

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



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Klongtoey, Bangkok 10110
Tel: +66 2264 9090
Fax: +66 2264 0789
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลคร์ชดา
193/136-137 ถนนรัชดาภิเษก
แขวงคลองเตย เขตคลองเตย กรุงเทพฯ 10110
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789
ey.com

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of People's Garment Public Company Limited

I have reviewed the accompanying financial information of People's Garment Public Company Limited (the Company), which comprises the statement of financial position as at 30 September 2024, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Orawan Techawatanasirikul
Certified Public Accountant (Thailand) No. 4807

EY Office Limited
Bangkok: 12 November 2024

People's Garment Public Company Limited

Statement of financial position

As at 30 September 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)
Assets			
Current assets			
Cash and cash equivalents		4,595	9,514
Trade and other receivables	3	160,502	125,635
Inventories	4	387,243	339,336
Current portion of other non-current financial assets	6	22,000	16,757
Other current financial assets	5	202,615	311,684
Other current assets		10,859	4,421
Total current assets		<u>787,814</u>	<u>807,347</u>
Non-current assets			
Other non-current financial assets - net of current portion	6	698,133	738,345
Investment property		387	387
Property, plant and equipment		158,260	153,068
Right-of-use assets		5,333	9,826
Intangible assets		651	1
Other non-current assets		5,261	4,830
Total non-current assets		<u>868,025</u>	<u>906,457</u>
Total assets		<u>1,655,839</u>	<u>1,713,804</u>

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

People's Garment Public Company Limited
Statement of financial position (continued)
As at 30 September 2024

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	7	97,467	80,703
Current portion of lease liabilities		3,171	7,258
Other current liabilities		9,060	9,782
Total current liabilities		<u>109,698</u>	<u>97,743</u>
Non-current liabilities			
Lease liabilities - net of current portion		2,514	3,292
Provision for long-term employee benefits		59,440	63,469
Deferred tax liabilities		39,232	54,547
Total non-current liabilities		<u>101,186</u>	<u>121,308</u>
Total liabilities		<u>210,884</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		759,815	768,710
Other components of shareholders' equity		251,840	292,743
Total shareholders' equity		<u>1,444,955</u>	<u>1,494,753</u>
Total liabilities and shareholders' equity		<u>1,655,839</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 30 September 2024

		(Unit: Thousand Baht)	
	Note	2024	2023
Profit or loss:			
Revenues			
Sales income		205,210	161,304
Other income		9,084	9,033
Gain on measurement of fair value of investments		16,865	4,867
Total revenues		<u>231,159</u>	<u>175,204</u>
Expenses			
Cost of sales		157,872	126,644
Selling and distribution expenses		3,953	2,423
Administrative expenses		46,294	40,660
Total expenses		<u>208,119</u>	<u>169,727</u>
Operating profit		23,040	5,477
Finance cost		(97)	(179)
Profit before income tax expenses		22,943	5,298
Income tax expenses	8	(3,146)	(893)
Profit for the period		<u>19,797</u>	<u>4,405</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		(2,966)	5,573
Other comprehensive income for the period		<u>(2,966)</u>	<u>5,573</u>
Total comprehensive income for the period		<u>16,831</u>	<u>9,978</u>
			(Unit: Baht)
Earnings per share			
Basic earnings per share			
Profit for the period		<u>0.21</u>	<u>0.05</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Note	2024	2023
Profit or loss:			
Revenues			
Sales income		572,518	513,429
Other income		46,581	51,924
Total revenues		<u>619,099</u>	<u>565,353</u>
Expenses			
Cost of sales		435,912	399,511
Selling and distribution expenses		14,032	7,969
Administrative expenses		137,176	119,853
Loss on measurement of fair value of investments		26,044	5,120
Total expenses		<u>613,164</u>	<u>532,453</u>
Operating profit		5,935	32,900
Finance cost		(383)	(605)
Profit before income tax revenues (expenses)		5,552	32,295
Income tax revenues (expenses)	8	5,089	(1,545)
Profit for the period		<u>10,641</u>	<u>30,750</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		(41,239)	11,846
Other comprehensive income for the period		<u>(41,239)</u>	<u>11,846</u>
Total comprehensive income for the period		<u>(30,598)</u>	<u>42,596</u>
			(Unit: Baht)
Earnings per share			
Basic earnings per share			
Profit for the period		0.11	0.32

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 nine-month period ended 30 September 2024

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Other component of shareholders' equity									
	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	Other comprehensive income		Total
								designated at fair value through other comprehensive income	shareholder's equity component of	
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	-	-	-	-	30,750	-	-	30,750	-	30,750
Other comprehensive income for the period	-	-	-	-	-	11,846	-	11,846	-	11,846
Total comprehensive income for the period	-	-	-	-	30,750	11,846	-	11,846	-	42,596
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 6)	-	-	-	-	(8,584)	8,584	-	8,584	-	-
Dividends paid (Note 10)	-	-	-	-	(19,200)	-	-	-	-	(19,200)
Balance as at 30 September 2023	96,000	325,200	9,600	2,500	779,366	265,221	6,761	271,982		1,484,648
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	-	-	-	-	10,641	-	-	10,641	-	10,641
Other comprehensive income for the period	-	-	-	-	-	(41,239)	-	(41,239)	-	(41,239)
Total comprehensive income for the period	-	-	-	-	10,641	(41,239)	-	(41,239)	-	(30,598)
Transfer gain or loss of equity investments designated at fair value through other comprehensive income (Note 6)	-	-	-	-	(336)	336	-	336	-	-
Dividends paid (Note 10)	-	-	-	-	(19,200)	-	-	-	-	(19,200)
Balance as at 30 September 2024	96,000	325,200	9,600	2,500	759,815	245,079	6,761	251,840		1,444,955

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 nine-month period ended 30 September 2024

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from operating activities		
Profit before tax	5,552	32,295
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	15,637	12,914
Expected credit losses	-	11
Reduction of inventories to net realisable value (reversal)	4,282	(5,111)
Unrealised loss on other current financial assets	26,044	5,120
Gain on sales of other current financial assets	(3,130)	(7,244)
Interest income	(3,274)	(3,361)
Finance cost	383	605
Dividends income	(24,972)	(25,981)
Gain on sales of equipment	(352)	(719)
Unrealised loss on exchange	872	322
Long-term employee benefits expenses	4,357	3,513
Profit from operating activities before changes in operating assets and liabilities	25,399	12,364
Operating assets (increase) decrease		
Trade and other receivables	(36,406)	(13,303)
Inventories	(52,189)	9,498
Other current assets	(5,801)	(911)
Other non-current assets	(431)	(713)
Operating liabilities increase (decrease)		
Trade and other payables	17,019	25,096
Other current liabilities	(722)	(20,220)
Cash paid for long-term employee benefits	(8,386)	(7,984)
Cash flows from (used in) operating activities	(61,517)	3,827
Cash paid for income tax	(462)	(417)
Net cash flows from (used in) operating activities	(61,979)	3,410

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 nine-month period ended 30 September 2024

(Unit: Thousand Baht)

	2024	2023
Cash flows from investing activities		
Cash paid for acquisitions of other current financial assets	(478,220)	(543,291)
Cash received from sales of other current financial assets	564,375	546,741
Cash received from redemptions of held-to-maturity debt securities	8,757	500
Cash paid for acquisitions of other non-current financial assets	(27,442)	(53,762)
Cash received from sales of other non-current financial assets	1,334	30,251
Cash received from return of other non-current financial assets	855	-
Cash received from dividends	24,972	25,981
Cash received from interest	3,511	3,420
Cash paid for acquisitions of equipment	(14,183)	(6,841)
Cash received from sales of equipment	403	750
Cash paid for acquisitions of intangible assets	(728)	-
Net cash flows from investing activities	83,634	3,749
Cash flows from financing activities		
Cash paid for lease liabilities	(6,991)	(5,128)
Cash paid for interest on lease liabilities	(383)	(605)
Dividends paid	(19,200)	(19,200)
Net cash flows used in financing activities	(26,574)	(24,933)
Net decrease in cash and cash equivalents	(4,919)	(17,774)
Cash and cash equivalents at the beginning of period	9,514	26,250
Cash and cash equivalents at the end of period	4,595	8,476

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

	41,239	(11,846)
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Increase in right-of-use assets and lease liabilities

	2,126	4,496
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The accompanying notes to interim financial statements are an integral part of the financial statements.

People's Garment Public Company Limited

Condensed notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2024

1. General information

1.1 Corporate information

People's Garment Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company 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.

On 17 October 2024, a shareholder of the Company addition invested in the Company's ordinary shares through trading system of the Stock Exchange of Thailand. As a result, the shareholding percentage of such shareholder (Saha Pathana Inter-Holding Public Company Limited) increased from 13.78% to 42.39%. Therefore, the Company's major shareholder is Saha Pathana Inter-Holding Public Company Limited which was a public company incorporated in Thailand.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*, with the Company presenting condensed interim financial statements. The Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements and has presented notes to the interim financial statements on a condensed basis.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Accounting policies

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

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

1.4 New 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.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

2. Related party transactions

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2024	2023	2024	2023
<u>Transactions with related companies</u>				
Sales of goods	85,286	79,465	243,169	243,902
Other income	2,225	2,046	6,552	6,392
Dividends income	2,342	1,720	13,104	13,965
Rental income	1,647	1,397	5,032	4,712
Service expenses	5,931	8,416	15,419	23,761
Purchase of raw materials	1,688	1,776	2,534	4,378
Purchase of goods	1,084	1,364	2,416	6,933
Return of goods	-	-	445	-
Rental expenses	2,416	2,031	7,248	5,993
Trademark fee	-	-	-	3
Other expenses	489	575	2,229	2,549

(Unaudited but reviewed)

The balances of provision for goods returned - related parties, presented as a part of other current liabilities, as at 30 September 2024 amounting to Baht 4.5 million (31 December 2023: Baht 6.5 million).

Directors and management's benefits

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2024	2023	2024	2023
Short-term employee benefits	3,696	3,887	10,335	11,583
Post-employment benefits	86	19	258	57
Total	<u>3,782</u>	<u>3,906</u>	<u>10,593</u>	<u>11,640</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	30 September 2024	31 December 2023
		(Audited)
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	80,759	48,540
Past due		
Up to 3 months	9,549	10,564
3 - 6 months	675	35
Over 6 months	377	690
Total	<u>91,360</u>	<u>59,829</u>
Less: Allowance for expected credit losses	<u>(25)</u>	<u>(25)</u>
Total trade accounts receivable - unrelated parties, net	<u>91,335</u>	<u>59,804</u>
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	67,408	62,366
Past due		
Up to 3 months	105	1,150
Over 6 months	203	-
Total trade accounts receivable - related parties	<u>67,716</u>	<u>63,516</u>
Total trade accounts receivable - net	<u>159,051</u>	<u>123,320</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2024	31 December 2023
		(Audited)
<u>Other receivables</u>		
Other receivables - unrelated parties	928	1,246
Other receivables - related parties	523	1,069
Total other receivables	1,451	2,315
Total trade and other receivables - net	160,502	125,635

4. Inventories

Allowance for diminution in value of inventories

Movements in allowance for diminution in value of inventories account during the nine-month period ended 30 September 2024 were summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2024	19,697
Allowance for diminution in value of inventories during the period	4,282
Balance as at 30 September 2024	23,979

5. Other current financial assets

(Unit: Thousand Baht)

	30 September 2024	31 December 2023
		(Audited)
Investments designated at fair value through profit or loss		
Unit trusts	47,426	135,046
Fixed deposits at banks	3	3
Investments in other companies	155,011	176,635
Total investments designated at fair value through profit or loss	202,440	311,684
Derivative assets	175	-
Total other current financial assets	202,615	311,684
Cash received from sales of investments designated at fair value through profit or loss for the period/year	564,375	680,202

Total fair value of investments designated at fair value through profit or loss was Baht 190 million as at 11 November 2024.

(Unaudited but reviewed)

6. Other non-current financial assets

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
		(Audited)
Investments designated at fair value through other comprehensive income		
Unit trusts	6,537	7,974
Investments in related companies	483,756	525,954
Investments in other companies	106,840	102,417
Total investments designated at fair value through other comprehensive income	597,133	636,345
Investment measured at amortised cost		
Investments in debt securities - at cost	123,000	118,757
Less: Current portion	(22,000)	(16,757)
Investments in debt securities, net of current portion	101,000	102,000
Total other non-current financial assets - net of current portion	698,133	738,345
Cash received from sales of investments designated at fair value through other comprehensive income for the period/year	1,334	30,788

Total fair value of investments designated at fair value through other comprehensive income was Baht 586 million as at 11 November 2024.

During the nine-month period ended 30 September 2024, the Company disposed investments designated at fair value through other comprehensive income. The fair value on the date of sales was Baht 1.2 million. Loss on disposals of these investments of Baht 0.3 million was recorded in unappropriated retained earnings in statement of changes in shareholders' equity (2023: the fair value on the date of sales was Baht 30.3 million and loss on disposals of these investments of Baht 8.6 million, respectively).

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
		(Audited)
Trade accounts payable - related parties	4,322	3,579
Trade accounts payable - unrelated parties	65,358	53,957
Other payables - related parties	148	33
Other payables - unrelated parties	27,639	23,134
Total trade and other payables	97,467	80,703

8. Income tax

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

Income tax expenses (revenues) for the three-month and nine-month periods ended 30 September 2024 and 2023 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2024	2023	2024	2023
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Interim income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3,146	893	(5,089)	1,545
Tax expenses (revenues) reported in the statement of comprehensive income	<u>3,146</u>	<u>893</u>	<u>(5,089)</u>	<u>1,545</u>

9. Segment information

The Company is principally engaged in the manufacturing and distributing ready-made cloths. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer information

During the three-month and nine-month periods ended 30 September 2024, the revenue from sales of Baht 85 million and Baht 238 million, respectively, (2023: Baht 79 million and Baht 230 million, respectively) was from 1 major customer which is a related company.

10. Dividends paid

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

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

The Company has commitments with regard to operating lease agreements, service agreements, and others under the non-cancellable agreements with the term of 1 year. The Company has obligations to pay service and rental fees as follows:

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
		(Audited)
Payable within 1 year	2,414	1,423
Payable over 1 and up to 5 years	2	-

11.2 Bank guarantees

The Company has outstanding bank guarantees issued by the banks on behalf of the Company as required in the normal course of business as follows:

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

12. Financial instruments

12.1 Fair value of financial instruments

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

12.2 Fair value hierarchy

As at 30 September 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	22.3	25.1	-	47.4
Investments in marketable securities	155.0	-	-	155.0
Derivative assets	-	0.2	-	0.2
Other non-current financial assets				
Unit trusts	6.5	-	-	6.5
Investments in marketable securities	473.8	1.0	-	474.8
Investments in non-marketable securities	-	-	115.8	115.8

During the current period, there were no changes in the methods and assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

13. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2024.