

People's Garment Public Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of People's Garment Public Company Limited

I have reviewed the accompanying statement of financial position of People's Garment Public Company Limited as at 30 September 2023, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity, and cash flows for the nine-month periods then ended, as well as the condensed notes to the interim financial statements (collectively "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*.

Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 13 November 2023

People's Garment Public Company Limited**Statement of financial position****As at 30 September 2023**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>30 September 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		8,476	26,250
Trade and other receivables	3	132,371	120,141
Inventories	4	361,317	365,704
Current portion of other non-current financial assets	6	4,000	1,500
Other current financial assets	5	305,587	306,580
Other current assets		5,003	3,675
Total current assets		<u>816,754</u>	<u>823,850</u>
Non-current assets			
Other non-current financial assets - net of current portion	6	725,662	688,197
Investment property		387	387
Property, plant and equipment		144,004	145,081
Right-of-use assets		11,501	12,029
Intangible assets		1	3
Other non-current assets		2,454	1,741
Total non-current assets		<u>884,009</u>	<u>847,438</u>
Total assets		<u>1,700,763</u>	<u>1,671,288</u>

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

People's Garment Public Company Limited
Statement of financial position (continued)
As at 30 September 2023

(Unit: Thousand Baht)

	Note	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	84,456	59,706
Current portion of lease liabilities		7,162	6,077
Other current liabilities		8,146	28,366
Total current liabilities		99,764	94,149
Non-current liabilities			
Lease liabilities, net of current portion		5,143	6,861
Provision for long-term employee benefits		57,158	61,629
Deferred tax liabilities		54,050	47,397
Total non-current liabilities		116,351	115,887
Total liabilities		216,115	210,036
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Premium on share capital		325,200	325,200
Retained earnings			
Appropriated - statutory reserve		9,600	9,600
Appropriated - general reserve		2,500	2,500
Unappropriated		779,366	776,400
Other components of shareholders' equity		271,982	251,552
Total shareholders' equity		1,484,648	1,461,252
Total liabilities and shareholders' equity		1,700,763	1,671,288
		-	-

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

Directors

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of comprehensive income
For the three-month period ended 30 September 2023

(Unit: Thousand Baht)

Note	2023	2022
Profit or loss:		
Revenues		
Sales income	161,304	145,918
Other income	9,033	17,826
Gains on measurements of fair value of investments	4,867	4,836
Total revenues	175,204	168,580
Expenses		
Cost of sales	126,644	113,946
Selling and distribution expenses	2,423	1,914
Administrative expenses	40,660	35,378
Total expenses	169,727	151,238
Profit before finance cost and income tax	5,477	17,342
Finance cost	(179)	(197)
Profit before income tax	5,298	17,145
Income tax expenses	8 (893)	(1,130)
Profit for the period	4,405	16,015
Other comprehensive income:		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Gain on investments in equity designated at fair value through other comprehensive income - net of income tax	5,573	15,740
Other comprehensive income for the period	5,573	15,740
Total comprehensive income for the period	9,978	31,755

(Unit: Baht)

Earnings per share

Basic earnings per share

Profit for the period	0.05	0.17
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The accompanying notes to interim financial statements are an integral part of the financial statements.

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of comprehensive income
For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

Note	2023	2022
Profit or loss:		
Revenues		
Sales income	513,429	534,112
Other income	51,924	49,797
Gain on measurement of fair value of investments	-	4,589
Total revenues	565,353	588,498
Expenses		
Cost of sales	399,511	420,621
Selling and distribution expenses	7,969	7,311
Administrative expenses	119,853	103,902
Losses on measurement of fair value of investments	5,120	-
Total expenses	532,453	531,834
Profit before finance cost and income tax	32,900	56,664
Finance cost	(605)	(584)
Profit before income tax	32,295	56,080
Income tax expenses	8 (1,545)	(1,059)
Profit for the period	30,750	55,021
Other comprehensive income:		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Gain on investments in equity designated at fair value through other comprehensive income - net of income tax	11,846	5,653
Other comprehensive income for the period	11,846	5,653
Total comprehensive income for the period	42,596	60,674
(Unit: Baht)		
Earnings per share		
Basic earnings per share		
Profit for the period	0.32	0.57

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

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Issued and fully paid share capital	Premium on share capital	Retained earnings			Other component of shareholders' equity				
			Appropriated - statutory reserve	Appropriated - general reserve	Unappropriated	Other comprehensive income			Total other component of shareholder's equity	Total
						Gain on investments in equity designated at fair value through other comprehensive income	Gain on increase in fair value of investment resulting from reclassification of convertible debenture to investments in equity designated at fair value through other comprehensive income			
Balance as at 1 January 2022	96,000	325,200	9,600	2,500	744,633	221,273	6,761	228,034	1,405,967	
Profit for the period	-	-	-	-	55,021	-	-	-	55,021	
Other comprehensive income for the period	-	-	-	-	-	5,653	-	5,653	5,653	
Total comprehensive income for the period	-	-	-	-	55,021	5,653	-	5,653	60,674	
Transfer gain or loss of investment in equity designed at fair value through other comprehensive income (Note 6)	-	-	-	-	(1,719)	1,719	-	1,719	-	
Dividends paid (Note 9)	-	-	-	-	(9,600)	-	-	-	(9,600)	
Balance as at 30 September 2022	<u>96,000</u>	<u>325,200</u>	<u>9,600</u>	<u>2,500</u>	<u>788,335</u>	<u>228,645</u>	<u>6,761</u>	<u>235,406</u>	<u>1,457,041</u>	
Balance as at 1 January 2023	96,000	325,200	9,600	2,500	776,400	244,791	6,761	251,552	1,461,252	
Profit for the period	-	-	-	-	30,750	-	-	-	30,750	
Other comprehensive income for the period	-	-	-	-	-	11,846	-	11,846	11,846	
Total comprehensive income for the period	-	-	-	-	30,750	11,846	-	11,846	42,596	
Transfer gain or loss of investment in equity designed at fair value through other comprehensive income (Note 6)	-	-	-	-	(8,584)	8,584	-	8,584	-	
Dividends paid (Note 9)	-	-	-	-	(19,200)	-	-	-	(19,200)	
Balance as at 30 September 2023	<u>96,000</u>	<u>325,200</u>	<u>9,600</u>	<u>2,500</u>	<u>779,366</u>	<u>265,221</u>	<u>6,761</u>	<u>271,982</u>	<u>1,484,648</u>	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	

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

(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flows statement

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	2023	2022
Cash flows from operating activities		
Profit before tax	32,295	56,080
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	12,914	11,625
Expected credit losses (reversal)	11	(48)
Reduction of inventories to net realisable value (reversal)	(5,111)	(1,795)
Unrealised (gain) / loss on other current financial assets	5,120	(4,589)
Gain on sales of other current financial assets	(7,244)	(9,841)
Interest income	(3,361)	(3,786)
Interest expenses	605	584
Dividends income	(25,981)	(21,117)
Gain on sales of equipment	(719)	(308)
Unrealised loss on exchange	322	839
Long-term employee benefits expenses	3,513	3,044
Profit from operating activities before changes in operating assets and liabilities	12,364	30,688
Operating assets (increase) decrease		
Trade and other receivables	(13,303)	21,076
Inventories	9,498	(51,958)
Other current assets	(911)	(317)
Other non-current assets	(713)	404
Operating liabilities increase (decrease)		
Trade and other payables	25,096	(20,461)
Other current liabilities	(20,220)	4,127
Cash paid for long-term employee benefits	(7,984)	(3,594)
Cash flows from (used in) operating activities	3,827	(20,035)
Cash paid for income tax	(417)	(410)
Net cash from (used in) operating activities	3,410	(20,445)

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

(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flows statement (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	2023	2022
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(543,291)	(539,390)
Cash received from sales of other current financial assets	546,741	571,404
Cash received from redemptions of held-to-maturity securities	500	25,000
Cash paid for acquisitions of other non-current financial assets	(53,762)	(58,689)
Cash received from sales of other non-current financial assets	30,251	22,025
Dividends income	25,981	21,117
Interest income	3,420	3,519
Cash paid for acquisitions of equipment	(6,841)	(9,127)
Cash received from sales of equipment	750	312
Net cash from investing activities	3,749	36,171
Cash flows from financing activities		
Cash paid for lease liabilities	(5,128)	(4,485)
Cash paid for interest on lease liabilities	(605)	(584)
Dividends paid	(19,200)	(9,600)
Net cash used in financing activities	(24,933)	(14,669)
Net increase (decrease) in cash and cash equivalents	(17,774)	1,057
Cash and cash equivalents at beginning of period	26,250	35,580
Cash and cash equivalents at end of period	8,476	36,637
	-	

Supplemental cash flows information:

Non-cash transactions

Unrealised gain on changes in value of investment in equity designated at fair value through other comprehensive income - net of income tax	(11,846)	(5,653)
Payables from acquisitions of investments in equity designated at fair value through profit or loss	-	1,420
Receivables from sale of investments in equity designated at fair value through profit or loss	-	1,265
Increase in right-of-use assets and lease liabilities	4,496	-

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

People's Garment Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2023

1. General information

1.1 Basis for the preparation of the interim financial information

These interim financial information are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial information are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory interim financial information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.2 Significant accounting policies

The interim financial information is prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial information.

1.3 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2. Related party transactions

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. and were concluded on commercial terms and bases agreed upon between the Company and those related parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

(Unit: Thousand Baht)

	For the three-month		For the nine-month		Pricing policies
	periods ended		periods ended		
	30 September		30 September		
	2023	2022	2023	2022	
<u>Transactions with related companies</u>					
Sales of goods	79,465	92,383	243,902	330,747	Cost plus margin
Other income	2,046	2,253	6,392	7,435	Actual incurred
Dividends income	1,720	1,720	13,965	11,729	As declared
Rental income	1,397	1,340	4,712	4,019	Contract price
Service expenses	8,416	8,156	23,761	25,110	Contract price
Purchase of raw materials	1,776	1	4,378	38	Cost plus margin
Purchase of goods	1,364	3,958	6,933	12,334	Cost plus margin
Rental expenses	2,031	1,667	5,993	4,755	Contract price
Trademark fee	-	6	3	10	Contract price
Other expenses	575	978	2,549	4,639	Actual incurred

The balances of provision for goods returned - related parties, under other current liabilities, as at 30 September 2023 amounting to Baht 7.1 million (31 December 2022: Baht 6.5 million).

Directors and management's benefits

During three-month and nine-month periods ended 30 September 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Short-term employee benefits	3,887	3,093	11,583	9,028
Post - employment benefits	19	19	57	57
Total	<u>3,906</u>	<u>3,112</u>	<u>11,640</u>	<u>9,085</u>

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Not yet due	49,155	34,693
Overdue:		
Not over 3 months	13,741	11,228
3 - 6 months	32	-
Over 6 months	1,050	-
Total	<u>63,978</u>	<u>45,921</u>
Less: Allowance for expected credit losses	(25)	(14)
Trade accounts receivable - unrelated parties	<u>63,953</u>	<u>45,907</u>
<u>Trade accounts receivable - related parties</u>		
Not yet due	65,358	71,237
Overdue:		
Not over 3 months	986	775
3 - 6 months	-	52
Trade accounts receivable - related parties	<u>66,344</u>	<u>72,064</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2023	31 December 2022
		(Audited)
<u>Other receivables</u>		
Other receivables - unrelated parties	1,589	1,565
Other receivables - related party	485	605
Total other receivables	2,074	2,170
Total trade and other receivables	132,371	120,141

4. Inventories

Allowance for diminution in values of inventories

Movements in allowance for diminution in values of inventories account during the nine-month period ended 30 September 2023 were summarized below.

(Unit: Thousand Baht)

Balance as at 1 January 2023	28,870
Less: Allowance for diminution in values of inventories during the period	(5,111)
Balance as at 30 September 2023	23,759

5. Other current financial assets

(Unit: Thousand Baht)

	30 September 2023	31 December 2022
		(Audited)
Investments designated at fair value through profit or loss		
Unit trusts	99,543	125,854
Fixed deposits at banks	20,003	2
Investments in other companies	186,041	175,724
Investments in debt securities	-	5,000
Total investments designated at fair value through profit or loss	305,587	306,580
Cash received from sales of investments designated at fair value through profit or loss for the period	546,741	734,299

Total fair value of investments designated at fair value through profit or loss was Baht 285 million as at 10 November 2023.

6. Other non-current financial assets

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
	<u> </u>	<u> </u> (Audited)
Investments designated at fair value through other comprehensive income		
Unit trusts	7,403	7,513
Investments in related companies	479,071	479,705
Investments in other companies	123,188	91,979
	<u> </u>	<u> </u>
Total investments designated at fair value through other comprehensive income	609,662	579,197
Investment measured at amortised cost		
Investments in debt securities - at cost	120,000	110,500
Less: Mature within 1 year	(4,000)	(1,500)
	<u> </u>	<u> </u>
Total investments in debt securities, net of current portion	116,000	109,000
	<u> </u>	<u> </u>
Total other non-current financial assets, net of current portion	725,662	688,197
	<u> </u>	<u> </u>
Cash received from sales of investments designated at fair value through other comprehensive income for the period	30,251	25,124
	<u> </u>	<u> </u>

Total fair value of investments designated at fair value through other comprehensive income was Baht 606 million as at 10 November 2023.

During the nine-month period ended 30 September 2023, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sale was Baht 30.3 million. Loss on disposals of these investments of Baht 8.6 million was recorded in unappropriated retained earnings in statement of change in shareholders' equity. (2022: Baht 22.0 million and loss on disposals of these investments of Baht 1.7 million, respectively).

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
		(Audited)
Trade accounts payable - related parties	6,100	3,189
Trade accounts payable - unrelated parties	53,322	39,234
Other payables - related parties	42	70
Other payables - unrelated parties	24,992	17,213
Total trade and other payables	84,456	59,706

8. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax for the three-month and nine-month periods ended 30 September 2023 and 2022 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Current income tax:				
Interim income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	893	1,130	1,545	1,059
Tax expense reported in the statement of comprehensive income	893	1,130	1,545	1,059

(Unaudited but reviewed)

9. Dividends paid

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2023</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 25 April 2023	19.20	0.20
<u>2022</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 26 April 2022	9.60	0.10

10. Segment information

The Company is principally engaged in the manufacturing and distributing ready-made cloths. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer information

During the three-month and nine-month periods ended 30 September 2023, the revenue from sales of Baht 79 million and Baht 230 million, respectively, (2022: Baht 89 million and Baht 321 million) was from a major customer which is a related company.

11. Commitments and contingent liabilities

11.1 Operating lease commitments

The Company has commitments with regard to service agreements, and others under the non-cancellable agreements with the term of 1 year. The Company has obligations to pay service and rental fees as follows:

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
		(Audited)
Payable in 1 year	2,171	722

11.2 Bank guarantees

The Company has outstanding bank guarantees issued by the banks on behalf of the Company as required in the normal course of business for guarantee as follows:

Bank guarantees for	(Unit: Million Baht)	
	30 September 2023	31 December 2022
		(Audited)
Electricity use	1.8	1.8
Payment due to creditors	-	0.3
Total	1.8	2.1

12. Financial instruments

12.1 Fair value of financial instruments

Since the majority of the Company's financial instruments carry interest at rates close to market interest rates. Therefore, the carrying amounts of these financial instruments are estimated to approximate their fair value.

12.2 Fair value hierarchy

The Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 30 September 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	23.1	76.4	-	99.5
Investments in marketable securities	186.0	-	-	186.0
Other non-current financial assets				
Unit trusts	7.4	-	-	7.4
Investments in marketable securities	503.3	1.0	-	504.3
Investments in non-marketable securities	-	-	98.0	98.0

During the current period, there were no change in the method and assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

13. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 13 November 2023.