

People's Garment Public Company Limited
Report and financial statements
31 December 2024

Independent Auditor's Report

To the Shareholders of People's Garment Public Company Limited

Opinion

I have audited the accompanying financial statements of People's Garment Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of People's Garment Public Company Limited as at 31 December 2024, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

The Company has a large number of commercial transactions with customers and some sales are export sales with delivery conditions that should be considered when recording the transactions. As a result, the Company's sales transactions are subject to conditions relevant to revenue recognition. Therefore, I addressed revenue recognition to be key audit matter and focused on the occurrence and timing of revenue recognition.

I have examined the revenue recognition of the Company by:

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period to verify the occurrence and accuracy of revenues, whether revenue recognition was consistent with conditions, and whether it was in compliance with the Company's policy of revenue recognition.
- Reviewing credit notes that the Company issued after the period end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for diminution in value of inventories

Estimating the net realisable value of inventories, as disclosed in Note 9 to the financial statements, is an area requiring management judgement, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle and demands on product of the market. There is thus a risk with respect to the amount of allowance set aside for diminution in the value of inventories.

I assessed the method in determining of the allowance for diminution in value of inventories. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the allowance for diminution in value of inventories and reviewing the consistency of the application of that basis, and the rationale for the recording of specific allowance.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing details of sales transactions occurring after the date of the financial statements with the cost of inventories for each product line.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Orawan Techawatanasirikul
Certified Public Accountant (Thailand) No. 4807

EY Office Limited
Bangkok: 21 February 2025

People's Garment Public Company Limited**Statement of financial position****As at 31 December 2024**

		(Unit: Baht)	
	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents	7	11,065,783	9,514,037
Trade and other receivables	6, 8	136,397,264	125,635,069
Inventories	9	360,779,590	339,336,318
Current portion of other non-current financial assets	11	20,770,000	16,757,000
Other current financial assets	10	194,240,000	311,683,618
Other current assets		8,710,936	4,421,324
Total current assets		731,963,573	807,347,366
Non-current assets			
Other non-current financial assets, net of current portion	11	673,760,381	738,345,416
Investment properties	12	387,013	387,013
Property, plant and equipment	13	161,387,053	153,067,569
Right-of-use assets	14	3,127,209	9,826,303
Intangible assets		601,714	655
Other non-current assets		5,345,356	4,830,078
Total non-current assets		844,608,726	906,457,034
Total assets		1,576,572,299	1,713,804,400

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

People's Garment Public Company Limited
Statement of financial position (continued)
As at 31 December 2024

(Unit: Baht)

	Note	2024	2023
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6, 15	58,566,161	80,702,560
Current portion of lease liabilities	16	1,044,206	7,258,080
Other current liabilities	6	7,734,322	9,782,570
Total current liabilities		67,344,689	97,743,210
Non-current liabilities			
Lease liabilities - net of current portion	16	2,248,122	3,292,328
Provision for long-term employee benefits	17	57,557,259	63,469,107
Deferred tax liabilities	23	31,190,510	54,546,872
Total non-current liabilities		90,995,891	121,308,307
Total liabilities		158,340,580	219,051,517
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		96,000,000	96,000,000
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000,000	96,000,000
Premium on share capital		325,200,000	325,200,000
Retained earnings			
Appropriated - statutory reserve	18	9,600,000	9,600,000
Appropriated - general reserve	19	2,500,000	2,500,000
Unappropriated		751,125,949	768,710,333
Other components of shareholders' equity		233,805,770	292,742,550
Total shareholders' equity		1,418,231,719	1,494,752,883
Total liabilities and shareholders' equity		1,576,572,299	1,713,804,400
		-	-

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

Directors

People's Garment Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2024

(Unit: Baht)

	Note	2024	2023
Profit or loss:			
Revenues			
Sales income	26	773,929,249	703,519,587
Other income	20	64,102,074	64,641,229
Total revenues		<u>838,031,323</u>	<u>768,160,816</u>
Expenses			
Cost of sales		591,578,940	551,783,399
Selling and distribution expenses		19,403,275	13,361,079
Administrative expenses		187,057,456	166,353,015
Loss on measurement of fair value of investments		46,209,166	9,860,031
Total expenses		<u>844,248,837</u>	<u>741,357,524</u>
Operating profit (loss)		(6,217,514)	26,803,292
Finance cost	21	(447,493)	(760,804)
Profit (loss) before tax		<u>(6,665,007)</u>	<u>26,042,488</u>
Income tax revenues (expenses)	23	8,622,167	(56,874)
Profit for the year		<u>1,957,160</u>	<u>25,985,614</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	23	(59,278,324)	32,449,108
Actuarial loss - net of income tax	17, 23	-	(5,733,967)
Other comprehensive income for the year		<u>(59,278,324)</u>	<u>26,715,141</u>
Total comprehensive income for the year		<u>(57,321,164)</u>	<u>52,700,755</u>
Earnings per share			
24			
Basic earnings per share			
Profit for the year		<u>0.02</u>	<u>0.27</u>

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 year ended 31 December 2024

(Unit: Baht)

	Issued and fully paid share capital	Premium on share capital	Retained earnings			Other component of shareholders' equity		Total other component of shareholder's equity	Total
			Appropriated - statutory reserve	Appropriated - general reserve	Unappropriated	Other comprehensive income	Gain on increase in fair value of investment resulting from Gain (loss) on reclassification of convertible debentures to equity investments in designated at fair value through other comprehensive income		
Balance as at 1 January 2023	96,000,000	325,200,000	9,600,000	2,500,000	776,399,969	244,791,449	6,760,710	251,552,159	1,461,252,128
Profit for the year	-	-	-	-	25,985,614	-	-	-	25,985,614
Other comprehensive income for the year	-	-	-	-	(5,733,967)	32,449,108	-	32,449,108	26,715,141
Total comprehensive income for the year	-	-	-	-	20,251,647	32,449,108	-	32,449,108	52,700,755
Dividends paid (Note 25)	-	-	-	-	(19,200,000)	-	-	-	(19,200,000)
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 11)	-	-	-	-	(8,741,283)	8,741,283	-	8,741,283	-
Balance as at 31 December 2023	<u>96,000,000</u>	<u>325,200,000</u>	<u>9,600,000</u>	<u>2,500,000</u>	<u>768,710,333</u>	<u>285,981,840</u>	<u>6,760,710</u>	<u>292,742,550</u>	<u>1,494,752,883</u>
Balance as at 1 January 2024	96,000,000	325,200,000	9,600,000	2,500,000	768,710,333	285,981,840	6,760,710	292,742,550	1,494,752,883
Profit for the year	-	-	-	-	1,957,160	-	-	-	1,957,160
Other comprehensive income for the year	-	-	-	-	-	(59,278,324)	-	(59,278,324)	(59,278,324)
Total comprehensive income for the year	-	-	-	-	1,957,160	(59,278,324)	-	(59,278,324)	(57,321,164)
Dividends paid (Note 25)	-	-	-	-	(19,200,000)	-	-	-	(19,200,000)
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 11)	-	-	-	-	(341,544)	341,544	-	341,544	-
Balance as at 31 December 2024	<u>96,000,000</u>	<u>325,200,000</u>	<u>9,600,000</u>	<u>2,500,000</u>	<u>751,125,949</u>	<u>227,045,060</u>	<u>6,760,710</u>	<u>233,805,770</u>	<u>1,418,231,719</u>
								-	-
								-	-

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

People's Garment Public Company Limited**Cash flows statement****For the year ended 31 December 2024**

	(Unit: Baht)	
	2024	2023
Cash flows from operating activities		
Profit (loss) before tax	(6,665,007)	26,042,488
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	20,926,064	17,334,365
Expected credit lossess	-	10,903
Reduction of inventories to net realisable value (reversal)	2,886,669	(9,173,436)
Unrealised loss on other current financial assets	46,209,166	9,860,031
Gain on sales of other current financial assets	(4,188,373)	(3,765,724)
Interest income	(4,377,096)	(4,561,622)
Finance cost	447,493	760,804
Dividends income	(32,985,463)	(32,817,761)
Gain on sales of equipment	(351,862)	(4,680,389)
Unrealised loss (gain) on exchange	262,604	(568,027)
Long-term employee benefits expenses	6,015,804	4,704,392
Profit from operating activities before changes in operating assets and liabilities	28,179,999	3,146,024
Operating assets (increase) decrease		
Trade and other receivables	(11,243,576)	(5,419,983)
Inventories	(24,329,941)	35,541,215
Other current assets	(3,637,324)	(201,199)
Other non-current assets	(515,278)	(3,090,950)
Operating liabilities increase (decrease)		
Trade and other payables	(22,181,077)	21,194,079
Other current liabilities	(2,048,248)	(18,583,923)
Cash paid for long-term employee benefits	(11,927,652)	(10,031,351)
Cash flows from (used in) operating activities	(47,703,097)	22,553,912
Cash paid for income tax	(626,028)	(544,881)
Net cash flows from (used in) operating activities	(48,329,125)	22,009,031

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

People's Garment Public Company Limited**Cash flows statement (continued)****For the year ended 31 December 2024**

(Unit: Baht)

	2024	2023
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(674,613,038)	(691,066,527)
Cash received from sales of other current financial assets	750,035,863	680,201,816
Cash received from redemptions of held-to-maturity debt securities	21,987,000	1,743,000
Cash paid for acquisitions of other non-current financial assets	(37,667,309)	(56,960,575)
Cash received from sales of other non-current financial assets	1,384,931	30,788,235
Cash received from return of other non-current financial assets	854,894	-
Cash received from interest	4,614,291	4,514,269
Cash received from dividends	32,985,463	32,817,761
Cash paid for acquisitions of equipment	(20,359,181)	(18,690,054)
Cash received from sales of equipment	402,817	4,751,369
Cash paid for acquisitions of intangible assets	(713,421)	-
Net cash flows from (used in) investing activities	78,912,310	(11,900,706)
Cash flows from financing activities		
Cash paid for lease liabilities	(9,383,946)	(6,883,016)
Cash paid for interest on lease liabilities	(447,474)	(760,804)
Cash paid for interest on short-term loan from bank	(19)	-
Dividends paid	(19,200,000)	(19,200,000)
Net cash flows used in financing activities	(29,031,439)	(26,843,820)
Net increase (decrease) in cash and cash equivalents	1,551,746	(16,735,495)
Cash and cash equivalents at the beginning of year	9,514,037	26,249,532
Cash and cash equivalents at the end of year (Note 7)	11,065,783	9,514,037
	-	-

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	59,278,324	(32,449,108)
Increase in right-of-use assets and lease liabilities	2,125,866	4,495,913

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

People's Garment Public Company Limited

Notes to financial statements

For the year ended 31 December 2024

1. General information

People's Garment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is Saha Pathana Inter-Holding Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in manufacturing and distributing ready-made cloths. The registered office of the Company is at 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok. The Company has three branches in Lamphun, Prachinburi and Chachoengsao.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. 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 believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	-	20 and 50 years
Machinery and equipment	-	5, 10, 15 and 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Intangible assets/Amortisation

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets, in respect of computer software, with finite useful lives of 5 years.

4.7 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	2 - 5 years
Office equipment	4 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.9 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long-term service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

4.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition 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 at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the settlement date, i.e., the date on which an asset is delivered.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.15 Derivatives

The Company uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an 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

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Company as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Company as a lessee

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease classification - The Company as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories requires the management to exercise judgement in estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business, minus selling expenses and provision for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventories.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
Boutique New City Plc.	Common shareholder
Saha Pathanapibul Plc.	Common shareholder
Thai Wacoal Plc.	Common shareholder
President Bakery Plc.	Common shareholder
S.T.G.C. Co., Ltd.	Common shareholder
Waseda Education (Thailand) Co., Ltd.	Common shareholder
Thai Takaya Co., Ltd.	Common shareholder
Cosmo Express Trading Co., Ltd.	Common shareholder
Sriracha Aviation Co., Ltd.	Common shareholder
Sahapat Properties Co., Ltd.	Common shareholder
Sahapat Real Estate Co., Ltd.	Common shareholder
Thai Naxis Co., Ltd.	Common shareholder
Erawan Textile Co., Ltd.	Common shareholder
Bangkok Tokyo Socks Co., Ltd.	Common shareholder
Lion (Thailand) Co., Ltd.	Common shareholder
Thai President Foods Plc.	Common shareholder
Torfun Property Co., Ltd.	Common director
Thai Q.P. Co., Ltd.	Common director and shareholder
Saha Pathana Inter-Holding Plc.	Common director and shareholder
I.C.C. International Plc.	Common director and shareholder
Far East DDB Plc.	Common director and shareholder
Bangkok Rubber Plc.	Common director and shareholder
Sahacogen (Chonburi) Plc.	Common director and shareholder
Thai Sports Garment Co., Ltd.	Common director and shareholder
Champ Ace Co., Ltd.	Common director and shareholder
SSDC (Tigertext) Co., Ltd.	Common director and shareholder
Treasure Hill Co., Ltd.	Common director and shareholder
Pan Land Co., Ltd.	Common director and shareholder
Thai Bunka Fashion Co., Ltd.	Common director and shareholder
Champ Kabin Co., Ltd.	Common director and shareholder
Bangkok Athletic Co., Ltd.	Common director and shareholder
T-Way Co., Ltd.	Common director and shareholder
CB TA Trading Co., Ltd.	Common director and shareholder
Mr. Boonsithi Chokwatana	Family of the Company's Director

During the years, the Company had significant business transactions with related persons and 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)

	<u>2024</u>	<u>2023</u>	<u>Transfer Pricing Policy</u>
<u>Transactions with related companies</u>			
Sales of goods	310,445	321,552	Cost plus margin
Other income	9,541	9,146	Actual incurred
Dividends income	13,763	14,689	As declared
Rental income	6,716	6,108	Contract price
Hire of work - income	-	87	Contract price
Hire of work - expenses	21,952	29,274	Contract price
Purchase of raw materials	2,537	5,070	Cost plus margin
Purchase of goods	3,971	8,825	Cost plus margin
Rental expenses	9,663	8,024	Contract price
Trademark fee	1	5	Contract price
Other expenses	2,776	3,257	Actual incurred

As at 31 December 2024 and 2023, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	<u>2024</u>	<u>2023</u>
<u>Trade and other receivables - related parties (Note 8)</u>		
Related companies	51,296	64,585
Total trade and other receivables - related parties	<u>51,296</u>	<u>64,585</u>
<u>Trade and other payables - related parties (Note 15)</u>		
Related companies	2,338	3,612
Total trade and other payables - related parties	<u>2,338</u>	<u>3,612</u>
<u>Provision for goods returned - related parties</u>		
(presented as a part of other current liabilities)		
Related companies	4,439	6,529
Total provision for goods returned - related parties	<u>4,439</u>	<u>6,529</u>

Directors and management's benefits

During the years ended 31 December 2024 and 2023, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2024	2023
Short-term employee benefits	16,496	14,452
Post-employment benefits	344	344
Total	16,840	14,796

7. **Cash and cash equivalents**

	(Unit: Thousand Baht)	
	2024	2023
Cash	213	167
Bank deposits	10,853	9,347
Total	11,066	9,514

As at 31 December 2024, bank deposits in saving accounts carried interests between 0.25% and 1.10% per annum (2023: between 0.3% and 1.1% per annum).

8. **Trade and other receivables**

	(Unit: Thousand Baht)	
	2024	2023
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	73,542	48,540
Past due		
Up to 3 months	9,902	10,564
3 - 6 months	226	35
Over 6 months	234	690
Total	83,904	59,829
Less: Allowance for expected credit losses	(25)	(25)
Total trade accounts receivable - unrelated parties, net	83,879	59,804

	(Unit: Thousand Baht)	
	2024	2023
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	50,306	62,366
Past due		
Up to 3 months	391	1,150
3 - 6 months	8	-
Total trade accounts receivable - related parties	50,705	63,516
Total trade accounts receivable - net	134,584	123,320
<u>Other receivables</u>		
Other receivables - unrelated parties	1,222	1,246
Other receivables - related parties	591	1,069
Total other receivables	1,813	2,315
Total trade and other receivables - net	136,397	125,635

The normal credit term is 0 to 90 days.

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	2024	2023
Beginning balance	25	14
Provision for expected credit losses	-	11
Ending balance	25	25

9. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	267,646	241,849	(15,913)	(13,491)	251,733	228,358
Work in process	21,184	27,537	-	-	21,184	27,537
Raw materials	89,998	83,626	(6,670)	(6,206)	83,328	77,420
Factory supplies	3,299	3,102	-	-	3,299	3,102
Inventories in transit	1,236	2,919	-	-	1,236	2,919
Total	383,363	359,033	(22,583)	(19,697)	360,780	339,336

During the current year, the Company reduced cost of inventories by Baht 2.89 million, to reflect the net realisable value. This was included in cost of sales (2023: reversed the write-down of cost of inventories by Baht 9.17 million, and reduced the amount of inventories recognised as expenses during the year).

10. Other current financial assets

	(Unit: Thousand Baht)	
	2024	2023
<u>Debt instruments at amortised cost</u>		
Fixed deposits at banks	3	3
Total debt instruments at amortised cost	<u>3</u>	<u>3</u>
<u>Financial assets at FVTPL</u>		
Unit trusts	60,804	135,046
Listed equity investments	133,407	176,635
Derivative assets	26	-
Total financial assets at FVTPL	<u>194,237</u>	<u>311,681</u>
Total other current financial assets	<u>194,240</u>	<u>311,684</u>
Cash received from sales of financial assets at FVTPL for the year	<u>750,036</u>	<u>680,202</u>

Total fair value of financial assets at FVTPL was Baht 192.7 million as at 20 February 2025.

11. Other non-current financial assets

	(Unit: Thousand Baht)	
	2024	2023
<u>Debt instruments at amortised cost</u>		
Quoted corporate bonds	119,770	118,757
Less: Current portion	<u>(20,770)</u>	<u>(16,757)</u>
Total debt instruments at amortised cost - net of current portion	<u>99,000</u>	<u>102,000</u>
<u>Equity instruments designated at FVOCI</u>		
Unit trusts	6,365	7,974
Equity instruments in related companies	473,928	525,954
Equity instruments in other companies		
MC GROUP PUBLIC COMPANY LIMITED	89,108	95,708
Others	<u>5,359</u>	<u>6,709</u>
Total equity instruments designated at FVOCI	<u>574,760</u>	<u>636,345</u>
Total other non-current financial assets	<u>673,760</u>	<u>738,345</u>
Cash received from sales of financial assets designated at FVOCI for the year	<u>1,385</u>	<u>30,788</u>

Total fair value of financial assets designated at FVOCI was Baht 562.4 million as at 20 February 2025.

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company considers these investments to be strategic in nature.

During the year 2024, the Company disposed financial assets designated at FVOCI. The fair value on the date of disposals was Baht 2.2 million and loss on disposals of these financial assets 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 disposals was Baht 30.3 million and loss on disposals of these financial assets was Baht 8.7 million). In 2023, the Company received dividends in the amount of Baht 0.2 million from the above investments (2024: None).

In addition, during the year 2024, the Company received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 21.3 million (2023: Baht 20.3 million).

12. Investment properties

The net book value of investment properties as at 31 December 2024 and 2023 is presented below.

	(Unit: Thousand Baht)		
	Land	Factory buildings	Total
Cost:			
1 January 2023	387	4,835	5,222
31 December 2023	387	4,835	5,222
31 December 2024	387	4,835	5,222
Accumulated depreciation:			
1 January 2023	-	4,835	4,835
31 December 2023	-	4,835	4,835
31 December 2024	-	4,835	4,835
Net book value:			
31 December 2023	387	-	387
31 December 2024	387	-	387

The fair value of these investment properties as at 31 December 2024 and 2023 were stated below:

	(Unit: Million Baht)	
	2024	2023
Land	9.8	13.3
Factory buildings	7.9	3.6
Total	17.7	16.9
Rental income for the year	6.7	6.0

In 2024, the fair value of investment properties has been determined based on valuation performed by an accredited independent valuer, using market price for land and replacement cost for factory buildings.

Investment properties represented land and factory buildings which were fully depreciated.

The Company rents this plant under agreements with a related company amounting to Baht 6.7 million. The term of agreements is 1 year since 1 January 2024 to 31 December 2024.

13. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2024 and 2023 are summarised below.

	(Unit: Thousand Baht)						
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost:							
1 January 2023	43,222	132,554	306,742	277,741	16,687	1,001	777,947
Additions	-	-	6,074	4,184	1,024	7,408	18,690
Transfer in (out)	-	-	-	2,060	-	(2,060)	-
Disposals	(40)	(1,370)	(4,824)	(1,474)	(2,214)	-	(9,922)
31 December 2023	43,182	131,184	307,992	282,511	15,497	6,349	786,715
Additions	-	-	1,615	7,070	-	11,674	20,359
Disposals	-	-	(23,559)	(10,713)	-	-	(34,272)
31 December 2024	43,182	131,184	286,048	278,868	15,497	18,023	772,802
Accumulated depreciation:							
1 January 2023	-	89,503	282,862	244,610	15,891	-	632,866
Depreciation for the year	-	2,008	2,341	5,641	643	-	10,633
Depreciation on disposals	-	(1,370)	(4,824)	(1,444)	(2,214)	-	(9,852)
31 December 2023	-	90,141	280,379	248,807	14,320	-	633,647
Depreciation for the year	-	1,997	2,570	6,890	532	-	11,989
Depreciation on disposals	-	-	(23,514)	(10,707)	-	-	(34,221)
31 December 2024	-	92,138	259,435	244,990	14,852	-	611,415

(Unit: Thousand Baht)

	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Net book value:							
31 December 2023	43,182	41,043	27,613	33,704	1,177	6,349	153,068
31 December 2024	43,182	39,046	26,613	33,878	645	18,023	161,387
Depreciation for the year							
2023 (Baht 4.6 million included in manufacturing cost, and the balance in selling and administrative expenses)							10,633
2024 (Baht 5.0 million included in manufacturing cost, and the balance in selling and administrative expenses)							11,989

As at 31 December 2024, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 610.9 million (2023: Baht 638.4 million).

14. Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	Buildings	Office equipment	Total
1 January 2023	11,305	724	12,029
Additions	4,496	-	4,496
Depreciation for the year	(6,477)	(222)	(6,699)
31 December 2023	9,324	502	9,826
Additions	2,126	-	2,126
Depreciation for the year	(8,678)	(147)	(8,825)
31 December 2024	2,772	355	3,127

15. Trade and other payables

(Unit: Thousand Baht)

	2024	2023
Trade accounts payable - related parties	2,313	3,579
Trade accounts payable - unrelated parties	39,345	53,957
Other payables - related parties	25	33
Other payables - unrelated parties	16,883	23,134
Total trade and other payables	58,566	80,703

16. Lease liabilities

The Company has lease contracts for various items of buildings and office equipment used in its operations, whereby it is committed to pay rental on a monthly basis. Leases contracts generally have lease terms between 2 - 5 years.

(Unit: Thousand Baht)

	2024	2023
Lease payments	3,568	11,212
Less: Deferred interest expenses	(276)	(662)
Total	3,292	10,550
Less: Portion due within one year	(1,044)	(7,258)
Lease liabilities - net of current portion	2,248	3,292

Movements of the lease liabilities account during the years ended 31 December 2024 and 2023 are summarised below:

(Unit: Thousand Baht)

	2024	2023
Balance at beginning of year	10,550	12,938
Additions	2,126	4,496
Accretion of interest	447	761
Repayments	(9,831)	(7,645)
Balance at end of year	3,292	10,550

A maturing analysis of lease payments is disclosed in Note 30.2 under the liquidity risk.

Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	2024	2023
Depreciation expense of right-of-use assets	8,825	6,699
Interest expense on lease liabilities	447	761
Expense relating to short-term leases	1,070	918
Expense relating to variable lease payments	109	90

The Company had total cash outflows for leases for the year ended 31 December 2024 of Baht 11.0 million (2023: Baht 7.6 million), including the cash outflow related to short-term lease and variable lease payments.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)					
	2024			2023		
	Post- employment benefits	Other long-term benefits	Total	Post- employment benefits	Other long-term benefits	Total
Balance at beginning of year	61,715	1,754	63,469	59,779	1,850	61,629
Included in profit or loss:						
Current service cost	4,408	252	4,660	3,768	304	4,072
Interest cost	1,318	38	1,356	461	10	471
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	-	(19)	(19)
Financial assumptions changes	-	-	-	-	(128)	(128)
Experience adjustments	-	-	-	-	308	308
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	396	-	396
Financial assumptions changes	-	-	-	(4,331)	-	(4,331)
Experience adjustments	-	-	-	11,102	-	11,102
Benefits paid during the year	<u>(11,392)</u>	<u>(536)</u>	<u>(11,928)</u>	<u>(9,460)</u>	<u>(571)</u>	<u>(10,031)</u>
Balance at end of year	<u>56,049</u>	<u>1,508</u>	<u>57,557</u>	<u>61,715</u>	<u>1,754</u>	<u>63,469</u>

The Company expects to pay Baht 9.41 million of long-term employee benefits during the next year (2023: Baht 15.44 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 6 years (2023: 6 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2024	2023
Discount rate	2.47, 2.52	2.47, 2.52
Salary increase rate	3.00	3.00
Staff turnover rate	3 - 34	3 - 34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

	2024			
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	0.5	(1,233)	0.5	1,288
Salary increase rate	1.0	3,071	1.0	(2,855)
Staff turnover rate	20.0	(2,952)	20.0	3,368

	2023			
	Increase	Effect to obligation	Decrease	Effect to obligation
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Discount rate	0.5	(1,364)	0.5	1,427
Salary increase rate	1.0	2,810	1.0	(2,618)
Staff turnover rate	20.0	(2,656)	20.0	3,007

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

19. General reserve

The Company allocated portion of profit as general reserve without specific objective.

20. Other income

	(Unit: Thousand Baht)	
	2024	2023
Interest income	4,377	4,562
Consulting income	3,227	3,934
Rental income	7,671	7,073
Dividends income	32,985	32,818
Gain on sale of investments	4,189	3,766
Others	11,653	12,488
Total	64,102	64,641

21. Finance cost

	(Unit: Thousand Baht)	
	2024	2023
Interest expenses on lease liabilities	447	761
Total	447	761

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2024	2023
Salaries and wages and other employee benefits	222,500	196,649
Depreciation and amortisation expenses	20,926	17,334
Rental expenses from operating lease agreements	10,602	1,008
Raw materials and consumables used	350,884	313,607
Changes in inventories of finished goods and work in progress	(19,444)	19,902

23. Income tax

Income tax expenses (revenues) for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)	
	2024	2023
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(8,622)	57
Income tax expenses (revenues) reported in the statement of comprehensive income	(8,622)	57

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)	
	2024	2023
Deferred tax on		
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income	(14,734)	8,526
Actuarial loss	-	(1,433)
	(14,734)	7,093

The reconciliation between accounting profit (loss) and income tax expenses (revenues) is shown below.

	(Unit: Thousand Baht)	
	2024	2023
Accounting profit (loss) before tax	(6,665)	26,042
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(1,333)	5,208
Effects of:		
Non-deductible expenses	711	601
Additional expense deductions allowed	(62)	(1,809)
Dividends income	(6,597)	(6,270)
Utilise of tax loss	(1,341)	-
Unrecorded of unused tax losses	-	2,327
Total	(7,289)	(5,151)
Income tax expenses (revenues) reported in the statement of comprehensive income	(8,622)	57

As at 31 December 2024 and 2023, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2024	2023
Deferred tax assets		
Goods consignment	514	376
Provision for goods returned	160	206
Allowance for diminution in value of inventories	4,517	3,939
Transfer of investments designated at fair value through other comprehensive income	12	12
Provision for long-term employee benefits	11,511	12,694
Lease	41	153
Total	16,755	17,380
Deferred tax liabilities		
Unrealised fair value gain on investments	47,946	71,927
Total	47,946	71,927
Deferred tax liabilities - net	31,191	54,547

The Company is not liable to corporate income tax for the years 2024 and 2023 due to tax loss brought forward. As at 31 December 2024, the Company has unused tax losses totaling Baht 72.7 million (2023: Baht 88.0 million), on which deferred tax asset has not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of unused tax losses. The unused tax losses will expire by 2028 (2023: by 2026).

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

25. Dividends paid

Dividends	Approved by	Total dividends (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

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacturing and distributing ready-made cloths. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss 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.

Major customers information

During the year 2024, the Company has revenue from two major customers in amount of Baht 545.9 million (2023: three major customers in amount of Baht 529.5 million).

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	2024	2023
Revenue from external customers		
Thailand	511,082	525,310
United States of America	245,035	153,275
Vietnam	13,695	22,631
Cambodia	2,834	-
Singapore	962	1,689
Others	321	615
Total	<u>773,929</u>	<u>703,520</u>

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rates of 3 - 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2024 amounting to approximately Baht 3.0 million (2023: Baht 2.9 million) were recognised as expenses.

28. Commitments and contingent liabilities

28.1 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)	
	2024	2023
Payable:		
Up to 1 year	2,295	1,423

28.2 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:

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

29. Fair value hierarchy

As at 31 December 2024 and 2023, the Company had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 31 December 2024			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	21.3	39.5	-	60.8
Investments in marketable securities	133.4	-	-	133.4
Other non-current financial assets				
Unit trusts	6.4	-	-	6.4
Investments in marketable securities	458.9	1.0	-	459.9
Investments in non-marketable securities	-	-	108.5	108.5
Assets for which fair value are disclosed				
Other non-current financial assets				
Investments in debt securities	-	121.6	-	121.6
Investment properties	-	9.8	7.9	17.7
	(Unit: Million Baht)			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	24.0	111.0	-	135.0
Investments in marketable securities	176.7	-	-	176.7
Other non-current financial assets				
Unit trusts	8.0	-	-	8.0
Investments in marketable securities	511.1	1.0	-	512.1
Investments in non-marketable securities	-	-	116.2	116.2

(Unit: Million Baht)

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Other non-current financial assets				
Investments in debt securities	-	119.7	-	119.7
Investment properties	-	13.3	3.6	16.9

30. Financial instruments

30.1 Derivatives

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 6 months.

30.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade and other receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising interest rate risk, foreign currency risk and price risk relating to price of goods and materials. The Company closely monitors changes in their price to supporting purchasing plans and enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the export of goods.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, investments, and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk of the Company is still low.

As at 31 December 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

2024							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rates (% per annum)	
Within 1 year	More than 1 to 5 years	More than 5 years					
Financial assets							
Cash and cash equivalents	6	-	-	10,847	213	11,066	0.25 - 1.10
Trade and other receivables	-	-	-	-	136,397	136,397	-
Other current financial assets	3	-	-	-	194,237	194,240	0.75
Other non-current financial assets	20,770	79,000	20,000	-	574,760	694,530	2.65 - 7.10
Financial liabilities							
Trade and other payables	-	-	-	-	58,566	58,566	-
Lease liabilities	1,044	2,248	-	-	-	3,292	5.27 - 5.32

(Unit: Thousand Baht)

2023							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rates (% per annum)	
Within 1 year	More than 1 to 5 years	More than 5 years					
Financial assets							
Cash and cash equivalents	6	-	-	9,341	167	9,514	0.15 - 0.60
Trade and other receivables	-	-	-	-	125,635	125,635	-
Other current financial assets	3	-	-	-	311,681	311,684	0.38 - 1.05
Other non-current financial assets	16,757	77,000	25,000	-	636,345	755,102	2.65 - 7.10
Financial liabilities							
Trade and other payables	-	-	-	-	80,703	80,703	-
Lease liabilities	7,258	3,292	-	-	-	10,550	5.27 - 5.32

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2024 and 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2024	2023	2024	2023	2024	2023
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1,341	596	86	133	33.9488	34.1781

Liquidity risk

The Company's current assets significantly exceed current liabilities. Moreover, the Company has access to sources of funding from bank overdrafts and short-term loans from banks. The Company's liquidity risk is therefore considered to be low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2024		
	Less than	1 to 5	Total
	1 year	years	
Non-derivatives			
Trade and other payables	58,338	228	58,566
Lease liabilities	1,194	2,374	3,568
Total non-derivatives	59,532	2,602	62,134

(Unit: Thousand Baht)

	As at 31 December 2023		
	Less than	1 to 5	Total
	1 year	years	
Non-derivatives			
Trade and other payables	80,367	336	80,703
Lease liabilities	7,644	3,568	11,212
Total non-derivatives	88,011	3,904	91,915

30.3 Fair values 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.

The methods and assumptions used by the Company estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables, trade and other payables, and lease liabilities, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- d) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company considers counterparty credit risk when determining the fair value of derivatives.

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

30.4 Reconciliation of recurring fair value measurement, of financial assets, categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)
	Investments in non-marketable equity securities
	<hr/>
Balance as at 1 January 2023	78,355
Acquired investments during the year	21,000
Disposed investments during the year	(491)
Increase in fair value and recognised into other comprehensive income	17,373
	<hr/>
Balance as at 31 December 2023	116,237
Disposed investments during the year	(1,200)
Decrease in fair value and recognised into other comprehensive income	(6,519)
	<hr/>
Balance as at 31 December 2024	<u>108,518</u>

In 2024 and 2023, key assumptions used in the valuation are summarised below.

Valuation technique	Significant unobservable inputs	Rates (%)		Sensitivity of the input to fair value
		2024	2023	
1) Discounted cash flows	Weighted average cost of capital (WACC)	7.19 - 10.36	8.72 - 10.97	1% increase in WACC would result in decreasing in fair value Baht 9.1 million. (2023: Baht 7.1 million). 1% decrease in WACC would result in increasing in fair value Baht 12.2 million. (2023: Baht 9.3 million).
2) Adjusted book value	Liquidity and minority discount	22.7 - 38.0	22.7 - 38.0	1% increase in liquidity and minority discounts would result in decreasing in fair value Baht 1.1 million. (2023: Baht 1.4 million). 1% decrease in liquidity and minority discounts would result in increasing in fair value Baht 1.2 million. (2023: Baht 1.4 million).

31. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2024, the Company's debt-to-equity ratio was 0.11:1 (2023: 0.15:1).

32. Event after the reporting period

On 21 February 2025, a meeting of the Company's Board of Directors passed a resolution to propose the dividend payment to shareholders of Baht 0.2 per share, or a total of Baht 19.2 million, from the Company's retained earnings. This will be proposed to the 2025 Annual General Meeting of the Company's shareholders for approval. Such dividend will be paid and recorded after being approved by the Annual General Meeting of the Company's shareholders.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2025.