

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

Interim financial statements
for the three-month and six-month period ended
30 June 2023
and
Independent auditor's review report



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

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

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Applied DB Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Applied DB Public Company Limited and its subsidiaries, and of Applied DB Public Company Limited, respectively, as at 30 June 2023; the consolidated and separate statements of comprehensive income for the three-month and six-month period ended 30 June 2023, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 June 2023; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

(Sawitree Ongksirimemongkol)
Certified Public Accountant
Registration No. 10449

KPMG Phoomchai Audit Ltd.
Bangkok
9 August 2023

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Assets	<i>Note</i>	2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
		<i>(in Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		122,083,041	101,515,605	94,604,176	99,366,954
Trade accounts receivable	2, 3	355,074,197	446,450,948	185,474,322	281,754,914
Other receivables	2, 7	74,388,970	37,584,067	441,253,650	37,513,051
Inventories		421,376,608	510,576,179	124,498,313	198,779,534
Other current assets		-	15,700,559	-	15,700,559
Disposal groups classified as held for sale	7	-	-	-	545,291,933
Total current assets		<u>972,922,816</u>	<u>1,111,827,358</u>	<u>845,830,461</u>	<u>1,178,406,945</u>
<i>Non-current assets</i>					
Investment in subsidiaries	4	-	-	51,006,523	2,006,523
Property, plant and equipment	5	478,373,368	495,840,808	418,928,445	432,270,829
Right-of-use assets	5	16,885,392	5,554,997	8,152,711	5,554,997
Other intangible assets		1,155,703	1,394,626	1,083,158	1,394,626
Deferred tax assets		17,438,433	11,226,927	11,127,816	6,370,330
Other non-current assets		2,051,746	543,511	2,051,746	543,511
Total non-current assets		<u>515,904,642</u>	<u>514,560,869</u>	<u>492,350,399</u>	<u>448,140,816</u>
Total assets		<u>1,488,827,458</u>	<u>1,626,388,227</u>	<u>1,338,180,860</u>	<u>1,626,547,761</u>

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity		2023	2022	2023	2022
		(Unaudited)		(Unaudited)	
		<i>(in Baht)</i>			
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions		545,992,918	616,133,793	537,529,220	615,133,793
Trade accounts payable	2	222,967,774	238,041,807	107,583,633	178,508,167
Other payables	2	38,994,137	49,342,553	20,777,236	39,603,122
Current portion of lease liabilities		1,231,649	1,539,238	1,231,649	1,539,238
Current portion of long-term borrowings					
from financial institutions	8	19,374,000	19,152,000	19,374,000	19,152,000
Income tax payable		947,687	651,609	2,068,027	842,904
Current provisions for employee benefits		4,633,454	2,489,686	3,817,703	2,489,686
Other current liabilities		462,031	462,070	81,869	462,069
Liabilities included in disposal groups					
classified as held for sale	7	-	-	-	87,077,589
Total current liabilities		834,603,650	927,812,756	692,463,337	944,808,568
Non-current liabilities					
Lease liabilities		13,303,142	2,786,035	4,557,274	2,786,035
Long-term borrowings from financial					
institutions	8	1,210,000	9,412,000	1,210,000	9,412,000
Non-current provisions for employee benefits		43,125,746	42,646,217	25,380,044	24,616,225
Total non-current liabilities		57,638,888	54,844,252	31,147,318	36,814,260
Total liabilities		892,242,538	982,657,008	723,610,655	981,622,828

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
	<i>(in Baht)</i>			
Liabilities and equity				
Equity				
Share capital				
Authorised share capital	<u>362,999,962</u>	<u>362,999,962</u>	<u>362,999,962</u>	<u>362,999,962</u>
<i>(726 million ordinary shares, par value at Baht 0.5 per share)</i>				
Issued and paid-up share capital	362,999,962	362,999,962	362,999,962	362,999,962
<i>(726 million ordinary shares, par value at Baht 0.5 per share)</i>				
Share premium on ordinary shares	202,200,890	202,200,890	202,200,890	202,200,890
Surplus on share-based payment transactions	308,333	308,333	308,333	308,333
Retained earnings				
Appropriated				
Legal reserve	20,643,763	20,643,763	20,643,763	20,643,763
Unappropriated	10,361,068	57,516,557	28,417,257	58,771,985
Other components of equity	<u>70,904</u>	<u>61,714</u>	<u>-</u>	<u>-</u>
Total equity	<u>596,584,920</u>	<u>643,731,219</u>	<u>614,570,205</u>	<u>644,924,933</u>
Total liabilities and equity	<u>1,488,827,458</u>	<u>1,626,388,227</u>	<u>1,338,180,860</u>	<u>1,626,547,761</u>

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended 30 June		Three-month period ended 30 June	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Income					
Revenue from sales of goods	2, 6	388,467,371	551,215,958	214,656,203	319,675,395
Net foreign exchange gain		2,573,279	2,149,683	-	-
Other income	2	3,522,498	2,385,142	18,973,701	1,561,081
Total income		394,563,148	555,750,783	233,629,904	321,236,476
Expenses					
Cost of sales of goods	2	348,510,838	493,956,701	205,889,272	286,081,030
Distribution costs		15,753,930	22,883,962	6,427,887	11,335,611
Administrative expenses		61,541,601	25,787,148	49,133,494	11,899,697
Net foreign exchange loss		-	-	199,644	2,976,078
Total expenses		425,806,369	542,627,811	261,650,297	312,292,416
Profit (loss) from operating activities		(31,243,221)	13,122,972	(28,020,393)	8,944,060
Finance costs		4,754,972	3,251,186	4,400,168	1,746,804
Profit (loss) before income tax expense					
(income)		(35,998,193)	9,871,786	(32,420,561)	7,197,256
Income tax expense (income)		(7,200,402)	2,060,457	(6,444,871)	1,294,155
Profit (loss) for the period from continuing					
operations		(28,797,791)	7,811,329	(25,975,690)	5,903,101
Gain for the period from discontinued operation, net of tax	7	-	-	-	2,240,396
Profit (loss) for the period		(28,797,791)	7,811,329	(25,975,690)	8,143,497

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
Note	2023	2022	2023	2022
	<i>(in Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange difference on translating financial statements	12,352	(14,994)	-	-
Total items that will be reclassified subsequently to profit or loss	12,352	(14,994)	-	-
Total comprehensive income (expense) for the period	<u>(28,785,439)</u>	<u>7,796,335</u>	<u>(25,975,690)</u>	<u>8,143,497</u>
Profit (loss) attributable to:				
Owners of parent	(28,797,791)	7,811,329	(25,975,690)	8,143,497
Profit (loss) for the period	<u>(28,797,791)</u>	<u>7,811,329</u>	<u>(25,975,690)</u>	<u>8,143,497</u>
Total comprehensive income (expense) attributable to:				
Owners of parent	(28,785,439)	7,796,335	(25,975,690)	8,143,497
Total comprehensive income (expense) for the period	<u>(28,785,439)</u>	<u>7,796,335</u>	<u>(25,975,690)</u>	<u>8,143,497</u>
Earnings (loss) per share				
Earnings (loss) per share from continuing operations	<u>(0.0397)</u>	<u>0.0108</u>	(0.0358)	0.0081
Earnings per share from discontinued operations	7		-	0.0031
			<u>(0.0358)</u>	<u>0.0112</u>

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Revenues					
Revenue from sales of goods	2, 6	842,177,238	1,100,629,468	511,920,241	669,224,304
Net foreign exchange gain		2,019,476	4,615,490	1,005,855	-
Gain on business transfer	7	-	-	19,887,804	-
Other income	2	6,074,506	7,324,798	29,484,131	3,028,639
Total revenues		850,271,220	1,112,569,756	562,298,031	672,252,943
Expenses					
Cost of sales of goods	2	762,152,129	1,005,462,651	482,945,032	619,415,407
Distribution costs		35,908,317	46,089,268	19,440,575	23,549,236
Administrative expenses		94,851,601	54,466,880	69,224,122	25,297,084
Net foreign exchange loss		-	-	-	2,582,243
Total expenses		892,912,047	1,106,018,799	571,609,729	670,843,970
Profit (loss) from operating activities		(42,640,827)	6,550,957	(9,311,698)	1,408,973
Finance costs		9,191,852	5,552,257	7,980,225	2,917,734
Profit (loss) before income tax expense					
(income)		(51,832,679)	998,700	(17,291,923)	(1,508,761)
Income tax expense (income)		(4,677,190)	727,816	2,750,833	(38,394)
Profit (loss) for the period from continuing operations		(47,155,489)	270,884	(20,042,756)	(1,470,367)
Profit (loss) for the period from discontinued operation, net of tax	7	-	-	(10,311,972)	2,203,468
Profit (loss) for the period		(47,155,489)	270,884	(30,354,728)	733,101

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
Note	2023	2022	2023	2022
	<i>(in Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange difference on translating financial statements	9,190	217,231	-	-
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	-	(1,427)	-	(1,427)
Total items that will be reclassified subsequently to profit or loss	9,190	222,938	-	5,707
Total comprehensive income (expense) for the period	(47,146,299)	493,822	(30,354,728)	738,808
Profit (loss) attributable to:				
Owners of parent	(47,155,489)	270,884	(30,354,728)	733,101
Profit (loss) for the period	(47,155,489)	270,884	(30,354,728)	733,101
Total comprehensive income (expense) attributable to:				
Owners of parent	(47,146,299)	493,822	(30,354,728)	738,808
Total comprehensive income (expense) for the period	(47,146,299)	493,822	(30,354,728)	738,808
Earnings (loss) per share				
Earnings (loss) per share from continuing operations	(0.0650)	0.0004	(0.0276)	(0.0020)
Earnings (loss) per share from discontinued operations	7		(0.0142)	0.0030
			(0.0418)	0.0010

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity (unaudited)

	Consolidated financial statements								
				Retained earnings		Other components of equity			
	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Legal reserve	Unappropriated <i>(in Baht)</i>	Translation reserve	Cash flow hedge reserve	Total other components of equity	Total equity
Six-month period ended 30 June 2022									
Balance at 1 January 2022	362,999,962	202,200,890	308,333	20,643,763	97,390,720	(6,161)	(5,707)	(11,868)	683,531,800
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the parent</i>									
Dividends to owners of the parent	-	-	-	-	(36,299,992)	-	-	-	(36,299,992)
Total transactions with owners, recorded directly in equity	-	-	-	-	(36,299,992)	-	-	-	(36,299,992)
Comprehensive income for the period									
Profit	-	-	-	-	270,884	-	-	-	270,884
Other comprehensive income	-	-	-	-	-	217,231	5,707	222,938	222,938
Total comprehensive income for the period	-	-	-	-	270,884	217,231	5,707	222,938	493,822
Balance at 30 June 2022	362,999,962	202,200,890	308,333	20,643,763	61,361,612	211,070	-	211,070	647,725,630

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity (unaudited)

	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 <i>(in Baht)</i>	Unappropriated	Translation reserve	
Six-month period ended 30 June 2023							
Balance at 1 January 2023	362,999,962	202,200,890	308,333	20,643,763	57,516,557	61,714	643,731,219
Comprehensive income (expense) for the period							
Loss	-	-	-	-	(47,155,489)	-	(47,155,489)
Other comprehensive income	-	-	-	-	-	9,190	9,190
Total comprehensive income (expense) for the period	-	-	-	-	(47,155,489)	9,190	(47,146,299)
Balance at 30 June 2023	362,999,962	202,200,890	308,333	20,643,763	10,361,068	70,904	596,584,920

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity (unaudited)

	Separate financial statements					Other components	
	Issued and paid-up share capital	Share premium	Surplus on share-based payment transactions	Retained earnings		of equity	
				Legal reserve <i>(in Baht)</i>	Unappropriated	Cash flow hedge reserve	Total equity
Six-month period ended 30 June 2022							
Balance at 1 January 2022	362,999,962	202,200,890	308,333	20,643,763	97,315,495	(5,707)	683,462,736
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	-	-	-	-	(36,299,992)	-	(36,299,992)
Total transactions with owners, recorded directly in equity	-	-	-	-	(36,299,992)	-	(36,299,992)
Comprehensive income for the period							
Profit	-	-	-	-	733,101	-	733,101
Other comprehensive income	-	-	-	-	-	5,707	5,707
Total comprehensive income for the period	-	-	-	-	733,101	5,707	738,808
Balance at 30 June 2022	362,999,962	202,200,890	308,333	20,643,763	61,748,604	-	647,901,552

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of changes in equity (unaudited)

	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity	
			Surplus on share-based payment transactions	Retained earnings		
			Legal reserve	Unappropriated		
			<i>(in Baht)</i>			
Six-month period ended 30 June 2023						
Balance at 1 January 2023	362,999,962	202,200,890	308,333	20,643,763	58,771,985	644,924,933
Comprehensive income (expense) for the period						
Loss	-	-	-	-	(30,354,728)	(30,354,728)
Total comprehensive income (expense) for the period	-	-	-	-	(30,354,728)	(30,354,728)
Balance at 30 June 2023	362,999,962	202,200,890	308,333	20,643,763	28,417,257	614,570,205

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of cash flows (unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2023	2022	2023	2022
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit (loss) for the period		(47,155,489)	270,884	(30,354,728)	733,101
<i>Adjustments to reconcile gain (loss) to cash receipts</i>					
Income tax expense (income)		(4,677,190)	727,816	2,750,833	727,816
Interest income		(5,625)	(6,126)	(3,184,763)	(6,126)
Finance costs		9,191,852	5,552,257	7,980,225	5,552,257
Depreciation and amortisation		28,089,162	26,390,516	24,072,600	26,390,516
Provision for employee benefits		2,990,531	2,835,753	1,637,601	2,835,753
Unrealised (gain) loss on foreign exchange		(945,919)	763,984	(313,092)	546,753
Allowance for expected credit loss					
on trade accounts receivable		30,960,276	207,609	27,656,477	207,609
(Reversal of) losses on inventories devaluation		2,856,279	868,479	(5,238,634)	868,479
(Gain) loss on disposal and write off of property, plant and equipment		14,338	(876,278)	14,338	(876,278)
Gain on write off of liabilities, net of right-of-use assets		(35,497)	-	(35,497)	-
Loss on write off of intangible assets		-	97,500	-	97,500
Gain on business transfer - net tax	7	-	-	(19,887,804)	-
		<u>21,282,718</u>	<u>36,832,394</u>	<u>5,097,556</u>	<u>37,077,380</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		57,340,093	(148,918,028)	65,696,541	(149,182,161)
Other receivables		(38,275,782)	(29,497,844)	(337,208,771)	(29,328,825)
Inventories		86,343,292	(215,245,245)	390,861,836	(214,871,557)
Other current assets		15,700,559	(14,688,452)	15,700,559	(14,688,452)
Other non-current assets		(1,508,235)	569,318	(1,508,235)	569,318
Trade accounts payable		(10,624,948)	124,181,392	(81,666,086)	124,181,392
Other payables		(10,637,222)	804,853	(32,132,559)	636,366
Other current liabilities		(39)	-	(380,200)	-
Employee benefit paid		<u>(367,234)</u>	<u>(475,277)</u>	<u>(367,234)</u>	<u>(475,277)</u>
Net cash generated from (used in) operating		119,253,202	(246,436,889)	24,093,407	(246,081,816)
Tax paid		<u>(1,222,609)</u>	<u>(2,240,251)</u>	<u>(1,219,674)</u>	<u>(2,240,251)</u>
Net cash from (used in) operating activities		<u>118,030,593</u>	<u>(248,677,140)</u>	<u>22,873,733</u>	<u>(248,322,067)</u>

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of cash flows (unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended 30 June		Six-month period ended 30 June	
Note	2023	2022	2023	2022
	(in Baht)			
<i>Cash flows from investing activities</i>				
Proceeds from sale of property, plant and equipment	-	897,196	-	897,196
Purchase of property, plant and equipment	(8,935,395)	(26,593,149)	(8,704,498)	(26,593,149)
Purchase of intangible assets	(109,060)	(561,872)	(29,060)	(561,872)
Proceeds from business transfer	7	-	73,314,095	-
Interest received	3,184,896	6,126	3,184,763	6,126
Net cash from (used in) investing activities	(5,859,559)	(26,251,699)	67,765,300	(26,251,699)
<i>Cash flows from financing activities</i>				
Proceeds from (repayment of) from short-term borrowings from financial institutions	(96,200,356)	377,005,696	(103,664,053)	377,005,696
Repayment of long-term borrowings from financial institutions	(7,980,000)	(31,576,000)	(7,980,000)	(31,576,000)
Payment of lease liabilities	(1,359,528)	(988,145)	(1,097,978)	(988,145)
Dividends paid to owners of the Company	-	(36,299,992)	-	(36,299,992)
Interest paid	(12,804,475)	(5,141,520)	(9,233,925)	(5,141,520)
Net cash from (used in) financing activities	(118,344,359)	303,000,039	(121,975,956)	303,000,039
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	(6,173,325)	28,071,200	(31,336,923)	28,426,273
Effect of exchange rate changes on cash and cash equivalents	681,281	1,400,710	514,665	1,400,710
Net increase (decrease) in cash and cash equivalents	(5,492,044)	29,471,910	(30,822,258)	29,826,983
Cash and cash equivalents at 1 January	101,515,605	60,369,855	99,366,954	59,218,641
Cash and cash equivalents at 30 June	96,023,561	89,841,765	68,544,696	89,045,624

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries

Statement of cash flows (unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended 30 June		Six-month period ended 30 June	
		2023	2022	2023	2022
<i>(in Baht)</i>					
Supplemental disclosure of cash flow information					
1. Cash and cash equivalents consisted of:					
Cash and cash equivalents		122,083,041	89,045,624	94,604,176	89,045,624
Bank overdrafts		<u>(26,059,480)</u>	<u>-</u>	<u>(26,059,480)</u>	<u>-</u>
Net		<u>96,023,561</u>	<u>89,045,624</u>	<u>68,544,696</u>	<u>89,045,624</u>
2. Property, plant and equipment purchased during the period are detailed as follows:					
Property, plant and equipment purchased during the period		8,504,184	30,044,380	8,184,966	30,044,380
<i>Less:</i> Capitalised interest		(31,637)	(39,988)	(31,637)	(39,988)
<i>Plus (less):</i> Changes in payables on purchase of property, plant and equipment		<u>462,848</u>	<u>(3,411,243)</u>	<u>551,169</u>	<u>(3,411,243)</u>
Net purchase of property, plant and equipment paid by cash		<u>8,935,395</u>	<u>26,593,149</u>	<u>8,704,498</u>	<u>26,593,149</u>
Non-cash transactions					
Investment in subsidiary	7	-	-	(49,000,000)	-

The accompanying notes form an integral part of the interim financial statements.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

Note	Contents
1	Basis of preparation of the interim financial statements
2	Related parties
3	Trade accounts receivable
4	Investment in subsidiaries
5	Property, plant and equipment
6	Segment information and disaggregation of revenue
7	Discontinued operation
8	Financial instruments
9	Commitments with non-related parties

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

These condensed notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 9 August 2023.

1 Basis of preparation of the interim financial statements

The interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

2 Related parties

There were no material changes in relationships with subsidiaries and other related parties during the six-month period ended 30 June 2023.

<i>Significant transactions with related parties for the three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	7,263	237
Purchases of goods	-	-	31	-
Services income	-	-	5,533	110
Rental income	-	-	6,300	-
License fees	-	-	1,120	-
Other related parties				
Sales of goods	1,549	2,374	616	1,305
Purchases of goods	50	23	7	1
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	6,151	5,634	5,250	5,245
Post-employment benefits	254	316	220	231
Total key management personnel compensation	6,405	5,950	5,470	5,086

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

<i>Significant transactions with related parties for the six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	33,395	237
Purchases of goods	-	-	6,915	-
Services income	-	-	9,214	160
Rental income	-	-	10,500	-
License fees	-	-	2,057	-
Other related parties				
Sales of goods	2,572	3,066	1,007	1,423
Purchases of goods	94	33	39	4
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	11,764	11,207	10,301	9,653
Post-employment benefits	583	632	440	462
Total key management personnel compensation	12,347	11,839	10,741	10,115

Balances as at 30 June 2023 and 31 December 2022 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiary	-	-	2,587	-
Other related parties	877	580	600	59
Total	877	580	3,187	59
Other receivables				
Subsidiary	-	-	404,107	-
Total	-	-	404,107	-
Trade accounts payable				
Subsidiary	-	-	30	-
Other related parties	10	-	1	-
Total	10	-	31	-
Other payables				
Subsidiary	-	-	20	-
Other related parties	4	34	4	33
Total	4	34	24	33

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

Significant agreements with related parties

The new significant agreements with related parties during the six-month period ended 30 June 2023 are as follows:

- (a) 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.
- (b) 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.
- (c) 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.

3 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>			
Within credit terms	286,195	373,387	180,458	260,662
Overdue:				
Less than 3 months	78,473	59,368	32,636	21,232
3 - 6 months	13,938	12,445	98	-
6 - 12 months	7,204	2,287	-	-
Over 12 months	2,616	1,417	1,131	1,269
Total	388,426	448,904	214,323	283,163
Less allowance for expected credit loss	(33,352)	(2,453)	(28,849)	(1,408)
Net	355,074	446,451	185,474	281,755
<i>Expected credit loss for the six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
- Additions	30,899	342	27,596	342
- Transfer to discontinued operation	-	-	(155)	(137)

The normal credit terms granted by the Group range from 7 days to 120 days.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

4 Investment in subsidiaries

<i>Significant transactions with related parties for the six-month period ended 30 June 2023</i>	Separate financial statements <i>(in thousand Baht)</i>
<i>Subsidiary</i>	
ADB Sealant Co., Ltd.	49,000

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.

5 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month period ended 30 June 2023 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023		2023	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand baht)</i>			
Buildings and construction	898	-	898	-
Machinery and equipment	7,739	(14)	7,601	(14)
Furniture, fixtures and office equipment	515	-	334	-
Assets under construction and installation	3,939	(4,587)	3,939	(4,587)
Total	13,091	(4,601)	12,772	(4,601)

During the six-month period ended 30 June 2023, the Company capitalised interest expenses as cost of asset under construction and installation in the total of Baht 0.03 million, with capitalisation rate of 4.75% per annum.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

Additions and write off of right-of-use assets during the six-month period ended 30 June 2023 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023		2023	
	Additions - at cost	Write off - net book value	Additions - at cost	Write off - net book value
	<i>(in thousand baht)</i>			
Buildings and construction	3,420	-	-	-
Vehicles	10,526	(832)	4,899	(832)
Total	13,946	(832)	4,899	(832)

During the six-month period ended 30 June 2023, the Group leased buildings and construction and vehicles for periods of 1 to 6 years and made fixed payments on the usage of the asset during the lease term.

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

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

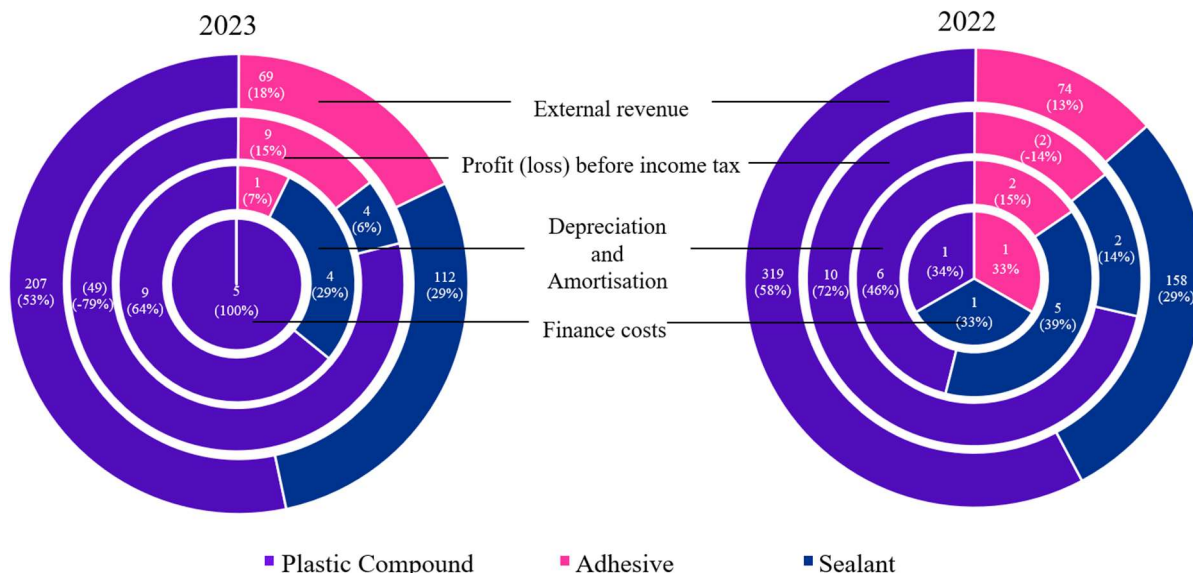
Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

Information about reportable segments

Consolidated financial statements

For three-month period ended 30 June

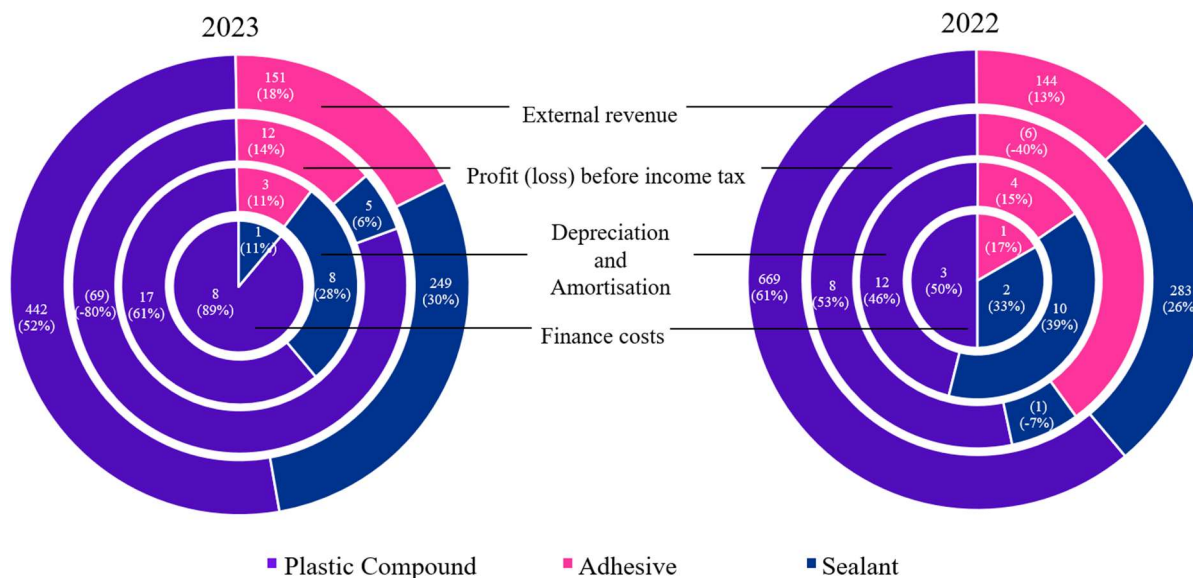
Unit: million Baht



Consolidated financial statements

For six-month period ended 30 June

Unit: million Baht



Segment assets

All Group's segment assets are located in Thailand.

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

Major customer

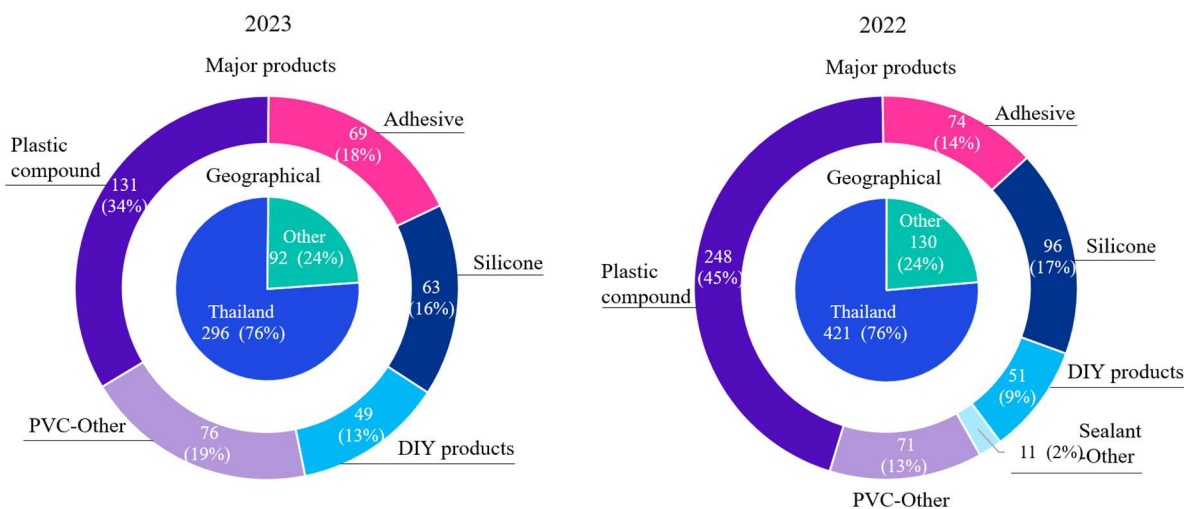
Revenues from one customer of the Group’s segment 1 plastic compound for the six-month period ended 30 June 2023 represents approximately Baht 192.58 million (2022: Baht 189.52 million) of the Group’s and the Company’s total revenues.

Disaggregation of revenue by primary geographical market and major products

Consolidated financial statements

For the three-month period ended 30 June

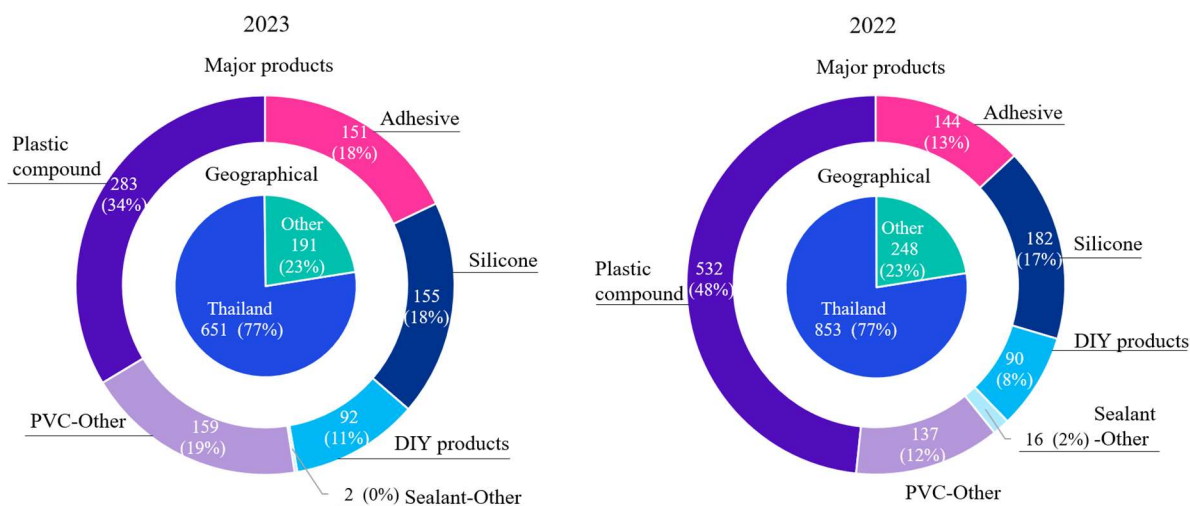
Unit: million Baht



Consolidated financial statements

For the six-month period ended 30 June

Unit: million Baht



Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

7 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. The Partial Business transfer was legally effective on 1 February 2023.

The comparative statement of comprehensive income for three-month and six-month period ended 30 June 2022 has been represented to show the discontinued operation separately from continuing operations.

<i>Results of discontinued operation for the three-month period ended 30 June</i>	Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenues	-	241,833
Expenses	-	238,826
Results from operating activities	-	3,007
Income tax expense	-	767
Profit for the period	-	2,240
Profit attributable to owners of the parent	-	2,240
Earnings per share (in Baht)	-	0.0031
Cash flow used in discontinued operation		
Net cash used in operating activities	-	(54,291)
Net cash from investing activities	-	513
Net cash used in financing activities	-	(1,505)
Cash flow used in discontinued operation	-	(55,283)

<i>Results of discontinued operation for the six-month period ended 30 June</i>	Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
Revenues	57,114	450,160
Expenses	67,426	447,191
Results from operating activities	(10,312)	2,969
Income tax expense	-	766
Profit (loss) for the period	(10,312)	2,203
Profit (loss) attributable to owners of the parent	(10,312)	2,203
Earnings (loss) per share (in Baht)	(0.0142)	0.0030
Cash flow used in discontinued operation		
Net cash used in operating activities	(13,171)	(109,402)
Net cash used in investing activities	-	(2,861)
Net cash used in financing activities	(787)	(2,635)
Cash flow used in discontinued operation	(13,958)	(114,898)

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

<i>Effect of Partial Business transfer on the financial position</i>	Separate financial statements 1 February 2023 <i>(in thousand Baht)</i>
Cash and cash equivalents	1,484
Trade accounts receivable	168,129
Other receivables	397
Inventories	306,859
Equipment	62,820
Total assets	539,689
Trade accounts payable	(49,499)
Other payables	(4,779)
Non-current provisions for employee benefits	(17,209)
Total liabilities	(71,487)
Carrying amount of net assets	468,202
Consideration received	
Cash and cash equivalents	395,776
Short-term loan to related party	43,314
Investment in subsidiary	49,000
Total consideration received	488,090
Gain on business transfer	19,888

On 1 February 2023, the Company recognised considerations received from business transfer amounted to Baht 395.78 million in “other receivables” in separate financial statements. Subsequently in June 2023, the Company received the considerations from business transfer amounted to Baht 30 million. The remaining balance in “other receivables” as at 30 June 2023 amounted to Baht 365.78 million.

As at 30 June 2023, the Company was fully received short-term loan to related party.

8 Financial instruments

Carrying amounts and fair values

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

	Consolidated financial statements			
	Carrying amount		Fair value	
	Hedging instruments	Financial instruments measured at amortised cost <i>(in thousand Baht)</i>	Level 2	Level 3
At 30 June 2023				
Financial asset				
Forward exchange contract	10,568	-	10,568	-
Financial liability				
Long-term borrowings from financial institutions	-	(20,584)	-	(19,392)

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

	Consolidated financial statements			
	Carrying amount	Financial instruments measured at amortised cost	Fair value	
	Hedging instruments	(in thousand Baht)	Level 2	Level 3
At 31 December 2022				
Financial liabilities				
Long-term borrowings from financial institutions	-	(28,564)	-	(26,730)
Forward exchange contract	(8,154)	-	(8,154)	-
Separate financial statements				
	Carrying amount	Financial instruments measured at amortised cost	Fair value	
	Hedging instruments	(in thousand Baht)	Level 2	Level 3
At 30 June 2023				
Financial liabilities				
Long-term borrowings from financial institutions	-	(20,584)	-	(19,392)
Forward exchange contract	(3,506)	-	(3,506)	-
At 31 December 2022				
Financial liabilities				
Long-term borrowings from financial institutions	-	(28,564)	-	(26,730)
Forward exchange contract	(8,154)	-	(8,154)	-

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

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

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

Applied DB Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2023 (Unaudited)

9 Commitments with non-related parties

<i>At 30 June 2023</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
<i>Contracted but not provided for:</i>		
Machinery and equipment	6	6
Total	6	6
<i>Other commitments</i>		
Lease of low-value assets	678	314
Unused letters of credit for purchase goods	40,743	16,735
Bank guarantees	4,763	3,097
Purchase orders for goods and supplies	21,824	15,653
Total	68,008	35,799