

People's Garment Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 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 statement of financial position of People's Garment Public Company Limited as at 31 March 2024, the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 7 May 2024

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

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Assets			
Current assets			
Cash and cash equivalents		5,291	9,514
Trade and other receivables	3	145,141	125,635
Inventories	4	353,046	339,336
Current portion of other non-current financial assets	6	19,518	16,757
Other current financial assets	5	263,000	311,684
Other current assets		9,823	4,421
Total current assets		<u>795,819</u>	<u>807,347</u>
Non-current assets			
Other non-current financial assets - net of current portion	6	744,556	738,345
Investment property		387	387
Property, plant and equipment		158,778	153,068
Right-of-use assets		8,152	9,826
Intangible assets		162	1
Other non-current assets		5,058	4,830
Total non-current assets		<u>917,093</u>	<u>906,457</u>
Total assets		<u>1,712,912</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 31 March 2024

(Unit: Thousand Baht)

	Note	31 March 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	85,112	80,703
Current portion of lease liabilities		5,735	7,258
Other current liabilities		5,666	9,782
Total current liabilities		<u>96,513</u>	<u>97,743</u>
Non-current liabilities			
Lease liabilities - net of current portion		3,036	3,292
Provision for long-term employee benefits		61,334	63,469
Deferred tax liabilities		53,168	54,547
Total non-current liabilities		<u>117,538</u>	<u>121,308</u>
Total liabilities		<u>214,051</u>	<u>219,051</u>
Shareholders' equity			
Share capital			
Registered			
96,000,000 ordinary shares of Baht 1 each		<u>96,000</u>	<u>96,000</u>
Issued and fully paid			
96,000,000 ordinary shares of Baht 1 each		96,000	96,000
Premium on share capital		325,200	325,200
Retained earnings			
Appropriated - statutory reserve		9,600	9,600
Appropriated - general reserve		2,500	2,500
Unappropriated		772,272	768,710
Other components of shareholders' equity		293,289	292,743
Total shareholders' equity		<u>1,498,861</u>	<u>1,494,753</u>
Total liabilities and shareholders' equity		<u>1,712,912</u>	<u>1,713,804</u>

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

Directors

(Unaudited but reviewed)

People's Garment Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

	Note	2024	2023
Profit or loss:			
Revenues			
Sales income		182,268	197,107
Other income		18,007	21,963
Total revenues		<u>200,275</u>	<u>219,070</u>
Expenses			
Cost of sales		142,265	150,185
Selling and distribution expenses		3,456	2,992
Administrative expenses		43,456	38,891
Loss on measurement of fair value of investments		8,920	9,661
Total expenses		<u>198,097</u>	<u>201,729</u>
Operating profit		2,178	17,341
Finance cost		(132)	(224)
Profit before income tax revenues		2,046	17,117
Income tax revenues	8	1,516	175
Profit for the period		<u>3,562</u>	<u>17,292</u>

Other comprehensive income:

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

Gain (loss) on changes in value of equity investments designated

at fair value through other comprehensive income - net of income tax

546

(9,427)

Other comprehensive income for the period

546

(9,427)

Total comprehensive income for the period

4,108

7,865

(Unit: Baht)

Earnings per share

Basic earnings per share

Profit for the period

0.04

0.18

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

People's Garment Public Company Limited
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2024

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Other component of shareholders' equity									
	Other comprehensive income									
	Issued and fully paid share capital	Premium on share capital	Appropriated - statutory reserve	Appropriated - general reserve	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	-	-	-	-	17,292	-	-	-	17,292	
Other comprehensive income for the period	-	-	-	-	-	(9,427)	-	(9,427)	(9,427)	
Total comprehensive income for the period	-	-	-	-	17,292	(9,427)	-	(9,427)	7,865	
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 6)	-	-	-	-	(7,762)	7,762	-	7,762	-	
Balance as at 31 March 2023	96,000	325,200	9,600	2,500	785,930	243,126	6,761	249,887	1,469,117	
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	
Profit for the period	-	-	-	-	3,562	-	-	-	3,562	
Other comprehensive income for the period	-	-	-	-	-	546	-	546	546	
Total comprehensive income for the period	-	-	-	-	3,562	546	-	546	4,108	
Balance as at 31 March 2024	96,000	325,200	9,600	2,500	772,272	286,528	6,761	293,289	1,498,861	

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 three-month period ended 31 March 2024

(Unit: Thousand Baht)

	2024	2023
Cash flows from operating activities		
Profit before tax	2,046	17,117
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	4,536	4,262
Expected credit losses	-	11
Reduction of inventories to net realisable value (reversal)	1,038	(2,884)
Unrealised loss on other current financial assets	8,920	9,816
Gain on sales of other current financial assets	(2,387)	(7,104)
Interest income	(936)	(1,018)
Finance cost	132	224
Dividends income	(8,897)	(7,254)
Gain on sales of equipment	(267)	(718)
Unrealised loss on exchange	723	311
Long-term employee benefits expenses	1,529	1,355
Profit from operating activities before changes in operating assets and liabilities	6,437	14,118
Operating assets (increase) decrease		
Trade and other receivables	(20,263)	(15,529)
Inventories	(14,748)	17,516
Other current assets	(5,245)	(1,449)
Other non-current assets	(228)	(130)
Operating liabilities increase (decrease)		
Trade and other payables	4,448	11,358
Other current liabilities	(4,117)	(14,606)
Cash paid for long-term employee benefits	(3,664)	(3,808)
Cash flows from (used in) operating activities	(37,380)	7,470
Cash paid for income tax	(156)	(141)
Net cash flows from (used in) operating activities	(37,536)	7,329

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 three-month period ended 31 March 2024

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(152,863)	(201,379)
Cash received from sales of other current financial assets	195,014	192,116
Cash received from redemptions of held-to-maturity debt securities	1,239	-
Cash paid for acquisitions of other non-current financial assets	(9,605)	(35,024)
Cash received from sales of other non-current financial assets	76	26,644
Cash received from dividends	8,622	6,337
Cash received from interest	1,206	1,134
Cash paid for acquisitions of equipment	(8,613)	(2,856)
Cash received from sales of equipment	312	718
Cash paid for acquisitions of intangible assets	(164)	-
Net cash flows from (used in) investing activities	35,224	(12,310)
Cash flows from financing activities		
Cash paid for lease liabilities	(1,779)	(1,687)
Cash paid for interest on lease liabilities	(132)	(224)
Net cash flows used in financing activities	(1,911)	(1,911)
Net decrease in cash and cash equivalents	(4,223)	(6,892)
Cash and cash equivalents at beginning of period	9,514	26,250
Cash and cash equivalents at end of period	5,291	19,358

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	(546)	9,427
Payables from acquisitions of investments in equity designated at fair value through profit or loss	-	280
Receivables from sales of investments in equity designated at fair value through profit or loss	-	613

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

People's Garment Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2024

1. General information

1.1 Basis for the preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, it focuses on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory interim financial information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.2 Accounting policies

This interim financial information is 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 information.

2. Related party transactions

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. 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 periods ended 31 March

	2024	2023
<u>Transactions with related parties</u>		
Sales of goods	76,206	88,004
Other income	2,190	2,103
Rental income	1,621	1,622
Service expenses	4,689	7,731
Purchase of raw materials	655	1,550
Purchase of goods	1,332	3,836
Rental expenses	2,031	1,931
Trademark fee	-	1
Other expenses	599	1,297

The balances of provision for goods returned - related parties, presented as a part of other current liabilities, as at 31 March 2024 amounting to Baht 4.2 million (31 December 2023: Baht 6.5 million).

Directors and management's benefits

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2024	2023
Short-term employee benefits	3,229	2,963
Post-employment benefits	86	19
Total	3,315	2,982

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	65,656	48,540
Past due		
Up to 3 months	17,746	10,564
3 - 6 months	670	35
Over 6 months	16	690
Total	84,088	59,829
Less: Allowance for expected credit losses	(25)	(25)
Total trade accounts receivable - unrelated parties, net	84,063	59,804
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	56,272	62,366
Past due		
Up to 3 months	2,414	1,150
3 - 6 months	66	-
Total trade accounts receivable - related parties	58,752	63,516
Total trade accounts receivable - net	142,815	123,320
<u>Other receivables</u>		
Other receivables - unrelated parties	1,720	1,246
Other receivables - related parties	606	1,069
Total other receivables	2,326	2,315
Total trade and other receivables - net	145,141	125,635

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

Movements in allowance for diminution in values of inventories account during the three-month period ended 31 March 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>1,038</u>
Balance as at 31 March 2024	<u><u>20,735</u></u>

5. Other current financial assets

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Investments designated at fair value through profit or loss		
Unit trusts	94,881	135,046
Fixed deposits at banks	3	3
Investments in other companies	<u>168,116</u>	<u>176,635</u>
Total investments designated at fair value through profit or loss	<u>263,000</u>	<u>311,684</u>
Cash received from sales of investments designated at fair value through profit or loss for the period/year	<u>195,014</u>	<u>680,202</u>

Total fair value of investments designated at fair value through profit or loss was Baht 251.9 million as at 3 May 2024.

(Unaudited but reviewed)

6. Other non-current financial assets

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Investments designated at fair value through other comprehensive income		
Unit trusts	7,703	7,974
Investments in related companies	527,517	525,954
Investments in other companies	106,336	102,417
Total investments designated at fair value through other comprehensive income	641,556	636,345
Investment measured at amortised cost		
Investments in debt securities - at cost	122,518	118,757
Less: Current portion	(19,518)	(16,757)
Total investments in debt securities, net of current portion	103,000	102,000
Total other non-current financial assets - net of current portion	744,556	738,345
Cash received from sales of investments designated at fair value through other comprehensive income for the period/year	1,315	30,788

Total fair value of investments designated at fair value through other comprehensive income was Baht 622.5 million as at 3 May 2024.

During the three-month period ended 31 March 2023, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sales was Baht 26.6 million. Loss on disposals of these investments of Baht 7.8 million was recorded in unappropriated retained earnings in statement of changes in shareholders' equity (2024: Nil).

7. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
		(Audited)
Trade accounts payable - related parties	3,316	3,579
Trade accounts payable - unrelated parties	63,595	53,957
Other payables - related parties	35	33
Other payables - unrelated parties	18,166	23,134
Total trade and other payables	85,112	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 revenues for the three-month periods ended 31 March 2024 and 2023 were made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2024	2023
Current income tax:		
Interim corporate income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,516)	(175)
Income tax revenues reported in the statement of comprehensive income	(1,516)	(175)

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 period ended 31 March 2024, the revenue from sales of Baht 74.2 million, (2023: Baht 81.1 million) was from 1 major customer which is a related company.

10. Commitments and contingent liabilities**10.1 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)	
	31 March 2024	31 December 2023
		(Audited)
Payable in 1 year	1,989	1,423

10.2 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	31 March 2024	31 December 2023
		(Audited)
Electricity use	1.9	1.9
Payment due to creditors	0.1	0.1
Total	2.0	2.0

11. Financial instruments**11.1 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.

11.2 Fair value hierarchy

As at 31 March 2024, the Company had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Unit trusts	23.8	71.1	-	94.9
Investments in marketable securities	168.1	-	-	168.1
Other non-current financial assets				
Unit trusts	7.7	-	-	7.7
Investments in marketable securities	516.7	1.0	-	517.7
Investments in non-marketable securities	-	-	116.2	116.2

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.

12. Event after the reporting period

On 23 April 2024, the Annual General Meeting of Shareholders passed a resolution to approve dividend payment of Baht 19.2 million (Baht 0.20 per share). The dividend payment will be made on 21 May 2024.

13. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 7 May 2024.