



BOUTIQUE NEWCITY
PUBLIC COMPANY LIMITED

Ref. No BTNC BM 2/2020

February 27, 2020

Subject: Management Discussion and Analysis for the annual period ended of year 2019

To: Director and Manager of the Stock Exchange of Thailand,

Reference: Financial Statements for annual period ended of year 2019 of Boutique Newcity Public Company Limited.

The Board of Directors of Boutique Newcity Public Company Limited has approved the Financial Statements for the annual period ended 31 December 2019 which was verified by certified public accountant. Referring to Financial Statements in which the equity method is applied, The Company has net profit for the period of 2.99 million baht, decreased by 8.01 million baht or decreased by 72.85 percentage compared to the same period of last year for the following reasons:

1. Total revenue of the company amounted to 765.09 million baht, decreased by 90.65 million baht or 10.59 percentages compared with total revenue of 2018. The company had revenue from sale of 600.83 million baht, decreased by 72.77 million baht or 10.80 percentage, revenue from sale of services of 129.06 million baht, decreased by 12.27 million baht or 8.64 percentage, due to the negative economic growth and continued decline in purchasing power of both domestic consumers and tourists, which have been continuously decreasing since the 3rd quarter, resulting the decreased in sales. The other revenue of 34.48 million baht, decreased by 5.61 million baht or 13.99 percentage due to the same period of the last year, the company were profits from sales of investment properties and investment in associated companies amounted 21.03 million baht, while in 2019 the company had profits from the sale of assets and investment in associated companies amounted of 14.23 million baht.
2. Gross profit for the period of the Company amounted to 329.10 million baht decreased from the same period of last year 6.25 million baht or 1.86%. Due to decreasing revenues of sales and services. However, the gross profit margin was 45.05%, an increase of 3.93% from the same period of last year due to the company found more sources of production resulting in lower product costs.
3. The Company reported Selling, Administrative and Other expenses of 360.75 million baht, decreased from the same period of last year by 1.77 million baht or 0.49 percentages. The decrease was due to the company has considered to close branches with losses and consolidate branches within the same shopping center, resulting in reduced venue costs and the company has set up allowance for impairment of computer software under installation that is unavailable to be used as intended for an amount of 12.20 million baht due to incomplete delivery of work from the contractor and the lawsuits of the cases are being considered by the court. Whiling the company has continuously adjusted the marketing budget for advertising toward increasing use of social media and revised the structure of sale persons has been improved in order to increase sales efficiency, resulting in increased personnel costs.

Thank you for your kind consideration and please disseminate this information to shareholders and investors accordingly.

Sincerely Yours,

(Mrs. Pravara Ekaraphanich)

Managing Director

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