

People's Garment Public Company Limited  
Review report and interim financial information  
For the three-month and six-month periods ended  
30 June 2022

## **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 June 2022, the related statement of comprehensive income for the three-month and six-month periods then ended, changes in shareholders' equity, and cash flows for the six-month period 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: 8 August 2022

**People's Garment Public Company Limited**  
**Statement of financial position**  
**As at 30 June 2022**

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		46,515	35,580
Trade and other receivables	2, 3	123,676	137,715
Inventories	4	349,088	328,250
Current portion of other non-current financial assets	6	-	25,000
Other current financial assets	5	362,438	325,359
Other current assets		7,664	5,555
<b>Total current assets</b>		<u>889,381</u>	<u>857,459</u>
<b>Non-current assets</b>			
Other non-current financial assets, net of current portion	6	595,545	610,027
Investment property		387	387
Property, plant and equipment		144,352	144,298
Right-of-use assets		14,315	17,323
Intangible assets		63	188
Other non-current assets		2,759	2,020
<b>Total non-current assets</b>		<u>757,421</u>	<u>774,243</u>
<b>Total assets</b>		<u><u>1,646,802</u></u>	<u><u>1,631,702</u></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 June 2022**

(Unit: Thousand Baht)

	Note	30 June 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	2, 7	96,584	98,109
Current portion of lease liabilities		5,925	5,893
Other current liabilities		7,348	3,939
<b>Total current liabilities</b>		<u>109,857</u>	<u>107,941</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		39,146	41,377
Lease liabilities, net of current portion		9,338	12,341
Provision for long-term employee benefits		63,176	64,076
<b>Total non-current liabilities</b>		<u>111,660</u>	<u>117,794</u>
<b>Total liabilities</b>		<u>221,517</u>	<u>225,735</u>
<b>Shareholders' equity</b>			
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		772,590	744,633
Other components of shareholders' equity		219,395	228,034
<b>Total shareholders' equity</b>		<u>1,425,285</u>	<u>1,405,967</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,646,802</u>	<u>1,631,702</u>

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 June 2022**

(Unit: Thousand Baht)

Note	2022	2021
<b>Profit or loss:</b>		
<b>Revenues</b>		
Sales income	167,358	135,413
Other income	20,127	15,656
<b>Total revenues</b>	187,485	151,069
<b>Expenses</b>		
Cost of sales	131,558	109,187
Selling and distribution expenses	2,409	2,330
Administrative expenses	34,141	31,394
Losses on measurement of fair value of investments	851	511
<b>Total expenses</b>	168,959	143,422
<b>Profit before finance cost and income tax</b>	18,526	7,647
Finance cost	(185)	(294)
<b>Profit before income tax</b>	18,341	7,353
Tax income (expense)	8 (107)	(19)
<b>Profit for the period</b>	18,234	7,334
<b>Other comprehensive income (loss):</b>		
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>		
Losses on investments in equity designated at fair value through other comprehensive income - net of income tax	(631)	(4,498)
<b>Other comprehensive income (loss) for the period</b>	(631)	(4,498)
<b>Total comprehensive income for the period</b>	17,603	2,836
		(Unit: Baht)
<b>Earnings per share</b>		
<b>Basic earnings per share</b>		
Profit for the period	0.19	0.08

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 six-month period ended 30 June 2022**

(Unit: Thousand Baht)

Note	2022	2021
<b>Profit or loss:</b>		
<b>Revenues</b>		
Sales income	388,194	306,645
Other income	31,971	25,235
Gains on measurements of fair value of investments	-	5,814
<b>Total revenues</b>	<b>420,165</b>	<b>337,694</b>
<b>Expenses</b>		
Cost of sales	306,675	249,086
Selling and distribution expenses	5,397	5,360
Administrative expenses	68,524	64,139
Losses on measurement of fair value of investments	247	-
<b>Total expenses</b>	<b>380,843</b>	<b>318,585</b>
<b>Profit before finance cost and income tax</b>	<b>39,322</b>	<b>19,109</b>
Finance cost	(387)	(608)
<b>Profit before income tax</b>	<b>38,935</b>	<b>18,501</b>
Tax income (expense)	8 71	(1,783)
<b>Profit for the period</b>	<b>39,006</b>	<b>16,718</b>

**Other comprehensive income (loss):**

*Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:*

Losses on investments in equity designated at fair value

through other comprehensive income - net of income tax

**Other comprehensive income (loss) for the period**

**Total comprehensive income for the period**

(10,088)	(6,421)
<b>(10,088)</b>	<b>(6,421)</b>
<b>28,918</b>	<b>10,297</b>

(Unit: Baht)

**Earnings per share**

**Basic earnings per share**

Profit for the period

0.41	0.17
------	------

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

People's Garment Public Company Limited  
Statement of changes in shareholders' equity  
For the six-month period ended 30 June 2022

(Unaudited but reviewed)

	Other component of shareholders' equity										Total
	Issued and fully paid share capital	Premium on share capital	Statutory reserve	Retained earnings	Unappropriated	Gain (loss) 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	Other comprehensive income	Other comprehensive income	Total component of shareholder's equity	
<b>Balance as at 1 January 2021</b>	96,000	325,200	9,600	General reserve 2,500	736,481	201,985	6,761	208,756	1,378,537		
Profit for the period	-	-	-	-	16,718	-	-	-	16,718		
Other comprehensive income (loss) for the period	-	-	-	-	-	(6,421)	-	(6,421)	(6,421)		
Total comprehensive income for the period	-	-	-	-	16,718	(6,421)	-	(6,421)	10,297		
Transfer gain or loss of investment in equity designed at fair value through other comprehensive income (Note 6)	-	-	-	-	404	(404)	-	(404)	-		
Dividends paid (Note 9)	-	-	-	-	(9,600)	-	-	-	(9,600)		
<b>Balance as at 30 June 2021</b>	96,000	325,200	9,600	2,500	744,003	195,170	6,761	201,931	1,379,234		
<b>Balance as at 1 January 2022</b>	96,000	325,200	9,600	2,500	744,633	221,273	6,761	228,034	1,405,967		
Profit for the period	-	-	-	-	39,006	-	-	-	39,006		
Other comprehensive income (loss) for the period	-	-	-	-	-	(10,088)	-	(10,088)	(10,088)		
Total comprehensive income for the period	-	-	-	-	39,006	(10,088)	-	(10,088)	28,918		
Transfer gain or loss of investment in equity designed at fair value through other comprehensive income (Note 6)	-	-	-	-	(1,449)	1,449	-	1,449	-		
Dividends paid (Note 9)	-	-	-	-	(9,600)	-	-	-	(9,600)		
<b>Balance as at 30 June 2022</b>	96,000	325,200	9,600	2,500	772,590	212,634	6,761	219,395	1,425,285		

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 six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	2022	2021
<b>Cash flows from operating activities</b>		
Profit before tax	38,935	18,501
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	7,579	9,786
Reversal of expected credit losses	(21)	(7)
Reduction of inventories to net realisable value (reversal)	(343)	956
Unrealised loss (gain) on other current financial assets	247	(5,814)
Gain on sales of other current financial assets	(2,578)	(3,483)
Interest income	(2,696)	(3,346)
Interest expenses	387	608
Dividends income	(16,669)	(8,757)
Gain on sales of equipment	(265)	(74)
Unrealised loss (gain) on exchange	711	(243)
Long-term employee benefits expenses	2,096	2,056
Gain from operating activities before changes in operating assets and liabilities	27,383	10,183
Operating assets (increase) decrease		
Trade and other receivables	13,399	22,275
Inventories	(20,495)	(9,820)
Other current assets	(1,828)	(246)
Other non-current assets	(739)	(827)
Operating liabilities increase (decrease)		
Trade and other payables	(1,490)	4,328
Other current liabilities	3,409	(4,476)
Cash paid for long-term employee benefits	(2,996)	(6,025)
Cash flows from operating activities	16,643	15,392
Cash paid for income tax	(281)	(252)
<b>Net cash from operating activities</b>	<b>16,362</b>	<b>15,140</b>

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 six-month period ended 30 June 2022**

	(Unit: Thousand Baht)	
	2022	2021
<b>Cash flows from investing activities</b>		
Cash paid for acquisitions of other current financial assets	(386,853)	(233,879)
Cash received from sales of other current financial assets	352,094	229,228
Cash received from redemptions of held-to-maturity securities	25,000	40,000
Cash paid for acquisitions of other non-current financial assets	(14,500)	(26,978)
Cash received from sales of other non-current financial assets	16,734	15,607
Cash received from returns of other non-current financial assets	-	612
Dividends income	16,668	8,765
Interest income	3,094	3,542
Cash paid for acquisitions of equipment	(4,909)	(10,181)
Cash received from sales of equipment	265	586
<b>Net cash from investing activities</b>	<b>7,593</b>	<b>27,302</b>
<b>Cash flows from financing activities</b>		
Cash paid for lease liabilities	(3,033)	(2,875)
Cash paid for interest on lease liabilities	(387)	(608)
Dividends paid	(9,600)	(9,600)
<b>Net cash used in financing activities</b>	<b>(13,020)</b>	<b>(13,083)</b>
Net increase in cash and cash equivalents	10,935	29,359
Cash and cash equivalents at beginning of period	35,580	31,184
<b>Cash and cash equivalents at end of period</b>	<b>46,515</b>	<b>60,543</b>

**Supplemental cash flows information:**

Non-cash transactions

Unrealised loss on changes in value of investment in equity  
designated at fair value through other comprehensive income

- net of income tax

	10,088	6,421
--	--------	-------

Payables from acquisitions of investments in equity

designated at fair value through profit or loss

	(38)	5,092
--	------	-------

Receivables from sale of investments in equity

designated at fair value through profit or loss

	(27)	1,328
--	------	-------

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 six-month periods ended 30 June 2022**

**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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial information.

**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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month		For the six-month		Pricing policies
	periods ended 30 June		periods ended 30 June		
	2022	2021	2022	2021	
<u>Transactions with related companies</u>					
Sales of goods	97,433	75,891	238,364	161,948	Cost plus margin
Other income	2,993	2,698	5,182	4,791	Actual incurred
Dividends income	10,009	6,401	10,009	6,401	As declared
Rental income	1,339	1,226	2,679	2,422	Contract price
Service expenses	9,737	6,419	16,954	14,727	Contract price
Return of investments in					
non-marketable security	-	612	-	612	Agreed price
Purchase of raw materials	37	553	37	1,986	Cost plus margin
Purchase of goods	4,654	718	8,376	2,390	Cost plus margin
Rental expenses	1,544	1,426	3,088	2,851	Contract price
Trademark fee	3	2	4	4	Contract price
Other expenses	992	518	3,661	1,137	Actual incurred

The balances of the accounts as at 30 June 2022 and 31 December 2021 between the Company and those related parties were as follows.

(Unit: Thousand Baht)

	30 June	31 December
	2022	2021
		(Audited)
<u>Trade accounts receivable - related parties (Note 3)</u>		
Related companies	74,743	98,992
<u>Other receivables - related parties (Note 3)</u>		
Related companies	683	549
<u>Trade accounts payable - related parties (Note 7)</u>		
Related companies	5,095	6,813
<u>Other payables - related parties (Note 7)</u>		
Related companies	127	132
<u>Provision for goods returned - related parties</u>		
<u>(presented under other current liabilities)</u>		
Related companies	4,558	2,686

(Unaudited but reviewed)

Directors and management's benefits

During three-month and six-month periods ended 30 June 2022 and 2021, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Short-term employee benefits	3,405	1,802	5,935	4,125
Post - employment benefits	19	18	38	37
Total	<u>3,424</u>	<u>1,820</u>	<u>5,973</u>	<u>4,162</u>

**3. Trade and other receivables**

(Unit: Thousand Baht)

	30 June 2022	31 December 2021
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Not yet due	33,537	30,627
Overdue:		
Not over 3 months	12,395	4,746
3 - 6 months	16	63
Total	<u>45,948</u>	<u>35,436</u>
Less: Allowance for expected credit losses	<u>(43)</u>	<u>(64)</u>
Trade accounts receivable - unrelated parties	<u>45,905</u>	<u>35,372</u>
<u>Trade accounts receivable - related parties</u>		
Not yet due	74,494	98,695
Overdue:		
Not over 3 months	249	297
Trade accounts receivable - related parties	<u>74,743</u>	<u>98,992</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	2,345	2,802
Other receivables - related party	683	549
Total other receivables	<u>3,028</u>	<u>3,351</u>
Total trade and other receivables	<u>123,676</u>	<u>137,715</u>

**4. Inventories****Allowance for diminution in values of inventories**

Movements in allowance for diminution in values of inventories account during the six-month period ended 30 June 2022 were summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2022	26,599
Less: Allowance for diminution in values of inventories during the period	(343)
Balance as at 30 June 2022	<u>26,256</u>

**5. Other current financial assets**

(Unit: Thousand Baht)

	30 June 2022	31 December 2021
		(Audited)
Investments designated at fair value through profit or loss		
Unit trusts	100,321	76,714
Fixed deposits at banks	2	3
Investments in other companies	205,036	118,222
Investments in debt securities	57,079	130,403
Total investments designated at fair value through profit or loss	<u>362,438</u>	<u>325,342</u>
Derivative assets	-	17
Total other current financial assets	<u>362,438</u>	<u>325,359</u>
Cash received from sales of investments designated at fair value through profit or loss for the period	<u>352,094</u>	<u>604,025</u>

As at 5 August 2022, total fair value of investments designated at fair value through profit or loss was Baht 366 million.

**6. Other non-current financial assets**

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
		(Audited)
Investments designated at fair value through other comprehensive income		
Unit trusts	1,891	1,906
Investments in related companies	452,060	465,851
Investments in other companies	37,094	50,270
Total investments designated at fair value through other comprehensive income	<u>491,045</u>	<u>518,027</u>
Investment measured at amortised cost		
Investments in debt securities - at cost	104,500	117,000
Less: Mature within 1 year	-	(25,000)
Total investments in debt securities, net of current portion	<u>104,500</u>	<u>92,000</u>
Total other non-current financial assets, net of current portion	<u>595,545</u>	<u>610,027</u>
Cash received from sales of investments designated at fair value through other comprehensive income for the period	<u>16,734</u>	<u>42,039</u>

As at 5 August 2022, total fair value of investments designated at fair value through other comprehensive income was Baht 500 million.

During the six-month period ended 30 June 2022, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sale was Baht 16.7 million. Loss on disposals of these investments of Baht 1.4 million was recorded in unappropriated retained earnings in statement of change in shareholders' equity. (2021: Baht 15.0 million and gain on disposals of these investments of Baht 0.6 million, respectively).

(Unaudited but reviewed)

## 7. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
		(Audited)
Trade accounts payable - related parties	5,095	6,813
Trade accounts payable - unrelated parties	75,634	76,465
Other payables - related parties	127	132
Other payables - unrelated parties	15,728	14,699
<b>Total trade and other payables</b>	<b>96,584</b>	<b>98,109</b>

## 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 six-month periods ended 30 June 2022 and 2021 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Interim income tax charge	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	107	19	(71)	1,783
<b>Tax expense (income) reported in the statement of comprehensive income</b>	<b>107</b>	<b>19</b>	<b>(71)</b>	<b>1,783</b>

**9. Dividends paid**

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2022</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 26 April 2022	9.60	0.10
<u>2021</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 27 April 2021	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 six-month periods ended 30 June 2022, the revenue from sales of Baht 96 million and Baht 232 million (2021: Baht 73 million and Baht 155 million, respectively) 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 June 2022	31 December 2021
Payable in 1 year	3,662	913



## 11.2 Use of trademark commitment

The Company has entered into an agreement with the holder of right in a trademark related to the manufacture and distribute ready-made garment. Under the conditions of the agreement, the Company commits to pay royalty fee based on sales income.

## 11.3 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 June 2022	31 December 2021
		(Audited)
Electricity use	2.2	2.2
Payment due to creditors	-	0.1
Total	2.2	2.3

## 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 June 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Other current financial assets				
Unit trusts	29.4	70.9	-	100.3
Investments in debt securities	-	57.1	-	57.1
Investments in marketable securities	205.0	-	-	205.0
Other non-current financial assets				
Unit trusts	1.9	-	-	1.9
Investments in marketable securities	413.3	-	-	413.3
Investments in non-marketable securities	-	-	75.9	75.9

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 8 August 2022.