

**Applied DB Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2023  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Applied DB Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Applied DB Public Company Limited and its subsidiaries (the “Group”) and of Applied DB Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

#### *Basis for Opinion*

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



*Key Audit Matters*

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

<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  
21 February 2024

# Applied DB Public Company Limited and its Subsidiaries

## Statement of financial position

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

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

## Applied DB Public Company Limited and its Subsidiaries

### Statement of financial position

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

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of financial position

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

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of comprehensive income

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

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of comprehensive income

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

	Note	Consolidated financial statements								Total equity
		Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings		Other components of equity			
					Legal reserve	Unappropriated	Translation reserve	Cash flow hedge reserve	Total other components of equity	
<i>(in Baht)</i>										
<b>Year ended 31 December 2022</b>										
<b>Balance at 1 January 2022</b>		<b>362,999,962</b>	<b>202,200,890</b>	<b>308,333</b>	<b>20,643,763</b>	<b>97,390,720</b>	<b>(6,161)</b>	<b>(5,707)</b>	<b>(11,868)</b>	<b>683,531,800</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the parent</i>										
Dividends to owners of the parent	21	-	-	-	-	(36,299,992)	-	-	-	(36,299,992)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,299,992)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,299,992)</b>
<b>Comprehensive income (expense) for the year</b>										
Loss		-	-	-	-	(6,934,289)	-	-	-	(6,934,289)
Other comprehensive income		-	-	-	-	3,360,118	67,875	5,707	73,582	3,433,700
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,574,171)</b>	<b>67,875</b>	<b>5,707</b>	<b>73,582</b>	<b>(3,500,589)</b>
<b>Balance at 31 December 2022</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>-</b>	<b>61,714</b>	<b>643,731,219</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					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 income (expense) for the year</b>							
Loss	-	-	-	-	(46,706,401)	-	(46,706,401)
Other comprehensive income (expense)	-	-	-	-	3,576,790	(134)	3,576,656
<b>Total comprehensive income (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

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

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

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of cash flows

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

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

# Applied DB Public Company Limited and its Subsidiaries

## Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2023	2022	2023	2022
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Payment for acquisition of investment in subsidiary		-	-	-	(999,900)
Proceeds from sale of property, plant and equipment		-	897,196	-	897,196
Purchase of property, plant and equipment		(17,438,072)	(39,521,307)	(17,039,480)	(39,521,307)
Purchase of right-of-use assets		(2,282,244)	-	(1,469,700)	-
Purchase of intangible assets		(145,460)	(573,872)	(56,060)	(573,872)
Proceeds from business transfer	8	-	-	113,314,095	-
Interest received		9,638,582	12,081	9,629,885	12,081
<b>Net cash from (used in) investing activities</b>		<b>(10,227,194)</b>	<b>(39,185,902)</b>	<b>104,378,740</b>	<b>(40,185,802)</b>
<b><i>Cash flows from financing activities</i></b>					
Proceeds from (repayment of) short-term borrowings from financial institutions		(186,577,010)	288,222,239	(209,302,312)	287,222,239
Repayment of long-term borrowings from financial institutions		(19,152,000)	(41,152,000)	(19,152,000)	(41,152,000)
Payment of lease liabilities		(4,084,516)	(1,995,401)	(2,471,502)	(1,995,401)
Dividends paid to owners of the Company	21	-	(36,299,992)	-	(36,299,992)
Interest paid		(28,920,709)	(12,943,425)	(17,934,898)	(12,931,934)
<b>Net cash from (used in) financing activities</b>		<b>(238,734,235)</b>	<b>195,831,421</b>	<b>(248,860,712)</b>	<b>194,842,912</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(71,996,469)	40,299,041	(61,761,940)	39,922,021
Effect of exchange rate changes on cash and cash equivalents		420,848	846,709	411,732	846,709
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(71,575,621)</b>	<b>41,145,750</b>	<b>(61,350,208)</b>	<b>40,768,730</b>
Cash and cash equivalents at 1 January		101,515,605	60,369,855	99,366,954	59,218,641
Impact from discontinued operation		-	-	-	(620,417)
<b>Cash and cash equivalents at 31 December</b>		<b>29,939,984</b>	<b>101,515,605</b>	<b>38,016,746</b>	<b>99,366,954</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	
		2023	2022	2023	2022
<i>(in Baht)</i>					
<b>Supplemental disclosure of cash flow information</b>					
1. Cash and cash equivalents consisted of:					
Cash and cash equivalent		40,555,485	101,515,605	38,016,746	99,366,954
Bank overdraft	12	(10,615,501)	-	-	-
<b>Net</b>		<b><u>29,939,984</u></b>	<b><u>101,515,605</u></b>	<b><u>38,016,746</u></b>	<b><u>99,366,954</u></b>
2. Property, plant and equipment purchased during the year are detailed as follows:					
Property, plant and equipment purchased during the period		17,496,415	39,094,693	16,768,175	39,094,693
<i>Less:</i> Capitalised interest	10	(115,763)	(2,394)	(115,763)	(2,394)
<i>Add:</i> Changes in payables on purchase of property, plant and equipment		57,420	429,008	387,068	429,008
<b>Net purchase of property, plant and equipment paid by cash</b>		<b><u>17,438,072</u></b>	<b><u>39,521,307</u></b>	<b><u>17,039,480</u></b>	<b><u>39,521,307</u></b>
<b>Non-cash transactions</b>					
Investment in subsidiary	8, 9	-	-	(49,000,000)	-

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

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

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# **Applied DB Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### **For the year ended 31 December 2023**

These notes form an integral part of the financial statements.

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

## **1 General information**

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

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

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

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

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

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

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

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

## **2 Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in note 3, have been applied consistently to all periods presented in these financial statements.

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

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**3 Significant accounting policies**

**(a) Basis of consolidation**

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

*Subsidiaries*

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

*Transactions eliminated on consolidation*

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

**(b) Foreign currencies**

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

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

*Foreign operations*

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

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

**(c) Financial instruments**

*(c.1) Classification and measurement*

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

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

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

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

*(c.2) Derecognition and offset*

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

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

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

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

*(c.3) Derivatives*

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

*(c.4) Hedging*

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

*Cash flow hedges*

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

**Applied DB Public Company Limited and its Subsidiaries**  
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The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.

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

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

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

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

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

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

*(c.6) Write-off*

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

**Applied DB Public Company Limited and its Subsidiaries**  
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*(c.7) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

*(d) Cash and cash equivalents*

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

*(e) Trade and other accounts receivable*

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

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

*(f) Inventories*

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

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

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

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

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

*(h) Investments in subsidiaries*

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

**Applied DB Public Company Limited and its Subsidiaries**  
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**(i) Property, plant and equipment**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

*Subsequent costs*

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

*Depreciation*

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

The estimated useful lives are as follows:

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

**(j) Intangible assets**

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

The estimated useful lives are as follows:

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

**(k) Leases**

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

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

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

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

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the interest rate implicit in the lease or the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

**(l) Impairment of non-financial assets**

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

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

**(m) Employee benefits**

*Defined contribution plans*

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

*Defined benefit plans*

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

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

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

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

**(n) Share-based payments**

The grant-date fair value of share-based payment awards granted to employees is generally recognised as an employee expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met. For employees, the share-based payment awards granted and vest immediately on the grant date, the grant-date fair value of the awards is recognised as an expense immediately.

**(o) Provisions**

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

**(p) Fair value measurement**

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

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

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

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

If 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.

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**(q) Revenue from contracts with customers**

*Revenue recognition*

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

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for the estimated products to be returned.

**(r) Income tax**

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

**(s) Discontinued operation**

A discontinued operation is a component of the Company's business that represents a separate major line of business that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

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

**(t) Earnings (loss) per share**

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

**(u) Related parties**

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

**(v) Segment reporting**

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

**4 Related parties**

Relationships with major shareholder and subsidiaries are described in Note 1 and 9 to the financial statements. Other related parties which the Group had significant transactions with during the year were as follows:

<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.

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

<i>Significant transactions with related parties</i> <i>For the year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	37,953	-
Purchases of goods	-	-	6,698	-
Service income	-	-	20,434	120
Rental income	-	-	23,100	-
License fees	-	-	4,240	-
Service fees	-	-	514	201
<b>Other related parties</b>				
Sales of goods	4,760	5,054	1,310	1,620
Purchases of goods	110	98	48	48
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	23,471	24,036	20,245	19,236
Post-employment benefits	2,711	1,263	1,738	864
<b>Total key management personnel compensation</b>	<b>26,182</b>	<b>25,299</b>	<b>21,983</b>	<b>20,100</b>

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>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Other related parties	491	580	88	59
<b>Total</b>	<b>491</b>	<b>580</b>	<b>88</b>	<b>59</b>
<b>Other receivables</b>				
Subsidiaries	-	-	359,693	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>359,693</b>	<b>-</b>
<b>Trade accounts payable</b>				
Subsidiaries	6	-	6	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>Other payables</b>				
Subsidiaries	-	-	71	-
Other related parties	8	34	-	33
<b>Total</b>	<b>8</b>	<b>34</b>	<b>71</b>	<b>33</b>

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

***Significant agreements with related parties***

The new significant agreements with related parties during the year ended 31 December 2023 are as follows:

- (a) The Company has two marketing assistance agreements with two subsidiaries. Under the terms of these agreements, the subsidiaries agreed to provide marketing assistance and commercial information in overseas markets that are useful for the Company. In consideration thereof, the Company agreed to pay a service fee to the subsidiaries at the agreed rates as stipulated in the agreements. These agreements are effective for a period of 1 year and 9 months starting from 31 March 2017 and will be automatically renewable for additional periods, unless either party has an intention to terminate the agreements, a written notification must be made to the other party not later than 3 months prior to the expiration date.
- (b) The Company has a service agreement with a local subsidiary (ADB Sealant Co., Ltd.). Under the terms of the agreement, the Company agreed to provide management services under conditions stipulated in the agreement. In consideration thereof, the subsidiary agreed to pay monthly service fees to the Company as stipulated in the agreement. The agreement is effective for a period of 11 months and renewable for additional 1 year period at a time. If either party has intention to terminate the agreement, a written notification must be made to the other party at least 90 days in advance.
- (c) The Company has a lease agreement with a local subsidiary (ADB Sealant Co., Ltd.). Under the terms of the agreement, the subsidiary agreed to lease factory and warehouse space of the Company. In consideration thereof, the subsidiary agreed to pay monthly lease fees to the Company as stipulated in the agreement. The agreement is effective for a period of 4 years and 11 months, and will expire in December 2027.
- (d) The Company has a licensed trademark agreement with a local subsidiary (ADB Sealant Co., Ltd.). Under the terms of the agreement, the Company has granted its subsidiary to use trademarks in connection with the business operation. In consideration thereof, the subsidiary agreed to pay annual fees to the Company as stipulated in the agreement. If either party has intention to terminate the agreement, a written notification for reason of termination must be made to the other party.

**5 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash on hand	834	1,658	319	37
Cash at banks	39,721	99,858	37,698	99,330
<b>Total</b>	<b>40,555</b>	<b>101,516</b>	<b>38,017</b>	<b>99,367</b>

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

**6 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Within credit terms	256,374	373,387	156,523	260,662
Overdue:				
Less than 3 months	101,063	59,368	45,059	21,232
3 - 6 months	5,997	12,445	-	-
6 - 12 months	17,518	2,287	-	-
Over 12 months	1,890	1,417	1,117	1,269
<b>Total</b>	<b>382,842</b>	<b>448,904</b>	<b>202,699</b>	<b>283,163</b>
Less allowance for expected credit loss	(5,174)	(2,453)	(884)	(1,408)
<b>Net</b>	<b>377,668</b>	<b>446,451</b>	<b>201,815</b>	<b>281,755</b>

<i>Allowance for expected credit loss for the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	2,453	2,405	1,408	2,405
Additions	2,782	48	-	48
Reversal	-	-	(369)	-
Write-off	(61)	-	-	-
<b>Total</b>	<b>5,174</b>	<b>2,453</b>	<b>1,039</b>	<b>2,453</b>
Transfer to discontinued operation	-	-	(155)	(1,045)
<b>At 31 December</b>	<b>5,174</b>	<b>2,453</b>	<b>884</b>	<b>1,408</b>

**7 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Finished goods	113,646	144,541	50,754	68,031
Work in progress	23,772	23,609	44	69
Raw materials	186,528	295,211	60,498	100,705
Factory supplies	31,971	35,649	7,745	13,201
Goods in transit	37,180	20,879	26,473	20,879
<b>Total</b>	<b>393,097</b>	<b>519,889</b>	<b>145,514</b>	<b>202,885</b>
Less allowance for loss on inventories devaluation	(10,149)	(9,313)	(3,515)	(4,105)
<b>Net</b>	<b>382,948</b>	<b>510,576</b>	<b>141,999</b>	<b>198,780</b>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	1,462,797	1,952,948	894,206	1,174,557
- Write-down to net realisable value	835	1,112	-	877
- Reversal of write-down	-	-	(590)	-
<b>Continuing operations</b>	<b>1,463,632</b>	<b>1,954,060</b>	<b>893,616</b>	<b>1,175,434</b>
Discontinued operation	-	-	55,783	778,626
<b>Total</b>	<b>1,463,632</b>	<b>1,954,060</b>	<b>949,399</b>	<b>1,954,060</b>

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

**8 Disposal groups classified as held for sale and discontinued operation**

At the Extraordinary General Meeting of shareholders of the Company held on 22 December 2022, the Company's shareholders approved the restructuring by Partial Business transfer of adhesive, sealant and DIY products to ADB Sealant Co., Ltd., a subsidiary of the Company, with a net book value of Baht 458.21 million. The Partial Business transfer was legally effective on 1 February 2023.

The Group classifies disposal groups as held for sale because it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Identifiable assets and liabilities as disposal groups classified as held for sale in separate financial statement as at 31 December 2022 are as follows:

	<i>Note</i>	31 December 2022 <i>(in thousand Baht)</i>
Cash and cash equivalents		620
Trade accounts receivable		164,696
Other receivables		207
Inventories		311,342
Machine and equipment	<i>10</i>	63,570
Deferred tax assets	<i>19</i>	4,857
<b>Total assets</b>		<b>545,292</b>
Trade accounts payable		(59,534)
Other payables		(9,513)
Non-current provisions for employee benefit	<i>13</i>	(18,031)
<b>Total liabilities</b>		<b>(87,078)</b>
<b>Net book value of net assets</b>		<b>458,214</b>

The comparative statement of comprehensive income for the year ended 31 December 2022 has been represented to show the discontinued operation separately from continuing operations.

<b>Results of discontinued operation for the year ended 31 December</b>	<b>Separate financial statements</b>	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenues	57,114	901,089
Expenses	67,426	905,736
<b>Results from operating activities</b>	<b>(10,312)</b>	<b>(4,647)</b>
Income tax expense	-	37
<b>Loss for the period</b>	<b>(10,312)</b>	<b>(4,684)</b>
<b>Loss attributable to owners of the parent</b>	<b>(10,312)</b>	<b>(4,684)</b>
<b>Loss per share (in Baht)</b>	<b>(0.014)</b>	<b>(0.007)</b>
<b>Cash flow used in discontinued operation</b>		
Net cash from (used in) operating activities	26,990	34,963
Net cash used in investing activities	(39,530)	(39,530)
Net cash used in financing activities	(6,896)	(6,896)
<b>Cash flow used in discontinued operation</b>	<b>(19,436)</b>	<b>(11,463)</b>

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

*Effect of Partial Business transfer on the financial position*

**Separate  
financial statements**

1 February 2023

(in thousand Baht)

Cash and cash equivalents	1,484
Trade accounts receivable	168,129
Other receivables	397
Inventories	306,859
Machine and equipment	62,820
<b>Total assets</b>	<b>539,689</b>
Trade accounts payable	(49,499)
Other payables	(4,779)
Non-current provisions for employee benefits	(17,209)
<b>Total liabilities</b>	<b>(71,487)</b>
<b>Carrying amount of net assets</b>	<b>468,202</b>
<b>Consideration received</b>	
Cash and cash equivalents	395,776
Short-term loan to related party	43,314
Investment in subsidiary	49,000
<b>Total consideration received</b>	<b>488,090</b>
<b>Gain on business transfer</b>	<b>19,888</b>

On 1 February 2023, the Company recognised considerations received from business transfer amounted to Baht 395.78 million in “other receivables” in separate financial statements. Subsequently during the year ended 31 December 2023, the Company received the considerations from business transfer amounted to Baht 70.00 million. The remaining balance in “other receivables” as at 31 December 2023 amounted to Baht 325.78 million.

As at 31 December 2023, the Company was fully received short-term loan to related party.

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

**9 Investment in subsidiaries**

Investments in subsidiaries as at 31 December as follows:

Name of party	Type of business	Country of operation	Separate financial statements					
			Ownership interest		Paid-up capital		At cost	
			2023	2022	2023	2022	2023	2022
			(%)		(in thousand Baht)			
<b><i>Local direct subsidiaries</i></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	99.99	49,999.9	999.9	49,999.9	999.9
<b>Total</b>					<b>50,999.6</b>	<b>1,999.6</b>	<b>50,999.6</b>	<b>1,999.6</b>

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

Name of party	Type of business	Country of operation	Ownership interest		Separate financial statements					
			2023	2022	Paid-up capital		At cost			
					(%)	(in thousand Baht)	2023	2022		
<b><i>Foreign direct subsidiaries</i></b>										
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>51,006.6</b>	<b>2,006.7</b>	<b>51,006.6</b>	<b>2,006.7</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 2023**

**10 Property, plant and equipment**

	<b>Consolidated financial statements</b>						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
<b><i>Cost</i></b>							
At 1 January 2022	64,642	338,703	447,823	24,193	14,202	17,902	907,465
Additions	-	741	7,333	2,509	1,687	28,512	40,782
Transfers	-	6,888	30,299	-	-	(37,187)	-
Disposals and write-off	-	(339)	(12,572)	(1,006)	-	-	(13,917)
<b>At 31 December 2022 and at 1 January 2023</b>	<b>64,642</b>	<b>345,993</b>	<b>472,883</b>	<b>25,696</b>	<b>15,889</b>	<b>9,227</b>	<b>934,330</b>
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</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>
<b><i>Depreciation</i></b>							
At 1 January 2022	-	(110,475)	(254,800)	(19,771)	(7,835)	-	(392,881)
Depreciation charge for the year	-	(14,799)	(33,350)	(2,123)	(2,406)	-	(52,678)
Disposals and write-off	-	184	11,440	1,001	-	-	12,625
<b>At 31 December 2022 and at 1 January 2023</b>	<b>-</b>	<b>(125,090)</b>	<b>(276,710)</b>	<b>(20,893)</b>	<b>(10,241)</b>	<b>-</b>	<b>(432,934)</b>
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</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>

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

	<b>Consolidated financial statements</b>						
	Land	Buildings And building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<b><i>Net book value</i></b>							
<b>At 31 December 2022</b>							
Owned assets	64,642	220,903	196,173	4,803	93	9,227	495,841
Right-of-use assets	-	-	-	-	5,555	-	5,555
	<u><b>64,642</b></u>	<u><b>220,903</b></u>	<u><b>196,173</b></u>	<u><b>4,803</b></u>	<u><b>5,648</b></u>	<u><b>9,227</b></u>	<u><b>501,396</b></u>
<b>At 31 December 2023</b>							
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><b>64,642</b></u>	<u><b>236,868</b></u>	<u><b>175,240</b></u>	<u><b>3,451</b></u>	<u><b>13,248</b></u>	<u><b>12,802</b></u>	<u><b>506,251</b></u>

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

	<b>Separate financial statements</b>						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2022	64,642	338,703	447,823	24,193	14,202	17,902	907,465
Additions	-	741	7,333	2,509	1,687	28,512	40,782
Transfers	-	6,888	30,299	-	-	(37,187)	-
Transfer to assets held for sale	-	-	(160,851)	-	-	-	(160,851)
Disposals and write-off	-	(339)	(12,572)	(1,006)	-	-	(13,917)
<b>At 31 December 2022 and at 1 January 2023</b>	<b>64,642</b>	<b>345,993</b>	<b>312,032</b>	<b>25,696</b>	<b>15,889</b>	<b>9,227</b>	<b>773,479</b>
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</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>
<b>Depreciation</b>							
At 1 January 2022	-	(110,475)	(254,800)	(19,771)	(7,835)	-	(392,881)
Depreciation charge for the year	-	(14,799)	(33,350)	(2,123)	(2,406)	-	(52,678)
Transfer to assets held for sale	-	-	97,281	-	-	-	97,281
Disposals and write-off	-	184	11,440	1,001	-	-	12,625
<b>At 31 December 2022 and at 1 January 2023</b>	<b>-</b>	<b>(125,090)</b>	<b>(179,429)</b>	<b>(20,893)</b>	<b>(10,241)</b>	<b>-</b>	<b>(335,653)</b>
Depreciation charge for the year	-	(16,346)	(25,384)	(2,097)	(2,674)	-	(46,594)
Transfer to assets held for sale	-	-	750	-	-	-	750
Disposals and write-off	-	300	466	788	4,280	-	5,927
<b>At 31 December 2023</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>

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

	<b>Separate financial statements</b>						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<b><i>Net book value</i></b>							
<b>At 31 December 2022</b>							
Owned assets	64,642	220,903	132,603	4,803	93	9,227	432,271
Right-of-use assets	-	-	-	-	5,555	-	5,555
	<u><b>64,642</b></u>	<u><b>220,903</b></u>	<u><b>132,603</b></u>	<u><b>4,803</b></u>	<u><b>5,648</b></u>	<u><b>9,227</b></u>	<u><b>437,826</b></u>
<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
	<u><b>64,642</b></u>	<u><b>220,013</b></u>	<u><b>119,811</b></u>	<u><b>3,132</b></u>	<u><b>8,879</b></u>	<u><b>12,802</b></u>	<u><b>429,279</b></u>

*Assets under construction and installation*

Assets under construction and installation as at 31 December 2023 amounted to Baht 12.80 million (2022: Baht 9.22 million) in consolidated financial statements and separate financial statements mainly represented cost of machinery including the related installation costs.

During the year ended 31 December 2023, the Group and the Company capitalised interest expenses as cost of asset under construction and installation in the total of Baht 0.12 million (2022: Baht 0.002 million), with capitalisation rate of 5.77% per annum (2022: 4.75% per annum).

*Guarantee*

As at 31 December 2023, land of the Group and the Company with carrying value of Baht 64.64 million (2022: Baht 64.64 million) was pledged as collateral against short-term and long-term borrowings from financial institutions, and letter of guarantee as described in note 12.

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

**11 Leases**

<i>Right-of-use assets</i> <i>At 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Buildings and building improvement	30,760	-	13,919	-
Vehicles	13,185	5,555	8,816	5,555
<b>Total</b>	<b>43,945</b>	<b>5,555</b>	<b>22,735</b>	<b>5,555</b>

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 47.86 million (2022: Baht 1.69 million) in consolidated financial statements and Baht 21.39 million (2022: Baht 1.69 million) in separate financial statements respectively.

The Group has lease agreements covering buildings and building improvement, and vehicles for periods of 10 months to 10 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

<i>For the year ended 31 December</i>	<b>Consolidated</b> <b>financial statements</b>		<b>Separate</b> <b>financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets				
- Buildings and building improvement	1,649	-	733	-
- Vehicles	3,668	2,376	2,644	2,376
Interest on lease liabilities	1,245	229	748	229
Expenses relating to leases of low-value assets				
- Office equipment	561	413	413	413

In 2023, total cash outflow for leases of the Group and the Company were Baht 5.85 million (2022: Baht 2.64 million) in consolidated financial statements and Baht 3.61 million (2022: Baht 2.64 million) in separate financial statements respectively.

**12 Interest bearing liabilities**

	<b>Consolidated financial statements</b>					
	2023			2022		
	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	413,972	-	413,972	616,134	-	616,134
- Liabilities under trust receipts	15,584	-	15,584	-	-	-
Lease liabilities	41,591	-	41,591	4,325	-	4,325
Long-term borrowing from financial institution	9,412	-	9,412	28,564	-	28,564
<b>Total interest-bearing liabilities</b>	<b>480,559</b>	<b>10,616</b>	<b>491,175</b>	<b>649,023</b>	<b>-</b>	<b>649,023</b>

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

	<b>Separate financial statements</b>	
	2023	2022
	Secured (in thousand Baht)	
Short-term borrowings from financial institutions		
- Promissory note	405,831	615,134
Lease liabilities	20,905	4,325
Long-term borrowing from financial institution	9,412	28,564
<b>Total interest-bearing liabilities</b>	<b><u>436,148</u></b>	<b><u>648,023</u></b>

<i>Assets pledged as security for liabilities as at 31 December</i>	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2023	2022	2023	2022
		(in thousand Baht)			
Land	10	<b><u>64,642</u></b>	<b><u>64,642</u></b>	<b><u>64,642</u></b>	<b><u>64,642</u></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 2023, the Group had unutilised credit facilities totalling Baht 1,330.25 million (2022: 768.25 million) in consolidated financial statements and Baht 1,011.03 million (2022: Baht 768.25 million) in separate financial statements respectively.

***Long-term borrowings from financial institution***

On 7 May 2019, the Company entered into a long-term borrowing agreement with a local financial institution of Baht 80 million and repayable on a monthly basis of Baht 1.33 million each, commencing from June 2019 to May 2024.

On 17 July 2019, the Company entered into a long-term borrowing agreement with a local financial institution of Baht 15.62 million and repayable on a monthly basis of Baht 0.26 million each, commencing from December 2019 to November 2024.

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

*Lease liabilities*

Movement during the year ended 31 December as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>At 1 January</b>	4,325	4,634	4,325	4,634
Purchase of assets under lease liabilities	45,582	1,687	19,919	1,687
Payment of lease liabilities	(5,329)	(2,225)	(3,220)	(2,225)
Write-off	(4,231)	-	(867)	-
Finance costs under lease	1,244	229	748	229
<b>At 31 December</b>	<b>41,591</b>	<b>4,325</b>	<b>20,905</b>	<b>4,325</b>

**13 Provisions for employee benefits**

*Defined benefit plan*

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk, and turnover rate risk.

<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>At 1 January</b>	45,136	45,154	27,105	45,154
<b>Recognised in profit or loss:</b>				
Current service cost	3,844	4,872	2,034	4,872
Past service cost	993	-	401	-
Interest on obligation	630	758	410	758
	<u>5,467</u>	<u>5,630</u>	<u>2,845</u>	<u>5,630</u>
<b>Recognised in other comprehensive income:</b>				
Actuarial gains				
- Demographic assumptions	(2,944)	(405)	(2,153)	(405)
- Financial assumptions	(3,160)	942	(1,555)	942
- Experience adjustment	1,633	(4,737)	1,211	(4,737)
	<u>(4,471)</u>	<u>(4,200)</u>	<u>(2,497)</u>	<u>(4,200)</u>
<b>Other</b>				
Benefit paid	(1,617)	(1,448)	(1,400)	1,448
Transfer to liabilities included in disposal groups classified as held for sale	-	-	822	(18,031)
<b>At 31 December</b>	<b>44,515</b>	<b>45,136</b>	<b>26,875</b>	<b>27,105</b>

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

***Principal actuarial assumptions***

	<b>Consolidated</b>			<b>Separate</b>	
	<b>financial statements</b>			<b>financial statements</b>	
	2023	2022	(%)	2023	2022
Discount rate	2.58 and 2.65	1.89		2.58	1.89
Future salary growth	3.00	3.00		3.00	3.00
Turnover rate	0 - 51	0 - 47		0 - 47	0 - 47

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

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 9 years (2022: 9 years).

***Sensitivity analysis***

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

<b><i>Effect to the defined benefit obligation</i></b> <b><i>At 31 December</i></b>	<b>Consolidated financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(2,934)	(3,623)	3,318	4,143
Future salary growth	2,973	4,180	(2,670)	(3,697)
Employee turnover	(3,124)	(3,814)	1,598	2,181

<b><i>Effect to the defined benefit obligation</i></b> <b><i>At 31 December</i></b>	<b>Separate financial statements</b>			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(1,477)	(3,623)	1,658	4,143
Future salary growth	1,479	4,180	(1,338)	(3,697)
Employee turnover	(1,577)	(3,814)	731	2,181

**14 Share premium and surplus on share-based payment transactions**

***Share premium***

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

***Surplus on share-based payment transactions***

Surplus on share-based payment transactions are recognised in equity is the fair value of employees’ rights to acquire the shares at grant dates based on the underlying fair value of the shares and the consideration payable, and to recognise related expense, with a corresponding increase in equity in accordance with TFRS 2.

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

**15 Legal reserves**

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

**16 Segment information and disaggregation of revenue**

Management determined that the Group has three reportable segments, which are the Group’s strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

- Segment 1            Plastic compound
- Segment 2            Adhesive
- Segment 3            Sealant

Each segment’s performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

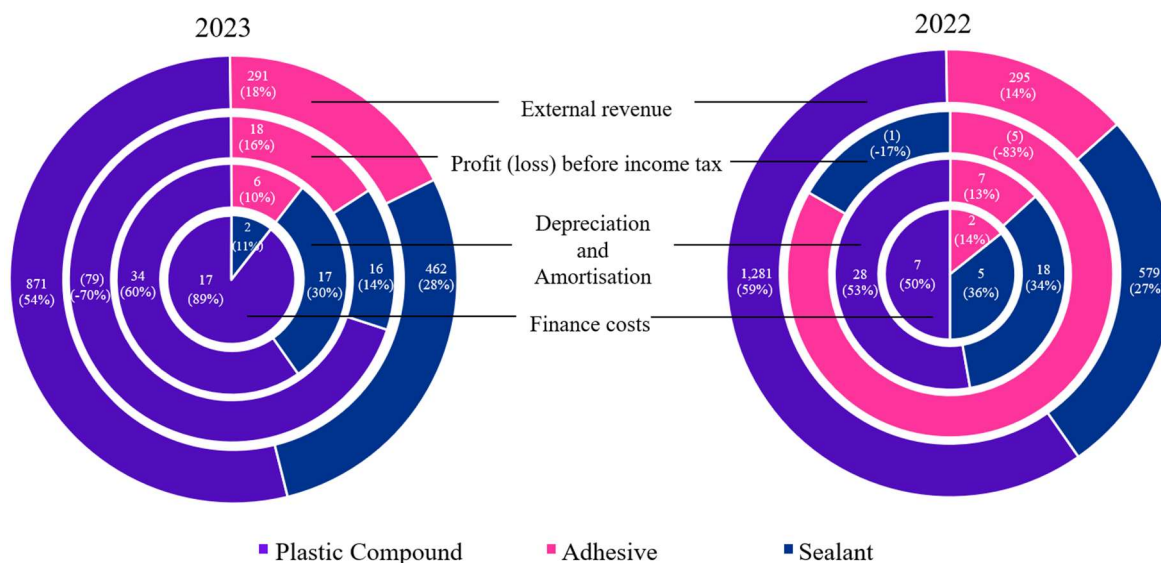
The Group’s main revenue is derived from sale of goods of plastic compound, adhesive and sealant, which revenue recognition is at a point in time.

**Information about reportable segments**

**Consolidated financial statements**

For year ended 31 December

Unit: million Baht



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

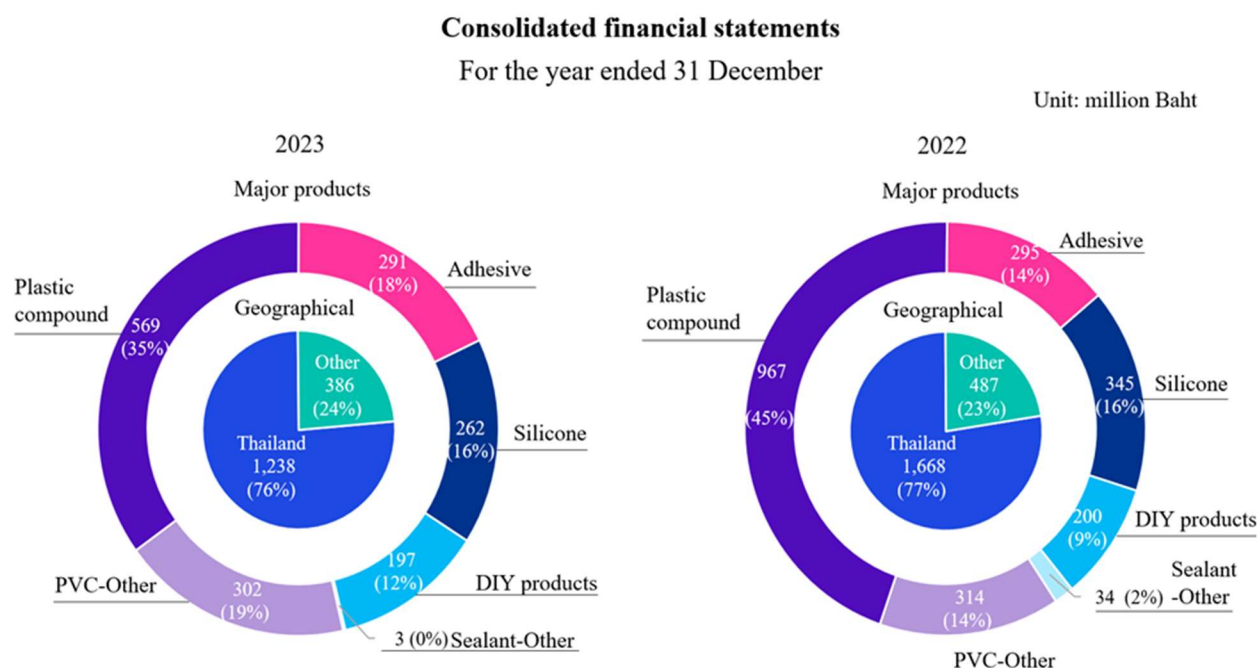
**Information Segment assets**

All Company's segment assets are located in Thailand.

**Major customer**

Revenues from one customer of the Group's segment 1 for the year ended 31 December 2023 represents approximately Baht 367.07 million (2022: Baht 406.68 million) of the Group's total revenues

**Disaggregation of revenue by primary geographical market and major products**



**17 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Salaries, wages and bonus	143,338	145,031	77,036	68,432
Staff welfares	38,275	36,487	22,193	17,827
Defined contribution plans	5,805	4,903	3,184	2,507
Defined benefit plans	5,467	5,630	2,845	5,630
Other	3,687	4,321	2,875	382
<b>Total</b>	<b>196,572</b>	<b>196,372</b>	<b>108,133</b>	<b>94,014</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 2023**

**18 Expenses by nature**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2023	2022	2023	2022
<i>(in thousand Baht)</i>					
<b><i>Included in cost of sales of goods:</i></b>					
Changes in inventories of finished goods and work in progress		(14,070)	(20,140)	17,302	79,910
Raw materials and consumables used		1,264,951	1,755,864	741,546	970,625
Employee benefit expenses		97,520	100,103	50,551	51,984
Depreciation and amortisation		48,765	47,966	40,261	25,806
Utilities expenses		34,312	36,728	25,742	26,971
(Reversal of) Write-down to net realisable value	7	835	1,112	(590)	877
Other		31,319	32,427	18,804	19,261
<b>Total</b>		<b>1,463,632</b>	<b>1,954,060</b>	<b>893,616</b>	<b>1,175,434</b>
<b><i>Included in distribution costs:</i></b>					
Commission expenses		21,481	34,013	14,073	26,104
Employee benefit expenses		20,244	21,375	8,886	6,621
Distribution expenses		20,028	24,069	11,542	12,050
Sample product expenses		1,007	1,310	479	597
Other		10,144	10,110	2,822	2,403
<b>Total</b>		<b>72,904</b>	<b>90,877</b>	<b>37,803</b>	<b>47,775</b>
<b><i>Included in administrative expenses:</i></b>					
Employee benefit expenses		78,808	74,894	48,696	35,409
Professional fee		9,937	8,077	6,471	3,184
Depreciation and amortisation		7,843	5,022	6,047	2,314
(Reversal of) allowance for expected credit loss on trade accounts receivable	6	2,782	48	(369)	(351)
Other		30,324	22,809	17,389	10,749
<b>Total</b>		<b>129,694</b>	<b>110,850</b>	<b>78,234</b>	<b>51,305</b>

**19 Income tax expense**

***Income tax recognised in profit or loss***

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
<b>Current tax expense</b>				
Current year	3,115	1,875	1,847	2,066
<b>Deferred tax expense</b>				
Movements in temporary differences	(1,380)	(905)	4,612	(1,149)
<b>Total income tax expense</b>	<b>1,735</b>	<b>970</b>	<b>6,459</b>	<b>917</b>

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

*Income tax recognised in other comprehensive income*

	<b>Consolidated financial statements</b>					
	Before tax	2023 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2022 Tax expense	Net of tax
Gains on cash flow hedges	-	-	-	8	(2)	6
Defined benefit plan actuarial gains	4,471	(894)	3,577	4,200	(840)	3,360

	<b>Separate financial statements</b>					
	Before tax	2023 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2022 Tax expense	Net of tax
Gains on cash flow hedges	-	-	-	8	(2)	6
Defined benefit plan actuarial gains	2,497	(499)	1,998	4,200	(840)	3,360

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	Rate (%)	2023 <i>(in thousand Baht)</i>	Rate (%)	2022 <i>(in thousand Baht)</i>
Loss before income tax expense		(44,972)		(5,964)
Income tax using the Thai corporation tax rate	20	(8,994)	20	(1,193)
Expenses not deductible for tax purposes and other		10,988		2,675
Additional deductible expenses		(259)		(512)
<b>Total</b>	<b>4</b>	<b>1,735</b>	<b>16</b>	<b>970</b>

	<b>Separate financial statements</b>			
	Rate (%)	2023 <i>(in thousand Baht)</i>	Rate (%)	2022 <i>(in thousand Baht)</i>
Profit (loss) before income tax expense		2,542		(3)
Income tax using the Thai corporation tax rate	20	508	20	(1)
Expenses not deductible for tax purposes and other		6,176		1,430
Additional deductible expenses		(225)		(512)
<b>Total</b>	<b>&gt;100</b>	<b>6,459</b>	<b>&gt;100</b>	<b>917</b>

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

Movements in deferred tax balances are as follows:

	At 1 January	Consolidated financial statements (Charged) / Credited to		At 31 December
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b>2023</b>				
<b><i>Deferred tax assets (liabilities)</i></b>				
Right-of-use assets	(246)	(225)	-	(471)
Trade accounts receivable	491	544	-	1,035
Inventories	1,863	167	-	2,030
Provisions for employee benefit	9,027	(70)	(894)	8,903
Changes in fair value of foreign currency hedges	92	124	-	216
<b>Total</b>	<b>11,227</b>	<b>1,380</b>	<b>(894)</b>	<b>11,713</b>
<b>2022</b>				
<b><i>Deferred tax assets (liabilities)</i></b>				
Right-of-use assets	10	(256)	-	(246)
Trade accounts receivable	481	10	-	491
Inventories	1,640	223	-	1,863
Provisions for employee benefit	9,031	836	(840)	9,027
Changes in fair value of foreign currency hedges	-	92	-	92
Changes in fair value of cash flow hedges	2	-	(2)	-
<b>Total</b>	<b>11,164</b>	<b>905</b>	<b>(842)</b>	<b>11,227</b>

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

	<b>Separate financial statements</b>				<b>At 31 December</b>
	<b>At 1 January</b>	Discontinued operation	<u>(Charged) / Credited to</u> Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b>2023</b>					
<b><i>Deferred tax assets (liabilities)</i></b>					
Right-of-use assets	(246)	-	(120)	-	(366)
Trade accounts receivable	282	209	(314)	-	177
Inventories	821	1,042	(1,160)	-	703
Provisions for employee benefit	5,421	3,606	(3,153)	(499)	5,375
Changes in fair value of foreign currency hedges	92	-	135	-	227
<b>Total</b>	<b>6,370</b>	<b>4,857</b>	<b>(4,612)</b>	<b>(499)</b>	<b>6,116</b>

	<b>Separate financial statements</b>				<b>At 31 December</b>
	<b>At 1 January</b>	Profit or loss	<u>(Charged) / Credited to</u> Other comprehensive income <i>(in thousand Baht)</i>	Discontinued operation	
<b>2022</b>					
<b><i>Deferred tax assets (liabilities)</i></b>					
Right-of-use assets	10	(256)	-	-	(246)
Trade accounts receivable	481	70	-	(60)	282
Inventories	1,640	115	-	108	821
Provisions for employee benefit	9,031	1,128	(840)	(292)	5,421
Changes in fair value of foreign currency hedges	-	92	-	-	92
Changes in fair value of cash flow hedges	2	-	(2)	-	-
<b>Total</b>	<b>11,164</b>	<b>1,149</b>	<b>(842)</b>	<b>(244)</b>	<b>6,370</b>

**Applied DB Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**20 Loss per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht/thousand shares)</i>			
<i>For the year ended 31 December</i>				
<b>Loss attributable to ordinary shareholder of the Company from continuing operations</b>	<u>(46,706)</u>	<u>(6,934)</u>	<u>(3,917)</u>	<u>(920)</u>
<b>Number of ordinary shares outstanding at 31 December</b>	<u>726,000</u>	<u>726,000</u>	<u>726,000</u>	<u>726,000</u>
<b>Basic loss per share <i>(in Baht)</i></b>	<u>(0.064)</u>	<u>(0.010)</u>	<u>(0.006)</u>	<u>(0.001)</u>
<b>Loss attributable to ordinary shareholder of the Company from discontinued operations</b>	<u>-</u>	<u>-</u>	<u>(10,312)</u>	<u>(4,684)</u>
<b>Number of ordinary shares at 31 December</b>	<u>-</u>	<u>-</u>	<u>726,000</u>	<u>726,000</u>
<b>Basic loss per share <i>(in Baht)</i></b>	<u>-</u>	<u>-</u>	<u>(0.014)</u>	<u>(0.007)</u>

**21 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in thousand Baht)</i>
<b>2022</b>				
2021 Annual dividends	28 April 2022	May 2022	0.05	36,300



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

<b>Type</b>	<b>Valuation technique</b>
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies

The fair value of financial liabilities measured at amortised costs are calculated by discounted cash flows technique.

**(b) Financial risk management policies**

***Risk management framework***

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

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

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

***(b.1) Credit risk***

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

***(b.1.1) Trade accounts receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 16.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Any sales exceeding those limits require approval from Chief Financial Officer ("CFO").

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The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 120 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables

Information relevant to trade accounts receivables are disclosed in note 6.

**(b.1.2) Cash and cash equivalent and derivatives**

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

**(b.2) Liquidity risk**

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

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

<i>At 31 December</i>	Carrying amount	<b>Consolidated financial statements</b>				Total
		Contractual cash flows				
		1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years		
<i>2023</i>						
<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>-</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>-</b>	<b>25,990</b>

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		<b>Consolidated financial statements</b>				
		Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
		<i>(in thousand Baht)</i>				
<b>2022</b>						
<b><i>Non-derivative financial liabilities</i></b>						
Promissory notes	616,134	616,134	-	-	616,134	
Trade accounts payable	238,042	238,042	-	-	238,042	
Other payables	49,117	49,117	-	-	49,117	
Lease liabilities	4,325	1,696	1,039	1,955	4,690	
Long-term borrowings from financial institutions	28,564	20,069	9,537	-	29,606	
<b>Total</b>	<b>936,182</b>	<b>925,058</b>	<b>10,576</b>	<b>1,995</b>	<b>937,589</b>	
<b><i>Derivative financial liabilities</i></b>						
Forward exchange contract	8,154	8,616	-	-	8,616	
<b>Total</b>	<b>8,154</b>	<b>8,616</b>	<b>-</b>	<b>-</b>	<b>8,616</b>	
		<b>Separate financial statements</b>				
		Contractual cash flows				
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
		<i>(in thousand Baht)</i>				
<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>	

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<i>At 31 December</i>	Carrying amount	Separate financial statements				Total
		Contractual cash flows				
		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>2022</b>						
<b>Non-derivative financial liabilities</b>						
Promissory notes	615,134	615,134	-	-		615,134
Trade accounts payable	178,508	178,508	-	-		178,508
Other payables	39,603	39,603	-	-		39,603
Lease liabilities	4,325	1,696	1,039	1,955		4,690
Long-term borrowings from financial institutions	28,564	20,069	9,537	-		29,606
<b>Total</b>	<b>866,134</b>	<b>855,010</b>	<b>10,576</b>	<b>1,955</b>		<b>867,541</b>
<b>Derivative financial liabilities</b>						
Forward exchange contract	8,154	8,616	-	-		8,616
<b>Total</b>	<b>8,154</b>	<b>8,616</b>	<b>-</b>	<b>-</b>		<b>8,616</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:

**(b.3.1) Foreign currency risk**

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

<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>United States Dollars</b>				
Cash and cash equivalents	15,646	49,789	15,564	49,048
Trade accounts receivable	115,864	97,161	19,465	17,001
Interest-bearing liabilities	(19,368)	(52,735)	(36,388)	(46,271)
Trade accounts payable	(41,423)	(53,383)	(2,543)	-
Other payables	(3)	(191)	-	(191)
<b>Net statement of financial position exposure</b>	<b>70,716</b>	<b>40,641</b>	<b>(3,902)</b>	<b>19,587</b>
Currency forwards purchase	(24,806)	(8,616)	(22,757)	(8,616)
<b>Net exposure</b>	<b>45,910</b>	<b>32,025</b>	<b>(26,659)</b>	<b>10,971</b>

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<i>Exposure to foreign currency at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Euro</b>				
Cash and cash equivalents	94	91	94	91
Trade accounts receivable	1,082	1,328	-	-
<b>Net statement of financial position exposure</b>	<b>1,176</b>	<b>1,419</b>	<b>94</b>	<b>91</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 Strengthening	Profit or loss Weakening	Profit or loss Strengthening	Profit or loss Weakening
		<i>(in thousand Baht)</i>			
<b>At 31 December 2023</b>					
United States Dollars	5.00	(3,536)	3,536	195	(195)
Euro	5.00	(59)	59	(5)	5
<b>At 31 December 2022</b>					
United States Dollars	5.00	(2,031)	2,031	(978)	978
Euro	5.00	(71)	71	(5)	5

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates (see note 12) are mainly variable. So the Group is primarily exposed to interest rate risk. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

<i>Exposure to interest rate risk at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<b>Financial instruments with variable interest rates</b>				
Financial liabilities	9,412	28,564	9,412	28,564

**23 Capital management**

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

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**24 Commitments with non-related parties and contingent liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<i>(in thousand Baht)</i>			
<b><i>Capital commitments</i></b>				
<i>Contracted but not provided for:</i>				
Building, machinery and equipment	1,094	3,420	986	3,420
<b>Total</b>	<b>1,094</b>	<b>3,420</b>	<b>986</b>	<b>3,420</b>
<b><i>Other commitments</i></b>				
Lease of low-value assets	1,154	855	693	855
Unused letters of credit for purchase goods	43,265	33,974	21,813	17,533
Bank guarantees	9,300	4,763	4,763	3,097
Purchase orders for goods and supplies	54,062	59,988	48,660	31,560
<b>Total</b>	<b>107,781</b>	<b>99,580</b>	<b>75,929</b>	<b>53,045</b>