minor children. The Company also provides training on the preparation and disclosure of reports on securities holdings and changes in securities holdings of the Company to the SEC within 3 business days from the date of purchase, sale, or transfer of securities. In addition, the Company Secretary's Office will issue a written notice prohibiting the trading of the Company's securities via email to directors, executives, and related persons at least thirty (30) days prior to the disclosure of information to the public and at least 24 hours after the disclosure of information to the public. The Company also prohibits the disclosure of such material information to any other person. The Company imposes disciplinary actions for any violation of the use of inside information for personal gain, ranging from a written reprimand, salary deduction, temporary suspension without pay, or dismissal. The penalty will be considered based on the intent of the act and the severity of the offense. Violators may also be subject to penalties under the law.

In 2024, directors and executives, as defined by the Securities and Exchange Commission ("SEC"), are required to prepare and disclose their reports on the holdings of the Company's securities by themselves, their spouses, and their unemancipated minor children, in accordance with the corporate governance and insider information policies set by the Company. They are also required to report their securities holdings and changes in their holdings of the Company's securities to the SEC within 3 business days from the date of purchase, sale, or transfer of securities as prescribed by the SEC.

#### Number of cases or issues related to the use of inside information to seek benefits

	2022	2023	2024
Total number of cases or issues related to the use of inside information to seek benefits (cases)	0	0	0

#### Anti-corruption action

## Operations in anti-corruption in the past year

Has the company operated in anti-corruption over the : Yes  
past year

Form of operations in anti-corruption : Review of appropriateness in anti-corruption, The participation in anti-corruption projects, Communication and training for employees on anti-corruption policy and guidelines

The Company has stringent measures and procedures in place to prevent and combat fraud. The Company adheres to the principles of its Anti-Fraud Policy and encourages executives, employees, and all relevant individuals to be aware of potential fraud within the Company. The Company also emphasizes the importance of anti-fraud processes by regularly reviewing compliance with the Anti-Corruption Policy and revising practices and operational guidelines to align with changes in the business environment, regulations, and legal requirements.

The Company communicates its anti-fraud and whistleblowing policies to employees, executives, and stakeholders, encouraging their participation by submitting documentation directly to the Board of Directors, Chief Executive Officer, Chief Financial Officer, Human Resources Manager, and Company Secretary. This can be done through letters, emails, phone calls, or suggestion boxes provided by the Company at various locations. This ensures that individuals who witness fraud, corruption, or unfair treatment receive appropriate attention. Throughout the past year, including internal control system audits conducted by both the internal audit department and the Company's auditors, no whistleblowing reports have been received.

The Company was certified as a member of the Thai Private Sector Collective Against Corruption on December 31, 2023.

Throughout 2024, the Company did not receive any complaints from employees, customers, or business partners regarding fraud or corruption.

## Number of cases or issues related to corruption

	2022	2023	2024
Total number of cases or issues related to corruption (cases)	0	0	0

## Whistleblowing

### Operations related to whistleblowing over the past year

Has the company implemented whistleblowing : Yes  
procedures over the past year

The Company has established control measures and designated channels for all internal and external stakeholders, including employees and various stakeholder groups, to report or file complaints on various matters. These include corruption, actions suspected of violating rules, regulations, codes of conduct, and ethics that have economic, social, and environmental impacts, or various policies, legal violations and unfair practices, any actions that may cause damage to the Company, product or service defects, as well as suggestions and other complaints related to the Company. The Company has established measures to protect and maintain the confidentiality of whistleblowers and remedial measures for those affected by the Company's operations.

In 2024, there were no complaints regarding corruption or violations of the Company's corporate governance policies.

## Number of cases or issues related to whistleblowing

	2022	2023	2024



	2022	2023	2024
Total number of cases or issues received through whistleblowing channels (cases)	0	0	0

## The monitoring of compliance with other corporate governance policy and guidelines

The company places importance on good corporate governance. The company has established relevant policies and practices in the Corporate Governance Policy and Business Ethics, and promotes actual implementation to build confidence among all stakeholders. In the past year, the company has monitored to ensure compliance with good corporate governance covering the following:

- 1) Employee care and non-discrimination
- 2) Anti-competitive practices
- 3) Environmental care, hygiene, and safety in the organization
- 4) Information security

In 2024, the Internal Control System Auditor audited good corporate governance and found that the company had fully complied with the guidelines of each topic. No non-compliance with the corporate governance policies, practices, and ethics set by the company was found.

## 8.2 Report on the results of duty performance of the audit committee in the past year

### 8.2.1 Meeting attendance of audit committee

Meeting attendance of audit committee (times) : 4

List of directors	Meeting attendance of audit committee		
	Meeting attendance (times)	/	Meeting attendance rights (times)
1 Mr. MONGKON LAOWORAPONG (Chairman of the audit committee)	4	/	4
2 Mrs. MONPILAI NARASINGHA (Member of the audit committee)	4	/	4
3 Mrs. KANCHANA PIYASATIT (Member of the audit committee)	4	/	4

### 8.2.2 The results of duty performance of the audit committee

Actions of the Audit Committee during the year 2024 are as follows:

#### 1) Financial Report Review

The Audit Committee has reviewed the accuracy and reliability of the financial reports consisting of quarterly financial statements and annual financial statements by the auditors from KPMG Phoomchai Company Limited. The auditors did not find any issues, problems, or significant deficiencies in these matters as well as in reports from internal auditors on critical work processes. In addition, the auditors are invited to attend the meeting to consider the scope, guidelines and annual audit plans and to inquire about the correctness and completeness of the adjustments of important accounting transactions according to accounting standards, adequacy of disclosure, effectiveness of the internal control system necessary to prepare the financial statements and the suitability of accounting records to ensure that the financial statements are in accordance with generally accepted accounting standards. A meeting with the auditors without the Management is organized for 4 quarters to ensure that the auditors are free to report problems and obstacles in their performance of duties or to report any incidents or abnormality found to the Independent Committee. This is for the benefit of users of the financial statements.

#### 2) Assessment and Review of the Internal Control System

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

#### 3) Review of Whistleblowing about Corruption and Complaints

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

#### 4) Compliance and Policy Monitoring

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

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

#### **5) Auditor Selection and Appointment**

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

#### **6) Internal Auditor Selection and Appointment**

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

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

The Audit Committee considers individual and group self-assessments. The audit duties in the context of the Company according to the Audit Committee Manual prepared by the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's Audit Committee Charter are reviewed. According to the annual assessment results in 2024, 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 2024, all independent directors had the opportunity to join the meeting without other directors. The Chief Executive Officers were invited to attend the meeting to acknowledge various operational guidelines Actual and useful information was provided.

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

## 8.3 Summary of the results of duty performance of subcommittees

### 8.3.1 - 8.3.2 Meeting attendance and the results of duty performance of subcommittees

#### Meeting attendance Executive Committee

Meeting Executive Committee (times) : 7

List of Directors	Meeting attendance Executive Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. WANG WANAPAI SON (Chairman of the executive committee)	7	/	7
2 Ms. PORNPIWAN NIRAMONCHARDCHAY (Member of the executive committee)	7	/	7
3 Mr. VEERACHAI WONGCHAROENSIN (Member of the executive committee)	7	/	7
4 Mr. WUTTICHA WONGCHAROENSIN (Member of the executive committee)	7	/	7
5 Mr. WEI-KAI WANG (Member of the executive committee)	7	/	7
6 Mr. Kang Hsu Liu (Member of the executive committee)	7	/	7
7 Mr. Piriya Moungram (Member of the executive committee)	7	/	7
8 Mr. Jirawat Akkaranupornpong (Member of the executive committee)	7	/	7

#### The results of duty performance of Executive Committee

In 2024, the Executive Committee performed its duties within the scope of responsibilities stipulated in the Executive Committee Charter, as approved by the Board of Directors. The Executive Committee held 7 meetings and reported the meeting results to the Board of Directors. The key issues considered are summarized below:

1. Considered strategies, reviewed annual business plans and budgets, as well as the management structure to ensure alignment with the company's short-term and long-term policies and objectives, for presentation to the Board of Directors.
2. Considered important policies, regulations, and guidelines proposed by the management or proposed by the Executive Committee to the management for implementation to ensure efficient and transparent management of the Company.
3. Considered matters related to ADB Sealant Co., Ltd. ("ADBS") for submission to the Investment Advisory Committee or the Board of Directors, as follows:
  - 3.1) Considered increases Registered capital of ADB Sealant Co., Ltd. ("ADBS")
  - 3.2) Considered the waiver of rights to subscribe for newly issued ordinary shares and preferred shares of ADB Sealant Co., Ltd. ("ADBS").
  - 3.3) Considered the sale of assets of Apply DB Public Company Limited ("ADB") to ADB Sealant Co., Ltd. ("ADBS").
  - 3.4) Considered entering into related agreements, including:
    - (1) Share Subscription Agreement

(2) Shareholders' Agreement

(3) Asset Sale and Purchase Agreement (collectively referred to as the “Definitive Agreements”) and the authorization of the Chief Executive Officer and/or the person assigned by the Chief Executive Officer to have the power to Determining other necessary and relevant details regarding the Company's asset disposal transaction.

3.5) Considered entering into a short-term loan agreement for capital increase in ADB Sealant Co., Ltd. (“ADBS”).

4. Reviewed and monitored the Company's performance on a quarterly basis, both operationally and financially.

5. Acted on behalf of the Nomination and Remuneration Committee while the Company did not have such a committee. In terms of recruitment, the Committee considered and selected candidates for the Board of Directors and sub-committees initially and presented them to the Board of Directors for approval.

7. Considered the remuneration of directors and sub-committees for submission to the Board of Directors.

8. Considered and monitored the results The Company's operations on a quarterly basis, both operationally and financially.

9. Reviewed the Executive Committee Charter to ensure consistency with the duties of the Board of Directors, as well as compliance with relevant policies and guidelines.

## Meeting attendance Sustainability and Risk Management Committee

Meeting Sustainability and Risk Management : 2  
Committee (times)

List of Directors	Meeting attendance Sustainability and Risk Management Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. MONGKON LAOWORAPONG (The chairman of the subcommittee)	2	/	2
2 Mr. WANG WANAPAI SON (Member of the subcommittee)	2	/	2
3 Ms. PORNPIWAN NIRAMONCHARDCHAY (Member of the subcommittee)	2	/	2
4 Mr. WUTTICHA I WONGCHAROENSIN (Member of the subcommittee)	2	/	2
5 Mrs. MONPILAI NARASINGHA (Member of the subcommittee)	2	/	2
6 Mr. Piriya Moungram (Member of the subcommittee)	2	/	2

## The results of duty performance of Sustainability and Risk Management Committee

In 2024, the Sustainability and Risk Management Committee held 2 meetings, which all directors attended every time. Both meetings were held via electronic media (Zoom Conference) according to the Emergency Decree on Electronic Meetings B.E. 2563 and the Announcement of the Ministry of Digital Economy and Society Re: Security Standards for Electronic Meetings B.E. 2563. The Sustainability and Risk Management Committee has the duty to establish and review the organization's sustainability and risk management framework, policies, and sustainability and risk management processes according to the roles and responsibilities in the charter of the Sustainability and Risk Management Committee and propose guidelines for sustainability and risk management appropriate for efficient business operations in line with the strategic direction and business plan, including supporting and developing sustainability and risk management at all levels throughout the organization continuously and effectively according to international standards to create an organizational culture. The essence of each meeting throughout the year 2024 can be summarized as follows:

1) Consider amending the Sustainability Management Policy No. 1/2024 from the original 5 items to 7 items, adding the company's standard system to enhance the efficiency of the committee and management. The amendment to the Sustainability Management Policy

was approved by the Board of Directors on May 9, 2024.

2) Consider the sustainability and risk management plan for 2024 of Apply DB Public Company Limited and its subsidiaries, along with providing guidelines for sustainability and risk management operations to be most effective.

3) Consider the Positive Opportunity and Business Risk affecting the compound plastic resin business of Apply DB Public Company Limited after the company spun off its adhesive and sealant business under the name ADB Sealant Company Limited.

4) Consider operational guidelines for assessing ESG Rating and Indicators, new criteria assessed by FTSE Russell, to prepare both data and personnel for the new assessment format.

5) Consider the sustainability and risk management performance for the first half of 2024 (1HY2024) of Apply DB Public Company Limited and its subsidiaries.

6) Consider the risks of departments/internal units of the organization at a high-risk level of Apply DB Public Company Limited and its subsidiaries and guidelines for mitigating each risk.

In summary, the Sustainability and Risk Management Committee is of the opinion that in 2024, the Company has continuously developed its risk management system in line with the changing circumstances. There were appropriate meetings of the Sustainability and Risk Management Committee. When there were critical and urgent risks, the Sustainability and Risk Management Working Group managed them promptly and reported according to the chain of command following the established practices, which resulted in the effectiveness of risk management, effective and appropriate management of key risks at the organizational level, and control to an acceptable level.

### Risk Assessment

In 2024, the Risk Management Committee developed a Risk Profile table that shows the level of impact and likelihood, as well as monitoring risks covering Strategic Risk, Operational Risk, Financial Risk, Compliance Risk, ESG Risk, and Emerging Risk annually, and there is a review in 2024, including communication with Risk Owners, including executives in each department, to raise awareness of risks and prevention methods, which is an important development that everyone must cooperate in managing risks together. There are key successes.

## Meeting attendance Investment Advisory Board Committee

Meeting Investment Advisory Board Committee : 1  
(times)

List of Directors	Meeting attendance Investment Advisory Board Committee		
	Meeting attendance (times)	/	Meeting attendance right (times)
1 Mr. MONGKON LAOWORAPONG (The chairman of the subcommittee)	1	/	1
2 Mrs. MONPILAI NARASINGHA (Member of the subcommittee)	1	/	1

## The results of duty performance of Investment Advisory Board Committee

In 2024, the Investment Advisory Committee held 1 meeting to analyze the risks, benefits, and cost-effectiveness of the investments that the company is expected to receive for the Board of Directors' approval. The committee considered the following important matters:

1. Consider increasing the registered capital of ADB Sealant Co., Ltd. ("ADBS")
2. Consider waiving the right to subscribe for newly issued ordinary shares and preferred shares of ADB Sealant Co., Ltd. ("ADBS")
3. Consider the disposal of assets of Apply DB Public Company Limited ("ADB") to ADB Sealant Co., Ltd. ("ADBS")
4. Consider entering into related agreements, including:

- 1) Share Subscription Agreement
- 2) Shareholders' Agreement

3) Asset Sale and Purchase Agreement (collectively referred to as the "Definitive Agreements") and the authorization of the Chief Executive Officer and/or the person assigned by the Chief Executive Officer to have the power to determine other necessary and relevant details regarding the asset disposal transaction of the company.

5. Consider entering into a short-term loan agreement for capital increase in ADB Sealant Co., Ltd. (“ADBS”)

All of the committee members have performed their duties to the best of their ability, with honesty, integrity, prudence, and consideration for the best interests of the company. They are responsible to shareholders and all stakeholders.

## 9. Internal control and related party transactions

### 9.1 Internal control

#### Summary of the opinion of the board of directors regarding the internal control of the company

The company recognizes the importance of having a good internal control system to help ensure that business operations are efficient and effective, that operations are transparent and reliable, and that there are mechanisms for checks and balances in accordance with Good Corporate Governance. This ensures that the company has an internal control system in place to ensure that operations are carried out in accordance with its objectives, goals, and relevant requirements effectively, completely, adequately, and within an appropriate timeframe, in line with the guidelines of the Securities and Exchange Commission.

The Board of Directors consequently, the management has been entrusted with evaluating the sufficiency and appropriateness of the internal control system based on the evaluation framework stipulated by the Securities and Exchange Commission (SEC). They adhere to the COSO 2013 guidelines (The Committee of Sponsoring Organizations of the Tread way Commission). Furthermore, the Audit Committee is mandated to conduct regular reviews of the internal control assessment findings to ensure that operations are efficient, effective, and compliant with legal and regulatory requirements on an annual basis. This approach ensures a balanced examination and efficient utilization of resources for the benefit of the Company.

In addition, the Board of Directors has appointed the Sustainability and Risk Management Committee to be responsible for overseeing the company's risk management, establishing risk management policies that cover the entire organization, as well as ensuring that the company has a risk management system or process in place to achieve its objectives and targets. This includes supporting operations to build confidence among stakeholders for the company's sustainable growth and to ensure good corporate governance.

#### 9.1.1 Adequacy and appropriateness of the company's internal control system

Company's internal control system : The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

#### The Committee of Sponsoring Organizations of the Treadway Commission (COSO)

At the Board of Directors' Meeting No.6/2024 held on November 11, 2024, with 4 independent directors, including 3 Audit Committee, in attendance, the Board of Directors assessed the internal control system of the Company and its subsidiaries according to the assessment form for the adequacy of the internal control system of the Securities and Exchange Commission (SEC). The assessment is based on the COSO 2013 framework, which consists of 5 components: control environment, risk assessment, control activities, information and communication systems, and monitoring systems. The Audit Committee has reviewed and deemed the internal control system of the Company and its subsidiaries to be adequate and appropriate. No material weaknesses in internal control were found. The Company and its subsidiaries have allocated sufficient personnel to comply with laws, regulations, policies, code of conduct, and various guidelines effectively. There is also a system to control, monitor, and oversee the operations of the Company and its subsidiaries to prevent assets from being used inappropriately or without authorization by the Board of Directors or management. This includes conducting business with potentially conflicting or related parties adequately.

The Company instills in management, supervisors, and employees the awareness and practice of good corporate governance, risk management, compliance, and internal control. The Company provides adequate personnel and strives to improve work systems with appropriate standards that promote the effective achievement of objectives. Operations are carried out within the framework of relevant laws and standards. The Company can manage its business according to the business plan and approved budget, and there is monitoring and reporting to achieve the vision and mission set under the principles of good corporate governance.

#### 9.1.2 Deficiencies related to the internal control system

	2022	2023	2024
Total number of deficiencies related to the internal control system (cases)	0	0	0



### 9.1.3 Opinions of the audit committee and auditor's observations on internal control

Does the audit committee have opinions on internal control : Yes  
different from the board of directors' opinions?

#### Opinion of the Audit Committee

The Audit Committee has reviewed the adequacy, appropriateness, and effectiveness of the Company's and its subsidiaries' internal control systems by considering the reports of the Company's internal auditors and external auditors, including an assessment of the internal control system in accordance with the guidelines set by the Securities and Exchange Commission. The Audit Committee is of the opinion that the Company's internal control system is appropriate and adequate and provides reasonable assurance that the Company has an adequate and effective internal control system.

The Audit Committee has provided its opinion on the Company's corporate governance, risk management, operations management, and internal control in 2024, as presented in Attachment 6, Report of the Audit Committee.

#### Internal Auditor's Opinion on the Company's Internal Control System

The Company has engaged an internal auditor, a professional service provider, Asset Advisory Co., Ltd., which has experience in the internal audit profession and has qualified personnel in sufficient numbers to serve the Company. The system is audited according to the timeframe specified. Details of the internal auditor are attached in Attachment 3.

In 2024, the auditors assessed the adequacy of the internal control system in all five areas mentioned above and reported to the Audit Committee for presentation to the Board of Directors on a quarterly basis. Any recommendations for improvement were communicated to management for corrective action and continuous monitoring. The audit results for the year revealed that various issues had been continuously improved, and the remaining issues were of low significance.

Does the auditor have any observations on the company's : Yes  
internal control?

The auditor does not have any significant observations regarding deficiencies in internal control or the Company's ability to safeguard its assets from unauthorized or improper use by management or employees, and believes that the Company's financial statements are reliable, prepared in accordance with generally accepted accounting principles, and comply with financial reporting standards.

### 9.1.4 Opinions of the audit committee on the position of the head of the internal audit unit

Head of the internal audit unit : Outsourced service

At the Audit Committee Meeting No.1/2024 on February 21, 2024, appointed Asset Advisory Co., Ltd. to act as the Company's internal auditor, which Asset Advisory Co., Ltd. has assigned Mr. Narongsak Wangtapan the position of Manager is primarily responsible for performing the duties of the Company's internal auditor.

The Audit Committee has considered the qualifications of Asset Advisory Co., Ltd. and Mr. Narongsak Wangtapan and deemed them qualified for such duties due to their independence and experience in internal audit work, and having attended training courses related to internal audit work, including COSO 2013 Internal Control Certificate, Upgrading Working Papers, Expertise in Review, Anti-Corruption, IT Audit for Non-IT Auditor, and Integrated Audit Class 2/2018. The Company has also established an internal audit department to coordinate with outsourced auditors.

The consideration and approval of the appointment, removal, and transfer of the Head of Internal Audit must be approved (or acknowledged) by the Audit Committee. The qualifications of the Head of Internal Audit are shown in Attachment 3.

### 9.1.5 Appointment, discharge, and transfer of the head of the internal audit unit

Does the appointment, discharge, and transfer of the head of : Yes  
the internal audit unit require the audit committee approval?

The Audit Committee considers the independence of the internal audit unit to ensure that it can perform its duties effectively. It also considers and selects qualified individuals to serve as the head of the internal audit department, including approving the appointment, transfer, and termination of the head of internal audit or any other unit responsible for internal audit work. The committee will consider approving the appointment of internal auditors in February of every year.

## 9.2 Related party transactions

### Related party transactions

Does the company have any related party transactions? : Yes

#### 9.2.1 - 9.2.2 Names of the group of persons who may have a conflict of interest, nature of relationship, and information on related party transactions

##### Persons/entities with potential conflicts

Name of person or entity/type of business	Nature of relationship	Information as of date
CPL Group Public Company Limited Manufacturer and distributor of finished leather products and safety equipment and personal protective equipment.	1) Share the same director who is Mr. Mongkon Laoworapong. 2) 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.	31 Dec 2024
Thai Wiring System Co.,Ltd. Operates in the business of producing and distributing wire mesh product.	1) There is 1 common director with the company, namely Mr. Wuttichai Wongcharoensin. 2) Have shareholders who are Mr.Manit Wongcharoensin, Mr.Puwasit Wongcharoensin, Mr.Wiwat Wongcharoensin and Mr.Suwatchai Wongcharoensin (Wongcharoensin Family) who are the Company's major shareholders holding 12.5%, 6.25%, 12.50% and 7.00% of paid-in registered capital of 72 million baht respectively.	31 Dec 2024
ADB BIO Co.,Ltd. Operates in the business of producing and distributing bioplastic compound.	1) There are 2 common directors of the Company, namely Mr. Wang Wanapaisan and Mr. Veerachai Wongcharoensin. 2) The Company currently holds 99.97% of shares in ADB Bio Company Limited.	31 Dec 2024
ADB Sealant Co.,Ltd. Operates in the business of producing and distributing adhesive and sealant.	1) There are 4 common directors with the Company, namely Mr. Wang Wanapaisan and Mr. Veerachai Wongcharoensin, Mr. Wang Wei Kai and Mr. Wuttichai Wongcharoensin. 2) The Company currently holds 49% of the shares in ADB Sealant Co., Ltd.	31 Dec 2024

## Details of related party transactions

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
CPL Group Public Company Limited			
<b>Transaction 1</b>  <u>Nature of transaction</u>  Sale revenue  <u>Details</u>  The company sells adhesives and PVC resin for CPL Group Public Company Limited.  <u>Necessity/reasonableness</u>  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.  <u>Audit committee's opinion</u>  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.	3,883,945.00	803,705.00	552,500.00
<b>Transaction 2</b>  <u>Nature of transaction</u>  Trade receivables  <u>Details</u>  The company sells adhesives and PVC resin for CPL Group Public Company Limited.  <u>Necessity/reasonableness</u>	994,116.00	88,275.00	58,850.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p>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.</p> <p><u>Audit committee's opinion</u></p> <p>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.</p>			
<p><b>Transaction 3</b></p> <p><u>Nature of transaction</u></p> <p>Cost of sales</p> <p><u>Details</u></p> <p>The Company purchases personal protective equipment from C. P. L. Group Public Company Limited to use in the Company's factories.</p> <p><u>Necessity/reasonableness</u></p> <p>The Company purchases personal protective equipment from C. P. L. Group Public Company Limited to use in the Company's factories. The Company had purchased such personal protective equipment. The sales prices are comparable to those given by other business partners. The Procurement Department compares the prices according to the Company's procurement policy and proposes to executives for an approval.</p> <p><u>Audit committee's opinion</u></p>	63,528.00	48,169.00	29,387.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p>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.</p>			
<p><b>Transaction 4</b></p> <p>3,976.00                      6,337.00                      5,803.00</p> <p><u>Nature of transaction</u></p> <p>Account receivable</p> <p><u>Details</u></p> <p>The Company purchases personal protective equipment from C. P. L. Group Public Company Limited to use in the Company's factories.</p> <p><u>Necessity/reasonableness</u></p> <p>The Company purchases personal protective equipment from C. P. L. Group Public Company Limited to use in the Company's factories. The Company had purchased such personal protective equipment. The sales prices are comparable to those given by other business partners. The Procurement Department compares the prices according to the Company's procurement policy and proposes to executives for an approval.</p> <p><u>Audit committee's opinion</u></p> <p>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.</p>			
ADB BIO Co.,Ltd.			
<p><b>Transaction 1</b></p> <p>328,953.00                      120,000.00                      120,000.00</p> <p><u>Nature of transaction</u></p> <p>Sales and services revenue</p> <p><u>Details</u></p> <p>The Company charges a service fee for the administration and management from ADB Bio Company Limited.</p>			

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p><u>Necessity/reasonableness</u></p> <p>The Company charges a service fee for the administration and management from ADB Bio Company Limited. This commercial transaction is a normal business operation. The management fees have been determined by the company based on volume of transactions. There may be items related to rent or wages for additional production if there are additional orders from customers.</p> <p><u>Audit committee's opinion</u></p> <p>The Audit Committee give opinion that the said transaction is reasonable and it is a normal business transaction of the company in accordance with general trading conditions according to the company's sales policy and does not cause the company to lose benefits.</p>			
<p><b>Transaction 2</b></p> <p>10,700.00</p> <p>10,700.00</p> <p>0.00</p> <p><u>Nature of transaction</u></p> <p>Trade receivables</p> <p><u>Details</u></p> <p>The Company charges a service fee for the administration and management from ADB Bio Company Limited.</p> <p><u>Necessity/reasonableness</u></p> <p>The Company charges a service fee for the administration and management from ADB Bio Company Limited. This commercial transaction is a normal business operation. The management fees have been determined by the company based on volume of transactions. There may be items related to rent or wages for additional production if there are additional orders from customers.</p> <p><u>Audit committee's opinion</u></p> <p>The Audit Committee give opinion that the said transaction is reasonable and it is a normal business transaction of the company in accordance with general trading conditions according to the company's sales policy and does not cause the company to lose benefits.</p>			
ADB Sealant Co.,Ltd.			
<p><b>Transaction 1</b></p> <p>0.00</p> <p>394,775,689.00</p> <p>279,000,000.00</p> <p><u>Nature of transaction</u></p>			

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p>Receive transfer of goods and assets</p> <p><u>Details</u></p> <p>The company transferred the remaining inventory and some fixed assets such as machinery and equipment to ADB Sealant Co.,Ltd.</p> <p><u>Necessity/reasonableness</u></p> <p>The company transferred the remaining inventory and some fixed assets such as machinery and equipment based on the appraised price from an independent property appraiser, while finished goods inventories were considered the profit margin of 5 percent of the net value.</p> <p><u>Audit committee's opinion</u></p> <p>The Audit Committee is of the opinion that the transaction is reasonable and supports the company's normal business and have already checked with the legal advisor.</p>			
<p><b>Transaction 2</b></p> <p><u>Nature of transaction</u></p> <p>outstanding account receivables</p> <p><u>Details</u></p> <p>The company transferred the remaining inventory and some fixed assets such as machinery and equipment to ADB Sealant Co.,Ltd.</p> <p><u>Necessity/reasonableness</u></p> <p>The company transferred the remaining inventory and some fixed assets such as machinery and equipment based on the appraised price from an independent property appraiser, while finished goods inventories were considered the profit margin of 5 percent of the net value.</p> <p><u>Audit committee's opinion</u></p> <p>The Audit Committee is of the opinion that the transaction is reasonable and supports the company's normal business and have already checked with the legal advisor.</p>	0.00	352,409,987.00	0.00
<p><b>Transaction 3</b></p> <p><u>Nature of transaction</u></p> <p>Factory rental and management costs</p>	0.00	42,900,000.00	30,462,000.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p><u>Details</u></p> <p>The company received income from factory rental fees and management fees from ADB Sealant Co., Ltd. according to the rental and management fee contract for a period of 1 year.</p> <p><u>Necessity/reasonableness</u></p> <p>The company received income from factory rental fees and management fees from ADB Sealant Co., Ltd. according to the rental and management fee contract for a period of 1 year, with the rental fee being based on the appraised value of an independent appraiser. The company has considered the appropriateness of the volume of transactions and service that related to management team and human resources from Applied DB Public Company Limited.</p> <p><u>Audit committee's opinion</u></p> <p>The transaction is the Company's normal transaction at the market price. The transaction therefore is reasonable and fair.</p>			
<p><b>Transaction 4</b></p> <p><u>Nature of transaction</u></p> <p>outstanding account receivables</p> <p><u>Details</u></p> <p>The company received income from factory rental fees and management fees from ADB Sealant Co., Ltd. according to the rental and management fee contract for a period of 1 year.</p> <p><u>Necessity/reasonableness</u></p> <p>The company received income from factory rental fees and management fees from ADB Sealant Co., Ltd. according to the rental and management fee contract for a period of 1 year, with the rental fee being based on the appraised value of an independent appraiser. The company has considered the appropriateness of the volume of transactions and service that related to management team and human resources from Applied DB Public Company Limited.</p> <p><u>Audit committee's opinion</u></p> <p>The transaction is the Company's normal transaction at the market price. The transaction therefore is reasonable and fair.</p>	0.00	4,173,000.00	149,800.00



Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p><b>Transaction 5</b></p> <p><u>Nature of transaction</u></p> <p>Trademark usage fees</p> <p><u>Details</u></p> <p>The Company received trademark royalty income from the use of Brand: DB, Sparko, Dai-Ichi, Omaku, and ADB trademarks.</p> <p><u>Necessity/reasonableness</u></p> <p>The Company received trademark royalty income from the use of Brand: DB, Sparko, Dai-Ichi, Omaku, and ADB trademarks which the Company still owns these registered trademarks both domestically and abroad. It is calculated from the sales received from the sale of products bearing the said trademark at 1 percent of the sales value of that product.</p> <p><u>Audit committee's opinion</u></p> <p>The transaction is the Company's normal transaction at the market price. The transaction therefore is reasonable and fair.</p>	0.00	4,239,966.00	3,689,693.00
<p><b>Transaction 6</b></p> <p><u>Nature of transaction</u></p> <p>outstanding account receivables</p> <p><u>Details</u></p> <p>The Company received trademark royalty income from the use of Brand: DB, Sparko, Dai-Ichi, Omaku, and ADB trademarks.</p> <p><u>Necessity/reasonableness</u></p> <p>The Company received trademark royalty income from the use of Brand: DB, Sparko, Dai-Ichi, Omaku, and ADB trademarks which the Company still owns these registered trademarks both domestically and abroad. It is calculated from the sales received from the sale of products bearing the said trademark at 1 percent of the sales value of that product.</p> <p><u>Audit committee's opinion</u></p> <p>The transaction is the Company's normal transaction at the market price. The transaction therefore is reasonable and fair.</p>	0.00	1,143,989.00	679,350.00
<p><b>Transaction 7</b></p>	0.00	37,891,848.00	1,423,994.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p><u>Nature of transaction</u></p> <p>Sold raw materials</p> <p><u>Details</u></p> <p>The Company sold raw materials to ADB Sealant Co., Ltd. because in the initial period of business transfer, because ADB Sealant Co., Ltd. was unable to purchase certain types of raw materials or some parts of the order were sent through Applied DB Public Company Limited in advance.</p> <p><u>Necessity/reasonableness</u></p> <p>The Company sold raw materials to ADB Sealant Co., Ltd. because in the initial period of business transfer, because ADB Sealant Co., Ltd. was unable to purchase certain types of raw materials or some parts of the order were sent through Applied DB Public Company Limited in advance, so the company sold the raw materials back to ADB Sealant Company Limited.</p> <p><u>Audit committee's opinion</u></p> <p>The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.</p>			
<p><b>Transaction 8</b></p> <p>0.00</p> <p>9,599,725.00</p> <p>11,286,775.00</p> <p><u>Nature of transaction</u></p> <p>Providing financial assistance Interest expense</p> <p><u>Details</u></p> <p>The company is in arrears for transferring outstanding inventories and some fixed assets such as machinery and equipment.</p> <p><u>Necessity/reasonableness</u></p> <p>The company is in arrears for transferring outstanding inventories and some fixed assets such as machinery and equipment based on the appraised price from an independent property appraiser. The interest is charged at the rate of 3.50 percent per year, based on the company's short-term loan interest costs.</p> <p><u>Audit committee's opinion</u></p>			

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.			
<b>Transaction 9</b>  <u>Nature of transaction</u>  Cost of sales  <u>Details</u>  The company purchased adhesive and sealant products to sell to customers during the period when ADB Sealant Co., Ltd. was unable to ship products abroad.  <u>Necessity/reasonableness</u>  The company purchased adhesive and sealant products to sell to customers during the period when ADB Sealant Co., Ltd. was unable to ship products abroad due to various documents related to international shipping. Therefore, the products were sold to Applied DB Public Company Limited for distribution instead in the initial period, which will be carried out by ADB Sealant Co., Ltd. after the related documents have been completed.  <u>Audit committee's opinion</u>  The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.	0.00	7,168,455.00	899,843.00
<b>Transaction 10</b>  <u>Nature of transaction</u>  Account receivable  <u>Details</u>  The company purchased adhesive and sealant products to sell to customers during the period when ADB Sealant Co., Ltd. was unable to ship products abroad.  <u>Necessity/reasonableness</u>  The company purchased adhesive and sealant products to sell to customers during the period when ADB Sealant Co., Ltd. was unable to ship products abroad due to various documents related to international shipping. Therefore, the products were sold to Applied DB Public Company Limited for distribution instead in the initial period, which will be carried out by ADB Sealant Co., Ltd. after the related documents have been completed.	0.00	25,218.00	548,114.00

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<u>Audit committee's opinion</u>  The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.			
<b>Transaction 11</b>  0.00 895,486.00 297,597.00  <u>Nature of transaction</u>  Other service fees  <u>Details</u>  The Company collects service fees for the cost of exporting goods, other service fees that the Company has paid according to the list of invoices from the trading partners.  <u>Necessity/reasonableness</u>  The Company collects service fees for the cost of exporting goods, other service fees that the Company has paid according to the list of charges from the trading partners, which such items are service fees that support the normal business operations of ADB Sealant Co., Ltd. If in the future there is no purchase or sale of goods to ADB Sealant Co., Ltd., there will be no other related service fees.  <u>Audit committee's opinion</u>  The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.			
<b>Transaction 12</b>  0.00 104,379.00 0.00  <u>Nature of transaction</u>  Trade receivables  <u>Details</u>  The Company collects service fees for the cost of exporting goods, other service fees that the Company has paid according to the list of invoices from the trading partners.  <u>Necessity/reasonableness</u>			

Related party transactions	Transaction value at the end of the fiscal year (baht)		
	2022	2023	2024
<p>The Company collects service fees for the cost of exporting goods, other service fees that the Company has paid according to the list of charges from the trading partners, which such items are service fees that support the normal business operations of ADB Sealant Co., Ltd. If in the future there is no purchase or sale of goods to ADB Sealant Co., Ltd., there will be no other related service fees.</p> <p><u>Audit committee's opinion</u></p> <p>The transaction is the Company's normal transaction at the fair-trade term. The transaction therefore is reasonable and fair.</p>			
Thai Wiring System Co.,Ltd.			
<p><b>Transaction 1</b></p> <p><u>Nature of transaction</u></p> <p>Sale revenue</p> <p><u>Details</u></p> <p>The Company has sold PVC Compound to Thai Wiring System Co., Ltd.</p> <p><u>Necessity/reasonableness</u></p> <p>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.</p> <p><u>Audit committee's opinion</u></p> <p>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</p>	1,100,000.00	506,175.00	0.00

### 9.2.3 Policy and future trends of related party transactions and the compliance with the obligations specified in the prospectus of the company

#### Measures and procedures for approving related party transactions or connected transactions

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:

##### **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.

##### **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 Registration Statement/Annual Report (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) Connected transactions of the Company and subsidiaries.**

The Company conducts business with its subsidiaries such as services, space rental, buying and selling of raw materials, products, and financial assistance, technical or personnel support, etc. Business operations are transactions between the companies complied with legal and regulations issued by government agencies and regulatory agencies or other relevant agencies and the Company's approval authorization as well as on the basis of the company's acceptable risk principles.

#### Future trends in related party transactions

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 (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.

#### **9.2.4 Information on appraised assets and appraisal price in conjunction with the execution of related party transactions**

Can be referred in attachment 4: assets for business undertaking and details of asset appraisal

## Part 3 Financial Statement



Board of Directors' Responsibility Statement for the  
Financial Report



## Part 3 Financial Statements

### Report on the Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the financial statements and consolidated financial statements of the Company, Apply DB Public Company Limited and its subsidiaries, including the financial information appearing in the Annual Registration Statement/Annual Report 2023 (Form 56-1 One Report). The financial statements for the year ended December 31, 2024, have been prepared in accordance with financial reporting standards, applying appropriate and consistently applied accounting policies. Prudent judgment and reasonable estimates were used in the preparation of the financial statements. In addition, significant information is disclosed adequately in the notes to the financial statements to ensure that the financial position, results of operations, and cash flows are presented fairly, transparently, and usefully to shareholders and general investors. The financial statements have been audited by KPMG Phoomchai Audit Limited, a certified public accounting firm, and are in accordance with the financial reporting standards in all material respects. During the audit, the Company provided supporting information and documents to enable the auditors to perform the audit and express an opinion in accordance with auditing standards.


The Board of Directors has established and maintained an appropriate and effective risk management system, internal control system, internal audit, and supervision to ensure that the accounting information is accurate, complete, and sufficient to safeguard the Company's assets and prevent risks, as well as to prevent fraud or any material irregularities.

The Board of Directors has appointed an Audit Committee, which comprises independent directors, to oversee the quality of financial reporting, review the financial statements and the adequacy of the internal control system, and disclose information regarding transactions with related parties. The Audit Committee's opinion on this matter is presented in the Audit Committee Report, which is included in this report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate and provides reasonable assurance that the separate and consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2024, are reliable, comply with generally accepted accounting standards, and are in accordance with relevant laws and regulations.



Mr. Wang Wanapaisorn  
Chief Executive Officer



Mr. Pawat Wongtangtrakul  
Chairman of the Board

## Auditor's Report

**Applied DB Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2024  
and  
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.  
50<sup>th</sup> Floor, Empire Tower  
1 South Sathorn Road, Yannawa  
Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website [home.kpmg/th](http://home.kpmg/th)

บริษัท เคพีเอ็มจี ภูมิไทย สอบบัญชี จำกัด  
ชั้น 50 เอ็มไพร์ ทาวเวอร์  
1 ถนนสาทรใต้ แขวงยานนาวา  
เขตสาทร กรุงเทพฯ 10120  
โทร +66 2677 2000  
แฟกซ์ +66 2677 2222  
เว็บไซต์ [home.kpmg/th](http://home.kpmg/th)

## Independent Auditor's Report

### To the Shareholders of Applied DB Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Applied DB Public Company Limited and its subsidiaries (the “Group”) and of Applied DB Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2024, 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 material 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 2024 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.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
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"> <li>- 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;</li> <li>- verifying the accuracy of the inventory aging report on a sample basis with supporting documents;</li> <li>- 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;</li> <li>- sampling items to test the estimated net realisable value of inventories and related selling expenses with supporting documents; and</li> <li>- evaluating the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>



### *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  
25 February 2025



## Financial Statements

# Applied DB Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2024	2023	2024	2023
(in Baht)					
<i>Current assets</i>					
Cash and cash equivalents	5	91,184,995	40,555,485	90,286,111	38,016,746
Trade accounts receivable	4, 6	251,183,688	377,667,695	251,183,688	201,815,031
Other receivables	4	40,465,903	78,970,804	38,406,565	396,968,807
Inventories	7	137,134,138	382,948,199	138,738,663	141,999,115
Total current assets		519,968,724	880,142,183	518,615,027	778,799,699
<i>Non-current assets</i>					
Investments in subsidiaries	9	-	-	1,006,623	51,006,523
Investments in associate	10	317,315,271	-	337,622,452	-
Property, plant and equipment	11	178,033,455	462,306,005	178,033,455	406,544,281
Right-of-use assets	11, 12	18,178,230	43,945,011	18,178,230	22,735,397
Other intangible assets		334,364	847,334	334,364	780,873
Deferred tax assets	20	6,350,448	11,712,890	6,350,448	6,115,579
Other non-current assets		13,386,661	11,736,848	13,386,661	11,736,848
Total non-current assets		533,598,429	530,548,088	554,912,233	498,919,501
Total assets		1,053,567,153	1,410,690,271	1,073,527,260	1,277,719,200

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	
		2024	2023	2024	2023
<i>(in Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	13	208,549,648	440,172,284	204,549,648	405,831,481
Trade accounts payable	4	144,371,585	243,368,303	144,371,585	165,530,565
Other payables	4	17,170,296	29,846,084	16,949,460	15,337,582
Current portion of lease liabilities	13	2,649,762	5,411,252	2,649,762	2,814,770
Current portion of long-term borrowings					
from financial institutions	13	-	9,412,000	-	9,412,000
Income tax payable		2,564,251	-	2,564,251	-
Current provisions for employee benefits	14	1,577,275	1,293,341	1,577,275	693,212
Other current liabilities		109,126	1,184,738	109,126	1,133,273
<b>Total current liabilities</b>		<b>376,991,943</b>	<b>730,688,002</b>	<b>372,771,107</b>	<b>600,752,883</b>
<b>Non-current liabilities</b>					
Lease liabilities	13	14,619,122	36,179,278	14,619,122	18,090,709
Non-current provisions for employee benefits	14	27,114,550	43,221,517	27,114,550	26,181,886
<b>Total non-current liabilities</b>		<b>41,733,672</b>	<b>79,400,795</b>	<b>41,733,672</b>	<b>44,272,595</b>
<b>Total liabilities</b>		<b>418,725,615</b>	<b>810,088,797</b>	<b>414,504,779</b>	<b>645,025,478</b>

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2024	2023	2024	2023
		(in Baht)			
Equity					
Share capital					
Authorised share capital					
(726 million ordinary shares, par value at Baht 0.5 per share)		362,999,962	362,999,962	362,999,962	362,999,962
Issued and paid-up share capital					
(726 million ordinary shares, par value at Baht 0.5 per share)		362,999,962	362,999,962	362,999,962	362,999,962
Share premium on ordinary shares	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	21,960,201	20,643,763	21,960,201	20,643,763
Unappropriated		47,294,405	14,386,946	71,553,095	46,540,774
Other components of equity		77,747	61,580	-	-
Total equity		634,841,538	600,601,474	659,022,481	632,693,722
Total liabilities and equity		1,053,567,153	1,410,690,271	1,073,527,260	1,277,719,200

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	2024	2023	2024	2023
		(in Baht)			
<b>Revenues</b>					
Revenue from sales of goods	4, 17	925,909,974	961,532,615	926,958,575	943,019,401
Net foreign exchange gain		2,539,986	-	2,540,681	7,681
Gain on business transfer		-	-	-	19,887,804
Gains on loss of control in a subsidiary	8	30,440,584	-	-	-
Gain on disposal of assets	4	34,655,609	1,374,791	70,349,372	1,374,791
Other income	4	10,023,115	6,970,205	56,061,868	64,324,427
<b>Total revenue</b>		<b>1,003,569,268</b>	<b>969,877,611</b>	<b>1,055,910,496</b>	<b>1,028,614,104</b>
<b>Expenses</b>					
	4				
Cost of sales of goods	7, 19	867,275,934	912,752,883	868,585,673	893,616,016
Distribution costs	19	40,017,839	39,791,595	39,657,483	37,803,202
Administrative expenses	19	98,135,417	87,825,634	97,771,979	78,234,025
<b>Total expenses</b>		<b>1,005,429,190</b>	<b>1,040,370,112</b>	<b>1,006,015,135</b>	<b>1,009,653,243</b>
<b>Profit (loss) from operating activities</b>		<b>(1,859,922)</b>	<b>(70,492,501)</b>	<b>49,895,361</b>	<b>18,960,861</b>
Finance costs		16,677,706	17,265,515	16,553,005	16,418,686
Share of profit of associate					
accounted for using equity method	10	1,304,861	-	-	-
<b>Profit (loss) before income tax expense</b>		<b>(17,232,767)</b>	<b>(87,758,016)</b>	<b>33,342,356</b>	<b>2,542,175</b>
Income tax expense	20	7,013,597	6,474,988	7,013,597	6,459,369
<b>Profit (loss) for the year from continuing operations</b>		<b>(24,246,364)</b>	<b>(94,233,004)</b>	<b>26,328,759</b>	<b>(3,917,194)</b>
Profit (loss) for the year from discontinued operation, net of tax	8	58,470,261	47,526,603	-	(10,311,972)
<b>Profit (loss) for the year</b>		<b>34,223,897</b>	<b>(46,706,401)</b>	<b>26,328,759</b>	<b>(14,229,166)</b>

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		2024	2023	2024	2023
		(in Baht)			
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange difference on translating financial statements		16,167	(134)	-	-
Total items that will be reclassified subsequently to profit or loss		16,167	(134)	-	-
Items that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	14	-	4,470,987	-	2,497,444
Income tax relating to item that will not be reclassified to profit or loss	20	-	(894,197)	-	(499,489)
Total items that will not be reclassified to profit or loss		-	3,576,790	-	1,997,955
Other comprehensive income for the year, net of tax		16,167	3,576,656	-	1,997,955
Total comprehensive income (expense) for the year		34,240,064	(43,129,745)	26,328,759	(12,231,211)
Profit (loss) attributable to:					
Owners of the parent		34,223,897	(46,706,401)	26,328,759	(14,229,166)
Profit (loss) for the year		34,223,897	(46,706,401)	26,328,759	(14,229,166)
Total comprehensive (expense) income attributable to:					
Owners of the parent		34,240,064	(43,129,745)	26,328,759	(12,231,211)
Total comprehensive income (expense) for the year		34,240,064	(43,129,745)	26,328,759	(12,231,211)
Earnings (loss) per share					
Earnings (loss) from continuing operations	21	(0.033)	(0.130)	0.036	(0.006)
Earnings (loss) from discontinued operations	21	0.081	0.065	-	(0.014)
		0.048	(0.065)	0.036	(0.020)

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of changes in equity

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

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	
			</				

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

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

### Statement of changes in equity

## Retained earnings

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	2024	2023	2024	2023
	(in Baht)			
Cash flows from operating activities				
Profit (loss) for the year	34,223,897	(46,706,401)	26,328,759	(14,229,166)
Adjustments to reconcile profit (loss) to cash receipts				
Tax expense	13,047,985	1,734,510	7,013,597	6,459,369
Interest income	(25,197)	(38,858)	(11,311,965)	(9,629,885)
Finance costs	18,144,830	18,686,355	16,553,005	16,418,686
Depreciation and amortisation	52,754,933	57,013,607	42,277,681	47,263,915
Provision for employee benefits	14	5,729,777	3,096,603	2,845,372
Unrealised (gain) loss on exchange	1,587,764	(10,521,230)	255,064	(13,356,017)
(Reversal of) expected credit loss on				
trade accounts receivable	6	(4,229,223)	59,939	(368,911)
(Reversal of) loss on inventories devaluation	3,997,854	835,202	(598,744)	(589,687)
(Gain) loss on disposal and write-off of property,				
plant and equipment	(34,245,468)	27,078	(70,315,589)	27,078
Gain on write-off of liabilities, net of right-of-use assets	(33,782)	(74,712)	(33,782)	(35,497)
Gain on business transfer - net of tax	-	-	-	(19,887,804)
Gain on loss of control in a subsidiary	8	(30,440,584)	-	-
Share of profit of associate accounted for				
using equity method, net of tax	10	(1,304,861)	-	-
	59,207,925	29,204,151	13,324,568	14,917,453
Changes in operating assets and liabilities				
Trade accounts receivable	129,207,652	74,513,446	(49,933,777)	88,559,476
Other receivables	79,597,741	(37,928,268)	358,562,242	(22,844,962)
Inventories	241,816,207	126,792,778	3,859,196	61,853,006
Other current assets	-	15,700,559	-	15,700,559
Other non-current assets	(1,649,813)	(11,193,338)	(1,649,813)	(11,193,338)
Trade accounts payable	(99,078,905)	6,914,159	(21,019,184)	(21,812,807)
Other payables	(12,012,387)	(18,946,344)	2,008,639	(37,557,928)
Other current liabilities	(1,075,612)	722,668	(1,024,147)	671,203
Employee benefit paid	14	(1,907,697)	(1,279,876)	(1,400,210)
Net cash generated from operations	394,105,111	184,163,088	302,847,848	86,892,452
Tax paid	(6,983,165)	(7,198,128)	(4,684,215)	(4,172,420)
Net cash from operating activities	387,121,946	176,964,960	298,163,633	82,720,032

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	2024	2023	2024	2023
		(in Baht)			
<b>Cash flows from investing activities</b>					
Acquisition of investment in associate	8	(287,622,552)	-	(287,622,552)	-
Effect in cash payment from loss of control					
in a subsidiary	8	(39,332,597)	-	-	-
Proceeds from sale of property, plant and equipment		279,000,000	-	279,000,000	-
Acquisition of property, plant and equipment		(23,500,119)	(17,438,072)	(18,283,707)	(17,039,480)
Acquisition of right-of-use assets		-	(2,282,244)	-	(1,469,700)
Acquisition of intangible assets		(34,770)	(145,460)	(10,800)	(56,060)
Proceeds from business transfer	8	-	-	-	113,314,095
Interest received		25,197	9,638,582	11,311,965	9,629,885
<b>Net cash from (used in) investing activities</b>		<b>(71,464,841)</b>	<b>(10,227,194)</b>	<b>(15,605,094)</b>	<b>104,378,740</b>
<b>Cash flows from financing activities</b>					
Proceeds from (repayment of) short-term					
borrowings from financial institutions		(231,622,636)	(186,577,010)	(201,281,833)	(209,302,312)
Repayment of long-term borrowings from					
financial institutions		(9,412,000)	(19,152,000)	(9,412,000)	(19,152,000)
Payment of lease liabilities		(5,410,620)	(4,084,516)	(2,558,274)	(2,471,502)
Interest paid		(18,833,996)	(28,920,709)	(17,147,388)	(17,934,898)
<b>Net cash used in financing activities</b>		<b>(265,279,252)</b>	<b>(238,734,235)</b>	<b>(230,399,495)</b>	<b>(248,860,712)</b>
Net increase (decrease) in cash and cash equivalents,					
before effect of exchange rates		50,377,853	(71,996,469)	52,159,044	(61,761,940)
Effect of exchange rate changes on cash and					
cash equivalents		251,657	420,848	110,321	411,732
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>50,629,510</b>	<b>(71,575,621)</b>	<b>52,269,365</b>	<b>(61,350,208)</b>
Cash and cash equivalents at 1 January		40,555,485	101,515,605	38,016,746	99,366,954
<b>Cash and cash equivalents at 31 December</b>		<b>91,184,995</b>	<b>29,939,984</b>	<b>90,286,111</b>	<b>38,016,746</b>

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of cash flows

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
		2024	2023	2024	2023
<i>(in Baht)</i>					
<b>Supplemental disclosure of cash flow information</b>					
1. Cash and cash equivalents consisted of:					
Cash and cash equivalent	5	91,184,995	40,555,485	90,286,111	38,016,746
Bank overdraft	13	-	(10,615,501)	-	-
<b>Net</b>		<b>91,184,995</b>	<b>29,939,984</b>	<b>90,286,111</b>	<b>38,016,746</b>
2. Property, plant and equipment purchased during the year are detailed as follows:					
Property, plant and equipment purchased during the period		23,525,883	17,496,415	18,481,329	16,768,175
Less: Capitalised interest	11	(177,703)	(115,763)	(177,703)	(115,763)
Add (less): Changes in payables on purchase of property, plant and equipment		151,939	57,420	(19,919)	387,068
<b>Net purchase of property, plant and equipment paid by cash</b>		<b>23,500,119</b>	<b>17,438,072</b>	<b>18,283,707</b>	<b>17,039,480</b>
<b>Non-cash transactions</b>					
Investment in subsidiary	9	-	-	-	(49,000,000)

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

## Notes to the Financial Statements

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Material accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivables
7	Inventories
8	Loss of control in a subsidiary and discontinued operation
9	Investments in subsidiaries
10	Investment in associate
11	Property, plant and equipment
12	Leases
13	Interest-bearing liabilities
14	Provisions for employee benefits
15	Share premium and surplus on share-based payment transactions
16	Legal reserves
17	Segment information and disaggregation of revenue
18	Employee benefit expenses
19	Expenses by nature
20	Income tax expense
21	Earnings (loss) per share
22	Financial instruments
23	Capital management
24	Commitments with non-related parties and contingent liabilities
25	Thai Financial Reporting Standards (TFRS) not yet adopted
26	Event after the reporting period

# **Applied DB Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### **For the year ended 31 December 2024**

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 25 February 2025.

## **1 General information**

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

- Head office: 252 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.
- First branch: 260 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.
- Second branch: 271 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.
- Third branch: 271/1 Moo 4, Sukhumvit Road, Tambol Prakasa, Amplur Muang, Samutprakarn 10280, Thailand.
- Forth branch: 861 Moo 7, Sukhumvit Road, Tambol Bang Pu Mai, Amplur Muang, Samutprakarn 10280, Thailand.

The Company’s major shareholder during the financial year were the Wongcharoensin Family (24% shareholding), the Wanapraisson Family (14% shareholding) and the Wongtangtrakul Family (12% shareholding).

The principal activities of the Group are manufacturing and distribution of plastic compound, adhesive and sealant. Details of the Company’s subsidiaries as at 31 December 2024 and 2023 are given in note 9.

## **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in note 3, have been applied consistently to all periods presented in these financial statements.

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



**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**3 Material accounting policies**

**(a) Basis of consolidation**

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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The Group has significant influence over an investee as disclosed in note 10. The Group recognised investments in associates using the equity method in the consolidated financial statements, until the date on which significant influence ceases. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees.

**(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.

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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

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 when a derivative is designated as a hedging instrument which recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3(c.4)).

*(c.4) Hedging*

*Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion that is recognised in OCI is limited to the cumulative change in fair value of the hedge item, determined on a present value basis, from inception of the hedge. Any ineffective is recognised immediately in profit or loss.

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 separately accounted for as a cost of hedging, recognised in OCI and accumulated in cost of hedging reserve.

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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

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

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

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

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

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

*(c.6) Write-off*

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

*(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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(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 the Group has no reasonable expectations of recovering.

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. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

A right to recover returned products is measured at the former carrying amount of the sold inventories less any expected costs to recover those products and any potential decreases in value. The right to recover returned products is reassessed at each reporting date and the Group makes a corresponding change to the amount of cost of sales recognised.

**(h) *Investments in subsidiaries and associate***

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

**(i) *Property, plant and equipment***

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

Cost includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located.

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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*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.

The estimated useful lives are as follows:

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

**(j) Intangible assets**

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

The estimated useful lives are as follows:

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

**(k) Leases**

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

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

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

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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

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

**(l) Impairment of non-financial assets**

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit (CGU) 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 assessed from the estimated future cash flows 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.

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 by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in 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*

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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(n) *Share-based payments***

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an 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 performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(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 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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(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. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination or at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

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.

**(t) Earnings (loss) per share**

The calculations of both basic EPS and diluted EPS have been based on the profit or loss attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, with the calculation of diluted EPS further adjusted for the effects of all dilutive potential ordinary shares.



**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**(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 of the group, subsidiaries and associate are described in Note 1, 9 and 10 to the financial statements. Other related parties which the Group had significant transactions with during the year were as follows:

<b>Name of parties</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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.

<b>Significant transactions with related parties</b> <b>For the year ended 31 December</b>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	1,424	37,953
Purchases of goods	-	-	321	6,698
Service income	-	-	4,494	19,920
Rental income	-	-	23,100	23,100
License fees	-	-	3,636	4,240
Service fees	-	-	-	514
Interest income	-	-	11,287	-
Other income	-	-	2,848	-

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

<i>Significant transactions with related parties</i> <i>For the year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Associate</b>				
Rental fees	340	-	340	-
License fees	54	-	54	-
Service fees	120	-	120	-
Gain from sales of assets	34,656	-	70,726	-
Other income	140	-	140	-
<b>Other related parties</b>				
Sales of goods	523	4,760	523	1,310
Purchases of goods	31	110	31	48
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	32,178	23,471	27,139	20,245
Post-employment benefits	1,135	2,711	1,135	1,738
<b>Total key management personnel compensation</b>	<b>33,313</b>	<b>26,182</b>	<b>28,274</b>	<b>21,983</b>

*Sale of assets to associate*

The Company sold assets used in the production and sale of adhesive and sealant, including property, plant and equipment to associate (ADB Sealant Co., Ltd.) at a total price of Baht 279.0 million. In this regards, the Group and the Company recognised a gain from the disposal of assets amounted to Baht 34.7 million in the consolidated statement of comprehensive income and Baht 70.7 million in the separate statement of comprehensive income, respectively.

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

	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Other related parties	59	491	59	88
<b>Total</b>	<b>59</b>	<b>491</b>	<b>59</b>	<b>88</b>
<b>Other receivables</b>				
Subsidiaries	-	-	-	359,693
Associate	203	-	203	-
<b>Total</b>	<b>203</b>	<b>-</b>	<b>203</b>	<b>359,693</b>
<b>Trade accounts payable</b>				
Other related parties	6	6	6	6
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b><i>Other payables</i></b>				
Subsidiaries	-	-	-	71
Associate	548	-	548	-
Other related parties	-	8	-	-
<b>Total</b>	<b>548</b>	<b>8</b>	<b>548</b>	<b>71</b>

***Significant agreements with related parties***

The significant agreements with related parties during the year ended 31 December 2024 are as follows:

- (a) The Company has two marketing assistance agreements with two subsidiaries. Under the terms of these agreements, the subsidiaries agreed to provide marketing assistance and commercial information in overseas markets that are useful for the Company. In consideration thereof, the Company agreed to pay a service fee to the subsidiaries at the agreed rates as stipulated in the agreements. These agreements are effective for a period of 1 year and 9 months starting from 31 March 2017 and will be automatically renewable for additional periods, unless either party has an intention to terminate the agreements, a written notification must be made to the other party not later than 3 months prior to the expiration date.
- (b) The Company has a service agreement with an associate (ADB Sealant Co., Ltd.). Under the terms of the agreement, the Company agreed to provide management services under conditions stipulated in the agreement. In consideration thereof, the associate agreed to pay monthly service fees to the Company as stipulated in the agreement. The agreement is effective for a period of 1 year and 1 month and renewable for additional 1 year period at a time. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days in advance.
- (c) The Company has a service agreement with an associate (ADB Sealant Co., Ltd.). Under the terms of the agreement, the associate agreed to provide management services under conditions stipulated in the agreement. In consideration thereof, the Company agreed to pay monthly service fees to the associate as stipulated in the agreement. The agreement is effective for a period of 1 year and 1 month and renewable for additional 1 year period at a time. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 30 days in advance.
- (d) The Company has a lease agreement with an associate (ADB Sealant Co., Ltd.). Under the terms of the agreement, the Company agreed to lease office, factory and warehouse space of the associate. In consideration thereof, the Company agreed to pay monthly lease fees to the associate as stipulated in the agreement. The agreement is effective for a period of 1 years and 3 months, and will expire in December 2025.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Cash on hand	612	834	356	319
Cash at banks	90,573	39,721	89,930	37,698
<b>Total</b>	<b>91,185</b>	<b>40,555</b>	<b>90,286</b>	<b>38,017</b>

**6 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Within credit terms	228,009	256,374	228,009	156,523
Overdue:				
Less than 3 months	12,828	101,063	12,828	45,059
3 - 6 months	3,875	5,997	3,875	-
6 - 12 months	6,404	17,518	6,404	-
Over 12 months	1,012	1,890	1,012	1,117
<b>Total</b>	<b>252,128</b>	<b>382,842</b>	<b>252,128</b>	<b>202,699</b>
Less allowance for expected credit loss	(944)	(5,174)	(944)	(884)
<b>Net</b>	<b>251,184</b>	<b>377,668</b>	<b>251,184</b>	<b>201,815</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>Allowance for expected credit loss for the year ended 31 December</b>				
At 1 January	5,174	2,453	884	1,408
Additions	60	2,782	60	-
Reversal	(1,439)	-	-	(369)
Write-off	(209)	(61)	-	-
<b>Total</b>	<b>3,586</b>	<b>5,174</b>	<b>944</b>	<b>1,039</b>
Loss of control in a subsidiary	(2,642)	-	-	-
Transfer to discontinued operation	-	-	-	(155)
<b>At 31 December</b>	<b>944</b>	<b>5,174</b>	<b>944</b>	<b>884</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**7 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Finished goods	46,430	113,646	48,827	50,754
Work in progress	22	23,772	22	44
Raw materials	70,369	186,528	69,577	60,498
Factory supplies	8,753	31,971	8,753	7,745
Goods in transit	14,476	37,180	14,476	26,473
<b>Total</b>	<b>140,050</b>	<b>393,097</b>	<b>141,655</b>	<b>145,514</b>
Less allowance for loss on inventories devaluation	(2,916)	(10,149)	(2,916)	(3,515)
<b>Net</b>	<b>137,134</b>	<b>382,948</b>	<b>138,739</b>	<b>141,999</b>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	867,875	913,343	869,185	894,206
- Write-down to net realisable value	(615)	-	-	-
- Reversal of write-down	16	(590)	(599)	(590)
<b>Continuing operations</b>	<b>867,276</b>	<b>912,753</b>	<b>868,586</b>	<b>893,616</b>
Discontinued operation	492,761	550,879	-	55,783
<b>Total</b>	<b>1,360,037</b>	<b>1,463,632</b>	<b>868,586</b>	<b>949,399</b>

**8 Loss of control in a subsidiary and discontinued operation**

*Loss of control in a subsidiary*

On 27 November 2024, the extraordinary general meeting of shareholders of the Company approved transactions related to ADB Sealant Co., Ltd. ("ADBS"), a 99.99% direct owned subsidiary, with details as follows:

1. Approved the increase in capital of ADBS by Baht 595.1 million from Baht 50.0 million to Baht 645.1 million by issuing 58,864,706 ordinary shares at par value of Baht 10 per share divided into (a) 58,864,706 ordinary shares and (b) 645,098 preferred shares with 1 preferred share having 5 voting rights.

2. Approved the waiver of the subscription right for some portion of the additional shares of ADBS, whereby the Company will subscribe to 27,900,000 ordinary shares and AICA Asia Pacific Holding Pte. Ltd. (Singapore) ("AICA" or "Investor") will subscribe to 30,964,706 ordinary shares and 645,098 preferred shares.

On 29 November 2024 (the date of loss control), AICA and the Company subscribed to the additional shares of ADBS and the Company paid for these shares amounted to Baht 287.6 million in November 2024. In this regard, the Company has previous existing investment in ADBS amounted to Baht 50 million, resulting to the Company has total investment in ADBS amounted to Baht 337.6 million in separated statement of financial position as at 31 December 2024.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

After the waiver of right to subscribe for the newly issued shares of ADBS, the Company's voting rights in ADBS has decreased from 99.99 percent to 49.00 percent, resulting in ADBS no longer being a subsidiary of the Company. However, ADBS remains an associate of the Company.

The carrying amount of equity interest in ADBS in the Group's consolidated statement on the date of the transaction was Baht 321.6 million. In this regard, the fair value of the Group's retained interest in ADBS was Baht 352.0 million, which became the initial investment cost of ADBS. The Group recognised a gain on loss of control in a subsidiary of Baht 30.4 million.

The carrying amount of net assets on the date when control of ADBS was lost comprised the following:

<i>Effect of sale on the financial position</i>	<i>Note</i>	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>
Cash and cash equivalents		39,333
Trade accounts receivable		192,952
Inventories		196,334
Other receivables		51,132
Deferred tax assets	20	6,696
Property, plant and equipment	11	53,702
Right-of-use assets	11	19,028
Intangible assets		59
Other non-current assets		4,045
Trade accounts payable		(90,970)
Other payables		(30,659)
Income tax payable		(4,834)
Other current liabilities		(5)
lease liabilities	12	(18,992)
Provisions for employee benefits		(21,224)
<b>Net assets and liabilities at disposal date</b>		<b>396,597</b>
Effect in cash from loss of control in a subsidiary		(39,333)
Fair value of interest in ADBS		352,080
Less carrying amount of investment previously held and equity interest in ADBS		(321,639)
<b>Gain on loss of control in a subsidiary</b>		<b>30,441</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Discontinued operation*

After the Group lost control of ADBS affected to the Group has discontinued operation in the adhesive segment and sealant segment. These segments were not considered discontinued operation as of 31 December 2023. The comparative statement of comprehensive income has been represented to show the discontinued operation separately from continuing operations.

**Consolidated financial statements**

For the period

1 January 2024 to  
29 November 2024

For the year ended  
31 December 2023

(in thousand Baht)

***Operating results of discontinued operation***

Revenues	645,532	670,068
Expenses	581,028	627,282
<b>Results from operating activities</b>	<b>64,504</b>	<b>42,786</b>
Income tax expense (income)	6,034	(4,741)
<b>Profit for the period/year</b>	<b>58,470</b>	<b>47,527</b>

**Cash flow from (used in) discontinued operation**

Net cash from (used in) operating activities	90,254	(17,300)
Net cash used in investing activities	(5,240)	(1,292)
Net cash from (used in) financing activities	(47,042)	8,187
<b>Cash flow from (used in) discontinued operation</b>	<b>37,972</b>	<b>(10,405)</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**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	
			2024	2023	2024	2023	2024	2023
			(%)		(in thousand Baht)			
<b>Local direct subsidiary</b>								
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	-	49,999.9	-	49,999.9
<b>Total</b>					<b>999.7</b>	<b>50,999.6</b>	<b>999.7</b>	<b>50,999.6</b>



**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

			Separate financial statements					
Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost	
			2024	2023	2024	2023	2024	2023
			(%)		(in thousand Baht)			
<i><b>Foreign direct subsidiaries</b></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
<b>Total</b>					<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>
<b>Grand total</b>					<b>1,006.7</b>	<b>51,006.6</b>	<b>1,006.7</b>	<b>51,006.6</b>

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

On 1 February 2023, the Company had the restructuring by Partial Business transfer of adhesive, sealant and DIY products to ADB Sealant Co., Ltd., a subsidiary of the Company, by received partial compensation of 4,900,000 new ordinary shares with the par value of Baht 10 per share, totaling Baht 49 million by maintaining 99.99% of ownership interest.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**10 Investment in associate**

Investments in associate as at 31 December as follows:

Name of party	Type of business	Ownership interest		Consolidation		Separate	
				financial Statements		financial statements	
		At equity method		At cost			
		2024	2023	2024	2023	2024	2023
		(%)		(in thousand Baht)			
<b>Local direct associate</b>							
ADB Sealant Co., Ltd. <sup>(1)</sup>	Manufacturing and distribution of adhesive and sealant.	51.00	-	317,315	-	337,622	-
<b>Total</b>				<b>317,315</b>	<b>-</b>	<b>337,622</b>	<b>-</b>

<sup>(1)</sup> The Group classified the investment as investment in associate because the Group has no control over ADB Sealant Co., Ltd.

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

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Significant associates*

The following table summarises the financial information of an associate as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these company.

	<b>ADB Sealant Co., Ltd.</b>
	<i>(thousand Baht)</i>
Revenue	683,658
Profit from continuing operations	26,053
Comprehensive income (100%)	26,053
<b>Comprehensive income in associate of the Group's interest</b>	<b>1,305</b>
 <i>At 31 December 2024</i>	
Current assets	465,219
Non-current assets	362,232
Current liabilities	(107,295)
Non-current liabilities	(33,627)
Net assets (100%)	686,529
Group's share of net assets	353,385
Elimination of unrealised profit on downstream disposal of assets	(36,070)
<b>Carrying amount of interest in associate</b>	<b>317,315</b>

In this regard, the Group recognised comprehensive income in associate of the Group's interest amounting to Baht 1.31 million, which was calculated from the total comprehensive income of the associate for the accounting period from 29 November 2024 to 31 December 2024, totaling Baht 2.56 million.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**11 Property, plant and equipment**

	<b>Consolidated financial statements</b>						
				Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	Land	Buildings and building improvement	Machinery and equipment	(in thousand Baht)			
<b><i>Cost</i></b>							
At 1 January 2023	64,642	345,993	472,883	25,696	15,889	9,227	934,330
Additions	-	32,424	4,455	779	15,455	12,247	65,360
Transfers	-	897	7,775	-	-	(8,672)	-
Disposals and write-off	-	(393)	(492)	(789)	(8,612)	-	(10,286)
<b>At 31 December 2023 and at 1 January 2024</b>	<b>64,642</b>	<b>378,921</b>	<b>484,621</b>	<b>25,686</b>	<b>22,732</b>	<b>12,802</b>	<b>989,404</b>
Additions	-	67	2,939	1,071	1,159	19,449	24,685
Transfers	-	3,603	3,370	-	-	(6,973)	-
Loss of control in a subsidiary	-	(17,852)	(165,347)	(890)	(6,377)	(292)	(190,758)
Disposals and write-off	(60,132)	(224,460)	(68,684)	(14,646)	(2,628)	-	(370,550)
<b>At 31 December 2024</b>	<b>4,510</b>	<b>140,279</b>	<b>256,899</b>	<b>11,221</b>	<b>14,886</b>	<b>24,986</b>	<b>452,781</b>
<b><i>Depreciation</i></b>							
At 1 January 2023	-	(125,090)	(276,710)	(20,893)	(10,241)	-	(432,934)
Depreciation charge for the year	-	(17,356)	(33,137)	(2,130)	(3,698)	-	(56,321)
Disposals and write-off	-	393	466	788	4,455	-	6,102
<b>At 31 December 2023 and at 1 January 2024</b>	<b>-</b>	<b>(142,053)</b>	<b>(309,381)</b>	<b>(22,235)</b>	<b>(9,484)</b>	<b>-</b>	<b>(483,153)</b>
Depreciation charge for the year	-	(18,039)	(28,955)	(1,485)	(3,786)	-	(52,265)
Loss of control in a subsidiary	-	2,548	112,737	181	2,562	-	118,028
Disposals and write-off	-	92,712	52,735	13,790	1,584	-	160,821
<b>At 31 December 2024</b>	<b>-</b>	<b>(64,832)</b>	<b>(172,864)</b>	<b>(9,749)</b>	<b>(9,124)</b>	<b>-</b>	<b>(256,569)</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Consolidated financial statements							
	Land	Buildings And building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Net book value							
At 31 December 2023							
Owned assets	64,642	206,108	175,240	3,451	63	12,802	462,306
Right-of-use assets	-	30,760	-	-	13,185	-	43,945
	<u>64,642</u>	<u>236,868</u>	<u>175,240</u>	<u>3,451</u>	<u>13,248</u>	<u>12,802</u>	<u>506,251</u>
At 31 December 2024							
Owned assets	4,510	62,993	84,035	1,472	38	24,986	178,034
Right-of-use assets	-	12,454	-	-	5,724	-	18,178
	<u>4,510</u>	<u>75,447</u>	<u>84,035</u>	<u>1,472</u>	<u>5,762</u>	<u>24,986</u>	<u>196,212</u>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	Separate financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2023	64,642	345,993	312,032	25,696	15,889	9,227	773,479
Additions	-	14,652	4,093	427	6,737	12,247	38,156
Transfers	-	897	7,775	-	-	(8,672)	-
Disposals and write-off	-	(393)	(492)	(789)	(5,112)	-	(6,786)
<b>At 31 December 2023 and at 1 January 2024</b>	<b>64,642</b>	<b>361,149</b>	<b>323,408</b>	<b>25,334</b>	<b>17,514</b>	<b>12,802</b>	<b>804,849</b>
Additions	-	-	2,046	533	-	15,903	18,482
Transfers	-	3,590	129	-	-	(3,719)	-
Disposals and write-off	(60,132)	(224,460)	(68,684)	(14,646)	(2,628)	-	(370,550)
<b>At 31 December 2024</b>	<b>4,510</b>	<b>140,279</b>	<b>256,899</b>	<b>11,221</b>	<b>14,886</b>	<b>24,986</b>	<b>452,781</b>
<b>Depreciation</b>							
At 1 January 2023	-	(125,090)	(179,429)	(20,893)	(10,241)	-	(335,653)
Depreciation charge for the year	-	(16,439)	(25,384)	(2,097)	(2,674)	-	(46,594)
Transfer to assets held for sale	-	-	750	-	-	-	750
Disposals and write-off	-	393	466	788	4,280	-	5,927
<b>At 31 December 2023 and at 1 January 2024</b>	<b>-</b>	<b>(141,136)</b>	<b>(203,597)</b>	<b>(22,202)</b>	<b>(8,635)</b>	<b>-</b>	<b>(375,570)</b>
Depreciation charge for the year	-	(16,408)	(22,002)	(1,337)	(2,073)	-	(41,820)
Disposals and write-off	-	92,712	52,735	13,790	1,584	-	160,821
<b>At 31 December 2024</b>	<b>-</b>	<b>(64,832)</b>	<b>(172,864)</b>	<b>(9,749)</b>	<b>(9,124)</b>	<b>-</b>	<b>(256,569)</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	Separate financial statements					Assets under construction and installation	Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles		
<b>Net book value</b>							
<b>At 31 December 2023</b>							
Owned assets	64,642	206,094	119,811	3,132	63	12,802	406,544
Right-of-use assets	-	13,919	-	-	8,816	-	22,735
	<b>64,642</b>	<b>220,013</b>	<b>119,811</b>	<b>3,132</b>	<b>8,879</b>	<b>12,802</b>	<b>429,279</b>
<b>At 31 December 2024</b>							
Owned assets	4,510	62,993	84,035	1,472	38	24,986	178,034
Right-of-use assets	-	12,454	-	-	5,724	-	18,178
	<b>4,510</b>	<b>75,447</b>	<b>84,035</b>	<b>1,472</b>	<b>5,762</b>	<b>24,986</b>	<b>196,212</b>

*Assets under construction and installation*

Assets under construction and installation as at 31 December 2024 amounted to Baht 24.99 million (2023: Baht 12.80 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 2024, the Group and the Company capitalised interest expenses as cost of asset under construction and installation in the total of Baht 0.18 million (2023: Baht 0.12 million), with capitalisation rate of 5.77% per annum (2023: 5.77% per annum).

*Guarantee*

As at 31 December 2024, land of the Group and the Company with carrying value of Baht 4.51 million (2023: 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 13.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**12 Leases**

<i>Right-of-use assets</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Buildings and building improvement	12,454	30,760	12,454	13,919
Vehicles	5,724	13,185	5,724	8,816
<b>Total</b>	<b>18,178</b>	<b>43,945</b>	<b>18,178</b>	<b>22,735</b>

The Group has lease agreements covering buildings and building improvement, and vehicles for periods of 5 years to 10 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>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets				
- Buildings and building improvement	3,093	1,649	1,465	733
- Vehicles	4,799	3,668	2,047	2,644
Interest on lease liabilities	1,694	1,245	933	748
Expenses relating to leases of low-value assets	380	561	198	413

In 2024, total cash outflow for leases of the Group and the Company were Baht 7.48 million (2023: Baht 5.85 million) in consolidated financial statements and Baht 3.69 million (2023: Baht 3.61 million) in separate financial statements respectively.

**13 Interest bearing liabilities**

	<b>Consolidated financial statements</b>					
	2024			2023		
	Secured	Unsecured	<b>Total</b>	Secured	Unsecured	<b>Total</b>
	<i>(in thousand Baht)</i>					
Bank overdrafts	-	-	-	-	10,616	10,616
Short-term borrowings from financial institutions						
- Promissory note	208,550	-	208,550	413,972	-	413,972
- Liabilities under trust receipts	-	-	-	15,584	-	15,584
Lease liabilities	17,269	-	17,269	41,591	-	41,591
Long-term borrowing from financial institution	-	-	-	9,412	-	9,412
<b>Total interest-bearing liabilities</b>	<b>225,819</b>	<b>-</b>	<b>225,819</b>	<b>480,559</b>	<b>10,616</b>	<b>491,175</b>



**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	<b>Separate financial statements</b>	
	2024	2023
	Secured (in thousand Baht)	
Short-term borrowings from financial institutions		
- Promissory note	204,550	405,831
Lease liabilities	17,269	20,905
Long-term borrowing from financial institution	-	9,412
<b>Total interest-bearing liabilities</b>	<b>221,819</b>	<b>436,148</b>

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
<i>Assets pledged as security for liabilities</i>	<i>Note</i>	2024	2023	2024	2023
<i>as at 31 December</i>		(in thousand Baht)			
Land	11	<b>4,510</b>	<b>64,642</b>	<b>4,510</b>	<b>64,642</b>

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 2024, the Group had unutilised credit facilities totalling Baht 1,220.46 million (2023: 1,330.25 million) in consolidated financial statements and Baht 1,220.46 million (2023: Baht 1,011.03 million) in separate financial statements respectively.

***Lease liabilities***

Movement during the year ended 31 December as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2024	2023	2024	2023
	(in thousand Baht)			
At 1 January	41,591	4,325	20,905	4,325
Purchase of assets under lease liabilities	1,159	45,582	-	19,919
Payment of lease liabilities	(7,106)	(5,329)	(3,492)	(3,220)
Write-off	(1,078)	(4,231)	(1,078)	(867)
Finance costs under lease	1,695	1,244	934	748
Loss of control in a subsidiary	(18,992)	-	-	-
<b>At 31 December</b>	<b>17,269</b>	<b>41,591</b>	<b>17,269</b>	<b>20,905</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**14 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 longevity risk, currency risk, interest rate risk and market (investment) risk.

<b><i>Present value of the defined benefit obligations</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b>At 1 January</b>	44,515	45,136	26,875	27,105
<b><i>Recognised in profit or loss:</i></b>				
Current service cost	4,629	3,844	2,411	2,034
Past service cost	-	993	-	401
Interest on obligation	1,101	630	686	410
	<u>5,730</u>	<u>5,467</u>	<u>3,097</u>	<u>2,845</u>
<b><i>Recognised in other comprehensive income:</i></b>				
Actuarial gains				
- Demographic assumptions	-	(2,944)	-	(2,153)
- Financial assumptions	-	(3,160)	-	(1,555)
- Experience adjustment	-	1,633	-	1,211
	<u>-</u>	<u>(4,471)</u>	<u>-</u>	<u>(2,497)</u>
<b><i>Other</i></b>				
Benefit paid	(1,908)	(1,617)	(1,280)	(1,400)
Loss of control in a subsidiary	(19,645)	-	-	-
Transfer to liabilities included in disposal groups classified as held for sale	-	-	-	822
<b>At 31 December</b>	<u><b>28,692</b></u>	<u><b>44,515</b></u>	<u><b>28,692</b></u>	<u><b>26,875</b></u>

***Principal actuarial assumptions***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(%)</i>			
Discount rate	2.58	2.58 and 2.65	2.58	2.58
Future salary growth	3.00	3.00	3.00	3.00
Turnover rate	0 - 45	0 - 51	0 - 45	0 - 47

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

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

At 31 December 2024, the weighted-average duration of the defined benefit obligation was 9 years (2023: 9 years).

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<b><i>Effect to the defined benefit obligation At 31 December</i></b>	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Discount rate	(1,515)	(2,934)	1,698	3,318
Future salary growth	1,785	2,973	(1,615)	(2,670)
Employee turnover	(1,619)	(3,124)	753	1,598

<b><i>Effect to the defined benefit obligation At 31 December</i></b>	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Discount rate	(1,515)	(1,477)	1,698	1,658
Future salary growth	1,785	1,479	(1,615)	(1,338)
Employee turnover	(1,619)	(1,577)	753	731

**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.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**17 Segment information and disaggregation of revenue**

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

In this regards, segment 2 Adhesive and segment 3 Sealant are operated under ADB Sealant Co., Ltd. which the Group loss of control in November 2024 (see note 8).

Each segment's performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group's main revenue is derived from sale of goods of plastic compound, adhesive and sealant, which revenue recognition is at a point in time.

***Information about reportable segments***

<b><i>For the year ended 31 December</i></b>	<b>Consolidation financial statements</b>							
	<b>Segment 1</b>		<b>Segment 2</b>		<b>Segment 3</b>		<b>Total</b>	
	<b>Plastic compound</b>		<b>Adhesive</b>		<b>Sealant</b>			
	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(in million Baht)</i>							
External revenue	926	871	-	35	-	56	926	962
Finance costs	17	16	-	-	-	1	17	17
Depreciation and amortisation	42	34	-	4	-	9	42	47
Loss before income tax	(17)	(79)	-	-	-	(9)	(17)	(88)

***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 2024 represents approximately Baht 362.52 million (2023: Baht 367.07 million) of the Group's total revenues.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

*Disaggregation of revenue by primary geographical market and major products*

<i>For the year ended 31 December</i>	<b>Segment 1</b>		<b>Consolidated financial statements</b>				<b>Total</b>	
	<b>Plastic compound</b>		<b>Segment 2</b>		<b>Segment 3</b>			
	2024	2023	2024	2023	2024	2023	2024	2023
	<i>(in million Baht)</i>							
<b>Primary geographical Markets</b>								
Thailand	908	816	-	18	-	44	908	878
India	13	47	-	-	-	-	13	47
Other	5	8	-	17	-	12	5	37
<b>Total</b>	<b>926</b>	<b>871</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>56</b>	<b>926</b>	<b>962</b>
<b>Major products lines</b>								
Plastic compound	640	569	-	-	-	-	640	569
Adhesive	-	-	-	35	-	-	-	35
Silicone	-	-	-	-	-	46	-	46
DIY products	-	-	-	-	-	7	-	7
Other	286	302	-	-	-	3	286	305
<b>Total</b>	<b>926</b>	<b>871</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>56</b>	<b>926</b>	<b>962</b>

**18 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
Salaries, wages and bonus	83,094	81,713	83,094	77,036
Staff welfares	21,127	23,829	21,127	22,193
Defined contribution plans	3,868	3,426	3,868	3,184
Defined benefit plans	3,033	3,184	3,033	2,845
Other	2,213	2,670	2,204	2,875
<b>Total</b>	<b>113,335</b>	<b>114,822</b>	<b>113,326</b>	<b>108,133</b>

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2.5% to 15% of their basic salaries and by the Group at rates ranging from 2.5% to 15% of the employee's basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**19 Expenses by nature**

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
		(in thousand Baht)			
<b><i>Included in cost of sales of goods:</i></b>					
Changes in inventories of finished goods and work in progress		240	80,582	1,949	17,302
Raw materials and consumables used		737,667	696,909	737,268	741,546
Employee benefit expenses		50,432	54,010	50,432	50,551
Depreciation and amortisation		36,876	41,011	36,876	40,261
Utilities expenses		21,837	26,493	21,837	25,742
(Reversal of) Write-down to net realisable value	7	(599)	(590)	(599)	(590)
Other		20,823	14,338	20,823	18,804
<b>Total</b>		<b>867,276</b>	<b>912,753</b>	<b>868,586</b>	<b>893,616</b>
<b><i>Included in distribution costs:</i></b>					
Commission expenses		14,792	12,307	14,786	14,073
Employee benefit expenses		8,665	9,114	8,665	8,886
Distribution expenses		13,664	14,455	13,651	11,542
Sample product expenses		665	590	564	479
Other		2,232	3,326	1,991	2,823
<b>Total</b>		<b>40,018</b>	<b>39,792</b>	<b>39,657</b>	<b>37,803</b>
<b><i>Included in administrative expenses:</i></b>					
Employee benefit expenses		54,238	51,698	54,229	48,696
Professional fee		7,107	6,887	6,954	6,471
Depreciation and amortisation		5,402	6,047	5,402	6,047
(Reversal of) allowance for expected credit loss on trade accounts receivable		60	2,718	60	(369)
Other		31,328	20,476	31,127	17,389
<b>Total</b>		<b>98,135</b>	<b>87,826</b>	<b>97,772</b>	<b>78,234</b>

**20 Income tax expense**

***Income tax recognised in profit or loss***

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Current tax expense		(in thousand Baht)		
Current year	7,248	6,720	7,248	1,847
Deferred tax expense				
Movements in temporary differences	(234)	(245)	(234)	4,612
Total income tax expense	7,014	6,475	7,014	6,459

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

***Income tax recognised in other comprehensive income***

	<b>Consolidated financial statements</b>					
	Before tax	2024 Tax expense	Net of tax (in thousand Baht)	Before tax	2023 Tax expense	Net of tax
Defined benefit plan actuarial gains	-	-	-	4,471	(894)	3,577

	<b>Separate financial statements</b>					
	Before tax	2024 Tax expense	Net of tax (in thousand Baht)	Before tax	2023 Tax expense	Net of tax
Defined benefit plan actuarial gains	-	-	-	2,497	(499)	1,998

***Reconciliation of effective tax rate***

	<b>Consolidated financial statements</b>			
	Rate (%)	2024 (in thousand Baht)	Rate (%)	2023 (in thousand Baht)
Profit (loss) before income tax expense		8,773		(87,758)
Income tax using the Thai corporation tax rate	20	1,755	20	(17,552)
Expenses not deductible for tax purposes and other		5,406		24,252
Additional deductible expenses		(147)		(225)
<b>Total</b>	<b>80</b>	<b>7,014</b>	<b>5</b>	<b>6,475</b>

	<b>Separate financial statements</b>			
	Rate (%)	2024 (in thousand Baht)	Rate (%)	2023 (in thousand Baht)
Profit before income tax expense		33,342		2,542
Income tax using the Thai corporation tax rate	20	6,668	20	508
Expenses not deductible for tax purposes and other		493		6,176
Additional deductible expenses		(147)		(225)
<b>Total</b>	<b>21</b>	<b>7,014</b>	<b>&gt;100</b>	<b>6,459</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

Movements in deferred tax balances are as follows:

	At 1 January	Loss of Control in a subsidiary	Consolidated financial statements (Charged) / Credited to			At 31 December
			Profit or loss (in thousand Baht)	Other comprehensive income	Discontinued operation	
<b>2024</b>						
<b><i>Deferred tax assets</i></b>						
Trade accounts receivable	1,035	(529)	12	-	(329)	189
Inventories	2,029	(2,245)	(120)	-	919	583
Lease liabilities	8,318	(3,798)	(727)	-	(339)	3,454
Provisions for employee benefit	8,903	(3,929)	363	-	401	5,738
Changes in fair value of foreign currency hedges	217	-	(205)	-	10	22
<b>Total</b>	<b>20,502</b>	<b>(10,501)</b>	<b>(677)</b>	<b>-</b>	<b>662</b>	<b>9,986</b>
<b><i>Deferred tax liabilities</i></b>						
Right-of-use assets	(8,789)	3,805	911	-	437	(3,636)
<b>Total</b>	<b>(8,789)</b>	<b>3,805</b>	<b>911</b>	<b>-</b>	<b>437</b>	<b>(3,636)</b>
<b>Net</b>	<b>11,713</b>	<b>(6,696)</b>	<b>234</b>	<b>-</b>	<b>1,099</b>	<b>6,350</b>



**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	<b>At 1 January</b>	<b>Consolidated financial statements</b> (Charged) / Credited to			<b>At 31 December</b>
		Profit or loss	Other comprehensive income (in thousand Baht)	Discontinued operation	
<b>2023</b>					
<i>Deferred tax assets</i>					
Trade accounts receivable	491	(105)	-	649	1,035
Inventories	1,863	(118)	-	284	2,029
Lease liabilities	865	3,316	-	4,137	8,318
Provisions for employee benefit	9,027	453	(499)	(78)	8,903
Changes in fair value of foreign currency hedges	92	135	-	(10)	217
<b>Total</b>	<b>12,338</b>	<b>3,681</b>	<b>(499)</b>	<b>4,982</b>	<b>20,502</b>
<i>Deferred tax liabilities</i>					
Right-of-use assets	(1,111)	(3,436)	-	(4,242)	(8,789)
<b>Total</b>	<b>(1,111)</b>	<b>(3,436)</b>	<b>-</b>	<b>(4,242)</b>	<b>(8,789)</b>
<b>Net</b>	<b>11,227</b>	<b>245</b>	<b>(499)</b>	<b>740</b>	<b>11,713</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	<b>At 1 January</b>	<b>Separate financial statements</b> <b>(Charged) / Credited to</b>		<b>At 31 December</b>
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b>2024</b>				
<b><i>Deferred tax assets</i></b>				
Trade accounts receivable	177	12	-	189
Inventories	703	(120)	-	583
Lease liabilities	4,181	(727)	-	3,454
Provisions for employee benefit	5,375	363	-	5,738
Changes in fair value of foreign currency hedges	227	(205)	-	22
<b>Total</b>	<b>10,663</b>	<b>(677)</b>	<b>-</b>	<b>9,986</b>
<b><i>Deferred tax liabilities</i></b>				
Right-of-use assets	(4,547)	911	-	(3,636)
<b>Total</b>	<b>(4,547)</b>	<b>911</b>	<b>-</b>	<b>(3,636)</b>
<b>Net</b>	<b>6,116</b>	<b>234</b>	<b>-</b>	<b>6,350</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

	<b>At 1 January</b>	<b>Separate financial statements</b> (Charged) / Credited to			<b>At 31 December</b>
		Profit or loss	Other comprehensive income (in thousand Baht)	Discontinued operation	
<b>2023</b>					
<i>Deferred tax assets</i>					
Trade accounts receivable	282	(314)	-	209	177
Inventories	821	(1,160)	-	1,042	703
Lease liabilities	865	3,316	-	-	4,181
Provisions for employee benefit	5,421	(3,153)	(499)	3,606	5,375
Changes in fair value of foreign currency hedges	92	135	-	-	227
<b>Total</b>	<b>7,481</b>	<b>(1,176)</b>	<b>(499)</b>	<b>4,857</b>	<b>10,663</b>
<i>Deferred tax liabilities</i>					
Right-of-use assets	(1,111)	(3,436)	-	-	(4,547)
<b>Total</b>	<b>(1,111)</b>	<b>(3,436)</b>	<b>-</b>	<b>-</b>	<b>(4,547)</b>
<b>Net</b>	<b>6,370</b>	<b>(4,612)</b>	<b>(499)</b>	<b>4,857</b>	<b>6,116</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**21 Earnings (loss) per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht/thousand shares)</i>			
<i>For the year ended 31 December</i>				
<b>Profit (loss) attributable to ordinary shareholder of the Company from continuing operations</b>	<b><u>(24,246)</u></b>	<b><u>(94,233)</u></b>	<b><u>26,329</u></b>	<b><u>(3,917)</u></b>
<b>Number of ordinary shares outstanding at 31 December</b>	<b><u>726,000</u></b>	<b><u>726,000</u></b>	<b><u>726,000</u></b>	<b><u>726,000</u></b>
<b>Basic earnings (loss) per share <i>(in Baht)</i></b>	<b><u>(0.033)</u></b>	<b><u>(0.130)</u></b>	<b><u>0.036</u></b>	<b><u>(0.006)</u></b>
<b>Profit (loss) attributable to ordinary shareholder of the Company from discontinued operations</b>	<b><u>58,470</u></b>	<b><u>47,527</u></b>	<b><u>-</u></b>	<b><u>(10,312)</u></b>
<b>Number of ordinary shares at 31 December</b>	<b><u>726,000</u></b>	<b><u>726,000</u></b>	<b><u>-</u></b>	<b><u>726,000</u></b>
<b>Basic earnings (loss) per share <i>(in Baht)</i></b>	<b><u>0.081</u></b>	<b><u>0.065</u></b>	<b><u>-</u></b>	<b><u>(0.014)</u></b>

**22 Financial instruments**

**(a) Carrying amounts and fair values**

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

	<b>Consolidated financial statements</b>			
	<b>Carrying amount</b>		<b>Fair value</b>	
	Hedging instruments	Financial instruments measured at amortised cost	Level 2	Level 3
<i>At 31 December</i>				
		<i>(in thousand Baht)</i>		
<b>2024</b>				
<b>Financial liabilities</b>				
Forward exchange contract	(20,667)	-	(20,667)	-
<b>2023</b>				
<b>Financial liabilities</b>				
Long-term borrowings from financial institutions	-	(9,412)	-	(8,875)
Forward exchange contract	(24,806)	-	(24,806)	-

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

		Separate financial statements		
		Carrying amount	Fair value	
		Hedging instruments	Financial instruments measured at amortised cost (in thousand Baht)	
			Level 2	Level 3
<b>At 31 December</b>				
<b>2024</b>				
<b>Financial liabilities</b>				
Forward exchange contract	(20,667)	-	(20,667)	-
<b>2023</b>				
<b>Financial liabilities</b>				
Long-term borrowings from financial institutions	-	(9,412)	-	(8,875)
Forward exchange contract	(22,757)	-	(22,757)	-

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

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies

The fair value of financial liabilities measured at amortised costs are calculated by discounted cash flows technique.

**(b) Financial risk management policies**

**Risk management framework**

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

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

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

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

***(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 financial statements**  
**For the year ended 31 December 2024**

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	<b>Consolidated financial statements</b>			
		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>			
<b>2024</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Promissory notes	208,550	209,615	-	-	209,615
Trade accounts payable	144,372	144,372	-	-	144,372
Other payables	17,170	17,170	-	-	17,170
Lease liabilities	17,269	3,492	3,492	13,228	20,212
<b>Total</b>	<b>387,361</b>	<b>374,649</b>	<b>3,492</b>	<b>13,228</b>	<b>391,369</b>
<b><i>Derivative financial liabilities</i></b>					
Forward exchange contract	20,667	20,776	-	-	20,776
<b>Total</b>	<b>20,667</b>	<b>20,776</b>	<b>-</b>	<b>-</b>	<b>20,766</b>
<b>2023</b>					
<b><i>Non-derivative financial liabilities</i></b>					
Bank overdrafts	10,616	10,616	-	-	10,616
Promissory notes	413,972	413,972	-	-	413,972
Liabilities under trust receipts	15,584	15,584	-	-	15,584
Trade accounts payable	243,368	243,368	-	-	243,368
Other payables	29,846	29,846	-	-	29,846
Lease liabilities	41,591	7,159	7,067	35,098	49,324
Long-term borrowings from financial institutions	9,412	9,554	-	-	9,554
<b>Total</b>	<b>764,389</b>	<b>730,099</b>	<b>7,067</b>	<b>35,098</b>	<b>772,264</b>
<b><i>Derivative financial liabilities</i></b>					
Forward exchange contract	24,806	25,990	-	-	25,990
<b>Total</b>	<b>24,806</b>	<b>25,990</b>	<b>-</b>	<b>-</b>	<b>25,990</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

		Separate financial statements				
		Contractual cash flows				
		More than 1 year but less than 2 years	More than 2 years but less than 5 years			
<i>At 31 December</i>	Carrying amount	1 year or less				Total
<i>(in thousand Baht)</i>						
<b>2024</b>						
<b><i>Non-derivative financial liabilities</i></b>						
Promissory notes	204,550	205,591	-	-		205,591
Trade accounts payable	144,372	144,372	-	-		144,372
Other payables	16,949	16,949	-	-		16,949
Lease liabilities	17,269	3,492	3,492	13,228		20,212
<b>Total</b>	<b>383,140</b>	<b>370,404</b>	<b>3,492</b>	<b>13,228</b>		<b>387,124</b>
<b><i>Derivative financial liabilities</i></b>						
Forward exchange contract	20,667	20,776	-	-		20,776
<b>Total</b>	<b>20,667</b>	<b>20,776</b>	<b>-</b>	<b>-</b>		<b>20,776</b>
<b>2023</b>						
<b><i>Non-derivative financial liabilities</i></b>						
Promissory notes	405,831	405,831	-	-		405,831
Trade accounts payable	165,531	165,531	-	-		165,531
Other payables	15,338	15,338	-	-		15,338
Lease liabilities	20,905	3,779	3,780	17,296		24,855
Long-term borrowings from financial institutions	9,412	9,554	-	-		9,554
<b>Total</b>	<b>617,017</b>	<b>600,033</b>	<b>3,780</b>	<b>17,296</b>		<b>621,109</b>
<b><i>Derivative financial liabilities</i></b>						
Forward exchange contract	22,757	23,890	-	-		23,890
<b>Total</b>	<b>22,757</b>	<b>23,890</b>	<b>-</b>	<b>-</b>		<b>23,890</b>

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

**(b.3) Market risk**

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



**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

(b.3.1) Foreign currency risk

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

<i>Exposure to foreign currency at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<b><i>United States Dollars</i></b>				
Cash and cash equivalents	12,379	15,646	12,379	15,564
Trade accounts receivable	15,179	115,864	15,179	19,465
Interest-bearing liabilities	(18,677)	(19,368)	(18,677)	(36,388)
Trade accounts payable	(3,589)	(41,423)	(3,589)	(2,543)
Other payables	-	(3)	-	-
<b>Net statement of financial position exposure</b>	<b>5,292</b>	<b>70,716</b>	<b>5,292</b>	<b>(3,902)</b>
Currency forwards purchase	(20,776)	(24,806)	(20,776)	(22,757)
<b>Net exposure</b>	<b>(15,484)</b>	<b>45,910</b>	<b>(15,484)</b>	<b>(26,659)</b>
<b><i>Euro</i></b>				
Cash and cash equivalents	88	94	88	94
Trade accounts receivable	-	1,082	-	-
<b>Net statement of financial position exposure</b>	<b>88</b>	<b>1,176</b>	<b>88</b>	<b>94</b>

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Profit or loss		Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
		<i>(in thousand Baht)</i>			
<b><i>At 31 December 2024</i></b>					
United States Dollars	5.00	(265)	265	(265)	265
Euro	5.00	(4)	4	(4)	4
<b><i>At 31 December 2023</i></b>					
United States Dollars	5.00	(3,536)	3,536	195	(195)
Euro	5.00	(59)	59	(5)	5

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

(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>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	-	9,412	-	9,412

## 23 Capital management

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

## 24 Commitments with non-related parties and contingent liabilities

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2024	2023	2024	2023
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Building, machinery and equipment	21	1,094	21	986
<b>Total</b>	<b>21</b>	<b>1,094</b>	<b>21</b>	<b>986</b>
<i>Other commitments</i>				
Lease of low-value assets	205	1,154	205	693
Unused letters of credit for purchase goods	25,086	43,265	25,086	21,813
Bank guarantees	3,097	9,300	3,097	4,763
Purchase orders for goods and supplies	16,918	54,062	16,918	48,660
<b>Total</b>	<b>45,306</b>	<b>107,781</b>	<b>45,306</b>	<b>75,929</b>

## 25 Thai Financial Reporting Standards (TFRS) not yet adopted

The Federation of Accounting Professions has issued and revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2025 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these issued and revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2024**

**26 Events after the reporting period**

At the Board of Directors' meeting of the Company held on 25 February 2025, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to declare the dividends from the profit for the equity holders of the Company for the year 2024 of Baht 0.02 per share for 726 million ordinary shares, totaling Baht 14.52 million. The declaration of dividend payment must be approved by the shareholders' meeting of the Company.

Back up attachment

## Back up attachment

Attachment 1 : Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1384/2024/1738892002063.pdf>



Attachment 2 : Details of the directors of subsidiaries

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1384/2024/1738719499576.pdf>



Attachment 3 : Details of the Heads of the Internal Audit and Compliance Units

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1384/2024/1741137756367.pdf>



Attachment 4 : Assets for business undertaking and details of asset appraisal

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1384/2024/1738892001995.pdf>



Attachment 5 : Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1384/2024/1741051935396.pdf>



Attachment 6 : Report of the Audit Committee

Link to attachment: <https://eonemedia.setlink.set.or.th/report/1384/2024/1738806388203.pdf>

