

Big Camera Corporation Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2021

1. General information

1.1 General information of the Company

Big Camera Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution of cameras, mobile phones, and photography and mobile phone related products, together with the related services such as the provision of photographic processing and photographic equipment repair services, etc. The registered office of the Company is at 115, 115/1 Sawatdikarn 1 Road, Nongkheam Subdistrict, Nongkheam District, Bangkok 10160. The Company has more than 150 branches countrywide.

1.2 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.

1.3 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.

1.4 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 2020, with no change in the composition of the Group during the current period.

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Group’s financial statements.

Furthermore, the Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Group applies the practical expedient to all rent concessions that meet the above conditions and the effects of the application of this expedient, due to resulting changes in payments under leases are recognised in profit or loss for the three-month period and six-month period ended 30 June 2021, amounting to Baht 16.9 million and Baht 38.0 million (the Company only: Baht 16.9 million and Baht 38.0 million), respectively. There was no impact on the opening balance of retained earnings.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2. 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 2020.

3. 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 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
Hire of work	-	-	1,091	679	Contract prices
Purchases of goods	-	-	25,778	-	Contract prices
Sales of goods	-	-	23	-	Contract prices
Repair fee paid	-	-	452	-	Contract prices
Rental income	-	-	139	122	Contract prices
Management income	-	-	550	22	Contract prices
Revenue from sales supporting promotion	-	-	685	-	Contract prices
Interest income	-	-	7	-	1.21 % per annum
Other income	-	-	10	-	Contract prices
<u>Transactions with related parties</u>					
Rental fee paid	1,015	1,148	1,015	1,148	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	802	929	802	929	Contract prices

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
Hire of work	-	-	2,148	2,854	Contract prices
Purchases of goods	-	-	26,446	-	Contract prices
Sales of goods	-	-	133	-	Contract prices
Repair fee paid	-	-	635	-	Contract prices
Rental income	-	-	279	244	Contract prices
Management income	-	-	894	78	Contract prices
Revenue from sales supporting promotion	-	-	685	-	Contract prices
Interest income	-	-	7	-	1.21 % per annum
Other income	-	-	10	-	Contract prices
<u>Transactions with related parties</u>					
Rental fee paid	2,035	2,296	2,035	2,296	Contract prices
<u>Transactions with shareholders and director</u>					
Rental fee paid	1,629	1,858	1,629	1,858	Contract prices

The balances of the accounts as at 30 June 2021 and 31 December 2020 between the Company and those related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 4)</u>				
Trade receivables - subsidiary	-	-	25	-
Other receivables - subsidiaries	-	-	1,197	63
Accrued revenue - subsidiary	-	-	266	-
Total	<u>-</u>	<u>-</u>	<u>1,488</u>	<u>63</u>
<u>Deposits paid to related parties</u>				
Related party (related by common shareholders)	921	921	921	921
Shareholders and director	<u>685</u>	<u>685</u>	<u>685</u>	<u>685</u>
Total	<u>1,606</u>	<u>1,606</u>	<u>1,606</u>	<u>1,606</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade and other payable - related parties (Note 12)</u>				
Trade payables - subsidiaries	-	-	430	1,001
Other payables - related party (related by common shareholders)	21	339	21	339
Other payables - shareholders and director	-	10	-	10
Total	21	349	451	1,350

The balances of loans between the Company and the related party as at 30 June 2021 and 31 December 2020, and the movements are as follows:

Short-term loans to related party

(Unit: Thousand Baht)

Company's name	Balance as at 31 December 2020	During the period		Balance as at 30 June 2021
		Additional granting	Receiving	
Piccasus Co., Ltd.	-	6,000	(6,000)	-
Total short-term loans to related party	-	6,000	(6,000)	-

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2021	2020	2021	2020
Short-term employee benefits	9,066	9,173	16,665	18,236
Post-employment benefits	495	433	989	867
Total	9,561	9,606	17,654	19,103

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	(Audited)		(Audited)	
<u>Trade receivables</u>				
Trade receivables - related party (Note 3)	-	-	25	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	18,274	7,617	15,209	7,573
Past due				
Up to 3 months	952	5,878	347	5,878
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	54	54	54	54
Total	19,280	13,549	15,610	13,505
Less: Allowance for expected credit losses	(66)	(54)	(66)	(54)
Total trade receivables - unrelated parties, net	19,214	13,495	15,544	13,451
Total trade receivables, net	19,214	13,495	15,569	13,451
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	-	-	1,197	63
Other receivables - unrelated parties	629	773	629	773
Prepaid expenses - unrelated parties	5,514	2,942	5,294	2,530
Accrued revenue from sales supporting promotion	36,497	63,739	36,343	63,739
Accrued revenue - related parties (Note 3)	-	-	266	-
Interest receivables	450	48	450	48
Others	6,561	1,128	3,338	1,101
Total other receivables	49,651	68,630	47,517	68,254
Less: Allowance for expected credit losses	(12,619)	(12,024)	(12,619)	(12,024)
Total other receivables, net	37,032	56,606	34,898	56,230
Total trade and other receivables, net	56,246	70,101	50,467	69,681

5. Reduction of cost to net realisable value of inventories

Movements of the reduction cost to net realisable value of inventory account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements/Separate financial statements
Balance as at 1 January 2021	216,734
Add: Reduction cost to net realisable value of inventories during the period	9,834
Balance as at 30 June 2021	<u>226,568</u>

6. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

7. Investments in subsidiaries

Detail of investments in subsidiaries as presented in separate financial statement are as follow:

Company's name	Shareholding percentage		(Unit: Thousand Baht) Cost	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	(Percent)	(Percent)		(Audited)
Image Solution Plus Co., Ltd.	100	100	25,000	25,000
Piccasus Co., Ltd.	100	100	20,000	20,000
Total			<u>45,000</u>	<u>45,000</u>

No dividend was received from the above subsidiaries during the three-month and six-month periods ended 30 June 2021 and 2020.

8. Building and equipment

Movements of the building and equipment account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	141,715	135,763
Acquisitions during the period, at cost	11,738	11,214
Disposal during the period, net book value at disposal date	(15)	(15)
Written-off during the period, net book value at written-off date	(1,419)	(1,419)
Depreciation for the period	(30,608)	(28,795)
Transfer in from right-of-use assets (Note 9)	310	310
Net book value as at 30 June 2021	<u>121,721</u>	<u>117,058</u>

9. Right-of-use assets

Movements of the right-of-use assets account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2021	822,663
Add: New lease contracts during the period	194,677
Change in lease fee estimation	23,760
Less: Depreciation for the period	(137,124)
Contracts termination due to branch closures during the period	(119,683)
Transfer out to equipment (Note 8)	(310)
Decrease in deferred rental expenses	(5,546)
Balance as at 30 June 2021	<u>778,437</u>

10. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	36,080	35,139
Acquisitions during period	18	18
Amortisation for the period	(2,981)	(2,981)
Balance as at 30 June 2021	33,117	32,176

11. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Audited)		(Audited)
Deposit for lease and others	124,125	125,996	124,125	125,996
Others	4,268	4,252	3,137	3,355
Total	128,393	130,248	127,262	129,351

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	-	-	430	1,001
Trade payables - unrelated parties	143,337	316,051	143,125	315,872
Other payables - related parties (Note 3)	21	349	21	349
Other payables - unrelated parties	37,790	32,378	37,479	32,375
Accrued expenses	22,791	20,637	20,850	17,519
Others	3,522	1,248	1,832	1,248
Total	207,461	370,663	203,737	368,364

13. Lease liabilities

Lease liabilities as at 30 June 2021 are presented below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Lease payments	733,687
Less: Deferred interest expenses	(19,446)
Total	714,241
Less: Portion due within one year	(238,999)
Lease liabilities - net of current portion	475,242

Movements in lease liabilities during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2021	752,125
Add: New lease contracts during the period	193,015
Change in lease fee estimations	23,764
Accretion of interest during the period	5,764
Less: Payments during the period	(103,243)
Contracts termination due to branch closures during the period	(119,159)
Reduction in lease payments by lessors	(38,025)
Balance as at 30 June 2021	714,241

14. Provision for long-term employee benefits

Movements of provision for long-term employee benefits account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2021	39,676	39,230
Add: Recognition during the period	2,882	2,818
Balance as at 30 June 2021	<u>42,558</u>	<u>42,048</u>

15. Other income

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from sales supporting promotion	4,790	6,304	4,912	6,304
Others	1,967	3,504	2,012	2,864
Total	<u>6,757</u>	<u>9,808</u>	<u>6,924</u>	<u>9,168</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from sales supporting promotion	16,688	36,277	16,810	36,277
Others	2,537	7,968	3,060	7,498
Total	<u>19,225</u>	<u>44,245</u>	<u>19,870</u>	<u>43,775</u>

16. Income tax

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

Income tax income (expense) for the three-month and six-month periods ended 30 June 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,483	(1,544)	(1,806)	(6,119)
Income tax (income) expenses reported in the statement of comprehensive income	<u>1,483</u>	<u>(1,544)</u>	<u>(1,806)</u>	<u>(6,119)</u>

(Unit: Thousand Baht)				
Separate financial statements				
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	-	(498)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,483	474	(1,806)	(4,599)
Income tax (income) expenses reported in the statement of comprehensive income	<u>1,483</u>	<u>(24)</u>	<u>(1,806)</u>	<u>(4,599)</u>

17. Earnings per share

Basic loss per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

18. 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 (losses) and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

19. Dividends

Dividends declared during the six-month period ended 30 June 2020 consisted of the follows:

Dividends	Approved by	Total dividends	Dividends per share
		(Thousand Baht)	(Baht)
Interim dividends for 2019	Board of Directors' meeting on 16 April 2020	105,866	0.03

20. Commitments and contingent liabilities**20.1 Capital commitments**

As at 30 June 2021, the Group had capital commitments of approximately Baht 4 million (31 December 2020: Baht 4 million) ((Separate financial statements: Baht 4 million) (31 December 2020: Baht 3 million)), relating to the purchase of equipment and installation of computer software.

20.2 Guarantees

As at 30 June 2021, the Company had outstanding bank guarantees of approximately Baht 117 million (31 December 2020: Baht 117 million) issued by banks on behalf of the Company as required in the normal course of business.

20.3 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 reorganisation 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. For this reason, the legal advisor and management believe that the Company has no obligations in respect of the guarantee. However, the plaintiff has appealed against the judgement of the Court of First Instance and the case is being considered by the Appeal Court.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2021.