

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
INTERIM FINANCIAL INFORMATION
MARCH 31, 2023
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 March 31, 2023, the statements of comprehensive income, the related statement of changes in equity and cash flows for the three-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

May 12, 2023

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

		Unit : Thousand Baht	
		March 31, 2023	December 31, 2022
		"Unaudited"	"Audited"
		"Reviewed"	
	Note		
Assets			
Current Assets			
Cash and cash equivalents		2,571	6,377
Trade accounts receivable	3	23,176	17,371
Other current receivables	4	19,184	5,327
Inventories		187,144	187,955
Other current assets		10,353	12,011
Total current assets		<u>242,428</u>	<u>229,041</u>
Non-current assets			
Other non-current financial assets	5	144,453	144,473
Investment properties	6	72,635	72,654
Property, plant and equipment	7	31,940	33,200
Right-of-use assets	8	9,860	11,215
Intangible assets		1,131	1,131
Deferred tax assets		15,381	16,889
Other non-current assets		21,181	21,669
Total non-current assets		<u>296,581</u>	<u>301,231</u>
Total assets		<u>539,009</u>	<u>530,272</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 MARCH 31, 2023

		Unit : Thousand Baht	
		March 31, 2023	December 31, 2022
		"Unaudited"	"Audited"
	Note	"Reviewed"	
Liabilities and equity			
Current liabilities			
Overdrafts and short-term borrowings from financial institutions		7,798	-
Trade accounts payable	2	5,990	6,210
Other current payables	2	11,032	9,702
Current portion of lease liabilities	8	4,641	4,957
Short-term loans from related parties	2	12,000	28,000
Other current liabilities		3,183	3,027
Total current liabilities		44,644	51,896
Non-current liabilities			
Lease liabilities	8	4,249	5,371
Non-current provisions for employee benefit		8,441	9,073
Other non-current provisions		2,163	2,294
Total non-current liabilities		14,853	16,738
Total liabilities		59,497	68,634
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		(1,320)	(19,210)
Other component of equity		73,516	73,532
Total equity		479,512	461,638
Total liabilities and equity		539,009	530,272

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

"Unaudited"

"Reviewed"

		Unit : Thousand Baht	
	Note	2023	2022
Revenues			
Revenues from sales and services	2	65,758	69,430
Dividend income	5	13,260	-
Other income	2	883	1,056
Total revenues		79,901	70,486
Expenses			
	2		
Cost of sales of goods and services		28,237	40,770
Distribution costs		19,999	26,689
Administrative expenses		12,020	9,259
Finance costs		244	896
Total expenses		60,500	77,614
Profit (loss) before income tax expense		19,401	(7,128)
Tax expense (income)		1,511	2,465
Profit (loss) for the period		17,890	(9,593)
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI	5	(20)	(99)
Tax expense (income)		(4)	(20)
Other comprehensive income for the period, net of tax		(16)	(79)
Total comprehensive income for the period		17,874	(9,672)
Basic earnings (loss) per share (in Baht)		1.49	(0.80)
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 THREE-MONTH PERIOD ENDED MARCH 31, 2023

"Unaudited"
"Reviewed"

Unit : Thousand Baht

	Issued and Paid-up share capital	Share premium	Retained earnings		Other component of equity		Total equity
			Legal reserve	Unappropriated	Investments held as available for sale		
Balance at January 1, 2023	120,000	279,256	8,060	(19,210)	73,532		461,638
Comprehensive income for the period	-	-	-	17,890	-		17,890
Profit or loss	-	-	-	-	(16)		(16)
Other comprehensive income	-	-	-	17,890	(16)		17,874
Total comprehensive income for the period	-	-	-	17,890	(16)		17,874
Balance at March 31, 2023	120,000	279,256	8,060	(1,320)	73,516		479,512
Balance at January 1, 2022	120,000	279,256	8,060	(20,030)	52,019		439,305
Comprehensive income for the period	-	-	-	(9,593)	-		(9,593)
Profit or loss	-	-	-	-	(79)		(79)
Other comprehensive income	-	-	-	(9,593)			(9,672)
Total comprehensive income for the period	-	-	-	(9,593)	(79)		(9,672)
Balance at March 31, 2022	120,000	279,256	8,060	(29,623)	51,940		429,633

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 THREE-MONTH PERIOD ENDED MARCH 31, 2023

"Unaudited"
"Reviewed"

	Unit : Thousand Baht	
	2023	2022
Cash flows from operating activities		
Profit (loss) before income tax	19,401	(7,128)
Adjustments to reconcile profit (loss) to cash provided		
Trade accounts receivable (increase) decrease	(5,805)	30,241
Other receivables (increase) decrease	(598)	38
Inventories (increase) decrease	811	6,168
Other current assets (increase) decrease	(397)	(74)
Other non-current assets (increase) decrease	489	6,405
Trade accounts payable increase (decrease)	(219)	(31,884)
Other payables increase (decrease)	1,330	(3,810)
Other current liabilities increase (decrease)	155	(189)
Other non-current provisions increase (decrease)	147	148
Other non-current liabilities increase (decrease)	(131)	(533)
Depreciation and amortization	2,784	5,413
Loss on disposal of equipment	482	1,069
Gain from lease modification	-	(1,583)
Cash from operating activities	18,449	4,281
Dividend income	(13,260)	-
Interest expense	244	896
Non-current employee benefit paid	(779)	-
Income tax paid	(70)	(452)
Proceeds from income tax return	1,931	505
Net cash from (used in) operating activities	6,515	5,230

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 THREE-MONTH PERIOD ENDED MARCH 31, 2023

"Unaudited"

"Reviewed"

Unit : Thousand Baht

	2023	2022
Cash flows from investing activities		
Acquisition of equipment	(413)	(34)
Proceeds from disposal of equipment	1	70
Acquisition of right-of-use assets	(25)	-
Net cash from (used in) investing activities	(437)	36
Cash flows from financing activities		
Overdrafts and short-term borrowings from financial institutions increase (decrease)	7,798	(16,831)
Repayment of short-term borrowings from related party	(16,000)	(2,000)
Repayment of lease liabilities	(1,438)	(5,891)
Interest paid	(244)	(896)
Net cash from (used in) financing activities	(9,884)	(25,618)
Net increase (decrease) in cash and cash equivalents	(3,806)	(20,352)
Cash and cash equivalents at beginning of period	6,377	23,008
Cash and cash equivalents at ending of period	2,571	2,656

Supplement disclosures of cash flow information :

Non-cash transaction

For the three-month period ended March 31, 2023

- The Company has accrued dividend income of Baht 13.3 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, 2022.

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, 2022.

1.2 New financial reporting standards

The revised financial reporting standards that are effective for financial statements for accounting periods beginning on 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, 2022.

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2. Transactions and balance with related parties

During the three-month periods ended March 31, 2023 and 2022, 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	
	2023	2022
Related parties		
Revenue from sale of goods	1,310	101
Other income	129	109
Rental income	15	15
Purchase of goods	25,954	20,852
Distribution costs	774	1,071
Administrative expenses	1,353	1,287
Interest expense	155	229
Key management		
Key management compensation		
Short-term benefit	1,074	935
Post-employment benefit	28	20
Total key management compensation	<u>1,102</u>	<u>955</u>

Significant balances with related parties as at March 31, 2023 and December 31, 2022 are as follows:

	Unit : Thousand Baht	
	March 31, 2023	December 31, 2022
Trade accounts receivable		
Related person	1,402	-
Other current receivables		
Related parties	2,028	2,033
Trade accounts payable		
Related parties	4,818	5,019
Other current payables		
Related parties	1,510	1,378

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	Unit : Thousand Baht	
	March 31, 2023	December 31, 2022
Short-term loans		
Related person	12,000	28,000

3. Trade accounts receivable

		Unit : Thousand Baht	
	Note	March 31, 2023	December 31, 2022
Related person	2	1,402	-
Other companies		22,229	17,826
Less allowance for expected credit loss		(455)	(455)
Net		23,176	17,371

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	March 31, 2023	December 31, 2022
Related person		
Within credit terms	1,402	-
Other companies		
Within credit terms	19,777	16,188
Overdue:		
Less than 3 months	2,043	1,177
3 - 6 months	-	16
Over 12 months	409	445
Total trade accounts receivable	23,631	17,826
Less allowance for expected credit loss	(455)	(455)
Net	23,176	17,371

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

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4. Other current receivables

		Unit : Thousand Baht	
	Note	2023	2022
Related parties			
Other receivables	2	2,028	2,033
Other parties			
Other receivables		2,506	2,609
Accrued dividend income	5	13,260	-
Accrued income - others		354	334
Others		1,036	351
		17,156	3,294
Total other receivables		19,184	5,327

5. Other non-current financial assets

Movements during the three-month period ended March 31, 2023 were as follows:

	Unit : Thousand Baht
At January 1, 2023	144,473
Disposals	(20)
At March 31, 2023	144,453

Other non-current financial assets as at March 31, 2023 were as follows:

	Unit : Thousand Baht	
	Carrying amount	Dividend income
Investment in equity instruments of		
Listed company	1,326	-
Non - listed companies		
Related parties	50,714	-
Other parties	92,413	13,260
	143,127	13,260
Total	144,453	13,260

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
MARCH 31, 2023

“Unaudited”

“Reviewed”

6. Investment properties

Fair value of investment properties as at March 31, 2023 is as follow:

	Unit : Thousand Baht	
	Cost	Fair value
Land	72,635	318,190

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

7. Property, plant and equipment

Movements during three-month period ended March 31, 2023 were as follows:

	Unit : Thousand Baht
Net carrying value at January 1, 2023	33,200
Purchases	414
Disposals	(290)
Depreciation for the period	(1,384)
Net carrying value at March 31, 2023	31,940

The gross amount of the Company’s fully depreciation property and equipment that was still in use as at March 31, 2023 amounted to Baht 98.1 million (December 31, 2022: Baht 100.7 million).

8. Leases

Movements of the right-of-use assets during the three-month period ended March 31, 2023 are summarized below:

	Unit : Thousand Baht
Net book value as at January 1, 2023	11,215
Increase	25
Depreciation for the period	(1,380)
Net book value as at March 31, 2023	9,860

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Movement of lease liabilities during the three-month period ended March 31, 2023 are summarised below:

	Unit : Thousand Baht
At January 1, 2023	10,328
Accretion of interest	80
Payments	(1,518)
At March 31, 2023	8,890
Less current portion	(4,641)
Lease liabilities, net of current portion	4,249

The following are the amounts recognised in profit or loss for the three-month period ended March 31, 2023:

	Unit : Thousand Baht
Depreciation of right-of-use assets	1,380
Interest expense on lease liabilities	80
Expense relating to short-term lease	882
Variable lease payments based on sales	2,123
Total	4,465

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
MARCH 31, 2023

“Unaudited”
“Reviewed”

9. 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 March 31, 2023 and 2022 is as follows:

	Domestic retail		Online		Foreign retail		Corporate sales		Others		Total reportable segments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue from sale and service	35,154	24,950	10,755	14,404	1,028	2,054	17,663	26,834	1,158	1,188	65,758	69,430
Cost of sales and services	10,575	8,645	4,128	6,029	638	920	11,899	24,196	997	980	28,237	40,770
Segment profit before income tax	24,579	16,305	6,627	8,375	390	1,134	5,764	2,638	161	208	37,521	28,660
Unallocated amounts of revenue and expenses:												
Dividend income											13,260	-
Other income											883	1,056
Distribution costs											(19,999)	(26,689)
Administrative expenses											(12,020)	(9,259)
Financial Cost											(244)	(896)
Tax (expense) income											(1,511)	(2,465)
Profit (loss) for the period											17,890	(9,593)
Segment assets as at March 31 / December 31											539,009	530,272
Segment liabilities as at March 31 / December 31											59,497	68,634

MARCH 31, 2023

Geographical segments

The Company operate principally in Thailand.

10. 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
As at March 31, 2023				
Other non-current financial assets - investments in equity instruments of				
Listed company	1,326	-	-	1,326
Non - listed companies	-	-	143,127	143,127
	<u>1,326</u>	<u>-</u>	<u>143,127</u>	<u>144,453</u>

11. Commitment and contingent liabilities

11.1 As at March 31, 2023, the Company has guarantee for overdraft lines to local financial institutions for certain related companies amounting to totaling Baht 11.0 million (December 31, 2022 : Baht 11.0 million).

11.2 As at March 31, 2023, 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, 2022 : Baht 6.8 million).

11.3 The Company has service agreements regarding building rental. As at March 31, 2023 and December 31, 2022, the totals of future minimum payments are as follows:

	Unit : Million Baht	
	March 31, 2023	December 31, 2022
Within one year	3.4	3.9
After one year but within five years	2.0	2.4
Total	<u>5.4</u>	<u>6.3</u>

11.4 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.

12. Approval of interim financial information

This interim financial information was authorized for issue by the Board of Directors on May 12, 2023.