





บริษัท แอปพลาย ดีบี จำกัด (มหาชน)

APPLIED DB PUBLIC COMPANY LIMITED



# **Accounting, Finance, Budgeting and Taxation Policies**



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## 1. Objective

To ensure that accounting, finance, budgeting and taxation operations within Applied DB Public Company Limited and its subsidiaries are of the same standard, efficient and achieve the company's goals, including compliance with good corporate governance, relevant laws and regulations, and to disclose important information sufficiently, correctly and completely for the maximum benefit of all stakeholders.


## 2. Scope and principles of operation

This Code of Ethics and Working Practices applies to all directors, executives and employees of Applied DB Public Company Limited and its subsidiaries, hereinafter collectively referred to in this document as the "Company".

- 2.1 The preparation of financial statements is in accordance with accounting standards and financial reporting standards. Appropriate accounting policies are used and consistently applied, with reasonableness and prudence, including the disclosure of important information that is adequate, correct, complete and timely.
- 2.2 Financial management for maximum benefit, acquiring funds at low cost, with good conditions, appropriate liquidity and stability.
- 2.3 Budgeting is in accordance with the company's plan and is a tool of good internal control system and to monitor and evaluate the performance of responsible departments appropriately and prevent risks effectively.
- 2.4 Tax management with adherence to correct compliance with various contract laws for the benefit of relevant stakeholders.

## 3. Definition

- 3.1 **Company** means Applied DB Public Company Limited.
- 3.2 **Affiliated companies** mean subsidiaries and associated companies under the control and supervision of the Company that currently exist and may be established in the future.
- 3.3 **Board of Directors** means the Board of Directors of the Company and its affiliates.
- 3.4 **Audit Committee** means the Audit Committee which has been appointed by the Company's Board of Directors with the composition, qualifications and duties as specified by the Stock Exchange of Thailand.
- 3.5 **Executive Committee** means a subcommittee of the Company or its affiliates appointed by the Board of Directors to perform management and control duties of the Company as assigned by the Board of Directors.
- 3.6 **Directors** mean directors of the Company and its affiliates.
- 3.7 **Chief Executive Officer** means a person appointed by the Board of Directors to supervise the work to be carried out in accordance with the rules and regulations of the work, including having the duty to approve and/or sign as assigned, as well as having the authority to issue orders, determine criteria, procedures and methods of operation as appropriate.
- 3.8 **Managing Director** means a person appointed by the Board of Directors to supervise and ensure that operations are carried out in compliance with the regulations and work rules, including having the authority to approve and/or sign as assigned, as well as the authority to issue orders and prescribe rules, procedures, and operational practices as deemed appropriate.

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**3.9 Persons delegated by the Board of Directors** means the Audit Committee, the authorized directors of the Company, the Chief Executive Officer or Managing Director, as the case may be.

**3.10 Conceptual Framework for Financial Reporting** means the conceptual framework for financial reporting prescribed under the Accounting Act B.E. 2543 and the Accounting Profession Act B.E. 2547 or prescribed under the relevant laws.

**3.11 Accounting Standards** mean generally accepted accounting principles in Thailand as prescribed under the Accounting Act B.E. 2543 and the Accounting Profession Act B.E. 2547 or as prescribed under the relevant laws.

**3.12 Accounting Policy** means specific accounting standards and methods of applying accounting standards which the Company considers appropriate to be used in preparing financial statements.

#### 4. Accounting category

**4.1 Accounting period** The Company sets the accounting period starting from January 1 and ending on December 31 of each year.

**4.2 Preparation of financial statements** Prepare financial statements in accordance with accounting standards and financial reporting standards set out under the Accounting Act B.E. 2543 and the Accounting Profession Act B.E. 2547 or as specified under the relevant laws. The annual financial statements must be audited and certified by a licensed auditor within the period specified in the Civil and Commercial Code and the requirements of the Stock Exchange of Thailand or other relevant requirements. If there is a change in the accounting policy that is significant from what has been specified, it must be submitted to the person authorized by the Board of Directors for consideration and approval before being submitted to the Board of Directors for consideration and approval.


**4.3 Closing of accounts** The closing of accounts and preparation of monthly, quarterly and annual financial statements of the Company and its subsidiaries shall be in accordance with the requirements of the Stock Exchange of Thailand.

**4.4 Presentation of financial statements** The quarterly financial statements that have been reviewed by the auditor must be presented to the board meeting or the person authorized by the board for consideration and approval within 45 days from the end of each quarter. For annual financial statements that have been audited by the auditor, they must be submitted to the board meeting for consideration and approval, for submission to the shareholders' meeting for consideration and approval within 120 days from the end of the accounting period. In the case of annual financial statements of public companies, they must be screened by the audit committee before being presented to the board meeting for approval within 60 days from the end of the accounting period for submission to the shareholders' meeting for approval.

**4.5 Publication of financial statements** Publication of financial statements must be approved by the board of directors or a person authorized by the board of directors.

**4.6 Preservation of accounting documents**

4.6.1 Document management and maintenance of accounting documents shall be organized and categorized for easy searching.

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4.6.2 Storage location: Store in a secure document cabinet and/or document storage room.

4.6.3 Storage period and destruction shall comply with the requirements of relevant laws or related obligations.

4.6.4 Define a list of relevant persons who can access documents and restrict unrelated persons from having access to the document cabinet or storage room.

**4.7 Revenue Recognition** The Company recognizes revenue when the significant risks and rewards of ownership of the goods have been transferred to the buyer. Sales revenue is the invoice value, excluding VAT, of goods supplied after deducting discounts.

4.7.1 In case of selling in baht, the Company will record in baht when the significant risks and rewards of ownership of the goods are transferred to the buyer on that day.

4.7.2 In the case of selling foreign currency, including non-monetary assets and liabilities, which result in an accounting transaction in foreign currency, the Company will convert the value into the operating currency of each company in the Group of Companies using the exchange rate on the date of the transaction.

**4.8 Cash and cash equivalents** mean cash and bank deposits and highly liquid short-term investments with a maturity of not more than 3 months from the date of acquisition and without restrictions on withdrawal.

**4.9 Trade receivables** Trade receivables are stated at net realizable value. The Company records an allowance for doubtful accounts for the estimated losses that may arise from the inability to collect payments from receivables, which is generally determined based on collection experience and analysis of debt aging.

**4.10 Inventories** Inventories are valued at the lower of cost or net realizable value. Cost of inventory is calculated using the first-in, first-out method. The cost of purchases consists of the purchase price and direct costs attributable to the purchase of the goods, such as import duties, import costs, and freight, less discounts and rebates. The criteria for setting aside allowances for obsolete, obsolete or defective goods are set out in the Operating Manual on the Principles for Setting Allowances for Loss of Value of Goods IA-AC-38.

**4.11 Land, buildings and equipment and depreciation**


1) Land is valued at cost. Buildings, structures and equipment are valued at cost less accumulated depreciation and allowance for asset impairment (if any).

2) Depreciation is included in the calculation of operating results.

3) No depreciation is charged for land.

4) The Company derecognises land, buildings, structures and equipment from its accounts when the asset is sold or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of an asset is recognised in profit or loss when the Company derecognises the asset from its accounts.

5) In the event that the book value is higher than the expected recoverable amount, which is calculated from the present value of future cash flows expected from the continued use of the asset or the amount to be received from the sale of the asset less the cost of disposal of that asset, whichever is higher, the book value will be reduced to equal the expected recoverable amount.

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6) Profit or loss from the sale of assets shall be calculated from the carrying value of the assets and recorded as profit or loss from operations.

7) Expenses for the extension, renewal or improvement of assets, which result in the current replacement value of the assets, while repair and maintenance costs are recognized as expenses in the accounting period in which they occur.

8) Depreciation of buildings and equipment is calculated from the cost of the assets on a straight-line basis over the useful life as specified in the Operation Manual, Property Management Regulations (IA-AC-36).


**4.12 Impairment of Assets** At the end of each reporting period, the Company shall assess the impairment of land, buildings and equipment, or other intangible assets of the Company whenever there is an indication that such assets may be impaired.

The Company shall recognize an impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount refers to the higher of the asset's fair value less costs to sell and its value in use. The Company shall recognize impairment losses in profit or loss.

**4.13 Computer Software and Amortization** Computer software is stated at cost less accumulated amortization and allowance for impairment (if any). The Company amortizes computer software as an expense in profit or loss using the straight-line method over the estimated useful life of 3 years. The Company shall assess the impairment of such assets whenever there is an indication that the assets may be impaired, and shall review the amortization period and amortization method of such assets at least at each year-end.

**4.14 Related Party Transactions** Persons or entities related to the Company mean persons or entities that control the Company, are controlled by the Company, whether directly or indirectly, or are under common control with the Company. In addition, related persons or entities shall also include associates, subsidiaries, and persons with direct or indirect voting rights that enable them to exercise significant influence over the Company, as well as key management personnel, directors, or employees of the Company who have authority in planning and controlling the Company's operations. The operational procedures shall be carried out as follows:

- 1) The Audit Committee shall review and approve related party transactions on a quarterly basis.
- 2) Related party transactions involving the purchase or sale of general goods, acquisition of fixed assets, receipt of services, or provision of services between related persons or entities shall comply with the prescribed approval authority.
- 3) The Company shall maintain records of revenue and gross profit margins for each sales transaction as supporting information for verification and confirmation that the gross profit margins are consistent with normal business or product-type margins, and that such transactions are conducted appropriately without causing any entity to gain or lose undue commercial benefits from such transactions.
- 4) The Company shall maintain records of sales transactions for such products sold to other customers in order to demonstrate that the transactions are comparable to those conducted with other customers of the Company and to prevent issues relating to transfer pricing regulations of the Revenue Department.

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#### 4.15 Employee Benefits

- 1) Short-term employee benefits, The Company recognizes salaries, wages, bonuses, and social security contributions as expenses when incurred.
- 2) Post-employment benefits and other long-term employee benefits
  - 2.1) Defined contribution plans, The Company and employees jointly establish a provident fund consisting of employee contributions and monthly contributions made by the Company. The provident fund's assets are separately managed from the Company's assets. Contributions made by the Company are recognized as expenses in the period in which they are incurred.
  - 2.2) Post-employment benefits and other long-term employee benefits, The Company has obligations for severance payments to employees upon termination in accordance with labor law. Such severance payments are considered post-employment benefits. In addition, the Company provides other long-term employee benefits, such as long service awards.
- 3) The Company measures post-employment benefit obligations using the Projected Unit Credit Method. An independent actuary performs an actuarial valuation of such obligations.
- 4) Actuarial gains or losses relating to post-employment benefits are recognized immediately in other comprehensive income. Actuarial gains or losses relating to other long-term employee benefits are recognized immediately in profit or loss.

**4.16 Provisions** The Company recognizes provisions in the accounts when a present obligation arising from past events has occurred, and it is more likely than not that the Company will be required to expend economic resources to settle the obligation, and the Company can make a reliable estimate of the amount of the obligation.


**4.17 Fair value measurement** Fair value refers to 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. The Company uses quoted bid and ask prices in an active market to measure the fair value of assets and liabilities that are required by relevant financial reporting standards to be measured at fair value, except in cases where there is no active market for identical assets or liabilities or quoted prices are not available. In such cases, the Company estimates fair value using appropriate valuation techniques for each circumstance and seeks to maximize the use of observable inputs relevant to the assets or liabilities being measured.

The fair value hierarchy used to measure and disclose the fair value of assets and liabilities in the financial statements is divided into three levels based on the types of inputs used in the measurement:

**Level 1** : Quoted prices (unadjusted) 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** : Unobservable inputs, such as internally developed assumptions including projected future cash flows.

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At each reporting period end, the Company assesses the need to transfer items between fair value hierarchy levels for assets and liabilities held at the reporting date that are measured at fair value on a recurring basis.

- 4.18 **Basic earnings (loss) per share** Calculated by dividing net profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares outstanding during the year.

## 5. Finance Section


5.1 **Capital procurement** The Company obtains capital to be used for improving operations, making new investments, and expanding its business efficiently. The Company considers the necessity and appropriateness of funding sources to ensure alignment with its funding requirements and selects suitable sources of funds consistent with business conditions, capital market conditions, and money market conditions. The Company also takes into account financial costs and risks associated with such funding in order to maximize benefits to the Company.

5.2 **Credit management** The Company manages credit efficiently and in a way that maximizes benefits, without causing non-performing or impaired debts. Reports are submitted to management meetings, the executive committee, and/or the Board of Directors for acknowledgment.

5.3 **Liquidity management** The Company manages financial risk to ensure efficient short-term liquidity and prudently plans medium- to long-term liquidity in a manner appropriate to its operations and investments. Excess funds are managed to achieve appropriate returns within acceptable risk levels. In addition, the Company maintains sufficient short-term credit facilities to support business operations.

5.4 **Foreign exchange management** The Company manages foreign exchange risk with the objective of hedging or reducing such risk to an acceptable level and does not aim to profit from exchange rate movements. Foreign exchange risk management policies are adjusted appropriately according to changing market conditions and economic environments. The Company has a foreign exchange risk management policy and guidelines (IA-FA-16), with key practices as follows:

- 1) The Company operates as a manufacturer, purchasing raw materials and selling finished goods in both domestic and international markets. Foreign currency transactions are conducted in major, highly liquid international currencies. All foreign exchange transactions are conducted for business purposes only, and speculative activities are strictly prohibited.
- 2) The Company manages foreign currency inflows and outflows using a single currency basket approach.
- 3) The Chief Financial Executive has the authority to approve exchange rate limits, while finance department staff are responsible for executing daily foreign currency transactions.
- 4) The Chief Financial Executive sets performance targets for foreign exchange management as key performance indicators for the department, and establishes operational guidelines or manuals as references for work practices.
- 5) The selection of financial instruments for managing foreign exchange risk may involve one or a combination of tools depending on market conditions, exchange rate trends, foreign currency cash inflows and outflows, and associated costs of each financial instrument, as part of strategy formulation.

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**5.5 Foreign currency translation** The Company translates foreign currency transactions into Thai Baht using the exchange rate at the date of the transaction. Exchange gains or losses are recognized in profit or loss in the statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Thai Baht using the exchange rate at that date. Unrealized exchange gains and losses are also recognized in profit or loss in the statement of comprehensive income.

**5.6 Forward foreign exchange contracts**

- 1) The Company hedges foreign currency risk related to foreign currency transactions using forward foreign exchange contracts.
- 2) Monetary assets and liabilities related to forward contracts are translated using the exchange rates specified in the contracts.
- 3) Receivables and payables under forward contracts are translated at the exchange rate at the end of the reporting period.
- 4) Unrealized gains or losses from foreign currency translation are recorded in profit or loss. Premiums or discounts arising from contracts are recognized based on calculations of potential gains or losses from financial instrument reports or “Mark to Market Valuation Statements.”

**5.7 Financial instruments**

Classification and measurement


Financial assets and liabilities are recognized initially when the group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value. For financial assets and liabilities not measured at fair value through profit or loss, directly attributable transaction costs are included or deducted in the initial measurement.

Where derivative financial instruments are used, they are recognized at fair value and remeasured at each reporting date. Changes in fair value are recognized in profit or loss immediately, unless the derivative is designated as a hedging instrument for cash flow hedges or hedges of net investments in foreign operations. In such cases, recognition depends on the nature of the hedged item.

For cash flow hedges, when a derivative is designated as a hedging instrument, the effective portion of changes in fair value is recognized in other comprehensive income and accumulated in a hedging reserve. The ineffective portion is recognized immediately in profit or loss. The Company designates the spot component of forward foreign exchange contracts as the hedging instrument in cash flow hedge relationships. Changes in the forward element of such contracts are recognized in the cash flow hedge reserve within equity.

**5.8 Investments**

- 1) Investments in subsidiaries are stated at cost in the separate financial statements.
- 2) When investments are reclassified from one category to another, the Company remeasures the investment at fair value at the date of transfer. Any difference between the carrying amount and fair value at the date of transfer is recognized in profit or loss or in other components of equity, depending on the type of investment being reclassified.

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## 6. Budget Section

6.1 **Budget preparation** The fiscal year is defined as starting on 1 January and ending on 31 December of each year.

6.2 **Annual budget** The annual budget consists of an operating budget and an investment budget. The annual budget must be submitted and reviewed between September and December and approved by the Board of Directors in time for implementation by December of each year. The Accounting and Finance Department will then use it for budget control starting from 1 January of the following year. The budget includes estimates of both revenue and expenses covering the Company and its subsidiaries.

1) Operating budget refers to estimated operating expenses and administrative expenses in accordance with the business plan over a one-year period, including provisions for reserves used for operations and business development for future projects.

2) Investment budget is divided into:


- Fixed asset investment budget: budget for expenditures expected to result in fixed assets, including business expansion, replacement of existing assets, or improvements to efficiency.
- Project investment budget: budget showing sources and uses of funds on an annual basis for investments in various projects, product development, joint ventures, acquisitions, and other long-term project activities.

3) Annual work plans: Each department/division/section shall prepare a work plan aligned with the budget utilization plan as supporting documentation for budget approval. The plan should include timelines, objectives, and responsible persons. Division directors or executives will determine whether such plans are required, with priority given to work requiring monitoring and performance tracking. Routine tasks without changes to targets or KPIs may be exempt from requiring a formal work plan.

6.3 **Control and reporting** Actual expenses must be compared against the approved budget and reported to the Board of Directors on a quarterly basis. If budget revisions are necessary, responsible persons must provide justification and obtain written approval within the authorized approval limits. The approved changes must be submitted to the Accounting and Finance Department for system updates. In cases where significant variances occur between actual results and the approved budget, management may adjust the internal budget to ensure operations can be effectively controlled in line with changing conditions. Such adjustments must be summarized and reported to the Executive Committee and the Board of Directors for acknowledgment.

## 7. Tax Section

7.1 **Tax planning** The Company places importance on tax management and ensures compliance with business ethics, transparency, accuracy, and auditability in accordance with good governance principles and sustainable, stable growth. The Company is responsible for strictly complying with applicable laws and regulations, maintaining complete tax-related records, and ensuring transparency across all types of taxation. The tax-related policies are as follows:

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- 1) The Company shall pay taxes in accordance with legal requirements and fully and clearly disclose any tax incentives received, in order to comply with laws, fulfill its tax responsibilities to society, and build stakeholder confidence.
- 2) The Company shall submit tax filings within statutory deadlines. In the case of tax refund requests, the Company shall provide complete and accurate information to relevant government authorities within the required timeframe.
- 3) The Company shall study, plan, and assess tax impacts arising from changes in policies or government tax incentives, in coordination with relevant internal departments. The Company also emphasizes tax risk management and the potential impacts on the organization.
- 4) The Company shall report to management in cases where tax risks may affect the organization, enabling appropriate risk management. Relevant information shall be fully disclosed in public financial reports.
- 5) The Company shall assign responsible personnel for tax matters to manage tax operations, monitor updates on tax laws, regulations, announcements, and incentives, and coordinate with relevant government tax authorities to obtain updated information for accurate and consistent implementation within the organization.

#### **7.2 Deferred income tax**

- 1) The Company recognizes deferred income tax arising from temporary differences between the carrying amounts of assets and liabilities at the reporting date and their tax bases, using tax rates enacted at the reporting date.
- 2) The Company recognizes deferred tax liabilities for all taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences and unused tax losses only to the extent that it is probable that sufficient future taxable profits will be available against which they can be utilized.
- 3) The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces it when it is no longer probable that sufficient taxable profit will be available to utilize all or part of the deferred tax assets.
- 4) Deferred tax is recognized directly in equity if it relates to items that are recognized directly in equity.

**7.3 Tax coordination** Managers, directors, or executives of the Accounting and Finance Department are responsible for tax coordination and communication with government tax authorities to ensure that accurate and factual business information is provided, and that all relevant regulations are strictly complied with.

#### **7.4 Tax compliance audit**

- 1) The Accounting Department supervisors are responsible for monitoring, training, and updating knowledge on new or amended laws, regulations, accounting standards, and tax requirements to ensure tax operations comply with applicable laws and regulations.
- 2) Operational improvements must be implemented in accordance with recommendations from regulatory bodies and/or internal audit departments.



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3) In the event of tax or financial audits, the accounting supervisor or relevant authorized personnel shall be responsible for providing factual clarifications on behalf of the Company, in strict compliance with the anti-corruption policy.

7.5 Tax advisors The Company does not maintain a permanent tax advisory policy. External tax advisors may be engaged as needed for specialized consultation on tax laws or high-risk transactions. The Director of Accounting and Finance or authorized management may select appropriate service providers on a case-by-case basis as deemed necessary.

Accounting, Finance, Budgeting and Taxation Policies, has been approved by the Board of Directors' Meeting No.2/2026 on May 8, 2026, and be effective from June 1, 2026 onwards.

(Mr.Pawat Wongtangtrakul)

Chairman of the Board