

Authorized power to control the company in the past year

Shareholder details presented under Section 1.3 Shareholder Structure of the Group

Changes in shareholding structure, management or business operations or significant events during the past 3 years

- None -

General information of Company

General information of Company	People's Garment Public Company Limited “PG”
Type of Business	Textile and Garment Business
Registration number	0107537001552
Head quarter location	No.666, Rama3 Road, Bangpongpan, Yannawa, Bangkok, 10120
Telephone	0-2685-6500
Fax	0-2294-5159
Website	http://www.pg.co.th
Registered Capital	96,000,000 Baht
Common Stock	96,000,000 Shares
Par value	1 Baht
Fully Paid-Up capital	96,000,000 Baht
Associate/Subsidiary Company	--None--

1.2 Nature of business

Income Structure

Sales revenue	2024 (ML. Baht)	%	2023 (ML. Baht)	%	2022 (ML. Baht)	%
Domestic :	511.09	66.04	527.64	75.00	564.87	82.20
Garment	492.41	63.62	505.45	71.85	553.29	80.52
Knitted Fabric	18.68	2.41	22.19	3.15	11.58	1.68
Overseas :	262.84	33.96	175.86	25.00	122.30	17.80
Garment	260.01	33.60	172.12	24.47	119.64	17.41
Knitted Fabric	2.83	0.34	3.76	0.53	2.66	0.39
Total	773.93	100.00	703.52	100.00	687.17	100.00

Product Information

Product and service characteristics and innovation development

People's Garment Public Company Limited started its business as a ready-to-wear garment manufacturer since 1980. Later, it invested in the production of knitted fabric, the Company's business operations were jointly with business partners to strengthen the business cycle from upstream to downstream, which the main products are as follows

Textile products

The company has a production line for knitted fabrics at Kabin Buri branch with modern machinery and technology to enhance the efficiency of the production process.

Garment products

The company's main business is the production of ready-made garments including men's and women's clothing, swimwear, sportswear, men's underwear and uniforms.

Textile product

The company has developed innovations in raw materials to meet the needs of customers to achieve the highest satisfaction and value by creating products under the principle that “It is a product that is safe for consumers and environmentally friendly”

The company has carried out activities to maintain product quality standards and safety standards against harmful paints and chemicals including continually focusing on reducing environmental impacts such as: -

- Certified to Quality System ISO 9001: 2015	- Certified to Products that are certified to reduction of Global warming: (Cool mode)
- Certified to Environmental Management System ISO14001: 2015	- Certified to Product for Energy saving “Energy saving label No.5”
- Certified to Green Industry Level 4 certification	- Global Recycled Standard Certification (GRS)

To be a guideline to reduce the impact on the environment in a sustainable way and together with supporting the vision of the organization **“We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand”**

Functional Textile

“ COOL MODE LABEL” “ Electricity Saving Label No. 5”

The product those are safe for consumers Free from chemicals and dyes that are safe from carcinogens and heavy metals. Strong fabric, durable color, absorbs sweat and transfers heat well. Comfortable to wear. Can be in a building or a room with an air conditioner temperature of 25°C without feeling Uncomfortable, no need to iron (Brand customers / uniform groups and customers who buy stretchable fabrics)

“ UPCYCLING” (Recycle polyester) Transforming plastic bottle waste into clothing products

Products that are transformed by plastic bottles which are processed to be recycled fibers with environmentally friendly innovations and they are developed into valuable products.

The company has produced and distributed as Polo, T-shirts, and Round-neck T-shirts for uniform customers and any customers both domestic and international who continuously purchase stretch fabrics.

SORONA by DUPONT (Natural fiber)

SORONA is an innovation of natural fibers extracted from corn. The fabric made from SORONA fibers has a strong structure and good flexibility like spandex, soft touch, comfortable to wear, and good heat ventilation. It also pilling- resistant to hair on the fabric, wrinkle-resistant and shape-keeping. More importantly, it is also resistant to UV rays and chlorine; as a result, its color is maintained to be bright colors and easy care. It can also be recycled and naturally decomposed.

DRY TECH

- Moisture Wicking & Quick Dry: Helps absorb sweat and wick quickly without worrying about moisture from sweat.
- Breathable: Helps improve air circulation, making you feel cool even in hot weather.
- Comfort and Flexibility: Flexible, allowing for comfortable movement.

Ready-To-Wear Garment

In 2024, the company has continuously developed the designs and raw materials for products under the “ARROW” brand to be more diverse and innovative.

: The “NEW YORK POLO and DRY TECH SMART POLO” collection of apparel that are designed to provide maximum comfort and efficiency while wearing, for agility and good ventilation, whether for exercise or general use in daily life.

: Slacks “ARROW” pants using the innovation of natural fibers extracted from corn “SORONA fiber” which can be recycled and naturally decomposed.

The company therefore realizes the importance and there was another alternative to create sustainability and environmentally friendly of the textile and

garment business. In addition, it creates value-added to existing and new customers and it also responds to the needs of consumers in terms of quality and reasonable prices.

Marketing and Competition

Marketing policy

We are fully committed to be leader to create quality products and services with innovation of apparel in Thailand”. The main policy is to produce products that are safe for consumers and environmentally friendly, The Company has marketing strategies as follows:

- Produce quality products with reasonable prices
- Develop every step of the production process to increase both productivity and efficiency.
- Manage risks of raw material procurement to control costs to be competitive and maintain profit margins at an appropriate level.
- Develop a variety of products to expand new market bases and maintain balance for both existing and new customers.

Currently, consumer behavior has changed to use more online channels continuously. The company therefore cooperates and supports customers to generate sales in both offline and online channels, including various social media that can reach consumers quickly. Therefore, the company has developed products in terms of both styles and new materials to expand more new customers’ base.

Moreover, The Company also pays attention to the direction of production and the demand for textiles and garments in the global market are changing that the demand for environmentally friendly products to reduce global warming is more increasing. Leading clothing brands have ordered apparel made from recycled fibers, reducing water used, energy used, and organic cotton raw materials as it is a Green Product that protects the environment which is an alternative for consumers selection.

The company realizes the importance of these things; therefore, there has been a continuous cooperation with trade partners to produce such products under the brand ARROW and Uniform of various organizations such as Cool Mode shirts / Energy- saving shirts No.5 and Recycle Polo to support the organization’s business strategy that is friendly to environment for sustainable growth and participate in reducing global warming as well.

Overseas markets

In 2024, the export amount was 262.84 million baht, compared to the previous year, it increased of 86.96 million baht or 49.44 %.

The company exported to the United States, Europe, and Asia, accounting for 34 percent of total sales. In 2024, volume of exports sales of the United States and Europe have increased which sale through Trading Firm, that is a trading partner as we have always had good relations and it is including the following issues:

- Customers have confidence in the potential of the company and they are confident in the quality of the products, including developing products which their styles are diversified and modern even there is still price competition from neighboring countries such as China, Vietnam, Indonesia, Cambodia and Bangladesh, where labor costs are lower.
- The company has proactive marketing by offering a full range of products and new innovations from fabric design, fabric production, and pattern creation until making into ready-made clothes that they will be offered as sample to customers (Original Design Manufacturer: ODM) in Asia. It is a strategy to enhance competitiveness.

In 2024, the company has collaborated with partners to distribute Slacks made from recycled fabric (Upcycling), the products were sold to potential customers who are interested in creating sustainable businesses.

Distribution channels for foreign markets

1. Distributed through Trading Firm
2. Direct sales to customers in the United States, Europe, Asia and ASEAN.

For the year 2025, the company continues to focus on continuously expanding the market to the United States, Europe, and AEC country and the company is ready to expand customer base to other countries to achieve the organization's business goals.

Domestic Markets

Sales of domestic garment still continue to use marketing strategies in promoting sales that stimulate the market of various apparel brands by reducing prices at department stores and various commercial areas as well as imports of ready-made garments from China, Vietnam, Cambodia, Bangladesh. Most of them are fashion styles with all ranges of price; moreover, there is also importing newer brand-name products from abroad to sell in huge volume causing high competition to gain more market share.

The company has participated in proactive marketing with I.C.C. International Public Company Limited, which is a main customer and distributor.

- To regularly carry out surveys of customers' needs and satisfaction to ensure they are able to respond most of customers' requirements.
- Created marketing activities to attract target markets in consideration of brand image and the creating value for society.
- Developed and created innovation in order to response customers' needs for "to be safe products for customers and environmentally friendly".

Uniform

As the company has expertise from design raw material selection producing quality products delivery of goods including having good service both before and after the sale; moreover, the company taking into account the principles of competition in terms of quality and reasonable price; as a result, the Company has become a manufacturer of Uniforms, both Work wear and Office wear for well-known organizations such as financial institutions, government sectors, state enterprises, private companies and many educational institutions.

The Company is aware of the importance of Product Quality, maintaining product quality standards and continually creating customer satisfaction with a standardized and accepted QC system.

In 2024, the company expanded market into Hospital Uniform through Agent and direct sales, which the products were trusted by customers and the sales volume were continuously growth. Currently, the Scrub set has been developed to have more diverse designs and materials. For example, features that help prevent bacteria or a more comfortable scrub so that it would be suitable for use in environments that require more mobility. Therefore, scrub is still popular and widely used in the medical and nursing sectors all over the world.

Domestic sales and distribution channels

1. The company has assigned ICC International PLC, a significant company and a key customer of the company, to be a distributor. Its main distribution channel comprises department stores, discount stores, modern trade and it also add online channels to be comply with the current marketing.
2. Distribution via E-commerce
3. Distribution via Factory Outlet
4. Direct distribution to customers of corporate uniforms, Office wear, and Work wear to leading government, private organizations and state enterprises.

In 2024, the company's domestic sales amounted to 511.09 million baht, an decrease of 16.55 million baht or 3.14% due to the policy of purchasing products of main customers decreased. Regarding the garment section, Trademark competition remains an important factor. Most consumers still prefer brand-name products. This year is an opportunity for consumers because the brand-name clothing groups are constantly expedited to launch sales promotions in order to manage high volume of inventory. Therefore, it is an opportunity for consumers to get good products at cheap prices.

Currently, there are still a lot of second-hand branded name of clothing in the market; moreover, Thai market is still facing an influx of products from China with price competitiveness.

The company gain the sales from both main customers, ICC Co Ltd, Uniform customers, including OEM and ODM customers, which is accounting for 66% of total sales. The company is confident that the company's products are famous and accepted with international quality standards i.e. T-shirts, pants, Slacks, Men's underwear and Swimwear. The company focuses on selecting environmentally friendly raw materials to continuously produce products under the "ARROW" brand and House Brand products, including corporate customers, uniform groups and other customers, in order to realize the needs of today's consumers who pay attention to value products that are socially and environmentally responsible.

Marketing Management Strategies

To create new options for customers and consumers, the company has cooperated with I.C.C. International Public Company Limited which is the main customer and distributor to apply strategies to present products as follows: -

1. Create "Fashion Trend" in advance by creating story board concept such as color concept, and mix & match of all products group, together with doing pre-collection. These strategies help making purchasing decision easier as one stop service; as a result, the customers satisfy with these operations and respond by purchasing more. Since, they have clearly visual merchandise so it supports doing marketing plan in advance.

2. Cooperation with customers in cost management in case of high-volume orders in order to increase competitive advantage for customer and gain more sale revenue both parties.

3. Adding distribution channel partners by selling products via LAZADA/ SHOPEE and ICC Shopping, regarding, House Brand products, in order to expand the customer base and make the brand more well known. and can meet the needs of consumers who have a modern life style by ordering products on their smartphones.

The market of ready to wear garment is high competition in a wider range of distribution channels such as Department store, Modern trade and Convenience store included E-Commerce that continually grows in every year as those channels are easily reached by consumers and faster response the customers' needs. This includes TV Shopping channels such as Happy Shopping / MV Mall / MA Shop and Shop Global that allow manufacturers to communicate product innovations in a comprehensive manner, with an increasing growth rate, which the company has been continuously implementing.

As the company has changed its strategy by offering a wider range of products and innovations that customers and consumers needed, together with seeking new customers to increase sales volume. The company also modifies working process to control overall costs including the reduction of raw material costs, production costs, administration costs and financial costs in order to have competitive cost and expenses leading to competition ability in both domestic and international market.

Regard to current business operations, The Company has closely monitored various internal and external situations including business trends in order to adjust strategies of business operations to keep up with rapidly changing situations. The company is aware of risk management in business operations to prevent and reduce risks to an appropriate and acceptable level and it still maintain a business to be sustainable.

Textile and garment situation of the year 2024 and Trend of the year 2025

The textile and garment industry are an important manufacturing and export industry of the country. In 2024, it was affected by the global economic situation, which was volatile due to various factors. The overview is as follows:

- : Textile and garment exports were valued at US\$6,196.7 million, increased 2.7 percent.
- : Textile and garment imports were valued at US\$5,251.5 million, increased 3.6 percent.
- : This resulted in a total trade balance (accumulated) to be surplus of 945.2 million US dollars.

Export section

(1) **Textile group:** valued at 3989.76 million US dollars, decreased of 0.1 percent, details as below: -

	Amount (US\$) Million	Increased/ (Decreased) %	Market
- Fabric	1,013.3	(4.1)	Vietnam, Cambodia, Bangladesh
- Yarn	526.7	4.8	China and Vietnam (Japan decreased)
- Synthetic fiber	1,064.1	4.3	Chian and Pakistan (USA decreased)

(2) **Apparel Group:** - It was valued 2,207 million US dollars, increased 8.2 percent from the US and Japan markets, while the Belgium market decreased.

Imports Section

(1) **Textile group** valued at 3,223.7 million US dollars, increased of 0.6 percent

	Amount (US\$) Million	Increased/ (Decreased) %	Market
- Fabric	1,836.1	4.9	China, Vietnam, and Taiwan
- Yarn	1,387.6	(4.8)	Vietnam (China and Japan increased)

(2) **Apparel group** Valued at 2,027.8 million US dollars, an increase of 8.8 percent from the markets of China, Italy and Vietnam.

Textile and garment industry trends in 2025

In 2024-2025, the overall value of Thailand's apparel market is expected to decrease due to slowing demand of consumer; however, Sportswear market in the country is still expected to expand as a result of consumer behavior, which consumers increasingly focus on health-conscious behavior, including some products that are expected to grow, such as Medical Textiles and Sustainable Textiles.

For 2025, it is expected that the economic slowdown of the major trading partner, the United States, will reduce consumer purchasing power, as well as pressure from the baht, which tends to strengthen. It is expected that the competition in the garment manufacturing business will be high both domestically and in the export market. As Thailand loses its competitiveness in the export market due to the fact that the minimum wage in Thailand is almost double time that of major competitors such as Vietnam and Cambodia; moreover, Thailand has been removed from list of Generalized System of Preferences (GSP) beneficiary from the United States and the European Union, it makes difficulty for Thailand to compete with other countries in term of price competitiveness. In addition, domestic competitiveness is facing high competition from cheap imported ready-made garments from China.

The risks of Thai garment manufacturing business

1. Production costs are still high, especially electricity and labor costs, which are expected to increase in line with the increasing of government's minimum wage.

2. Purchasing power of consumers are decreasing, it is the cause of consumers slow down purchasing fashionable apparels.

3. The Baht currency tends to be strengthen; it causes increasing of pressure on price competition.

In terms of ESG, garment manufacturers around the world have been targeting on reductions of greenhouse gas emissions for it's been a while; for example, using raw materials made from bioplastics, natural materials or recycled materials, as well as by applying modern technologies in production. It is to reduce energy consumption and waste that is aiming for goals of carbon neutrality in the future.

In addition, it also has to face the "Trump 2.0" trade war, both the problem of influx of Chinese goods and the lack of control systems (Overcapacity) from US tariff measures which the measure is to block goods and reduce the trade surplus with China, resulting in a large number of goods not being exported to the United States. Therefore, it is distributed to the ASEAN region, including Thailand, as a source of goods, causing Thailand to be unable to compete on price and may have to close down its business; moreover, it causes Thailand get a greater trade deficit with China.

Reference information: Information Technology and Communication Center, Office of the Permanent Secretary, Ministry of Commerce

Source of information: Thailand Textile Institute

Source of information: SETSMART and calculated by Krungthai COMPASS

Product procurement

1. Characteristics of procurement of products

The company has a head office and 2 factories with a production policy are "according to customer orders" and some companies sell directly to consumers

Headquarter

No.666, Rama3 Road,
Bangpongpan, Yannawa,
Bangkok, 10120

**Management & Administrative
center and Swimwear
manufacturer**

Lamphun Plant

No. 77, M.6 Lampang-Chiangmai
Road, Bannklang, Amphur Muang,
Lamphun province, 51000

**Production of Ready-to-wear
garments**

Kabinburi Plant

No.216, M.5 Suwannasorn Road,
Nontri, Amphur Kabinburi,
Prachinburi province, 25110

**Production of Knitted fabrics and
ready-to-wear garments**

2. Production capacity and production volume

	2024	2023	2022
Production capacity (Unit: Piece)			
- Men and Women's wear	1,200,000	1,500,000	1,200,000
- Swimwear	72,000	72,000	100,000
- Underwear	1,000,000	2,400,000	2,500,000
Total	2,272,000	3,972,000	3,800,000
Actual production volume			
- Men and Women's wear	974,458	1,349,561	1,152,506
- Swimwear	38,988	59,352	95,750
- Underwear	835,162	1,590,153	1,688,073
Total	1,848,608	2,995,557	2,936,329
Capacity Utilization (%)	81.36	75.50	77.27

3. Material procurement and raw material suppliers (Supplier)

The main raw materials are important in the production of ready-made garments which fabrics of the Company are knitted fabrics, woven fabrics, and yarns (knitted fabrics). The Company procures from domestic and foreign manufacturers. In the case of purchasing raw materials in the country, the company orders directly from manufacturers and importers; however, the purchase of raw materials from abroad will be purchased directly from manufacturers and through distributors in Thailand.

In 2024, the company has a ratio of purchasing raw materials domestically and internationally equal to 77:23 by choosing raw materials that are safe for consumers and do not affect the environment which is subject to the ISO 9001 quality standard and the ISO 14001 environmental standard; moreover, it has been registered with every trader (LIST OF VENDORS) and has been annually assessed both in terms of quality, on-time delivery, and quantity complete delivery. Currently, the company has 210 business partners as follows:

Group of Supplier		2024	2025	2026
A	90 - 100 Score	192	195	205
B	80 - 90 Score	18	4	7
C	Below 80 Score	-	-	-
Total		210	199	212

Knitted fabrics section, we use products from the company's Knitting fabric factory, which is an advantage that the company is a complete Knitting garment manufacturer from designing, knitting and manufacturing processes into ready-made garments and has continuously developed both production processes and products that are environmentally friendly.

The company's products have passed international standards in term of chemicals that are safe for consumers and are accepted by both domestic and foreign customers. The company has received good cooperation from partners in controlling chemicals to meet the standards of REACH and under the environmental management system of ISO14001 standards for the purchase of knitting yarn raw materials within the country. The company will take into account upstream raw material sources that most of them are from Australia and America, which are internationally recognized upstream raw materials.

The raw materials used to produce knitted fabrics and ready-made garments are mostly natural fibers. In dyeing and finishing, the company selects suppliers to ensure that the products are safe for consumers.

- Use chemicals that are certified to Oeko-Tex Standard 100 standards.
- Avoid using formaldehyde and carcinogens.
- Most packaging materials are recyclable.

Besides, the certification from partners, the company is also the one who applies for certification of products with Green Procurement processes in Recycle products that come from recycling PET bottles to be melt and being transformed into fibers and then weave them into raw materials to produce for being products. The products are certified to Green Products according to the Global Recycle Standard (GRS) certification in 2024, the remaining fabric scraps from sewing clothes are spun into yarn for weaving fabrics to combine unused materials with new ones to be used as recycled raw materials in the production of Green Products.

In 2024, the company has ordered main raw materials and other raw materials from many distributors, each of them has a purchase amount not exceeding 10% of the total purchase amount, and this is in order to manage risks in procurement and in accordance with the fair and transparent procurement policy with all partners.

Operational Assets

Details are in enclosure No. 4

Work that has not yet been delivered

- None -