

People's Garment Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended
30 June 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 June 2023, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in shareholders' equity, and cash flows for the six-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: 11 August 2023

People's Garment Public Company Limited

Statement of financial position

As at 30 June 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
Assets			
Current assets			
Cash and cash equivalents		14,340	26,250
Trade and other receivables	3	122,584	120,141
Inventories	4	344,689	365,704
Current portion of other non-current financial assets	6	2,500	1,500
Other current financial assets	5	310,404	306,580
Other current assets		4,341	3,675
Total current assets		<u>798,858</u>	<u>823,850</u>
Non-current assets			
Other non-current financial assets - net of current portion	6	714,368	688,197
Investment property		387	387
Property, plant and equipment		145,339	145,081
Right-of-use assets		13,176	12,029
Intangible assets		2	3
Other non-current assets		2,059	1,741
Total non-current assets		<u>875,331</u>	<u>847,438</u>
Total assets		<u>1,674,189</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 June 2023

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	65,307	59,706
Current portion of lease liabilities		7,068	6,077
Other current liabilities		10,493	28,366
Total current liabilities		<u>82,868</u>	<u>94,149</u>
Non-current liabilities			
Lease liabilities, net of current portion		6,970	6,861
Provision for long-term employee benefits		58,047	61,629
Deferred tax liabilities		51,634	47,397
Total non-current liabilities		<u>116,651</u>	<u>115,887</u>
Total liabilities		<u>199,519</u>	<u>210,036</u>
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		<u>96,000</u>	<u>96,000</u>
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		775,478	776,400
Other components of shareholders' equity		265,892	251,552
Total shareholders' equity		<u>1,474,670</u>	<u>1,461,252</u>
Total liabilities and shareholders' equity		<u>1,674,189</u>	<u>1,671,288</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 2023

(Unit: Thousand Baht)

Note	2023	2022
Profit or loss:		
Revenues		
Sales income	155,018	167,358
Other income	20,928	20,127
Total revenues	<u>175,946</u>	<u>187,485</u>
Expenses		
Cost of sales	122,682	131,558
Selling and distribution expenses	2,554	2,409
Administrative expenses	40,302	34,141
Losses on measurement of fair value of investments	326	851
Total expenses	<u>165,864</u>	<u>168,959</u>
Profit before finance cost and income tax	10,082	18,526
Finance cost	(202)	(185)
Profit before income tax	9,880	18,341
Tax income expense	8 (827)	(107)
Profit for the period	<u>9,053</u>	<u>18,234</u>

Other comprehensive income (loss):

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

Gain (loss) on investments in equity designated at fair value through other comprehensive income - net of income tax	15,700	(631)
Other comprehensive income (loss) for the period :	<u>15,700</u>	<u>(631)</u>
Total comprehensive income for the period	<u>24,753</u>	<u>17,603</u>

(Unit: Baht)

Earnings per share

Basic earnings per share

Profit for the period	<u>0.09</u>	<u>0.19</u>
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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 six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Note	2023	2022
Profit or loss:			
Revenues			
Sales income		352,125	388,194
Other income		42,891	31,971
Total revenues		<u>395,016</u>	<u>420,165</u>
Expenses			
Cost of sales		272,867	306,675
Selling and distribution expenses		5,546	5,397
Administrative expenses		79,193	68,524
Losses on measurement of fair value of investments		9,987	247
Total expenses		<u>367,593</u>	<u>380,843</u>
Profit before finance cost and income tax		27,423	39,322
Finance cost		(426)	(387)
Profit before income tax		26,997	38,935
Tax income revenue (expense)	8	(652)	71
Profit for the period		<u>26,345</u>	<u>39,006</u>

Other comprehensive income (loss):

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

Gain (loss) on investments in equity designated at fair value through other comprehensive income - net of income tax		6,273	(10,088)
Other comprehensive income (loss) for the period		<u>6,273</u>	<u>(10,088)</u>
Total comprehensive income for the period		<u>32,618</u>	<u>28,918</u>

(Unit: Baht)

Earnings per share

Basic earnings per share

Profit for the period		<u>0.27</u>	<u>0.41</u>
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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 changes in shareholders' equity
For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

	Other component of shareholders' equity										Total
	Issued and fully paid share capital	Premium on share capital	Appropriated - statutory reserve	Appropriated - general reserve	Retained earnings	Unappropriated	Gain (loss) on investments in equity designated at fair value through other comprehensive income	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	
Balance as at 1 January 2022	96,000	325,200	9,600	2,500	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 designated at fair value through other comprehensive income (Note 6)	-	-	-	-	-	(1,449)	1,449	-	1,449	-	
Dividends paid (Note 9)	-	-	-	-	-	(9,600)	-	-	-	(9,600)	
Balance as at 30 June 2022	96,000	325,200	9,600	2,500	2,500	772,590	212,634	6,761	219,395	1,425,285	
Balance as at 1 January 2023	96,000	325,200	9,600	2,500	2,500	776,400	244,791	6,761	251,552	1,461,252	
Profit for the period	-	-	-	-	-	26,345	-	-	-	26,345	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	6,273	-	6,273	6,273	
Total comprehensive income for the period	-	-	-	-	-	26,345	6,273	-	6,273	32,618	
Transfer gain or loss of investment in equity designated at fair value through other comprehensive income (Note 6)	-	-	-	-	-	(8,067)	8,067	-	8,067	-	
Dividends paid (Note 9)	-	-	-	-	-	(19,200)	-	-	-	(19,200)	
Balance as at 30 June 2023	96,000	325,200	9,600	2,500	2,500	775,478	259,131	6,761	265,892	1,474,670	

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 2023

(Unit: Thousand Baht)

	2023	2022
Cash flows from operating activities		
Profit before tax	26,997	38,935
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	8,599	7,579
Expected credit losses (reversal)	37	(21)
Reduction of inventories to net realisable value (reversal)	(6,256)	(343)
Unrealised loss on other current financial assets	9,986	247
Gain on sales of other current financial assets	(7,093)	(2,578)
Interest income	(2,064)	(2,696)
Interest expenses	426	387
Dividends income	(22,692)	(16,669)
Gain on sales of equipment	(719)	(265)
Unrealised loss on exchange	9	711
Long-term employee benefits expenses	2,508	2,096
Profit from operating activities before changes in operating assets and liabilities	9,738	27,383
Operating assets (increase) decrease		
Trade and other receivables	(3,196)	13,399
Inventories	27,271	(20,495)
Other current assets	(380)	(1,828)
Other non-current assets	(318)	(739)
Operating liabilities increase (decrease)		
Trade and other payables	5,959	(1,490)
Other current liabilities	(17,873)	3,409
Cash paid for long-term employee benefits	(6,089)	(2,996)
Cash flows from operating activities	15,112	16,643
Cash paid for income tax	(286)	(281)
Net cash from operating activities	14,826	16,362

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 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(403,599)	(386,853)
Cash received from sales of other current financial assets	397,214	352,094
Cash received from redemptions of held-to-maturity securities	-	25,000
Cash paid for acquisitions of other non-current financial assets	(44,936)	(14,500)
Cash received from sales of other non-current financial assets	27,624	16,734
Dividends income	22,692	16,668
Interest income	2,077	3,094
Cash paid for acquisitions of equipment	(5,536)	(4,909)
Cash received from sales of equipment	750	265
Net cash from (used in) investing activities	(3,714)	7,593
Cash flows from financing activities		
Cash paid for lease liabilities	(3,396)	(3,033)
Cash paid for interest on lease liabilities	(426)	(387)
Dividends paid	(19,200)	(9,600)
Net cash used in financing activities	(23,022)	(13,020)
Net increase (decrease) in cash and cash equivalents	(11,910)	10,935
Cash and cash equivalents at beginning of period	26,250	35,580
Cash and cash equivalents at end of period	14,340	46,515

Supplemental cash flows information:

Non-cash transactions

Unrealised (gain) loss on changes in value of investment in equity

designated at fair value through other comprehensive income

- net of income tax

(6,273)

10,088

Payables from acquisitions of investments in equity

designated at fair value through profit or loss

-

(38)

Receivables from sale of investments in equity

designated at fair value through profit or loss

-

(27)

Addition to right-of-use asset and lease liabilities

4,496

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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 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.

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		
	2023	2022	2023	2022	
<u>Transactions with related companies</u>					
Sales of goods	76,433	97,433	164,437	238,364	Cost plus margin
Other income	2,243	2,993	4,346	5,182	Actual incurred
Dividends income	12,245	10,009	12,245	10,009	As declared
Rental income	1,693	1,339	3,315	2,679	Contract price
Service expenses	7,614	9,737	15,345	16,954	Contract price
Purchase of raw materials	1,052	37	2,602	37	Cost plus margin
Purchase of goods	1,733	4,654	5,569	8,376	Cost plus margin
Rental expenses	2,031	1,544	3,962	3,088	Contract price
Trademark fee	2	3	3	4	Contract price
Other expenses	677	992	1,974	3,661	Actual incurred

The balances of provision for goods returned - related parties, under other current liabilities, as at 30 June 2023 amounting to Baht 8.1 million (31 December 2022: Baht 6.5 million).

Directors and management's benefits

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

(Unit: Thousand Baht)

	For the three-month		For the six-month	
	periods ended		periods ended	
	30 June		30 June	
	2023	2022	2023	2022
Short-term employee benefits	4,733	3,405	7,696	5,935
Post - employment benefits	19	19	38	38
Total	4,752	3,424	7,734	5,973

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Not yet due	39,445	34,693
Overdue:		
Not over 3 months	15,024	11,228
3 – 6 months	1,984	-
Total	56,453	45,921
Less: Allowance for expected credit losses	(52)	(14)
Trade accounts receivable - unrelated parties	56,401	45,907
<u>Trade accounts receivable - related parties</u>		
Not yet due	64,595	71,237
Overdue:		
Not over 3 months	130	775
3 - 6 months	-	52
Trade accounts receivable - related parties	64,725	72,064
<u>Other receivables</u>		
Other receivables - unrelated parties	956	1,565
Other receivables - related party	502	605
Total other receivables	1,458	2,170
Total trade and other receivables	122,584	120,141

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 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	(6,256)
Balance as at 30 June 2023	22,614

(Unaudited but reviewed)

5. Other current financial assets

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
		(Audited)
Investments designated at fair value through profit or loss		
Unit trusts	93,838	125,854
Fixed deposits at banks	40,002	2
Investments in other companies	176,564	175,724
Investments in debt securities	-	5,000
Total investments designated at fair value through profit or loss	<u>310,404</u>	<u>306,580</u>
Cash received from sales of investments designated at fair value through profit or loss for the period	<u>397,214</u>	<u>734,299</u>

Total fair value of investments designated at fair value through profit or loss was Baht 308 million as at 10 August 2023

6. Other non-current financial assets

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
		(Audited)
Investments designated at fair value through other comprehensive income		
Unit trusts	7,650	7,513
Investments in related companies	477,963	479,705
Investments in other companies	116,755	91,979
Total investments designated at fair value through other comprehensive income	<u>602,368</u>	<u>579,197</u>
Investment measured at amortised cost		
Investments in debt securities - at cost	114,500	110,500
Less: Mature within 1 year	(2,500)	(1,500)
Total investments in debt securities, net of current portion	<u>112,000</u>	<u>109,000</u>
Total other non-current financial assets, net of current portion	<u>714,368</u>	<u>688,197</u>
Cash received from sales of investments designated at fair value through other comprehensive income for the period	<u>27,624</u>	<u>25,124</u>

As at 10 August 2023, total fair value of investments designated at fair value through other comprehensive income was Baht 610 million.

(Unaudited but reviewed)

During the six-month period ended 30 June 2023, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sale was Baht 27.6 million. Loss on disposals of these investments of Baht 8.1 million was recorded in unappropriated retained earnings in statement of change in shareholders' equity. (2022: Baht 16.7 million and loss on disposals of these investments of Baht 1.4 million, respectively).

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
		(Audited)
Trade accounts payable - related parties	4,670	3,189
Trade accounts payable - unrelated parties	41,173	39,234
Other payables - related parties	61	70
Other payables - unrelated parties	19,403	17,213
Total trade and other payables	<u>65,307</u>	<u>59,706</u>

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 2023 and 2022 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Current income tax:				
Interim income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	827	107	652	(71)
Tax expense (income) reported in the statement of comprehensive income	<u>827</u>	<u>107</u>	<u>652</u>	<u>(71)</u>

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 six-month periods ended 30 June 2023, the revenue from sales of Baht 70 million and Baht 151 million, respectively, (2022: Baht 96 million and Baht 232 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 June 2023	31 December 2022
		(Audited)
Payable in 1 year	1,393	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 June 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 June 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	27.4	66.4	-	93.8
Investments in marketable securities	176.6	-	-	176.6
Other non-current financial assets				
Unit trusts	7.7	-	-	7.7
Investments in marketable securities	495.8	1.0	-	496.8
Investments in non-marketable securities	-	-	97.9	97.9

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 11 August 2023.