

**Big Camera Corporation Public Company Limited and its subsidiaries**

**Notes to interim consolidated financial statements**

**For the three-month period ended 31 March 2022**

**1. General information**

**1.1 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic significantly affects the Group's business activities in terms of goods distribution including with the slowdown of customers' purchasing demand, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets and has used estimates and judgement in respect of various issues as the situation has evolved.

**1.2 Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.3 Basis of consolidation**

The interim consolidated financial statements included the financial statements of Big Camera Corporation Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no change in the composition of the Group during the current period.

## 1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

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

## 2. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon among the Group and those related parties.

(Unit: Thousand Baht)					
	For the three-month periods ended 31 March				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<b><u>Transactions with subsidiaries</u></b>					
Hire of work	-	-	1,370	1,015	Contract prices
Purchases of goods	-	-	50,669	668	Mutual agree prices
Sales of goods	-	-	150	110	Mutual agree prices
Repair fee paid	-	-	529	183	Mutual agree prices
Rental income	-	-	140	140	Contract prices
Management income	-	-	643	344	Contract prices
Promotional supporting income	-	-	798	-	Contract prices
Interest income	-	-	104	-	1.21% per annum
Other expenses	-	-	31	42	Contract prices
<b><u>Transactions with related party</u></b>					
Rental fee paid	1,013	1,020	1,013	1,020	Contract prices
<b><u>Transactions with shareholders and directors</u></b>					
Rental fee paid	831	827	831	827	Contract prices

(Unaudited but reviewed)

The balances of the accounts between the Group and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021 (Audited)	31 March 2022	31 December 2021 (Audited)
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 3)</b>				
Trade receivables - subsidiary	-	-	62	79
Other receivables - subsidiaries	-	-	558	560
Accrued revenue - subsidiary	-	-	568	557
Accrued interest - subsidiary	-	-	189	84
Total	-	-	1,377	1,280

**Deposits paid to related parties**

Related party (related by common shareholders)	921	921	921	921
Shareholders and director	685	685	685	685
Total	1,606	1,606	1,606	1,606

**Trade and other payable - related parties (Note 9)**

Trade payables - subsidiaries	-	-	15,841	15,398
Total	-	-	15,841	15,398

**Directors and management's benefits**

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	Consolidated financial statements/ Separate financial statements	
	2022	2021
Short-term employee benefits	9,067	7,599
Post-employment benefits	549	494
Total	9,616	8,093

**3. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables - related parties (Note 2)	-	-	62	79
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	8,274	11,603	6,894	9,338
Past due				
Up to 3 months	1,615	5,140	1,356	4,907
3 - 6 months	133	102	133	102
6 - 12 months	251	-	251	-
Total trade receivables	10,273	16,845	8,696	14,426
<u>Other receivables</u>				
Other receivables - related party (Note 2)	-	-	558	560
Other receivables - unrelated parties	890	569	890	569
Prepaid expenses	6,552	2,820	6,148	2,357
Accrued revenue from sales supporting promotion	40,080	44,359	39,027	43,896
Accrued revenue - related party (Note 2)	-	-	568	557
Interest receivables	249	16	245	16
Interest receivables - related party (Note 2)	-	-	189	84
Advance payments for inventory	9,011	7,483	258	380
Others	2,626	2,056	2,447	1,814
Total other receivables	59,408	57,303	50,330	50,233
Less: Allowance for expected credit loss	(14,157)	(12,478)	(14,157)	(12,478)
Total other receivables, net	45,251	44,825	36,173	37,755
Total trade and other receivables, net	55,524	61,670	44,869	52,181

(Unaudited but reviewed)

**4. Reduction of cost to net realisable value of inventories**

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
<b>Balance as at 1 January 2022</b>	248,172
Less: Reversal of reduction cost to net realisable value of inventories during the period	(7,278)
<b>Balance as at 31 March 2022</b>	240,894

**5. Other current financial assets**

The balances represent fixed deposit receipt (FDR) which carries interest rate between 1.05 and 1.35 percent per annum.

**6. Building and equipment**

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2022</b>	105,868	97,749
Acquisitions during the period, at cost	2,988	2,365
Disposal during the period, net book value at disposal date	(1,404)	(1,404)
Written-off during the period, net book value at written-off date	(758)	(758)
Depreciation for the period	(11,700)	(10,781)
<b>Net book value as at 31 March 2022</b>	94,994	87,171

**7. Right-of-use assets**

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
<b>Balance as at 1 January 2022</b>	793,524
Add: New lease contracts during the period	3,721
Change in lease fee estimation	58,818
Less: Depreciation for the period	(62,928)
Contracts termination due to branch closures during the period	(8,193)
Change in provision for decommissioning costs	(193)
<b>Balance as at 31 March 2022</b>	784,749

(Unaudited but reviewed)

## 8. Other non-current assets

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Audited)		(Audited)
Deposit for lease and others	119,090	121,126	119,090	121,126
Others	598	616	598	616
Total	119,688	121,742	119,688	121,742

## 9. Trade and other payables

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	-	-	15,841	15,398
Trade payables - unrelated parties	223,101	223,123	222,956	222,486
Other payables - unrelated parties	55,821	53,890	54,948	52,217
Accrued expenses	18,964	20,623	17,442	18,488
Others	3,068	2,635	2,642	2,313
Total	300,954	300,271	313,829	310,902

## 10. Lease liabilities

Lease liabilities as at 31 March 2022 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements/	
	Separate	
	financial statements	
Lease payments	748,051	
Less: Deferred interest expenses	(21,041)	
Total	727,010	
Less: Portion due within one year	(231,020)	
Lease liabilities - net of current portion	495,990	

(Unaudited but reviewed)

Movements in lease liabilities during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2022	734,393
Add: New lease contracts during the period	3,721
Change in lease fee estimations	58,818
Accretion of interest during the period	2,533
Less: Payments during the period	(53,890)
Contracts termination due to branch closures during the period	(8,306)
Reduction in lease payments by lessors	(10,259)
Balance as at 31 March 2022	727,010

## 11. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Tax income (expenses) for the three-month period ended 31 March 2022 and 2021 are made up as follows:

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Current income tax:</b>				
Current income tax charge	1,151	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	1,731	(3,289)	1,731	(3,289)
<b>Tax income (expenses) reported in the statement of comprehensive income</b>	<u>2,882</u>	<u>(3,289)</u>	<u>1,731</u>	<u>(3,289)</u>

## 12. Segment information

The three principal operating segments of the Group are the distribution of cameras and photography-related products segment, the distribution of mobile phones segment and the photographic lab service segment. However, the distribution of mobile phones segment and the photographic lab services segment are not material. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

### **13. Commitments and contingent liabilities**

#### **13.1 Capital commitments**

As at 31 March 2022, the Group had capital commitments of approximately Baht 5 million (Separate financial statements: Baht 4 million), relating to the purchase of equipment and installation of computer software.

#### **13.2 Guarantees**

As at 31 March 2022, the Company had outstanding bank guarantees of approximately Baht 62 million issued by banks on behalf of the Company as required in the normal course of business.

#### **13.3 Litigation**

During November 2019, the Company received a subpoena because it was named as a guarantor under the overdraft agreement of a former subsidiary of the business that the Company had acquired under a reverse acquisition in 2014, which had defaulted on payment of its debt to the bank. The Company was sued by the bank for settlement of principal and interest totaling Baht 9.7 million, as guarantor. However, the legal advisor and management of the Company believe that the Company will not incur any losses, and therefore, no provision has been recorded in its accounts. After consideration, they believe that the obligation arising from this guarantee was included in the rehabilitation process of that business, and the creditor under the dispute opted to receive payment of this debt from the subsidiary. Subsequently, the subsidiary completed the business rehabilitation plan and the Central Bankruptcy Court ordered the cancellation of the business rehabilitation plan as requested, before the Company proceeded with the business combination under a reverse acquisition. Furthermore, on 25 December 2020, the Court of First Instance considered the case and dismissed the case. On 23 November 2021, the Appeal upheld the judgment of the Court of First Instance but did not preclude the right to file a suit with the Central Bankruptcy Court. For this reason, the management believe that the Company has no obligations in respect of the guarantee. However, the plaintiff submitted an application to extend the appeal period for the case.

### **14. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2022.