

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 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 September 30, 2023, 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 10, 2023

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		Unit : Thousand Baht	
		September 30, 2023	December 31, 2022
		"Unaudited"	"Audited"
		"Reviewed"	
	Note		
Assets			
Current Assets			
Cash and cash equivalents		14,928	6,377
Trade accounts receivable	3	25,136	17,371
Other current receivables	4	6,212	5,327
Inventories		188,121	187,955
Other current assets		10,750	12,011
Total current assets		<u>245,147</u>	<u>229,041</u>
Non-current assets			
Other non-current financial assets	5	141,776	144,473
Investment properties	6	72,596	72,654
Property, plant and equipment	7	40,705	33,200
Right-of-use assets	8	20,284	11,215
Intangible assets		1,131	1,131
Deferred tax assets		11,544	16,889
Other non-current assets		23,079	21,669
Total non-current assets		<u>311,115</u>	<u>301,231</u>
Total assets		<u>556,262</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 SEPTEMBER 30, 2023

		Unit : Thousand Baht	
		September 30, 2023	December 31, 2022
		"Unaudited"	"Audited"
	Note	"Reviewed"	
Liabilities and equity			
Current liabilities			
Trade accounts payable	2	3,944	6,210
Other current payables	2	9,533	9,702
Current portion of lease liabilities	8	6,725	4,957
Short-term loans from a related party	2	12,000	28,000
Other current liabilities		6,528	3,027
Total current liabilities		38,730	51,896
Non-current liabilities			
Lease liabilities	8	10,423	5,371
Non-current provisions for employee benefit		8,736	9,073
Other non-current provisions		2,443	2,294
Total non-current liabilities		21,602	16,738
Total liabilities		60,332	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		4,342	(19,210)
Other component of equity		84,272	73,532
Total equity		495,930	461,638
Total liabilities and equity		556,262	530,272

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, 2023

		Unit : Thousand Baht	
	Note	2023	2022
Revenues			
Revenues from sales and services	2	82,267	85,962
Gain on sale of investment	5	6,732	-
Other income	2	1,242	690
Total revenues		90,241	86,652
Expenses			
	2		
Cost of sales of goods and services		40,189	44,473
Distribution costs		21,839	20,690
Administrative expenses		10,819	9,746
Finance costs		334	562
Total expenses		73,181	75,471
Profit (loss) before income tax expense		17,060	11,181
Tax expense (income)		3,325	115
Profit (loss) for the period		13,735	11,066
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI		50	(119)
Tax expense (income)		10	(24)
Other comprehensive income for the period, net of tax		40	(95)
Total comprehensive income for the period		13,775	10,971
Basic earnings (loss) per share (in Baht)		1.14	0.92
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 COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

"Unaudited"

"Reviewed"

		Unit : Thousand Baht	
	Note	2023	2022
Revenues			
Revenues from sales and services	2	200,756	207,912
Dividend income	5	13,757	737
Gain on sale of investment	5	6,732	15,315
Other income	2	3,219	3,679
Total revenues		224,464	227,643
Expenses			
Cost of sales of goods and services	2	89,373	108,371
Distribution costs		63,672	74,032
Administrative expenses		31,057	29,248
Finance costs		725	2,176
Total expenses		184,827	213,827
Profit (loss) before income tax expense		39,637	13,816
Tax expense (income)		5,345	6,498
Profit (loss) for the period		34,292	7,318
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI	5	-	(574)
Tax expense (income)		-	(115)
Other comprehensive income for the period, net of tax		-	(459)
Total comprehensive income for the period		34,292	6,859
Basic earnings (loss) per share (in Baht)		2.86	0.61
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, 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	-	-	-	34,292	-	34,292	
Profit or loss	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	34,292	-	34,292	
Transfer to retained earnings	-	-	-	(10,740)	10,740	-	
Balance at September 30, 2023	120,000	279,256	8,060	4,342	84,272	495,930	
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)	(459)	
Other comprehensive income	-	-	-	-	-	-	
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	

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, 2023

	Unit : Thousand Baht	
	2023	2022
Cash flows from operating activities		
Profit (loss) before income tax	39,637	13,816
Adjustments to reconcile profit (loss) to cash provided		
Trade accounts receivable (increase) decrease	(7,765)	26,259
Other receivables (increase) decrease	(886)	440
Inventories (increase) decrease	(364)	20,666
Other current assets (increase) decrease	(37)	(44)
Other non-current assets (increase) decrease	(1,410)	17,644
Trade accounts payable increase (decrease)	(2,265)	(27,357)
Other payables increase (decrease)	(168)	(10,166)
Other current liabilities increase (decrease)	3,500	(2,808)
Other non-current liabilities increase (decrease)	149	(1,304)
Depreciation and amortization	8,576	13,486
Loss on disposal of assets	441	2,166
Allowance for (reversal of) declining value of inventories	198	(918)
Non-current provisions for employee benefit	442	444
Gain on sale of investment in equity instrument	(6,732)	(15,315)
Gain from lease modification	-	(2,545)
Cash from operating activities	33,316	34,464
Dividend income	(13,757)	(737)
Interest expense	725	2,176
Non-current employee benefit paid	(780)	-
Income tax paid	(842)	(1,225)
Proceeds from income tax return	1,931	505
Net cash from (used in) operating activities	20,593	35,183

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, 2023

"Unaudited"

"Reviewed"

	Unit : Thousand Baht	
	2023	2022
Cash flows from investing activities		
Dividends received	13,757	737
Acquisition of investment properties	-	(378)
Acquisition of property, plant and equipment	(11,759)	(198)
Acquisition of right-of-use assets	(3,176)	-
Proceeds from disposal of investment in equity instrument	9,429	19,170
Proceeds from disposal of equipment	145	87
Net cash from (used in) investing activities	8,396	19,418
Cash flows from financing activities		
Overdrafts and short-term borrowings from financial institutions increase (decrease)	-	(66,362)
Proceeds from short-term borrowings from a related party	-	23,700
Repayment of short-term borrowings from a related party	(16,000)	(20,000)
Repayment of lease liabilities	(3,876)	(10,590)
Interest paid	(562)	(2,176)
Net cash from (used in) financing activities	(20,438)	(75,428)
Net increase (decrease) in cash and cash equivalents	8,551	(20,827)
Cash and cash equivalents at beginning of period	6,377	23,008
Cash and cash equivalents at ending of period	14,928	2,181

Supplement disclosures of cash flow information :

Non-cash transaction

For the nine-month period ended September 30, 2023

- Right-of-use assets increased from lease liabilities of Baht 10.5 million.

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

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.

SEPTEMBER 30, 2023

2. Transactions with related parties

During the three-month and nine-month periods ended September 30, 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			
	For the three-month period ended September 30		For the nine-month period ended September 30	
	2023	2022	2023	2022
Related parties				
Revenue from sale of goods	19	8	19	183
Sale of investment (Note 5)	9,429	-	9,429	19,170
Other income	143	127	454	507
Purchase of goods	30,301	30,727	84,619	66,153
Purchase of commercial building (Note 7)	10,500	-	10,500	-
Distribution costs	546	655	1,548	3,229
Administrative expenses	1,489	1,201	4,102	3,372
Interest expense	73	274	299	809
Key management				
Key management compensation				
Short-term benefit	1,336	932	3,741	2,795
Post-employment benefit	28	20	84	60
Total key management compensation	1,364	952	3,825	2,855

Significant balances with related parties as at September 30, 2023 and December 31, 2022 are as follows:

	Unit : Thousand Baht	
	September 30, 2023	December 31, 2022
Other current receivables		
Related parties	2,024	2,033
Trade accounts payable		
Related parties	3,273	5,019
Other current payables		
Related parties	1,231	1,378

SEPTEMBER 30, 2023

	Unit : Thousand Baht	
	September 30, 2023	December 31, 2022
Short-term loans		
Related person	12,000	28,000

3. Trade accounts receivable

	Unit : Thousand Baht	
	September 30, 2023	December 31, 2022
Other companies	25,591	17,826
Less allowance for expected credit loss	(455)	(455)
Net	25,136	17,371

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	September 30, 2023	December 31, 2022
Other companies		
Within credit terms	23,831	16,188
Overdue:		
Less than 3 months	1,361	1,177
3 - 6 months	52	16
Over 12 months	347	445
Total trade accounts receivable	25,591	17,826
Less allowance for expected credit loss	(455)	(455)
Net	25,136	17,371

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2023

“Unaudited”

“Reviewed”

4. Other current receivables

	Note	Unit : Thousand Baht	
		2023	2022
Related parties			
Other receivables	2	2,024	2,033
Other parties			
Other receivables		2,503	2,609
Accrued income		540	334
Others		1,145	351
		4,188	3,294
Total		6,212	5,327

5. Other non-current financial assets

Movements during the nine-month period ended September 30, 2023 were as follows:

	Unit : Thousand Baht
At January 1, 2023	144,473
Disposals	(2,697)
Valuation adjustment	-
At September 30, 2023	141,776

In September 2023, the Company sold investment in equity instrument of a non - listed company (Panivara Co., Ltd.) to a related party (Siratam Co., Ltd.) of 16,990 shares at the selling price of Baht 9.4 million and recognised gain from sale of Baht 6.7 million in the statements of comprehensive income for the three-month and nine-month periods ended September 30, 2023.

SEPTEMBER 30, 2023

Other non-current financial assets as at September 30, 2023 were as follows:

	Unit : Thousand Baht	
	Carrying amount	Dividend income
Investment in equity instruments of		
Listed company	1,346	-
Non - listed companies		
- Related parties	48,017	-
- Other parties	92,413	13,757
	140,430	13,757
Total	141,776	13,757

6. Investment properties

Fair value of investment properties as at September 30, 2023 is as follow:

	Unit : Thousand Baht	
	Cost	Fair value
Land	72,596	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 nine-month period ended September 30, 2023 were as follows:

	Unit : Thousand Baht
Net carrying value at January 1, 2023	33,200
Purchases	11,759
Transfer out	(49)
Disposals	(377)
Depreciation for the period	(3,828)
Net carrying value at September 30, 2023	40,705

In September 2023, the Company purchased a commercial building from a related party (Siratarn Co., Ltd.) at the price of Baht 10.5 million.

The gross amount of the Company’s fully depreciation property and equipment that was still in use as at September 30, 2023 amounted to Baht 77.3 million (December 31, 2022: Baht 100.7 million).

SEPTEMBER 30, 2023

8. Leases

Movements of the right-of-use assets during the nine-month period ended September 30, 2023 are summarized below:

	Unit : Thousand Baht
Net book value as at January 1, 2023	11,215
Increase	9,967
Transfer in	49
Increase from lease modification	3,742
Depreciation for the period	(4,689)
Net book value as at September 30, 2023	20,284

Movement of lease liabilities during the nine-month period ended September 30, 2023 are summarised below:

	Unit : Thousand Baht
At January 1, 2023	10,328
Increase	6,791
Increase from lease modification	3,742
Accretion of interest	163
Payments	(3,876)
At September 30, 2023	17,148
Less current portion	(6,725)
Lease liabilities, net of current portion	10,423

The following are the amounts recognised in profit or loss for the nine-month period ended September 30, 2023:

	Unit : Thousand Baht
Depreciation of right-of-use assets	4,689
Interest expense on lease liabilities	414
Expense relating to short-term lease	2,501
Variable lease payments based on sales	6,364
Total	13,968

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 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 September 30, 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	
	Unit : Thousand Baht												
Revenue from sale and service	33,464	30,262	8,849	10,817	552	927	38,002	42,704	1,400	1,252	82,267	85,962	
Cost of sales and services	11,552	11,520	3,523	4,610	182	445	23,705	26,788	1,227	1,110	40,189	44,473	
Segment profit before income tax	21,912	18,742	5,326	6,207	370	482	14,297	15,916	173	142	42,078	41,489	
Unallocated amounts of revenue and expenses:													
Gain on sale of investment												6,732	-
Other income												1,242	690
Distribution costs												(21,839)	(20,690)
Administrative expenses												(10,819)	(9,746)
Financial cost												(334)	(562)
Tax (expense) income												(3,325)	(115)
Profit (loss) for the period												13,735	11,066

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
SEPTEMBER 30, 2023

“Unaudited”
“Reviewed”

The financial information by business segments for the nine-month periods ended September 30, 2023 and 2022 is as follows:

	Unit : Thousand Baht											
	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	100,552	84,572	29,144	36,304	2,123	5,789	64,916	77,688	4,021	3,559	200,756	207,912
Cost of sales and services	32,410	29,101	11,163	15,181	1,001	4,369	41,319	56,661	3,480	3,059	89,373	108,371
Segment profit before income tax	68,142	55,471	17,981	21,123	1,122	1,420	23,597	21,027	541	500	111,383	99,541
Unallocated amounts of revenue and expenses:												
Dividend income											13,757	737
Gain on sale of investment											6,732	15,315
Other income											3,219	3,679
Distribution costs											(63,672)	(74,032)
Administrative expenses											(31,057)	(29,248)
Financial Cost											(725)	(2,176)
Tax (expense) income											(5,345)	(6,498)
Profit (loss) for the period											34,292	7,318
Segment assets												
at September 30 / December 31											556,262	530,272
Segment liabilities												
at September 30 / December 31											60,332	68,634

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 September 30, 2023				
Other non-current financial assets - investments in equity instruments of				
Listed company	1,346	-	-	1,346
Non - listed companies	-	-	140,430	140,430
	<u>1,346</u>	<u>-</u>	<u>140,430</u>	<u>141,776</u>

11. Commitment and contingent liabilities

11.1 As at September 30, 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 September 30, 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 8.9 million (December 31, 2022 : Baht 6.8 million).

11.3 The Company has service agreements regarding building rental. As at September 30, 2023 and December 31, 2022, the totals of future minimum payments are as follows:

	Unit : Million Baht	
	September 30, 2023	December 31, 2022
Within one year	9.9	3.9
After one year but within five years	16.6	2.4
Total	<u>26.5</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 November 10, 2023.