

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
INTERIM FINANCIAL STATEMENT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW
OF INTERIM FINANCIAL INFORMATION

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Director of Boutique Newcity Public Company Limited

I have reviewed the accompanying statements of financial position of Boutique Newcity Public Company Limited as at June 30, 2020; statements of comprehensive income for the three-month and six-month periods ended June 30, 2020, changes in equity and cash flows for the six-month period ended June 30, 2020; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibilities is to express a conclusion on this interim financial information based on my view.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

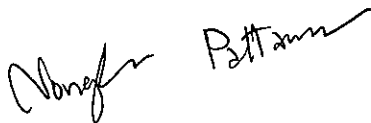
Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Standard 34, "Interim Financial Reporting"

Emphasis of Matter

I draw attention to Note 2 to the interim financial statements. Due to the impact of the COVID- 19 outbreak, in preparing the interim financial information for three-month and six-month periods ended June 30, 2020, the Company has adopted the Accounting Guidance in Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID- 19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other Matter

The statement of financial position in which the equity method is applied and separate statement of financial position as at December 31, 2019, which are included as comparative information, are components of audited financial statements in which the equity method is applied and separate financial statements as at and for the year ended December 31, 2019, were audited by another auditor in the same office who expressed an unqualified opinion, thereon in her report dated February 25, 2020. Furthermore, the statements in which the equity method is applied and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2019, the statements in which the equity method is applied and separate statements of changes in equity and cash flow for the six-month period ended June 30, 2019, were reviewed by another auditor in the same office who expresses an unmodified conclusion, thereon in her report dated August 13, 2019.



(Ms. Nonglak Pattanabandith)

Certified Public Accountant

Registration No. 4713

Karin Audit Company Limited

Bangkok

August 13, 2020

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Unit : Thousand Baht

	Note	Financial statements		
		in which the equity method is applied	Separate financial statements	
		December 31, 2019 "Audited"	June 30, 2020 "Unaudited" "Reviewed"	December 31, 2019 "Audited"
Assets				
Current Assets				
Cash and cash equivalents		7,679	9,825	7,679
Trade accounts receivable	4	65,861	49,011	65,861
Other current receivables	3	7,452	7,147	7,452
Inventories		286,363	240,670	286,363
Other current assets		9,802	11,307	9,802
Total current assets		377,157	317,960	377,157
Non-current assets				
Other non-current financial assets	5	-	80,615	-
Investment in an associate	6	21,270	-	20,267
Other long-term investments	11	57,234	-	60,309
Investment properties	7	72,296	72,296	72,296
Property, plant and equipment	8	64,558	40,353	64,558
Right-of-use assets	9	-	197,187	-
Leasehold rights	11	6,634	-	6,634
Intangible assets		970	900	970
Deferred tax assets		14,553	21,743	14,553
Other non-current assets		56,053	54,459	56,053
Total non-current assets		293,568	467,553	295,640
Total assets		670,725	785,513	672,797

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Unit : Thousand Baht

	Note	Financial statements		
		in which the equity method is applied	Separate financial statements	
		December 31, 2019 "Audited"	June 30, 2020 "Unaudited" "Reviewed"	December 31, 2019 "Audited"
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term borrowings				
from financial institutions		124,925	105,021	124,925
Trade accounts payable	3	16,527	7,584	16,527
Other current payables	3	18,208	33,108	18,208
Current portion of lease liabilities	9	-	34,122	-
Current portion of financial lease liabilities	11	245	-	245
Short-term loans from related parties	3	39,000	27,000	39,000
Other current liabilities		5,931	6,988	5,931
Total current liabilities		204,836	213,823	204,836
Non-current liabilities				
Lease liabilities	9	-	136,379	-
Financial lease liabilities	11	1,955	-	1,955
Non-current provisions for employee benefit		7,948	8,532	7,948
Other non-current provisions		1,450	5,327	1,450
Total non-current liabilities		11,353	150,238	11,353
Total liabilities		216,189	364,061	216,189

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

Unit : Thousand Baht

	Note	Financial statements		
		in which the equity method is applied	Separate financial statements	
		December 31, 2019 "Audited"	June 30, 2020 "Unaudited" "Reviewed"	December 31, 2019 "Audited"
Equity				
Share capital				
Authorized share capital				
25,000,000 common shares, Baht 10 par value		250,000	250,000	250,000
Issued and paid-up share capital				
12,000,000 common shares, Baht 10 par value		120,000	120,000	120,000
Premium on ordinary shares		279,256	279,256	279,256
Surplus on change of shareholding				
in investment under common control		11,019	-	-
Retained earnings				
Appropriated - legal reserve		8,060	8,060	8,060
Unappropriated		41,117	19,021	54,208
Other component of equity		(4,916)	(4,885)	(4,916)
Total equity		454,536	421,452	456,608
Total liabilities and equity		670,725	785,513	672,797

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

"Unaudited"
"Reviewed"

Unit : Thousand Baht

	Note	Financial statements		
		in which the equity method	Separate	
		is applied	financial statements	
		2019	2020	2019
Revenues				
Revenues from sales	3	155,034	59,665	155,034
Revenues from services		31,358	33,203	31,358
Other income	3	5,612	3,862	5,612
Total revenues		192,004	96,730	192,004
Expenses				
Cost of sales of goods	3	76,688	28,082	76,688
Cost of rendering of services		21,204	22,845	21,204
Distribution costs	3	67,704	27,724	67,704
Administrative expenses	3	19,687	11,525	19,687
Finance costs (reverse)		1,435	(1,778)	1,435
Total expenses		186,718	88,398	186,718
Share of profit (loss) of associate		37	-	-
Profit (loss) before income tax expense		5,323	8,332	5,286
Tax expense (income)		697	2,229	697
Profit (loss) for the period		4,626	6,103	4,589
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Gain (loss) on remeasurement investment in equity instrument of listed company, net of tax		(71)	237	(71)
Other comprehensive income (expense) for the period, net of tax		(71)	237	(71)
Total comprehensive income (expense) for the period		4,555	6,340	4,518
Basic earnings (loss) per share (in Baht)		0.39	0.51	0.38
Weighted average number of ordinary shares (thousand shares)		12,000	12,000	12,000

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"Unaudited"
"Reviewed"

Unit : Thousand Baht

	Note	Financial statements		
		in which the equity method	Separate	
		is applied	financial statements	
		2019	2020	2019
Revenues				
Revenues from sales	3	302,605	150,709	302,605
Revenues from services		57,744	48,874	57,744
Other income	3, 6	22,338	6,643	22,832
Total revenues		382,687	206,226	383,181
Expenses				
Cost of sales of goods	3	158,393	92,858	158,393
Cost of rendering of services		38,545	33,209	38,545
Distribution costs	3	138,292	91,775	138,292
Administrative expenses	3	33,214	25,197	33,214
Impairment losses on computer software	14	12,235	-	12,235
Finance costs		3,041	3,773	3,041
Total expenses		383,720	246,812	383,720
Share of profit (loss) of associate		87	-	-
Profit (loss) before income tax expense		(946)	(40,586)	(539)
Tax expense (income)		(571)	(7,199)	(571)
Profit (loss) for the period		(375)	(33,387)	32
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Gain (loss) on remeasurement investment in equity instrument of listed company, net of tax		72	31	72
Other comprehensive income (expense) for the period, net of tax		72	31	72
Total comprehensive income (expense) for the period		(303)	(33,356)	104
Basic earnings (loss) per share (in Baht)		(0.03)	(2.78)	0.00
Weighted average number of ordinary shares (thousand shares)		12,000	12,000	12,000

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"Unaudited"
"Reviewed"

Unit : Thousand Baht

	Financial statements in which the equity method is applied									
	Issued and Paid-up share capital	Share premium	Share investment under common control	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		
Note										
Balance at January 1, 2019	120,000	279,256	11,019	7,883	45,850	(4,798)	459,210			
Transactions with owners, recorded directly in equity										
Dividends to owner of the company	-	-	-	-	(8,400)	-	(8,400)			(8,400)
Total distribution to owners	-	-	-	-	(8,400)	-	(8,400)			(8,400)
Comprehensive income for the period										
Profit or loss	-	-	-	-	(375)	-	(375)			(375)
Other comprehensive income	-	-	-	-	-	72	72			72
Total comprehensive income for the period	-	-	-	-	(375)	72	(303)			(303)
Balance at June 30, 2019	120,000	279,256	11,019	7,883	37,075	(4,726)	450,507			450,507

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"Unaudited"
"Reviewed"

Unit : Thousand Baht

	Note	Separate financial statement							Total equity
		Issued and Paid-up share capital	Share premium	Legal reserve	Retained earnings			Other component of equity	
					Unappropriated	Investment in equity instrument of listed company			
Balance at January 1, 2020		120,000	279,256	8,060	54,208	(4,916)		456,608	
Transactions with owners, recorded directly in equity									
Interim dividends to owner of the company	12	-	-	-	(1,800)	-	-	(1,800)	
Total distribution to owners		-	-	-	(1,800)	-	-	(1,800)	
Comprehensive income for the period									
Profit or loss		-	-	-	(33,387)	-	-	(33,387)	
Other comprehensive income		-	-	-	-	31	-	31	
Total comprehensive income for the period		-	-	-	(33,387)	31	-	(33,356)	
Balance at June 30, 2020		120,000	279,256	8,060	19,021	(4,885)		421,452	
Balance at January 1, 2019		120,000	279,256	7,883	58,389	(4,798)		460,730	
Transactions with owners, recorded directly in equity									
Dividends to owner of the company	12	-	-	-	(8,400)	-	-	(8,400)	
Total distribution to owners		-	-	-	(8,400)	-	-	(8,400)	
Comprehensive income for the period									
Profit or loss		-	-	-	32	-	-	32	
Other comprehensive income		-	-	-	-	72	-	72	
Total comprehensive income for the period		-	-	-	32	72	-	104	
Balance at June 30, 2019		120,000	279,256	7,883	50,021	(4,726)		452,434	

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"Unaudited"
"Reviewed"

Unit : Thousand Baht

	Financial statements		
	in which the equity method is applied	Separate	
		2019	2020
Cash flows from operating activities			
Profit (loss) before income tax	(946)	(40,586)	(539)
Adjustments to reconcile profit (loss) to cash provided (used in) operating activities :			
Trade accounts receivable (increase) decrease	34,959	16,040	34,959
Other receivables (increase) decrease	1,046	305	1,046
Inventories (increase) decrease	(36,222)	35,233	(36,222)
Other current assets (increase) decrease	(1,140)	(1,302)	(1,140)
Other non-current assets (increase) decrease	3,589	1,595	3,589
Trade accounts payable increase (decrease)	29,679	(8,942)	29,679
Other payables increase (decrease)	(2,799)	14,900	(2,799)
Other current liabilities increase (decrease)	(1,668)	1,057	(1,668)
Employee benefits	2,891	584	2,891
Other non-current provisions	(442)	991	(442)
Depreciation and amortization	9,615	18,172	9,615
Bad and doubtful debts expenses	3,424	810	3,424
Loss from decline in value of inventories (reversal)	(1,240)	10,461	(1,240)
Loss from impairment of long-term investments (reversal)	116	-	116
Gain on disposal of investments in an associate	(8,893)	-	(9,387)
Impairment loss on computer software	12,235	-	12,235
Share of loss (profit) of associate	(87)	-	-
Cash from operating activities	44,117	49,318	44,117
Dividend income	(859)	(497)	(859)
Interest expenses	3,041	3,773	3,041
Non-current provisions for employee benefit paid	(84)	-	(84)
Tax paid	(447)	(204)	(447)
Net cash from (used in) operating activities	45,768	52,390	45,768

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

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

"Unaudited"

"Reviewed"

Unit : Thousand Baht

	Financial statements		
	in which the equity method is applied	Separate	
		2019	2020
Cash flows from investing activities			
Dividends received	859	497	859
Proceeds from sale of investment in associate	19,700	-	19,700
Acquisition of property, plant and equipment	(4,411)	(2,206)	(4,411)
Repayment of right-of-use assets	-	(2,574)	-
Repayment of intangible assets	-	(201)	-
Net cash from (used in) investing activities	16,148	(4,484)	16,148
Cash flows from financing activities			
Bank overdrafts and short-term borrowings			
from financial institutions increase (decrease)	(81,884)	(19,904)	(81,884)
Dividends paid to owners of the Company	(8,400)	(1,800)	(8,400)
Proceeds from short-term borrowings from related parties	60,000	18,000	60,000
Repayment from short-term borrowings from related parties	-	(30,000)	-
Repayment of lease liabilities	-	(8,283)	-
Repayment of finance lease liabilities	(169)	-	(169)
Interest paid	(3,041)	(3,773)	(3,041)
Net cash from (used in) financing activities	(33,494)	(45,760)	(33,494)
Net increase (decrease) in cash and cash equivalents	28,422	2,146	28,422
Cash and cash equivalents at beginning of period	3,405	7,679	3,405
Cash and cash equivalents at ending of period	31,827	9,825	31,827

Supplement disclosures of cash flow information :

Non-cash transactions

For the six-month period ended June 30, 2020

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

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

1. General information

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

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

The Company’s major shareholders during the financial period were Pavarolavidya Group 55% shareholding.

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

2. Basic of interim financial statement preparation and principles

2.1 Basic for interim financial statement preparation

These interim financial statements are prepared in accordance with Accounting standards Pronouncement No.34 : “Interim financial reporting”, whereby the company chooses to present condense interim financial statements. However, additional line items are presented in the financial statements to bring them into the format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

The interim financial statements are officially prepared in Thai language. The translation of these statutory financial statements to other language must confirm to the Thai financial report.

2.2 Significant accounting policies

These interim financial statements have been prepared by using the same accounting policies and methods of computation as were used in the preparation of the financial statements for the year ended December 31, 2019.

New financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretation which are effective for fiscal year beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standards involve changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instrument

Accounting Standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standards Interpretations:

TFRIC 16 Hedges of a Net Investment in Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Company's financial statement.

TFRS16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standards sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or financial leases.

The Company adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 11.

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of impact of applying certain financial reporting standards, and provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at January 1, 2020.
- 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.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

2.3 Functional and presentation currency

The interim 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.

2.4 Use of judgement and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key source of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2019.

JUNE 30, 2020

2.5 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the company operates. 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 issued as the situation has evolved.

3. Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or where the Company and the parties are subject to common control or common significant influence. Related maybe individuals or entities.

Name of entities	Country of incorporation/ nationality	Natural of relationships
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	Major shareholder up to May 13, 2019 and director of related companies
Mr. Panitarn Pavarolavidya	Thai	Major of shareholder and director
Mrs. Pravara Ekaraphanich	Thai	Major of shareholder and director
Siratarn Co., Ltd.	Thailand	Major shareholder since May 10, 2019 and common shareholder and directors
Sahasin Co., Ltd.	Thailand	Major shareholder since May 13, 2019 and common shareholder and directors
Poomkajana Co., Ltd.	Thailand	Common shareholders and directors
Varatarn Co., Ltd.	Thailand	Common shareholders and directors
Pupetch Co., Ltd.	Thailand	Common shareholders and directors
Chokthane Co., Ltd.	Thailand	Common shareholders and directors
Ban-Prajuab Co., Ltd.	Thailand	Common shareholders and directors
Sirichakiat Co., Ltd.	Thailand	Common shareholders and directors
BTFA Co., Ltd.	Thailand	Common shareholders and directors

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
NOTE TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

“Unaudited”
“Reviewed”

Name of entities	Country of incorporation/ nationality	Natural of relationships
Panivara Co., Ltd.	Thailand	Common shareholders and directors
Choksamakee Co., Ltd.	Thailand	Common shareholders and directors
Saha Pathana Inter-Holdig Plc.	Thailand	Common shareholders
I.C.C International Plc.	Thailand	Common shareholders
Sirinapavarolavidya Foundation	Thailand	Common directors
Love Mom Association	Thailand	Common directors

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

Transactions	Pricing policies
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

Significant transactions for the three-month periods ended June 30, 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
Related parties		
Revenue from sale of goods	16,686	-
Other income	284	700
Purchase of goods	34,109	122,102
Distribution costs	2,261	2,810
Administrative expenses	183	2,904
Interest expense	266	256

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

"Unaudited"

NOTE TO INTERIM FINANCIAL STATEMENTS

"Reviewed"

JUNE 30, 2020

	Unit : Thousand Baht	
	Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	2020	2019
Key management		
Key management compensation		
Short-term benefit	955	1,571
Post-employment benefit	45	71
Total key management compensation	1,000	1,642

Significant transactions for the six-month periods ended June 30, 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
Related parties		
Revenue from sale of goods	16,686	-
Other income	309	1,309
Purchase of goods	73,007	227,888
Distributions costs	6,725	6,978
Administrative expenses	667	2,904
Interest expense	616	256
Key management		
Key management compensation		
Short-term benefit	2,205	3,200
Post-employment benefit	89	166
Total key management compensation	2,294	3,366

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

“Unaudited”

NOTE TO INTERIM FINANCIAL STATEMENTS

“Reviewed”

JUNE 30, 2020

Balance as at June 30, 2020 and December 31, 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
	June 30, 2020	December 31, 2019
Trade accounts receivable		
Related parties	17,854	-
Other current receivables		
Related parties	-	530
Trade accounts payable		
Related parties	6,132	13,761
Other current payables		
Related parties	2,166	3,946

	Unit : Thousand Baht			
	Interest rate (% per annum)		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Short-term loans from				
related party				
Mrs. Sirina Pavarolavidya	2.40-3.60	3.60	27,000	39,000
Total			27,000	39,000

JUNE 30, 2020

Movements during the six-month period ended June 30, 2020 of short-term loans from related parties were as follows:

	Unit : Thousand Baht
Short-term loans from related party	
At January 1, 2020	39,000
Increase	18,000
Decrease	(30,000)
At June 30, 2020	27,000

4. Trade accounts receivable

		Unit : Thousand Baht	
		Separate financial statements	Financial statements in which the equity method is applied / Separate financial statements
	Note	June 30, 2020	December 31, 2019
Related parties	3	17,854	-
Other companies		37,157	71,051
Total		55,011	71,051
Less allowance for doubtful accounts		(6,000)	(5,190)
Net		49,011	65,861
Bad and doubtful debts expenses for six-month period ended June 30,		810	-

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

“Unaudited”

NOTE TO INTERIM FINANCIAL STATEMENTS

“Reviewed”

JUNE 30, 2020

Movements during the six-month period ended June 30, 2020 were as follows:

	Unit : Thousand Baht
At January 1, 2020 (Note 11)	60,309
Transfer from investment in an associate to investment in equity instrument - related company (Note 6)	20,267
Valuation adjustment	39
At June 30, 2020	80,615

Investment in equity instruments of non - listed companies as at June 30, 2020 were as follows:

		Unit : Thousand Baht					
	Type of business	Ownership interest (%)	Paid-up capital	Cost	Impairment	Cost, net	Dividend income
Related parties							
Panivara Co., Ltd.	Real estate	18.66	284,000	50,286	-	50,286	-
Choksamakee Co., Ltd.	Construction	16.68	116,000	20,267	-	20,267	-
Other parties							
Thai Stafflex Co., Ltd	Produce and sell to parts to garments manufacturer	2.00	60,000	1,200	-	1,200	-
Janome (Thailand) Co., Ltd.	Produce machine for garment	2.00	97,400	2,759	-	2,759	487
Thai Samsung Electronics Co., Ltd.	Produce and sell electronic equipment	0.08	1,200,000	1,000	-	1,000	-
Thai Bunka Fashion Co., Ltd.	Fashion academy	4.00	25,000	250	-	250	-
American Food Co., Ltd.	Produce ice cream products	3.00	140,000	4,200	-	4,200	-
Total				79,962	-	79,962	487

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED

"Unaudited"

NOTE TO INTERIM FINANCIAL STATEMENTS

"Reviewed"

JUNE 30, 2020

Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	Separate financial statements June 30, 2020	Financial statements in which the equity method is applied / Separate financial statements December 31, 2019
Other parties		
Within credit terms	40,379	59,101
Overdue:		
Less than 3 months	4,864	4,100
3-6 months	1,730	1,139
6-12 months	1,645	1,521
Over 12 months	6,393	5,190
	<u>55,011</u>	<u>71,051</u>
Less allowance for doubtful accounts	(6,000)	(5,190)
Net	<u><u>49,011</u></u>	<u><u>65,861</u></u>

The normal credit term granted by the Company ranges from 30 days to 180 days.

5. Other current financial assets

Other current financial assets as at June 30, 2020 were as follows:

	Unit : Thousand Baht
Investment in equity instruments of	
Listed company	<u>653</u>
Non - listed companies	
- Related parties	70,553
- Other parties	<u>9,409</u>
	<u>79,962</u>
Total	<u><u>80,615</u></u>

JUNE 30, 2020

6. Investment in an associate

Movements during the six-month period ended June 30, 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 5)	(20,267)
At June 30, 2020	-

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 which are 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. The company recognised gain on sale of Baht 8.9 million and Baht 9.4 million in the statement of comprehensive income in which the equity method is applied and separate financial statements for the six-month period ended June 30, 2019, respectively.

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.

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, and has not prepares financial statements in which the equity method is applied since January 1, 2020.

7. Investment properties

Fair value of investment properties as at June 30, 2020 is as follow:

	Unit : Thousand Baht	
	Cost	Fair value
Land	72,296	306,874

The appraised value of land amounting to Baht 306.9 million was got from Government agency.

JUNE 30, 2020

8. Property, plant and equipment

Movements during six-month period ended June 30, 2020 were as follows:

	Unit : Thousand Baht
Net carrying value at January 1, 2020	64,558
Reclassification to right-of-use assets due to TFRS 16 adoption	(23,298)
Purchases	2,206
Depreciation for the period	(3,113)
Net carrying value at June 30, 2020	40,353

The gross amount of the Company’s fully depreciation property and equipment that was still in use as at June 30, 2020 amounted to Baht 165.4 million (December 31, 2019 : Baht 192.0 million).

9. Leases

Movements of the right-of-use assets during the six-month period ended June 30, 2020 are summarised below:

	Unit : Thousand Baht
Net book value as at January 1, 2020	-
Adjustments of right-of-use asset due to TFRS 16 adoption	217,343
Increase during the period	2,573
Depreciation for the period	(22,729)
Net book value as at June 30, 2020	197,187

Movement of lease liabilities during the six-month period ended June 30, 2020 are summarised below:

	Unit : Thousand Baht
At January 1, 2020	-
Adjustments of lease liabilities due to TFRS 16 adoption	186,725
Accretion of interest	2,231
Payments	(18,455)
At June 30, 2020	170,501
Less current portion	(34,122)
Lease liabilities, net of current portion	136,379

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
NOTE TO INTERIM FINANCIAL STATEMENTS

JUNE 30, 2020

“Unaudited”

“Reviewed”

10. Segment information

Information about reportable segment:

Business segments

The Company’s operations mainly involve retail business. Management considers that the financial information of the Company by business segments for the three-month periods ended June 30, 2020 and 2019 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	38,985	146,648	19,285	6,225	549	2,161	33,203	31,358	846	-	92,868	186,392
Cost of sales / services	20,364	72,276	6,840	3,148	241	1,263	22,746	21,205	736	-	50,927	97,892
Segment profit before income tax	18,621	74,372	12,445	3,077	308	898	10,457	10,153	110	-	41,941	88,500
Unallocated amounts of revenue and expenses:												
Other income											3,862	5,612
Distribution costs											(27,724)	(67,704)
Administrative expenses											(11,525)	(19,687)
Reversal of financial cost (financial cost)											1,778	(1,435)
Tax (expense) income											(2,229)	(697)
Profit (loss) for the period											6,103	4,589

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
NOTE TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

“Unaudited”
“Reviewed”

The financial information by business segments for the six-month periods ended June 30, 2020 and 2019 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
Revenue from sale and service	111,437	286,420	34,767	10,063	3,095	6,121	48,809	57,745	1,475	-	199,583	360,349
Cost of sales / services	74,765	149,482	15,098	5,203	2,224	3,707	32,699	38,546	1,281	-	126,067	196,938
Segment profit before income tax	36,672	136,938	19,669	4,860	871	2,414	16,110	19,199	194	-	73,516	163,411
Unallocated amounts of revenue and expenses:												
Other income											6,644	22,832
Distribution costs											(91,776)	(138,292)
Administrative expenses											(25,197)	(33,214)
Impairment losses on computer software											-	(12,235)
Financial Cost											(3,773)	(3,041)
Tax (expense) income											7,199	571
Profit (loss) for the period											(33,387)	32
Segment assets as at June 30 / December 31											785,513	672,797
Segment liabilities as at June 30 / December 31											364,061	216,189

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
NOTE TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

“Unaudited”
“Reviewed”

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

11. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 2.2 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		
Statement of financial position				
Assets				
Non-current assets				
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
Liabilities and equity				
Current liabilities				
Current portion of financial lease	245	-	(245)	-
Current portion of lease liabilities	-	-	32,925	32,925
Non-current liabilities				
Financial lease liabilities	1,955	-	(1,955)	-
Other non-current provisions	1,450	-	2,886	4,336
Lease liabilities	-	-	153,800	153,800

JUNE 30, 2020

11.1 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:

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through other comprehensive		Amortised cost	Total
		income			
Financial assets as at January 1, 2020					
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	
Total financial assets	201,990	60,309	141,681	201,990	

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

11.2 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.

BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED
NOTE TO INTERIM FINANCIAL STATEMENTS
JUNE 30, 2020

“Unaudited”
“Reviewed”

	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
The above lease liabilities comprise of :	
Current lease liabilities	32,925
Non-current lease liabilities	153,800
	186,725

The adjustments of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

	Unit : Thousand Baht
Building	187,410
Furniture and fixture	20,605
Leasehold rights	6,635
Vehicle	2,693
Total right-of-use assets	217,343

12. Dividends

At the board of directors meeting held on April 8, 2020, the directors approved the payment of interim dividends from operations for the year 2019 of Baht 0.15 per share, amounting to Baht 1.8 million.

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

13. Fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

JUNE 30, 2020

	Unit : Thousand Baht			
	Level 1	Level 2	Level 3	Total
June 30, 2020				
Financial assets measured at fair value				
Investment in equity instrument of listed company	653	-	-	653

14. Commitment and contingent liabilities

14.1 As at June 30, 2020, the Company has guarantee for overdraft lines to local financial institutions for several related companies totaling Baht 36.0 million (December 31, 2019 : Baht 36.0 million).

14.2 As at June 30, 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 12.0 million (December 31, 2019 : Baht 12.1 million).

14.3 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.

15. Financial statements approval

Board of Directors of the Company has approved these interim financial statements on August 13, 2020.