

People's Garment Public Company Limited
Review report and financial information
For the three-month and six-month periods ended
30 June 2024

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 financial information of People's Garment Public Company Limited (the Company), which comprises the statement of financial position as at 30 June 2024, 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 period then ended, as well as the condensed notes to the interim financial statements (collectively "the 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: 9 August 2024

People's Garment Public Company Limited**Statement of financial position****As at 30 June 2024**

		(Unit: Thousand Baht)	
	Note	30 June 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		19,246	9,514
Trade and other receivables	3	112,948	125,635
Inventories	4	366,583	339,336
Current portion of other non-current financial assets	6	20,000	16,757
Other current financial assets	5	221,271	311,684
Other current assets		16,029	4,421
Total current assets		<u>756,077</u>	<u>807,347</u>
Non-current assets			
Other non-current financial assets - net of current portion	6	703,830	738,345
Investment property		387	387
Property, plant and equipment		160,605	153,068
Right-of-use assets		7,540	9,826
Intangible assets		687	1
Other non-current assets		5,098	4,830
Total non-current assets		<u>878,147</u>	<u>906,457</u>
Total assets		<u>1,634,224</u>	<u>1,713,804</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 2024

(Unit: Thousand Baht)

	Note	30 June 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	93,418	80,703
Current portion of lease liabilities		5,269	7,258
Other current liabilities		7,258	9,782
Total current liabilities		105,945	97,743
Non-current liabilities			
Lease liabilities - net of current portion		2,777	3,292
Provision for long-term employee benefits		60,548	63,469
Deferred tax liabilities		36,830	54,547
Total non-current liabilities		100,155	121,308
Total liabilities		206,100	219,051
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Premium on share capital		325,200	325,200
Retained earnings			
Appropriated - statutory reserve		9,600	9,600
Appropriated - general reserve		2,500	2,500
Unappropriated		740,009	768,710
Other components of shareholders' equity		254,815	292,743
Total shareholders' equity		1,428,124	1,494,753
Total liabilities and shareholders' equity		1,634,224	1,713,804

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 2024

(Unit: Thousand Baht)

	Note	2024	2023
Profit or loss:			
Revenues			
Sales income		185,040	155,018
Other income		19,490	20,928
Total revenues		<u>204,530</u>	<u>175,946</u>
Expenses			
Cost of sales		135,775	122,682
Selling and distribution expenses		6,623	2,554
Administrative expenses		47,426	40,302
Loss on measurement of fair value of investments		33,989	326
Total expenses		<u>223,813</u>	<u>165,864</u>
Operating profit (loss)		<u>(19,283)</u>	<u>10,082</u>
Finance cost		(154)	(202)
Profit (loss) before income tax revenues (expenses)		<u>(19,437)</u>	<u>9,880</u>
Income tax revenues (expenses)	8	6,719	(827)
Profit (loss) for the period		<u>(12,718)</u>	<u>9,053</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax		(38,819)	15,700
Other comprehensive income for the period		<u>(38,819)</u>	<u>15,700</u>
Total comprehensive income for the period		<u>(51,537)</u>	<u>24,753</u>
			(Unit: Baht)
Earnings per share			
Basic earnings per share			
Profit (loss) for the period		<u>(0.13)</u>	<u>0.09</u>

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

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2024

		(Unit: Thousand Baht)	
	Note	2024	2023
Profit or loss:			
Revenues			
Sales income		367,308	352,125
Other income		37,497	42,891
Total revenues		<u>404,805</u>	<u>395,016</u>
Expenses			
Cost of sales		278,040	272,867
Selling and distribution expenses		10,079	5,546
Administrative expenses		90,882	79,193
Loss on measurement of fair value of investments		42,909	9,987
Total expenses		<u>421,910</u>	<u>367,593</u>
Operating profit (loss)		(17,105)	27,423
Finance cost		(286)	(426)
Profit (loss) before income tax revenues (expenses)		(17,391)	26,997
Income tax revenues (expenses)	8	8,235	(652)
Profit (loss) for the period		<u>(9,156)</u>	<u>26,345</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax		(38,273)	6,273
Other comprehensive income for the period		<u>(38,273)</u>	<u>6,273</u>
Total comprehensive income for the period		<u>(47,429)</u>	<u>32,618</u>
			(Unit: Baht)
Earnings per share			
Basic earnings per share			
Profit (loss) for the period		<u>(0.10)</u>	<u>0.27</u>

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

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2024

	Other component of shareholders' equity									
	Other comprehensive income									
	Issued and fully paid share capital	Premium on share capital	Appropriated - statutory reserve	Appropriated - general reserve	Retained earnings	Unappropriated	Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income	Gain on increase in fair value of investment resulting from reclassification of convertible debenture to equity investments designated at fair value through other comprehensive income	Total other component of shareholder's equity	Total
Balance as at 1 January 2023	96,000	325,200	9,600	2,500	776,400	244,791	6,761	251,552	1,461,252	
Profit for the period	-	-	-	-	26,345	-	-	-	26,345	
Other comprehensive income for the period	-	-	-	-	-	6,273	-	6,273	6,273	
Total comprehensive income for the period	-	-	-	-	26,345	6,273	-	6,273	6,273	
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 6)	-	-	-	-	(8,067)	8,067	-	8,067	8,067	
Dividends paid (Note 10)	-	-	-	-	(19,200)	-	-	-	(19,200)	
Balance as at 30 June 2023	96,000	325,200	9,600	2,500	775,478	259,131	6,761	265,892	1,474,670	
Balance as at 1 January 2024	96,000	325,200	9,600	2,500	768,710	285,982	6,761	292,743	1,494,753	
Loss for the period	-	-	-	-	(9,156)	-	-	-	(9,156)	
Other comprehensive income for the period	-	-	-	-	-	(38,273)	-	(38,273)	(38,273)	
Total comprehensive income for the period	-	-	-	-	(9,156)	(38,273)	-	(38,273)	(38,273)	
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 6)	-	-	-	-	(345)	345	-	345	345	
Dividends paid (Note 10)	-	-	-	-	(19,200)	-	-	-	(19,200)	
Balance as at 30 June 2024	96,000	325,200	9,600	2,500	740,009	248,054	6,761	254,815	1,428,124	

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 2024

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from operating activities		
Profit (loss) before tax	(17,391)	26,997
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	10,314	8,599
Expected credit losses	-	37
Reduction of inventories to net realisable value (reversal)	1,970	(6,256)
Unrealised loss on other current financial assets	42,909	9,986
Gain on sales of other current financial assets	(2,778)	(7,093)
Interest income	(2,124)	(2,064)
Finance cost	286	426
Dividends income	(21,738)	(22,692)
Gain on sales of equipment	(267)	(719)
Unrealised loss on exchange	21	9
Long-term employee benefits expenses	2,917	2,508
Profit from operating activities before changes in operating assets and liabilities	14,119	9,738
Operating assets (increase) decrease		
Trade and other receivables	12,642	(3,196)
Inventories	(29,217)	27,271
Other current assets	(11,302)	(380)
Other non-current assets	(268)	(318)
Operating liabilities increase (decrease)		
Trade and other payables	12,679	5,959
Other current liabilities	(2,524)	(17,873)
Cash paid for long-term employee benefits	(5,838)	(6,089)
Cash flows from (used in) operating activities	(9,709)	15,112
Cash paid for income tax	(306)	(286)
Net cash flows from (used in) operating activities	(10,015)	14,826

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 2024

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(337,007)	(403,599)
Cash received from sales of other current financial assets	387,289	397,214
Cash received from redemptions of held-to-maturity debt securities	6,757	-
Cash paid for acquisitions of other non-current financial assets	(24,294)	(44,936)
Cash received from sales of other non-current financial assets	199	27,624
Cash received from return of other non-current financial assets	855	-
Cash received from dividends	21,738	22,692
Cash received from interest	2,184	2,077
Cash paid for acquisitions of equipment	(13,442)	(5,536)
Cash received from sales of equipment	312	750
Cash paid for acquisitions of intangible assets	(728)	-
Net cash flows from (used in) investing activities	43,863	(3,714)
Cash flows from financing activities		
Cash paid for lease liabilities	(4,630)	(3,396)
Cash paid for interest on lease liabilities	(286)	(426)
Dividends paid	(19,200)	(19,200)
Net cash flows used in financing activities	(24,116)	(23,022)
Net increase (decrease) in cash and cash equivalents	9,732	(11,910)
Cash and cash equivalents at beginning of period	9,514	26,250
Cash and cash equivalents at end of period	19,246	14,340

Supplemental cash flows information

Non-cash items consist of:

Loss (gain) on changes in value of equity investments designated
at fair value through other comprehensive income

- net of income tax	38,273	(6,273)
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Addition to right-of-use assets and lease liabilities	2,126	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

Condensed notes to interim financial statements

For the three-month and six-month periods ended 30 June 2024

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company presenting condensed interim financial statements. 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 and has presented notes to the interim financial statements on a condensed basis.

The 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.

1.2 Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. 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	
	periods ended 30 June		periods ended 30 June	
	2024	2023	2024	2023
<u>Transactions with related companies</u>				
Sales of goods	81,677	76,433	157,883	164,437
Other income	2,137	2,243	4,327	4,346
Dividends income	10,762	12,245	10,762	12,245
Rental income	1,764	1,693	3,385	3,315
Service expenses	4,799	7,614	9,488	15,345
Purchase of raw materials	191	1,052	846	2,602
Purchase of goods	-	1,733	1,332	5,569
Return of goods	445	-	445	-
Rental expenses	2,801	2,031	4,832	3,962
Trademark fee	-	2	-	3
Other expenses	1,141	677	1,740	1,974

The balances of provision for goods returned - related parties, presented as a part of other current liabilities, as at 30 June 2024 amounting to Baht 3.9 million (31 December 2023: Baht 6.5 million).

Directors and management's benefits

(Unit: Thousand Baht)

	For the three-month		For the six-month	
	periods ended		periods ended	
	30 June		30 June	
	2024	2023	2024	2023
Short-term employee benefits	3,410	4,733	6,639	7,696
Post-employment benefits	86	19	172	38
Total	3,496	4,752	6,811	7,734

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	34,570	48,540
Past due		
Up to 3 months	9,265	10,564
3 - 6 months	1,897	35
Over 6 months	-	690
Total	45,732	59,829
Less: Allowance for expected credit losses	(25)	(25)
Total trade accounts receivable - unrelated parties, net	45,707	59,804
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	63,503	62,366
Past due		
Up to 3 months	1,819	1,150
3 - 6 months	219	-
Total trade accounts receivable - related parties	65,541	63,516
Total trade accounts receivable - net	111,248	123,320
<u>Other receivables</u>		
Other receivables - unrelated parties	1,203	1,246
Other receivables - related parties	497	1,069
Total other receivables	1,700	2,315
Total trade and other receivables - net	112,948	125,635

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 2024 were summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2024	19,697
Allowance for diminution in values of inventories during the period	<u>1,970</u>
Balance as at 30 June 2024	<u><u>21,667</u></u>

5. Other current financial assets

(Unit: Thousand Baht)

	30 June 2024	31 December 2023
		(Audited)
Investments designated at fair value through profit or loss		
Unit trusts	78,839	135,046
Fixed deposits at banks	3	3
Investments in other companies	<u>142,429</u>	<u>176,635</u>
Total investments designated at fair value through profit or loss	<u>221,271</u>	<u>311,684</u>
Cash received from sales of investments designated at fair value through profit or loss for the period/year	<u><u>387,289</u></u>	<u><u>680,202</u></u>

Total fair value of investments designated at fair value through profit or loss was Baht 206 million as at 8 August 2024.

(Unaudited but reviewed)

6. Other non-current financial assets

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
Investments designated at fair value through other comprehensive income		
Unit trusts	6,555	7,974
Investments in related companies	500,525	525,954
Investments in other companies	91,750	102,417
Total investments designated at fair value through other comprehensive income	598,830	636,345
Investment measured at amortised cost		
Investments in debt securities - at cost	125,000	118,757
Less: Current portion	(20,000)	(16,757)
Total investments in debt securities, net of current portion	105,000	102,000
Total other non-current financial assets - net of current portion	703,830	738,345
Cash received from sales of investments designated at fair value through other comprehensive income for the period/year	199	30,788

Total fair value of investments designated at fair value through other comprehensive income was Baht 572 million as at 8 August 2024.

During the six-month period ended 30 June 2024, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sales was Baht 1.2 million. Loss on disposals of these investments of Baht 0.3 million was recorded in unappropriated retained earnings in statement of changes in shareholders' equity (2023: the fair value on the date of sales was Baht 27.6 million and loss on disposals of these investments of Baht 8.1 million, respectively).

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
		(Audited)
Trade accounts payable - related parties	1,729	3,579
Trade accounts payable - unrelated parties	70,796	53,957
Other payables - related parties	15	33
Other payables - unrelated parties	20,878	23,134
Total trade and other payables	93,418	80,703

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 expenses (revenues) for the three-month and six-month periods ended 30 June 2024 and 2023 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2024	2023	2024	2023
Current income tax:				
Interim income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,719)	827	(8,235)	652
Tax expenses (revenues) reported in the statement of comprehensive income	(6,719)	827	(8,235)	652

9. 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 2024, the revenue from sales of Baht 79 million and Baht 153 million, respectively, (2023: Baht 70 million and Baht 151 million, respectively) was from 1 major customer which is a related company.

10. Dividends paid

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2024</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 23 April 2024	19.20	0.20
<u>2023</u>			
Dividend announced from retained earnings	Annual General Meeting of the shareholders on 25 April 2023	19.20	0.20

11. Commitments and contingent liabilities**11.1 Operating lease commitments**

The Company has commitments with regard to operating lease agreements, 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 2024	31 December 2023
		(Audited)
Payable within 1 year	2,015	1,423
Payable over 1 and up to 5 years	2	-

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 as follows:

	(Unit: Million Baht)	
Bank guarantees for	30 June 2024	31 December 2023
		(Audited)
Electricity use	1.9	1.9
Payment due to creditors	0.1	0.1
Total	2.0	2.0

12. Financial instruments

12.1 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

12.2 Fair value hierarchy

As at 30 June 2024, the Company had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Other current financial assets				
Unit trusts	18.4	60.5	-	78.9
Investments in marketable securities	142.4	-	-	142.4
Other non-current financial assets				
Unit trusts	6.6	-	-	6.6
Investments in marketable securities	475.5	1.0	-	476.5
Investments in non-marketable securities	-	-	115.8	115.8

During the current period, there were no changes in the methods 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 statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2024.