

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**AND INDEPENDENT AUDITOR'S REPORT**

## Independent Auditor's Report

To the shareholders of Boutique Newcity Public Company Limited

### Opinion

I have audited the financial statements of Boutique Newcity Public Company Limited, which comprise the statement of financial position as at December 31, 2020, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boutique Newcity Public Company Limited as at December 31, 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter

I draw attention to Note 2.4 to the financial statements regarding COVID-19 pandemic, which affects the Company's business activities in terms of consumer spending, resulted in the decrease of the Company's sales to customers. 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.

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**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Leases	
Refers to Notes 3.15 and 14 to the financial statements	
The key audit matter	How the matter was addressed in the audit
The Company applies TFRS 16 - Leases, effective for financial reporting beginning on or after January 1, 2020. The application of the new standard gives rise to a right-of-use asset and a corresponding increase in lease liabilities as at December 31, 2020 of Baht 93.6 million Baht 87.0 million, respectively. I focus on this matter because the impact to the financial statements is material and the measurement of the right-of-use asset and lease liability is based on management assumptions such as the lease terms, including renewal and termination options and lessee's incremental borrowing rate.	<p>My audit procedures were designed to assess the appropriateness of this matter included:</p> <ul style="list-style-type: none"> <li>- Understanding the management assumptions, specifically on the assumptions used to determine the assessment of renewal and termination options; and the lessee's incremental borrowing rate.</li> <li>- Random verification of the accuracy of the underlying lease data by agreeing to contracts or other supporting information.</li> <li>- Verification of the accuracy by recalculating the carrying amounts of right-of-use asset and lease liability.</li> <li>- Assessment of completeness of disclosures in the financial statements.</li> </ul>

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Valuation of inventories	
Refer to Notes 3.3 and 8 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company's inventories are material to the financial statements where are measured at the lower of cost or net realisable value. Owing to the fashionable products with high market competition and the rapid change of popularity of products. Therefore, there is a risk that inventories may be presented at cost higher than net realisable value regarding the decline in value and the inventory obsolescence. The Company considers the allowance for decline in value and obsolescence which requires the judgement in estimation by management. Consequently, I consider that this is a significant matter.</p>	<p>My audit procedures were designed to assess the appropriateness of the allowance for decline in value of inventories and obsolescence included:</p> <ul style="list-style-type: none"> <li>- Understanding the policies and procedures that the Company's management applied for setting up allowance for decline in value of inventories.</li> <li>- Performing test on a sample basis of net realisable value of inventories by investigating with the sale data whether there were any sales at price lower than cost to assess management's estimates and decision whether the allowance for decline in value of inventories was appropriate and adequate.</li> <li>- Considering the historical accuracy of the allowance for decline in value of inventories for evaluating the appropriateness of the assumptions made in the current year and assessing the reasonableness of assumptions made by management on the extent of long-outstanding inventories and sales at price lower than cost including related selling expenses to consider the appropriateness of the allowance for decline in value of inventories.</li> <li>- Considering of the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>



**Other matter**

The financial statements in which the equity method is applied and separate financial statements of Boutique Newcity Public Company Limited, which comprise the statement of financial position as at December 31, 2019, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, which are included as comparative information, were audited by another auditor in the same office who expressed an unqualified opinion, thereon in her report dated February 25, 2020.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Nonglak Pattanabandith.



(Ms. Nonglak Pattanabandith)  
Certified Public Accountant  
Registration No. 4713

Karin Audit Company Limited  
Bangkok  
February 25, 2021

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

Unit : Baht

	Note	Financial statements		2019
		in which the equity method		
		is applied	Separate financial statements	
		2019	2020	2019
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5	7,679,002	5,776,394	7,679,002
Trade accounts receivable	6	65,860,588	31,075,736	65,860,588
Other current receivables	7	7,451,667	6,627,114	7,451,667
Inventories	8	286,363,487	208,172,841	286,363,487
Other current assets	9	9,802,559	15,624,474	9,802,559
<b>Total current assets</b>		<b>377,157,303</b>	<b>267,276,559</b>	<b>377,157,303</b>
<b>Non-current assets</b>				
Other non-current financial assets	10	-	71,285,052	-
Investment in an associate	11	21,270,103	-	20,267,223
Other long-term investments	30	57,233,996	-	60,308,590
Investment properties	12	72,295,480	72,295,480	72,295,480
Property, plant and equipment	13	64,558,427	47,769,056	64,558,427
Right-of-use assets	14	-	93,566,317	-
Leasehold rights		6,634,379	-	6,634,379
Intangible assets		969,918	1,787,780	969,918
Deferred tax assets	15	14,552,505	34,170,629	14,552,505
Other non-current assets	16	56,053,098	45,281,732	56,053,098
<b>Total non-current assets</b>		<b>293,567,906</b>	<b>366,156,046</b>	<b>295,639,620</b>
<b>Total assets</b>		<b>670,725,209</b>	<b>633,432,605</b>	<b>672,796,923</b>

The accompanying notes are an integral part of these financial statements.



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

Unit : Baht

	Note	Financial statements		
		in which the equity method		Separate
		is applied		financial statements
		2019	2020	2019
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term borrowings				
from financial institutions	17	124,925,087	80,000,000	124,925,087
Trade accounts payable	18	16,526,914	3,686,551	16,526,914
Other current payables	19	18,207,790	19,701,802	18,207,790
Current portion of lease liabilities	14	-	20,198,019	-
Current portion of financial lease liabilities		245,167	-	245,167
Short-term loans from related parties	4	39,000,000	21,000,000	39,000,000
Other current liabilities	20	5,931,290	7,414,911	5,931,290
<b>Total current liabilities</b>		<b>204,836,248</b>	<b>152,001,283</b>	<b>204,836,248</b>
<b>Non-current liabilities</b>				
Lease liabilities	14	-	66,782,334	-
Financial lease liabilities		1,955,254	-	1,955,254
Non-current provisions for employee benefit	21	7,947,699	9,297,668	7,947,699
Other non-current provisions		1,450,190	5,326,590	1,450,190
<b>Total non-current liabilities</b>		<b>11,353,143</b>	<b>81,406,592</b>	<b>11,353,143</b>
<b>Total liabilities</b>		<b>216,189,391</b>	<b>233,407,875</b>	<b>216,189,391</b>

The accompanying notes are an integral part of these financial statements.



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

Unit : Baht

	Note	Financial statements		
		in which the equity method	Separate	
		is applied	financial statements	
		2019	2020	2019
<b>Equity</b>				
Share capital	22			
Authorized share capital		250,000,000	250,000,000	250,000,000
Issued and paid-up share capital		120,000,000	120,000,000	120,000,000
Premium on ordinary shares	22	279,255,971	279,255,971	279,255,971
Surplus on change of shareholding in investment under common control		11,018,736	-	-
Retained earnings				
Appropriated - legal reserve	23	8,060,010	8,060,010	8,060,010
Unappropriated		41,117,460	5,057,717	54,207,910
Other component of equity	23	(4,916,359)	(12,348,968)	(4,916,359)
<b>Total equity</b>		<b>454,535,818</b>	<b>400,024,730</b>	<b>456,607,532</b>
<b>Total liabilities and equity</b>		<b>670,725,209</b>	<b>633,432,605</b>	<b>672,796,923</b>

The accompanying notes are an integral part of these financial statements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Unit : Baht

	Note	Financial statements		
		in which the equity method	Separate	
		is applied	financial statements	
		2019	2020	2019
<b>Revenues</b>				
Revenues from sales	4	600,827,549	301,951,367	600,827,549
Revenues from services		129,779,573	70,764,451	129,779,573
Other income	4	34,484,578	12,629,723	35,136,521
<b>Total revenues</b>		<b>765,091,700</b>	<b>385,345,541</b>	<b>765,743,643</b>
<b>Expenses</b>				
Cost of sales of goods	4	315,524,533	165,106,753	315,524,533
Cost of rendering of services		85,979,215	47,899,355	85,979,215
Distribution costs		282,051,596	184,246,673	282,051,596
Administrative expenses		60,208,176	46,635,030	60,208,176
Impairment losses on computer software	33	12,235,360	-	12,235,360
Finance costs		6,256,136	6,567,896	6,256,136
<b>Total expenses</b>		<b>762,255,016</b>	<b>450,455,707</b>	<b>762,255,016</b>
Share of profit (loss) of associate		99,804	-	-
<b>Profit (loss) before income tax expense</b>		<b>2,936,488</b>	<b>(65,110,166)</b>	<b>3,488,627</b>
Tax expense (income)	27	(49,317)	(17,759,973)	(49,317)
<b>Profit (loss) for the period</b>		<b>2,985,805</b>	<b>(47,350,193)</b>	<b>3,537,944</b>
<b>Other comprehensive income</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Loss on remeasurement available-for-sale investments		(148,471)	-	(148,471)
Tax expense (income)	27	(29,694)	-	(29,694)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(118,777)</b>	<b>-</b>	<b>(118,777)</b>

The accompanying notes are an integral part of these financial statements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Unit : Baht

	Note	Financial statements		
		in which the equity method	Separate	
		is applied	financial statements	
		2019	2020	2019
<b>Item that will not be reclassified to profit or loss</b>				
Gain (loss) on investments in equity instruments designated at FVOCI		-	(9,290,761)	-
Gains (losses) on remeasurements of defined benefit plans	21	1,073,171	-	1,073,171
Tax expense (income)	27	214,634	(1,858,152)	214,634
<b>Total items that will not be reclassified to profit or loss</b>		<b>858,537</b>	<b>(7,432,609)</b>	<b>858,537</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>739,760</b>	<b>(7,432,609)</b>	<b>739,760</b>
<b>Total comprehensive income (expense) for the year</b>		<b>3,725,565</b>	<b>(54,782,802)</b>	<b>4,277,704</b>
<b>Basic earnings (loss) per share</b>	28	<b>0.25</b>	<b>(3.95)</b>	<b>0.29</b>

The accompanying notes are an integral part of these financial statements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Financial statements in which the equity method is applied										Unit : Baht	
	Note	Issued and Paid-up share capital	Share premium	Surplus on change of shareholding in investment under common control	Retained earnings			Other component of equity				Total equity
					Legal reserve	Unappropriated	Investment in equity instrument of listed company	Investment in equity instrument of listed company	Investment in equity instrument of listed company			
<b>Balance at January 1, 2019</b>		120,000,000	279,255,971	11,018,736	7,883,112	45,850,016	(4,797,582)			459,210,253		
Transactions with owners, recorded directly in equity												
Dividends to owner of the company	29	-	-	-	-	(8,400,000)	-			(8,400,000)		
Total distribution to owners		-	-	-	-	(8,400,000)	-			(8,400,000)		
Comprehensive income for the period												
Profit or loss		-	-	-	-	2,985,805	-			2,985,805		
Other comprehensive income		-	-	-	-	858,537	(118,777)			739,760		
Total comprehensive income for the period		-	-	-	-	3,844,342	(118,777)			3,725,565		
Transfer to retained earnings					176,898	(176,898)						
<b>Balance at December 31, 2019</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>11,018,736</b>	<b>8,060,010</b>	<b>41,117,460</b>	<b>(4,916,359)</b>			<b>454,535,818</b>		

The accompanying notes are an integral part of these financial statements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		Separate financial statement					Unit : Baht	
	Note	Issued and Paid-up share capital	Share premium	Retained earnings		Other component of equity		Total equity
				Legal reserve	Unappropriated	Revaluation reserve		
<b>Balance at January 1, 2019</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>7,883,112</b>	<b>58,388,327</b>	<b>(4,977,582)</b>		<b>460,729,828</b>
Transactions with owners, recorded directly in equity								
Dividends to owner of the company	29	-	-	-	(8,400,000)	-	-	(8,400,000)
Total distribution to owners		-	-	-	(8,400,000)	-	-	(8,400,000)
Comprehensive income for the year								
Profit or loss		-	-	-	3,537,944	-	-	3,537,944
Other comprehensive income		-	-	-	858,537	(118,777)		739,760
Total comprehensive income for the year		-	-	-	4,396,481	(118,777)		4,277,704
Transfer to retained earnings		-	-	176,898	(176,898)	-	-	
<b>Balance at December 31, 2019</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>8,060,010</b>	<b>54,207,910</b>	<b>(4,916,359)</b>		<b>456,607,532</b>
Transactions with owners, recorded directly in equity								
Dividends to owner of the company	29	-	-	-	(1,800,000)	-	-	(1,800,000)
Total distribution to owners		-	-	-	(1,800,000)	-	-	(1,800,000)
Comprehensive income for the year								
Profit or loss		-	-	-	(47,350,193)	-	-	(47,350,193)
Other comprehensive income		-	-	-	-	(7,432,609)		(7,432,609)
Total comprehensive income for the year		-	-	-	(47,350,193)	(7,432,609)		(54,782,802)
Transfer to retained earnings		-	-	-	-	-	-	-
<b>Balance at December 31, 2020</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>8,060,010</b>	<b>5,057,717</b>	<b>(12,348,968)</b>		<b>400,024,730</b>

The accompanying notes are an integral part of these financial statements.



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Unit : Baht		
	Financial statements		
	in which the equity method	Separate	
	is applied	financcail statements	
	2019	2020	2019
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax	2,936,488	(65,110,166)	3,488,627
Adjustments to reconcile profit (loss) to cash provided by (used in)			
Trade accounts receivable (increase) decrease	10,719,119	32,513,781	10,719,119
Other receivables (increase) decrease	(1,788,797)	824,553	(1,788,797)
Inventories (increase) decrease	7,896,717	75,129,972	7,896,717
Other current assets (increase) decrease	1,471,400	(5,317,305)	1,471,400
Other non-current assets (increase) decrease	11,997,526	15,476,130	11,997,526
Trade accounts payable increase (decrease)	(36,917,555)	(12,840,363)	(36,917,555)
Other payables increase (decrease)	(7,724,380)	1,494,012	(7,724,380)
Other current liabilities increase (decrease)	(3,336,917)	1,483,621	(3,336,917)
Non-current provisions for employee benefit	1,224,176	1,349,969	1,224,176
Other non-current liabilities increase (decrease)	(442,480)	991,000	(442,480)
Depreciation and amortization	19,233,933	38,877,495	19,233,933
Bad and doubtful debts expenses	3,455,190	2,271,072	3,455,190
Loss from decline in value of inventories (reversal)	(3,627,217)	3,060,673	(3,627,217)
Loss from impairment of long-term investments	116,029	-	116,029
Gain on disposal of investments in an associate	(11,592,902)	-	(12,244,845)
Impairment loss on computer software	12,235,360	-	12,235,360
Share of loss (profit) of associate	(99,804)	-	-
Gain from lease modification	-	(2,411,035)	-
(Gain) loss on sales of equipment and vehicles	(1,991,006)	-	(1,991,006)
Cash from operating activities	3,764,880	87,793,409	3,764,880
Dividend income	(859,000)	(509,096)	(859,000)
Interest expense	6,256,136	6,567,896	6,256,136
Employee benefit paid	(134,550)	-	(134,550)
Proceeds from employee benefit	1,239,062	-	1,239,062
Tax paid	(2,533,289)	(504,609)	(2,533,289)
<b>Net cash provided by (used in) operating activities</b>	<b>7,733,239</b>	<b>93,347,600</b>	<b>7,733,239</b>

The accompanying notes are an integral part of these financial statements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Unit : Baht		
	Financial statements		
	in which the equity method	Separate	
	is applied	financial statements	
	2019	2020	2019
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment in associate	25,700,000	-	25,700,000
Proceeds from sale of equipment and vehical	3,401,869	-	3,401,869
Acquisition of property, plant and equipment	(8,883,449)	(3,617,484)	(8,883,449)
Payment of right-of-use assets	-	(3,448,421)	-
Payment of intangible assets	-	(1,290,300)	-
Dividends received	859,000	509,096	859,000
<b>Net cash provided by (used in) investing activities</b>	<b>21,077,420</b>	<b>(7,847,109)</b>	<b>21,077,420</b>
<b>Cash flows from financing activities</b>			
Bank overdrafts and short-term borrowings			
from financial instrutions increase (decrease)	(47,216,463)	(44,925,087)	(47,216,463)
Payment of finance lease	(1,663,970)	-	(1,663,970)
Proceeds from short-term borrowings from related parties	65,000,000	24,000,000	65,000,000
Payment from short-term borrowings from related parties	(26,000,000)	(42,000,000)	(26,000,000)
Payment of lease liabilities	-	(16,110,116)	-
Dividends paid to owners of the Company	(8,400,000)	(1,800,000)	(8,400,000)
Interest paid	(6,256,136)	(6,567,896)	(6,256,136)
<b>Net cash provided by (used in) financing activities</b>	<b>(24,536,569)</b>	<b>(87,403,099)</b>	<b>(24,536,569)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,274,090</b>	<b>(1,902,608)</b>	<b>4,274,090</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,404,912</b>	<b>7,679,002</b>	<b>3,404,912</b>
<b>Cash and cash equivalents at ending of year</b>	<b>7,679,002</b>	<b>5,776,394</b>	<b>7,679,002</b>

**Supplement disclosures of cash flow information :**

**Non-cash transactions**

**For the year 2020**

The Company reclassified investment in associate to investments in equity instrument - related company of Baht 20.3 million.

**For the year 2019**

- The Company purchased intangible assets at price of Baht 0.7 million, but has not been paid.
- The Company entered into finance lease contracts for purchasing assets of Baht 2.8 million.

The accompanying notes are an integral part of these financial statements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

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**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 year were Pavarolavidya Group 54% shareholding.

The principal activities of the Company are engaged in garments retail business.

**2. Basic of preparation of the financial statements**

**2.1 Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised financial reporting standards are effective for annual accounting periods beginning on or after January 1, 2020. The initial application of these new and revised financial reporting standards has resulted in changes in certain of the Company’s accounting policies.

The Company has initially applied TFRS - Financial instruments standards which comprise five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                    Extinguishing Financial Liabilities with Equity Instruments

and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in Note 30.

**2.2 Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to nearest thousand unless otherwise stated.

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**2.3 Use of judgement and estimates**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant judgments and estimates are as follow:

- |                              |  |
|------------------------------|--|
| Leases                       | <ul style="list-style-type: none"><li>- Whether an arrangement contains a lease</li><li>- Whether the Company is reasonably certain to exercise extension options</li><li>- Whether the Company exercise termination options</li><li>- Determining incremental rate to measure lease liabilities</li></ul> |
| Trade receivables            | <ul style="list-style-type: none"><li>- Determining expected credit losses of trade receivables</li></ul>  |
| Deferred tax assets          | <ul style="list-style-type: none"><li>- Recognition of deferred tax asset; availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised</li></ul>   |
| Employee benefit obligations | <ul style="list-style-type: none"><li>- Measurement of defined benefit obligations: key actuarial assumptions</li></ul>  |

**2.4 The COVID-19 pandemic**

The COVID-19 pandemic affects the Company's business activities in terms of consumer spending, resulted in the decrease of the Company's sales to customers. 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.

At December 31, 2020, the situation of COVID-19 pandemic is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic on the following:

- Not to account for any reduction in lease payments by lessors resulting from the coronavirus disease 2019 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.



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**3. Significant accounting policies**

**3.1 Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on translation are generally recognised in profit or loss.

**3.2 Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

**3.3 Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the specific cost principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**3.4 Investments in associates**

Investments in associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the financial statements in which the equity method is applied is accounted for using the equity method.

**3.5 Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.



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Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

**3.6 Property, plant and equipment**

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property plant and equipment. The estimated useful lives are as follows:

Buildings and structures	20	years
Furniture, fixtures and equipment	5	years
Vehicles	5	years

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No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**3.7 Intangible assets**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3	years
-------------------	---	-------

Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

**3.8 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.9 Employee benefits**

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.10 Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.



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**3.11 Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage as the services are provided. The stage of completion is assessed based on cost-to-cost method. The related costs are recognized in profit or loss when they are incurred.

Dividend income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

**3.12 Interest**

Accounting policies applicable from January 1, 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before January 1, 2020

Interest income is recognised in profit or loss as it accrues.

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred.

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**3.13 Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**3.14 Financial instruments**

Accounting policies applicable from January 1, 2020

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.



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A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### **Financial assets at amortised cost**

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### **Financial assets at FVOCI**

Financial assets measured at FVOCI are carried in the statement of financial position at fair value with net changes in fair value recognised in OCI. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

#### **Classification and measurement of financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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**Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**Impairment of financial assets**

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Accounting policies applicable before January 1, 2020**

**Trade and other accounts receivable**

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**Investments in equity securities**

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and

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changes therein, other than impairment losses are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

**Disposal of investments**

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**3.15 Leases**

Accounting policies applicable from January 1, 2020

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

**As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs



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incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Company is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Company recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of rental income/other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the

## **BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

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same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before January 1, 2020

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Vehicles acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Leasehold rights are charged to profit or loss on a straight-line basis over the term of lease period from 3 years to 30 years.

Operating leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.



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Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**3.16 Fair value measurement**

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**3.17 Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**3.18 Segment reporting**

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**4. Related parties**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Natural of relationships</b>
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Mrs. Sirina Pavarolavidya	Thai	Director of related companies
Mr. Panitarn Pavarolavidya	Thai	Major of shareholder and director
Mrs. Pravara Ekaraphanich	Thai	Major of shareholder and director
Thanara Co., Ltd.	Thailand	Common shareholder and directors
Siratarn Co., Ltd.	Thailand	Common shareholder and directors
Sahasin Co., Ltd.	Thailand	Common shareholder and directors up to October 2020 and merge with Siratarn Co., Ltd. onward
Poomkajana Co., Ltd.	Thailand	Common shareholder and directors up to October 2020 and merge with Siratarn Co., Ltd. onward

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020**

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Natural of relationships</b>
Pupetch Co., Ltd.	Thailand	Common shareholder and directors up to October 2020 and merge with Siratarn Co., Ltd. onward
Chokthane Co., Ltd.	Thailand	Common shareholder and directors up to October 2020 and merge with Siratarn Co., Ltd. onward
Ban-Prajuab Co., Ltd.	Thailand	Common shareholder and directors up to October 2020 and merge with Siratarn Co., Ltd. onward
Sirichakiat Co., Ltd.	Thailand	Common shareholder and directors up to October 2020 and merge with Siratarn Co., Ltd. onward
Varatarn Co., Ltd.	Thailand	Common shareholders and directors
BTFA Co., Ltd.	Thailand	Common shareholders and directors
Panivara Co., Ltd.	Thailand	Common shareholders and directors
Choksamakee Co., Ltd.	Thailand	Common shareholders and directors
Saha Pathana Inter-Holding Plc.	Thailand	Common shareholders
I.C.C International Plc.	Thailand	Common shareholders
Sirinapavarolavidya Foundation	Thailand	Common directors
Love Mom Association	Thailand	Common directors
International Fashion Business Technological College	Thailand	Common directors

The pricing policies for particular types of transactions are explained below:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from sales	Cost plus margin
Other income	Cost plus margin
Purchase of goods	Cost plus margin
Interest expense	Borrowing interest rate from finance institutions
Key management personnel compensation	As defined by nomination and remuneration committee
Distribution costs and administrative expenses	Mutually agreed price

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

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Significant transactions for the years ended December 31, 2020 and 2019 with related parties were as follows:

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
<b>Related parties</b>		
Revenue from sale of goods	16,686	-
Sales - vehicles	-	530
Sales - investments (Note 11)	-	19,700
Other income	635	2,255
Purchase of goods	124,911	357,231
Distribution costs	11,985	13,542
Administrative expenses	1,081	12,316
Interest expense	888	1,012
<b>Key management</b>		
Key management compensation		
Short-term benefit	827	5,915
Post-employment benefit	41	280
Total key management compensation	868	6,195

Balances as at December 31, 2020 and 2019 with related parties were as follows:

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
<b>Trade accounts receivable</b>		
Related party	12,351	-
<b>Other current receivables</b>		
Related parties	2,473	530



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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
<b>Trade accounts payable</b>		
Related parties	2,740	13,761
<b>Other current payables</b>		
Related parties	2,813	3,946

		Unit : Thousand Baht			
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements		
		2020	2019		
Interest rate (% per annum)					
		2020	2019		
<b>Short-term loans from related party</b>					
Mrs. Sirina Pavarolavidya	2.40-3.60	3.60	21,000	39,000	
<b>Total</b>			<b>21,000</b>	<b>39,000</b>	

Movements during the years ended December 31 of short-term loans from related party were as follows:

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
<b>Short-term loans from related party</b>		
At January 1	39,000	-
Increase	24,000	65,000
Decrease	(42,000)	(26,000)
<b>At December 31</b>	<b>21,000</b>	<b>39,000</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
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**5. Cash and cash equivalents**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Cash on hand	780	1,200
Cash at banks - current accounts	4,501	6,478
Cash at banks - savings accounts	495	1
<b>Total</b>	<b>5,776</b>	<b>7,679</b>

**6. Trade accounts receivable**

		Unit : Thousand Baht	
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	Note	2020	2019
Related parties	4	12,351	-
Other companies		26,186	71,051
Total		38,537	71,051
Less allowance for expected credit loss (2019: allowance for doubtful accounts)		(7,461)	(5,190)
<b>Net</b>		<b>31,076</b>	<b>65,861</b>
Expected credit loss (2019: doubtful debts)		2,271	3,455

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Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
<b>Related party</b>		
Overdue:		
Less than 3 months	12,351	-
Total	12,351	-
<b>Other parties</b>		
Within credit terms	16,183	59,101
Overdue:		
Less than 3 months	1,551	4,100
3-6 months	620	1,139
6-12 months	589	1,521
Over 12 months	7,243	5,190
	26,186	71,051
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	(7,461)	(5,190)
Net	18,725	65,861

Credit term granted by the Company ranges mainly from 30 days to 90 days.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

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7. Other receivables

	Note	Unit : Thousand Baht	
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
		2020	2019
<b>Related parties</b>			
Other receivables	4	2,473	530
<b>Other parties</b>			
Other receivables		788	2,986
Accrued income		3,041	2,916
Others		325	1,020
<b>Total</b>		<b>6,627</b>	<b>7,452</b>

8. Inventories

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Finished goods	213,395	288,682
Others	358	201
Less allowance for decline in value of inventories	(5,580)	(2,519)
<b>Net</b>	<b>208,173</b>	<b>286,364</b>
<b>Allowance for decline in value of inventories</b>		
At January 1,	2,519	6,147
Increase	3,061	-
Decrease	-	(3,628)
<b>At December 31,</b>	<b>5,580</b>	<b>2,519</b>



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
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**9. Other current assets**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Withholding tax	5,140	4,636
Undue output tax	5,757	4,170
Others	4,727	997
<b>Total</b>	<b>15,624</b>	<b>9,803</b>

**10. Other non-current financial assets**

	Unit : Thousand Baht
<b>Equity instruments designated at FVOCI</b>	
Investments in equity instruments of	
Listed company	534
Non - listed companies	
- Related parties	53,103
- Other parties	17,648
	70,751
<b>Total</b>	<b>71,285</b>

Movements during the year 2020 were as follows:

	Unit : Thousand Baht
At January 1, 2020 (Note 30)	60,309
Transfer from investment in an associate to investment in equity instrument - related company (Note 11)	20,267
Valuation adjustment	(9,291)
<b>At December 31, 2020</b>	<b>71,285</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020**

Investment in equity instruments of non - listed companies as at December 31 2020, were as follows:

		Unit : Thousand Baht			
	Type of business	Ownership interest (%)	Paid-up capital	Carrying amount	Dividend income
<b>Related parties</b>					
Panivara Co., Ltd.	Hotel	18.66	284,000	8,667	-
Choksamakee Co., Ltd.	Property for rent	16.68	116,000	44,436	-
				<u>53,103</u>	<u>-</u>
<b>Other parties</b>					
Others				17,648	509
<b>Total</b>				<u><b>70,751</b></u>	<u><b>509</b></u>

**11. Investment in an associate**

Movements during the year 2020 were as follows:

	Unit : Thousand Baht
At January 1, 2020	20,267
Transfer from investment in an associate to investment in equity instrument - related company (Note 10)	<u>(20,267)</u>
<b>At December 31, 2020</b>	<u><b>-</b></u>

In March 2019, the Company sold 8.49% of its 27.76% interest of the issued and paid-up capital of associate (Choksamakee Co., Ltd.) to a shareholder of the Company at the selling price of Baht 19.7 million. This cost accounted for using the equity method of Baht 10.8 million for the financial statements in which the equity method is applied and are accounted for using the cost method of Baht 10.3 million for the separate financial statements.

In September 2019, the Company sold 2.59% of its 19.27% interest of the issued and paid-up capital of an associate (Choksamakee Co., Ltd.) to other party at the selling price of Baht 6.0 million. This cost accounted for using the equity method of Baht 3.3 million for the financial statements in which the equity method is applied, and accounted for using the cost method of Baht 3.1 million for the separate financial statements.

The Company recognised gain on two sales of Baht 11.6 million and Baht 12.2 million in the statement of comprehensive income in which the equity method is applied and separate financial statements for the year 2019, respectively.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

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Since sales in investment as mentioned above, resulted the Company loss its significant influence over its investment. In order to appropriated presentation, the management changes the presentation of this investment from investment in an associate to investment in equity instrument- related company and presents under other non-current financial assets (Note 10), and has not prepares financial statements in which the equity method is applied since January 1, 2020.

**12. Investment properties**

Fair value of investment properties as at December 31, 2020 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.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

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**13. Property, plant and equipment**

Cost	Unit : Thousand Baht					Total
	Land	Buildings and structures	Furniture, fixture and equipment	Vehicles	Assets under construction	
At January 1, 2019	7,480	24,675	221,217	15,187	29,744	298,303
Additions	-	-	6,153	2,799	2,730	11,682
Disposals	-	-	(1,121)	(7,966)	-	(9,087)
Transfer	-	22,290	8,731	-	(31,021)	-
<b>At December 31, 2019</b>	<b>7,480</b>	<b>46,965</b>	<b>234,980</b>	<b>10,020</b>	<b>1,453</b>	<b>300,898</b>
Additions	-	-	2,150	9	1,458	3,617
Effect from TFRS 16 adoption (Note 30)	-	-	(74,052)	(2,799)	-	(76,851)
Lease modification (Note 14)	-	-	12,008	-	-	12,008
Disposals	-	-	-	(42)	-	(42)
Transfer	-	-	1,757	-	(1,757)	-
<b>At December 31, 2020</b>	<b>7,480</b>	<b>46,965</b>	<b>176,843</b>	<b>7,188</b>	<b>1,154</b>	<b>239,630</b>



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

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**DECEMBER 31, 2020**

Unit : Thousand Baht

	Land	Buildings and structures	Furniture, fixture and equipment	Vehicles	Assets under construction	Total
<b>Accumulated depreciation</b>						
At January 1, 2019	-	24,675	188,811	14,130	-	227,616
Depreciation charge for the year	-	281	15,451	668	-	16,400
Disposals	-	-	(205)	(7,471)	-	(7,676)
<b>At December 31, 2019</b>	-	24,956	204,057	7,327	-	236,340
Depreciation charge for the year	-	1,117	5,787	1	-	6,905
Effect from TFRS 16 adoption (Note 30)	-	-	(53,447)	(106)	-	(53,553)
Lease modification (Note 14)	-	-	2,211	-	-	2,211
Disposals	-	-	-	(42)	-	(42)
<b>At December 31, 2020</b>	-	26,073	158,608	7,180	-	191,861
<b>Net book value</b>						
At December 31, 2019	7,480	22,009	30,923	2,693	1,453	64,558
At December 31, 2020	7,480	20,892	18,235	8	1,154	47,769

The gross amount of the Company's fully depreciated fixed assets that was still in use as at December 31, 2020 amounted to Baht 170.9 million ( 2019: Baht 176.6 million).

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**14. Leases**

Movements of the right-of-use assets during the year 2020 are summarised below:

	Unit : Thousand Baht				
	Buildings	Furniture, fixture and equipment	Leasehold rights	Vehicles	Total
<b>Cost</b>					
At January 1, 2020	-	-	-	-	-
Effect from TFRS 16 adoption (Note 30)	187,410	20,605	6,634	2,693	217,342
Additions	-	3,448	-	-	3,448
Lease modification	(87,124)	(10,991)	(6,634)	-	(104,749)
<b>Total cost</b>	<b>100,286</b>	<b>13,062</b>	<b>-</b>	<b>2,693</b>	<b>116,041</b>
<b>Accumulated depreciation</b>					
At January 1, 2020	-	-	-	-	-
Additions	36,880	4,987	1,293	557	43,717
Lease modification	(17,738)	(2,211)	(1,293)	-	(21,242)
<b>Total accumulated depreciation</b>	<b>19,142</b>	<b>2,776</b>	<b>-</b>	<b>557</b>	<b>22,475</b>
<b>Net</b>	<b>81,144</b>	<b>10,286</b>	<b>-</b>	<b>2,136</b>	<b>93,566</b>

Lease liabilities at December 31, 2020, were as follows:

	Unit : Thousand Baht		
	Minimum lease payments	Interest	Present value of minimum lease payments
Within 1 year	22,466	(2,268)	20,198
1 - 5 years	69,886	(3,104)	66,782
<b>Total</b>	<b>92,352</b>	<b>(5,372)</b>	<b>86,980</b>

The following are the amounts recognised in profit or loss for the year 2020

	Unit : Thousand Baht
Depreciation of right-of-use assets	43,717
Interest expense on lease liabilities	4,118
Discount from temporary relief measures	(14,260)
Expense relating to short-term lease	68,904
Variable lease payments based on sales	2,840
<b>Total</b>	<b>105,319</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

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**DECEMBER 31, 2020**

**15. Deferred tax**

Deferred tax assets and liabilities as at December 31, 2020 and 2019 were as follows:

	Unit : Thousand Baht			
	Financial statements in which the equity method is applied /			
	Separate financial statements		Separate financial statements	
	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Total	51,510	(17,339)	14,651	(98)
Set off of tax	(17,339)	17,339	(98)	98
<b>Net deferred tax assets</b>	<b>34,171</b>	<b>-</b>	<b>14,553</b>	<b>-</b>

Movements in deferred tax assets and liabilities during the year 2020 were as follows:

	Unit : Thousand Baht			
	At January 1, 2020	(Charged) / Credited to:		At December 31, 2020
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
Trade accounts receivable	1,038	455	-	1,493
Inventories	504	612	-	1,116
Other non-current financial assets				
(2019: Other long-term investments)	1,229	-	1,858	3,087
Intangible assets	2,447	-	-	2,447
Lease liabilities	-	17,396	-	17,396
Provision for employee benefit obligations	1,342	270		1,612
Difference from recognition of revenue and cost of sales	8,091	2,890	-	10,981
Loss carry forward	-	12,312	-	12,312
Others	-	1,066	-	1,066
<b>Total</b>	<b>14,651</b>	<b>35,001</b>	<b>1,858</b>	<b>51,510</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

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	Unit : Thousand Baht			
	At	(Charged) / Credited to:		At
	January 1, 2020	Profit or loss	Other comprehensive income	December 31, 2020
<b>Deferred tax liabilities</b>				
Right-of-use	-	(16,844)	-	(16,844)
Others	(98)	(397)	-	(495)
<b>Total</b>	<b>(98)</b>	<b>(17,241)</b>	<b>-</b>	<b>(17,339)</b>
<b>Net</b>	<b>14,553</b>	<b>17,760</b>	<b>1,858</b>	<b>34,171</b>

**16. Other non-current assets**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Deposits	45,282	56,053
<b>Total</b>	<b>45,282</b>	<b>56,053</b>

**17. Overdrafts and short-term loans from financial institutions**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Bank overdrafts	-	33,587
Short-term loans from financial institutions	80,000	90,000
Liabilities under trust receipts	-	1,338
<b>Total</b>	<b>80,000</b>	<b>124,925</b>

As at December 31, 2020 the Company had unutilised credit facilities totaling Baht 434.2 million (2019: Baht 422.0 million).



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
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**18. Trade accounts payable**

	Note	Unit : Thousand Baht	
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
		2020	2019
Related parties	4	2,740	13,761
Other parties		947	2,766
<b>Total</b>		<b>3,687</b>	<b>16,527</b>

**19. Other payables**

	Note	Unit : Thousand Baht	
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
		2020	2019
Accrued operating expenses	4	16,984	15,666
Others		2,718	2,542
<b>Total</b>		<b>19,702</b>	<b>18,208</b>

**20. Other current liabilities**

		Unit : Thousand Baht	
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
		2020	2019
Advance received from customers		4,908	4,004
Withholding tax payable		559	650
Others		1,948	1,277
<b>Total</b>		<b>7,415</b>	<b>5,931</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****21. Non-current provisions for employee benefits**

The Company operates defined benefit plan based on the requirement of Thai Labor Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plan exposes the Company to actuarial risks, such as longevity risk and interest rate risk.

Movement in the present value of the defined benefit obligations:

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
At January 1,	7,948	6,692
<b>Recognised in profit or loss</b>		
Current service cost and interest on obligations	1,350	1,224
<b>Recognised in other comprehensive income</b>		
Actuarial losses (gains)	-	(1,073)
<b>Others</b>		
Receipt transferring	-	1,239
Benefits paid	-	(134)
<b>At December 31,</b>	<b>9,298</b>	<b>7,948</b>

**Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Unit : %	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Discount rate	1.49	1.47
Future salary growth	-	-

Assumptions regarding future mortality have been based on published statistics and mortality tables.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Unit : Thousand Baht	
	Increase	Decrease
<b>At December 31, 2020</b>		
Discount rate (1% movement)	(717)	820
Future salary growth (1% movement)	820	-

**22. Share capital**

	Par value per share (in Baht)	Unit : Thousand Baht			
		2020		2019	
		Number	Amount	Number	Amount
Authorised					
At 1 January					
- ordinary shares	10	25,000	250,000	25,000	250,000
At 31 December					
- ordinary shares	10	<b>25,000</b>	<b>250,000</b>	<b>25,000</b>	<b>250,000</b>
Issued and paid-up					
At 1 January					
- ordinary shares	10	12,000	120,000	12,000	120,000
At 31 December					
- ordinary shares	10	<b>12,000</b>	<b>120,000</b>	<b>12,000</b>	<b>120,000</b>

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

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**23. Reserves**

Reserves comprise appropriations of profit and/or retained earnings.

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Other component of equity**

**Fair value reserve**

Year 2020

The fair value reserve comprise the cumulative net change in the fair value of equity securities designated at FVOCI.

Year 2019

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

**24. Segment information**

The Company has four reportable segments, as described below, which are the Company’s strategic divisions. The chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Company’s reportable segments.

- Segment 1 Domestic retail
- Segment 2 Online
- Segment 3 Foreign retail
- Segment 4 Uniform



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
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**Information about reportable segment:**

The Company's operations mainly involve boutique retail business. Management considers that the financial information of the Company by business segments is as follows:

	Unit : Thousand Baht											
	Domestic retail		Online		Foreign retail		Uniform		Others		Total reportable segments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales and services	214,430	558,111	78,776	30,366	5,672	11,712	70,764	129,780	3,073	638	372,715	730,607
Cost of sales and services	117,606	292,284	41,846	16,217	2,979	6,472	47,899	85,975	2,675	556	213,005	401,504
Segment profit before income tax	96,824	265,827	36,930	14,149	2,693	5,240	22,865	43,805	398	82	159,710	329,103
Unallocated amounts of revenue and expenses:												
Other income											12,630	35,137
Distribution costs											(184,247)	(282,052)
Administrative expenses											(46,635)	(60,208)
Impairment losses on asset											-	(12,235)
Financial cost											(6,568)	(6,256)
Tax (expense) income											17,760	49
Profit (loss) for the period											(47,350)	3,538
Segment assets as at 31 December											633,433	672,797
Segment liabilities as at 31 December											233,408	216,189

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2020**

In the year 2020, the management changed the business segment information in order to in accordance with management interest at present.

**Geographical segments**

The Company operate principally in Thailand.

**25. Other income**

		Unit : Thousand Baht		
		Separate financial statements		Financial statements in which the equity method is applied
	Note	2020	2019	2019
Rental income		6,587	8,559	8,559
Compensation from insurance policy		-	3,947	3,947
Gain on sale of investment in associate	11	-	12,245	11,593
Gain on disposal of equipment		-	1,991	1,991
Gain on exchange rate		505	1,477	1,477
Dividend income		509	859	859
Others		5,029	6,059	6,059
<b>Total</b>		<b>12,630</b>	<b>35,137</b>	<b>34,485</b>

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**NOTE TO FINANCIAL STATEMENTS**

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**26. Expenses by nature**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Purchases of finished goods	213,006	401,504
Rental expense	59,285	155,084
Employee benefit expenses	73,805	82,982
Sales supporting expenses	38,631	45,830
Depreciation	36,476	16,401
Sales promotion expenses	3,363	7,157
Utility expenses	5,542	7,384
Credit card fee	2,412	7,090
Property tax expenses	657	6,848
Supply expenses	3,476	4,497

**27. Income tax expense (income)**

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
<b>Income tax recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	-	598
<b>Deferred tax expense</b>		
Movements in temporary differences	(17,760)	(647)
<b>Total</b>	<b>(17,760)</b>	<b>(49)</b>
<b>Income tax recognised in other comprehensive income</b>		
Fair value changes in investments	(1,858)	(30)
Defined benefit plan actuarial gains (losses)	-	215
<b>Total</b>	<b>(1,858)</b>	<b>185</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****Reconciliation of effective tax rate**

	Unit : Thousand Baht			
	Rate		Rate	
	(%)	2020	(%)	2019
Profit (loss) before income tax expense		(65,110)		3,489
Income tax using the Thai corporation tax rate	20	(13,022)	20	698
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(3,666)		332
Expenses not deductible for tax purposes		(1,072)		(1,079)
<b>Total income tax expense (income)</b>	<b>27.3</b>	<b>(17,760)</b>	<b>(1.4)</b>	<b>(49)</b>

**28. Earnings per share**

The calculations of basic earnings per share for the years ended December 31, 2020 and 2019 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Unit : Thousand Baht/ Thousand shares	
	2020	2019
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(47,350)	3,538
Number of ordinary shares outstanding	12,000	12,000
Earnings (loss) per share (basic) (in Baht)	(3.95)	0.29

**29. Dividends**

At the annual general meeting of the shareholders of the Company held on August 4, 2020, the shareholders approved the payment of dividends of Baht 0.15 per share, totaling Baht 1.8 million.

At the annual general meeting of the shareholders of the Company held on April 22, 2019, the shareholders approved the appropriation of dividend of Baht 0.70 per share, totaling Baht 8.4 million.



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2020****30. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 2.1 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The impacts from changes in accounting policies due to the adoption of these standards are presented as follows:

	Unit : Thousand Baht			
	December 31, 2019	The impacts of Financial reporting standards related to financial instruments		January 1, 2020
		TFRS 16		
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Other long-term investments	60,309	(60,309)	-	-
Other non-current financial assets	-	60,309	-	60,309
Property, plant and equipment	64,558	-	(23,298)	41,260
Leasehold rights	6,634	-	(6,634)	-
Right-of-use assets	-	-	217,343	217,343
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Current portion of financial lease liabilities	245	-	(245)	-
Current portion of lease liabilities	-	-	32,925	32,925
<b>Non-current liabilities</b>				
Financial lease liabilities	1,955	-	(1,955)	-
Other non-current provisions	1,450	-	2,886	4,336
Lease liabilities	-	-	153,800	153,800

**30.1 Financial instruments**

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTE TO FINANCIAL STATEMENTS**

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	Unit : Thousand Baht			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at January 1, 2020</b>				
Cash and cash equivalents	7,679	-	7,679	7,679
Trade and other current receivables	73,313	-	73,313	73,313
Other current assets	4,636	-	4,636	4,636
Other non-current financial assets				
- Investment in equity instruments of listed company	614	614	-	614
- Investment in equity instruments of non-listed companies	59,695	59,695	-	59,695
Other non-current assets	56,053	-	56,053	56,053
<b>Total financial assets</b>	<b>201,990</b>	<b>60,309</b>	<b>141,681</b>	<b>201,990</b>

As at January 1, 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

**30.2 Leases**

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at January 1, 2020. For leases previously classified as financial leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	Unit : Thousand Baht
Operating lease commitments as at December 31, 2019	214,367
Less short-term leases	(31,874)
Add option to extend lease term	118,879
Less contracts reassessed as service agreements	(104,967)
Less deferred interest expense	(11,880)
Increase in lease liabilities due to TFRS 16 adoption	184,525
Add liabilities under financial lease agreement as at December 31, 2019	2,200
Lease liabilities as at January 1, 2020	186,725

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTE TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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	Unit : Thousand Baht
The above lease liabilities comprise of:	
Current lease liabilities	32,925
Non-current lease liabilities	153,800
	<hr/>
	186,725
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The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	Unit : Thousand Baht
Building	187,411
Furniture and fixture	20,605
Leasehold rights	6,634
Vehicle	2,693
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<b>Total right-of-use assets</b>	<b>217,343</b>
	<hr/>

**31. Financial instruments**

**31.1 Financial risk management policies**

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

b) Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTE TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

Unit : Thousand Baht

	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<b>At December 31, 2020</b>					
Overdrafts and short - term loans					
from financial institutions	80,000	80,000	-	-	80,000
Trade and other current payables	23,388	23,388	-	-	23,388
Short - term loans	21,000	21,000	-	-	21,000
Lease liabilities	86,980	22,466	20,429	49,457	92,352
	<b>211,368</b>	<b>146,854</b>	<b>20,429</b>	<b>49,457</b>	<b>216,740</b>

c) Market risk

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivatives for speculative or trading purposes.

c.1) Foreign currency risk

The Company is not significantly exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

c.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

Unit : Thousand Baht

<b>Exposure to interest rate risk at December 31, 2020</b>	
Financial instruments with variable interest rates	
Financial assets	4,996
Financial liabilities	(101,000)
<b>Net</b>	<b>(96,004)</b>



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2020**

## Sensitivity analysis

A reasonable possible change of 0.5% in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Unit : Thousand Baht
	Profit or loss before tax
0.5 % increase	(480)
0.5 % decrease	505

**31.2 Fair values**

Fair values of financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of net book value.

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

	Unit : Thousand Baht			
	Level 1	Level 2	Level 3	Total
<b>December 31, 2020</b>				
<b>Financial assets measured at fair value</b>				
Investments in equity instruments of				
Listed company	534	-	-	534
Non - listed companies	-	-	70,751	70,751
	534	-	70,751	71,285

**32. Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTE TO FINANCIAL STATEMENTS**

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**33. Commitment and contingent liabilities**

33.1 As at December 31, 2020, the Company has guarantee for overdraft lines to financial institutions for certain related companies amounting to totaling Baht 11.0 million (2019: Baht 36.0 million).

33.2 As at December 31, 2020, the Company has contingent liabilities for letters of guarantees with several financial institutions, principally guarantee for lease agreements and of guarantee for utilities totaling Baht 10.3 million (2019 : Baht 12.1 million).

33.3 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 profit and loss for the first quarter of the year 2019.

**34. Financial statements approval**

Board of Directors of the Company has approved these financial statements on February 25, 2021.