

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**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, 2023, 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, 2023, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **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.

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 the adequacy of disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>

Valuation of investment in non-listed equity instruments	
Refers to Notes 3.13 and 10 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company has classified investment in non-listed equity instruments as investments in financial assets at fair value through other comprehensive income (“FVOCI”).</p> <p>Determining the fair value of these financial instruments require the use of valuation models. The valuation models use various unobservable inputs which are subject to high estimation uncertainty. The use of different valuation models and assumptions could produce significantly different estimates of fair value. Due to high degree of judgement and the material impact to the Company’s financial statements, I considered this to be a key audit matter.</p>	<p>My audit procedures were designed to assess the appropriateness of this matter included:</p> <ul style="list-style-type: none"> <li>- Understanding the investment valuation process including assessing the appropriateness of valuation methodology and the inputs used for valuation.</li> <li>- Assessing the appropriateness of the key assumptions used in valuation by comparing these to externally published industry data and considering whether these assumptions are consistent with the current market environment.</li> <li>- Testing on samples of the valuation methodology used and evaluate the financial parameters applied to the discount rate.</li> <li>- Considering the adequacy of disclosure in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>

**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 represent the underlying transactions and events in a manner that achieves fair presentation.

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 26, 2024

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2023**

		Unit : Baht	
	Note	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	15,809,400	6,377,459
Trade accounts receivable	6	18,789,086	17,371,085
Other current receivables	7	7,543,366	5,326,523
Inventories	8	179,383,756	187,954,847
Other current assets	9	11,169,231	12,011,551
Total current assets		<u>232,694,839</u>	<u>229,041,465</u>
<b>Non-current assets</b>			
Other non-current financial assets	10	141,994,092	144,472,860
Investment properties	11	72,577,080	72,653,880
Property, plant and equipment	12	39,979,706	33,199,964
Right-of-use assets	13	18,026,367	11,214,717
Intangible assets		380,000	1,131,500
Deferred tax assets	14	13,100,454	16,888,571
Long-term deposits		23,571,032	21,669,009
Total non-current assets		<u>309,628,731</u>	<u>301,230,501</u>
<b>Total assets</b>		<u><u>542,323,570</u></u>	<u><u>530,271,966</u></u>

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

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2023**

		Unit : Baht	
	Note	2023	2022
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade accounts payable	15	2,930,631	6,209,813
Other current payables	16	6,990,843	9,701,670
Current portion of lease liabilities	13	7,388,404	4,956,924
Short-term loans from related parties	4	7,000,000	28,000,000
Other current liabilities	17	9,208,060	3,027,512
<b>Total current liabilities</b>		<b>33,517,938</b>	<b>51,895,919</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	7,983,903	5,371,237
Non-current provisions for employee benefit	18	8,883,187	9,073,312
Other non-current provisions		2,580,170	2,294,360
<b>Total non-current liabilities</b>		<b>19,447,260</b>	<b>16,738,909</b>
<b>Total liabilities</b>		<b>52,965,198</b>	<b>68,634,828</b>
<b>Equity</b>			
Share capital			
Authorized share capital			
25,000,000 common shares, Baht 10 par value		250,000,000	250,000,000
Issued and paid-up share capital			
12,000,000 common shares, Baht 10 par value		120,000,000	120,000,000
Premium on ordinary shares	19	279,255,971	279,255,971
Retained earnings			
Appropriated - legal reserve	20	8,060,010	8,060,010
Unappropriated		(2,404,428)	(19,210,335)
Other component of equity	20	84,446,819	73,531,492
<b>Total equity</b>		<b>489,358,372</b>	<b>461,637,138</b>
<b>Total liabilities and equity</b>		<b>542,323,570</b>	<b>530,271,966</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, 2023**

		Unit : Baht	
	Note	2023	2022
<b>Revenues</b>	4		
Revenues from sales and services		264,924,601	267,199,643
Gain on sale of investment	10	6,732,303	30,630,529
Other income	22	17,811,554	5,953,275
<b>Total revenues</b>		<b>289,468,458</b>	<b>303,783,447</b>
<b>Expenses</b>	4		
Cost of sales of goods and services		128,818,857	133,931,049
Distribution costs		85,885,984	95,940,162
Administrative expenses		42,559,323	38,953,681
Finance costs		913,321	2,591,677
<b>Total expenses</b>		<b>258,177,485</b>	<b>271,416,569</b>
<b>Profit (loss) before income tax expense</b>		<b>31,290,973</b>	<b>32,366,878</b>
Tax expense (income)	24	3,744,442	11,412,972
<b>Profit (loss) for the period</b>		<b>27,546,531</b>	<b>20,953,906</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit or loss			
Gain (loss) on investments in equity instruments designated at FVOCI	10	218,379	437,309
Defined benefit plan actuarial gain	18	-	1,285,862
Tax expense (income)	24	43,676	344,634
<b>Other comprehensive income for the year, net of tax</b>		<b>174,703</b>	<b>1,378,537</b>
<b>Total comprehensive income for the year</b>		<b>27,721,234</b>	<b>22,332,443</b>
<b>Basic earnings (loss) per share</b>		<b>2.30</b>	<b>1.75</b>
<b>Weighted average number of ordinary shares (shares)</b>		<b>12,000,000</b>	<b>12,000,000</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, 2023**

	Note	Issued and Paid-up share capital	Share premium	Retained earnings		Other component of equity		Total equity
				Legal reserve	Unappropriated	Investments held as available for sale		
							Unit : Baht	
<b>Balance at January 1, 2022</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>8,060,010</b>	<b>(20,030,297)</b>	<b>52,019,011</b>		<b>439,304,695</b>
Comprehensive income for the year								
Profit or loss		-	-	-	20,953,906	-		20,953,906
Other comprehensive income		-	-	-	1,028,690	349,847		1,378,537
Total comprehensive income for the year		-	-	-	21,982,596	349,847		22,332,443
Transfer to retained earnings	10	-	-	-	(21,162,634)	21,162,634		-
<b>Balance at December 31, 2022</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>8,060,010</b>	<b>(19,210,335)</b>	<b>73,531,492</b>		<b>461,637,138</b>
Comprehensive income for the year								
Profit or loss		-	-	-	27,546,531	-		27,546,531
Other comprehensive income		-	-	-	-	174,703		174,703
Total comprehensive income for the year		-	-	-	27,546,531	174,703		27,721,234
Transfer to retained earnings	10	-	-	-	(10,740,624)	10,740,624		-
<b>Balance at December 31, 2023</b>		<b>120,000,000</b>	<b>279,255,971</b>	<b>8,060,010</b>	<b>(2,404,428)</b>	<b>84,446,819</b>		<b>489,358,372</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, 2023**

	Unit : Baht	
	2023	2022
<b>Cash flows from operating activities</b>		
Profit (loss) before income tax	31,290,972	32,366,878
Adjustments to reconcile profit (loss) to cash provided		
Trade accounts receivable (increase) decrease	(1,418,001)	25,794,414
Other receivables (increase) decrease	(2,216,844)	3,942,806
Inventories (increase) decrease	(2,141,717)	20,983,130
Other current assets (increase) decrease	(283,495)	(52,364)
Other non-current assets (increase) decrease	(1,902,023)	17,644,262
Trade accounts payable increase (decrease)	(3,279,181)	(29,280,255)
Other payables increase (decrease)	(2,710,828)	(13,422,370)
Other current liabilities increase (decrease)	6,180,549	(2,758,883)
Other non-current liabilities increase (decrease)	285,810	(1,303,560)
Depreciation and amortization	12,228,984	16,707,596
Loss on written off assets	424,854	2,732,341
Allowance for impairment loss on assets	561,500	-
Allowance for (reversal of) declining value of inventories	10,712,808	(2,197,647)
Non-current provisions for employee benefit	589,348	581,038
Gain on sale of investment in equity instrument	(6,732,303)	(30,630,529)
Gain from lease modification	-	(3,143,925)
Allowance for (reversal of) expected credit losses	-	(895,410)
Cash from operating activities	41,590,433	37,067,522
Dividend income	(13,757,096)	(737,000)
Interest expenses	913,321	2,591,676
Non-current employee benefit paid	(779,472)	-
Income tax paid	(1,014,488)	(1,318,505)
Proceeds from income tax return	1,931,216	504,609
<b>Net cash from (used in) operating activities</b>	<b>28,883,914</b>	<b>38,108,302</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, 2023**

	Unit : Baht	
	2023	2022
<b>Cash flows from investing activities</b>		
Dividends received	13,757,096	737,000
Acquisition of investment properties	-	(358,400)
Acquisition of equipment	(12,254,762)	(255,531)
Proceeds from disposal of investment in equity instrument	9,429,450	38,340,000
Proceeds from disposal of equipment	164,767	179,439
Acquisition of right-of-use assets	(3,146,245)	-
Acquisition of intangible assets	-	-
<b>Net cash from (used in) investing activities</b>	<b>7,950,306</b>	<b>38,642,508</b>
<b>Cash flows from financing activities</b>		
Overdrafts and short-term borrowings from financial institutions increase (decrease)	-	(66,361,912)
Proceeds from short-term borrowings from related party	-	68,700,000
Repayment of short-term borrowings from related party	(21,000,000)	(81,200,000)
Repayment of lease liabilities	(5,651,348)	(11,927,999)
Interest paid	(750,931)	(2,591,676)
<b>Net cash from (used in) financing activities</b>	<b>(27,402,279)</b>	<b>(93,381,587)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,431,941</b>	<b>(16,630,777)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,377,459</b>	<b>23,008,236</b>
<b>Cash and cash equivalents at ending of period</b>	<b>15,809,400</b>	<b>6,377,459</b>

**Supplement disclosures of cash flow information :****Non-cash transactions****For the year 2023**

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

**For the year 2022**

- Right-of-use assets increased from lease liabilities of Baht 6.0 million.

- The Company transferred furniture and equipment under right-of-use assets to property, plant and equipment of Baht 1.5 million.

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

## **BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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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 56% shareholding.

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

#### **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.

Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the 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.

Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the 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 management of the Company believes that adoption of these amendments will not have any significant impact on the Company’s financial statements.

##### **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.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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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                                      | - In determining whether an arrangement contains a lease, the management considers whether the Group is reasonably certain to exercise extension options or exercise termination options |
|   | - Determining incremental rate to measure lease liabilities  |
| Investment in non-listed equity instruments | - Determining the fair value of financial instruments on the basis of significant unobservable inputs  |
| Trade receivables                           | - Determining expected credit losses of trade receivables  |
| Deferred tax assets                         | - Recognition of deferred tax asset; availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised                 |
| Employee benefit obligations                | - Measurement of defined benefit obligations: key actuarial assumptions  |

**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.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

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**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 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.

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.

**3.5 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.

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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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

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.

**3.6 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
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Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.



## **BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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#### **3.7 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.

##### 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.

#### **3.8 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.

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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.

**3.9 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.

**3.10 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.

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**3.11 Interest**

Interest income or expense is recognised using the effective interest method (“EIR”). 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.

**3.12 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

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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.

**3.13 Financial instruments**

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

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.

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**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.

**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.

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**3.14 Leases**

At inception of contact, 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 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

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

**3.15 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.

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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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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.
- 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.

#### **3.16 Earnings (loss) per share**

The Company presents basic earnings (loss) 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.

#### **3.17 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.



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**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	Major shareholder and director of related companies
Mr. Panitarn Pavarolavidya	Thai	Major shareholder and director
Mrs. Pravara Ekaraphanich	Thai	Major shareholder and director
Thanara Co., Ltd.	Thailand	Common shareholder and directors
Siratarn Co., Ltd.	Thailand	Common shareholder and directors
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

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Significant transactions for the years ended December 31, 2023 and 2022, with related parties were as follows:

	Unit : Thousand Baht	
	2023	2022
<b>Related parties</b>		
Revenue from sale of goods	19	183
Other income	563	654
Sale of investment (Note 10)	9,429	38,340
Purchase of goods	112,357	90,577
Purchase of commercial building (Note 12)	10,500	-
Distribution costs	2,013	3,728
Administrative expenses	5,776	4,606
Interest expense	371	1,065
<b>Key management</b>		
Key management compensation		
Short-term benefit	5,466	4,033
Post-employment benefit	112	80
Total key management compensation	<u>5,578</u>	<u>4,113</u>

Balances as at December 31, 2023 and 2022, with related parties were as follows:

	Unit : Thousand Baht	
	2023	2022
<b>Other current receivables</b>		
Related parties	<u>1,620</u>	<u>2,033</u>
<b>Trade accounts payable</b>		
Related parties	<u>2,221</u>	<u>5,019</u>
<b>Other current payables</b>		
Related parties	<u>974</u>	<u>1,378</u>

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	Interest rate (% per annum)		Unit : Thousand Baht	
	2023	2022	2023	2022
<b>Short-term loans from related party</b>				
Mrs. Sirina Pavarolavidya	2.40 - 4.80	2.40	7,000	28,000

Movements during the years ended December 31, 2023 and 2022 of short-term loans from related party were as follows:

	Unit : Thousand Baht	
	2023	2022
At January 1	28,000	40,500
Increase	-	68,700
Decrease	(21,000)	(81,200)
<b>At December 31</b>	<b>7,000</b>	<b>28,000</b>

**5. Cash and cash equivalents**

	Unit : Thousand Baht	
	2023	2022
Cash on hand	835	446
Cash at banks - current accounts	14,974	5,931
<b>Total</b>	<b>15,809</b>	<b>6,377</b>

**6. Trade accounts receivable**

	Unit : Thousand Baht	
	2023	2022
Other companies	19,244	17,826
Less allowance for expected credit loss	(455)	(455)
<b>Net</b>	<b>18,789</b>	<b>17,371</b>
Allowance for expected credit losses		
At January 1	455	7,461
Increase	-	455
Disposals	-	(7,461)
At December 31	455	455

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Aging analyses for trade accounts receivable were as follows:

	Unit : Thousand Baht	
	2023	2022
<b>Other parties</b>		
Within credit terms	18,590	16,188
Overdue:		
Less than 3 months	309	1,177
3-6 months	15	16
6-12 months	-	-
Over 12 months	330	445
	<u>19,244</u>	<u>17,826</u>
Less allowance for expected credit loss	(455)	(455)
Net	<u><u>18,789</u></u>	<u><u>17,371</u></u>

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

**7. Other current receivables**

	Note	Unit : Thousand Baht	
		2023	2022
<b>Related parties</b>			
Other receivables	4	1,620	2,033
<b>Other parties</b>			
Other receivables		2,501	2,609
Advance for purchase of goods		2,304	-
Accrued income		415	334
Others		703	351
		<u>5,923</u>	<u>3,294</u>
<b>Total other receivables</b>		<u><u>7,543</u></u>	<u><u>5,327</u></u>

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**8. Inventories**

	Unit : Thousand Baht	
	2023	2022
Finished goods	193,356	191,259
Others	689	644
Less allowance for decline in value of inventories	(14,661)	(3,948)
<b>Net</b>	<b>179,384</b>	<b>187,955</b>
Allowance for decline in value of inventories		
At January 1,	3,948	6,146
Increase (Decrease)	10,713	(2,198)
At December 31,	14,661	3,948

**9. Other current assets**

	Unit : Thousand Baht	
	2023	2022
Withholding tax	7,670	8,796
Undue output tax	3,348	3,127
Others	151	89
<b>Total</b>	<b>11,169</b>	<b>12,012</b>

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

	Unit : Thousand Baht	
	2023	2022
<b>Equity instruments designated at FVOCI</b>		
Investments in equity instruments of		
Listed company	1,118	1,346
Non - listed companies		
- Related parties	48,576	50,714
- Other parties	92,300	92,413
	140,876	143,127
<b>Total</b>	<b>141,994</b>	<b>144,473</b>

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Movements during the years ended December 31, 2023 and 2022, were as follows:

	Unit : Thousand Baht	
	2023	2022
At January 1	144,473	151,745
Disposals	(2,697)	(7,709)
Valuation adjustment	218	437
At December 31	141,994	144,473

During the year 2023 and 2022, the Company sold investment in equity instrument of a non - listed company (Panivara Co., Ltd.) to a related party (Siratarn Co., Ltd.) of 16,000 shares at the selling price of Baht 9.4 million and of 36,000 shares at the selling price of Baht 38.3 million, respectively, and recognised gain on sale of Baht 6.7 million and Baht 30.6 million in the statements of comprehensive income and revaluation reserve to retained earnings of Baht 10.7 million and Baht 21.2 million for the years 2023 and 2022, respectively.

Investment in equity instruments of non - listed companies as at December 31, 2023 and 2022, were as follows:

	Type of business	Ownership interest (%)		Paid-up capital		Carrying amount		Dividend income	
		2023	2022	2023	2022	2023	2022	2023	2022
		Unit : Thousand Baht							
<b>Related parties</b>									
Panivara Co., Ltd.	Hotel	-	5.98	-	284,000	-	2,697	-	-
Choksamakee Co., Ltd.	Property for rent	16.68	16.68	116,000	116,000	48,576	48,017	-	-
						48,576	50,714	-	-
<b>Other parties</b>									
Others						92,300	92,413	13,757	737
Total						140,876	143,127	13,757	737

**11. Investment properties**

Fair value of investment properties as at December 31, 2023 and 2022, is as follow:

	Unit : Thousand Baht			
	2023		2022	
	Cost	Fair value	Cost	Fair value
Land	72,577	318,190	72,654	318,190

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

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**12. Property, plant and equipment**

Cost	Unit : Thousand Baht					Total
	Land	Buildings and structures	Furniture, fixture and equipment	Vehicles	Assets under construction	
At January 1, 2022	7,480	46,965	112,038	7,188	-	173,671
Additions	-	-	256	-	-	256
Disposals	-	-	(24,608)	(641)	-	(25,249)
Transfer in (out)	-	-	1,525	-	-	1,525
<b>At December 31, 2022</b>	<b>7,480</b>	<b>46,965</b>	<b>89,211</b>	<b>6,547</b>	<b>-</b>	<b>150,203</b>
Additions	7,275	3,637	1,343	-	-	12,255
Disposals	-	-	(28,224)	-	-	(28,224)
Transfer in (out)	-	-	(257)	-	-	(257)
<b>At December 31, 2023</b>	<b>14,755</b>	<b>50,602</b>	<b>62,073</b>	<b>6,547</b>	<b>-</b>	<b>133,977</b>

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	Land	Buildings and structures	Furniture, fixture and equipment	Vehicles	Assets under construction	Total
Unit : Thousand Baht						
<b>Accumulated depreciation</b>						
At January 1, 2022	-	27,188	98,986	7,182	-	133,356
Depreciation charge for the year	-	1,114	5,740	2	-	6,856
Disposals	-	-	(22,568)	(641)	-	(23,209)
<b>At December 31, 2022</b>	-	28,302	82,158	6,543	-	117,003
Depreciation charge for the year	-	1,163	3,880	2	-	5,045
Disposals	-	-	(27,843)	-	-	(27,843)
Transfer in (out)	-	-	(208)	-	-	(208)
<b>At December 31, 2023</b>	-	29,465	57,987	6,545	-	93,997
<b>Net book value</b>						
At December 31, 2022	7,480	18,663	7,053	4	-	33,200
At December 31, 2023	14,755	21,137	4,086	2	-	39,980

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

The gross amount of the Company's fully depreciated fixed assets that was still in use as at December 31, 2023 amounted to Baht 77.6 million ( 2022: Baht 100.7 million ).



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****13. Leases**

Movements of the right-of-use assets during the years ended December 31, 2023 summarised below:

	Unit : Thousand Baht			
	Buildings	Furniture, fixture and equipment	Vehicles	Total
At January 1, 2023	8,650	1,544	1,021	11,215
Additions	7,071	2,866	-	9,937
Lease modification	3,742	-	-	3,742
Transfer out	-	49	-	49
Depreciation for the year	(5,381)	(979)	(557)	(6,917)
<b>At December 31, 2023</b>	<b>14,082</b>	<b>3,480</b>	<b>464</b>	<b>18,026</b>

Lease liabilities at December 31, 2023 and 2022, were as follows:

	Unit : Thousand Baht	
	2023	2022
Lease payments	15,869	10,739
Deferred interest expenses	(497)	(411)
Total	15,372	10,328
Less current portion	(7,388)	(4,957)
Lease liabilities, net of current portion	7,984	5,371

The following are the amounts recognised in profit or loss for the years ended December 31, 2023 and 2022 below:

	Unit : Thousand Baht	
	2023	2022
Depreciation of right-of-use assets	6,917	9,851
Interest expense on lease liabilities	530	800
Expense relating to short-term lease	3,437	5,449
Variable lease payments based on sales	9,028	7,741
Total	19,912	23,841

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**14. Deferred tax**

Deferred tax assets and liabilities as at December 31, 2023 and 2022, were as follows:

	Unit : Thousand Baht			
	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Total	37,363	(24,263)	37,531	(20,642)
Set off of tax	(24,263)	24,263	(20,642)	20,642
<b>Net deferred tax assets</b>	<b>13,100</b>	<b>-</b>	<b>16,889</b>	<b>-</b>

Movements in deferred tax assets and liabilities during the year 2023 were as follows:

	Unit : Thousand Baht			
	At January 1, 2023	(Charged) / Credited to:		At December 31, 2023
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets</b>				
Trade accounts receivable	91	-	-	91
Inventories	790	2,142	-	2,932
Intangible assets	2,447	112	-	2,559
Lease liabilities	2,066	1,009	-	3,075
Provision for employee benefit obligations	1,567	(38)	-	1,529
Difference from recognition of revenue and cost of sales	7,591	674	-	8,265
Loss carry forward	22,520	(4,124)	-	18,396
Others	459	57	-	516
<b>Total</b>	<b>37,531</b>	<b>(168)</b>	<b>-</b>	<b>37,363</b>
<b>Deferred tax liabilities</b>				
Other non-current financial assets	(18,383)	(2,685)	(44)	(21,112)
Right-of-use	(1,993)	(974)	-	(2,967)
Others	(266)	82	-	(184)
<b>Total</b>	<b>(20,642)</b>	<b>(3,577)</b>	<b>(44)</b>	<b>(24,263)</b>
<b>Net</b>	<b>16,889</b>	<b>(3,745)</b>	<b>(44)</b>	<b>13,100</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****15. Trade accounts payable**

		Unit : Thousand Baht	
	Note	2023	2022
Related parties	4	2,221	5,019
Other parties		710	1,191
<b>Total</b>		<b>2,931</b>	<b>6,210</b>

**16. Other current payables**

		Unit : Thousand Baht	
	Note	2023	2022
Other payables - Related parties	4	974	1,378
Accrued operating expenses		5,335	7,666
Others		682	658
<b>Total</b>		<b>6,991</b>	<b>9,702</b>

**17. Other current liabilities**

		Unit : Thousand Baht	
		2023	2022
Advance received from customers		7,107	1,247
Withholding tax payable		205	209
Others		1,896	1,572
<b>Total</b>		<b>9,208</b>	<b>3,028</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****18. Non-current provisions for employee benefits**

Movement in the present value of the defined benefit obligations:

	Unit : Thousand Baht	
	2023	2022
At January 1,	9,073	9,778
Recognised through profit or loss :		
Current service cost and interest on obligations	589	581
Recognised in other comprehensive income :		
Actuarial gain	-	(1,286)
Benefits paid	(779)	-
<b>At December 31,</b>	<b>8,883</b>	<b>9,073</b>

**Actuarial assumptions**

The following were the principal actuarial assumptions at December 31, 2023 and 2022 (expressed as weighted averages):

	Unit : %	
	2023	2022
Discount rate	2.49	2.49
Future salary growth	-	-

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

**Sensitivity analysis**

Reasonably possible changes at December 31, 2023 and 2022 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			
	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(263)	279	(280)	298
Future salary growth (1% movement)	663	-	614	-

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

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**19. 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.

**20. Reserves**

**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**

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

**21. 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 Corporate sales

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

The Company's operations mainly involve trading and servicing garments and others. Management considers that the financial information of the Company by business segments is as follows:

	Unit : Thousand Baht											
	Domestic retail		Online		Foreign retail		Corporate sales		Others		Total reportable segments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from sales and services	136,754	118,757	39,060	46,110	3,155	7,085	80,566	90,494	5,390	4,754	264,925	267,200
Cost of sales and services	44,735	40,399	14,732	19,379	2,145	4,881	62,609	65,216	4,598	4,056	128,819	133,931
Segment profit before income tax	92,019	78,358	24,328	26,731	1,010	2,204	17,957	25,278	792	698	136,106	133,269
Unallocated amounts of revenue and expenses:												
Gain on sale of investment											6,732	30,631
Other income											17,812	5,953
Distribution costs											(85,886)	(95,940)
Administrative expenses											(42,559)	(38,954)
Financial cost											(913)	(2,592)
Tax (expense) income											(3,745)	(11,413)
Profit (loss) for the year											27,547	20,954
Segment assets as at December 31,											542,324	530,272
Segment liabilities as at December 31,											52,965	68,635

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****Geographical segments**

The Company operate principally in Thailand.

**22. Other income**

		Unit : Thousand Baht	
	Note	2023	2022
Rental income		2,304	1,265
Dividend income	10	13,757	737
Gain on exchange rate		-	221
Others	4	1,751	3,730
<b>Total</b>		<b>17,812</b>	<b>5,953</b>

**23. Expenses by nature**

	Unit : Thousand Baht	
	2023	2022
Purchases of finished goods	118,106	133,931
Employee benefit expenses	51,482	50,166
Rental and service expenses	25,572	23,740
Sales supporting expenses	24,003	26,502
Depreciation and amortization	12,229	16,708
Allowance for declining value of inventories	10,713	-
Utility expenses	3,990	4,316
Supply expenses	2,554	3,228
Sales promotion expenses	2,037	1,747

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****24. Income tax expense (income)**

	Unit : Thousand Baht	
	2023	2022
<b>Income tax recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	-	-
<b>Deferred tax expense</b>		
Movements in temporary differences	(379)	6,901
Benefit of tax losses recognised	4,124	1,244
Reveasal of unrecognised tax losses	-	3,268
	<u>3,745</u>	<u>11,413</u>
<b>Total income tax expense (income)</b>	<b><u>3,745</u></b>	<b><u>11,413</u></b>
<b>Income tax recognised in other comprehensive income</b>		
Fair value changes in investments	44	87
Defined benefit plan actuarial gain	-	257
<b>Total</b>	<b><u>44</u></b>	<b><u>344</u></b>

**Reconciliation of effective tax rate**

	Unit : Thousand Baht			
	Rate (%)	2023	Rate (%)	2022
Profit (loss) before income tax expense		<u>31,291</u>		<u>32,367</u>
Income tax using the Thai corporation tax rate	20	6,258	20	6,473
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(2,432)		4,987
Additional expenses for tax purposes		(81)		(47)
<b>Total income tax expense (income)</b>	<u>11.97</u>	<u>3,745</u>	<u>35.26</u>	<u>11,413</u>

**25. Financial instruments****25.1 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.



**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED**

**NOTE TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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 December 31, 2023 and 2022. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Unit : Thousand Baht

	2023				
	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	
Trade and other current payables	9,922	9,922	-	-	9,922
Short - term loans	7,000	7,000	-	-	7,000
Lease liabilities	15,372	7,732	5,441	2,696	15,869
	<b>32,294</b>	<b>24,654</b>	<b>5,441</b>	<b>2,696</b>	<b>32,791</b>

Unit : Thousand Baht

	2022				
	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	
Trade and other current payables	15,912	15,912	-	-	15,912
Short - term loans	28,000	28,000	-	-	28,000
Lease liabilities	10,328	5,228	4,630	880	10,738
	<b>54,240</b>	<b>49,140</b>	<b>4,630</b>	<b>880</b>	<b>54,650</b>

**BOUTIQUE NEWCITY PUBLIC COMPANY LIMITED****NOTE TO FINANCIAL STATEMENTS****DECEMBER 31, 2023**

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## 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.

**25.2 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 at December 31, 2023 and 2022, as follows:

	Unit : Thousand Baht							
	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments in equity instruments of								
Listed company	1,118	-	-	1,118	1,346	-	-	1,346
Non - listed companies	-	-	140,876	140,876	-	-	143,127	143,127
	<u>1,118</u>	<u>-</u>	<u>140,876</u>	<u>141,994</u>	<u>1,346</u>	<u>-</u>	<u>143,127</u>	<u>144,473</u>

**26. 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**

**DECEMBER 31, 2023**

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**27. Commitment and contingent liabilities**

27.1 As at December 31, 2023, the Company has guarantee for credit lines to a financial institution for a related company amounting to Baht 7.0 million.

27.2 As at December 31, 2023, the Company has contingent liabilities for letters of guarantees with several financial institutions, guarantee for its performance with customers, lease agreements and utilities totaling Baht 8.1 million.

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

	Unit : Million Baht
Within one year	9.7
After one year but within five years	14.0
Total	<u>23.7</u>

27.4 On July 9, 2015, the Company has entered into the service agreement with a local company in order to get consulting services on implementation and integrating programs development, total fee of this agreement is Baht 13.1 million. Presently, the Company paid up fee and other service together of Baht 12.2 million. This amount was recorded under intangible assets.

On August 31, 2018, The Company as plaintiff sued a counterparty and another company as defendants, the allegation about service provider has breached of contract. The Company claimed to return paid up amount and recover damages totaling of Baht 35.2 million, plus interest 7.5% of Baht 33.1 million since prosecution date till the claim amount is fully paid.

On January 29, 2019, defendants entered a plea and counterclaimed the Company, the allegation about plaintiff intended to do infringement. Defendants requested plaintiff to withdraw the prosecution and claimed for Baht 48.7 million plus interest 7.5% of this amount since prosecution date till the claim amount is fully paid.

On April 2, 2019, the Company submitted the requisitions to the Civil Court to withdraw the counterclaim from defendants.

According to the mentioned lawsuit, the Company fully provided impairment on the computer software and recognized as expense of Baht 12.2 million in 2019.

At present, the case is in the Civil Court proceeding.

**28. Financial statements approval**

Board of Directors of the Company has approved these financial statements on February 26, 2024.