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## Explanation and Analysis of Performance and Financial Standing

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### Description and Analysis of Performance and Financial Standing

The Thai economic outlook for 2025, considering it a year of new change under conditions of economic structure, the economic is gradually growing up, even it receive support from export market which is exceeding expectations particularly in US market and Indian market. In addition, there are economic stimulus measures from government section but it still face external challenges are as follows: -

- **Global trade policy:** US tariffs and the US-China trade conflict.
- **Domestic purchasing power:** High levels of household debt are making consumers cautious Spending.
- **Currency volatility:** The appreciation of the Thai baht directly impacts export earnings when converted to Thai baht.

### Synopsis of Performance

In 2025, the company had income from product sales of 605.20 million baht, an decrease of 21.80 percent, net loss amounted 5.56 million baht, total assets of 1,511.37 million baht, the decrease of 4.14 percent, total liabilities of 145.83 million baht, the decrease of 7.90 percent. Total shareholders' equity amounted 1,365.54 million baht, the decrease of 3.72 percent, which summarizes the reasons for the change and analysis of important information.

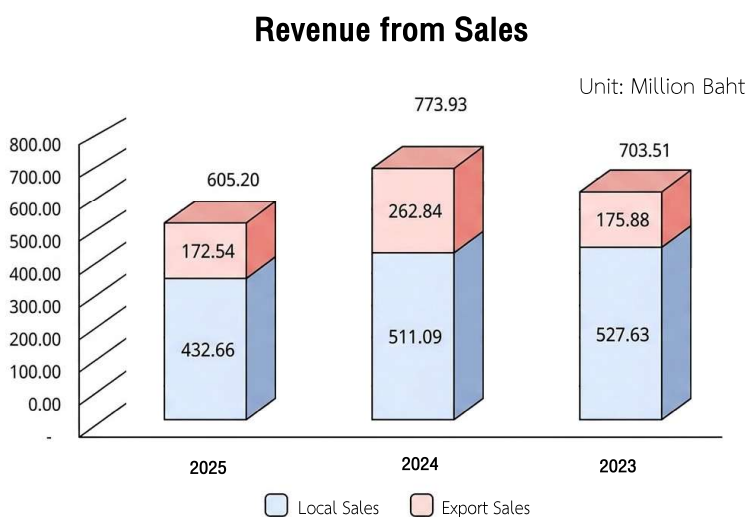
### 1. Analysis of Performances

**Income from sales:** In 2025, the company had sales income of 605.20 million baht; in 2024 the amount was 773.93 million baht, an decrease of 168.73 million baht, representing 21.80 percent.

Revenue from domestic sales decreased from the previous year by 78.43 million baht, accounting for 15.35 percent due to the purchasing policy of main customers. However, the company tried to seek out new customers and also focusing on increasing of sales from existing customers to increase sales volume but it was still not enough to compensate the decreasing of sales from regular customers.

Revenue from Export sales decreased 90.30 million baht from the previous year, or 34.36 percent, from the quantities of trousers that increased from the previous year, resulting in sales were increased.

However, customers are confident in its potential and product quality as a result of the company can produce quality products and deliver them in time to satisfy customer needs and make confident to customers.



### Other Revenues

In 2025, The Company had other revenues of 62.14 million baht and 64.10 million baht in the 2024, which decreased by 1.96 million baht or 3.07 percent due to decrease in dividend income and consulting fees, there was an increase in profit from the sale of investments.

Unit: Thousand Baht

Other Revenue	2025	2024	%Increased (Decreased)
Received Dividend	28,400	32,985	(13.90)
Received Interest	4,246	4,377	(2.99)
Received Rent	2,065	3,227	(36.01)
Profit from Selling assets	8,300	7,671	8.20
Profit from foreign exchange rate	11,482	4,189	174.10
Others	7,644	11,653	(34.40)
<b>Total of Other Revenues</b>	<b>62,137</b>	<b>64,102</b>	<b>(3.07)</b>

### Cost of Sales

In 2025, The Company's cost of sales amounted 78.60 percent of sales revenue, if compare to the year 2024 which was 76.44 million Baht, it increased by 2.16 percent compared to the previous year as a result of production disruptions resulting from delays in customer orders, the company has still maintained sufficient raw materials, managed their use efficiently, and developed employee skills to increase production efficiency.

### Sale Expenses

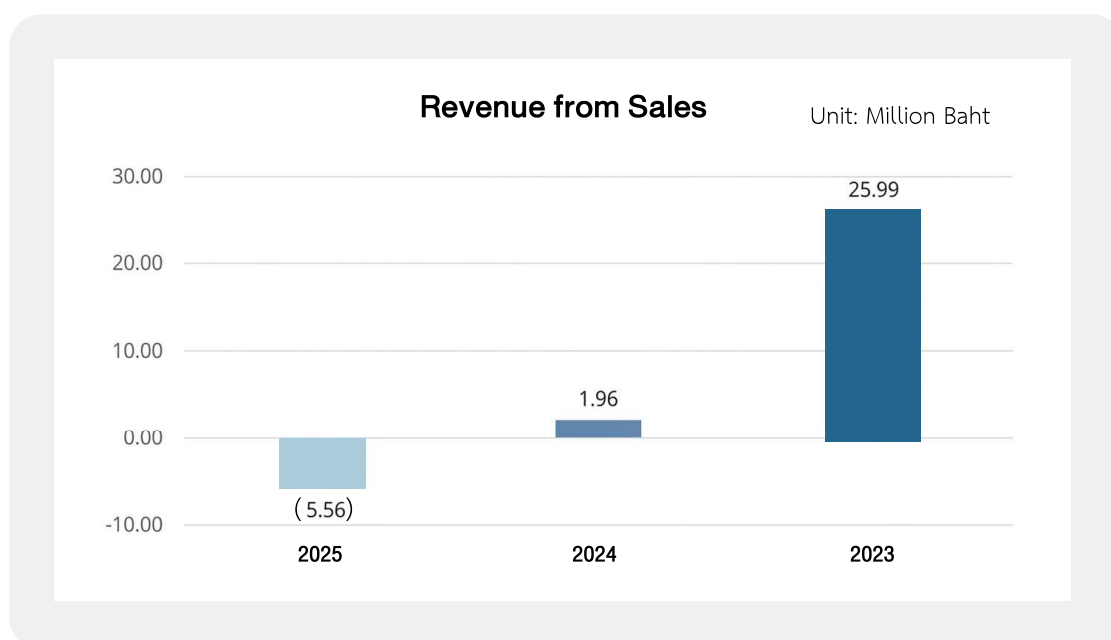
In 2025, the Company had sale expenses amounted 21.13 million baht, in the year 2024, the sale expenses amounted 19.40 million baht, it increased by 1.73 million baht or equivalent to 8.92 percent, it was due to the sale of products outside the area.

### Administrative Expenses

In 2025, the Company had administrative expenses amounted 156.94 million baht, in the year 2024, the administrative expenses amounted 187.06 million baht, it decreased 30.11 million baht or equivalent to 16.10 percent ; as a result of reduced employee expenses to align with company revenue. However, the company continues to prioritize the development of its personnel, educating them with multi-skills to enhance work efficiency including saving other expenses.

### Net profit/(loss)

In 2025, the Company had net loss amounted 5.56 million baht, whereas in 2024 had net profit amounted 1.96 million baht, so the total loss increased from previous year by 7.52 million baht. Net profit per share amounted 0.06 baht.



### Shareholder Returns

Rate of Shareholder Returns of the company in the year 2025 as 0.40 percent, which 2024 was 0.13 percent, the operation was loss and Shareholders' equity decreased due to measuring the fair value of investments and dividend payment.

According to the Company's dividend payment policy, the dividend will be paid at the rate of not more than 50 percent of net profits which is mainly subject to the Company's performances and economic circumstances. In 2025, the company had unallocated retained earnings amounted 725.79 million baht, net loss of 5.56 million baht, net loss per share of 0.06 baht. On February 25, 2026, the Board of Directors' meeting No. 1/2026 then had the resolution to propose to the annual general meeting of shareholders on dividend payment at the rate of 0.50 baht per share totaling 48 million baht, which will be paid on May 27, 2026.

## 2. Financial Standing

As of 31 December 2025, the Company's total assets were 1,511.37 million baht, decreased by 65.20 million baht or 4.14 percent compared with the total balance in the previous year. The Company's current assets decreased amounted 45.49 million baht and non-current assets decreased 19.71 million baht. Total assets of the Company

comprised of cash and cash equivalents equaled to 0.58 percent; trade debtors and others debtors was 6.34 percent; inventories amounted 22.30 percent; Other Non-current assets due within 1 year equivalent to 2.65 percent; Other Current assets equivalent to 13.06 percent; Other Non-current-assets equivalent to 41.52 percent; land, property and equipment amounted 10.93, Right-of-use asset equivalent to 1.16 percent; and others equivalent to 1.46 percent.

### Current Assets

As of 31 December 2025, current assets of the Company amounted 686.47 million baht, decreased from the previous year by 45.49 million baht due to optimized inventory management to match sales volume, trade receivables decreased from international sales. Other current financial assets increased, primarily from open-ended funds. Other non-current financial assets maturing within one year increased, specifically bonds maturing in 2026. Cash and cash equivalents decreased to ensure sufficient funds for business expenses.

**Cash and Cash Equivalents:** The amount of 8.73 million baht, the previous year amounted to 11.07 million baht, decreased by 2.34 million baht, Funding of 26.92 million baht was generated from operating activities, but 0.53 million baht was used for investing activities and 28.73 million baht for financing activities.

**Trade account receivables and other receivables:** As of the current amount of 95.88 million baht, previous year was 136.40 million baht, decreased 40.51 million baht, consisting of trade accounts receivable of 94.50 million baht, other receivables of 1.41 million baht, total trade accounts receivable and other receivable were comprised of receivable which were not yet due for payment of 89.65 million baht or equivalent to 93.48 percent. Receivables that are overdue for less than 3 months, amounting to 4.68 million baht or 4.88 percent and overdue not more than 6 months in the amount of 0.17 million baht or 0.18, it resulted from customers' payment policies not following payment cycles and other receivables totaling 1.41 million baht, or 1.46%. The company has set aside a provision for doubtful debts of 0.02 million baht.

**Inventories:** Inventory of the Company amounted 337.11 million baht, previous year was 360.78 million baht, decreased by 23.67 million baht or equivalent to 6.56 percent due to management and preparation of inventory to be complied with order from customers.

Inventories of the Company amounted 337.11 million baht comprises of Raw material amounted 75.81 million baht, Work- in process product amounted 36.60 million baht, finished goods amounted 237.46 million baht, and supplies amounted 3.14 million baht. Moreover, the company also expresses inventories in financial statement with a lower cost or market price. However, if there is a product that is deteriorated or outdated, the company has considered reducing the value of the product according to the accounting standard. The company has set aside for obsolete products in the amount of 15.91 million baht.

**Other non-current financial assets which mature within 1 year:** The amount of 40.00 million baht is debt securities which mature in one year.

**Other current financial assets:** The amount is 197.45 million baht, consisting of Investments measured at fair value through the income statement in the amount of 52.73 million baht, and, open-end funds and fixed deposits of 144.72 million baht.

### Non-current Assets

As of 31 December 2025, non-current assets of the Company were 824.90 million baht, decreased from the previous year by 19.71 million baht due to other non-current financial assets.

**Other non-current financial assets:** As of December 31, 2025, Non-current financial assets amounted 627.51 million baht, consisting of investments in the stock exchange amounted 228.50 million baht, unrealized gains from fair value appraisal of 212.78 million baht, Investments outside the stock exchange amounted 81.82 million baht. There were unrealized profits from fair value measurement in the amount of 30.82 million baht and debt instruments in the amount of 73.59 million baht.

**Land, Property and Equipment** As of 31 December 2025, the Company had land, property and equipment valued 165.18 million baht, the previous year amounted 161.39 million baht, increased by 3.79 million baht due to depreciation of 11.58 million baht, purchases of machinery, equipment, and others increased by 15.96 million baht, It was sold for 0.59 million baht.

**The Rights-of-use assets:** As of December 31, 2025, the amount of 17.53 million baht, IFRS 16 stipulates that leases are required to recognize assets and liabilities for leases agreement with a lease term is more than 12 months. The company has leasehold rights amounted 26.07 million baht, increased in the year by 3.13 million baht. Amortized expenses of 8.82 million baht were written off during the year, a decrease of 2.70 million baht due to lease cancellations and 0.15 million baht due to lease modifications.

### Total Liabilities

As of 31 December 2025, the Company had total liabilities amounted 145.83 million baht, it decreased 12.51 million baht if compared to the previous year, or equivalent to 7.90 percent, due to the trade account payable and deferred tax liabilities.

### Shareholders' Equity

As of 31 December 2025, shareholders' equity of the Company amounted 1,365.54 million baht, the previous year was 1,418.23 million baht which decreased by 52.69 million baht or 3.72 percent as the company had net loss in the year 2025 amounted 5.56 million baht, and pay dividend from 19.20 million baht. There was a gain from the sale of investments measured at fair value through other comprehensive income of 0.02 million baht, and other components of shareholders' equity decreased by 27.35 million baht. The book value per share at the end of 2025 was 14.22 baht, compared to 14.77 baht the previous year, a decrease of 0.55 baht per share.

## 3. Asset Quality

### Other current financial assets

The Company has investments in other current financial assets of 197.45 million baht, comprising investing in investments fund in the stock market that measure fair value through income statement of 117.56 million baht, unrealized profits of 64.82 million baht, and invest in open-end funds and fixed asset of 144.72 million baht.

Unrealized loss from fair value measurement was expressed in the Company's income statement. However, the investment that the company invested was good asset quality; moreover, it also yields in the form of dividends at a satisfactory rate and higher than bank deposit rates.

### Other non-current financial assets

The Company had investments in other non-current financial assets totaling 627.51 million baht, consisting of investments in the stock market that measure fair value through other comprehensive income of 228.50 million baht, unrealized gains from fair value valuation of 212.78 million baht, investment outside the stock market of 81.82 million baht, generating unrealized gain from fair valuation amounted to 30.82 million baht and debt instruments amounted to 73.59 million baht.

Unrealized gain measured at fair value from income tax, which was presented in other components of shareholder's equity. This was caused by changes in securities prices that fluctuated according to operating results and economic conditions. This was an investment with a very good quality of assets. Moreover, it also offered a favorable dividend yield and higher than the bank deposit rate.

### Land, Property and Equipment

At present, property, plant and equipment had values in market price more than values shown in the financial statement. The number was shown in the form of the cost deducted by accumulated depreciation.

The Company had managed the assets and caused revenues in some part of properties and factories through rental. For machineries, most of them were modern and had efficiency for production because the Company has continuously bought new machineries to replace the old machines and always kept good maintenance.

## 4. Liquidity

### Cash Flow

In 2025, the Company had cash and cash an equivalent of 8.73 million baht, the previous year was 11.07 million baht, decreasing of 2.34 million baht resulted from an operating loss of 7.91 million baht, gain from Trade accounts receivable of 40.53 million baht, inventory amounted 30.34 million baht, other current asset amounted 1.45 million baht. Moreover, expenses were spent on other assets totaling 8.48 million baht, trade payables of 9.34 million baht, other current liabilities of 1.48 million baht, employee benefits of 18.17 million baht, and income tax of 0.02 million baht.

There was a cash flow from investing activities of 0.53 million baht, it derived from investment in other current financial assets amounted 10.34 million baht, debt instruments held until maturity of 19.18 million baht, received cash from investments in other non-current financial assets amounted 3.49 million baht. Expenses included purchasing other non-current financial assets of 30.41 million baht, dividend income of 28.40 million baht, interest income of 4.23 million baht, and income from the sale of equipment of 0.89 million baht. However, there was also investment in machinery and equipment for business operations of 15.96 million baht and payment for the purchase of intangible assets of 0.01 million baht.

Cash flow was used in financing activities amounted to 28.73 million baht, paid lease liabilities in the amount 8.33 million baht, paid interest on lease liabilities in the amount of 1.20 million baht. The company paid dividends at the rate of 0.20 baht per share, amounting to 19.20 million baht.

### Adequacy of Liquidity

The Company had proper liquidity in 2025 ratio was 10.71 times and was 10.87 times in 2024. Quick liquidity ratio of 2025 equivalents to 5.45 times and was 5.51 times in 2023. Cash and cash equivalent were adequate for dividend payment and future investment. Furthermore, the Company had very low debt to equity ratio. As ended of 2025, it was 0.11 times and 0.11 times in 2024, resulting to the Company's wealth and adequacy of liquidity.

Financial Ratio		2025	2024	2023
Liquidity Ration	Time	10.71	10.87	8.26
Quick Liquidity Ration	Time	5.45	5.51	4.79
Debt to Equity Ratio	Time	0.11	0.11	0.15

### Sources of Capital

The Company's capital spending for operation and investment was from gain on operation and investment, including investment in bonds/debentures and bank deposit was considered as gain on interest receivable and dividend. The Company had no interest-bearing liabilities; most of the Company's liabilities shown in the financial statement were trade creditors, other creditors, deferred income tax liabilities and provision for employee benefits and liabilities under lease agreements.

## Commitments

The details are provided in the Notes to the Financial Statements clause 28, Commitments and Contingent Liabilities.

## 5. ESG practices of People's Garment Public Company Limited

### 1. Environmental dimension

The company is proactively pursuing conservation and reducing its environmental impact by focusing on efficient resource management, such as:

- Utilizing clean and energy-saving sources, such as installing solar panels on factory roofs top to reduce reliance on non-renewable electricity sources.
- Reducing greenhouse gas emissions by measuring and managing CO<sub>2</sub> emissions in the production process.
- The recycling project transforms PET plastic waste into raw materials for textile production, this is to reduce waste and add value to discarded resources.
- Water management includes water recycling systems and reducing water consumption as needed

### 2. Social dimension

The company is committed to sustainable community and social development which is emphasizing responsibility towards stakeholders both internal and external organization such as:

- **Supporting education by providing scholarships, school supplies, and sports equipment to students in rural areas and employees.**
- Community development projects such as vocational training, community agricultural development, and promoting knowledge and generating income in collaboration with the community.
- Natural resource conservation activities, such as reforestation projects and the construction of check dams to restore the ecosystem in national park areas.

### 3. Governance dimension

In terms of corporate governance, the company has a management approach that focuses on transparency and fairness, including the preparation of sustainability reports.

- A clear governance structure and an audit committee related to sustainability and ESG to strengthen governance.
- Preparing sustainability reports according to international standards, such as the GRI Sustainability Reporting Standards, which helps stakeholders assess performance transparently.
- The company received an award for Corporate Social Responsibility (CSR), reflecting its systematic management of governance and sustainability.

### 4. Communication and stakeholder engagement

The company publishes annual reports and sustainability reports to provide information of ESG performance to investors and other stakeholders, the company disclosed the information through its investor website and annual reporting channels.

Financial Ratios		2025	2024	2023
<b>Liquidity Ratios</b>				
Current Ratio	Times	10.71	10.87	8.26
Quick Ratio	Times	5.45	5.51	4.79
<b>Activity Ratios</b>				
Account Receivable Turnover	Times	5.21	5.91	5.72
Average Collection Period	Days	70.05	61.79	63.76
Inventory Turnover	Times	1.99	2.46	2.32
Average Sale (Inventory) Period	Days	183.70	148.11	157.26
Account Payable Turnover	Times	8.83	8.50	7.86
Average Payment Period	Days	41.36	42.96	46.44
Cash Cycle	Days	212.39	166.93	174.58
Total Asset Turnover	Times	0.43	0.51	0.45
Fixed Asset Turnover	Times	4.09	5.33	5.15
<b>Leverage Ratios</b>				
D/E Ratio	Times	0.11	0.11	0.15
Modified Interest Coverage Ratio	Times	0.03	(0.06)	0.03
Dividend Payout Ratio	%	(862.56)	981.01	73.89
Dividend Yield Ratio	%	2.86	2.22	2.22
<b>Profitability Ratios</b>				
Gross Profit Margin	%	21.40	23.56	21.57
Net Profit Margin	%	(0.92)	0.25	3.69
Return on Asset	%	(0.43)	(0.41)	1.54
Return on Equity	%	(0.40)	0.13	1.76