

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2022
AND AUDITOR'S REPORT ON THE REVIEW
OF INTERIM FINANCIAL INFORMATION

Auditor's Report on the Review of Interim Financial Information

To the Board of Director of Boutique Newcity Public Company Limited

I have reviewed the accompanying interim financial information of Boutique Newcity Public Company Limited. This comprises the statement of financial position as at September 30, 2022, the statements of comprehensive income for the three-month and nine-month periods then ended, the related statement of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with the 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 the 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 the Thai Accounting Standard 34, "Interim Financial Reporting".

(Ms. Nonglak Pattanabandith)

Certified Public Accountant

Registration No. 4713

Karin Audit Company Limited

Bangkok

November 11, 2022

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		Unit : Thousand Baht	
		September 30, 2022	December 31, 2021
		"Unaudited"	"Audited"
	Note	"Reviewed"	
Assets			
Current Assets			
Cash and cash equivalents		2,181	23,008
Trade accounts receivable	3	16,012	42,270
Other current receivables	2	8,829	9,269
Inventories		186,992	206,741
Other current assets		11,910	11,145
Total current assets		<u>225,924</u>	<u>292,433</u>
Non-current assets			
Other non-current financial assets	4	147,316	151,745
Investment properties	5	72,673	72,295
Property, plant and equipment	6	34,661	40,316
Right-of-use assets	7	18,632	51,215
Intangible assets		1,792	1,792
Deferred tax assets		22,263	28,646
Other non-current assets		21,669	39,313
Total non-current assets		<u>319,006</u>	<u>385,322</u>
Total assets		<u><u>544,930</u></u>	<u><u>677,755</u></u>

The condensed notes to the interim financial information are an integral part of this interim financial information.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

		Unit : Thousand Baht	
		September 30, 2022	December 31, 2021
		"Unaudited"	"Audited"
	Note	"Reviewed"	
Liabilities and equity			
Current liabilities			
Overdrafts and short-term borrowings from financial institutions		-	66,362
Trade accounts payable	2	8,133	35,490
Other current payables	2	12,958	23,124
Current portion of lease liabilities	7	6,694	16,519
Short-term loans from related parties	2	44,200	40,500
Other current liabilities		2,979	5,786
Total current liabilities		74,964	187,781
Non-current liabilities			
Lease liabilities	7	11,285	37,392
Non-current provisions for employee benefit		10,223	9,778
Other non-current provisions		2,294	3,499
Total non-current liabilities		23,802	50,669
Total liabilities		98,766	238,450
Equity			
Share capital			
Authorized share capital			
25,000,000 common shares, Baht 10 par value		250,000	250,000
Issued and paid-up share capital			
12,000,000 common shares, Baht 10 par value		120,000	120,000
Premium on ordinary shares		279,256	279,256
Retained earnings			
Appropriated - legal reserve		8,060	8,060
Unappropriated		(23,293)	(20,030)
Other component of equity		62,141	52,019
Total equity		446,164	439,305
Total liabilities and equity		544,930	677,755

The condensed notes to the interim financial information are an integral part of this interim financial information.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

"Unaudited"

STATEMENT OF COMPREHENSIVE INCOME

"Reviewed"

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

		Unit : Thousand Baht	
	Note	2022	2021
Revenues			
Revenues from sales and services	2	85,962	156,852
Other income	2	690	2,609
Total revenues		86,652	159,461
Expenses	2		
Cost of sales of goods and services		44,473	126,114
Distribution costs		20,690	23,268
Administrative expenses		9,746	9,093
Finance costs		562	1,095
Total expenses		75,471	159,570
Profit (loss) before income tax		11,181	(109)
Tax expense (income)		115	49
Profit (loss) for the period		11,066	(158)
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI		(119)	(297)
Tax expense (income)		(24)	(59)
Other comprehensive income for the period, net of tax		(95)	(238)
Total comprehensive income for the period		10,971	(396)
Basic earnings (loss) per share (in Baht)		0.92	(0.01)
Weighted average number of ordinary shares (thousand shares)		12,000	12,000

The condensed notes to the interim financial information are an integral part of this interim financial information.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

"Unaudited"

STATEMENT OF COMPREHENSIVE INCOME

"Reviewed"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

		Unit : Thousand Baht	
	Note	2022	2021
Revenues			
Revenues from sales and services	2	207,912	332,618
Gain on sale of investment	4	15,315	-
Other income	2	4,416	7,774
Total revenues		227,643	340,392
Expenses			
	2		
Cost of sales of goods and services		108,371	229,607
Distribution costs		74,032	98,351
Administrative expenses		29,248	29,578
Finance costs		2,176	3,602
Total expenses		213,827	361,138
Profit (loss) before income tax expense		13,816	(20,746)
Tax expense (income)		6,498	(4,288)
Profit (loss) for the period		7,318	(16,458)
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI		(574)	1,039
Tax expense (income)		(115)	208
Other comprehensive income for the period, net of tax		(459)	831
Total comprehensive income for the period		6,859	(15,627)
Basic earnings (loss) per share (in Baht)		0.61	(1.37)
Weighted average number of ordinary shares (thousand shares)		12,000	12,000

The condensed notes to the interim financial information are an integral part of this interim financial information.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

"Unaudited"

"Reviewed"

	Unit : Thousand Baht					
	Issued and Paid-up share capital	Share premium	Retained earnings		Other component of equity	Total equity
			Legal reserve	Unappropriated		
Balance at January 1, 2022	120,000	279,256	8,060	(20,030)	52,019	439,305
Comprehensive income for the period	-	-	-	7,318	-	7,318
Profit or loss	-	-	-	-	-	(459)
Other comprehensive income	-	-	-	-	(459)	6,859
Total comprehensive income for the period	-	-	-	7,318	(459)	6,859
Transfer to retained earnings	-	-	-	(10,581)	10,581	-
Balance at September 30, 2022	120,000	279,256	8,060	(23,293)	62,141	446,164
Balance at January 1, 2021	120,000	279,256	8,060	5,058	(12,349)	400,025
Comprehensive income for the period	-	-	-	(16,458)	-	(16,458)
Profit or loss	-	-	-	-	831	831
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(16,458)	831	(15,627)
Balance at September 30, 2021	120,000	279,256	8,060	(11,400)	(11,518)	384,398

The condensed notes to the interim financial information are an integral part of this interim financial information.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

"Unaudited"

STATEMENT OF CASH FLOWS

"Reviewed"

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

	Unit : Thousand Baht	
	2022	2021
Cash flows from operating activities		
Profit (loss) before income tax	13,816	(20,746)
Adjustments to reconcile profit (loss) to cash provided		
Trade accounts receivable (increase) decrease	26,259	(98,528)
Other receivables (increase) decrease	440	(5,749)
Inventories (increase) decrease	20,666	(1,838)
Other current assets (increase) decrease	(44)	1,372
Other non-current assets (increase) decrease	17,644	5,091
Trade accounts payable increase (decrease)	(27,357)	98,689
Other payables increase (decrease)	(10,166)	5,144
Other current liabilities increase (decrease)	(2,808)	(1,387)
Other non-current provisions increase (decrease)	-	(798)
Other non-current liabilities increase (decrease)	(1,304)	-
Depreciation and amortization	13,486	27,792
Loss on disposal of equipment	1,954	451
Loss on disposal of right-of-use assets	212	-
Allowance for (reversal of) declining value of inventories	(918)	(1,925)
Non-current provisions for employee benefit	444	444
Gain on sale of investment in equity instrument	(15,315)	-
Gain from lease modification	(2,545)	-
Cash from operating activities	34,464	8,012
Dividend income	(737)	(902)
Interest expense	2,176	3,602
Non-current employee benefit paid	-	(112)
Income tax paid	(1,225)	(1,521)
Proceeds from income tax return	505	-
Net cash from (used in) operating activities	35,183	9,079

The condensed notes to the interim financial information are an integral part of this interim financial information.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

"Unaudited"

"Reviewed"

	Unit : Thousand Baht	
	2022	2021
Cash flows from investing activities		
Dividends received	737	902
Acquisition of investment properties	(378)	-
Acquisition of equipment	(198)	(344)
Proceeds from disposal of investment in equity instrument	19,170	-
Proceeds from disposal of equipment	87	-
Acquisition of right-of-use assets	-	(317)
Acquisition of intangible assets	-	(476)
Net cash from (used in) investing activities	19,418	(235)
Cash flows from financing activities		
Overdrafts and short-term borrowings from financial institutions increase (decrease)	(66,362)	(5,039)
Proceeds from short-term borrowings from related party	23,700	30,000
Repayment of short-term borrowings from related party	(20,000)	(21,000)
Repayment of lease liabilities	(10,590)	(7,020)
Interest paid	(2,176)	(3,602)
Net cash from (used in) financing activities	(75,428)	(6,661)
Net increase (decrease) in cash and cash equivalents	(20,827)	2,183
Cash and cash equivalents at beginning of period	23,008	5,776
Cash and cash equivalents at ending of period	2,181	7,959

Supplement disclosures of cash flow information :

Non-cash transactions

For the nine-month period ended September 30, 2022

- The Company transferred furniture and equipment under right-of-use assets to property, plant and equipment of Baht 1.4 million.

The condensed notes to the interim financial information are an integral part of this interim financial information.

1. Basic of interim financial information preparation and principles

The interim financial information is prepared in accordance with Thai Accounting Standard No. 34 : “Interim financial reporting”, whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial information is prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. This interim financial information should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2021.

The interim financial information is officially prepared in Thai language. The translation of the interim financial information to other language must conform to the Thai financial report.

1.1 Significant accounting policies

The interim financial information has been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended December 31, 2021.

1.2 New financial reporting standards

The revised financial reporting standards that are effective for financial statements for accounting periods beginning on or after January 1, 2022 and January 1, 2023 do not have any significant impact on the Company's financial statements.

1.3 Estimation

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended December 31, 2021.

SEPTEMBER 30, 2022

2. Transactions and balance with related parties

During the three-month and nine-month periods ended September 30, 2022 and 2021, the Company had significant business transactions with related parties. Such business transactions are subject to commercial terms and criteria agreed between the Company and those related parties. The important business transactions with related parties can be summarized as follows:

	Unit : Thousand Baht			
	For the three-month period ended September 30		For the nine-month period ended September 30	
	2022	2021	2022	2021
Related parties				
Revenue from sale of goods	8	393	183	413
Other income	127	169	507	511
Sale of investment (Note 4)	-	-	19,170	-
Purchase of goods	30,727	87,958	66,153	161,483
Distribution costs	655	1,271	3,229	3,390
Administrative expenses	1,201	640	3,372	1,908
Interest expense	274	181	809	372
Key management				
Key management compensation				
Short-term benefit	932	926	2,795	2,764
Post-employment benefit	20	20	60	60
Total key management compensation	952	946	2,855	2,824

Significant balances with related parties as at September 30, 2022 and December 31, 2021 are as follows:

	Unit : Thousand Baht	
	September 30, 2022	December 31, 2021
Other current receivables		
Related parties	2,017	2,322
Trade accounts payable		
Related parties	7,386	22,408

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2022

“Unaudited”
“Reviewed”

	Unit : Thousand Baht	
	September 30, 2022	December 31, 2021
Other current payables		
Related parties	1,671	2,816
Short-term loans		
Related person	44,200	40,500

3. Trade accounts receivable

	Unit : Thousand Baht	
	September 30, 2022	December 31, 2021
Other companies	23,473	49,731
Less allowance for expected credit loss	(7,461)	(7,461)
Net	16,012	42,270

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	September 30, 2022	December 31, 2021
Within credit terms	15,430	16,049
Overdue:		
Less than 3 months	149	22,448
3 - 6 months	28	3,166
6 - 12 months	1	671
Over 12 months	7,865	7,397
Total trade accounts receivable	23,473	49,731
Less allowance for expected credit loss	(7,461)	(7,461)
Net	16,012	42,270

The normal credit term granted by the Company ranges from 30 days to 90 days.

SEPTEMBER 30, 2022

4. Other non-current financial assets

Movements during the nine-month period ended September 30, 2022 were as follows:

	Unit : Thousand Baht
At January 1, 2022	151,745
Disposals	(3,855)
Valuation adjustment	(574)
At September 30, 2022	147,316

In June 2022, the Company sold investment in equity instrument of a non - listed company (Panivara Co., Ltd.) to a related party (Siratarn Co., Ltd.) of 18,000 shares at the selling price of Baht 19.2 million and recognised gain from sale of Baht 15.3 million in the statements of comprehensive income for the nine-month period ended September 30, 2022.

5. Investment properties

Fair value of investment properties as at September 30, 2022 is as follow:

	Unit : Thousand Baht	
	Cost	Fair value
Land	72,673	306,874

Fair values of land are appraised values the Government agency, level 2 of fair values hierarchy.

6. Property, plant and equipment

Movements during nine-month period ended September 30, 2022 were as follows:

	Unit : Thousand Baht
Net carrying value at January 1, 2022	40,316
Purchases	197
Disposals	(2,039)
Transfer in	1,368
Depreciation for the period	(5,181)
Net carrying value at September 30, 2022	34,661

The gross amount of the Company’s fully depreciation property and equipment that was still in use as at September 30, 2022 amounted to Baht 98.8 million (December 31, 2021: Baht 119.2 million).

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2022

“Unaudited”

“Reviewed”

7. Leases

Movements of the right-of-use assets during the nine-month period ended September 30, 2022 are summarized below:

	Unit : Thousand Baht
Net book value as at January 1, 2022	51,215
Increase	6,202
Disposals	(212)
Lease modification	(28,900)
Transfer out	(1,368)
Depreciation for the period	(8,305)
Net book value as at September 30, 2022	18,632

Movement of lease liabilities during the nine-month period ended September 30, 2022 are summarised below:

	Unit : Thousand Baht
At January 1, 2022	53,911
Increase	6,010
Accretion of interest	696
Lease modification	(31,352)
Payments	(11,286)
At September 30, 2022	17,979
Less current portion	(6,694)
Lease liabilities, net of current portion	11,285

The following are the amounts recognised in profit or loss for the nine-month period ended September 30, 2022:

	Unit : Thousand Baht
Depreciation of right-of-use assets	8,305
Interest expense on lease liabilities	696
Expense relating to short-term lease	4,195
Variable lease payments based on sales	5,724
Total	18,920

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2022

“Unaudited”

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8. Segment information
Information about reportable segment

Business segments

The Company’s operations mainly involve trading and servicing garments and others. Management considers that the financial information of the Company by business segments for the three-month periods ended September 30, 2022 and 2021 is as follows:

	Domestic retail		Online		Foreign retail		Corporate sales		Others		Total reportable segments		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
	Unit : Thousand Baht												
Revenue from sale and service	30,262	7,729	10,817	20,598	927	204	42,704	127,719	1,252	602	85,962	156,852	
Cost of sales and services	11,520	2,716	4,610	13,376	445	74	26,788	109,427	1,110	521	44,473	126,114	
Segment profit before income tax	18,742	5,013	6,207	7,222	482	130	15,916	18,292	142	81	41,489	30,738	
Unallocated amounts of revenue and expenses:													
Other income												690	2,609
Distribution costs												(20,690)	(23,268)
Administrative expenses												(9,746)	(9,093)
Financial Cost												(562)	(1,095)
Tax (expense) income												(115)	(49)
Profit (loss) for the period												11,066	(158)

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2022

“Unaudited”
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The financial information by business segments for the nine-month periods ended September 30, 2022 and 2021 is as follows:

	Domestic retail		Online		Foreign retail		Corporate sales		Others		Total reportable segments	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Unit : Thousand Baht											
Revenue from sale and service	84,572	62,186	36,304	55,549	5,789	1,878	77,688	211,215	3,559	1,790	207,912	332,618
Cost of sales and services	29,101	26,815	15,181	33,336	4,369	935	56,661	166,950	3,059	1,571	108,371	229,607
Segment profit before income tax	55,471	35,371	21,123	22,213	1,420	943	21,027	44,265	500	219	99,541	103,011
Unallocated amounts of revenue and expenses:												
Gain on sale of investment											15,315	-
Other income											4,416	7,774
Distribution costs											(74,032)	(98,351)
Administrative expenses											(29,248)	(29,578)
Financial Cost											(2,176)	(3,602)
Tax (expense) income											(6,498)	4,288
Profit (loss) for the period											7,318	(16,458)
Segment assets as at September 30 / December 31											544,930	677,755
Segment liabilities as at September 30 / December 31											98,766	238,450

Geographical segments

The Company operate principally in Thailand.

9. Fair value of financial instruments

Most of the Company’s financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments are estimated to approximate their fair value in the statements of financial position.

Financial assets measured at fair value in the statements of financial position as follows:

	Unit : Thousand Baht			
	Level 1	Level 2	Level 3	Total
September 30, 2022				
Other non-current financial assets - investments in equity instruments of				
Listed company	1,702	-	-	1,702
Non - listed companies	-	-	145,614	145,614
	<u>1,702</u>	<u>-</u>	<u>145,614</u>	<u>147,316</u>

10. Commitment and contingent liabilities

10.1 As at September 30, 2022, the Company has guarantee for overdraft lines to local financial institutions for certain related companies amounting to totaling Baht 11.0 million (December 31, 2021 : Baht 11.0 million).

10.2 As at September 30, 2022, the Company has contingent liabilities for letters of guarantees with several financial institutions, guarantee for its performance with customers, lease agreements and utilities totaling Baht 6.8 million (December 31, 2021 : Baht 18.5 million).

10.3 On July 9, 2015, the Company has entered into the service agreement with a local company in order to get consulting services on implementation and integrating programs development, total fee of this agreement is Baht 13.1 million. Presently, the Company paid up fee and other service together of Baht 12.2 million. This amount was recorded under intangible assets.

On August 31, 2018, The Company as plaintiff sued a counterparty and another company as defendants, the allegation about service provider has breached of contract. The Company claimed to return paid up amount and recover damages totaling of Baht 35.2 million, plus interest 7.5% of Baht 33.1 million since prosecution date till the claim amount is fully paid.

On January 29, 2019, defendants entered a plea and counterclaimed the Company, the allegation about plaintiff intended to do infringement. Defendants requested plaintiff to withdraw the prosecution and claimed for Baht 48.7 million plus interest 7.5% of this amount since prosecution date till the claim amount is fully paid.

On April 2, 2019, the Company submitted the requisitions to the Civil Court to withdraw the counterclaim from defendants.

At present, the case is in the Civil Court proceeding.

According to the mentioned lawsuit, the Company fully provided impairment on the computer software and recognized as expense of Baht 12.2 million in 2019.

11. Approval of interim financial information

This interim financial information was authorized for issue by the Board of Directors on November 11, 2022.