

People's Garment Public Company Limited  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020



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## **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 2020, the related comprehensive income for the three-month and nine-month periods then ended, changes in shareholders' equity, and cash flows for the nine-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*.

**Emphasis of matter**

I draw attention to the interim financial statements as described in Note 1.2 with regard to the Coronavirus disease 2019 pandemic which is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Company's business in terms of the decrease in sales revenue and fair values of investments in the current period. My conclusion is not modified in respect of this matter.



Chayapol Suppasdtanon  
Certified Public Accountant (Thailand) No. 3972

EY Office Limited  
Bangkok: 9 November 2020

People's Garment Public Company Limited

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		29,279	30,103
Current investments	4	-	337,643
Current portion of other long-term investments	9	-	15,000
Trade and other receivables	3, 5	117,562	122,796
Inventories	6	327,165	308,329
Current portion of other non-current financial assets	10	65,000	-
Other current financial assets	7	297,638	-
Other current assets		6,660	4,907
<b>Total current assets</b>		<u>843,304</u>	<u>818,778</u>
<b>Non-current assets</b>			
Investments in available-for-sale securities	8	-	491,764
Other long-term investments, net of current portion	9	-	201,787
Other non-current financial assets, net of current portion	10	551,242	-
Investment property	11	387	387
Property, plant and equipment	12	144,669	134,156
Right-of-use assets	13	24,989	-
Intangible assets		978	1,774
Other non-current assets		1,191	1,680
<b>Total non-current assets</b>		<u>723,456</u>	<u>831,548</u>
<b>Total assets</b>		<u><u>1,566,760</u></u>	<u><u>1,650,326</u></u>

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

People's Garment Public Company Limited  
Statement of financial position (continued)  
As at 30 September 2020

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	3, 14	86,923	65,562
Current portion of lease liabilities		5,752	-
Other current liabilities		5,009	6,936
<b>Total current liabilities</b>		<u>97,684</u>	<u>72,498</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		31,382	41,386
Lease liabilities, net of current portion		19,720	-
Provision for long-term employee benefits		57,539	67,941
<b>Total non-current liabilities</b>		<u>108,641</u>	<u>109,327</u>
<b>Total liabilities</b>		<u>206,325</u>	<u>181,825</u>
<b>Shareholders' equity</b>			
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		709,689	773,192
Other components of shareholders' equity		217,446	262,009
<b>Total shareholders' equity</b>		<u>1,360,435</u>	<u>1,468,501</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,566,760</u>	<u>1,650,326</u>

The accompanying notes 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 and nine-month periods ended 30 September 2020

(Unit: Thousand Baht)

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales income		143,007	179,158	378,124	533,914
Other income		10,480	11,189	36,023	42,520
<b>Total revenues</b>		<u>153,487</u>	<u>190,347</u>	<u>414,147</u>	<u>576,434</u>
<b>Expenses</b>					
Cost of sales		119,031	134,852	305,906	411,589
Selling and distribution expenses		4,384	4,398	12,556	15,745
Administrative expenses		41,570	48,314	125,105	138,408
Losses on measurements of fair value of investments		5,987	-	14,660	21
<b>Total expenses</b>		<u>170,972</u>	<u>187,564</u>	<u>458,227</u>	<u>565,763</u>
<b>Profit (loss) before finance cost and income tax</b>		<u>(17,485)</u>	<u>2,783</u>	<u>(44,080)</u>	<u>10,671</u>
Finance cost		(360)	-	(1,130)	-
<b>Profit (loss) before income tax</b>		<u>(17,845)</u>	<u>2,783</u>	<u>(45,210)</u>	<u>10,671</u>
Tax expense	15	(422)	(781)	(1,137)	(5,252)
<b>Profit (loss) for the period</b>		<u>(18,267)</u>	<u>2,002</u>	<u>(46,347)</u>	<u>5,419</u>

**Other comprehensive income:***Other comprehensive income to be reclassified**to profit or loss in subsequent periods:*

Losses on measurements of value of available-for-sale

investments - net of income tax

- (10,237) - (12,775)

*Other comprehensive income 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

(8,685) - (54,978) -

**Other comprehensive income for the period**(8,685) (10,237) (54,978) (12,775)**Total comprehensive income for the period**(26,952) (8,235) (101,325) (7,356)

(Unit: Baht)

**Earnings per share****Basic earnings (loss) per share**

Profit (loss) for the period

(0.19) 0.02 (0.48) 0.06

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

People's Garment Public Company Limited  
Statement of changes in shareholders' equity  
For the nine-month period ended 30 September 2020

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Other component of shareholders' equity										Total	
	Issued and fully paid share capital	Premium on share capital	Retained earnings			Gain (loss) on changes in value of available-for-sale investments	Gain (loss) on investments in equity designated at fair value through other comprehensive income	Gain on increase in fair value of investment reclassification of convertible debenture to available-for-sale investment	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	Actuarial gain		Total other component of shareholder's equity
			Statutory reserve	General reserve	Unappropriated							
Balance as at 1 January 2019	96,000	325,200	9,600	2,500	794,176	217,281	-	6,761	-	33,713	257,755	1,485,231
Profit for the period	-	-	-	-	5,419	-	-	-	-	-	-	5,419
Other comprehensive income for the period	-	-	-	-	-	(12,775)	-	-	-	-	(12,775)	(12,775)
Dividends paid (Note 16)	-	-	-	-	(24,000)	(12,775)	-	-	-	-	(7,356)	(7,356)
Balance as at 30 September 2019	96,000	325,200	9,600	2,500	775,595	204,506	-	6,761	-	33,713	244,980	1,453,875
Balance as at 1 January 2020	96,000	325,200	9,600	2,500	773,192	221,535	-	6,761	-	33,713	262,009	1,468,501
Cumulative effects of changes in accounting policies (Note 2)	-	-	-	-	-	(221,635)	-	(6,761)	-	-	-	-
Balance as at 1 January 2020 - as restated	96,000	325,200	9,600	2,500	773,192	-	-	-	6,761	-	12,459	12,459
Loss for the period	-	-	-	-	(46,347)	-	-	-	6,761	-	274,468	1,480,960
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	(46,347)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	(54,978)	(54,978)
Dividends paid (Note 16)	-	-	-	-	(46,347)	-	-	-	-	-	(54,978)	(54,978)
Transfer gain or loss of investment in equity designated at fair value through other comprehensive income (Note 10)	-	-	-	-	(19,200)	-	-	-	-	-	(54,978)	(101,325)
Balance as at 30 September 2020	96,000	325,200	9,600	2,500	709,699	176,972	-	-	6,761	33,713	217,446	1,360,435

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

(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flow statement

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	2020	2019
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	(45,210)	10,671
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	14,041	9,718
Doubtful accounts (reversal)	125	(1,108)
Reduction of inventories to net realisable value (reversal)	2,176	(19,668)
Unrealised gain on current investments	-	(725)
Gain on sales of current investments	-	(894)
Unrealised loss on other current financial assets	10,488	-
Loss on sales of other current financial assets	4,172	-
Gain on sale of investment in available-for-sale securities	-	(1,573)
Loss on devaluation of other long-term investment	-	21
Interest income	(6,891)	(9,240)
Interest expenses	1,130	-
Dividends income	(14,521)	(14,423)
Gain on sales of equipment	(32)	(677)
Unrealised loss (gain) on exchange	(64)	586
Long-term employee benefits expenses	6,257	6,037
Loss from operating activities before changes in operating assets and liabilities	(28,329)	(21,275)
Operating assets (increase) decrease		
Trade and other receivables	4,723	1,442
Inventories	(21,012)	(4,407)
Other current assets	(1,310)	(756)
Other non-current assets	138	-
Operating liabilities increase (decrease)		
Trade and other payables	18,945	12,793
Other current liabilities	(1,926)	(2,188)
Cash paid for long-term employee benefits	(16,659)	(7,156)
Cash flows used in operating activities	(45,430)	(21,547)
Cash paid for income tax	(443)	(471)
<b>Net cash used in operating activities</b>	<b>(45,873)</b>	<b>(22,018)</b>

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



(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flow statement (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	2020	2019
<b>Cash flows from investing activities</b>		
Decrease in current investments	-	27,998
Cash paid for acquisitions of other current financial assets	(203,586)	-
Cash received from sales of other current financial assets	230,891	-
Cash paid for acquisitions of available-for sale securities	-	(274,659)
Cash received from sales of available-for-sale securities	-	265,147
Cash paid for acquisitions of held-to-maturity securities	-	(55,000)
Cash received from redemptions of held-to-maturity securities	-	65,000
Cash paid for acquisitions of other non-current financial assets	(21,170)	-
Cash received from sales of other non-current financial assets	59,818	-
Dividends income	14,602	14,437
Interest income	7,715	9,860
Cash paid for acquisitions of equipment	(19,039)	(3,929)
Cash received from proceeds from sales of equipment	265	810
Cash paid for acquisitions of intangible assets	-	(12)
<b>Net cash from investing activities</b>	<b>69,496</b>	<b>49,652</b>
<b>Cash flows from financing activities</b>		
Cash received from loan from financial institution	9,000	-
Cash paid for repayment of loan from financial institution	(9,000)	-
Cash paid for lease liabilities	(4,118)	-
Cash paid for interest on lease liabilities	(1,107)	-
Cash paid for interest on short-term loans from financial institution	(22)	-
Dividends paid	(19,200)	(24,000)
<b>Net cash used in financing activities</b>	<b>(24,447)</b>	<b>(24,000)</b>
Net increase (decrease) in cash and cash equivalents	(824)	3,634
Cash and cash equivalents at beginning of period	30,103	19,342
<b>Cash and cash equivalents at end of period</b>	<b>29,279</b>	<b>22,976</b>

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

(Unaudited but reviewed)

People's Garment Public Company Limited

Cash flow statement (continued)

For the nine-month period ended 30 September 2020

	(Unit: Thousand Baht)	
	2020	2019
<b>Supplemental cash flows information:</b>		
Non-cash transactions		
Unrealised gain (loss) on changes in value of investment in equity designated at fair value through other comprehensive income/ available-for-sale investments - net of income tax	54,978	(12,775)
Decrease in payables from acquisitions of investment in equity designated at fair value through other comprehensive income/ available-for-sale investment	2,419	1,633
Decrease in receivables from sale of investment in equity designated at fair value through other comprehensive income/ available-for-sale investment	586	2,270

The accompanying notes 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 2020**

**1. General information**

**1.1 Corporate information**

People's Garment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company's principal activities are manufacturing and distributing ready-made cloths. The registered office of the Company and factory is located at No. 666 Rama.3 Road, Bangpongpan, Yannawa, Bangkok.

The Company has three plants in Lamphun, Prachinburi and Chachoengsao.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Company's business in term of the decrease in sales income and fair values of investments in the current period. However, the management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets and will record the impact when it is possible to do so.

**1.3 Basis for the preparation of the interim financial statements**

These interim financial statements are prepared in accordance with Thai Financial Reporting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. 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 statements 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 statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

## 1.4 New financial reporting standards

### a) Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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 of the standards. However, the new standard involves changes to key principles, which are summarised below:

#### Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.

- Recognition of credit losses - The Company recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Company initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Company adopted these financial reporting standards with no effect to the retained earnings as at 1 January 2020 but effect to other component of shareholder's equity as at 1 January 2020 and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

#### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to right-of-use assets and lease liabilities as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

#### **Accounting Treatment Guidance on "Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic"**

The Federation of Accounting Professions announced "Accounting Treatment Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic". Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.

**b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 of the standards.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

**1.5 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

**1.5.1 Financial instruments**

**Classification and measurement**

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Company makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss

### **Impairment of financial assets**

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

## **1.5.2 Leases**

### ***Right-of-use assets***

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### ***Lease liabilities***

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

### ***Short-term leases and Leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## 2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.4 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16 with no effect to the retained earnings as at 1 January 2020, and the comparative information was not restarted.

The Company applies the cumulative effect of initially applying financial reporting standards related to financial instruments as an adjustment to other component of shareholder's equity as at 1 January 2020 and recognised as rights-of-use assets and lease liabilities as at 1 January 2020 for the cumulative effect of initially applying TFRS 16.

The impacts on the beginning balance as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	337,643	(337,643)	-	-
Current portion of other long-term investments	15,000	(15,000)	-	-
Current portion of other non-current financial assets	-	15,000	-	15,000
Other current financial assets	-	337,643	-	337,643
<b>Non-current assets</b>				
Investments in available-for-sale securities	491,764	(491,764)	-	-
Other long-term investments, net of current portion	201,787	(201,787)	-	-
Other non-current financial assets, net of current portion	-	709,124	-	709,124
Right-of-use assets	-	-	2,378	2,378
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	647	647
<b>Non-current liabilities</b>				
Deferred tax liabilities	41,386	3,114	-	44,500
Lease liabilities, net of current portion	-	-	1,731	1,731
<b>Shareholders' equity</b>				
Other components of shareholders' equity	262,009	12,459	-	274,468



## 2.1 Financial instruments

Details of the impact on other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)
Gain on measurement of investments in equity instruments of non-listed companies	15,573
Less: Income tax effect	(3,114)
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	12,459

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9	Fair value through other			Total
		Fair value through profit or loss	comprehensive income	Amortised cost	
<b>Financial assets as at 1 January 2020</b>					
Current portion of other non-current financial assets		-	-	15,000	15,000
Other current financial assets		337,643	-	-	337,643
Other non-current financial assets, net of current portion		-	554,124	155,000	709,124
<b>Total financial assets</b>		<b>337,643</b>	<b>554,124</b>	<b>170,000</b>	<b>1,061,767</b>

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

## 2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
Operating lease commitments as at 31 December 2019	10,847
Less: Short-term leases and leases of low-value assets	(152)
Add: Option to extend lease term	1,080
Less: Contracts reassessed as service agreements	(3,494)
Less: Others	(5,646)
Less: Deferred interest expenses	(257)
Increase in lease liabilities due to TFRS 16 adoption	<u>2,378</u>
Lease liabilities as at 1 January 2020	<u>2,378</u>

Comprise of:

Current lease liabilities	647
Non-current lease liabilities	1,731

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)
Buildings and building improvements	1,870
Office equipment	<u>508</u>
<b>Total right-of-use assets</b>	<u>2,378</u>

### 3. 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.

(Unit: Thousand Baht)

	For the three-month		For the nine-month		Pricing policies
	period ended		period ended		
	30 September		30 September		
	2020	2019	2020	2019	
<u>Transactions with related companies</u>					
Sales of goods	101,492	96,228	254,303	330,509	Cost plus margin
Other income	1,609	2,404	6,454	7,778	Actual incurred
Dividends income	1,932	1,620	9,966	10,259	As declared
Rental income	1,211	1,139	3,602	3,442	Contract price
Service income	675	-	849	-	Contract price
Service expenses	5,756	13,504	19,990	34,817	Contract price
Purchase of raw materials	20	927	3,155	8,231	Cost plus margin
Purchase of goods	87	1,927	822	16,294	Cost plus margin
Purchase of machinery and equipment	450	-	450	-	Contract price
Rental expenses	1,413	1,612	4,692	4,837	Contract price
Royalty fee	1	9	5	13	Contract price
Other expenses	471	636	1,172	3,015	Actual incurred

The balances of the accounts as at 30 September 2020 and 31 December 2019 between the Company and those related parties were as follows.

(Unit: Thousand Baht)

	30 September	31 December
	2020	2019
<u>Trade accounts receivable - related parties (Note 5)</u>		
Related companies	78,134	57,958
<u>Other receivables - related parties (Note 5)</u>		
Related companies	598	538
<u>Trade accounts payable - related parties (Note 14)</u>		
Related companies	3,295	5,879

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
<b><u>Other payables - related parties (Note 14)</u></b>		
Related companies	72	65
<b><u>Provision for goods returned - related parties</u></b>		
<b>(presented under other current liabilities)</b>		
Related companies	2,862	3,583

Directors and management compensation

During three-month and nine-month periods ended 30 September 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
Short-term employee benefits	2,533	3,493	8,720	10,391
Termination benefits	167	249	590	746
Total	2,700	3,742	9,310	11,137

**4. Current investments**

As at 31 December 2019, current investments were summarised as follow:

(Unit: Thousand Baht)

Investments in trading securities	
Investments in Open-end Fund	20,385
Less: Unrealised loss	(436)
Total	19,949
Fixed deposits at financial institutions	4
Bills of exchange	20,000
Investments in other companies - at cost	136,314
Less: Unrealised loss	(310)
Total	136,004

(Unaudited but reviewed)

(Unit: Thousand Baht)

Investments in debt securities - at cost	160,333
Add: Unrealised gain	1,353
Total	161,686
Total current investments	337,643

As at 31 December 2019, fixed deposits at financial institutions and bills of exchange carried interests between 1.1% and 3.4% per annum.

**5. Trade and other receivables**

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
<u>Trade accounts receivable - unrelated parties</u>		
Not yet due	27,515	20,695
Overdue:		
Not over 3 months	8,248	39,815
3 - 6 months	516	633
Over 6 months	3,014	3,126
Total	39,293	64,269
Less: Allowance for doubtful accounts	(3,117)	(2,992)
Trade accounts receivable - unrelated parties	36,176	61,277
<u>Trade accounts receivable - related parties</u>		
Not yet due	77,359	57,466
Overdue:		
Not over 3 months	775	492
Trade accounts receivable - related parties	78,134	57,958
<u>Other receivables</u>		
Other receivables - unrelated parties	2,654	3,023
Other receivables - related party	598	538
Total other receivables	3,252	3,561
Total trade and other receivables	117,562	122,796

**6. 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 2020 were summarised below:

	(Unit: Thousand Baht)
Balance as at 1 January 2020	17,386
Add: Allowance for diminution in values of inventories during the period	2,176
Balance as at 30 September 2020	<u>19,562</u>

**7. Other current financial assets**

As at 30 September 2020, other current financial assets were summarised as follow:

	(Unit: Thousand Baht)
Investments designated at fair value through profit or loss	
Investments in Open-end Fund	74,158
Less: Unrealised loss	(2,211)
Total	71,947
Fixed deposits at financial institutions	4
Investments in other companies - at cost	54,715
Less: Unrealised loss	(7,963)
Total	46,752
Investments in debt securities - at cost	178,642
Add: Unrealised gain	293
Total	178,935
Total other current financial assets	<u>297,638</u>
Cash received from sales of investments designated at fair value through profit or loss for the period	<u>230,891</u>

As at 6 November 2020, total fair value of investments designated at fair value through profit or loss was Baht 300 million.

(Unaudited but reviewed)

## 8. Investments in available-for-sale-securities

As at 31 December 2019, investments in available-for-sale securities were summarised as follow:

(Unit: Thousand Baht)

Investments in marketable securities	
Investments in related companies - at cost	128,126
Add: Unrealised gain	292,964
Less: Unrealised loss	(89)
Total	<u>421,001</u>
Investments in other companies - at cost	86,723
Add: Unrealised gain	2,769
Less: Unrealised loss	(18,729)
Total	<u>70,763</u>
Total fair value of investments in available-for-sale securities	<u>491,764</u>
Cash received from sales of investments in available-for-sale securities for the year	<u>306,516</u>

## 9. Other long-term investments

As at 31 December 2019, other long-term investments were summarised as follow:

(Unit: Thousand Baht)

Investments in debt securities	
Mature within 1 year	15,000
Mature within 2 to 5 years	130,000
Mature over 5 years	25,000
Total	<u>170,000</u>
Less: Mature within 1 year	<u>(15,000)</u>
Total investments in debt securities	<u>155,000</u>
Investments in equity securities	
Investments in related companies	51,806
Less: Allowance for diminution in investment value	(5,019)
Total investment in equity securities	<u>46,787</u>
Total other long-term investments	<u>201,787</u>
Dividends income	<u>2,330</u>
Cash received from sale of investment for the year	<u>-</u>



(Unaudited but reviewed)

## 10. Other non-current financial assets

As at 30 September 2020, other non-current financial assets were summarised as follow:

(Unit: Thousand Baht)

Investments designated at fair value through other comprehensive income	
Investments in related companies - at cost	178,932
Add: Unrealised gain	257,661
Total	<u>436,593</u>
Investments in other companies - at cost	96,115
Less: Unrealised loss	(41,466)
Total	<u>54,649</u>
Total investments designated at fair value through other comprehensive income	<u>491,242</u>
Investment measured at amortised cost	
Investments in debt securities - at cost	125,000
Less: Mature within 1 year	(65,000)
Total investments in debt securities, net of current portion	<u>60,000</u>
Total other non-current financial assets, net of current portion	<u>551,242</u>
Cash received from sales of investments designated at fair value through other comprehensive income for the period	<u>59,818</u>

As at 6 November 2020, total fair value of investments designated at fair value through other comprehensive income was Baht 483 million.

During the nine-month period ended 30 September 2020, the Company disposed investments designated at fair value through other comprehensive income with book value totaling Baht 11.5 million. Gain on disposals of these investments of Baht 2.0 million was recorded in unappropriated retained earnings in statement of change in shareholders' equity.

## 11. Investment property

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Investment property - net	387	387
Fair value	18,619	18,619

During the three-month and nine-month periods ended 30 September 2020, the rental income arising from investment property, charged to a related party, was Baht 1.2 million and Baht 3.4 million, respectively (2019: Baht 1.2 million and Baht 3.4 million, respectively).

**12. Property, plant and equipment**

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 were summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2020	134,156
Acquisitions during period - at cost	19,039
Disposals during period - net book value as at disposal date	(233)
Depreciation for period	(8,293)
Net book value as at 30 September 2020	<u>144,669</u>

**13. Right-of-use assets**

Movements of right-of-use assets account during the nine-month period ended 30 September 2020 were summarised below.

(Unit: Thousand Baht)

Adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020	2,378
Additions during the period	27,211
Depreciation for the period	(4,600)
Net book value as at 30 September 2020	<u>24,989</u>

**14. Trade and other payables**

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Trade accounts payable - related parties	3,295	5,879
Trade accounts payable - unrelated parties	64,387	43,324
Other payables - related parties	72	65
Other payables - unrelated parties	19,169	16,294
Total trade and other payables	<u>86,923</u>	<u>65,562</u>

**15. Tax expense**

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

Tax expense for the three-month and nine-month periods ended 30 September 2020 and 2019 was made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim income tax charge	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	422	781	1,137	5,252
<b>Tax expense reported in the statement of comprehensive income</b>	<u>422</u>	<u>781</u>	<u>1,137</u>	<u>5,252</u>

The amount of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 were as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2020	2019	2020	2019
Deferred tax relating to loss on changes in value on investments in equity designated at fair value through other comprehensive income / available-for-sale investments	<u>(2,467)</u>	<u>(2,560)</u>	<u>(14,256)</u>	<u>(3,194)</u>

**16. Dividends paid**

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2020</u>			
Interim dividend	Board of Directors Meeting on 8 April 2020	19.20	0.20
<u>2019</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 23 April 2019	24.00	0.25

**17. 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**

For the three-month and nine-month periods ended 30 September 2020, the sale revenue of Baht 98 million and Baht 234 million, respectively (2019: Baht 93 million and Baht 312 million, respectively) was from a major customer which is related company.

**18. Commitments and contingent liabilities****18.1 Operating lease commitments**

The Company has commitments with regard to service agreements (2019: service agreements and rent of retail shops, consulting and others under the non-cancellable agreements with the term of 1 - 5 years). The Company had obligations to pay service and rental fees as follows:

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
Payable:		
Up to 1 year	2,249	10,047
In over 1 and up to 5 years	-	800

**18.2 Use of trademarks commitments**

The Company has entered into an agreement with the holder of rights in one trademark (2019: one trademark) related to the manufacture and distribute ready-made garment. Under the conditions of the agreement, the Company commits to pay royalty fee at rate of 3.5% based on sales revenue (2019: 3.5% based on sales revenue).

**18.3 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:

	(Unit: Million Baht)	
	30 September	31 December
Bank guarantees for	2020	2019
Electricity use	2.20	2.20
Payment due to creditors	0.02	0.40
Total	<u>2.22</u>	<u>2.60</u>

**19. Fair values of financial instruments**

The Company uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company endeavors to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

(Unaudited but reviewed)

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

(Unit: Million Baht)

As at 30 September 2020

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Other current financial assets				
Investments in Open-end Fund	7.5	64.4	-	71.9
Investments in debt securities	-	178.9	-	178.9
Investments in marketable securities	46.8	-	-	46.8
Other non-current financial assets				
Investments in marketable securities	429.8	-	-	429.8
Investments in non-marketable securities	-	-	61.4	61.4

(Unit: Million Baht)

As at 31 December 2019

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current investments				
Investments in Open-end Fund	-	19.9	-	19.9
Investments in debt securities	-	161.7	-	161.7
Investments in marketable securities	52.9	83.1	-	136.0
Investments in available-for-sale securities				
Investments in marketable securities	491.8	-	-	491.8

During the current period, there were no transfers within the fair value hierarchy.

## 20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 September 2020.