

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION

MARCH 31, 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 March 31, 2022, 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".

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Emphasis of Matter

I draw attention to Note 2.3 to the interim financial information. The Coronavirus disease 2019 pandemic currently affects the Company's business activities in terms of revenue from sales, and this is significantly impacting the Company's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved. My conclusion is not modified in respect of this matter.



(Ms. Nonglak Pattanabandith)

Certified Public Accountant

Registration No. 4713

Karin Audit Company Limited

Bangkok

May 13, 2022

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

		Unit : Thousand Baht	
		March 31, 2022	December 31, 2021
		"Unaudited"	"Audited"
	Note	"Reviewed"	
Assets			
Current Assets			
Cash and cash equivalents		2,656	23,008
Trade accounts receivable	4	12,029	42,270
Other current receivables	3	9,231	9,269
Inventories		200,573	206,741
Other current assets		11,167	11,145
Total current assets		235,656	292,433
Non-current assets			
Other non-current financial assets	5	151,646	151,745
Investment properties	6	72,295	72,295
Property, plant and equipment	7	38,824	40,316
Right-of-use assets	8	29,883	51,215
Intangible assets		1,792	1,792
Deferred tax assets		26,201	28,646
Other non-current assets		32,908	39,313
Total non-current assets		353,549	385,322
Total assets		589,205	677,755

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, 2022

		Unit : Thousand Baht	
		March 31, 2022	December 31, 2021
		"Unaudited"	"Audited"
	Note	"Reviewed"	
Liabilities and equity			
Current liabilities			
Overdrafts and short-term borrowings from financial institutions		49,531	66,362
Trade accounts payable	3	3,606	35,490
Other current payables	3	19,314	23,124
Current portion of lease liabilities	8	9,467	16,519
Short-term loans from related parties	3	38,500	40,500
Other current liabilities	3	5,598	5,786
Total current liabilities		126,016	187,781
Non-current liabilities			
Lease liabilities	8	20,472	37,392
Non-current provisions for employee benefit		9,926	9,778
Other non-current provisions		3,158	3,499
Total non-current liabilities		33,556	50,669
Total liabilities		159,572	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		(29,623)	(20,030)
Other component of equity		51,940	52,019
Total equity		429,633	439,305
Total liabilities and equity		589,205	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 MARCH 31, 2022

		Unit : Thousand Baht	
	Note	2022	2021
Revenues			
Revenues from sales and services	3	69,430	78,446
Other income	3	1,056	2,149
Total revenues		70,486	80,595
Expenses			
Cost of sales of goods and services	3	40,770	42,763
Distribution costs		26,689	40,021
Administrative expenses		9,259	10,146
Finance costs		896	1,441
Total expenses		77,614	94,371
Profit (loss) before income tax expense		(7,128)	(13,776)
Tax expense (income)		2,465	(3,355)
Profit (loss) for the period		(9,593)	(10,421)
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI	5	(99)	970
Tax expense (income)		(20)	194
Other comprehensive income for the period, net of tax		(79)	776
Total comprehensive income for the period		(9,672)	(9,645)
Basic earnings (loss) per share (in Baht)		(0.80)	(0.87)
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, 2022

"Unaudited"

"Reviewed"

Unit : Thousand Baht

	Note	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, 2022		120,000	279,256	8,060	(20,030)	52,019		439,305
Comprehensive income for the period								
Profit or loss		-	-	-	(9,593)	-		(9,593)
Other comprehensive income		-	-	-	-	(79)		(79)
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
Balance at January 1, 2021		120,000	279,256	8,060	5,058	(12,349)		400,025
Comprehensive income for the period								
Profit or loss		-	-	-	(10,421)	-		(10,421)
Other comprehensive income		-	-	-	-	776		776
Total comprehensive income for the period		-	-	-	(10,421)	776		(9,645)
Balance at March 31, 2021		120,000	279,256	8,060	(5,363)	(11,573)		390,380

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, 2022

"Unaudited"

"Reviewed"

	Unit : Thousand Baht	
	2022	2021
Cash flows from operating activities		
Profit (loss) before income tax	(7,128)	(13,776)
Adjustments to reconcile profit (loss) to cash provided		
Trade accounts receivable (increase) decrease	30,241	6,462
Other receivables (increase) decrease	38	(1,749)
Inventories (increase) decrease	6,168	15,561
Other current assets (increase) decrease	(74)	620
Other non-current assets (increase) decrease	6,405	134
Trade accounts payable increase (decrease)	(31,884)	1,415
Other payables increase (decrease)	(3,810)	4,846
Other current liabilities increase (decrease)	(189)	398
Non-current provisions for employee benefit	148	148
Other non-current liabilities increase (decrease)	(533)	(355)
Depreciation and amortization	5,413	9,879
Loss on disposal of equipment	1,069	260
Expected credit losses and bad debt	-	403
Gain from lease modification	(1,583)	-
Cash from operating activities	4,281	24,246
Interest expense	896	1,441
Income tax paid	(452)	(78)
Proceeds from income tax return	505	-
Net cash from (used in) operating activities	5,230	25,609

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, 2022

"Unaudited"

"Reviewed"

	Unit : Thousand Baht	
	2022	2021
Cash flows from investing activities		
Acquisition of equipment	(34)	(241)
Proceeds from disposal of equipment	70	-
Acquisition of right-of-use assets	-	(317)
Acquisition of intangible assets	-	(225)
Net cash from (used in) investing activities	36	(783)
Cash flows from financing activities		
Overdrafts and short-term borrowings from financial institutions increase (decrease)	(16,831)	2,114
Repayment of short-term borrowings from related party	(2,000)	(21,000)
Repayment of lease liabilities	(5,891)	(4,002)
Interest paid	(896)	(1,441)
Net cash from (used in) financing activities	(25,618)	(24,329)
Net increase (decrease) in cash and cash equivalents	(20,352)	497
Cash and cash equivalents at beginning of period	23,008	5,776
Cash and cash equivalents at ending of period	2,656	6,273

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

1. General information

Boutique Newcity Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1112/53-75 Soi Sukhumvit 48 (Piyavat), Sukhumvit Road, Phra Khanong, Khlong Toei, Bangkok, Thailand.

The Company was listed on stock Exchange of Thailand in November 1987.

The Company’s major shareholders during the financial period were Pavarolavidya Group 56% shareholding.

The principal activities of the Company are engaged in trading and servicing garments and others.

2. Basic of interim financial information preparation and principles

2.1 Basic for 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, 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.

2.2 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.

The revised financial reporting standards which effective for fiscal years beginning on or after January 1, 2022 do not have any significant impact on the Company’s financial statements.

2.3 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic currently affects the Company’s business activities in terms of revenue from sales, and this is significantly impacting the Company’s financial position, operating results, and cash flows at present, and is expected to do so in the future. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

MARCH 31, 2022

Significant transactions for the three-month periods ended March 31, 2022 and 2021 with related parties were as follows:

	Unit : Thousand Baht	
	2022	2021
Related parties		
Revenue from sale of goods	101	20
Other income	109	140
Rental income	15	-
Purchase of goods	20,852	26,165
Distribution costs	1,071	1,129
Administrative expenses	1,287	630
Interest expense	229	99
Key management		
Key management compensation		
Short-term benefit	935	911
Post-employment benefit	20	20
Total key management compensation	955	931

Balance as at March 31, 2022 and December 31, 2021 with related parties were as follows:

	Unit : Thousand Baht	
	March 31, 2022	December 31, 2021
Other current receivables		
Related parties	1,969	2,322
Trade accounts payable		
Related parties	2,645	22,408
Other current payables		
Related parties	1,917	2,816
Other current liabilities		
Related parties	45	-

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	Interest rate (% per annum)		Unit : Thousand Baht	
	March 31,	December 31,	March 31,	December 31,
	2022	2021	2022	2021
Short-term loans from related party				
Mrs. Sirina Pavarolavidya	2.40	2.40	38,500	40,500

Movements during the three-month period ended March 31, 2022 of short-term loans from related party were as follows:

	Unit : Thousand Baht
At January 1, 2022	40,500
Increase	-
Decrease	(2,000)
At March 31, 2022	38,500

4. Trade accounts receivable

	Unit : Thousand Baht	
	March 31, 2022	December 31, 2021
Other companies	19,490	49,731
Less allowance for expected credit loss	(7,461)	(7,461)
Net	12,029	42,270

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	March 31, 2022	December 31, 2021
Other parties		
Within credit terms	9,766	16,049
Overdue:		
Less than 3 months	1,612	22,448
3 - 6 months	50	3,166
6 - 12 months	547	671
Over 12 months	7,515	7,397
	19,490	49,731
Less allowance for expected credit loss	(7,461)	(7,461)
Net	12,029	42,270

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
MARCH 31, 2022

“Unaudited”
“Reviewed”

5. Other non-current financial assets

Other non-current financial assets as at March 31, 2022 were as follows:

	Unit : Thousand Baht
Investment in equity instruments of	
Listed company	2,178
Non - listed companies	
- Related parties	54,143
- Other parties	95,325
	149,468
Total	151,646

Movements during the three-month period ended March 31, 2022 were as follows:

	Unit : Thousand Baht
At January 1, 2022	151,745
Valuation adjustment	(99)
At March 31, 2022	151,646

Investment in equity instruments of non - listed companies as at March 31, 2022 were as follows:

			Unit : Thousand Baht		
	Type of business	Ownership interest (%)	Paid-up capital	Carrying amount	Dividend income
Related parties					
Panivara Co., Ltd.	Hotel	18.66	284,000	11,348	-
Choksamakee Co., Ltd.	Property for rent	16.68	116,000	42,795	-
				54,143	-
Other parties					
Others				95,325	-
Total				149,468	-

MARCH 31, 2022

6. Investment properties

Fair value of investment properties as at March 31, 2022 is as follow:

	Unit : Thousand Baht	
	Cost	Fair value
Land	72,295	306,874

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, 2022 were as follows:

	Unit : Thousand Baht
Net carrying value at January 1, 2022	40,316
Purchases	34
Disposals	(1,139)
Transfer in	1,180
Depreciation for the period	(1,567)
Net carrying value at March 31, 2022	38,824

The gross amount of the Company’s fully depreciation property and equipment that was still in use as at March 31, 2022 amounted to Baht 119.1 million (December 31, 2021: Baht 119.2 million).

8. Leases

Movements of the right-of-use assets during the three-month period ended March 31, 2022 are summarized below:

	Unit : Thousand Baht
Net book value as at January 1, 2022	51,215
Increase	2,864
Lease modification	(19,170)
Transfer out	(1,180)
Depreciation for the period	(3,846)
Net book value as at March 31, 2022	29,883

MARCH 31, 2022

Movement of lease liabilities during the three-month period ended March 31, 2022 are summarised below:

	Unit : Thousand Baht
At January 1, 2022	53,911
Increase	2,672
Accretion of interest	336
Lease modification	(20,753)
Payments	(6,227)
At March 31, 2022	29,939
Less current portion	(9,467)
Lease liabilities, net of current portion	20,472

The following are the amounts recognised in profit or loss for the three-month period ended March 31, 2022

	Unit : Thousand Baht
Depreciation of right-of-use assets	3,846
Interest expense on lease liabilities	336
Expense relating to short-term lease	1,113
Variable lease payments based on sales	2,057
Total	7,352

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
MARCH 31, 2022

“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, 2022 and 2021 is as follows:

	Unit : Thousand Baht											
	Domestic retail		Online		Foreign retail		Corporate sales		Others		Total reportable segments	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from sale and service	24,950	36,155	14,404	17,565	2,054	877	26,834	23,180	1,188	669	69,430	78,446
Cost of sales and services	8,645	15,911	6,029	9,575	920	451	24,196	16,233	980	593	40,770	42,763
Segment profit before income tax	16,305	20,244	8,375	7,990	1,134	426	2,638	6,947	208	76	28,660	35,683
Unallocated amounts of revenue and expenses:												
Other income											1,056	2,149
Distribution costs											(26,689)	(40,021)
Administrative expenses											(9,259)	(10,146)
Financial cost											(896)	(1,441)
Tax (expense) income											(2,465)	3,355
Profit (loss) for the period											(9,593)	(10,421)
Segment assets as at											589,205	677,755
March 31 / December 31												
Segment liabilities as at											159,572	238,450
March 31 / December 31												

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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
March 31, 2022				
Other non-current financial assets - investments in equity instruments of				
Listed company	2,178	-	-	2,178
Non - listed companies	-	-	149,468	149,468
	<u>2,178</u>	<u>-</u>	<u>149,468</u>	<u>151,646</u>

During the current period, there were no changes in the methods and assumptions used in determining the fair value of financial instruments and no transfers within the fair value hierarchy.

11. Commitment and contingent liabilities

11.1 As at March 31, 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).

11.2 As at March 31, 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 12.8 million (December 31, 2021 : Baht 18.5 million).

11.3 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.

12. Approval of interim financial information

This interim financial information was authorized for issue by the Board of Directors on May 13, 2022.